

Remuneration Committee (the Committee)
Terms of Reference, Composition and Membership 2022/23

1. Purpose

The Committee is established for the purposes of:-

- 1.1 Determining and reviewing the salaries, benefits and terms and conditions (and, where appropriate, severance packages) of the Principal and other Senior Staff (as defined at paragraph 2.1) on a transparent and empirical basis; and
- 1.2 Ensuring compliance with the requirements and expectations of the Scottish Further and Higher Education Funding Council (SFC) in relation to value for money and use of public funds, insofar as relating to remuneration, as set out in the SFC Financial Memorandum with Higher Education Institutions and Accounts Directions issued by the SFC from time to time; and the Scottish Code of Good HE Governance 2017('the Code').
- 1.3 To represent the public interest and ensure cognisance of the requirement for public justification of decision-making insofar as relating to remuneration and severance packages payable by the University to Senior Staff.

2. Terms of Reference & Delegated Authority

The Committee shall have power and delegated authority to do the following:-

- 2.1 To determine the salary, terms and conditions of service and other benefits for the Principal, staff holding contracts with executive terms and conditions and post holders who earn a basic full time salary of £100k or more ("Senior Staff"), in line with the Code, all applicable legislative and regulatory requirements and the University's mission for the Common Good.
- 2.2 To formulate and adopt such policies as the Committee considers appropriate from time to time for the purpose of performing the functions stated in paragraph 2.1, and to refer such policies to Court for approval.
- 2.3 To pre-approve in line with GCNYC Board by-laws decisions on the remuneration of GCNYC staff earning a basic full-time equivalent salary of ≥\$120k per annum, and to set parameters for GCNYC Board decision making in respect of all GCNYC staff.
- 2.4 To determine the remuneration arrangements of any kind for Court Governors (including the Chair of Court) in consultation where relevant with the Chair of the Court Governance & Nominations Committee (except where remuneration arrangements affecting the Chair of Court are under consideration, in which circumstances, the Vice Chair of Court shall be consulted), and taking due cognisance of all applicable legislative and regulatory requirements (including, but not limited to, the Charities & Trustee Investment (Scotland) Act 2005).

- 2.5 In relation to severance arrangements, including payments, to Senior Staff, the Committee shall:-
- 2.5.1 subject to paragraph 2.2 above, be responsible for ensuring the University's policy on severance payments complies with the requirements and expectations of the SFC and the Code.
 - 2.5.2 subject to paragraph 2.2 above, have delegated authority to approve severance payments for any Senior Staff member and for any other member of staff where the amount of the total severance payment equals or exceeds £100,000, as prescribed by the University's policy on severance payments from time to time;
 - 2.5.3 commission such advice and appraisal of options as the Committee may consider required in relation to any decision by the Committee on a severance package;
 - 2.5.4 liaise with the University's internal and external auditors and Chair of Audit Committee as the Committee considers appropriate in relation to any decision by the Committee on a severance package;
 - 2.5.5 ensure appropriate reporting to Court in relation to any decisions taken by the Committee under the foregoing delegated authority;
 - 2.5.6 authorise the Chair of the Committee to consult with the Principal as required or requested by the Principal in relation to any severance package for Senior Staff as required from time to time, and in such circumstances, to authorise the Chair to approve any severance package without reference to the Committee where the Chair considers that such package falls within the parameters of the University's policy on severance payments from time to time; and
 - 2.5.7 ensure the parameters of any proposed settlement are clear and have due regard for transparency and the public interest. Settlement outcomes will be formally reported to the Committee.
- 2.6 To provide Court with an annual report incorporating full details of the basis of all decisions about the salaries and terms and conditions of service for the posts in paragraph 2.1 along with sufficient information and evidence concerning external comparators and any other background used by the Committee in reaching its decisions and to provide assurance to the Court that there is compliance with all relevant legislative and regulatory requirements.
- 2.7 When the University requires to appoint a new Principal, the Remuneration Committee is responsible for considering and making recommendations on the terms and conditions, salary and benefits for the appointment at the beginning of the process and for advising the Court appointed Search Committee of these. During the search process, the Remuneration Committee will liaise with the Search Committee. This will normally be by ensuring that the Chair of the Remuneration Committee (or a nominated deputy selected from the Remuneration Committee), is an ex officio member of the Search

Committee. Other members of the Remuneration Committee may also be appointed to the Search Committee.

2.8 With regard to other vacancies in Senior Staff, the Remuneration Committee is authorised to delegate authority to the Principal, in consultation with the Chair of the Remuneration Committee, for finalising the starting salary and other terms and conditions of employment, taking account of the pay bands and terms and conditions agreed by the Committee and, in exceptional circumstances, for determining any salary increase or other measure necessary for the retention of senior staff.

2.9 To delegate authority to the University's Remuneration Panel (as a sub-committee of the Committee): (i) to determine the salary and terms and conditions of service for professors and senior managers whose annual basic salary is less than £100k (subject to an obligation to refer any proposal to increase the basic salary of such a staff member to the Committee if the increase would result in a basic full-time equivalent salary of £100k or more) and (ii) to implement any performance related pay scheme that may be implemented from time to time, as agreed by the Remuneration Committee. The Remuneration Panel will submit an annual report to the Remuneration Committee.

2.10 To regularly consider and monitor those risks which are encompassed in the committee's sphere of responsibility, with reference to the corporate risk register.

2.11 To keep the committee membership under review in order to maintain consistently the relevant balance of skills, knowledge and experience and to advise the Court Governance & Membership Committee accordingly.

2.12 To ensure that decision-making is consistent with the duties of the Equality Act 2010, and the Committee's work seeks to promote and facilitate equality and diversity.

2.13 To obtain professional advice (including, but not limited to, from remuneration consultants or legal advice) to assist the Committee in its work as the Committee considers is reasonably required from time to time.

2.14 To be responsible for devising and overseeing processes by which the Committee obtains and can evidence the views of students, staff and recognised Trade Unions of the University in relation to the remuneration of the Principal and Senior Staff, subject to such processes being approved by Court.

2.15 To devise and oversee such monitoring and reporting mechanisms as the Committee considers appropriate from time to time to ensure implementation of policies and procedures relevant to the work of the Committee.

3. Composition of Remuneration Committee

3.1 The composition of the Remuneration Committee is as follows:

3.1.1 No fewer than three lay members of Court (including the Chair of Court* & the Vice Chair of Court ex officio) with experience appropriate to the Committee's work, one of whom

has been appointed by Court as Chair of the Committee. *For these purposes the Chair of Court is defined as a lay governor (the SI Amendment Order 2020 technically identifies the Chair and lay governors as separate categories).

3.1.2 One student governor

3.1.3 One staff governor

4. Chair of the Committee

The Chair must be drawn from among the lay governors. The Chair of Court is ineligible to be appointed Chair of the Committee.

5. In Attendance

The University Secretary, who is Secretary to the Remuneration Committee.

The Principal for relevant items.

Chief Operating Officer and DVC Operations.

The VP People and Student Wellbeing when required to provide professional advice/support to the Committee.

Representative from Department of Governance and Legal Services as Committee Clerk.

External advisors as required.

Any member of staff who is in attendance for all or part of the meetings of the Committee and whose remuneration falls within the scope of the Committee must withdraw when his or her remuneration and/or employment conditions are discussed.

6. Quorum

The quorum is no fewer than three lay governors, one of whom must be the Committee Chair or his/her nominee and there must be a lay member majority.

7. Meetings

The Committee shall meet at least once in each Academic Year and otherwise as required from time to time.

8. Procedure

The Standing Orders and procedural rules applicable to the Committee shall be as set out in the University's Standing Orders. Without prejudice to the foregoing, the Committee shall ensure that all decisions taken by it under the Terms of Reference and Delegated Authority set out above are properly minuted with reference to supporting evidence where appropriate.

9. Review

Review of these Terms of Reference and the Committee's purposes or delegated authority shall be undertaken on an annual basis, from the date of last review specified below. Review may

also be undertaken outwith that annual review in the event of any amendment or review of the Scottish Code of Good Higher Education Governance, or material change to the SFC's Financial Memorandum with Higher Education Institutions, or any Accounting Direction issued by the SFC affecting remuneration.