

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. Constitution

- 1.1** The Corporation has approved the following Terms of Reference for the Remuneration Committee.
- 1.2** Senior posts are defined under Article 1 (i) of the Instrument and Articles of Government as “the post of Principal and such other senior posts as the Corporation may decide”. The Corporation has determined that the Deputy Principal, Vice Principal and Deputy Chief Executive Officer and the Clerk to the Corporation are also Senior Post Holders. Because it appoints Senior Post Holders, the Governing Body has obligations to the Deputy Principal, Vice Principal and Deputy Chief Executive Officer and the Clerk to the Corporation as their employer that it cannot delegate to the Principal. In this respect, the position of a Senior Post Holder in relation to the governing body is analogous to that of the Governance Professional (who in this college is classified as a Senior Post Holder).
- 1.3** Senior posts are defined under Article 1 (i) of the Instrument and Articles of Government as “the post of Principal and such other senior posts as the Corporation may decide”. The Corporation has determined that the Deputy Principal, Vice Principal and Deputy Chief Executive Officer and the Clerk to the Corporation are also Senior Post Holders. Because it appoints Senior Post Holders, the Governing Body has obligations to the Deputy Principal, Vice Principal and Deputy Chief Executive Officer and the Clerk to the Corporation as their employer that it cannot delegate to the Principal. In this respect, the position of a Senior Post Holder in relation to the governing body is analogous to that of the Governance Professional (who in this college is classified as a Senior Post Holder).

2. Purpose

- 2.1** To advise the Corporation on the appointment, performance, remuneration and early termination of Senior Post Holders, so as to:
- ensure that all Senior Post Holders are fairly and appropriately rewarded for their individual contributions to the College’s overall performance
 - demonstrate to the public that the pay of Senior Post Holders is recommended by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the College
- 2.2** To comply with the requirements of the Association of Colleges Governor’s Council’s “The Colleges’ Senior Post Holder Remuneration Code” and to give due consideration to the “AoC Explanatory Notes and Guidance on the Colleges’ Senior Post Holder Remuneration Code”, in particular noting that:
- Fair and appropriate remuneration and appropriate severance payments¹ require three key elements – namely that there is:
- i. a fair, appropriate and justifiable level of remuneration/amount;

¹ Remuneration includes not only basic salary but also bonuses, expenses and other allowances, and the monetary value of benefits in kind including housing and cars, etc.

- ii. procedural fairness;
- iii. transparency and accountability.

2.3 To ensure that recommendations made to the Corporation in respect of remuneration for Senior Post Holders comply with the Senior Post Holder Remuneration Policy.

2.4 To monitor the use of the Senior Post Holder Policy for Income Derived from External Activities where applicable

2.5 To make decisions on other matters as delegated by the Corporation

3 Principal Responsibilities

3.1 General

To recommend to the Corporation changes to the terms and conditions of service of College Senior Post Holders.

3.2 Recruitment

To advise the Corporation on the conduct, composition and procedures of any selection panel for Senior Post Holders and generally on the appointment of Senior Post Holders.

To ensure that contracts agreed with Senior Post Holders are fair, reasonable, constitute best value, are justifiable and do not expose the institution to significant potential liabilities, for example by being able to explain notice periods of more than six months.

3.3 Senior Post Holder Performance Reviews

To carry out the annual final Senior Post Holder Performance Review:

- To review annual performance objectives for the Principal and Clerk to the Corporation for subsequent agreement between these Senior Post Holders and the Chair of Corporation and to approve objectives set by the Principal for other Senior Post Holders
- To review the appraisal reports and performance of Senior Post Holders and to assess the extent to which annual objectives are met
- To review comparative sector information relating to Senior Post Holders' pay and conditions of employment
- To consider the median pay multiple as a benchmarking measure and ratio to aid Remuneration Committee deliberations
- To recommend, in the light of the above, changes to the pay and conditions of employment of Senior Post Holders to the Corporation

To carry out the interim Senior Post Holder Performance Review:

- To review the appraisal reports and performance of Senior Post Holders and to monitor progress towards meeting the annual objectives

3.4 Early Termination

To advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable on the event of the early termination of the employment of the Principal or any other Senior Post Holder with the broad aims of:

- avoiding rewarding poor performance
- dealing fairly with cases where early termination is not due to poor performance.

To note that it is recommended that in negotiations about severance packages and payments, both parties seek legal advice.

3.5 Annual Report

To produce an Annual Report for the Corporation to provide sufficient assurance to the governing body that the Remuneration Committee has effectively discharged its responsibilities.

4 Membership

- 4.1** The Committee will be appointed by the Corporation and will have up to seven members including, where appropriate, a Co-opted Member.
- 4.2** The Staff and Student Members and the Principal are excluded from membership of the Remuneration Committee.
- 4.3** Committee Members may serve until the end of their terms as Corporation Members (or for up to two successive terms of four years in the case of external co-optees). A Committee Member may leave the Committee at any time by giving verbal notice to the Chair of the Committee and Clerk to the Corporation. Such notification will be reported in writing to the next Corporation meeting by the Clerk to the Corporation and will take effect from that date.
- 4.4** The quorum will be any three Members of the Committee.
- 4.5** The Chair of the Committee will be appointed by the Corporation. If the Chair is absent from any Remuneration Committee Meeting, the Members present shall choose one of their number to act as Chair for that meeting. The Corporation Chair may not be appointed as Remuneration Committee Chair on a permanent or temporary basis.

5 Attendance at Meetings

- 5.1** The Principal will normally attend appropriate parts of meetings at the invitation of the Committee, but will not be present for any decisions relating to the changes to pay and conditions of employment of Senior Post Holders.
- 5.2** All Senior Post Holders have the right to attend appropriate parts of the meeting should they wish to do so, but will not be present for any decisions relating to the changes to pay and conditions of employment of Senior Post Holders.
- 5.3** The Clerk to the Corporation will be Clerk to the Committee but will not be present for any decisions relating to the changes to pay and conditions of employment of the Clerk to the Corporation. The Committee Chair will provide Minutes of this part of the meeting
- 5.4** The Committee will have the power to invite such other persons to attend meetings as may be desirable and necessary.
- 5.5** Other Corporation Members shall have the right of attendance.

6 Frequency of Meetings

- 6.1** The Committee will meet at least twice per year.

7 Authority

- 7.1** The Committee is authorised by the Corporation to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any Corporation Member, Committee of the Corporation or employee of the College, and all Corporation Members and employees of the College are directed to co-operate with any request made by the Committee.
- 7.2** The Committee is authorised by the Corporation to commission independent advice from third parties to assist it in making recommendations to the Corporation, should it wish to do so. Such advice will be sought by the Clerk to the Corporation at the request of the Remuneration Committee Chair, supported by the Corporation Chair, with all costs being met by the College.

8 Reporting Procedures

- 8.1** The Clerk to the Committee will circulate Minutes of the meetings of the Committee to all Committee Members. The Chair will ensure that any Minutes relating to the Clerk to the Corporation are circulated to Committee Members.
- 8.2** Minutes of this Committee will be kept as confidential documents by the Clerk and circulated in accordance with the Corporation Code of Conduct guidelines on confidentiality.
- 8.3** Committee Minutes will be included in Corporation papers as a Confidential Item and reported upon at the Corporation meeting.

Approved by the Corporation on: 9 July 2024

Review frequency: Annual