



Northern College

Terms of Reference - The Remuneration Committee

The Remuneration Committee is a committee of the Corporation.

The committee follows the principles of the [Colleges' Senior Post Holder Remuneration Code](#) and the relevant requirements of the Treasury's [Managing Public Money](#) guidance.

The purpose of the committee is to

- consider, approve and report to the Board on decisions regarding the remuneration package, terms and conditions (including the annual reviews of such) and, where appropriate, severance payments of the Principal/Chief Executive and other senior post holders;
- consider and make recommendations to the Board regarding the remuneration, reward and benefit structures for all other staff.

1 Membership

1.1 The committee will consist of at least four members of the Board of Governors, one of whom will be the chair of the Board of Governors. Where appropriate the committee may also include up to two independent members with appropriate expertise.

1.2 The Principal, staff and student governors are not eligible for membership.

1.3 The committee may invite:

- third parties to provide external independent advice;
- members of College staff to present specific reports, information or recommendations.

Such persons will not have a vote, but are entitled to speak at the meeting.

1.4 For the avoidance of doubt whilst members of staff, including senior post holders, may be invited to meetings as attendees to present reports and provide advice they are not members of the committee, will not play any part in its decision making and will withdraw from every part of a meeting at which their own remuneration or performance is under discussion.

1.5 Membership of the committee and its terms of reference will be approved by the Board of Governors.

- 2 Quorum** 2.1 The quorum will be three members.
- 3 Frequency of Meetings** 3.1 The committee will meet as and when required, but normally twice per annum.
- 4 Responsibilities of the Committee** **With respect to Senior Post Holders**
- 4.1 Ensure that the remuneration process for senior post holders complies with the AoC Code of Good Governance and/or Senior Staff Remuneration Code and any other equivalent regulations which apply to the College.
- 4.2 Agree a performance review framework for the Principal and other Senior Post Holders and ensure reviews are conducted at least annually.
- 4.3 Agree a framework for the remuneration for Senior Post Holders which ensures that remuneration decisions are fair, appropriate and justifiable; makes clear the choice of comparators and benchmarks that may be used in determining remuneration and includes a policy regarding the retention of income from external activities.
- 4.4 In line with the agreed framework undertake an annual review of Senior Post Holders' remuneration, including basic salary; benefits in kind; pension provisions; main terms and conditions in each Senior Post Holder's contract, with particular reference to the notice provisions.
- 4.5 Within the approved framework, determine on behalf of the Board of Governors the remuneration of Senior Post Holders.
- 4.6 Determine on behalf of the Board of Governors any compensation which may be made in the event of the early termination of the employment of a Senior Post Holder, ensuring they are reasonable, appropriate and justifiable; the decision is procedurally fair; and decision-making is transparent, accountable and compliant with the requirements of Managing Public Money guidance.
- 4.7 Keep under review the pay multiple of the Principal and the median earnings of the college's workforce and publish this information as required.
- With respect to all other staff**
- 4.8 Make recommendations to the Board of Governors regarding pay awards for all other staff.
- 4.9 Make recommendations to the Board of Governors on any major changes to employee benefit structures.

- 5 Election of Chair** 5.1 The chair of the committee will be selected from amongst the members of the committee. The chair of the Board of Governors will not chair the committee.
- 6 Clerking the Committee** 6.1 The Clerk to the Governors shall act as secretary to the committee, (with the exception of any matters relating to their own remuneration or performance in line with 1.4 above).
- 7 Reporting to the Board of Governors** 7.1 The minutes of each meeting of the committee will be presented to the next available meeting of the Board of Governors.
- 8 Date of Approval** December 2023 - Board of Governors.
- 9 Next Review** December 2024