

British Council Board of Trustees

Remuneration Committee: terms of reference

Approved by the Board of Trustees on 26 November 2020.

Purpose

The Remuneration Committee (RemCo) is a sub-committee of the Board of Trustees of the British Council (hereafter called Board). The Committee supports the Board in its overall responsibility for oversight of the people strategy, setting the organisation's Remuneration Strategy, and approving objectives, performance, and remuneration for the CEO and senior leadership team members.

Membership and attendees

1. All Committee members shall be appointed by the Board of the British Council.
2. The Committee is chaired by the Deputy Chair.
3. It shall comprise at least four members, of which at least three members (including the Committee Chair) shall be trustees.
4. Committee members shall be selected such that the Committee as a whole has a broad range of skills and experience commensurate to its responsibilities.
5. Members will be independent of management and free from any factor which might interfere with the exercise of independent judgement.
6. Where possible, and without compromise to the balance of skills, the composition of the Committee should be diverse.
7. The Committee Chair will invite the Chief Executive to attend meetings as appropriate.
8. The Global People Director is expected to attend Committee meetings.

Secretary

9. The Secretary of the Committee shall be the Secretary to the Board.

Quorum and frequency of meetings

10. The quorum will be three members, at least two of whom must be a trustee.
11. The Committee will meet regularly and a minimum twice a year. The Chair may call an additional Committee at any time.

Minutes of the meeting

12. The Secretary shall take minutes of all Committee meetings.
13. Draft minutes shall be circulated promptly to the Chair for initial review prior to circulation as a draft to the Board. The minutes shall be submitted for approval at the next Committee meeting.
14. Once approved and signed the minutes shall be retained as part of the organisation's records.

Duties

15. The Committee oversees the overall people strategy for the organisation, reviews the main risks and the plans to address.
16. It also oversees performance and remuneration of the CEO and Senior Leadership Team, the overall remuneration policy, and succession planning for the top level of the organisation.

The Committee's responsibilities include:

17. Setting annual performance measures for the Chief Executive
18. Reviewing annual performance measures for the Senior Leadership Team
19. Agreeing the annual performance evaluation of the Chief Executive prepared by the Chairman of the Board.
20. Determining the policy for the total remuneration and benefits, including performance related pay and bonus payments, payable to the Chief Executive, and its application.
21. Determining the policy for remuneration, including pay and bonus, and expenses of the Senior Leadership Team.
22. Reviewing and agreeing the performance evaluation reports, ratings and eligibility for bonuses for the Senior Leadership Team.
23. Reviewing annually remuneration packages to staff that exceed £100,000 per annum.
24. Reviewing the annual pay award for UK contracted staff in line with Civil Service pay guidelines.
25. Reviewing succession planning and career planning for the top level of the organisation.
26. Having oversight of the overall people strategy and engaging with key elements such as the gender pay gap report and staff survey
27. Having oversight of significant change and restructuring programmes and their organisation, taking account of their consistency with the British Council's values and local rules and regulations.
28. Advising and agreeing any proposals for changing the remuneration policy before seeking government approval.
29. Considering the impact of the work of the Committee on remuneration policy for the organisation as a whole and addressing any other matters referred to it by the Board.

Reporting

30. The Chair of the Committee [or in their absence another trustee member of the Committee] shall report to the Board at the next Board meeting.
31. The Committee shall formally report on its work to the board once a year.
32. The Committee shall support the Board's review of remuneration related disclosures in the annual report.
33. The Committee's effectiveness shall be considered as part of the externally facilitated board effectiveness review.

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34. The Chair of the committee has direct access to report to the Chairman of the Board as required

Authority

35. The Committee has full authority to set the remuneration and benefits of the Chief Executive, including performance – related pay.
36. The Chief Executive's pay will take account of public sector pay policy as set by the Senior Salaries Review Body (SSRB). The Committee has the authority to select internal and/or external benchmarks or systems to inform the setting of the chief Executive's remuneration, benefits and performance pay and to obtain relevant external advice if it considers this necessary.
37. The committee must ensure that the remuneration of the Chief Executive and the Senior Leadership Team is set within the context of, and supports, the overall human resources and pay strategy of the British Council. It must also ensure that the remuneration is set within the pay remit agreed with the FCO and takes account of public sector pay policy.
38. Where the Committee queries the assessment given by the Chief Executive in respect to members of the Senior Leadership Team, it may require additional evidence to be provided by the Chief Executive and/or the senior manager concerned. The senior manager has the right to refer any concerns they may have concerning their assessment to the Committee.

Review of these terms of reference

39. The Committee shall review its terms of reference annually and submit any proposed changes to the Board for approval