
Terms of reference for:

People Committee

(approved by Ofcom Board 28 September 2021)

Authority

1. The People Committee (“the Committee”) is authorised by the Ofcom Board (“the Board”) to undertake and investigate any activity within its Terms of Reference and to seek any information that it requires in connection with its purpose and duties from Ofcom colleagues. All Ofcom colleagues are directed to co-operate with any request made by the Committee. Subject to paragraph 5 below, the duties delegated by the Board, pursuant to these terms of reference, shall be exercised exclusively by the Committee. In carrying out the responsibilities of the Committee, all Members shall act in accordance with applicable legislation.
2. The Committee is authorised:
 - at the expense of Ofcom, to obtain external legal or other independent professional advice (within any budgetary constraints which may be imposed by the Board), and to invite such individuals to attend meetings; and
 - to call any colleague to be present at a meeting of the Committee, as and when required.

Purpose

3. The principal purpose of the Committee is to provide an early, long-term and strategic perspective on People and Workforce related areas and to periodically evaluate (in consultation with the Chief Executive) and challenge (where considered appropriate), the progress of Ofcom’s People and Transformation Strategy.
4. The Committee will also set the over-arching principles and parameters of performance and remuneration policy across Ofcom and consider and approve individual terms and conditions of service, including the remuneration arrangements of key individuals. It will also agree the process and approve appointments for Executive Board Members and other Group Director members of SMT and approve the succession plans for the Ofcom Board, SMT and critical colleagues.

Duties

5. Where references are made in this section to recommendations being made to the Board and/or reporting to the Board, as the Committee comprises all Non-Executive Members of the Board, in practice, the Committee shall adjourn for a Board meeting to be convened to approve or consider such matters. In addition, to avoid any unnecessary duplication, a matter requiring Board approval may be referred directly to the Board without recourse to the Committee.

6. The duties of the Committee are:

People & Workforce Strategy

- a) To provide an early, long term and strategic perspective on the overall purpose and shape of key components of the People & Transformation Strategy (including how it relates to Ofcom Management's recommended objectives) such as talent management, performance management, location strategy, reward and skills development and any other areas as determined by the Chief Executive and Chair of the Committee.
- b) To periodically evaluate, in consultation with the Chief Executive:
 - i) Ofcom's ability to attract, retain and develop the talent and skills it needs to deliver its strategic and statutory purpose and duties;
 - ii) the overall strength and diversity of Ofcom's leadership pipeline, including the succession plan(s) for the Chief Executive, SMT and critical colleagues (the latter as agreed between the Chair of the Committee and the Chief Executive) and any associated plans;
 - iii) the overarching organisational design of Ofcom to achieve its strategic priorities and to ensure clarity of priorities, leadership accountability and quality of Executive decision making;
 - iv) Ofcom's ability to attract, retain and develop diverse people at all levels in the organisation and across our critical skills and our ability to provide an inclusive and equal opportunities working environment; and Ofcom's culture, and the defined behaviours that support the organisational values.

Appointments, Board Structure and Organisational Structure

- c) To make nominations for Executive Board Member appointments (other than the Chief Executive) to the Chair of the Ofcom Board in accordance with the guidelines set out in Annex A.
- d) To make nominations for the appointment of a Chief Executive to the Chair of the Ofcom Board and all other non-executive members of the Board, and for approval by the Secretary of State for DCMS in accordance with the guidelines set out in Annex A.
- e) To approve appointments to any other SMT Group Director vacancies and appointments of such other colleagues as agreed between the Chair of the Committee and the Chief Executive.
- f) At least annually, to consider the structure, size and composition (including the skills, knowledge, experience and diversity) and succession plan for all Board Members and make recommendations to DCMS with regard to any changes.

- g) To approve any major organisational design structure change proposed by the Chief Executive, taking into account input from the Risk & Audit Committee with respect to that Committee's areas of responsibility.

Remuneration Policy, Pension, Performance Management and Terms & Conditions of Service

- h) To agree the over-arching principles, parameters and affordability of Ofcom's remuneration policy in light of the People & Workforce Strategy and Ofcom's strategic and statutory purpose and duties. This will include high level oversight of the process for determining the terms and conditions of employment and remuneration of all Ofcom colleagues (other than those referenced in (h) below, including the over-arching principles of the annual pay increase and performance bonus. The objective of such remuneration policy shall be to examine whether the policy is aligned with Ofcom's purpose.
- i) To approve the pension arrangements established by Ofcom for all Ofcom colleagues.
- j) To review and approve Ofcom's Pension Provider for those pension arrangements established for all Ofcom colleagues.
- k) To review and approve the individual terms and conditions of service, including remuneration, pensions, allowances, gratuities, early retirement and redundancy, or the settlement of any employment litigation of: (i) the Chief Executive; (ii) the SMT; and (iii) such other colleague(s) as agreed between the Chair of the Committee and the Chief Executive (any potential decision will be subject to the approval of the Chair of the Ofcom Board).
- l) To review and decide upon the remuneration of all Non-Executive Members of Ofcom's Boards, Panels and Committees (but excluding the Non-Executive Members of the Ofcom Board).
- m) To evaluate the impact of the performance assessment and management's approach, ensuring that it is fair, incentivises and rewards behaviours which enable Ofcom to achieve its Strategic Priorities and sustainable for the long term, and guards against rewards for failure.

Risk Assessment

- n) To assess the risks to which the People and Transformation function is exposed and provide input to the Risk and Audit Committee, including:
 - Employee attraction and retention;
 - Employee engagement and performance;
 - Succession planning and talent management; and
 - Any other risk related to human resources that may arise from time to time.

Other

- o) To consider other topics and oversee other activities, as directed by the Ofcom Board.

Membership

7. The Committee shall be appointed by the Ofcom Board and shall comprise all Non-Executive Members of the Ofcom Board.
8. The Chair of the Committee shall be appointed by the Ofcom Board and shall be a Non-Executive Member of the Board, but not the Chair of the Ofcom Board (to ensure the independence of the Committee). In the absence of the Committee Chair, the remaining Non-Executive members present shall elect one of themselves to chair the meeting.

Conduct of Meetings - attendance and arrangements

9. A quorum of the Committee shall be a minimum of four Members.
10. Where the Chair of the Committee considers it appropriate, decisions may be taken by e-mail and/or written resolution. The majority of responses received from Committee Members who can be contacted must be in favour of the recommendation for it to be approved, and that number must be not less than three.
11. Only Members of the Committee have the right to attend the Committee. The Committee shall, if it thinks appropriate to do so, ask Ofcom colleagues or specialists from outside of Ofcom to attend meetings. The Committee would normally expect the Chief Executive, the Chief Operating Officer, the People and Transformation Director and the Corporation Secretary to attend meetings. No Ofcom colleague should be present at any part of a meeting of the Committee when his or her own terms and conditions and/or remuneration are discussed.
12. The 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.
13. The Corporation Secretary, or such other person as the Committee decides, shall be the Secretary to the Committee.
14. The Committee shall usually meet four times per year or such other frequency as agreed from time to time by the Chair of the Committee. The Chair of the Committee may convene additional meetings, as he/she deems necessary. These shall be summoned by the Secretary of the Committee, in consultation with the Chair of the Committee, and these may be at the request of any Member of the Board or the Chief Executive, the Chief Operating Officer, or the People and Transformation Director.
15. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Member of the Committee no later than seven days before the date of the meeting.

Relationship with the Board

16. The duties of the Committee (as set out in paragraph 5 of these terms of reference) are for the Board to decide and, to the extent that the Committee undertakes tasks on behalf of the Board (bearing in mind that the Committee comprises all Non-Executive Members of the

Board), the Committee shall adjourn for a Board meeting to be convened to approve or consider such matters.

17. The Committee will review its Terms of Reference and Committee effectiveness annually, which shall be formally approved by the Board.

Reporting Procedures

18. The Committee will provide an annual report of Ofcom's remuneration policy and practices, timed to form part of Ofcom's Annual Report and Accounts.
19. The Committee's duties shall be disclosed in Ofcom's Annual Report and Accounts.
20. The Secretary to the Committee shall distribute minutes of meetings of the Committee to all Members of the Committee as soon as possible after each meeting. They will otherwise remain confidential.

Other Boards and Committees

21. The Committee's remit shall not extend to other Boards, Committees and Panels within Ofcom's governance structure. Appointments to these bodies shall be made in accordance with the processes outlined in Annex B which were agreed by the non-executive members of the Board in July 2006.

ANNEX A: PROCEDURE FOR THE APPOINTMENT OF THE OFCOM CHIEF EXECUTIVE AND OTHER EXECUTIVE APPOINTMENTS

Process for Chief Executive Appointment

The Chief Executive of Ofcom is to be appointed by the Chair of the Ofcom Board and the other non-executive members of Ofcom with the approval of the Secretary of State for DCMS. The Chair of the Ofcom Board shall ensure that, once the then existing Chief Executive has formally notified Ofcom of his or her intention to leave Ofcom or the Chair of the Ofcom Board (on behalf of the Board) has formally notified the Chief Executive that the Chief Executive is to leave Ofcom then:

- the Chair of the Ofcom Board shall, in conjunction with the Corporation Secretary, convene a meeting of the Committee to approve the process for the search for, and appointment of, a new Chief Executive (to include the application of the OCPA¹ principles, the selection of suitable recruitment consultants, the choice of an independent assessor and a timetable);
- the Committee shall ensure that all other non-executive members are kept informed of the process and involved throughout the process in a manner agreed with them at the commencement of the recruitment process;
- the Committee shall, at the conclusion of the process, make a recommendation to the non-executive members of the Ofcom Board for their approval for the appointment of a new Chief Executive and shall then, once such approval is obtained, through the Corporation Secretary seek approval to such appointment from the Secretary of State.

Criteria for Other Executive Appointments

The Committee shall consider a range of criteria for other Executive Appointments, which may include:

- Ability and experience to contribute to the widest possible range of issues that come to the Board.
- Ability to work in support of the Chief Executive as part of the executive leadership team.
- Ability to transcend a principal executive role and to contribute to the Board in a collegiate but challenging manner.
- Willingness to accept and respect collective responsibility for Board decisions.
- Strong supporter and representative of the Ofcom values and behaviours.

In addition, in considering any such proposal the non-executive members may consider the balance of skills, knowledge and experience on the Board and in the sub-group of executive members, and the appropriate balance between executive and non-executive members.

The appointment of executive members of the Board (other than the Chief Executive) is solely the responsibility of all the non-executive members in consultation with the Chief Executive; the only limitation is the restriction on overall Board numbers set by the Secretary of State (currently a maximum of 12). The Committee will involve all non-executive members in the process for appointing executive members in a similar manner to the process outlined for the Chief Executive.

¹ OCPA means the Office of the Commissioner for Public Appointments and the OCPA principles are available at: <https://publicappointmentscommissioner.independent.gov.uk/regulating-appointments/governance-code/>.

ANNEX B: PROCEDURE FOR THE APPOINTMENTS FOR NON-EXECUTIVE MEMBERSHIP OF THE OFCOM CONTENT BOARD, CONSUMER PANEL, THE ADVISORY COMMITTEES FOR THE NATIONS AND REGIONS AND THE ADVISORY COMMITTEE FOR OLDER AND DISABLED PEOPLE, THE GAELIC MEDIA SERVICE, THE OFCOM SPECTRUM ADVISORY BOARD AND CHANNEL FOUR ('the Other Committees')

All appointments to the Other Committees shall be made in accordance with the OCPA rules for public appointments. The Corporation Secretary shall be responsible for notifying the Chair of the Ofcom Board and the Ofcom Board as and when appointments are necessary (to cover replenishment of the existing membership of the Other Committees through resignation or time expiry). The Chair of the Ofcom Board shall approve the members of a Selection Panel (save for the recruitment of non-executive members of the Channel Four Board (excluding the Chair) where the members of the Selection Panel shall be chosen in conjunction with the Chair of Channel Four) for each appointment (which may include a member or members of the Ofcom Board) and shall then report such membership to the Board. The chosen Selection Panel shall then be responsible for choosing the independent assessor and the form of the recruitment exercise (which may involve the use of recruitment consultants). The Selection Panel shall then be responsible for keeping the Board fully informed of the recruitment process as it progresses and shall involve members of the Board as and when it is appropriate to do so; it shall recommend on conclusion of the appointment process, for approval by the Board, suitable candidates for appointment. The Corporation Secretary shall be responsible for seeking any formal approval required from the Secretary of State for DCMS to any such appointments.

Board Committees

Membership (including the Chairship and number of members) of the People Committee shall be determined by the Board. Appointments of non-executive members of Ofcom by the Ofcom Board to any other Board Committees shall be at the recommendation of the Chair of the Ofcom Board and/or the Deputy Chair of the Ofcom Board.