



REMUNERATION COMMITTEE

Terms of Reference and Composition 2020/21

1. Receive and review reports from the Chair of Council on the performance of the Vice-Chancellor and consider and determine annually the reward package and other emoluments of the Vice-Chancellor.
2. Receive and review reports from the Vice-Chancellor on the performance of his/her direct line reports.
3. Consider and determine salaries, terms and conditions of other senior staff falling within the remit of the Remuneration Committee (as defined below – see point (a) in *Staff falling within the remit of the Remuneration Committee*), as recommended by the Vice-Chancellor and Deputy Vice-Chancellors.
4. Exercise oversight of the salaries, terms and conditions of those senior staff whose pay and conditions of service are subject to consideration by the University's Senior Pay and Reward Group.
5. Consider and recommend for approval to Council or, where appropriate, and strictly subject to and within the powers delegated to it by Council (as set out in Appendix 1), approve severance arrangements for staff falling within the remit of the Remuneration Committee (as defined below – see point (b) in *Staff falling within the remit of the Remuneration Committee*).
6. Receive and review the [annual] report of settlement agreements issued by the University and have oversight of the maximum severance terms for individual cases where terminations are approved under settlement agreements [other than through the Remuneration Committee].
7. In considering and determining the emoluments of the Vice-Chancellor and other staff falling within its remit, the Remuneration Committee shall apply the principles set out in the CUC Higher Education Senior Staff Remuneration Code ("the Code"), and any other applicable external and internal rules and guidance, in force from time to time. For information, the CUC guidance can be found at Appendix 2.
8. In considering and recommending for approval or approving severance payments, the Remuneration Committee shall apply the principles set out in the CUC Guidance on Decisions Taken about Severance Payments in HEIs ("the CUC Guidance"), and any other applicable external and internal rules and guidance, in force from time to time. For information, the text of the June 2018 version of the CUC Guidance is reproduced in Appendix 3.
9. Following each meeting, the Committee shall make a report to the Council on the exercise of its delegated authority, subject to considerations of confidentiality and data protection. In addition, each year, the Remuneration Committee shall produce an annual remuneration report to Council containing information sufficient to assure Council that the Committee has effectively discharged its responsibilities, including information regarding any severance payments that have been made to senior staff (as defined as falling within the remit of the Remuneration Committee).
10. In discharging its responsibilities, the Committee will, in each case, have due regard to considerations of risk.

Composition

Members

Chair of Council and at least three co-opted lay members

External co-opted members as required

The Remuneration Committee will be chaired by the Chair of Council, except where the Remuneration Committee is considering the remuneration of the University's Vice-Chancellor. The meeting will then be chaired by a co-opted lay member of Council.

In attendance¹

Vice-Chancellor

University Secretary

Director of People and Campus Services

Committee Secretary (Governance Team)

In addition, the following post-holders may be invited to attend meetings of the Remuneration Committee as required to aid the Members of the Committee in their decision-making and policy information, provided that they shall not be present for any discussions affecting him/her or relating to the remuneration of colleagues (unless a colleague is line-managed by the relevant post-holder):

- Pro-Vice-Chancellors
- Chief Finance Officer
- Deans of Faculties
- Directors
- Other HR Officers

The Remuneration Committee may also seek external advice or guidance, which may include the attendance of appropriate external advisors at Remuneration Committee meetings, if and when required.

Members of Remuneration Committee and any individual invited to attend a meeting of the Committee must declare any conflict of interest relating to the business of the Committee and may be asked by the Chair to withdraw from any meeting during discussion of items for which there is a conflict.

Staff falling within the remit of the Remuneration Committee

The following post holders will fall within the remit of the Remuneration Committee:

- a) For the purposes of determining the pay and terms and conditions of senior staff: the Vice-Chancellor, the Pro-Vice-Chancellors, the Chief Finance Officer, the Director of People and Campus Services, the Deans and the University Secretary;
- b) For the purposes of considering severance payments to senior staff: all of the post-holders listed in (a), above, and any other University employee earning over £100,000.²

¹ To attend all meetings but will not be present for discussions affecting him/her

² For these purposes, "earnings" means total taxable employment earnings, including base salary, allowances, variable/performance pay, and the cash value of any benefits-in-kind.

Frequency of meetings

The Committee should meet no less than twice per academic year

Quorum

A quorum comprises at least 50% of the members of the Committee, including the Chair or the Chair's nominee.

APPENDIX 1

Powers delegated from Council to the Remuneration Committee for the purposes of considering and approving termination payments

Council has delegated to the Remuneration Committee the power to approve termination payments to senior staff falling within the remit of the Committee (as defined in these terms of reference) in the circumstances and within the parameters set out below:

1. Payments that are made under and in accordance with the University's voluntary severance scheme, as amended from time to time, [which has been approved by Remuneration Committee as applying to the consideration of severance payments]. This scheme provides that any such payment will be limited to an enhanced redundancy payment (calculated in accordance with the formula set out in the scheme) and a payment in lieu of notice reflecting the higher of the individual's contractual or statutory entitlements;
2. For payments falling outside the scope of the University's voluntary severance scheme, the Remuneration Committee must apply the principles set out in the CUC Guidance on Decisions Taken about Severance Payments in HEIs, as amended or updated from time to time, which have been approved by Council]. Subject to those principles, and to paragraph 3, below, the Remuneration Committee shall have the power to agree and approve severance payments consisting of:
 - a. A payment in lieu of the higher of the individual's contractual or statutory notice entitlements (provided also that there is a mechanism drafted into any settlement agreement that allows the payment to be reduced to reflect any sums earned by the individual during what would have been their notice period); and
 - b. An ex gratia termination payment the gross amount of which is equivalent to no more than the higher of twelve months' gross salary and the maximum compensatory award for unfair dismissal in force from time to time, less appropriate deductions. In considering the appropriate level of any payment, the Remuneration Committee will also have regard to the individual's length of service with the University and whether they have the necessary qualifying service to bring an unfair dismissal claim.
3. Where severance proposals arise from:
 - a. Allegations of serious or gross misconduct, and where there is considered to be a prima facie case for serious or gross misconduct; or
 - b. Serious performance issues, based on which continued employment of the individual poses a threat to the efficacy of the role and the wider strategic interests of the University
 - c. Payments may only be approved by the Remuneration Committee under its delegated powers provided that the terms do not exceed reasonable contractual commitments and any applicable statutory entitlements which arise automatically on termination of employment (e.g. payment for accrued but untaken statutory leave but not payments in relation to potential liabilities for statutory employment claims such as unfair dismissal). Under these circumstances, and based on the facts known at the time, the Remuneration Committee may exercise discretion in relation to the inclusion of sums equivalent to notice payments.
4. For any payments falling outside the above parameters, the University must recommend any proposed payments to the Chair of Council for Council's approval.

[APPENDIX 2]

[CUC Remuneration Code](#)

[APPENDIX 3]

[CUC Guidance on Decisions Taken about Severance Payments in HEIs, June 2018](#)