



Northern College

Terms of Reference - The Remuneration and Governance Committee

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;
- consider and make recommendations to the Board regarding the overall governance framework and membership of the Board of Governors and its committees.

1 Membership

- 1.1 The committee will consist of at least five 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 at least twice per academic year.

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.

With respect to governance

- 4.9 Oversee the effectiveness of the College's governance arrangements and performance, including oversight of the annual self-assessment of governance and the triennial external review of governance.
- 4.10 Advise the Board of Governors on the most suitable overall size, representation upon and composition of the Board of Governors and its committees.
- 4.11 Propose the range of aptitudes, experience, skills and abilities which the Board should seek to include amongst its membership, and oversee effective succession planning.
- 4.12 Oversee the appointment and reappointment of members of the Board of Governors in line with the 'procedure for the appointment of members'.
- 4.13 Oversee the development and implementation of the Board of Governor's induction, training and development plan.
- 4.14 Consider and recommend/approve policies in line with the College's policy framework and any other relevant governance documentation/procedures in line with the scheme of delegation.
- 4.15 Consider risk within its remit and any risks allocated to the committee for oversight, and advise the Board of Governors accordingly.
- 4.16 Assess the performance of the committee at least annually and agree any actions arising.
- 4.17 Consider the appropriateness of the committee's terms of reference and advise the Board of Governors on any changes for approval.

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 is not eligible to chair the committee.

6 Servicing 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, in which circumstances the committee will appoint an acting clerk for the duration of the item).

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 20 March 2024 (effective from 1 August 2024)

