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Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

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REMUNERATION COMMITTEE

Terms of Reference & Operating Arrangements
(Schedule 3.5 of the Standing Orders)

Date approved by Health Board: 29 May 2025

Betsi Cadwaladr University Health Board

Advisory Groups

Healthcare Professionals Forum (HPF)

Local Partnership Forum (LPF)

Stakeholder Reference Group (SRG)

Audit
Committee
(AC)

Charitable
Funds
Committee
(CFC)

Mental Health
Legislation
Committee
(MHLC)

People and
Culture
Committee
(P&C)

Performance
Finance and
Information
Governance
Committee
(PFIG)

Planning
Population
Health and
Partnerships
Committee
(PPHP)

Quality Safety
and
Experience
Committee
(QSE)

Remuneration
Committee
(RemCom)

Version Control

Version	Issued to	Date	Comments
V0.01 Draft	Audit Committee	16/11/23	Developed as a first draft for review by Audit Committee on 16/11/23
V0.02 Draft	TOR meeting with Committee Chair & Executive Lead	19/12/23	Developed as a draft for review with Committee Chair and Executive Lead. The ToR were also reviewed at the Remuneration Committee held on 23/01/24
V0.03 Draft	Health Board	18/01/24	Final Draft for consideration by the Health Board to be held on 25/01/24
V1.00 Approved		25/01/24	Approved by the Health Board
V1.01 Draft	Remuneration Committee	11/06/24	<ul style="list-style-type: none"> To transfer UPSW and Performers List Regulatory Cases directly to the Board To transfer 3.5 <i>'The Committee must monitor compliance with issues of professional registration, including the revalidation process for medical and dental staff and registered nurses, midwives and health visitors and all other registered professionals'</i> to the People and Culture Committee
V1.02 Draft	Remuneration Committee	11.06.2024	To remove section 7 <i>'In Committee - 7.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/or confidential information.'</i> as the Committee will routinely be held in closed session.
V2.01	Remuneration Committee	10.12.2024	<ul style="list-style-type: none"> Template updated to reflect the Model Standing Orders 2 – strengthened the purpose section Included additional detail regarding Welsh Government approval 5,6 and 7 amalgamated into one section Meeting section has been streamlined Included section on urgent action as this is the standard wording from the Model Terms of Reference.
V3.01	Remuneration Committee	08.04.25	Approved for onward submission to the Board
V3.0	Health Board	29.05.25	

1 INTRODUCTION

- 1.1 The Betsi Cadwaladr University Health Board (BCUHB) Standing Orders provide that “The Board may and, where directed by the Welsh Government must, appoint Committees of the Board either to undertake specific functions on the Board’s behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board’s commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees
- 1.2 In accordance with Standing Orders (and the BCUHB Scheme of Delegation), the Board shall nominate annually a committee to be known as the Remuneration Committee (RC). The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out in this document.
- 1.3 Due to the nature of the business being considered at the Remuneration Committee these meetings will be held in private and papers / minutes will not be made publicly available. A summary highlight report will be received at the Public Board meeting that follows.

2 PURPOSE

- 2.1 The purpose of the Committee is to act on behalf of the Board to:
 - 2.1.1 **Approve**, on behalf of the Board the remuneration and terms of service for the Chief Executive, Executive Directors and other senior staff within the framework set by the Welsh Assembly Government.
 - 2.1.2 **Provide Assurance** to the Board in relation to the Health Board’s arrangements for the remuneration and terms of service, including contractual arrangements, for all staff, in accordance with the requirements and standards determined for the NHS in Wales.
 - 2.1.3 Perform certain, specific functions on behalf of the Board.
- 2.2 The Committee shall have no powers to develop or modify existing pay schemes.

3 DELEGATED POWERS

- 3.1 With regard to its role in acting on behalf of the Board, and in providing advice and assurance to the Board, the Remuneration Committee will comment specifically upon:
 - 3.1.1 Remuneration and terms of service for the Chief Executive, Executive Directors, other Very Senior Managers (VSMs) not covered by Agenda for Change; ensuring that the policies on remuneration and terms of service as determined from time to time by Welsh Government are applied consistently.
 - 3.1.2 Any new or amended VSM roles who are regular Board attenders (or amendments to statutory Officer roles).

- 3.1.3 All proposed senior interim appointments that exceed the top of the relevant salary banding.
- 3.1.4 The monitoring and approval interim senior manager appointments as follows:
- Range up to £500/day – quarterly report summarising number, location, duration and cost of supernumerary interim appointments.
 - Range £501 to £1,000/day – all interim roles to be reported on individually including whether supernumerary or covering an established vacancy.
 - Over £1000/day – role and maximum pay to be agreed in advance for up to six months unless it is to cover an Officer member absence or vacancy; (or in support of a declared Major Incident) with quarterly monitoring.
- 3.1.5 Objectives for Executive Directors and other VSMS and their performance assessment.
- 3.1.6 Performance management systems in place for those in the positions mentioned above and its application.
- 3.1.7 Proposals to make additional payments to Medical and Dental Consultants outside of normal terms and conditions.
- 3.1.8 Proposals regarding termination arrangements, ensuring the proper calculation and scrutiny of termination payments in accordance with the provision of the regulations and in accordance with Ministerial instructions, Welsh Government guidance.
- 3.1.9 Consideration and approval of Voluntary Early Release applications and redundancy / severance payments in respect of Executive Director / Director posts, in line with Standing Orders and extant Welsh Government guidance.
- 3.2 The Committee is to be advised also of all Voluntary Early Release Scheme applications and severance payments.
- 3.3 Approve any Strategic Advisor arrangements, including scope and pay.
- 3.4 In developing remuneration packages the Committee will ensure that there is:
- 3.4.1 A clear statement of responsibilities of the individual posts and their accountabilities of meeting objectives of the organisation.
 - 3.4.2 A means of assessing the comparative job weight.
 - 3.4.3 Comparative salary information from the NHS, other public sector organisations and industrial service organisation.

Circumstances where Welsh Government Approval is required

Circumstances in which Welsh Government approval is required from an accounting perspective for individual end of employment payments. These are set out in the NHS Wales

Manual for Accounts under the Losses and Special Payments chapter, however, in summary, these are:

- 3.5 **Contractual Redundancy:** BCUHB has delegated authority from a financial accounting perspective to pay contractual entitlements so Welsh Government approval is not needed. However, for Executive Directors, Welsh Government do need to be aware before any such contractual arrangements are signed off with the individual and approved by the Director General / CEO NHS Wales as Accounting Officer.
- 3.6 **Voluntary Early Release Scheme (VERS):** organisations have delegated authority for payments up to £50,000 as set out on the VERS Model Scheme rule. Payments over this level requires Welsh Government Accounting Officer approval, and there is a template Business Case to submit to Welsh Government for approval.
- 3.7 **Ex gratia / Settlement payment:** any payment amount above contractual entitlement requires Welsh Government approval. Given that cases will be based on individual circumstances there is no set template, however Welsh Government have developed a spreadsheet with options to demonstrate that the course of action is cost effective and demonstrates value for public sector money, as any such payments should only be exceptional. The Losses and Special payment chapter also outlines the principles to follow and the checklist that must be completed and signed off.
- 3.8 In all of the above scenarios (3.5 to 3.7), the Committee provides an essential role and must sign off the payment prior to submission to Welsh Government for final approval.

4 AUTHORITY

- 4.1 The Committee may investigate or have investigated any activity (clinical and non-clinical) within its terms of reference. It may seek relevant information from any:
 - 4.1.1 Employee - and all employees are directed to co-operate with any legitimate request made by the Committee; and
 - 4.1.2 Other committee, sub-committee or group set up by the Board to assist it in the delivery of its functions.
- 4.2 It may also obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers it necessary, in accordance with the Board's procurement, budgetary and other requirements.

5 SUB-COMMITTEES

- 5.1 The Committee may, subject to the approval of the Health Board, establish sub-committees or task and finish groups to perform specific aspects of Committee business

6 MEMBERSHIP

- 6.1 Formal membership of the Committee shall comprise of the following:

MEMBERS
Independent Member (Chair)
NB: The Chair of the Health Board will be the Chair of this Committee
All Independent Members (one of whom will be designated as Vice Chair)
The Chair of the Audit Committee will be appointed to this Committee either as Vice-Chair or a member (to be agreed with Chair of the Health Board)

6.2 The following should attend Committee meetings:

IN ATTENDANCE
Executive Director of Workforce & Organisational Development (Executive Lead)
Chief Executive
Director of Corporate Governance
Other Executive Directors as required by the Chair

6.3 Apart from the issue of the Chief Executive's personal salary and remuneration, the Chief Executive will be invited to attend meetings when the remuneration of Executive Directors and other members of the Executive Team is on the agenda for discussion.

6.4 The attendance of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, taking into account the balance of skills and expertise necessary to deliver the Committee's remit, and subject to any specific requirements or directions made by the Welsh Government.

6.5 Other Directors / Officers will attend as required by the Committee Chair, as well as any others from within or outside the organisation whom the Committee considers should attend, taking into account the matters under consideration at each meeting.

7 COMMITTEE MEETINGS

7.1 Quorum

7.1.1 A quorum shall consist of no less than three of the membership, and must include as a minimum the Chair or Vice Chair of the Committee.

7.2 Frequency of meetings

7.2.1 The Committee will meet bi-monthly and an annual schedule of meetings will be determined by the corporate calendar.

7.2.2 Any additional meetings will be arranged under exceptional circumstance and shall be determined by the Chair of the Committee in discussion with the Executive Lead.

7.3 Withdrawal of individuals in attendance

7.3.1 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

7.4 Meeting arrangements

- 7.4.1 The agenda and papers will be distributed / published seven days in advance of the meeting.
- 7.4.2 The Director of Corporate Governance is to hold an agenda setting meeting with the Chair and/or Vice Chair, Chief Executive, and the Executive Lead (Executive Director of Workforce & Organisational Development) at least six weeks before the meeting date.
- 7.4.3 The agenda will be based on the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Committee members.

8 REPORTING AND ASSURANCE ARRANGEMENTS

- 8.1 The Committee, through its Chair and members, shall work closely with the other Committees to provide advice and assurance to the Board through joint planning and co-ordination of Board and Committee business, including sharing information. In doing so, it will contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance arrangements.
- 8.2 The Committee Chair, supported by the Committee Secretary, shall:
 - 8.2.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities.
 - 8.2.2 Bring to the Board's specific attention any significant matter under consideration by the Committee; and
 - 8.2.3 Ensure appropriate escalation arrangements are in place to alert the Health Board's Chair, Chief Executive and / or Chairs of other relevant Committee, of any urgent/critical matters that may affect the operation and / or reputation of the Health Board.
- 8.3 The Committee will undertake an annual review on the effectiveness of its arrangements and responsibilities. The Director of Corporate Governance will oversee this review.

9 RELATIONSHIP WITH THE BOARD AND ITS COMMITTEES / GROUPS

- 9.1 Although the Board has delegated authority to the Committee for the exercise of certain functions as set out within these Terms of Reference, it retains overall responsibility and accountability for these matters:
 - 9.1.1 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these Terms of Reference.
 - 9.1.2 The Committee will consider the assurance provided through the work of the Board's other committees and sub groups to meet its responsibilities for advising the Board on the adequacy of the Health Board's overall system of assurance.

9.1.3 The Committee shall embed the Health Board's corporate standards, priorities and requirements, eg, equality and human rights through the conduct of its business.

10 APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

10.1 The requirements for the conduct of business as set out in the Health Board's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- Quorum

11 REVIEW

These Terms of Reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.

12 CHAIR'S ACTION ON URGENT MATTERS

12.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings. In these circumstances, the Committee Chair, supported by the Director of Corporate Governance as appropriate, may deal with the matter on behalf of the Board – after first consulting with **all** Members of the Committee. The Secretariat must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.

12.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring decision.