

Remuneration and Appointments Committee

Terms of Reference

1 Role

The Remuneration and Appointments Committee has the following roles:

Chief Executive and Executive Team

- 1.1 To consider the proposed remuneration of the Chief Executive and other members of the Executive Team on behalf of Commission.
- 1.2 To oversee the recruitment and appointment process for the Chief Executive when the occasion arises.
- 1.3 To consider and approve annually the Chief Executive's objectives, as agreed between the Chairman and the Chief Executive, with reference to the more detailed Protocol appended to these Terms of Reference.
- 1.4 To review annually the Chief Executive's performance against objectives and, taking into account the Chairman's recommendation, to determine any performance-related pay award, with reference to the more detailed Protocol appended to these Terms of Reference.

Appointments

- 1.5 In relation to Commission, to consider the number of members and expertise required on Commission and to advise the Chairman of Commission accordingly.
- 1.6 In relation to committees, to consider and advise the Chairman of Commission on the appointments process and skills required for membership of committees.
- 1.7 In relation to the English Heritage Trust, to work in close liaison with the Trust's Remuneration and Appointments Committee in the selection of Trustees, recommending preferred candidates and any suggestions for reappointment to Commission for approval. To facilitate this, a member of the Historic England Remuneration and Appointments Committee will also be a member of the English Heritage Trust's Remuneration and Appointments Committee.

Diversity and inclusion

- 1.8 Historic England works to ensure that no person receives less favourable treatment by reason of age, disability, gender identity or re-assignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership, or pregnancy and maternity. The Committee will consider the way Historic England's diversity and inclusion policies are implemented in its recruitment and appointment policies.

Other matters

- 1.9 To consider Historic England's annual pay award and reward strategy.

1.10 To review and advise on Historic England's overall Human Resources strategy as appropriate, to ensure that it is contributing effectively to the success of the organisation.

1.11 To have oversight of the committee self-assessments / annual review processes.

2 Membership

1.12 The Committee shall comprise no fewer than five members, all of whom will be Commissioners or independent external members. At least three members must be Commissioners including the Chairman of the Commission.

1.13 The Chair of the Committee shall be a Commissioner but not the Chairman of the Commission. In the absence of the Chair of the Committee, the chair shall normally be taken by another Commissioner from amongst those present.

1.14 Members' terms of office will run concurrently with their term of office as a Commissioner (where applicable). Other members' appointments and terms will be in line with the Historic England appointments process.

1.15 Members (including the Committee Chair) will be appointed by the Chairman of the Commission following consultation with (and approval by) Commissioners.

1.16 The quorum shall be three, or one third of the appointed members, whichever is the greater.

3 Meetings

1.17 The Committee shall determine the frequency of its meetings in order to ensure that the remit of the Committee is fulfilled.

1.18 The Chief Executive and Director of Human Resources should normally attend meetings of the Committee. Other Historic England Commissioners, staff and/or external representatives may be invited to attend for consultation and advice.

1.19 No person may be present during the discussion or determination of their own remuneration and will have no influence over any decision on pay or on any Performance Related Award.

May 2018

Protocol for Assessing the Annual Performance and Performance Related Pay of the Chief Executive

This document sets out the policy, process and governance for establishing the goals and objectives of the Chief Executive of Historic England, for assessing performance against those goals and objectives and for determining his/her annual Performance Related Pay Award.

1 Policy and process

- 1.1. Policy. The Chief Executive is eligible to receive an annual, non-consolidated, non-pensionable, Performance Related Pay Award of up to £17,500 dependent on how he/she performs in that role. The PRP Award is not guaranteed and is dependent on the achievement of agreed performance targets for the period under review. The goal is to ensure that any Performance Related Pay Award has been earned by the performance in the year under review.
- 1.2. Setting the performance standard. Goals, objectives and performance indicators will be agreed between the Chairman of Historic England and the Chief Executive before the start of the year. Strategic goals will derive from the Historic England statutes and purpose and from the strategic direction set by the Commissioners. Operating objectives will be agreed each year that will best fulfil those goals. Performance indicators will be attached to each in order to help assess achievement.
- 1.3. Assessing performance. The Chairman of Historic England will judge how well the Chief Executive has performed against those goals and objectives by assessing available performance data and taking into account the views of the principal stakeholder groups including through a review of any available standard reports such as the stakeholder survey and the staff survey.
- 1.4. The Award. The Remuneration and Appointments Committee will determine the percentage level of Performance Related Pay to be given based on the Chief Executive's performance and the progress of the organisation.

2 Governance and accountabilities

- 1.5. The Commission, under the Chairman, is accountable for determining the strategic goals of Historic England.
- 1.6. The Chief Executive may propose suitable objectives and performance indicators for consideration but does not determine them.
- 1.7. The Historic England Chairman agrees the objectives and performance indicators that define the performance expectation of the Chief Executive before the start of each year. The Remuneration and Appointments Committee considers and approves them as the performance standard before the start of the year (at the May meeting).
- 1.8. The Historic England Chairman makes an interim assessment every quarter of the Chief Executive's performance against the goals and objectives (normally in July, September and January) and a final overall assessment in May. To enable the

Remuneration and Appointments Committee to be better informed, the Historic England Chairman may invite two or three members of the Remuneration and Appointments Committee, including its Chair, to join those quarterly discussions.

- 1.9. The Remuneration and Appointments Committee carries out a formal mid year review of the Chief Executive's performance at its September meeting, suggesting or approving any revisions to the objectives previously agreed, if necessary and appropriate. The Committee makes a final formal review and decides on any Performance Related Pay Award at its May meeting. It will attempt to do this by consensus as reflected in the agreed summing up by the Chair of the meeting. In the event that it is decided to reach a decision by means of a vote, the Chair of the meeting shall be entitled to cast only one vote. In the case of an equal vote the matter would be forwarded to the full Commission for a decision.
- 1.10. The Chief Executive may be invited, in meetings of the Remuneration and Appointments Committee, to explain or answer questions on the goals, objectives and measures, how they turned out in practice, and the reasons why, but will leave the room during, and take no part in, the subsequent deliberations on the performance and will have no influence over the Committee's decisions.
- 1.11. Following the May Remuneration and Appointments Committee meeting, the Historic England Chairman will give oral feedback on the Committee's observations and decisions to the Chief Executive.
- 1.12. The Remuneration and Appointments Committee makes its decisions on the Performance Related Pay of the Chief Executive independently while bearing in mind any annual guidance issued by the DCMS, Cabinet Office or Treasury.

3 Summary of the timing of events

This is an indication of the overall timeline. Specific dates will be agreed in advance each year.

May. Remuneration and Appointments Committee at its meeting considers and approves the performance standard (see 1.2) agreed between the Historic England Chairman and the Chief Executive for the coming year.

July. Interim assessment (outside of formal meeting) of the Chief Executive's performance by the Historic England Chairman and if required other members of the Remuneration and Appointments Committee.

Autumn Remuneration and Appointments Committee at its meeting reviews the Chief Executive's half-year performance against agreed performance standard.

December. Interim assessment (outside of formal meeting) of the Chief Executive's performance by the Historic England Chairman and if required other members of the Remuneration and Appointments Committee.

May. Remuneration and Appointments Committee at its meeting reviews outcomes of previous year and makes Performance Related Pay decision before going on to consider and approve the performance standard agreed between the Historic England Chairman and the Chief Executive for the coming year.