

## **Remuneration and Nominations Committee (RemCo)**

### **Terms of Reference**

#### **1. Strategic Overview**

Under paragraph 13 to Schedule 15 the Legal Services Act 2007 the Office for Legal Complaints may appoint staff. The Legal Ombudsman has responsibility for the recruitment, retention and motivation of these staff and these activities are within the powers of the Executive. RemCo has been constituted to provide assurance to the Board in these endeavours.

#### **2. Role of RemCo**

- a. To provide assurance to the OLC Board that the Legal Ombudsman is fully and equitably complying with its employer related responsibilities.
- b. To provide assurance that a suitable strategic human resources policy framework is in place to deliver the organisational objectives agreed by the Board.
- c. To ensure that the Legal Ombudsman has suitable arrangements to remunerate its senior staff. In order to ensure suitable internal control, the RemCo has a delegation from the Board to approve the pay policy for the Chief Ombudsman on an annual basis; to oversee arrangements for senior appointments and succession planning in line with delegated authority from the OLC Board.
- d. To undertake audits or 'deep dives' on specific areas of people-related activity as requested by the Board.

#### **3. Specific Responsibilities**

In respect of remuneration:

- a. To provide advice to the OLC Chair through the periodic review of the remuneration, pensions, benefits and allowances of the Chief Ombudsman; to provide independent review for the Chief Ombudsman on the same issues for Senior Staff, paying particular attention to the role of the Chief Operating Officer.
- b. To provide independent review on any amendments to the organisation's pay structures, including cost of living increases and bonus/performance related pay schemes operated by the organisation and advise the Executive on the suitability of the total annual payments made under such schemes.

In respect of the Legal Ombudsman's responsibilities as an employer:

- c. To review those policies within the framework that underpin good employee relations activity and mitigate against the risk of legal challenge in employment tribunals. RemCo will particularly focus on the following policies: Redundancy; Disciplinary; Capability; Absence and Probation.
- d. To review policy relating to LeO's delegated responsibility as an employer. To include policies in relation to employment law compliance, such as mandatory reporting (e.g. Gender Pay Gap), and the relating to wider EDI reporting obligations.

In respect of nominations

- e. To provide assurance for the Board on arrangements for senior appointments and succession planning as agreed by the Chair of the OLC Board and Chief Ombudsman; to recognise the role of the LSB with regard to appointing OLC Board members.

#### 4. **Governance**

- a. The Chair of the Committee will be a non-executive lay member of the OLC Board.
- b. Members of the Committee will act with independence and objectivity in the conduct of their responsibilities. In addition, each member should have a sound understanding of the objectives and priorities of the OLC and of their role as a Committee member.
- c. Committee members shall be appointed by and from the OLC and the period of appointment to the committee shall be commensurate with the agreed term of appointment for the OLC and as agreed by the OLC Chair. The Chair of the OLC may not be a member of RemCo but may attend.
- d. The Chair of RemCo shall not at the same time hold the Chair of ARAC.
- e. The quorum of the Committee shall be three members who should attend in person whenever possible but may attend remotely by telephone, video call or other similar means with the prior agreement of the Committee Chair.
- f. Senior management and staff also attend meetings as agreed.

## **5. Conflicts of Interest**

A Committee member or attendee who becomes aware of a potential conflict of interest relating to matters being discussed by the Committee should give prior notification to the Chair or, if this is not possible, declare this at the meeting and, where necessary, withdraw during discussion of the relevant agenda item.

## **6. Support and Meetings**

Support for the Committee will be provided by the Board Secretary who will make arrangements for the organisation and minuting of Committee meetings, the coordination and distribution of papers.

In respect of Committee meetings:

- a. These shall be held twice a year and where possible should coincide with key dates in the OLC's reporting calendar.
- b. The Chair of RemCo may convene additional meetings if thought necessary and with the agreement of the Chair of the Board.
- c. Agenda and supporting papers will, wherever possible, be produced and distributed to members and attendees at least one week (5 working days) before meetings.
- d. Wherever possible, draft minutes will be circulated by the Board Secretary and all attendees within 10 working days following a Committee meeting.

## **7. Reporting to the OLC**

The minutes of each RemCo meeting will be made available to members of the OLC. The Chair of RemCo will make regular verbal reports to the OLC if requested by the Chair of the Board.

## **8. Committee Effectiveness**

The Committee will review its own effectiveness and report the results to the Board annually. This will include a review of its terms of reference.