

Heart of Yorkshire Education Group

Remuneration Committee

Terms of Reference 2021/22

1 Objectives

1.1 The Remuneration Committee shall advise the Corporation of the Heart of Yorkshire Education Group (to be referred to as the corporation). It:

- Is accountable to the Corporation
- Shall review and determine the Corporation's policy on senior post holders' and the Clerk to the Corporation's remuneration and make recommendations on the specific remuneration package of their total reward package.
- It will ensure that each is fairly rewarded for their individual contributions to the College's overall performance.
- It will demonstrate to the public that the pay and conditions of each such person is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the College.
- It will review and revise, as necessary, the Corporation's grievance and disciplinary procedures relating to senior post holders.

2 Membership

2.1 The Committee shall be appointed by the Corporation, on the advice of the Search Committee, and shall consist of 4 members comprising:

- the Chair of the Corporation
- Three other corporation members

2.2 Membership precludes the Principal and the staff and student Governors.

2.3 A quorum shall be 3 members.

2.4 The Search Committee shall review the membership of this Committee on an annual basis.

3 Appointment of Chair and Vice Chair

3.1 The Chair of the Committee shall be appointed by the Board and shall be an independent corporation member. The Committee shall not be chaired by the Chair of the Governing Body.

3.2 The Chair and Vice Chair shall hold office for two years, and until the first meeting of the subsequent Committee meeting of each College year.

3.3 At the end of the term of office the Chair and Vice Chair shall be eligible for re-appointment.

3.4 If the Chair and Vice Chair are absent from any meeting of the Committee, the members shall choose one of their number to act as Chair for that meeting.

4 Meetings

4.1 Attendance

- The Clerk to the Corporation shall be Clerk to the Committee, except for that part where the remuneration of the Clerk is being considered. The Chair of the Committee will ensure a record is kept for this section of the meeting.
- The Principal will be invited to attend the meetings as an observer and to contribute to discussions. The Principal shall not be entitled to be present for any part of the meeting where the Principal's remuneration or performance is being considered.
- The Executive Director: Human Resources and Organisational Development shall normally be invited to attend meetings of the Committee to advise members as may be necessary.
- The Committee may also invite other senior post holders to attend meetings when necessary.

4.2 Frequency of Meetings

- Meetings shall be held not less than once per year.

5 Authority

- 5.1 The 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. *
- 5.2 The Committee may investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the College. All employees of the College are directed to cooperate with any request made by the Committee.

* The Corporation may wish to fix a financial limit on the amount of expenditure which the Committee is authorised to incur.

6 Duties

- 6.1 The Committee shall determine on behalf of the Corporation, the specific remuneration of the Principal and other senior post holders and the Clerk to the Corporation. In so doing, it shall consider the following component elements:

- basic salary
- benefits in kind
- annual bonus/performance related elements
- pension provisions
- the main terms and conditions in each such person's service agreement, with particular reference to the notice provisions.

6.2 The Committee's intention is to follow best practice guidance and adhere to the SPH Remuneration Code and follow its' recommendations. The Corporation has confirmed it's commitment to this by adopting the Remuneration Code. As with any other principle or expectation, this will be on a 'comply or explain' basis. By visibly adopting the Remuneration Code, the board is demonstrating leadership and stewardship in relation to remuneration within the group and, in doing so will help to protect institutional and sector reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.

The Committee shall evaluate annually the specific remuneration of the Principal and other senior post holders and the Clerk to the Corporation

6.3 Procedures for determining pay

The following, non-exhaustive, factors shall be taken into account in any annual review of pay:

- Salary benchmark data for same-level staff in comparable college and groups (derived from the AOC Survey of Remuneration of Management Staff and Senior Post-holders).
- Available salary information from regional colleges and groups.
- Economic conditions and competitive forces within the local community.
- Pay awards given to the wider group staff.
- Affordability, as determined by the Group's financial performance.
- Whole group performance against the strategic objectives and Key Performance Indicators approved by the Board.
- Individual performance against objectives set as part of the annual appraisal process.
- From time to time the value of a role may need to be reviewed in light of changing conditions, sustained performance, experience etc.
- Non-achievement of an individual's expected contribution should be clearly addressed through performance management.
- Any severance payments must be reasonable and justifiable.
- There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders.

**** Need to confirm who is included within senior staff or post holders**

- 6.3 The Committee shall advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the Principal or any other senior post holder, with the broad aim of:
- avoiding rewarding poor performance; and
 - dealing fairly with cases where early termination is not due to poor performance.
- 6.4 The Committee shall review on a continuing basis the Corporation's policy in relation to all aspects relating to the remuneration of the Principal and other senior post holders and the Clerk to the Corporation.
- 6.5 The Committee shall on a regular basis review and revise, as necessary, the Corporation's grievance and disciplinary procedures relating to senior post holders.
- 6.6 The Committee shall review its Terms of Reference and its compliance with them on an annual basis.

7 Reporting Procedures

- 7.1 The Chair of the Remuneration Committee shall notify the Principal and other senior post holders and the Clerk to the Corporation of the outcome of the annual review.
- 7.2 The Clerk to the Corporation shall circulate minutes of the meetings to all Corporation Members.
- 7.3 Governors wishing to raise comments or queries in relation to the appraisal or remuneration of senior post holders and the Clerk to the Corporation can do so by contacting the Chair of the Remuneration Committee outside of any formal meeting.
- 7.4 The Chair of Remuneration Committee holds delegated authority to approve any pay awards recommended by the Remuneration Committee.
- 7.5 Upon approval of any pay award, the Chair of Remuneration Committee will write formally to the designated senior post-holders and Director of Governance (Clerk) to advise of any pay award.
- 7.6 If an approved pay award is not fully accepted, or is queried by the Senior Post-Holder or the Director of Governance then the Senior Post-Holder Grievance

Procedure would be an available route to undertake, ensuring independent review.

- 7.7 The Chair of the Remuneration Committee will provide an annual report to the Corporation at its next scheduled meeting advising on the outcome of the appraisals of designated senior post-holders and the Director of Governance. This will include whether any pay awards have been made (in line with the pre-determined criteria set out at section 6.3 above) and accepted.

It will publish on the website a readily accessible annual statement, based on an annual report to its governing body, in accordance with the requirements of the Remuneration Code.

This report must 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.

8 . Equality and Diversity Statement

The corporation welcomes and celebrates equality and diversity. We believe that everyone should be treated equally and fairly, regardless of their age, disability, gender, gender identity, race, religion or belief, sexual orientation and socio-economic background. We seek to ensure that no member of the College community receives less favourable treatment on any of these grounds which cannot be shown to be justified.

This document is written with the above commitment, to ensure equality and diversity is at the centre of working life at the Heart of Yorkshire Education Group.

9. Safeguarding Policy

The corporation recognises its moral and statutory responsibility to safeguard and promote the welfare of students. We work to provide a safe and welcoming environment where students are respected and valued. We are alert to the signs of abuse, neglect, radicalisation and extremism and follow our procedures to ensure our students receive effective support, protection and justice. The corporation expects Governors, staff and volunteers working on behalf of the college to share this commitment.

10. Fraud, Bribery & Corruption

The Fraud Act 2006 introduces a new offence of fraud, which can be committed in three ways:

- Fraud by false representation

- Fraud by failing to disclose
- Fraud by abuse of a position of trust

All offences occur where the act or omission is committed dishonestly and with intent to cause gain or loss. The gain or loss does not have to succeed, as long as there is intent. The Bribery Act 2010 makes it a criminal offence to bribe or be bribed by another person by offering or requesting a financial or other advantage as a reward or incentive to perform a relevant function or activity improperly performed.

Further information, including how to raise concerns, is included within the Anti-Fraud and Anti-Bribery & Anti-Corruption Policies.