

## **Ordinance Appendix B: Terms of Reference of Council Standing Committees and Subcommittees**

### **REMUNERATION COMMITTEE**

#### **Terms of Reference**

##### **1. Authority**

The Remuneration Committee is responsible for the development and application of rigorous senior remuneration policy and procedures and making recommendations to the College Council where appropriate. The University follows the guidelines laid out in the Committee of University Chairs (CUC) HE Remuneration code in so far as is practicable. The policy and procedures, as approved by Council, apply to the remuneration and terms and conditions of employment (including severance arrangements) of the University's Senior Post holders, including the Vice-Chancellor & President, and other Senior Post Holders under the Committee's remit at any time, who will be outlined in the Remuneration Policy.

##### **2. Duties**

2.1 The Committee shall exercise delegated authority on behalf of the Council to:

- 2.1.1 Oversee the preparation of a senior Remuneration Policy to recruit, retain and motivate people of appropriately high ability, within levels of affordability that are publicly defensible and secure good value for money. The Policy shall be approved by Council and should be aligned to the University's long-term strategic goals to promote the long-term success of King's.
- 2.1.2 Determine the terms and conditions of appointment of the Vice-Chancellor & President.
- 2.1.3 Determine and document the approach to remuneration and terms of service for all Senior Post Holders, being the Vice-Chancellor & President, other Senior Post Holders as outlined in the Remuneration Policy, and such other senior staff as the Council shall determine meets the definition of a Senior Post Holder, and to keep those under the Remuneration Committee's remit under review.
- 2.1.4 Have oversight of the pay (including any severance arrangements) of other senior staff as may be defined by the Council, the Office for Students Accounts Direction or other relevant bodies.

2.2 The Committee shall determine and approve for all posts under its remit:

- 2.2.1 Annual salaries on appointment and any discretionary adjustments to salaries;
- 2.2.2 Office Responsibility allowances or any other honoraria;
- 2.2.3 Any performance related elements;
- 2.2.4 Provisions for any other benefits such as pensions, cars/car allowances, or access to any shared equity scheme (on appointment);
- 2.2.5 Arrangements for termination of employment, for any reason, including the appropriate length of any notice period (satisfying themselves that this is not excessive), and where appropriate determination of any severance or other ex-gratia payments, specifically ensuring that contractual obligations are met; and
- 2.2.6 Have oversight of any other contractual terms in relation to remuneration.

2.2.7 In determining all the above, the Committee shall:

- seek reliable and up to date contextual information on salaries, benefits and conditions of service in other organisations of comparable scale and complexity and from within whichever geographic market is relevant to the role or roles.
- have regard to internal relativities, pay ratios and pay differentials that may exist between different groups of staff.
- ensure that it is sufficiently informed of all posts under its remit, including a statement of a clear link to the value delivered by an individual acting within a role such as the responsibilities and objectives of the individual posts, their accountabilities for meeting objectives of the College, and any other relevant attributes.
- ensure that it is sufficiently informed of the remuneration and conditions of all staff, so that attention may be paid to the impact on wider employee engagement and morale of any differential treatment for Senior Post Holders and other staff. In particular the Committee shall consider the rate of increase of the average remuneration of all other staff on an annual basis.
- ensure that there is appropriate governance and structures in place to allow the Vice-Chancellor and President to make decisions in exceptional circumstances such as a salary change or recruitment decision through the policy for Senior Post Holders (other than for the Vice-Chancellor & President).

2.3 The Committee shall set annual performance objectives for the Vice-Chancellor and President which reflect the expected individual contribution to the long term strategic objectives of King's based on pre-determined criteria at the beginning of the year. The Committee shall review the Vice-Chancellor & President's performance for the previous period in accordance with how they have contributed and delivered against these pre-determined criteria.

2.3.1 Where the Vice-Chancellor and President is eligible for performance pay, responsibility for assessment of individual performance against their personal objectives rests with the Chair of Council, usually after consultation with the Committee (and informed by the Council's view of the performance of the University against its strategic ambitions). The Committee will consider how the outcome impacts the Vice-Chancellor & President's total remuneration and reach an appropriate decision.

2.4 The Vice-Chancellor and President is responsible for the proper application and determination of the outcomes of any performance pay policy for other Senior Post Holders. The Committee will receive for comment and advice annual reports from the Vice-Chancellor and President as to the performance of the individuals concerned against previously agreed goals and objectives and any proposed changes to remuneration resulting from those changes. In particular, the Committee may consider consequences where performance or the required contributions has fallen short of expectations. The Vice-Chancellor and President will consider the views of the Committee before proceeding to implement any proposed change.

2.5 The Committee should also ensure that relevant issues of equality and diversity are given due consideration in respect of matters relating to the remuneration of Senior Post Holders and will consider remuneration policy and practice in the context of the University's wider strategic aims for diversity and inclusion.

2.6 The Committee shall receive annual written assurance that the Expenses policy applicable to all staff is operating effectively.

- 2.7 The Committee shall agree, in respect of encompassing all of the above matters, an annual framework of work which will drive the agendas for Remuneration Committee meetings and on which the Committee will be expected to review and report on progress to the College Council on a timely basis and through an annual Remuneration Report to Council.
- 2.8 In support of these duties the Committee shall:
- 2.8.1 Arrange for periodic reviews of its own performance and, at least annually, review its Terms of Reference and procedure to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Council for approval.
  - 2.8.2 Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members.
  - 2.8.3 Give due consideration to laws, regulations and any published guidelines from the Charity Regulator or elsewhere as appropriate, or recommendations regarding the remuneration, including severance payments of the Vice-Chancellor and President and such other Senior Post Holders under its remit at any time.
  - 2.8.4 Be authorized by the Council to obtain, at the University's expense, outside legal or other professional advice on any matters within its terms of reference.

### **3. Composition**

- 3.1 The Committee shall be a standing committee of Council.
- 3.2 The Members of the Committee shall all be Independent Members of the College Council. At least one member should have some experience in the field of remuneration. An independent specialist may be co-opted to the Committee to fulfil this requirement if necessary.
- 3.3 The Chair of the Remuneration Committee shall normally be the Vice-Chair of Council. In the event the Vice-Chair is unable to serve, another independent member may be appointed by Council to chair the committee. The Chair of Council may not be the Chair of the Committee.
- 3.4 The other members of the Committee shall be the Chair of the Council, the Honorary Treasurer and at least two other independent members of the Council.
- 3.5 The Vice-Chancellor and President or other Senior Post Holders may not be members of the Remuneration Committee. They may attend its meetings by invitation, but must not be present, nor be involved in any discussions regarding their own remuneration or terms of employment. Where the remuneration of senior staff other than the Vice-Chancellor and President is being discussed, the Vice-Chancellor and President is permitted to attend and should be present, to ensure well-informed decisions are made.
- 3.6 Other individuals may be invited to attend a meeting by prior arrangement with the Chair of the Committee.
- 3.7 The Council on the recommendation of the Governance & Nominations Committee shall approve appointments to the Committee and these appointments shall be for a period of up to three years, which may be extended for a further three-year period, again subject to approval by the Council. Exceptionally, a member may be appointed to a third term up to a maximum of nine years' continuous service.
- 3.8 The University Secretary shall be the Secretary of the Committee. The Secretary of the Committee will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

#### **4. Frequency of Meetings**

- 4.1 The Committee shall meet at least twice per year and at such other times as the Chair of the Committee shall require.
- 4.2 Sufficient time should be allowed to enable the Committee to undertake as full a discussion as may be required at its meetings. Supporting papers shall be sent to Committee members and to other attendees in advance where possible.
- 4.3 The quorum necessary for the transaction of business shall be three individuals and this may include one co-opted member.

#### **5. Reporting Procedures**

- 5.1 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved by the Chair, a summary report (which will not contain any confidential information in relation to any Senior Post Holder's remuneration) will be circulated to all other members of the Council, unless in the opinion of the Chair of the Committee it would be inappropriate to do so. This report will summarise the discussions held, any actions taken and, if relevant, will present any items determined by the Committee as requiring formal approval.
- 5.2 The Committee Chair shall report to the Council on its proceedings after each meeting on all matters within its duties and responsibilities.
- 5.3 The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its remit where action or improvement is needed.
- 5.4 Where the Committee has obtained external advice (remuneration, or legal) the reports to Council should identify such consultants and state whether they have any other connection with the University.
- 5.5 The Committee shall ensure that it has fulfilled its obligations in respect of any disclosures of information about the University's policy and practices and ensure that provisions relating to full disclosure of remuneration, including pension and benefits are fulfilled.
- 5.6 The Committee shall ensure in its reporting that it has considered the views of staff and/or student governing body members in determining the Remuneration Policy for Senior Post Holders.