

Tameside College Further Education Corporation

Remuneration Committee Terms of Reference 2023/24

1 Constitution

- 1.1 The Tameside College Further Education Corporation hereby resolves to adopt the following terms of reference for the Remuneration Committee.

2 Objective

- 2.1 The Remuneration Committee shall review the policy on the pay and conditions of service for the Principal and the holders of designated senior posts and make recommendations to the Corporation accordingly, so as to:
- (i) ensure that the Principal and holders of senior posts (as designated by the Corporation) are fairly rewarded for their individual contributions to the College's overall performance; and,
 - (ii) demonstrate to the public that the pay of holders of senior posts is reviewed by a Committee which has no personal interest in the outcome of its recommendations and which gives due regard to the interests of the public and of the financial health of the College;
 - (iii) comply with HM Treasury requirements and guidance in relation to senior pay controls and special payments.

3 Membership

- 3.1 The Remuneration Committee shall be appointed by the Corporation and shall comprise four Members including:
- The Chair of the Corporation
 - The Vice-Chair of the Corporation
 - Up to two other Members of the Corporation, excluding the Principal and Staff and Student Members
 - Up to one external co-opted Member.
- 3.2 Any persons co-opted to serve on the Committee will be of established standing, reputation and integrity in the community which the College serves but independent of the College. Such members will be free from any business or other relationship with the College which might compromise the exercise of their independent judgement.
- 3.3 A quorum shall be two Members of the Remuneration Committee.
- 3.4 The Chair of the Remuneration Committee shall be appointed by, and be a Member of, the Corporation.
- 3.5 If the Chair is absent from any meeting of the Committee, the Members present shall choose one of their own number to act as Chair for that meeting.

3.6 Corporation Members who are Members of the Remuneration Committee shall hold a term of office on the Committee which is commensurate with their term of office as a Member of the Corporation.

3.7 Members retiring at the end of their term of office shall be eligible for re-appointment by the Corporation.

4 Attendance at Meetings

4.1 The Principal shall normally be invited to attend meetings of the Remuneration Committee save where his/her remuneration package is being considered. The Committee may invite other senior postholders to attend meetings when necessary.

4.2 Other Corporation Members shall also have a right of attendance as observers save that the Remuneration Committee may exclude Staff and Student Members and any other Corporation Members who are employees of the College.

4.3 The Clerk to the Corporation shall be the Clerk to the Remuneration Committee.

5 Frequency of Meetings

5.1 The Remuneration Committee shall normally meet on two occasions in each academic year.

6 Authority

6.1 The Remuneration Committee is authorised by the Corporation to investigate any activity within its terms of reference.

6.2 It is authorised to seek any information it requires from any employees of the College and all employees of the College are directed to co-operate with any request made by the Committee.

6.3 The Remuneration Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary provided that the Committee shall not incur direct expenditure in this respect in excess of £5,000 (plus VAT) in any College financial year without the prior approval of the Corporation.

7 Duties

7.1 The Remuneration Committee shall advise the Corporation on specific remuneration packages of the Principal and other senior postholders (as designated by the Corporation) and in doing so shall consider the following component elements:

- basic salary;
- benefits in kind;
- annual bonus/performance related elements;
- pension provisions;
- the main terms and conditions in the service agreement for each designated senior postholder, with particular reference to the notice provisions.

7.2 The Remuneration Committee shall evaluate annually the specific remuneration packages of the Principal and designated senior postholders against:

- pre-established performance goals and objectives; and
- an appropriate peer group.

For that purpose, the Committee will review and assess performance target goals and objectives established before the commencement of the relevant period and determine whether such goals and objectives have been achieved at the end of the relevant period.

7.3 The Remuneration Committee shall advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable in the event of an early termination of the employment of the Principal or any designated senior postholder, with the broad aim of:

- avoiding rewarding poor performance; and
- dealing fairly with cases where early termination is not due to poor performance.

7.4 The Remuneration Committee shall review on a continuing basis the Corporation's policy in relation to:

- all aspects relating to the remuneration of the Principal and designated senior postholders including salary levels, comparisons with similar colleges, performance criteria and compensation commitments on early termination;
- main component elements in the specific remuneration packages of each designated senior postholder, such as salary, benefits in kind, individual bonuses and pension entitlements.

7.5 In reviewing and making any recommendation to the Corporation on the pay of Senior Post Holders, the Remuneration Committee shall follow HM Treasury (HMT) requirements in relation to Managing Public Money and HMT Guidance for Approval of Senior Pay: Senior Pay Controls Process. The Corporation must seek permission from the Department for Education (DfE) in respect of senior pay over defined limits.

7.6 In reviewing any special payments, including severance, compensation and ex-gratia payments being considered for senior postholders, the Remuneration Committee shall give consideration to the requirements of HMT Managing Public Money and the approval required for any payments above stated thresholds and signing of non-disclosure agreements.

8 Reporting Procedures

8.1 The minutes of the Remuneration Committee shall normally be presented to the Corporation as a confidential agenda item.