

# Office for Students Remuneration and Nominations Committee: terms of reference

## Purpose

1. The Office for Students (OfS) has established a Remuneration and Nominations Committee to support the OfS board and the chief executive as Accounting Officer, in their responsibilities for the pay and performance management of senior management and for the pay remit relating to OfS staff. In addition, the committee will provide assurance to the OfS board in relation to organisational development and wider staffing issues. It also provides advice to the OfS chair on the nominations and appointments of independent members to any OfS committee.

## Responsibilities

2. The responsibilities of the committee shall be:
  - a. In relation to the chief executive:
    - i. To make recommendations to the OfS board on the terms and conditions of the employment of the chief executive, noting that some aspects of the terms and conditions will then need to be referred to the Department for Education (DfE) for approval. Unless there are exceptional circumstances, the board delegates consideration and approval of these recommendations to the chair of the board.
    - ii. To support the OfS chair in setting performance objectives with the chief executive and monitoring their performance.
    - iii. Informed by the annual performance review, Treasury/Cabinet Office/DfE pay guidance on senior pay and pay remit controls, and other relevant data, to carry out an annual review of the remuneration of the chief executive, making recommendations to the board on any remuneration changes. This may also require DfE approval to confirm compliance with wider civil service guidance.
  - b. In relation to the Director for Fair Access and Participation (DFAP):
    - i. To support the chief executive in setting objectives with the DFAP and monitoring their performance.
    - ii. Informed by the annual performance review, Treasury/Cabinet Office/DfE pay guidance on senior pay and pay remit controls, and other relevant data, to carry out an annual review of the remuneration of the DFAP, including making recommendations to the board about any proposed remuneration changes.
  - c. In relation to the other OfS directors:
    - i. To support the OfS chief executive in monitoring the directors' performance.
    - ii. To carry out an annual review of the remuneration of directors, and, based on the recommendations of the chief executive, to make decisions about changes in remuneration.

- iii. To endorse changes to the pay and banding of any director role outside of the annual review process.

d. In relation to the OfS more widely:

- i. To comment on the aims of the annual pay remit, which seek authority from DfE for the nature and scale of pay awards to OfS staff, delegating final decisions to the chief executive.
- ii. To comment on the ongoing appropriateness and relevance of the OfS's approach to remuneration in enabling it to recruit, motivate and retain staff.
- iii. To provide advice to the OfS Chief Executive on staffing policies and organisational development and, in turn, provide assurance to the board on these matters as and when required.
- iv. To review the remuneration report that forms part of the OfS' Annual Report and Accounts which must include details of the remuneration of all board and committee members, chief executive, DFAP and directors.
- v. To support the OfS chair, chief executive and DfE in the consideration of succession planning requirements at board and executive level.

e. In relation to committee nominations:

- i. To provide assurance that the process for recruiting independent members to any OfS board committee is open, fair, and promotes diversity and equality of opportunity.
- ii. To provide advice to the OfS chair on the appointment of suitable independent members to any of these committees.

3. The committee will take account of remuneration and appointments policy and advice provided by the HM Treasury, the Cabinet Office and DfE in carrying out its work.

## **Authority**

4. The committee is authorised by the OfS board to:

- a. Seek any information it needs from any employee of the OfS and from any other body in order to perform its duties.
- b. Procure specialist ad-hoc advice (including legal advice) at the expense of the OfS up to £10k per annum or as agreed by the board.

## **Membership**

5. The committee shall be appointed by the OfS board. It shall consist of:

- a. Up to three non-executive, ordinary members of the board one of whom will be appointed as chair of the committee.
- b. An independent member with relevant experience of HR matters or remuneration committees.

6. The student member of the board will normally be appointed to this committee. If this is not possible, an appointment may be made from the Student Panel.
7. The chair of the OfS board may be a member of the committee but should not act as its chair.
8. Neither the chief executive nor any other member of the Executive may be a member of the committee.
9. Appointments to the committee shall be for a period of up to three years, which may be extended for up to a further three-year period, providing the board member or the independent member still meets the criteria for membership of the committee.
10. Any two members of the committee will comprise a quorum for decision making.
11. All members of the Remuneration and Nominations Committee are legally indemnified against negligence by the Department for Education.

## **Meetings**

12. The committee will normally meet at least twice a year. The chair of the committee may convene additional meetings as they deem necessary.
13. In the absence of the chair of the committee, the meeting will be chaired by another member that is also a member of the OfS board.
14. While only members have a right to attend meetings, the committee may request that the chief executive or any other officials of the OfS attend to assist it with its discussions on any matter.
15. The chief executive will only attend parts of meetings that do not directly affect their personal remuneration or performance assessment.
16. The committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

## **Reporting**

17. The committee will formally report in writing to the OfS board after each meeting.
18. Committee meetings shall be minuted and draft minutes agreed with the chair as soon as possible after the meeting.
19. The committee's activities will be reported in the OfS annual report and account including disclosure of all senior staff remuneration as required by HM Treasury's Financial Reporting Manual (FRoM).
20. Committee papers and minutes are available to the National Audit Office on request and to any OfS board member by agreement with the chair of the board and chair of the committee (and subject to compliance with data protection rules). They will otherwise remain confidential.

## Other

21. The committee shall, from time to time, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the OfS board for approval.

Approved by the board on 27 November 2019