



UNIVERSITY OF  
LINCOLN

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## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

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The Board of Governors Remuneration Committee are responsible for determining the remunerated terms of employment for the Vice Chancellor and the Vice Chancellor's direct reports in line with the University's policy to be fair and transparent. It will set:

- i. fair and appropriate levels of remunerated terms of employment
- ii. ensure procedural fairness and
- iii. ensure transparency and accountability in all its dealings.

Each element of the Committee's workings can be found below.

#### **Fair and appropriate level of remuneration**

The Remuneration Committee shall determine appropriate payments based upon:

- i. the context within which the University operates
- ii. the expected contribution of a role
- iii. the attributes required to undertake a role
- iv. the value, based on a number of elements, delivered by an individual acting within a role
- v. consideration for equality, diversity, and inclusion with a view to ensuring no bias pertaining to any protected characteristic within the pay structure
- vi. the context of affordability
- vii. the proportionality of remuneration to other university colleagues
- viii. comparativeness of external benchmarking information in respect of remuneration and equality

Payment arrangements will demonstrate value for money whilst also being sufficient to recruit, retain and motivate colleagues in the context of the market for that role.

#### **Procedural fairness**

The Remuneration Committee shall be an independent body, whose members are drawn from the members of the Board of Governors, and who will determine and maintain consistency of approach whilst applying policy, process and procedure.

The Remuneration Committee will determine policy within its remit set out above in line with the University's approach to remunerating all its staff and be able to evidence decisions as necessary.

### **Transparency and accountability**

The Remuneration Committee shall ensure their approach to remuneration and decision making is transparent and annually publish remuneration details of its senior team with any significant changes to remuneration packages being detailed.

### **Constitution**

#### **I. Scope and purpose**

The Remuneration Committee forms a sub-committee of the Board of Governors with delegated authority to determine the remunerated terms of employment for the Vice Chancellor and the Vice Chancellor's senior direct reports.

#### **II. Remit**

- a) To determine the remuneration and reward packages, including but not limited to basic salary and pension arrangements and any other elements of reward as required, for the roles of Vice Chancellor and the Vice Chancellor's senior direct reports prior to appointment and subsequently throughout employment. Giving due consideration to a variety of components including such items as gender and other equal pay matters related to this group.
- b) Review the performance of the Vice Chancellor and the Vice Chancellor's senior direct reports against set objectives determined by the Chair, for the Vice Chancellor and the Vice Chancellor for their direct reports and determine annual performance-related pay awards for these individuals. Reviews will be undertaken within a context of proportionality to the reward offered to other university colleagues.
- c) Consider proposals for severance payments to all employees earning in excess of £100,000, or where the total cost to the University of the payment, including compensatory pension fund payments, exceeds £100,000; and, where satisfied of the appropriateness, approve payments to individuals.
- d) Agree the expenses policy for the Vice Chancellor and the Vice Chancellor's senior direct reports; ensuring the policy is appropriate, fair and requiring expenses to be wholly associated with university business. The policy subsequently to be operationalised by the Vice Chancellor in respect of direct reports and the Chair of the Board of Governors in respect of the Vice Chancellor's expenses.
- e) Consider and keep updated on senior staff remuneration guidance issued by relevant bodies such as the Office for Students (OfS) and the Committee of University Chairs (CUC).

- f) Maintain overall awareness of the significant general issues relating to the reward offering for all university staff, such as pensions. Reporting any recommendations to the Board of Governors as appropriate.
- g) Ensure due regard, in the committees activities, to discharging the University's equality, diversity and inclusion duties.
- h) Maintain awareness on external matters relative to remuneration and equality in the context of reward.
- i) To undertake other such duties as may be appropriate to assign to the committee by the Board.

### **III. Meetings**

The committee shall meet at least twice annually and otherwise as required.

The committee shall evaluate the performance, on the advice of the Chair of the Board of Governors, and any reward of the Vice Chancellor and on the advice of the Vice Chancellor the performance of and reward recommended of their direct reports at one of these meetings annually.

### **IV. Quorum**

- i. The quorum necessary for the transaction of business shall be three members of the committee. In the absence of the Chair of the Committee one of the remaining members of the committee, with the exception of the Chair of the Board of Governors, may deputise.

### **V. Membership**

- i. The Board of Governors shall appoint the committee Chair. The Chair of the Board may also serve on the committee as an additional independent member but shall not be Chair of the committee.
- ii. The committee shall comprise a minimum of four members, all of whom shall be external members of the Board of Governors, who are independent of the institution, and represent a diversity of knowledge of sector remuneration governance.
- iii. Members of the committee shall be appointed by the Board of Governors, on the recommendation of the Nominations Committee and in consultation with the Chair of the Remuneration Committee.
- iv. The Vice Chancellor will not be a member of the committee or involved in the discussions of the committee related to their performance or remuneration, however they may be invited to attend part of any meeting, as and when appropriate and necessary. Invitations to attend committee meetings may also be extended to other colleagues such as the Chief People Officer or External Advisers as and when appropriate and necessary. No attendee from the University staff shall be involved in any discussions as to their own remuneration, reward or compensation.

- v. Appointments to the committee shall be for a period of up to three years extendable by no more than an additional three-year period, provided members continue to be external members of the Board of Governors.

**VI. Secretary**

- i. The University Secretary or his or her nominee shall act as the secretary to the committee to arrange meetings and ensure; the committee receives papers in advance for consideration; minute proceedings and circulate the minutes to committee members once approved.

**VII. Reporting Responsibilities**

- i. The Department of People, Performance and Culture will provide university data and market intelligence as required for the committee to consider. This will include an oversight of both benchmarking and fair pay.
- ii. The Chair of the committee shall provide an annual remuneration report to the Board of Governors on its proceedings, decisions and any recommendations beyond its remit.
- iii. In the interests of transparency the Remuneration Committee will also publish the annual remuneration report on the external University of Lincoln webpages.

**VIII. Revision**

The principles and terms outlined are consistent with the *Higher Education Senior Staff Remuneration code*, as determined and published by the CUC, Committee of University Chairs, June 2018.

The Committee’s terms of reference will be reviewed and revised as appropriate, annually.

Prepared by	Head of Reward
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