

Arts Council of Wales

Terms of Reference

HR & Remuneration Committee

July 2024

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## 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 and 1 sub-Committee with delegated powers. The three Committees are: Audit and Risk Assurance Committee, HR and Remuneration Committee and Welsh Language, Culture and Equalities Committee. This latter Committee incorporates the roles of the previous Future Generations, Strategic Equality and Welsh Language Committees ensuring a fully integrated approach and cohesive consideration of each of these areas into the development and progress of all areas of our work.

The Council's Capital sub-Committee also has delegated powers to make decisions on capital grants within its delegated authority. The sub-Committee makes recommendations directly to Council on grant applications over its delegated authority. This Sub Committee reports its advice and, where appropriate, its decisions, to the Council's Welsh Language, Culture and Equalities Committee. This supports the inclusion of its work in the development of relevant policy and processes across the Council's wider work, including the development of grant programmes.

One Group – Health and Safety Group - also reports to Council through its minutes and Annual Report presented to Council by the Group's Chair, the Director of Finance and Business Services.

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 July 2024.

### 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 Chair of Council on the recruitment of prospective Council members including requirements for succession planning taking into account results of skills audits of Council and Committee members
- 1.3 Monitoring the propriety of the appointments processes for our governance and advisory structures (Committee Members and Arts Associates).

## 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 advise and monitor key HR related management indicators and reports.
- 2.4 To consider and decide on relevant appeals made under the terms of the Grievance, Disciplinary and Harassment and Job Evaluation policies.
- 2.5 To work collaboratively with other areas of the organisation, including the Executive Leadership Team, Communications and specific task and project/programme groups, to identify and progress and related areas of work and increase advocacy and stakeholder engagement through publishing of achievements. The specific task groups include strategic areas e.g. Welsh language, Equalities and Climate Justice.

## 3. Chief Executive's Remuneration:

- 3.1 The Committee supports the Chair of Council with 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.

**Chair:** 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 6 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 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 Finance and Business Services 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).

A HR representative 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.
- Reporting:** The Committee will report to Council once a year as a minimum. The Committee is advised by the Chief Executive, Director Finance and Business Services and HR representative.
- 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 July 2024.