

TERMS OF REFERENCE
NEWCASTLE UNIVERSITY REMUNERATION COMMITTEE
(A Committee of Council)

1. PURPOSE

The Remuneration Committee's purpose is to apply rigour and facilitate good governance in decision making regarding the remuneration or significant one-off payments, including severance payments and allowances, to the University's executive and senior colleagues.

2. SECRETARY

The Secretary of the Committee is the Director of People Services, who will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues to be addressed.

3. MEMBERSHIP

Ex officio members:

- (a) The Chair of Council
- (b) The Honorary Treasurer

Appointed members:

- (c) Three members, who shall not be members of academia or salaried officer of the University appointed by Council for three years, one of whom shall be Chair of the Committee. Appointment extensions beyond the initial three years are permissible, subject to Council approval.

4. QUORUM

A quorum shall be no fewer than one half of the members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. ATTENDANCE AT MEETINGS

- a) Only members have the right to attend Committee meetings. However, other individuals and external advisers may be invited by the Chair to attend for all or part of any meeting as and when appropriate.
- b) The Vice-Chancellor and President and other senior officers shall not be present when the Vice-Chancellor and President's remuneration is being considered. However, the presence and the input of the Director of People Services is permitted.
- c) Senior Officers, in attendance at the Remuneration Committee, shall not be present, nor be involved in any discussion of their own remuneration.
- d) These meetings are held at University premises, however participants are able to join by teleconference line or similar.

6. DECLARATION OF INTEREST

Any member who has a pecuniary, family or other personal interest in any matter under discussion at any meeting of the Committee shall, as soon as practicable, disclose that fact to the meeting and shall, if requested by the Chair, withdraw from that part of the discussion.

7. FREQUENCY OF MEETINGS

- a) Meetings shall be held not less than twice each year. Generally, the meetings take place in May/June and in October/November.
- b) Further meetings may be scheduled at the request of the Chair, the Director of People Services or two other members of the Committee.
- c) Where a meeting is not practical then business may be conducted via email correspondence or teleconference, as arranged with the Chair.

8. NOTICE OF MEETINGS

- a) Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair.
- b) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and any other person invited to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees, as appropriate at the same time.

9. MINUTES OF MEETINGS

- a) The Secretary is responsible for minuting the proceedings and resolutions of all Committee meetings, including the names of those present.
- b) Draft minutes of Committee meetings shall be circulated via email to all members of the Committee within two (2) weeks of the meeting. The finalised minutes are expected to be approved promptly.

10. DUTIES

- (a) To oversee the Remuneration Strategy and policies of members of Executive Board and to monitor that it meets its objective to attract, retain and motivate senior colleagues required to run the University successfully and to secure good value for money bearing in mind the University's charitable purpose.
- (b) To determine and review the salaries and terms and conditions (including severance payments and any allowances) of the Vice-Chancellor and President, and other members of Executive Board, in line with the University's Executive Remuneration Policy.
- (c) To receive updates on Merit Award Committee's decisions on the salaries and allowances of other colleagues on the Grade IB (professorial and equivalent) scale. These updates are intended to provide contextual information on reward practice to assist Remuneration Committee in their work.
- (d) To receive, consider and discuss the University's broader reward strategy, including progress on pay equality (including but not limited to gender pay gap reporting).
- (e) To approve the policy framework and scheme of delegation for severance of senior colleagues ensuring that the needs of the institution are balanced against the proportionate use of funds, payments made are fair to individual and the University, that failure is not rewarded and that the duty to mitigate loss is fully recognised.

- (f) To receive reliable, up-to-date information about senior remuneration in other universities of comparable scale and complexity.
- (g) To receive annual updates on remuneration practice across overseas campuses.
- (h) To receive and review annual returns for senior colleagues under the jurisdiction of Remuneration Committee relating to Declaration of External Interests and income derived from external sources in accordance with the University Policy on Declaration of External Interests and the Commercial Costing and Pricing Policy.
- (i) To have due regard to the reporting requirements and good practice guidance of relevant bodies, including the Office for Students and seek to follow the CUC Higher Education Senior Staff Remuneration Code when considering matters of senior colleague remuneration.
- (j) To consider any other matter referred by the Vice-Chancellor and President.

11. REPORTING RESPONSIBILITIES

- a) The Committee Chair shall report to Council on its proceedings after each meeting on all matters within its duties and responsibilities.
- b) If the Committee has appointed remuneration consultants, the reports to Council should identify such consultants and state whether they have any other connection with the University.
- c) The Committee shall make whatever recommendations to Council it deems appropriate on any area within its remit where action or improvement is needed.
- d) The Committee shall ensure that any provisions regarding disclosure of information about the University's remuneration policy and practices, including pensions are fulfilled. The primary reporting method will be an annual report to Council which includes a published statement on Executive Board remuneration.

12. OTHER MATTERS

The Committee shall:

- a) Have access to sufficient resources in order to carry out its duties as required.
- b) Be provided with appropriate and timely training, both in the form of an induction briefing for new members and on an on-going basis for all members.
- c) Give due consideration to laws, regulations and any published guidelines from the charity regulator or elsewhere as appropriate or recommendations regarding the remuneration, including severance payments of the Vice-Chancellor, Executive colleagues and senior colleagues on grade IB.
- d) Keep under review its terms of reference to ensure it is operating effectively and recommend any changes it considers necessary to Council for approval.

13. AUTHORITY

The Committee is authorised by Council to:

- a) Seek information if required from any colleague of the University in order to perform its duties.
- b) Obtain at the University's expense outside legal or other professional advice and to commission or purchase any reports, surveys or information which it deems necessary on any matters within its terms of reference.

Committee established by Council Minute 120, 3.11.75. Revised by Council Minutes 114, 14.12.87; 198, 5.7.93; 10, 13.11.95; 35, 04.11.02; 85, 31.3.03; 91, 18.7.2005; 122, 16.7.2007; 56, 11.2.2008; 81, 11.03.2013 and UPRC, 15.10.96.; 60, 06.02.2012; 20, 11.12.2017; 6, 15.07.2019; 1.4 Chair's Business, 14.12.2020. Editorial revision by Council Minutes (tbc)

ADDENDUM TO REMUNERATION COMMITTEE TERMS OF REFERENCE.

Remuneration Committee seeks to comply with the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code. It also takes account of its obligations under the Office for Students (OFS) regulations to disclose details of all colleagues whose base salary exceeds £120k. A good governance framework is key to ensure compliance with external regulatory frameworks. With this in mind, this addendum summarizes the process to be followed when, following a recruitment campaign, there is a requirement to agree a salary offer in excess of £120k.

Step 1

In advance of all recruitment campaigns for new Professorial and IB level appointments, an assessment will be made as to where it is likely that there will be a requirement to offer a base salary level in excess of £120k.

This assessment will be informed by reference to both internal and external relativity information available from both the UCEA Senior Staff Survey and Korn Ferry Russell Group. All information gathered will be shared with the selection panel.

Step 2

Recruitment campaign undertaken for Professorial/IB level role and successful candidate's salary requirements confirmed as on or above £120k.

Step 3

The Director of People Services will contact the Chair of Committee, provide all relevant information and seek approval for the salary offer.

Step 4

All approvals will be reported to the next Remuneration Committee meeting.

Elma Alexander
People Services Business Partner (Reward)
13th October 2020

(Approved by EB 12 Nov 2020 and Council 14 Dec 2020)