

REMUNERATION COMMITTEE: TERMS OF REFERENCE

Membership

1. Membership of the Committee comprises:
 - a) A non executive Member of the Council who will chair the Committee;
 - b) One other non-executive Member of Council;
 - c) The Chairman of the Competition Commission (CC); and
 - d) One of the CC's Deputy Chairmen.

2. The Chief Executive and Director of Corporate Services will also attend meetings, except when their own remuneration is being discussed.

Appointments

3. Members of the Remuneration Committee are appointed by the Chairman of the CC.

Reporting to Council

4. The Remuneration Committee has delegated authority from the Council of the CC. The Remuneration Committee must report to the Council at least once a year on its activities and recommendations and on an exceptions basis through the Chairman of the Remuneration Committee. Additionally the minutes of each Committee meeting will be circulated to all Members of the Council.

5. The Committee can also provide advice to the Chief Executive or the Department of Business, Innovation and Skills (BIS) if required.

Meetings

6. The Remuneration Committee will normally meet at least twice a year and at such other times as necessary.

Remuneration Committee responsibilities

7. The Remuneration Committee has the following responsibilities:
 - to recommend proposals for the remuneration of the Chief Executive to BIS that are consistent with the accepted recommendations of the Senior Salaries Review Body (SSRB) and Cabinet Office guidelines;
 - to consider and, if appropriate, approve proposals from the Chief Executive about the remuneration of senior executive staff and ensure that their remuneration is

consistent with the accepted recommendations of the Senior Salaries Review Body (SSRB) and Cabinet Office guidelines;

- to approve in advance offers of remuneration to recruits at senior executive level. (This task is currently delegated to the Chairman of the Committee, who will consult the wider Committee in cases of doubt or difficulty, and in any event will report the remuneration agreed for individual recruits at senior executive level to Remuneration Committee);
 - to consider and, if appropriate, agree proposals from the Chief Executive about the overall remuneration of other staff including agreeing the general approach to the pay remit process; and
 - to advise on any proposals for major changes to employee benefit structures which require more detailed consideration than the Council is able to give.
8. In making the above recommendations, the Committee may take into account any evidence which it deems appropriate and relevant. This may include reviews of pay data and information supplied by external parties, internal and external comparative information about private sector pay, pay in similar NDPBs and other public sector bodies, and information and advice provided by either the CC's Senior Management Team or Staff Council. The Remuneration Committee must ensure that it has access to the information and advice required to make the necessary judgements.
9. The Remuneration Committee must ensure that the CC develops arrangements for the remuneration of its staff which are appropriate to its business needs, are consistent with the Government's policies on the Civil Service and public sector pay, and observe public spending controls. The arrangements for the remuneration of staff and reward systems must reflect the following key principles:
- value for money from the pay bill;
 - financial control of the pay bill;
 - flexibility in pay systems;
 - a close and effective link between pay and performance; and
 - the inter-relationship between pay, pension provision, leave, and other terms and conditions.
10. Additionally the Committee must aim to ensure that the CC's remuneration policies and their implementation do not lead to discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age.

Procedures

11. The Committee shall be considered quorate when two members of the committee are present including at least one non executive Member of the Council and either the CC's Chairman or the Deputy Chairman appointed to the Remuneration Committee.
12. In exceptional circumstances the Chairman of the Committee may make an interim decision and then retrospectively seek ratification by other Members of the Committee as necessary and as soon as practical, by telephone, if necessary.
13. If the Chairman is unable to attend a meeting and the meeting cannot practically be rearranged, the second non executive Member of the Council shall chair the meeting.
14. The Chairman (and any person acting as Chairman) is to have a casting vote on any question being decided by the Remuneration Committee.
15. The Remuneration 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.
16. If the Chairman of the Committee needs to supplement the skills of the Remuneration Committee by providing specialist skills or expertise, following discussions with the Chairman of the Council, he/she can consult Members of the CC (who are not currently Members of the Committee) as required and/or seek specialist advice from an external advisor for a specified matter.
17. Before each meeting and upon receipt of the agenda and papers, Members of the Remuneration Committee need to consider whether there is any potential for a conflict of interest. Detailed guidance on conflicts of interest can be found in Annex A.
18. The Secretary to the Committee is the Head of Human Resources (HR). The Secretary will:
 - ensure that the Committee follows due process during the course of the meetings;
 - ensure that information is available in a timely and complete manner to enable the proper functioning of the Committee and to facilitate the proper audit of reward arrangements and decision-making; and
 - ensure that minutes are accurate and timely.

Conflicts of interest

1. Members of the Remuneration Committee will:
 - have regard to the policy of the CC on conflicts of interest, which can be found in the guidance on outside interests (*CC Guidance on outside interests*) on the CC website;
 - review before each meeting whether there are any interests which may conflict with their duties as members of the Remuneration Committee and if so disclose them to the secretary of the Remuneration Committee and, where appropriate, the CC planning team;
 - be asked by the Chair of the Remuneration Committee at each meeting to confirm they have carried out such a review and made such disclosure;
 - not participate in any activity of the Remuneration Committee in relation to which they believe they have a conflict or possible conflict of interest without the consent of the Chair of Remuneration Committee.