

NHS Shetland

Meeting:	Shetland NHS Board
Meeting date:	25 August 2026
Agenda Reference:	Board Paper 2026/27/18
Title:	Annual Report on activities of the Remuneration Committee 2025/26
Responsible Executive/Non-Executive:	Lorraine Hall, Director of Human Resources and Support Services
Report Author:	Lorraine Hall, Director of Human Resources and Support Services

1. Purpose

This is presented to the Board/Committee for:

- Approval

This report relates to:

- Government policy/directive
- Legal requirement

This aligns to the following NHSScotland quality ambition(s):

- Safe
- Effective
- Person-centred

2. Report summary

2.1. Situation

This report provides an insight of the work discharged by the Remuneration Committee over the course of the year, 01 April 2025-31 March 2026.

2.2. Background

The Remuneration Committee comprises four Members as defined by the Board's Standing Orders (approved by the Board following discussion on the Staff Governance Standard 4th Edition) as follows:

Board Chair;
Board Vice-Chair;
Chair of the Audit Committee and
Employee Director

The Chair of the Committee is the Board Vice-Chair.

The Director of Human Resources and Support Services acts as the Executive Advisor to the Remuneration Committee and the Chief Executive is in attendance (except for items where an interest is disclosed). Other members of the Executive Management team are invited to the meeting to present papers as necessary.

The Terms of Reference for the Remuneration Committee were reviewed at the meeting on 22 January 2026.

2.3. Assessment

Meeting Dates

During the year the Remuneration Committee met on three occasions: 12 June 2025, 18 November 2025 and 22 January 2026 which is in line with the timetable set for Remuneration Committees by the National Performance Monitoring Committee

Member Attendance

	Meeting dates		
Member	12 June 2025	18 November 2025	22 January 2026
Natasha Cornick	[✓]	[✓]	[✓]
Gary Robinson	[✓]	[✓]	[✓]
Bruce McCulloch	[✓]	[✓]	[✓]
Gaynor Jones	X	X	X

Summary of activities during the year

- Controls and Assurance Framework
- Terms of Reference- Annual Review
- Annual Report on the work of the Remuneration Committee 2024/25
- Annual Report on Executive/Senior Manager Vacancies, Acting Up and Interim Arrangements 2024/25
- Annual Report of Severance Payments 2024/25
- Review of Performance 2024/25- Chief Executive
- Review of Performance 2024/25- Executive Directors
- Draft objectives for all Executive Directors
- Draft objectives for Chief Executive
- Discretionary Points 2024 Round (01 April 2023-31 March 2024)
- Remuneration Committee Business Cycle 2026/27
- Remuneration Committee- Annual Report 2025/26 for Audit Committee
- Certificate of Assurance 2025/26
- Chief Executive- Mid Year Performance Review 2025/26
- Executive Management Team- Mid Year Review 2025/26
- Discretionary Points 2025 Round (01 April 2024-31 March 2025)

The Committee also discussed items related to specific employees which are not detailed on the list above. These conversations are fully minuted and available where required by Scottish Ministers and the Governance process pertaining to Board's Remuneration Committees.

Remuneration Committee noted the following circulars and other correspondence:

Letter- Additional Guidance on the use of Settlement Agreements
NHS Shetland- NPMC Board Assurance Letter 2023/24
Letter to Boards- ESM Process 2024/25
PCS (ESM) 2025/2 Additional Responsibility Allowance for Executive Nurse Directors
PCS (MD) 2025/01 Pay and Conditions 2025/26: Health Board Medical Directors/Former Medical Directors on Protection
PCS (DD) 2025/02 PAY AND CONDITIONS OF SERVICE 2025-26 Policy for the Career Progression/Regrading of Specialty Doctor/Dentist to Specialist Grade
PCS (ESM) 2025-3 ESM Pay Settlement 2025-26 and 2026-27

Compliance

The National Performance Monitoring Committee reviewed the Performance Review Outcomes for all those within the Executive Cohort 2024/25 and deemed these to be robust. The Letter of Assurance was received on 17 February 2026.

The Remuneration Committee complied with all the CELs /PCSs as laid down and it met all the timescales required for the necessary returns to Government Departments.

2.3.1. Quality / patient care

Ensuring that Directors of the organisation have appropriate objectives that link to the strategic delivery agenda supports quality and patient/staff care.

2.3.2. Workforce

Each Director has an objective aligned to demonstrating contribution to valuing and leading people.

2.3.3. Financial

This forms part of the annual performance cycle which along with other information aids members in fulfilling their corporate responsibilities.

2.3.4. Risk assessment/management

The Risk Assurance Framework is a standing agenda item on the committee and manages and mitigates risk as appropriate.

2.3.5. Equality and Diversity, including health inequalities

As this is an annual report, no impact assessment is required.

2.3.6. Other impacts

Not applicable.

2.3.7. Communication, involvement, engagement and consultation

This report is considered by Remuneration Committee before being presented to the NHS Shetland Board meeting.

2.3.8. Route to the meeting

Remuneration Committee, 16 June 2026.

3. List of appendices

Not applicable.