

the Sheffield College

Terms of Reference

Search, Remuneration, and Governance Committee

Version 3, (6 November 2019)

1. Constitution

At its meeting on 21 May 2018, Governing Body resolved to establish a Search, Remuneration and Governance Committee. The purpose of the Committee is to monitor and advise the Corporation on the effectiveness of corporate governance; to recruit, develop and retain governors; to advise the Governing Body on a fair and transparent framework for appraising and remunerating Senior Post Holders, which complies with the precepts of the AoC Senior Staff Remuneration Code; to make decisions about the remuneration of Senior Post Holders within that framework, on behalf of the Governing Body; and to publish an annual report on the remuneration process and outcomes.

2. Membership

2.1 The Committee, its Chair (who shall not be the Chair of the Governing Body nor any other governor who has delegated responsibility for annual review of the Chief Executive and Principal's performance and remuneration) and Vice Chair shall be appointed by the Governing Body and shall consist normally of at least 8 Governors including:

- Chair of the Governing Body;
- Chair of Finance, Employment and General Purposes Committee;
- Chair of Audit and Risk Assurance Committee;
- Chair of Teaching, Learning, Quality and Student Experience Committee
- Chief Executive and Principal;
- a Staff Governor;
- two other members of the Governing Body.

2.2 The Chief Executive and Principal, Staff and Student Governors are permitted to be members but may be excluded from participation in any items concerning the remuneration of Senior Post Holders, using the process outlined in the Instrument and Articles. Any members or other individuals present shall withdraw if the Committee is discussing their remuneration or performance.

2.3 Other Governors shall have a right of attendance.

2.4 The Committee may invite other Senior Post Holders to attend meetings when necessary.

3. Quorum

Meetings of the Committee shall be quorate if 40% or more members who are Governors and who are eligible to vote on the matters on the agenda are present.

4. Attendance at meetings

4.1 The Executive Director of Human Resources and Organisation Development may be invited to attend meetings of the Committee to advise members as required. Other employees may be invited to attend as appropriate.

4.2 The Clerk to the Governing Body shall be the Clerk to the Committee. The Clerk shall withdraw from that part of any meeting where his / her remuneration is being considered and the Committee will appoint one of its members to record the decision.

5. Frequency of Meetings

The Committee shall meet at least three times per year.

6. Proceedings of Meetings

- 6.1 Every question to be decided at a meeting of the Committee shall be determined by a majority of the votes of the members present. Where there is an equal division of votes, the Chair of the meeting shall have a second or casting vote.
- 6.2 A member may not vote by proxy.
- 6.3 The Committee may meet by telephone conference or by other “virtual” means.

7. Authority

The Committee is authorised by the Governing Body to:

- 7.1 Investigate any activity within its terms of reference.
- 7.2 Seek any information it requires from any employee, although normally through the Chief Executive and Principal or members of the Executive Team.
- 7.3 Obtain outside legal, or other professional advice and to secure the attendance of others with relevant experience and expertise if it considers this necessary.
- 7.4 Establish task groups and to nominate “subject” leads, provided such arrangements are regularly reviewed and updated.
- 7.5 Initiate action and/or pursue issues through the Governing Body.
- 7.6 The Committee’s proceedings will demonstrate that the remuneration of Senior Post Holders is recommended and/or determined by a Committee which has no personal interest in the outcome of its decisions and which demonstrates due regard to the use of public funds, the College’s responsibilities as a charity and to the financial health of the College. The Committee shall ensure that the College complies with the precepts of the AoC Senior Staff Remuneration Code and conforms to any guidance or regulations on the determination of the remuneration of Senior Post Holders that is binding on the College.
- 7.7 Review and make recommendations to the Governing Body on revisions to these Terms of Reference.

8. Duties

The duties of the Committee in respect of each of its main areas of responsibility shall be to:

8.1 Search

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| a) Advise on the appointment of members of the Governing Body and such other matters relating to membership and appointments as the Governing Body may remit to the Committee. | At least annually |
| b) Consider, shortlist and interview nominations and expressions of interest in respect of vacancies on the Governing Body, and make appointment recommendations to the Governing Body. | as and when required |
| c) Determine the process whereby candidates express and interest or are nominated, including, if appropriate, advertising, use of the media, use of specialist recruitment services, consultation with local community/employer representatives and other stakeholder groups. | as and when required |
| d) Consider and make recommendations to the Governing Body on the re-appointment of members of the Governing Body at the end of their initial period of appointment, taking account of their contribution to the work of the Governing Body and their skills and experience. | as and when required |
| e) Consider and from time to time make recommendations to the Governing Body on the composition and balance of the Governing Body and its Committees. | at least annually |

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| f) | Maintain a "holding list" of suitable people interested in contributing to the work of the Governing Body, including those interested in Governing Body membership. | ongoing |
| g) | Make publicly available the process for expressing an interest in membership of the Governing Body. | ongoing |

8.2 Remuneration

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| a) | Agree a performance development review (PDR) framework (which includes agreeing objectives) for the Chief Executive and Principal and other Senior Post Holders and to ensure their PDRs are conducted. PDRs to be conducted at least annually, by the Chair of the Governing Body in the case of the Chief Executive and Principal), and by the Chief Executive and Principal (in the case of the other Senior Post Holders). The PDR of the Clerk to the Governing Body will normally be conducted by the the Chair of the Governing Body, in consultation with the Chief Executive and Principal. | Annually |
| b) | Advise the Governing Body on a framework for the remuneration for Senior Post Holders which ensures that remuneration decisions are fair, appropriate and justifiable; makes clear the choice of comparators and benchmarks that may be used in determining remuneration and includes a policy on what if any income Senior Post Holders may retain where income has been derived from external activities. | annually |
| c) | Undertake an annual review of Senior Post Holders' remuneration and advise the Governing Body that their remuneration is fair, appropriate and justifiable, within the financial resources of the College and in so doing to consider the following component elements: <ul style="list-style-type: none"> ● basic salary; ● benefits in kind; ● pension provisions; ● main terms and conditions in each Senior Post Holder's contract, with particular reference to the notice provisions. | annually |
| d) | Within the framework approved by the Governing Body, determine on behalf of the Governing Body the remuneration of the Chief Executive and Principal and the Clerk. | annually |
| e) | Receive and consider advice from the Chief Executive and Principal before determining the remuneration of other Senior Post Holders. | annually |
| f) | Determine on behalf of the Governing Body any compensation (including any augmentation of pension benefits) which may be made in the event of the early termination of the employment of a Senior Post Holder with the aim of ensuring that: <ul style="list-style-type: none"> ● any compensation is reasonable, appropriate and justifiable; ● the decision is procedurally fair; and ● the decision-making is transparent and accountable. | as and when required |
| g) | Keep under review the pay multiple of the Chief Executive and Principal and the median earnings of the College's whole workforce and publish this information in the Committee's annual report; | annually |
| h) | Periodically review the Senior Post Holders' remuneration policy and make this available for public inspection. | triennially |

8.3 Governance

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| a) | Monitor and advise the Corporation on the effectiveness of governance and its compliance with relevant governance codes. | At least annually |
| b) | Ensure the operation of an annual process for reviewing and reporting on the performance of the Chair of the Governing Body and of its Committees. | annually |

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| c) | Ensure the operation of an annual process for Governor and Committee self-assessment to inform the evaluation of board effectiveness. | annually |
| d) | Annually to consider the remits of each Governing Body Committee and any proposals from Committees for changes thereto, and, if necessary, to propose revisions for approval by the Governing Body. | annually |
| e) | Submit an annual report to the Corporation and the Audit & Risk Assurance Committee on the effectiveness of governance. | annually |

9 **Accountability**

9.1 The Committee will report to the Governing Body.

9.2 The Committee will consider whether any proposal or decision will have implications for the students of the College and will refer matters accordingly to the Governing Body.

Drafted July 2018 incorporating responsibilities previously delegated to Search Committee; Remuneration Committee and Chairs' Group, Approved by Governing Body 16 July 2018.

Governing Body approved an amendment to s.2.1 on 24 October 2018 to add Chair of Teaching, Learning, Quality and Student Experience Committee to the constitution and increase the normal number of members to 8.

Reviewed by SRG June 2019 and revised October 2019 to include references to remuneration responsibilities under the AoC Senior Staff Remuneration Code. This version 3 approved by the Governing Body on 6 November 2019.

