**NHS Education for Scotland**

**Remuneration Committee**

**Terms of Reference**

1. **Constitution/context**
   1. The NHS Education for Scotland (NES) Board has established a Committee to be known as the RemunerationCommittee;hereafter referred to as the Committee, which will operate within the terms of the Board’s Standing Orders; Standing Financial Instructions and the Board Code of Conduct.
   2. The Committee will fulfil its duties in line with relevant statutory and regulatory requirements.

1.3 The Committee will be a Sub-Committee of the Staff Governance Committee.

1. **Role**
   1. To provide assurance to the Board, through the Staff Governance Committee, that appropriate arrangements are in place to ensure that the Board meets the statutory requirements laid out in the Staff Governance Standard in respect of the remuneration of individual Executive Directors and Directors (and any other staff employed under Executive Managers’ or Consultants’ pay arrangements).
   2. The Committee will also review submissions from the Chief Executive for any settlement agreements.
2. **Membership**
   1. Membership of the Remuneration Committee will include, as a minimum, three non-executive Directors of the NHS Board, one of whom should, in normal circumstances, be the Employee Director.
   2. Membership will include:

The Non-Executive Chair will in normal circumstances be the Board Vice Chair.

1. Non-Executive Board Vice-Chair (and Chair of Education and Quality Committee)
2. Non-Executive Chair of the Staff Governance Committee
3. Non-Executive Board Chair (and Chair of Digital and Information Committee)
4. Non-Executive Chair of the Audit and Risk Committee
5. Non-Executive Employee Director
6. **Quorum**

4.1 – 4.7 [**Quorum** (generic ToRs)](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)

1. **Attendees**
   1. – 5.2 **[Attendees](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)** [(generic ToRs)](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)
   2. The Chief Executive and Director of Workforce will be in attendance throughout to provide advice and support (apart from during their review). A senior member of the Workforce Directorate will deputise for the Director of Workforce in their absence, as appropriate, to ensure specialist HR advice is always available to the Remuneration Committee.
   3. The Chief Executive and Director of Workforce will leave the meeting when their own remuneration and terms and conditions are to be discussed, and at other times, at the discretion of the Chair.
2. **Private Member Meetings**

6.1 [Private Member Meetings (generic ToRs)](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)

1. **Frequency of Meetings**
   1. The Committee will be scheduled to meet three times per annum, and with the Chair’s discretion, conduct business by correspondence on occasion where this provides a more timely or effective mechanism.
   2. Remuneration issues may arise between meetings and will be brought to the attention of the Remuneration Committee Chair by the Chief Executive or the Director of Workforce. The Chair may call a special meeting of the Remuneration Committee to address the issue.
2. **Authority**
   1. [Authority (generic ToRs)](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)
   2. No director or senior manager shall be involved in any decisions as to their own remuneration outcome.
3. **Responsibilities and Duties**
   1. In relation to Executive Directors and Directors, to:

9.1.1 review and approve all Terms and Conditions of Employment, including job descriptions, terms and conditions of employment, basic pay, performance pay (if applicable), and all benefits associated with each post.

9.1.2 seek assurance that remuneration, benefits and employment related terms and conditions are in line with and fair, (whether on an individual or collective basis), in relation to the national system and the arrangements for determining those matters and to seek redress if this is determined to not be the case.

9.1.3 confirm that individual annual SMART performance objectives are in place aligned to the organisations corporate vision, goals, purpose and values.

9.1.4 review and approve individual annual SMART performance objectives, including overseeing the review of performance against these objectives at the mid-year point and agreeing any revisions to the objectives during the course of the year.

9.1.5 consider and approve proposals on the assessment of performance at the year-end (taking into account any factors which the Committee consider to be relevant and which may not have been known by the relevant parties at the time when objectives, including their weighting were agreed or at the mid-year point) and any changes to the remuneration or the Terms and Conditions of Employment arising from this assessment of performance during the review period. The Remuneration Committee will sign off the final versions, following discussion, which will then be sent to the National Performance Management Committee (NPMC). Following the initial assessment by the NPMC, the Remuneration Committee will sign off any documents which have been returned for amendment.

9.1.6 delegate responsibility to a sub-group of the Committee to act as a final appeals body for the Chief Executive and Executive Directors who have raised a grievance regarding their remuneration, benefits, performance grading or terms and conditions of employment.

9.1.7 seek assurance on application of the performance review and development process.

* 1. In relation to any other staff employed under Executive Managers’ or Consultants’ pay arrangements to: maintain an overview of remuneration arrangements for staff falling within these categories.
  2. Comply with any Scottish Government Health Directorates directions and take into consideration any relevant guidance on remuneration, benefits or terms and conditions of employment, including the guidance contained in the [Remuneration Committee Self-Assessment Pack](https://www.sehd.scot.nhs.uk/publications/DC20021212remun.pdf) published by the Scottish Government and Audit Scotland in 2007.
  3. Review NES policy as appropriate regarding the remuneration, benefits, terms and conditions in the light of any guidance issued by Scottish Government or NHS Scotland.
  4. Provide assurance to the Board, through the Staff Governance Committee, that systems and procedures are in place to manage the issues set out in Scottish Government guidance so that overarching staff governance responsibilities can be discharged. The Staff Governance Committee will not be given the detail of confidential employment issues that are considered by the Remuneration Committee.
  5. Review submissions from the Chief Executive for the terms of any Settlement Agreement. Such agreements may also require the approval of the Scottish Government, in accordance with procedures applicable across the public sector.
  6. All proposals for redundancy leading to contractual entitlement for a payment in excess of £95,000 must have been approved by the accountable officer before being submitted to the Remuneration Committee for review and approval.
  7. Receive for noting an anonymised annual report on voluntary severance agreements and any other voluntary resignations with a financial consideration that have been approved through the extant Scottish Government business case process and authorised by the NES CEO as Accountable Officer. The Committee shall receive this report in advance of the inclusion of the associated data in the Annual Accounts.
  8. Subject to the limits laid down in the Scheme of Delegation, all early retirals, that meet the requirement for a two-year maximum payback period and result in additional costs being borne by the employer will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board. Whilst ill health retirements are approved by SPPA and are usually out with the remit of the Remuneration Committee, in any rare and exceptional case where additional costs may be borne by NES, this will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board.
  9. The Remuneration Committee will act in accordance with the applicable pension scheme rules and regulations, and NHSS pay policy applicable to NES employees.

1. **Reporting arrangements**

10.1 - 10.5 [Reporting Arrangements (generic ToRs)](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)

1. **Review**

11.1 [Review (generic ToRs)](https://www.nes.scot.nhs.uk/media/raqjpvdm/approved-by-nov-2020-board-generic-committee-tors.docx)

11.2 The Committee will undertake an annual assessment of their performance, highlighting any steps for further improvement to the way they conduct business.

1. **Conduct of Business**

12.1[As per the](https://www.nes.scot.nhs.uk/media/eahhvzhx/standing-orders-approved-10-02-22.docx) **[Board Standing Orders](https://www.nes.scot.nhs.uk/media/eahhvzhx/standing-orders-approved-10-02-22.docx)**

12.2 All business of the Committee will be conducted in strict confidence.

Della Thomas, Board Secretary

NES

January 2024