

Ealing, Hammersmith and West London College

FE CORPORATION

TERMS OF REFERENCE & CYCLE OF BUSINESS

Remuneration Committee

Version History

Approved by the Corporation	13 February 2019
Reviewed/Approved by the Committee	10 July 2019
Approved by the Corporation	17 July 2019

Authority

The Remuneration Committee of the Corporation is a not **statutory** committee as defined in the WLC Instrument and Articles of Government.

Statutory Framework relating to Senior Post holders and the Clerk

Article 3 (f) of the WLC Instrument and Articles of Government states that the Corporation shall be responsible for

‘The appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk, including, where the Clerk is, or is to be pointed as, a member of staff, the Clerk's appointment, grading, suspension, dismissal and determination of pay in the capacity of a member of staff’.

Article 9 states that the Corporation may not delegate

- (d) ‘the appointment of the Principal or holder of a senior post;
- (e) the appointment of the Clerk, (including, where the Clerk is, or is to be, appointed as a member of staff the Clerk's appointment in the capacity of a member of staff)’.

Article 10 states that the Corporation may not delegate:

- (1)
 - (a) ‘the consideration of the case for dismissal; and
 - (b) the power to determine an appeal in connection with the dismissal of the Principal, the Clerk or the holder of a senior post, other than to a committee of members of the Corporation.
- (2) The Corporation shall make rules specifying the way in which a committee having functions under paragraph (1) shall be established and conducted.’

Article 12 states

12.(1) ‘Where there is a vacancy or expected vacancy in a senior post, the Corporation shall:

- (a) advertise the vacancy nationally; and
- (b) appoint a selection panel consisting of:

- (i) at least five members of the Corporation including the Chair or the Vice-Chair or both, where the vacancy is for the post of Principal; or
 - (ii) the Principal and at least three other members of the Corporation, where the vacancy is for any other senior post.

- (2) The members of the selection panel shall:
 - (a) decide on the arrangements for selecting the applicants for interview;
 - (b) interview the applicants; and
 - (c) where they consider it appropriate to do so, recommend to the Corporation for appointment one of the applicants they have interviewed.

- (3) If the Corporation approves the recommendation of the selection panel, that person shall be appointed.

- (4) Where there is a vacancy in a senior post or where the holder of a senior post is temporarily absent, until that post is filled or the absent post holder returns, a member of staff:
 - (a) may be required to act as Principal or in the place of any other senior post holder; and
 - (b) if so required, shall have all the duties and responsibilities of the Principal or such other senior post holder during the period of the vacancy or temporary absence.'

Article 16 states

- 16. (1) (c) (i) 'After consultation with staff, the Corporation shall make rules setting out...disciplinary and dismissal procedures for senior post-holders...' and that

- (3) Any rules made under paragraph (1)(c)(i) shall include provision that where the Corporation considers that it may be appropriate to dismiss a person, a preliminary investigation shall be conducted to examine and determine the case for dismissal.

Article 17 states

17.(1) 'Where the Clerk is also a member of staff at the institution, the Clerk is to be treated as a senior post holder for the purposes of article 16(c).

(2) Where the Clerk is suspended or dismissed under article 16, that suspension or dismissal shall not affect the position of the Clerk in the separate role of Clerk to the Corporation.'

Senior Post holders

'Senior Posts' required to be identified by the Corporation in accordance with Section 3 of the Articles of Government are currently:

Principal and Chief Executive
Clerk to the Corporation
Executive Director (Finance and Resources)
Deputy Principal (Curriculum and Quality)

Delegated Authority

The Corporation has determined that the Remuneration Committee is responsible for the the annual review, performance assessment ('appraisal') and arrangements of the salaries and other terms and conditions of employment of the Principal and Chief Executive, the Clerk and other senior post holders.

Membership and Attendance

The members of the Remuneration Committee shall comprise up to 6 governors.

The membership of the Committee shall be constituted from the chairs of the committees of the Corporation, the Chair of the Corporation, the Vice Chair of the Corporation and one other external governor.

The Chair of the Remuneration Committee **shall not** also be the Chair of the Corporation.

The Principal shall not be a member of the Remuneration Committee but may advise the Committee on matters other than his/her own remuneration. The Committee may invite other senior post holders to attend meetings where necessary.

The Principal and Chief Executive shall withdraw when matters relating to the remuneration and performance of the Principal and Chief Executive are considered.

Other senior post holders shall withdraw when matters relating to their remuneration and performance are considered.

The Clerk to the Corporation shall be the Clerk to the Committee unless otherwise agreed by the Committee.

The Clerk shall withdraw when matters relating to the remuneration and performance of the Clerk are considered.

Quorum

The quorum for each meeting shall be four members of the Committee.

Meeting cycle

The Committee shall meet at least twice in any meeting cycle.

Declarations of interest

Members of the Committee shall declare any conflicts of interest as required by the Standing Orders of the Corporation.

Review of Terms of Reference and Cycle of Business

The Committee shall review its terms of reference and cycle of business annually at the summer meeting and make an appropriate recommendation to the Corporation.

The Colleges' Senior Post Holder Remuneration Code ¹

The Corporation adopted the Colleges' Senior Post Holder Remuneration Code at its meeting held on 22 May 2019. The Code states that

Fair and appropriate remuneration¹ requires three key elements - namely that there is:

- i. a fair, appropriate and justifiable level of remuneration;
- ii. procedural fairness; and
- iii. transparency and accountability

The terms of reference of the Committee have been updated to reflect compliance in full with the College's Senior Post Holder Remuneration Code.

Terms of Reference

¹ <https://www.aoc.co.uk/funding-and-corporate-services/governance/governance-resources/colleges-senior-post-holder>

The duties of the Remuneration Committee shall comprise: -

The Remuneration Committee shall act in accordance with the delegated authority of the Corporation to determine the remuneration and all other terms and conditions of employment of the holders of senior posts (Senior Post holders) and the Clerk. In so doing consideration will be given to elements such as

- basic salary
- benefits in kind
- annual bonus/performance related elements (non-consolidated), if any
- pension provisions
- the terms and conditions in each senior post holder's contract of employment, with particular reference to notice provisions.
- relevant data published by peer groups i.e. the AoC survey of senior pay
- the College's ability to pay
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The Remuneration Committee shall advise the Corporation on the appraisal process for senior post holders including the Principal together with the outcomes from the annual appraisals. The appraisal of the Clerk shall also be reported to the Corporation. Specifically the Committee shall evaluate annually the specific remuneration packages of the Principal and other senior post holders against:

- agreed performance goals and objectives; and
- an appropriate peer group (it may take account of relevant information published by the AoC)
- the Corporation's ability to pay

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. As specified in the Colleges' Senior Post Holder Remuneration Code, the Committee will expect that 'Non-achievement of an individual's expected contribution should be clearly addressed through performance management.'

The Committee shall review on a continuing basis the Corporation's policy in relation to the remuneration of the Principal, the Clerk and other senior post holders. As required by the Colleges' Senior Post Holder Remuneration Code, the College will publish a readily accessible annual statement, based on an annual report to its governing body.

This report will contain:

- a) a list of Senior Post Holders within the remit of Remuneration Committee;
- b) its policy on the remuneration for post holders within the remit of Remuneration Committee;

- c) its policy on income derived from external activities;
- d) the pay multiple of the Chief Executive / Principal and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.

The report should also contain:

- e) its choice of comparator college(s)/organisation(s);
- f) an explanation of any significant changes.

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Details of staff development activities undertaken by senior post holders including the Principal and the Clerk shall be presented to the Remuneration Committee with the appraisal outcomes and the Corporation shall be informed appropriately.

The Remuneration Committee shall receive and consider reports from the Principal as required.

Additional Information

The Remuneration Committee shall operate in a manner consistent with the principles of openness and accountability required of a body that is responsible for oversight in the spending of public funding. Consistent with the principles described above appropriate confidentiality will be observed.

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ANNUAL CYCLE OF BUSINESS

Remuneration Committee

AUTUMN TERM

Performance Review of Senior Post holder(s)
AoC Colleges' Senior Post holders Remuneration Code
(review)

SUMMER TERM

Performance Review of Senior Post holder(s)
Terms of Reference Review
Remuneration Matters including benchmarking