**University of the Highlands and Islands**

**Remuneration Committee – Terms of Reference and Membership**

1. **Constitution**
2. **Terms of Office –**

**Paragraphs 78-83 of Scottish Code of Good Higher Education Governance 2017**

*“Membership of the remuneration committee should have a majority of lay members. A majority of these lay members should be members of the governing body (others may be external lay committee members). The membership should include the Chair of the governing body. The committee chair should be a lay member of the governing body and should not be the Chair of the governing body. The principal should be consulted on remuneration relating to other senior post-holders and should attend meetings of the committee, except when the committee discusses matters relating to the principal’s own remuneration.*

*The policies and processes used by the remuneration committee in reaching decisions on individuals must be discussed by the whole governing body and approved by that body. The remuneration committee’s reports to the governing body should provide sufficient detail of the broad criteria and policies against which decisions, including in relation to any unusual severance payments, have been*

*made.*

*In addition, the remuneration committee is expected to seek the views of representatives of students and staff of the Institution, including representatives of recognised trade unions, in relation to the remuneration package of the principal and the senior executive team. This requirement may be implemented in part through relevant members of the governing body serving as members of the remuneration committee or attending its meetings or may be achieved through separate consultation with representatives of the student and staff communities. The relevant process should form part of the policies and processes approved by the whole governing body, as outlined above.*

*The remuneration committee is expected to represent the public interest and avoid any inappropriate use of public funds. The remuneration committee is expected to seek and make use of sufficient relevant information to reach well informed evidence-based decisions. This should include appropriate comparative information on salaries and other benefits and conditions of service in equivalent positions in the Higher Education sector and elsewhere, including other organisations that similarly receive public funding; national pay awards and rates.”*

1. **Authority -** The Committee is authorised to determine all matters delegated to it and to consider and advise the University Court on all other matters within its terms of reference. The Committee is authorised to obtain independent professional advice and to secure the attendance of non-members with relevant experience and expertise, if it considers this necessary.
2. **Proceedings -** The Committee should normally meet not less than once per year. The Principal and Vice Chancellor may attend the Committee but should be excluded when any item relating to his or her position is under consideration.
3. **Terms of Reference -** On behalf of the University Court, the Remuneration Committee is charged with overseeing the University Remuneration Strategy, Policy, and approvals processes to ensure that these arrangements are fit for purpose, compliant with appropriate regulations and good practice and to recommend to the Court any changes in policy or processes as the Committee may consider necessary.
* To ensure there is a reward strategy for the Principal and Vice Chancellor, his/her direct reports and other designated senior executives which supports the University’s strategy and represents value for money. The Principal and Vice Chancellor’s remuneration will be reviewed and determined having regard to guidance in the Scottish Code of Good HE Governance 2017 (see relevant section of code below).
* For those employees identified in 1 above, to approve any changes to reward strategy and policy affecting their base pay, any bonus or incentive plans, severance payments, pension plans and other taxable benefits based on the outcome of their annual performance appraisal. Changes to reward strategy will take into account public pay policy, national pay settlements, UCEA benchmark data, the affordability of the settlement to the institution and, where comparable, salaries for similar roles academic partner institutions.
* To pre-approve any individual changes to items listed in 2 above and to ensure that any such changes can be justified in terms of competitive data, individual performance, the University’s ability to pay, relevant HEI guidelines and internal consistency.
* To pre-approve recruitment, retention and severance arrangements for the Principal and Vice Chancellor, his/her direct reports, and other designated senior executives or, exceptionally, to endorse “after the fact” any such arrangements which the Principal and Vice Chancellor and the Chair of the University Court and the Chair of the Remuneration Committee have agreed between meetings to avoid unreasonable delay. Where practicable, electronic communication will be used to ensure all members of the Committee are involved.
* To review and make recommendations in relation to annual salary settlements and staff pay evaluation, taking cognisance of salary settlements in academic partner institutions, public pay policy, national pay settlements, UCEA benchmark data and the affordability of the settlement to the institution.
* To engage with staff and students on proposed reward strategy. Until our articles of association are changed to allow staff and/or student membership on Remuneration Committee, this will be done through staff and student governors on Court. Views will be sought from Court members prior to Remuneration Committee meetings. Once articles have been changed, the Nominations Committee will be asked to consider the addition of staff and/or student members to the Remuneration Committee and make a recommendation to Court.
* To approve an appropriate rate of remuneration for the Chair of the University Court, the Chair of the UHI FE Regional Board and any independent member of Court as appropriate in line with the agreed Remuneration Policy.
* To ensure that the University Remuneration Policy is complied with.
* To ensure that any perceived high level risks associated with remuneration are incorporated into the University risk register. 10 To act on behalf of the Court under any other delegated authority.
1. **Quorum**
2. **Reporting**

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| Last updated: |  27 October 2022 |
| Last Reviewed and agreed by the Committee: |  |
| Approved by Court: |  |

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| ChairIndependent Member of Court | Poonam Malik |
| **Members** |
| Chair of University Court *(ex officio)* | Alastair MacColl |
| Chair of Nominations Committee | Andrea Robertson |
| Independent member of Court |  |
| Chair of Finance & General Purposes Committee and member of Court | Linda Kirkland |
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| **In attendance** |
|  Interim Principal and Vice Chancellor (as appropriate) | Vicki Nairn |
|  University Secretary | Sheena Stewart |
|  Chief People’s Officer | Lorna Walker |
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