



Remuneration Committee

Terms of Reference

Reports To: **The Board of Governors**

Membership: Chair – Ms N Benson
Chair of the Board of Governors – Mr R Hill
Chair of Finance Committee – Ms K Byrne
Chair of Employment Committee – Mr A Holroyd
Chair of Audit Committee – Mr B McCann

In Attendance (where appropriate)

Vice-Chancellor & Chief Executive
University Secretary
Director of Finance
Deputy Chief Executive, Organisational Enhancement
Acting Director of Finance

Secretary: Deputy Clerk to the Board
Ext: 3116

Quoracy: Three external members

Frequency of meetings: Three times per year.

Authority:

The Committee is authorised by the Board of Governors to investigate any activity within its terms of reference. The Committee is also authorised by the Board of Governors to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise it considers necessary, normally in consultation with the Vice-Chancellor & Chief Executive and the Chair of the Board of Governors.

Terms of Reference:

1. **Policy & Strategy**

(i) To ensure the University has a clear policy on senior staff remuneration and associated procedures approved by the governing body, which clearly aligns to the University's People and Organisational Development Strategy and its Strategic Plan, and is aligned to the University's commitment to equality and diversity.

Senior staff are defined as all staff on HAY pay grades and above, including the Professoriate.

(ii) To have oversight of the University's policy framework on severance.

(iii) To have oversight of the University's framework for rewards, which will operate within a pre-defined budget, in relation to exceptional performance and to delegate decisions regarding the application of reward to the Vice-Chancellor & Chief Executive.

2. **Vice-Chancellor & Chief Executive**

(i) To determine on behalf of the Board of Governors all matters relating to the initial salary and subsequent performance reviews, benefits in kind, pension provisions, and terms and conditions, including any severance payments, relating to the employment of the Vice-Chancellor & Chief Executive.

(ii) To determine for the approval of the Board of Governors the recruitment process to the office of Vice-Chancellor & Chief Executive when required.

3. **Holders of Senior Posts**

(i) To determine on behalf of the Board of Governors all matters relating to the salary, benefits in kind, pension provisions, and terms and conditions, including severance payments, relating to the employment of holders of senior posts and to ensure that all arrangements are unambiguously and diligently recorded and report on such matters to the same.

(ii) To determine the amount available for any annual increase for the holders of senior posts, including determining the budget available for non-consolidated bonuses and the consolidated pay progression for holders of senior posts.

(iii) To ensure no individual shall be present during discussions reached in relation to his/her own remuneration.

(iv) To ensure appropriate and robust arrangements are in place for determining salaries of other senior staff, as determined by the Vice-Chancellor & Chief Executive and to receive proposals from same.

4. **Monitoring & Benchmarking**

In the determination of matters at (1) and (2) above, the Committee will take into account the following factors:

(i) The level and range of responsibilities and the performance of the Vice-Chancellor & Chief Executive and holders of senior posts assessed through an agreed appraisal system (that element of the

University Secretary's duties that pertain directly to the Board being appraised by the Board).

(ii) Oversight and approval of any confidentiality agreements in relation to senior posts.

(iii) Benchmarking against appropriate and comparable posts/postholders, particularly provided by the Committee of University Chairs (CUC) Vice-Chancellors' salaries survey; data provided by the Universities and Colleges Employers' Association (UCEA) and the annual survey undertaken by the Times Higher Education (THE).

(iv) General salary increases within the University and the University sector.

5. **Governance**

(i) Report on an annual basis on its decisions and operation to the Board of Governors to provide assurance that a rigorous, fair and defensible process has taken place in determining senior staff pay, and the resulting overall levels of increase in the wage bill.

(ii) The Committee will undertake an annual review of its own performance and effectiveness as part of the overall review of the Board and its committees.

(iii) The work of the Remuneration Committee will be included within the Annual Corporate Governance Statement.

6. **Termination**

(i) The Committee shall advise the Board of Governors on any compensation (including severance payments and the augmentation of pension benefits) which may be payable in the case of termination of employment of the Vice-Chancellor & Chief Executive, holders of senior posts.

5. **Risk Management**

(i) To keep under review the risks associated with those matters considered the responsibility of the Committee.

(ii) To consider the public interest and the safeguarding of public funds alongside the sustainability and interests of the Institution when considering all forms of payment, reward and severance to the staff within its remit.

6. **Amendments and Revocation of Terms of Reference**

(i) These Terms of Reference may only be amended or revoked by decision of the Board.

(ii) The Terms of Reference are reviewed on an annual basis and as part of the four-yearly Governance Effectiveness Review, or more frequently in the light of experience or changes in governance practice.