

TERMS OF REFERENCE: REMUNERATION COMMITTEE

1. The Remuneration Committee is a committee of the Corporation. The Remuneration Committee follows the principles of the guidance as set out Colleges' Senior Post Holder Remuneration Code.
2. The Corporation has delegated to Remuneration Committee the responsibility for the appointment, grading, suspension, dismissal (and where appropriate – severance payments) and determination of the pay and conditions of service of the Chief Executive, Senior Post Holders and the Clerk to the Corporation. This will then be subject to approval by the Corporation remotely, or at the next Corporation meeting.

Duties

3. To have responsibility for setting the Performance Management, Appraisal and Remuneration of the CEO and other Senior Post Holders' Procedure (attached at Appendix 1). Remuneration shall include pay, pension and any other terms and conditions of employment.
4. To review the on-going appropriateness and relevance of the Performance Management, Appraisal and Remuneration of the CEO and other Senior Post Holders' Procedure (Appendix 1).
5. To review and recommend to Corporation the individual remuneration package for the Chief Executive, Senior Post Holders and the Clerk, ensuring these three key elements:
 - a. A fair, appropriate and justifiable level of remuneration
 - b. Procedural fairness; and
 - c. Transparency and accountability.
6. The Committee should clearly outline the consequences where individuals do not deliver the expected contribution.
7. To ensure that severance terms on exit, for the Chief Executive and Senior Post Holders comply with best practice and relevant approval is sought through the ESFA as required. Any payments made, are fair and reasonable to the individual, and the Group, are justifiable and do not expose the Group to significant liability.
8. The Committee has sufficient resources in order to carry out its duties and when reviewing remuneration, consider the value delivered by an individual acting within a role, which could include:
 - Complexity of role;
 - Impact on students, research, finances and people, including employees, partners and citizens;
 - Discretion (level of accountability, degree of autonomy and decision-making authority);
 - Levels of experience
 - Knowledge and skills (including specialist skills) required
 - Reputation and academic/professional credibility needed for the role
 - An ability to recruit and retain key staff; and
 - External comparisons (benchmarking data in respect of comparator institutions with a similar turnover and demographic).

- Drive for value for money
- 9. To make sure any income obtained by staff representation on external bodies and boards is disclosed and explained.
- 10. To ensure the Chief Executive, Senior Post Holders and the Clerk adhere to the College's Expenses Policy.
- 11. To produce and present an Annual Report from the Remuneration Committee to provide assurance to the Corporation the Committee has effectively discharged its duties and responsibilities. This should include justification for the total remuneration package.
- 12. Any recommendations are made in line with the HM Treasury Guidance for approval of senior pay: senior pay controls process.

Membership and Operation

- 13. The membership of the Remuneration Committee shall comprise of the Chair of the Corporation, Vice Chair of the Corporation and Chairs of each of the Corporation Committees.
- 14. All Committee members must be independent.
- 15. The Corporation shall appoint a Committee Chair who shall not be the Chair of the Corporation.
- 16. Only members of the Committee have the right to attend meetings, however the Chair shall have the power to invite other individuals to attend any meeting if deemed appropriate to the business, such as the Chief Executive, Deputy Chief Executive and any external advisors to attend all or part of the meeting.
- 17. Quoracy is 50% of the Committee membership (rounded up if necessary) to a minimum of three Members. In the event of the Chair being unable to attend, the remaining members (excluding the Chair of Corporation) shall elect a chair from among those present.
- 18. The Committee shall be served by the Clerk to the Corporation.
- 19. Where the Chief Executive, any Senior Post Holders or the Clerk to the Corporation are in attendance, they shall withdraw from that part of the meeting at which their performance, remuneration, conditions of service, conduct, suspension, dismissal or retirement are to be considered.
- 20. The Committee is entitled, wherever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules of quoracy above) to exclude any, or all, participants and observers, except the Clerk to the Corporation.
- 21. These Terms of Reference must be read in conjunction with the Instrument and Articles of Government, the Corporation's Standing Orders and the College's Financial Regulations from time to time.
- 22. The Committee shall undertake an annual review of these terms of reference and recommend any changes needed to the Corporation for approval.

APPENDIX 1

PERFORMANCE MANAGEMENT, APPRAISAL AND RUMUNERATION OF THE CEO AND OTHER SENIOR POST HOLDERS PROCEDURE

1. Appraisal arrangements for the CEO are agreed by the Corporation. Appraisal arrangements for other Senior Post Holders are agreed in conjunction with the CEO.
2. Following setting of objectives, the Chair of the Corporation will meet regularly throughout the year with the CEO to review performance against objectives.
3. Following setting of objectives with other senior post-holders the Chair and CEO will meet regularly throughout the year to review performance against objectives. The Chair may opt to delegate review meetings to the CEO.
4. Chief Executive
The Corporation agree the appraisal arrangements for the CEO and the Chair of the Corporation will conduct regular one-to-one appraisal meetings. The outcome of final appraisal meetings will be referred to the Remuneration Committee. (Any HR advice can be sought from the College's Executive HR Director).

To support the appraisal the Chair might consider collecting views from other stakeholders and might also consider other documentation for the appraisal interview, for example:-

- 360 degree feedback questionnaire completed by staff and other stakeholders who regularly come into contact with the post-holder
- Most recent Ofsted reports
- Audit reports
- Data on progress against KPIs
- Post-holder CPD record
- Post-holder job description.
- Performance in support of the Group's strategic objectives in areas such as:
 - o Teaching and learning outcomes for students
 - o management, financial performance and administration
 - o leadership of staff
 - o stakeholder, partner and employer satisfaction
 - o external relations nationally and locally
 - o major initiatives and projects.
- The size and complexity of the Group
- The nature of the post-16 markets and issues of recruitment and retention; and
- The Group's objectives in relation to the diversity of the workforce.

5. Other Senior Post Holders

The Chair and CEO will carry out similar final appraisal meetings with any other Senior Post Holders, using documentation as agreed and provided by the CEO.

6 The Clerk

The Deputy CEO and/or the Corporation Chair will carry out appraisal meetings with the Clerk in consultation with the CEO.

6. Final feedback on the performance of the Chief Executive, Senior Post Holders and the Clerk will be provided by the Remuneration Committee.

Remuneration Committee

The Remuneration Committee is elected by the Corporation to look at the detail of Senior Post Holders' pay and considerations of service.

1. Outcomes from appraisal meetings will be presented to the Remuneration Committee who will determine appropriate level of pay, including any pay increase and amendments to conditions of service.
2. Pay may be determined in a number of ways. When determining pay the Committee should comply with employment law, equality law and EU regulations. The Committee may also consider other external factors such as market rate. For particular specialisms, benchmark data for similar size colleges, ability to pay, and whether pay increases and benefits packages for senior post-holders differ significantly from non-Senior Post Holders.

The Corporation delegates decisions regarding pay and conditions of service of the Chief Executive, other Senior Post Holders and the Clerk to the Remuneration Committee.

Revision History: -

Reviewed by the Clerk in line with the Colleges' Senior Post Holder Remuneration Code: February 2019
Approved by the Corporation – 18 March 2019
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