

HR & Remuneration Committee

Terms of Reference

Council's work is initiated, managed and monitored by Council itself and a series of Committees to which Council delegates certain powers. Committees are subordinate to Council within the Governance structure. Other than those areas where Council has delegated defined tasks and/or authority to act, Committees have an advisory role. They report to Council on the performance of those activities that fall within the remit of each Committee. Committees will also bring to Council's attention any issues of concern, or areas for improvement.

There are three Committees with delegated powers that provide advice and assurance to Council in the exercise of its functions. They are: Audit & Risk Assurance Committee; the HR & Remuneration Committee; and the Capital Committee. The Capital Committee also has delegated powers from Council to approve relevant grants up to £250,000.

Four Advisory Groups also report to Council: Equalities Monitoring Group, Future Generations Monitoring Group, Welsh Language Monitoring Group and Wales at Venice Advisory Committee.

The specific remit of this Committee is set out below.

The Terms of Reference for HR & Remuneration Committee are reviewed and approved by Council on an annual basis. This document was reviewed and approved by Council in March 2018.

Role of the Committee:

Council has established a HR & Remuneration Committee to support them in discharging their responsibilities for issues of recruitment, retention and management of staff; for the pay and conditions of service in meeting the Council's and Accounting Officer's governance needs for the organisation; and to ensure that they contribute effectively to the delivery of the Council's strategic goal and business needs.

The Committee is also responsible for setting and monitoring the Chief Executive's annual performance targets, and for recommending to Council, the annual remuneration of the Chief Executive and Chair, subject to the limits set by and the agreement of the Welsh Government.

1. Appointments:

To oversee, advise on, and monitor the Appointments process. This includes:

- 1.1 Recruitment of the Chief Executive, and Directors
- 1.2 Advising the Welsh Government on the recruitment of prospective Council members
- 1.3 Monitoring the propriety of the appointments processes for our governance and advisory structures (Committee members and National Advisors).

2. Oversight of HR:

- 2.1. To monitor the Arts Council of Wales' remuneration system alongside appropriate benchmark organisations, so as to be able to attract, retain and motivate suitably qualified staff in a competitive market, subject to the appropriate agreement by the Welsh Government, and within the constraints of available resources.
- 2.2. To monitor policies relating to recruitment, selection, training, motivation, development, performance, reward and retention of staff.
- 2.3. To monitor key HR related management indicators and reports.
- 2.4. To consider and agree any proposed amendments to the Grievance, Disciplinary and Harassment, and Job Evaluation policies.
- 2.5. To consider and decide on relevant appeals made under the terms of the Grievance, Disciplinary and Harassment and Job Evaluation policies

3. Chief Executive's Remuneration:

- 3.1 The Committee is responsible for setting, and recommending to Council, the annual performance targets of the Chief Executive, taking account of the agreed strategies and priorities of the Council. In doing so the Committee is required to take into account the guidance issued by the Welsh Government.
- 3.2 The Committee is responsible for reviewing the attainment of previously agreed annual performance targets of the Chief Executive.
- 3.3 Having taken account of the achievement of targets, the Committee is responsible for recommending to Council the annual pay award of the Chief Executive, subject to limits set by the Welsh Government.

4. Remuneration of Chair and members:

- 4.1 Remuneration of the Chair has been approved by the Charity Commission and following approval of Privy Council, is reflected in our Royal Charter.

Under the terms of the Arts Council's Royal Charter, any proposal to remunerate members is similarly subject to the prior written approval of the Charity Commission, and if necessary appropriate amendments to the Royal Charter by the Privy Council.

Any such submission to the Charity Commission seeking agreement to offer remuneration for members, or to materially change any previously agreed levels of remuneration to the Chair, would need to fully consider and determine the duties carried out by the members or the Chair, that are over and above those normally to be expected of a charity trustee, the hours required to perform those duties, and the level of performance required and, in light of these considerations, to determine the appropriate level of remuneration.

- 4.2 The Committee has delegated powers to determine the levels of remuneration of the Chair of the Council subject to the limits set annually by the Welsh Government for the remuneration of the Chairs of Welsh Government Sponsored Bodies. Where this involves a material change to that previously agreed the prior approval of the Charity Commission is required.
- 4.3 The Committee, with the prior approval of full Council, has the authority to make a submission, having taken account of appropriate advice, to the Charity Commission seeking approval to remunerate members.
- 4.4 If the approval of the Charity Commission, and if appropriate that of Privy Council, is in place, the Committee shall have delegated powers to determine the levels of remuneration of members subject to limits set annually by the Welsh Government.
- 4.5 Where applicable and having secured the necessary prior written approval of the Charity Commission, the Committee is able to determine annually, the necessity during the succeeding year for making payment in respect to loss of earnings, on an individual basis, to members appointed to the Council. In determining the level of remuneration for loss of earnings for members of the Council, the Committee shall have regard to the recommendations made from

time to time by the Welsh Government for the remuneration of the Chairs and other members of sponsored public bodies.

Chair Michael Griffiths OBE, Council Member

Appointed by: Council

Members:

In appointing the members of the Committee, the Council shall appoint one member to act as the Chair and another member to deputise for the Chair in the Chair's absence.

The committee will comprise 5 members appointed by Council. The Chair of the Committee must be a member of Council. A minimum of 2 members will be members of Council, and at least 1 will be an independent member.

The current membership comprises:

Name	Capacity	Period of Appointment
Michael Griffiths OBE	Member of Council Chair	March 2018 Effective from April 2017
Andy Eagle	Member of Council	Until October 2019
Kate Eden	Member of Council	Until March 2020
Phil Westwood	Independent Member	March 2015 – February 2018
Valerie Ellis	Co-opted Independent Member	October 2017 - tbc

The Chair of the Council may attend meetings of the Committee as an observer, and to take part in target setting for, and assessment of performance of the Chief Executive.

Procedures will be adopted and subsequently detailed in these Terms of Reference to ensure that Council members will be excluded from any discussion regarding their own remuneration, should such an occasion arise in the future.

No member of the Executive can be appointed as a member of the Committee.

The Chief Executive and Director of Engagement and Participation are required to be in attendance at meetings unless otherwise determined by the Chair of the

Committee. However, the Chief Executive must not take part nor be present during any such discussion of his/her remuneration (other than to answer questions from Committee members).

The HR Manager will also normally be expected to attend. Other Directors and senior members of staff may be invited to attend when the Committee is discussing areas of risk or operation that are the responsibility of that individual.

Quorum: 3 members (two of whom must be Council members)

Accountability: The Committee is bound by the Council's ethical code as outlined in the Code of Best Practice. Members are required to complete an annually updated declaration of interest form, and to provide updates in the event of a change in a member's circumstances. Members are also required to declare any interests at each meeting.

Committee members must not be present during discussions concerning their particular pay award or recommendations thereto.

Meetings: Normally three times a year. Dates to be set in advance.

Papers: Papers will be circulated to Committee members one week before the meeting. All papers and subsequent minutes to be filed in the Council's electronic data and records management system under Meetings/ Council and Committees/ HR & Remuneration Committee.

Reporting: The Committee will report to Council once a year as a minimum. The Committee is advised by the Chief Executive and Director of Engagement and Participation.

Minutes & Records: In light of the limited number of meetings that take place, minutes are supplied to the next meeting of Council, in the place of a formal annual report. However this practice will be reviewed should the frequency of the meetings and the business covered increase. The Human Resources team ensures complete records are maintained, both in electronic and paper based form.

Updated: The Terms of Reference for HR & Remuneration Committee are reviewed on an annual basis. This document was last updated in March 2018.