

NS&I Appointments and Remuneration Committee

Terms of Reference

Content

1. The NS&I Chief Executive bears personal responsibility as Accounting Officer and Consolidation Officer for the National Savings and Investments Agency and for the business of National Savings and Investments, as determined from time to time by the Treasury through Government Accounting and other guidance. He (she) also bears legal responsibilities as Director of Savings.
2. The Chief Executive therefore remains ultimately accountable for the achievement of the Agency's objectives, and for ensuring that the Agency manages its people to achieve its strategic objective by having in place effective systems for appointment, pay, performance management, succession planning, and staff development. In discharging this responsibility, the Chief Executive will work with the Appointments and Remuneration Committee (the A&RC), which is a sub-committee of the board.
3. The Cabinet Office has issued guidance on the setting up and constitution of Senior Civil Service (SCS) pay committees. The A&RC is intended at a minimum to fulfil the role of SCS pay committee. Thus the following Terms of Reference are framed to comply with that guidance.

The role of the A&RC

4. The role of the A&RC is to act on behalf of and under report to the Board in discharging its responsibilities e.g.
 - 4.1 Determining the agency's SCS Pay Strategy, including the parameters for determining salary on appointment or promotion.
 - 4.2 Advising on the role and appointment of executive NS&I Board members.
 - 4.3 Assessing the relative contribution of the agency's SCS in achieving its corporate objectives.
 - 4.4 Making final pay decisions for the agency's SCS.
 - 4.5 Reviewing succession planning arrangements for senior staff within NS&I.
5. To discharge its role, the A&RC:
 - 5.1 Advises the Chief Executive, where appropriate via the board, on the appointment and remuneration of executive members of the agency's board and other NS&I SCS members, taking account of the such things as market data, SCS pay developments and structure and internal pay relativities, and SCS succession plans.
 - 5.1.1 For executive members of the agency's board the A&RC will be involved from the outset in appointment, remuneration and contract issues, including renewal. One of the non-executive directors will normally be involved in the selection process.
 - 5.1.2 For other agency SCS appointments and contract renewals, the CE will normally act on behalf of the A&RC and advise the A&RC after an appointment has been made. In exceptional circumstances, where the level of remuneration is outside the norms defined in the SCS pay strategy, the A&RC will be consulted as necessary.

- 5.2 Reviews the agency's SCS performance management and reward arrangements at the start of each performance year, taking into account the NS&I plan and targets and ensuring performance measures have business relevance and added value
- 5.3 Reviews the agency's SCS performance and development needs at the mid point of the reporting year
- 5.4 At the end of the performance year reviews the collective and individual performance of the agency's SCS members taking into account achievement of agency plans and targets and agrees pay and bonus awards taking account of recommendations from the Chief Executive and line management
- 5.5 Reviews the agency's SCS performance management and reward strategy and management and the appropriateness and cost/benefit of proposed developments and changes
- 5.6 Reviews the agency's arrangements for succession planning and personal development at Executive Committee and Executive Director level
- 5.7 Absent the Chief Executive, gives HM Treasury such advice as they may seek on the objectives, targets, performance, pay and bonus recommendations in respect of the Chief Executive.

Membership

6. The Appointments & Remuneration Committee comprises
 - 6.1 Two non-executive directors, one of whom acts as Chair
 - 6.2 The NS&I Chief Executive
 - 6.3 The Human Resources Director
7. The committee is supported by:
 - 7.1 an independent advisor whose role is to advise the Committee on good practice and wider market trends in appointment and remuneration
 - 7.2 a secretary from the HR Directorate who convenes meetings, sends out agendas, records actions, researches and prepares papers as necessary, advises on the costs and benefits of proposed developments and changes and ensures compliance with wider Government policies
8. Other members of NS&I may be invited to attend meetings for specific agenda items. In particular, and the Board Secretary will be invited when wider governance issues are involved.

Meetings

9. The A&RC meets a minimum of twice a year in May and November, more frequently if necessary.

Papers and minutes

10. All A&RC agendas and minutes (excluding any personal data) will be circulated to NS&I Board members and the NS&I Board Secretary.
11. Minutes of A&RC meetings will normally be produced in draft within three days of the meeting.