

Appendix 6: Remuneration Committee terms of reference

Introduction

1. This document sets out the Terms of Reference for the Remuneration Committee of the Gambling Commission (the Commission).

Constitution

2. The Commission will maintain a committee to be known as the Remuneration Committee.

Purpose

3. The Remuneration Committee has been established to support the Board of Commissioners (the Board), and Chief Executive as Accounting Officer (as appropriate), in his/her responsibilities for:
 - confirming a strategic direction for appraisal and remuneration policies and systems, and other significant terms and conditions of employment
 - reviewing the performance, and remuneration of the Chief Executive
 - reviewing the remuneration proposed for the senior management team
 - the remuneration aspects of the recruitment or termination of employment (as required) of the Chief Executive.

Membership

4. Membership of the Remuneration Committee shall comprise a minimum of three non-executive members of the Commission, who shall be appointed for a three year term.
5. The Board will appoint the Chair of the Remuneration Committee for a three year term.

Meetings and quorum

6. The Remuneration Committee shall meet regularly at least two times in each financial year. The Chair of the Remuneration Committee may convene additional meetings as considered necessary.
7. Two members of the Remuneration Committee will comprise a quorum for decision making.
8. Meetings of the Remuneration Committee will normally be attended by the Chief Executive and the Director of People and Organisational Development (who has responsibility for the Commission's Human Resources function) and the Director of Finance.
9. The Remuneration Committee may ask any other officials of the Commission to attend meetings to assist with discussions on any particular matter.
10. 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.
11. The Board may ask the Remuneration Committee to convene additional meetings to discuss particular issues on which they want the Committee's advice.
12. The Remuneration Committee will take steps to preserve the confidentiality of discussions, and any related documents, in any matters which involves personal information about individual management and employee members.

Authority

13. The Board authorise the Remuneration Committee to investigate any activity within this Terms of Reference.
14. The Remuneration Committee provides advice to the Board, and the Chief Executive as Accounting Officer. It has no executive powers.
15. Nothing in these Terms of Reference shall detract from the authority of the Chief Executive as Accounting Officer.

Reporting

16. The Remuneration Committee will formally report back orally or in writing to the Board after each meeting.
17. The Committee will report on its activities, to the extent that it can without breaching confidentiality, in the Commission's Annual Report.

Responsibilities

18. The Remuneration Committee will advise the Board, and the Chief Executive as Accounting Officer (as appropriate), on:
 - an organisation-wide appraisal and remuneration policy, including the terms and conditions of employment, which both supports the Commission's corporate and business planning objectives and is aimed at achieving 'value for money'
 - the setting of performance objectives, the appraisal of performance, and the determination of performance related remuneration, for the Chief Executive, in consultation with the Chair of the Board
 - the approval of the approach to the annual employee pay review prior to submission to DCMS
 - the determination of performance related remuneration, for the senior management group of the Commission, in consultation with the Chief Executive
 - the recruitment of a Chief Executive when a vacancy arises, in accordance with guidance provided by DCMS at the time
 - the acquisition of independent professional advice to assist with the recruitment of a Chief Executive, the consideration of remuneration strategies and policies or other employment-related incentives, and the related trends in strategies and policies in comparable sectors, as required
 - the contractual terms agreed upon termination of any of the Chief Executive and members of the senior management group, and the payments made, ensuring they are fair to the individual and to the Commission, that they comply with wider public sector practice and approval processes, and that any payments defined as 'novel or contentious' are referred to DCMS
 - any matters concerning remuneration referred to in the Management Statement and Financial Memorandum agreed between the Commission and the sponsor department, DCMS
 - any other matters at the request of the Board.