

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE 25/26

#### 1 Purpose

1.1 To demonstrate to the public, and to statutory bodies as appropriate, that the remuneration of the Senior Post Holders (SPHs) and the Dir. Governance and Compliance, acting as the Governance Professional for the College, is set by a committee that holds no personal interest in the outcome of its recommendations, and which gives due regard to the interests of the public and the financial health of the College.

#### 2 Membership

1.1 The committee will consist of up to six independent governors including the Chair of Corporation and Chairs of Committees. The remaining members can be either independent governors with appropriate skills and experience or external associate members appointed to bring specific knowledge, skills and experience to the Committee.

1.2 The Corporation can also appoint associate members, whose skills strengthen and are complementary to those of the Committee. Any associate appointed will be at the recommendation of the Governance Committee and serve for a two-year term of office. The term of office will be renewable by the Corporation on the recommendation of the Governance Committee.

1.3 The committee must be independent and should not be chaired by the Chair of Corporation.

1.4 Ineligible members will be the Principal, and any staff, student or parent governors.

1.5 The Committee may invite the Corporation's advisers or other third parties to attend meetings as appropriate (such as when disclosures are being drafted for the annual financial statements); such persons will be entitled to speak at the meeting, but will not have voting rights.

1.6 The Principal may be invited to attend meetings where the remuneration and other related matters for senior post holders are to be discussed. However, the Principal should not be in attendance for items relating to his or her own remuneration, unless asked to do so by the Chair of the Committee.

1.7 It is noted that Chair's action by the Chair of the Corporation may be required from time to time to maintain the minimum membership requirement.

1.8 Governors membership of the Committee will end in line with their membership of the Corporation, or at the request of the Corporation on the advice of the Governance Committee in order to refresh overall Committee membership.

#### 2 Quorum

2.1 The quorum for meetings shall be 3 members, with independent governors constituting a majority.

2.2 If the quorum is not achieved, any agenda items requiring a decision will either be dealt with through a written resolution or deferred to the next scheduled meeting.

### **3 Frequency of Meetings**

- 3.1 The Committee will meet at least once in each academic year. Additional meetings may be called as necessary in agreement with the Chair of the Committee.
- 3.2 Additional 'extraordinary' meetings will ordinarily only deal with the items for which the meeting is called to address. These meetings do not need to take the minutes or actions of a previous meeting as an agenda item and these will be taken at the next scheduled meeting of the Committee, unless the Chair of the Committee deems it beneficial to undertake all standing agenda items, inclusive of minutes and actions.

### **4 Terms of Reference**

- 4.1 To consider and advise the Corporation on the remuneration and other terms and conditions of the Senior Post Holders, to include the Principal, and the Governance Professional, including:
  - 4.1.1 Recommend to the Corporation the remuneration of senior post holders and the Governance Professional in accordance with SPH Remuneration Code, and having regard to comparative data from the Association of Colleges and/or any other relevant organisations for benchmarking purposes.
  - 4.1.2 Recommend to the Corporation any annual bonus, performance related payments or benefits in kind for senior post holders, including pension provisions, ensuring these are in line with Public Sector Pay Guidance.
  - 4.1.3 Recommend to the Corporation the main terms and conditions in each senior post holder's service agreement, with particular reference to the notice provisions and other contractual obligations.
  - 4.1.4 Recommend to the Corporation policies relating to the conduct, discipline, grievance, and dismissal of senior post holders including the Governance Professional
  - 4.1.5 Receive and review an annual report outlining the Professional Development Review process for holders of senior posts, evaluating the performance of the Principal, other senior post holders and the Governance Professional against identified objectives.
- 4.2 In fulfilling its remit, the committee will take into account the following factors:
  - 4.2.1 Reviews of the Corporation's policy on executive remuneration will ensure senior post holders and the Governance Professionals are fairly rewarded for their individual contributions to the College's overall performance;
  - 4.2.2 That any such review is undertaken by a committee that is:
    - a) independent of management;
    - b) has no personal interest in the outcome of its decisions;
    - c) gives due regard to observing the highest standards of probity and regularity in the expenditure of public money, following the [standards and process for controlling and approving senior staff pay in the public sector](#) and
    - d) mindful of the financial health of the College and the affordability of any recommendations.
- 4.3 The Committee is authorised by the Corporation to seek additional information to enable it to complete its terms of reference, either from College staff or from external sources, such as legal advisors or the Association of Colleges

4.4 The Committee will advise the Corporation on any compensation, which may be payable in the event of the early termination of the employment of a senior post holder or the Governance Professional (including the augmentation of pension benefits), with the broad aim of avoiding the rewarding of poor performance and dealing fairly with cases where early termination is not due to poor performance.

4.5 The committee will keep under review the Corporation's policy on all aspects relating to the remuneration of senior post holders and the Governance Professional.

## **5 APPOINTMENT OF CHAIR AND VICE-CHAIR**

5.1 The Chair will be appointed by the Corporation for a two-year term of office.

5.2 In the event of the resignation of the Committee Chair (either as Chair or as a Governor) during the year, the procedure outlined in the Corporation's Standing Orders will be used to appoint a replacement Chair, with the name of the successful candidate submitted to the Corporation for approval at its next available meeting.

5.3 In the temporary absence of the Chair, a Chair will be appointed from amongst the members of the Committee for that meeting only.

5.4 The Committee will appoint a Vice-Chair who will serve for a one-year term of office at the first meeting of each academic year.

## **6 CLERKING ARRANGEMENTS**

6.1 The Dir. Governance and Compliance, as the Clerk to the Corporation, will provide clerking to the Committee.

6.2 When the Committee discusses items relating directly to the Dir. Governance and Compliance, the Dir. Governance and Compliance will be asked to leave the meeting and an independent governor will be appointed to clerk for that item.

6.3 The Committee member acting as the Governance Professional during the absence of the Dir. Governance and Compliance maintains their membership rights, is able to vote and continues to count towards quorum.

## **7 REPORTING TO THE CORPORATION**

7.1 The Chair of the Committee (or an agreed representative) will provide a verbal report or the minutes to independent governors at the next full Corporation meeting.

7.2 In accordance with the SPH Remuneration Code within the adopted Governance Code, the Committee will provide an Annual Report on the activities of the Remuneration Committee.

7.3 The annual statement/report of the Committee will be drafted by the Dir. Governance and Compliance and agreed with the Committee Chair following the meeting of the Committee. Where no further meetings are scheduled in the academic year, this will be circulated by email to members and upon agreement by a majority of members, presented to the Corporation.

## **8 GENERAL**

8.1 Decisions to be made at meetings of the Committee will be determined by a majority of the votes of the members present and voting.

8.2 Where there is an equal division of votes, the Committee Chair will have a second or casting vote.