



Nominations and Remuneration Committee Terms of Reference and Standing Orders

TERMS OF REFERENCE

1 Fundamental objectives

- 1.1 The fundamental objectives of the Regulator of Social Housing (**the Regulator**) are prescribed in the Housing and Regeneration Act 2008 (as amended) (**HRA**).
- 1.2 The Regulator must perform its functions with a view to achieving, so far as is possible, the fundamental objectives (economic and consumer) set out in section 92K, HRA).
- 1.3 The Regulator is also obliged by statute to exercise its regulation functions (in relation to registered providers) in a way that minimises interference, and (so far as is possible) is proportionate, consistent, transparent and accountable (section 92K(5), HRA).

2. Constitution and membership

- 2.1 This Nominations and Remuneration Committee (NRC) has been established by the Board of the Regulator in accordance with section 92L of the HRA and shall comprise between two and four members appointed by the Board of the Regulator. At least two members of the NRC must be non-executive members of the Board of the Regulator.¹

¹ Some members of NRC may be non-Board members. However executive members of the Board should not be members of the NRC. See further clause 2.3.

- 2.2 One member of the NRC, who must be a non-executive member of the Board of the Regulator, shall be appointed by the Board of the Regulator as Chair of the NRC. In the absence of the Chair or an appointed deputy, the remaining members present at any meeting shall elect one of themselves to chair the meeting.
- 2.3 Executive officers of the Regulator may not be members of the NRC but may advise the NRC. Executive members of the Board of the Regulator (if any) may not be members of the NRC.
- 2.4 Only members of the NRC have the right to attend its meetings. The Regulator's Chief Executive will usually attend (save for items specifically affecting him/her), and other non-members may be invited to attend all or part of any meeting as appropriate.
- 2.5 Executive officers shall withdraw from any part of a meeting which considers their specific remuneration or conditions of service.

3. Conduct

- 3.1 Members of the NRC shall observe and act in accordance with these Terms of Reference and:
- the principles of good governance set out in the HM Treasury and Cabinet Office publication *Corporate governance in central government departments: code of good practice*;²
 - the Regulator's Code of Conduct and Practice for Board Members and Committee and Sub-Committee Members "the Board Code"; and
 - applicable policies set by the Regulator from time to time, including

² Published April 2017 and available here: <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

policies on expenses, hospitality, and declarations of interest.

4 NRC role and responsibilities

The role of the NRC

4.1 The role of the NRC is to provide independent support to the Regulator's Board and Accounting Officer by providing scrutiny, oversight and advice in relation to:

- remuneration of the Regulator's staff body as a whole (including annual staff pay settlement);
- remuneration of the Regulator's senior staff;
- plans for orderly succession of appointments to the Board and of senior management, in order to maintain an appropriate balance of skills and experience;

4.2 The NRC is an advisory body and shall only exercise governance functions. The NRC has no executive responsibilities and shall not decide levels of remuneration or reward in particular cases but may make recommendations to the Board.

4.3 In performing its role, the NRC should draw on input from the Regulator's human resource function. The NRC shall have access to administrative support from the Board Secretariat, and is authorised by the Board to:

- request any relevant information it requires from any employee of the Regulator in order to perform its duties;
- call any employee of the Regulator to be questioned at a meeting of NRC as and when required;
- work and liaise as necessary with other Board committees, taking particular account of any possible overlap of function between

committees.

NRC responsibilities

The particular responsibilities of the NRC in carrying out this role are set out in the following paragraphs:

Leadership, succession planning, remuneration

- 4.4 To make recommendations to the Board about the appointment or dismissal of the Chief Executive and to recommend annual performance objectives, remuneration terms, and other terms and conditions of employment of the Chief Executive, subject to DLUHC approval where required.
- 4.5 To consider annually and make recommendations about the incentive structure for the Chief Executive and other members of the senior leadership team (including any bonus payments), subject to DLUHC approval where required.
- 4.6 To consider annually and make recommendations about the overall remuneration and contractual and pension arrangements for members of the senior leadership team other than the Chief Executive, and related matters, within the overall budget funded by fees and grant in aid.
- 4.7 To advise the Board and the Accounting Officer in relation to:
 - 4.7.1 staff pay and rewards as a whole, across the Regulator, and related matters;
 - 4.7.2 general staffing issues, including recruitment and retention of staff;
 - 4.7.3 as to the satisfactoriness of systems for succession planning in relation to Board members and senior executive staff;

- 4.7.4 identifying and developing leadership and high potential.
- 4.8 To monitor the Regulator's staffing position against the agreed organisational structure and revenue budget and provide support and scrutiny in relation to organisational restructures.
- 4.9 To review terms and conditions of service generally.
- 4.10 To consider any other issues referred to the NRC by the Board or the Accounting Officer in relation to terms and conditions, overall pay levels or Performance.

STANDING ORDERS

5 NRC meetings

- 5.1 The NRC shall meet at least once a year, and may meet more frequently
- 5.2 The Chair of the NRC, or any other member of NRC with the agreement of either the Chair of the NRC or the Chair of the Board, may convene, or request the Board Secretary to convene, meetings of the NRC; and in the ordinary course of events, meetings may be convened by the Chair of the NRC periodically agreeing with the Board Secretary a forward planner of meeting dates. The Accounting Officer or the Board of the Regulator may also ask the Board Secretary to convene a meeting of the NRC to discuss particular issues on which they would like advice from the NRC
- 5.3 At least five days before a meeting, a notice of the meeting shall be given to each member. The notice of the meeting may be sent by the Board Secretary or by any NRC member. It must as a minimum include an agenda listing the principal items of business proposed to be transacted at that meeting. Supporting papers should usually be sent with the notice of the meeting, but it shall not invalidate any proceedings if supporting papers are

sent after that date or tabled at the meeting.

5.4 The accidental failure to give notice to, or the non-receipt of a duly despatched notice by a member, shall not invalidate the proceedings at a meeting.

5.5 All notices to be given to a member for the purposes of these Standing Orders may be given:

- by email to such email address as may from time to time be notified by the member to the Board Secretary for such purposes, or
- having paid the appropriate postage, by post addressed to the member at such business or residential address as may from time to time be notified by the member to the Board Secretary for such purposes, or
- by leaving it at such business or residential address as may from time to time be notified by the member to the Board Secretary for such purposes, or
- by handing it to a member personally.

5.6 Any notice or other document given to a member in accordance with paragraph 5.5 above shall be deemed to have been served or delivered:

- if sent by email, on the day after it was sent, or
- if sent by post, on the day following the day on which it was put in the post (or, where second class post is employed, on the second day after the day when it was put in the post), or
- if personally delivered, upon such delivery.

5.7 Any member who does not receive a notice of a meeting in accordance with these Standing Orders but who nevertheless attends the meeting to which the notice relates shall, unless he or she shall otherwise state at the

relevant meeting, be deemed to have received due notice of such meeting.

5.8 Without prejudice to the aforesaid, any member may waive the requirements, either prospectively or retrospectively, that notice in accordance with these Standing Orders be given to him or her of any meeting.

5.9 Items of business may be transacted at any meeting notwithstanding that the item has not been specified in the meeting notice, provided that, in the opinion of the Chair of the meeting, either:

- the item in question is of a routine and substantially uncontroversial nature, or
- the item requires urgent consideration, and it was not reasonably practicable to specify it in the meeting notice.

6 Quorum

6.1 No business shall be transacted at a meeting of the NRC unless at least two members are present, one of whom must be a member of the Board.

7 Voting

7.1 All decisions shall be carried by a majority of votes of the members present at a meeting.

7.2 In the case of an equality of votes, the Chair of the meeting shall have a second or casting vote.

7.3 Voting shall be by such means as may be agreed by the members present at a meeting, provided that the Chair or any member may request a vote to be taken by a show of hands on any resolution or business.

8 Remote and virtual participation

8.1 Any member may validly participate in a meeting through the medium of

conference telephone, video conferencing or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or relevant part thereof. A member so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and entitled to vote.

- 8.2 A meeting shall be deemed to take place where the largest group of those members participating is assembled or, if there is no group which is larger than any other group, where the Chair of the meeting is.

9 Minutes

- 9.1 The names of the members present at a meeting shall be recorded in the minutes.
- 9.2 Minutes of the proceedings of meetings shall be prepared by the Board Secretary, entered in a record to be kept for that purpose and submitted for approval as to their accuracy to the next meeting. The minutes, as approved, shall be signed by the Chair of the meeting to which they are submitted, and, if so signed, shall be taken as conclusive evidence of the facts therein stated.

10 Establishment of the NRC and its procedure

- 10.1 Pursuant to section 92L HRA, the NRC has been established by and can only be dissolved by resolution of the Regulator's Board. The Board of the Regulator may from time to time alter or amend these Terms of Reference and Standing Orders by resolution of the Board.
- 10.2 Section 92L, HRA provides that committees and sub-committees of the Board may include non-members, provided that they include at least one member.

Subject to that, the membership of this NRC has been determined by the Regulator's Board and set out in these Terms of Reference and Standing Orders and may only be changed by a resolution of the Board.

- 10.3 Only the Board of the Regulator may make appointments to the NRC.
- 10.4 The Regulator's Board may from time to time remove any person, whether or not a member, from the NRC.
- 10.5 These Terms of Reference and Standing Orders have been approved by and may only be amended by a resolution of the Regulator's Board. Members of the NRC must comply with these Terms of Reference and Standing Orders and any other regulations made or directions given by the Regulator's Board at any time.
- 10.6 The NRC should periodically review its own performance and these Terms of Reference and Standing Orders to ensure it is operating at maximum effectiveness. Any recommendations arising from such reviews should be reported to the Board.

11 Members' interests

- 11.1 NRC members should comply with the rules around declarations of interest set out in the HRA, the Board Code, all of the Regulator's relevant policies, and any regulations or guidance applicable to the members from time to time issued by or through the Secretary of State for DLUHC.

Agreed by Board of the Regulator of Social Housing on: 28 November 2023

Effective date: 28 November 2023