



## **HOPWOOD HALL COLLEGE FURTHER EDUCATION CORPORATION**

### **APPRAISAL & REMUNERATION COMMITTEE**

#### **TERMS OF REFERENCE (2019)**

#### **1. Constitution**

The Hopwood Hall College Further Education Corporation hereby resolves to adopt the following terms of reference for the Appraisal & Remuneration Committee.

#### **2. Objective**

2.1 The Appraisal & Remuneration Committee shall, as far as is reasonably practical, operate in accordance with the Association of Colleges (AoC) "Colleges' Senior Postholder Remuneration Code". The Committee shall review and recommend to the Corporation Board the policy on executive remuneration together with recommendations on the specific remuneration packages of the Principal & Chief Executive, the Deputy Principal, the Executive Director Finance, Estates & Risk Management and any other positions designated by the Corporation Board as Senior Posts so as to:

- ensure that the Principal & Chief Executive and the Designated Senior Postholders are fairly rewarded for their individual contributions to the College's overall performance; and,
- demonstrate to the public that the pay of the Principal & Chief Executive and Designated Senior Postholders is reviewed by a Committee which has no personal interest in the outcome of its decisions and which gives due regard to the interests of the public and of the financial health of the College.

#### **3. Membership**

3.1 The Appraisal & Remuneration Committee shall be appointed by the Corporation and shall comprise:

The Chair of the Corporation

The Vice-Chair of the Corporation

One other Member of the Corporation (excluding the Principal & Chief Executive and Staff and Student Members of the Corporation Board)

3.2 A quorum shall be two Members of the Remuneration Committee.

3.3 The Chair of the Remuneration Committee shall be the Chair of the Corporation.

3.4 Members retiring at the end of their term of office shall be eligible for re-appointment by the Corporation.

#### **4. Attendance at Meetings**

4.1 The Principal and Designated Senior Postholders shall normally be invited to attend meetings of the Appraisal & Remuneration Committee save where their own remuneration packages are being considered.

4.2 Other Corporation Members shall also have a right of attendance as observers save that the Appraisal & Remuneration Committee may exclude Staff and Students Members and any other Corporation Members who are employees of the College.

4.3 The Clerk to the Corporation shall be responsible for overseeing the clerking arrangements for meetings of the Appraisal & Remuneration Committee.

#### **5. Frequency of Meetings**

5.1 The Appraisal & Remuneration Committee shall normally meet at least once in each term of the academic year (i.e. 1 September to 31 August).

#### **6. Authority**

6.1 The Appraisal & Remuneration Committee is authorised by the Corporation Board to investigate any activity within its terms of reference.

6.2 It is authorised to seek any information it requires from any employees of the College and all employees of the College are directed to co-operate with any request made by the Committee.

6.3 The Appraisal & Remuneration Committee is authorised by the Corporation Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary provided that the Committee shall not incur direct expenditure in this respect in excess of £10,000 in any College financial year without the prior approval of the Corporation Board.

6.4 The Committee may also require experts to be present and to advise when drafting disclosures to be made in the Corporation's report and accounts.

#### **7. Duties**

7.1 The Appraisal & Remuneration Committee shall advise the Corporation Board on specific remuneration packages of the Principal & Chief Executive, the Deputy Principal, the Executive Director Finance, Estates & Risk Management and any other posts designated by the Corporation Board as Senior Posts and in doing so shall consider the following components:

- basic salary;
- benefits in kind;
- annual bonus/performance related elements;
- pension provisions;
- the main terms and conditions in the service agreement for each designated senior postholder,

with particular reference to the notice provisions.

7.2 The Appraisal & Remuneration Committee shall evaluate annually the specific remuneration packages of the Principal & Chief Executive and Designated Senior Postholders against:

- pre-established performance goals and objectives;
- the context in which the College operates;
- the AoC's annual survey on the remuneration of Senior Postholders;
- market rates
- an appropriate peer group

For that purpose, the Committee will review and assess performance targets and objectives established before the commencement of the relevant period and determine whether such targets and objectives have been achieved at the end of the relevant period.

7.3 The Appraisal & Remuneration Committee shall advise the Corporation Board on any compensation (including the augmentation of pension benefits) which may be payable in the event of an early termination of the employment of the Principal & Chief Executive or other Designated Senior Postholder with the broad aim of:

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

7.4 The Appraisal & Remuneration Committee shall review on a continuing basis the Corporation's policy in relation to:

- all aspects relating to the remuneration of the Principal & Chief Executive and the Designated Senior Postholders including levels, comparator groups of colleges, component elements, performance criteria and compensation commitments on early termination;
- main component elements in the specific remuneration packages of each designated senior postholder, such as salary, benefits in kind, individual bonuses and pension entitlements;
- any service agreements which provide for, or imply, notice periods of more than one year (or any provisions for pre-determined compensation on terms which exceed one year's salary and benefits) together with an explanation of the reasons for any longer notice period.

7.5 The Appraisal & Remuneration Committee shall consider and advise the Corporation Board on the Continuing Professional Development (CPD) needs of the Principal & Chief Executive and the Designated Senior Postholders in the context of the overall College objectives and Strategic Plan.

## **8. Reporting Procedures**

8.1 The Appraisal & Remuneration Committee shall produce a Remuneration Annual Report to the Corporation Board in accordance with Section 3 of the Appendix to the AoC's Colleges' Senior postholder Remuneration Code.

8.2 Unless specified otherwise by the Appraisal & Remuneration Committee, the Minutes of Committee Meetings shall be presented to the Corporation Board as a confidential agenda item.

**Approved by the Hopwood Hall College Further Education Corporation on 10 October 2019**