

## Remuneration Committee Terms of Reference

<b>Outcome requested:</b>	Council is asked to <b>agree</b> the revised Terms of Reference.
<b>Executive Summary:</b>	<p>At the October meeting the Committee reviewed some revisions to the Terms of Reference of the Committee. In summary the changes are:</p> <ul style="list-style-type: none"> <li>• A clearer definition of the group of staff that the Remuneration Committee are responsible for determining the salaries for.</li> <li>• That they will retain “a watching brief” on the salary levels of staff in Grade 8 and the professoriate and also continue to make decisions when certain salary and severance payment thresholds are exceeded.</li> <li>• More detail about how the Committee should run.</li> </ul> <p>The new Terms of Reference are provided at Appendix 1 and Council is asked to agree these new Terms of Reference.</p>
<b>QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]</b>	Strategic Aim 1: to recruit students and staff of the highest intrinsic talent and potential, and to nurture their careers.
<b>Internal/External regulatory/statutory reference points:</b>	The CUC Guide for Members of Higher Education Governing Bodies sets out the expectation that a Remuneration Committee be established. The operation of the Remuneration Committee is tested through Internal Audit to ensure adherence to the good practice set out in the Guide.
<b>Strategic Risks:</b>	N/A
<b>Equality Impact Assessment:</b>	<p>An Equality Impact Assessment will be carried out once the new Terms of Reference have been in operation for 12 months.</p> <p>Any Committee which deal with makes decisions which effect the remuneration of staff must ensure that it adheres to best practice in terms of equality and diversity. Clearer Terms of Reference will aid the operation of the Committee and should aid decision-making.</p> <p>In developing the new Terms of Reference we have considered the new CUC Guidance on Remuneration Committees; The Institute of Chartered Secretaries and Administrators Guidance on Remuneration Committees and good practice from other universities.</p> <p>Consideration of equality and diversity are embedded through the provision of benchmarking data. Each year the Committee considers diversity data for the relevant staff group so that it can check decision-making is not perpetuating any long-standing pay gaps.</p>

<b>Subject to prior and onward consideration by:</b>	Prior consideration by the Remuneration Committee on 13 October 2015. Governance Committee by email circulation on 13 November 2015
<b>Confidential paper under FOIA/DPA</b>	No
<b>Timing:</b>	Changes to the Terms of Reference, once agreed, will be effective from 1 December 2015
<b>Author:</b>	Margaret Ayers, Director of Human Resources
<b>Date:</b>	20 October 2015
<b>Senior Management/External Sponsor</b>	Sir Nicholas Montagu, Chairman

## Appendix 1:

### QUEEN MARY University of London

#### Remuneration Committee Terms of Reference 2015-16 DRAFT

## 1.0 Purpose

1.1 The Remuneration Committee is a committee of Council and is responsible for determining the salaries, emoluments, terms and conditions (and, where appropriate, severance payments) of the Principal and members of the senior executive (QMSE). Decisions to change salaries and emoluments will be made based on the appropriate benchmark information and a review of performance against previously set objectives.

The Committee are also responsible for decisions in relation to the salaries, emoluments and terms and conditions (and, where appropriate, severance payments) of other staff when these decisions exceed a threshold which will be reviewed and set by Council annually.

The Committee will also receive reports on the salaries, emoluments and terms and conditions of professorial and other Grade 8 staff.

1.2 In respect of the Principal and QMSE the Committee will, in line with Council approved policies and procedures:

1.2.1 Review performance against objectives set in relation to the Strategic Plan by reviewing information from appraisal discussions and where appropriate, approve any changes to the salaries, contractual terms and emoluments of the Principal and QMSE.

1.2.2 Receive comparative information on salaries, other emoluments and conditions of service in the university sector.

1.2.3 Consider and decide any severance payments proposed for the Principal and QMSE.

1.2.4 Make recommendations to Council on policies related to the remuneration of the Principal and QMSE with particular regard to Queen Mary's strategic objectives, market position, equality duties and the need for transparency of process.

1.3 In respect of other staff the Committee will:

1.3.1 Consider and approve recommendations by the Principal of any severance and other payments to any members of staff *where the payment exceeds a sum to be determined each year by the Remuneration Committee on behalf of Council*<sup>1</sup>.

1.3.2 Consider and approve recommendations by the Principal for increases in professorial or other staff salaries that *result in remuneration that exceeds a sum to be determined each year by the Remuneration Committee on behalf of Council*<sup>2</sup>.

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<sup>1</sup> Currently set at payments of more than £100,000 per year with a cap of £125,500

<sup>2</sup> Currently set at more than £125,000 per year

1.3.3 On an annual basis the Committee will receive reports on the salary profiles, increases and other payments including severance, for all professorial and grade 8 staff and to enable it to monitor Queen Mary's equality duties and retention and market factors.

## **2.0 Membership**

2.1 The membership of the Remuneration Committee will be:

**Chair:** The Chairman of Council (ex-officio)

- The Principal (ex-officio) (The Principal is not present for the consideration of his/her remuneration).
- The Treasurer (ex-officio)
- The Vice-Chairman (ex-officio) who will take the Chair for consideration of any matters in relation to the Principal and his/her remuneration and terms and conditions.
- One external member of Council

**Secretary:** Director of Human Resources

**Quorum:** 3 members (to include the Principal for appropriate business and subject to the missing member(s) providing written comments on the proposals under consideration).

2.2 The term of office of Committee members (except the Principal) will be no longer than their membership of Council. Previous members are eligible for re-appointment up to a normal maximum of two consecutive terms of office.

2.3 All members of the Remuneration Committee are expected to comply with the standards of conduct as set out in the Council member role description and declare any interests which may conflict with their responsibilities as members of the Remuneration Committee.

## **3.0 Meetings**

3.1 The Committee shall meet as required to fulfil its remit and will meet at least twice in each academic year. With the prior approval of the Chair of the Committee urgent matters may be considered through correspondence.

3.2 Minutes, agendas and papers will normally be circulated to members of the Committee at least 5 working days in advance of the meeting. Late papers may be circulated up to 2 days before the meeting. Only in the case of extreme urgency and with the agreement of the Chair will papers be tabled at meetings of the Committee.

3.3 A formal minute will be kept of proceedings and submitted for approval at the next meeting of the Committee. The draft minute will be agreed with the Chair of the Committee prior to circulation and in the case of the absence of the Chair at a meeting the Committee member appointed to act as Chair for the duration of that specific meeting.

## **4.0 Reporting**

4.1 The Committee will ensure that it will provide a report to Council following each meeting. The report will include enough detail to ensure that Council members are assured that the Committee has undertaken a rigorous, fair and defensible decision-making process.

4.2 The reports from the autumn meeting of the Remuneration Committee will include the Principal's objectives for the year.

4.3 The Committee will also report to Council on an annual basis on the main activities undertaken by the Committee.

### **5.0 Other**

5.1 The Committee will from time to time undertake a review of its own performance and effectiveness as part of the overall review of Council and its Committees and thereon report to Council.

5.2 In order to fulfil its remit the Committee may obtain external professional advice as necessary.

5.4 The membership and remit of the Committee will be published on the University's website.

5.5 The Committee will undertake such other responsibilities as the Council may determine.

**Terms of Reference: Approved by Council on XXX and effective from 01 Dec 2015**