

# Remuneration Committee

## Terms of Reference

### **Purpose**

The Committee is responsible for the remuneration arrangements of senior post holders and has oversight of their performance. The Committee oversees remuneration arrangements for other staff and oversees the composition of the Vice-Chancellor's senior team.

### **1. Duties**

#### **Senior Post Holders**

(Vice-Chancellor)

1. Approve annual personal objectives and monitor the achievement of them, informed by the relevant line manager
2. Ensure that concerns about performance are effectively addressed
3. Determine the remuneration package, terms and conditions of service, benefits and bonuses, including the award of Performance Related Pay
4. Approve and monitor the external commitments of senior post holders. As necessary, establish and monitor arrangements for the income from these commitments, and the income itself
5. Determine severance arrangements. In doing so, to ensure compliance with guidance issued by the Committee of University Chairs on severance payments in HEIs
6. Carry out a regular benchmarking exercise of the remuneration package of the senior post holders.

## **Staff outside the JNCHES Framework**

(Senior Post Holders, COO, DVC, CFO, Directors, Deans, Associate Directors)

7. Approve which KPIs will be used to calculate performance related pay
8. Have oversight of the pay and reward framework, benchmarking data and demographics. Satisfy itself that value for money is being achieved, and the Public Sector Equality Duty is being met
9. Approve the award of performance-related pay, ensuring that this is based on robust data from the relevant line manager
10. Approve changes to the remuneration package, and severance payments

## **VC's Senior Team**

11. Have oversight of developments regarding the Vice-Chancellor's senior team, and direct line reports, including appointments, significant changes to the roles, succession planning and the achievement of objectives
12. Receive an overview of performance and provide feedback to the Vice-Chancellor

## **All Staff**

13. Have oversight of the strategy for the pay of all staff and the UCEA pay review process

## **Other Duties**

14. Monitor the achievement of value for money in areas in the Committee's remit
15. Ensure and monitor compliance with HE Senior Staff Remuneration Code and the requirements of the Office for Students in respect of remuneration
16. As part of its decision making, take account of:
  - a. The remuneration of all of the University's employees, for example the rate of increase of average remuneration of all staff, and pay ratios
  - b. Affordability and the University's budgetary position
  - c. The University's strategy and market position

- d. The charitable status of the University and the need to ensure value for money for its stakeholders
  - e. The public interest and the safeguarding of public funds, alongside the interests of the University
  - f. The need for transparency of process
  - g. Comparative information on the remuneration, benefits and conditions of employment in the University sector and other sectors as considered appropriate
- 17. Promote the University's responsibilities for equality, diversity and inclusion by ensuring that relevant issues are given full consideration as part of the Committee's work
  - 18. Monitor KPIs on any matters in Committee's remit
  - 19. Monitor strategic risks relevant to the work of the Committee
  - 20. Ensure appropriate policies are in place for items in the Committee's remit
  - 21. Carry out a bi-annual assessment of its own performance
  - 22. Determine the arrangements for any honoraria payments to non-salaried positions appointed by the Board of Governors

## **2. Authorities and Approvals**

- 1. Approve the personal objectives of senior post holders
- 2. Approve the remuneration package of senior post holders
- 3. Approve the award of performance related pay to senior post holders
- 4. Approve pay review recommendations and severance payments to staff outside the JNCHES framework
- 5. Approve the University key performance indicators which will be used to calculate performance related pay
- 6. Approve the external commitments of senior post holders and arrangements for the income from these

7. Approve honoraria payments to non-salaried positions appointed by the Board of Governors
8. Seek any information it requires to fulfil its terms of reference. This includes authority to appoint remuneration consultants and to commission or purchase any reviews, reports, surveys or information which it deems necessary, within budgetary constraints set by the Board of Governors.

### **3. Escalation**

The Committee escalates the following for further consideration by the Board

- Significant risks relating to the areas in its remit
- Any items in its remit on which the Committee has not received adequate assurance
- Value for money or appropriate compliance not being achieved

### **4. Reporting**

- The Committee produces a RAG rated report of its business and any items for escalation to the next available Board meeting
- The Committee provides an annual report to the Board of Governors on the work of the Committee, setting out its approach and decisions regarding the remuneration of senior post holders
- Report to the Board of Governors where the decisions of the Committee are likely to have an impact on all staff

### **5. Rules for membership and attendance**

1. No one for whom the University is their employer may serve as a member of the Remuneration Committee
2. Only members of the Committee have the right to attend its meetings

3. No individual will attend any part of a meeting where their own remuneration arrangements are being discussed or determined, or be in any way involved in decisions regarding their own remuneration

## **6. Membership**

- The Committee's membership is made up of:
  - Three to four independent governors
  - Up to two external members with expertise in areas in the Committee's remit
- Committee members serve a two-year term of office, which is renewable up to twice for a total of six years
- Committee members are appointed and reappointed by the Nominations and Governance Committee

## **7. Quorum**

At least half of the current number of members. At least one of those making up the quorum must be an independent governor of the University.

## **8. Chair**

- The Committee's Chair is appointed and reappointed by the Nominations and Governance Committee following consultation with the committee
- The Chair is appointed from amongst the members who are independent governors of the University
- The Chair of the Board will not chair the Remuneration Committee
- The Committee may choose to have a Deputy Chair, appointed and reappointed in the same way as the Chair
- The Chair serves a two-year term of office, which is renewable up to twice, for a total of six years

## **9. Attendees**

- The Committee may invite others to attend at its discretion

- As requested by the Committee, the Vice-Chancellor will be in attendance to report on the senior team and the staff outside the JNCHES framework
- Observers may attend at the invitation of the Chair

## 10. Clerking

The Clerk to the Committee is the Clerk to the Board of Governors

## 11. Frequency of meetings

As determined by the Committee to allow it to discharge its responsibilities.

There are at least three meetings per academic year.

## 12. Version control

Version	Date	Comments
2.0	May 2013	Second Issue
2.1	Sept 2013	Second Issue Update
2.2	Sept 2014	Second Issue Chair's Update
2.3	July 2015	Second Issue Update
2.4	Aug 2015	Second Issue Chair's Update
2.5	Sept 2015	Second Issue Update
2.6	Jan 2017	Updates to chairing arrangements approved by Board on 25.01.17
3.0	Feb 2017	Updates approved by Board on 22.02.17
3.1	July 2018	Removal of VC from membership for compliance with HE Senior Staff Remuneration Code
3.2	July 2019	Addition of student governor and one further external member to the membership. Amendment to quorum
4.0	18 March 2020	Re-write approved by the Board. Expanded sections on the duties of the Committee and the procedural rules
4.1	14/07/2021	Updates to membership and chairing - 2 year terms of office and Nom Com appointment
5.0	30/09/2022	Re-written. Approved by the Board of Governors
5.1	19/07/2023	Amendment to take account of changes to the clerk role and changed Committee responsibilities in respect of the role