

REMUNERATION COMMITTEE - TERMS OF REFERENCE

1. MEMBERSHIP

1.1 The membership shall consist of the Chair of the ESCG Board who shall be an ex-officio member, plus three other members of the ESCG Board (other than the CEO, staff and students) who shall be elected by the Board.

1.2 The Committee has a Chair and a Vice Chair, who are not the ESCG Chair or CEO.

2. PERIOD OF OFFICE

2.1 The period of office will be in line with ESCG Board membership.

2.2 If there is a change in the Chair of the ESCG Board the ex-officio membership will change automatically.

2.3 Any other vacancy shall be filled, by election, by the ESCG Board for the remainder of the normal period of office.

2.4 Any elected member shall be eligible for reappointment.

3. MEETINGS

The Committee will meet at least once each year, plus other occasions when circumstances require.

4. QUORUM

4.1 The meetings shall require a quorum of at least three members of the Committee or 40% whichever is the greater

4.2 The Chair can, if special circumstances exist, refer matters to the full ESCG Board or increase the quorum of the Remuneration Committee for that item.

5. RESPONSIBILITIES

5.1 To determine the remuneration, grading pay and conditions of service for the holders of senior posts, having regard to:

5.2 offering fair pay to attract and keep appropriately-qualified staff to lead, manage, support and deliver the College's aims;

- I. affordability including pension implications;
- II. best practice in determining senior pay in the public and private sectors;
- III. pay and employment conditions in the FE sector including national benchmarking data;
- IV. performance against agreed targets over the previous year

- 5.3 To oversee the performance management arrangements for senior postholders. In line with the annual cycle as outlined in Appendix A to make recommendations for payment with effect from September each year
- 5.4 To establish clear, transparent and measurable objectives for senior postholders following discussion between the Chair of the ESCG Board and the CEO to facilitate the monitoring of progress and performance.
- 5.5 To consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure for senior postholders.
- 5.6 To notify the ESCG Board of these agreed objectives and to recommend to approve pay awards and terms and conditions for senior postholders.

5.7 The Remuneration Committee will receive the following information for benchmarking purposes to inform their discussions:

- I. an extract from the most recent Annual AOC survey of senior postholders' remuneration
- II. benchmarking data from the sector
- III. Information on the annual appraisal of the senior postholders in relation to performance against key objectives for the year under review as follows:
 - a) CEO, as completed by the Chair of the ESCG Board
 - b) Principals (Eastbourne, Hastings, Lewes), Chief Finance Officer, Executive Director Strategic Partnerships and Engagement, Executive Director Resources and Organisational Development, as completed by the CEO
 - c) Director of Governance, as completed by the Chair of the ESCG Board

5.7 Following consideration of the performance of senior postholders against the agreed targets, the Committee will agree and recommend to approve to the ESCG Board the appropriate remuneration for each senior postholder for the following year.

5.8 The Remuneration Committee will also receive the draft targets/objectives for each senior postholder for the following year.

6. REPORTING PROCEDURES

- 6.1 Information on the processes used for target setting and pay awards for senior postholders and other SPH's are transparent and shared with ESCG Board members and are available on the Governance website
- 6.2 The Committee will share the targets for the CEO and other SPH's with independent ESCG Board members. These are available on request from the Director of Governance when finalised alongside the opportunity to view Remuneration Committee minutes.
- 6.3 Independent governors are invited to share thoughts and key points to be taken into consideration at the end of year appraisal. The Director of Governance will annually call for any comments and feed back to the Chair

Appendix A – Performance Management Cycle for Senior Postholders

June-August – End of Year Appraisal. Following discussion between the appraiser and appraisee, objectives are agreed and recorded for all SPH for the following year. Independent governors are invited to share thoughts and key points to be taken into consideration at the end of year appraisal. The Director of Governance will annually call for any comments and feed back to the Chair.

October –Meeting of the Remuneration Committee. Chair reports to Remuneration Committee the outcomes of the CEOs and Director of Governance’s appraisals, and their key objectives for the year. The CEO reports the outcomes of appraisals and key objectives for other SPHs for the forthcoming year. The Remuneration Committee has full delegated authority to consider and makes decisions on pay awards which are recommended to the Corporation for final approval.

November/December – Chair reports outcomes of appraisals and any recommendations on pay awards and terms and conditions of SPHs to independent members of the ESCG Board. Recommendations would only be challenged if there is a genuine concern that procedure has not been followed or a decision has been recommended which could lead to significant damage to the College

April-May – Mid-year appraisals.

Throughout the year – On going review of objectives set for the CEO and Director of Governance by the Chair, and review of other SPHs by the CEO.

Recommended by the Remuneration Committee approved by the ESCG Board on the 22 October 2019.