

## **PERFORMANCE AND REMUNERATION COMMITTEE**

**Terms of Reference approved by the Corporation on 22<sup>nd</sup> March 2011**

### **1 CONSTITUTION**

The Performance and Remuneration Committee is formally constituted as a Committee of the Corporation of Northumberland College, in accordance with the College's Articles and Instrument of Government.

### **2 PURPOSE**

- 2.1 The role of the Committee is to make recommendations to the Corporation on the remuneration and conditions of services of senior post holders (as defined by the Corporation) and the Clerk.
- 2.2 It provides this role in order to ensure that the senior post holders' annual remuneration package is appropriately aligned to their individual and collective performance in managing and leading the improvement and the development of the College.
- 2.3 The Corporation may add to the terms of reference set out below, however it must not add terms that:
  - require the Performance and Remuneration Committee to adopt an executive role;
  - require members of the Performance and Remuneration Committee to offer professional advice to the Corporation outside their role as Governors.

### **3 MEMBERSHIP**

- 3.1 The Committee shall comprise of four Governors; namely the Chair of the Corporation and the Chairs of the Finance and Personnel, Audit, and Standards Committees. The Principal, Staff, and Student Governors shall not be eligible to be members of this committee.
- 3.2 Meetings of the Committee shall be quorate if three or more members are present.
- 3.3 The Chair of the Committee shall be appointed by the Corporation, usually annually at the Corporations' last meeting of the academic year.

#### **4 ATTENDANCE AT MEETINGS**

- 4.1 The Principal shall normally be invited to attend meetings of the Committee save where his/her remuneration is being considered. At the discretion of the Chair, the Principal may be excluded from any part of any meeting convened to discuss remuneration of senior postholders.
- 4.2 At the request of the Committee, any or all of the senior post holders shall be invited to attend a meeting to answer questions relevant to the work of the Performance and Remuneration Committee. The Clerk may also be invited to answer questions at the point that his/her remuneration and conditions of service as Clerk (including his/her remuneration and conditions of service as member of staff) are taken on the agenda.
- 4.3 Specialist advisers may attend meetings of the Committee or be asked to provide information if required
- 4.4 The Clerk to the Corporation shall be the Clerk to the Remuneration Committee.
- 4.5 Where the agenda item concerns the Clerk to the Corporation (including where the Clerk is, or is to be appointed as, a member of staff, his/her remuneration and conditions of service as member of staff), the Chair of the Committee will forward any exempted information to members of the Committee.
- 4.6 Where the agenda item concerns the Clerk to the Corporation (including where the Clerk is, or is to be appointed as, a member of staff, his/her remuneration and conditions of service as member of staff), the Clerk to the Corporation will withdraw from the meeting and a member of the Committee will take a confidential minute of the item discussed.

#### **5 FREQUENCY OF MEETINGS**

The Committee shall hold such meetings as necessary; however, unless agreed otherwise, at least one meeting per year shall take place in order to undertake an annual review of the remuneration of senior post holders and the Clerk to the Corporation (including where the Clerk is, or is to be appointed as, a member of staff, his/her remuneration and conditions of service as a member of staff). This meeting will be held in late January or early February when all the Colleges' audited performance evidence relating to the previous academic year will be available for consideration.

## **6 AUTHORITY**

6.1 The Committee is authorised by the Corporation to investigate any activity within its agreed terms of reference. It is authorised to seek any information it requires from any Governor, Corporation Committee, or employee of the College and all Governors and employees of the College are required to cooperate with any request made by the Committee.

## **7 DUTIES**

7.1 The Committee shall evaluate annually the specific remuneration packages of the Principal and other senior postholders. In arriving at its decision the Committee may at its sole discretion take due account of pre-established performance goals and objectives

7.2 After discussion and with the agreement of all members of the Committee, the Chair shall present an annual statement including any remuneration recommendation for approval by the Corporation. The statement should clearly show the impact of the senior post holders' performance on improvements and developments achieved; including specific reference to their contribution to improvements in learner success rates, the achievement of the approved financial plan for the previous year, and the enhancement of the College's reputation.

7.3 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 postholder with the broad aims of:

- avoiding rewarding poor performance
- dealing fairly and reasonably with cases where termination is not due to poor performance.

7.4 In carrying out the above duties, the Remuneration Committee shall have regard to any advice which may be given from time to time by the Department for Business, Innovation, And Skills, the Audit Commission, the Skills Funding Agency, or any other agency of government. The Committee is specifically required to have regard to the conclusions and recommendations of the Nolan committee in its second report on local public spending bodies (including further education colleges).

## **8 REPORTING PROCEDURES**

The agenda and supporting papers shall be confidential documents and minutes of the Committee will remain confidential as the minutes provide details of named persons employed by the Corporation.

## **9 ADOPTION**

These terms of reference were agreed by the Corporation of Northumberland College at its meeting on 24 September 1996 and amended on 11 December 2006, 22 September 2008, and 22<sup>nd</sup> March 2011