



REMUNERATION COMMITTEE

Terms of Reference

Constitution

The Board of Governors has constituted by formal resolution on 21 November 2018 a Committee of the Board of Governors known as the Remuneration Committee.

Membership & Attendance

Members of the Remuneration Committee shall be appointed by the Board of Governors on the recommendation of the Nominations Committee.

Membership of the Remuneration Committee shall be limited to Independent Governors, and shall comprise at least three members. In accordance with the Higher Education Senior Staff Remuneration Code (published June 2018 by the CUC), membership must include the institution's Chair, but not the Head of Institution. When considering HoI remuneration, the Committee must be chaired by a lay governor who is not Chair of the governing body.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Head of Institution, the Head of Human Resources (or equivalent, by whatever name) and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary.

Individuals who are not members of the Committee may be asked to leave the room before discussion of any confidential matters or matters where there may be a conflict of interest. No director or senior manager shall be involved in any decisions as to their own remuneration.

Chair

A Chair of the Committee shall be appointed from among its members, such appointment to be subject to the approval of the Board. The Chair of the Board shall not serve as Chair to the Committee.

Members of the Committee may appoint from the membership of the Committee a deputy chair, such appointment to be subject to the approval of the Board.

Secretary

The Committee is serviced by the Conservatoire Secretary, and they shall attend all meetings of the Committee where appropriate.

Quorum

Any meeting of the Committee will be quorate when at least two Independent Governors are present.

Frequency of meetings

The Committee shall meet at least twice per year and otherwise as required.

Notice of meetings

Meetings of the Committee shall be called by the Secretary at the request of the Chair or Members of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with the agenda of items to be discussed, shall be forwarded to each member of the Committee, and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

Business conducted outside of formal meetings by circulation will be reported to the next meeting.

Minutes of meetings

The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

Remit

The Committee is authorised by the Board of Governors to investigate any activity within its terms of reference.

Duties

The Remuneration Committee is charged by the Board to determine the Conservatoire's remuneration policy, taking into account all factors the Committee deems necessary (including relevant legal and regulatory requirements, the provisions and recommendations of the Higher Education Code of Governance, and associated guidance), and within the following guidelines:

- The objective of the remuneration policy shall be to attract, retain and motivate executive and senior leadership of the quality required to run the Conservatoire successfully without paying more than is necessary, having regard to the views of stakeholders (including the general public);
- The policy shall be aligned with the Conservatoire's long-term strategic goals, to include acknowledgment of its role in ensuring institutional sustainability and protecting the reputation of the Conservatoire; and
- A significant portion of remuneration should be structured so as to link rewards to corporate and individual performance and designed to promote the transition and sustainability of the Conservatoire.

For the avoidance of doubt, remuneration within these terms of reference shall be taken to mean the reward for employment in the form of pay (salary or wages), including allowances, benefits (e.g., medical plan, pension plan), bonuses and incentives (e.g., tuition reimbursement, relocation support), including the monetary value of any non-cash incentives.

With regard to the remuneration policy, the Committee shall:

1. Have responsibility for setting the remuneration for the Head of Institution, Finance Director, and Conservatoire Secretary including pension rights and any compensation payments;
2. To review the remuneration of any member of staff whose salary exceeds £60,000 per annum;
3. Take into account and consider the public interest and the safeguarding of public funds alongside the interests of the Conservatoire when considering all forms of payment, reward and severance to the staff whose remuneration is within scope of the Committee's scrutiny;
4. Recommend and monitor the level and structure of remuneration for the Conservatoire's senior leadership team;
5. Review and have regard to the pay and employment conditions across the Conservatoire's member schools, especially when determining annual salary increases;
6. Review the ongoing appropriateness and relevance of the remuneration policy;
7. Obtain reliable, up-to-date information about remuneration within the sector, and within UK conservatoires and/or higher education providers of comparable scale and complexity; and to this end, to appoint remuneration consultants and/or commission or purchase any reports, surveys or information which it deems necessary at the expense of the Conservatoire but within any budgetary restraints imposed by the Board;
8. Be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;
9. Approve the design of, and determine targets for, any performance-related pay schemes or incentive plans operated by the Conservatoire and approve the total annual payments made under such schemes and the performance targets to be used;
10. Determine the policy for, and scope of, pension arrangements for the HoI and other members of the senior leadership team;
11. Ensure that contractual terms on termination, and any payments made, are fair to the individual and the Conservatoire, that failure is not rewarded, and that the duty to mitigate loss is fully recognised;
12. Oversee any major changes in employee benefits structures;
13. Agree the policy for authorising Governor or HoI expenses claims; and
14. Work and liaise as necessary with all other Board committees.

The Committee shall also consider, monitor and where appropriate make proposals for consideration by the Board on matters:

15. Concerning the remuneration of Governors (excepting reimbursement of reasonable expenses associated with the performance of their duties);
16. Relating to the Human Resources Strategy insofar as it applies to the Conservatoire; and
17. Of strategic significance concerning remuneration and other employment matters not otherwise covered by these terms of reference.

Reporting Procedures

The Chair of the Committee will report to the Board in writing on the Committee's proceedings after each meeting on all matters within its duties and responsibilities. Written reports will be circulated to all members of the Board of Governors.

The Committee shall make whatever recommendations to the Board it deems appropriate on any matter within its remit where action or improvement is needed.

The Committee shall also produce a report on its activities to be included in the Conservatoire's annual report, including any disclosures of executive/senior leadership remuneration as required by the Office for Students or under the provisions of the FE/HE SORP. If the Committee has appointed remuneration consultants, the annual report of the Conservatoire's remuneration policy should identify such consultants and state whether they have any other connection with the Conservatoire or any of its member schools.

Other Matters

The Committee shall:

1. Have access to sufficient resources in order to carry out its duties, including access to the Company Secretary and Clerk for assistance as required, and including access to legal advice;
2. Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
3. Give due consideration to laws and regulations, the provisions of the Higher Education Code of Governance and any other applicable rules, as appropriate;
4. Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness; and
5. Recommend to the Board for approval any changes to the Committee's remit or membership it considers necessary to improve or enhance its effectiveness.

Authority

The Committee is authorised by the Board to obtain, at the Conservatoire's expense, outside legal or other professional advice on any matters within its terms of reference.

*Adapted from the ICSA model terms of reference for remuneration committees
Approved: October 2021*