

Remuneration Committee

1 CONSTITUTION

The 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

The Remuneration Committee shall review and make recommendations on the Corporation's policy on executive remuneration and on the specific remuneration packages of senior postholders so as to:

- ensure that senior postholders are fairly and reasonably rewarded for their individual contributions to the College's overall performance, and
- provide for the pay of senior postholders to be considered by a committee whose members have no personal interest in the outcome of its decision and which gives due regard to the public interest and the financial health of the College.

3 MEMBERSHIP

3.1 The Committee shall be appointed by the Corporation and shall consist of 4 members of whom the Principal and Chief Executive and any other member of the Corporation who is a salaried employee of the College will be ineligible for membership of the Remuneration Committee.

3.2 For a meeting to be quorate there must be a minimum of 2 Committee members present.

3.3 The Chair of the Committee shall be appointed by the Corporation and shall be a business Corporation member.

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 Other Corporation members shall have a right to attend meetings of the Remuneration Committee save that the Committee may exclude members who are employees of the College.
- 4.3 Any member of the Corporation can attend a meeting of the Committee. In the absence of a committee member from any meeting a Corporation member may be appointed as a nominee for that meeting and be eligible to count towards the quorum for that meeting.
- 4.4 The Clerk to the Corporation shall be the Clerk to the Remuneration Committee. If the clerk is also a senior postholder then alternative arrangements shall be made to minute meetings.

5 FREQUENCY OF MEETINGS

Meetings shall be held at least once a year, in accordance with a schedule of Corporation and Committee meetings to be agreed annually by the Corporation.

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 for the effective discharge of its duties from any employee of the College and all employees of the College are directed to cooperate with any request made by the Committee.
- 6.2 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice subject to a requirement that any expenditure incurred in securing such advice over the sum of £500 must be agreed in advance by the Corporation.
- 6.3 The Committee is authorised to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

7 DUTIES

- 7.1 The Committee shall advise the Corporation on the specific remuneration packages of the Principal and other senior postholders, and in so doing shall consider the following component elements:
- basic salary
 - benefits in kind
 - performance and related elements
 - pension provisions
 - the main terms and conditions in each senior postholder's contract of employment.

7.2 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

7.3 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 Education and Skills, the Audit Commission, the Learning and Skills Council 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 Clerk to the Committee shall circulate minutes of the meetings of the Committee to all Corporation members.

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 and 22 September 2008.