

Policy on Payments to External Members of University Bodies and Committees

A: Policy Statement

1. The University of Cambridge is governed principally through the Regent House, the Council and the General Board of the Faculties, who are advised and supported by an extensive network of committees, boards and syndicates. On these bodies and committees, numerous internal and external members (both alumni and non-alumni) volunteer their time, skill and varied experience, to the considerable benefit of the institution.
2. External members on committees provide important external perspective, advice, expertise and constructive challenge to the University's governance processes. Clarity, transparency and oversight of payments to external members are necessary for good governance, as set out in the Committee of University Chairs' *Higher Education Code of Governance*, and for the University's public standing and reputation, including to ensure compliance with charity law (see Section C).
3. This policy sets out that payment to external members of committees for their normal committee duties may only be made by exception and with the authorisation of the University Remuneration Committee following the process laid out below (see Sections D and G). Where a part of the University has its own remuneration committee whose remit includes the payment of external members, that remuneration committee may instead authorise payment, reporting its decisions to the University's Remuneration Committee on an annual basis (see Section E). Payments to trustees for their committee duties can only legally be authorised by the charity's governing document, the Charity Commission, or the courts (see Section C).
4. The policy permits the payment of reasonable expenses incurred on committee work and the provision of appropriate refreshments at meetings. An individual who is an external member of a committee may be paid for work which is done outside their capacity as an external member. (See Section C for trustees and F for all other external members.)
5. This policy also covers transitional arrangements for payments to external members agreed prior to the academic year 2019–2020 (see Section H below). Committee secretaries must inform the applicable remuneration committee of these payments but need seek authorisation only at re-appointment or new appointment to the position.

B: Application of the Policy

6. This policy applies to all bodies and committees of the University. The phrase "bodies and committees" includes any body, board, syndicate, committee, sub-committee, board of managers, court, tribunal, panel, working group or group under any name that functions in practice as a committee (in each case whether or not established by Statute or Ordinance and whether or not established permanently or for a special or time-limited purpose).
7. An external member of a committee is defined as any committee member, including chair or other role holder, who is not a member of staff or student of the Collegiate University. For the purposes of this policy:
 - a. Staff refers to all individuals working within the Collegiate University, including employees of the Collegiate University (whether permanent, fixed term or

temporary), retired but active research staff, other visiting research or teaching staff, staff of subsidiary University companies and associated University trusts, workers, trainees, seconded staff, agency staff, and interns.

- b. Student refers to any person pursuing a course of study either provided by the University or leading to the award of a degree, diploma, or certificate by the University, or any person intermitting from any such course.
8. Subsidiary companies of the University are encouraged to adopt this or a similar policy for their bodies and committees.

C. Payments to Council Members as Trustees

9. Members of the University Council are the trustees of the University. Under charity law, charitable trustees cannot be paid for committee duties attached to their trusteeship unless the charity's governing document allows it or the charity has permission from the Charity Commission or the courts (see Charity Commission [guidance](#)). The University therefore cannot pay external members of the University Council.
10. Trustees are entitled to the payment of expenses incurred on committee work and the provision of appropriate refreshment at meetings and other committee-related events, such as briefings or training sessions. These payments and provisions must comply with [charity law](#) and the University's regulations on [expenses and benefits](#).

D. Exceptional Payments to Non-Trustee External Members for the Performance of Normal Committee Duties

11. In exceptional cases, and where external members are not trustees, the University's Remuneration Committee may authorise payment to those members for the performance of their normal committee duties. Such authorisation applies to the position on the committee not the individual and is valid until there is a significant change in the role, remit or responsibilities of the committee or its external members, at which point re-authorisation is required.
12. For the Remuneration Committee to consider authorising payment, at least two of the following criteria must be met:
 - a. There are market norms of payment for comparable committee work within either the higher education sector or a relevant industry that raise significant barriers to recruiting at the required level of expertise without offering payment;
 - b. There has been demonstrable difficulty recruiting external members with the required expertise or specialist knowledge despite reasonable attempts;
 - c. The payment would significantly mitigate risk through expert external oversight of high-profile new ventures, major operational areas, or consistently underperforming parts within the University;
 - d. Such payment is a requirement of an associated grant or donation (such as the foundation of an institution managed by the committee) or of an appointing body that is external to the University;
 - e. There is some other basis judged by the Remuneration Committee to be as important as the above.
13. The rate of pay should reflect all of the following:
 - a. market rates for comparable positions, with a discount to acknowledge the attraction and marketability of working for the University and its charitable status;

- b. the relative complexity and strategic level of the committee's remit and business;
- c. the workload, including the number of substantive meetings and the expected level of engagement between meetings;
- d. the degree of current market and specialist experience required for the role; and
- e. the degree of personal liability and exposure associated with the role.

The rate should be annual and would normally be expected to fall within the ranges set out in Appendix 1.

- 14. External members in comparable roles within a single committee should receive the same payment, but distinction may be made between those in different roles (for example, between an external chair and an external member).
- 15. It is the responsibility of the committee secretary, in consultation with the chair and any other relevant appointing body, to seek authorisation from the Remuneration Committee.
- 16. Authorisation should be sought by submitting a short case for payment to the Secretary of the Remuneration Committee using the template provided in Appendix 2.

E. Delegation of Authority on Exceptional Payments to Local Remuneration Committees

- 17. Where boards, committees or other bodies have their own remuneration committees, the University's Remuneration Committee expects these local remuneration committees to make decisions on payments to external members of committees under their authority.
- 18. Local remuneration committees whose remit includes the payment of external members must adopt a policy on payments to external members that aligns with this policy. For decisions that depart from this policy, or in the case of conflicts of interest, local remuneration committees must revert to the University's Remuneration Committee.
- 19. It is the responsibility of these local remuneration committees to inform the University's Remuneration Committee on an annual basis of their policy and all authorised payments.
- 20. It is the responsibility of the committee secretary seeking authorisation, in consultation with the chair and any other relevant appointing body, to approach the applicable local remuneration committee.

F. Incidental Payments to Non-Trustee External Members

- 21. An individual who is an external member of a committee may be paid for work which is done outside their capacity as an external member, such as a piece of research work or specialist consultancy, provided that the work is in the best interests of the University, and that the University's normal [competition](#) and [purchasing](#) procedures are followed.
- 22. External members of committees are entitled to the payment of expenses incurred on committee work and the provision of appropriate refreshment at meetings or other committee-related events, such as briefings or training sessions. These payments and provisions must comply with the University's regulations on [expenses and benefits](#).

G. Responsibilities, Records and Review

- 23. **Heads of Institutions** are responsible for ensuring that all staff within their institutions are made aware of this policy and associated guidance. This responsibility may be

delegated.

24. **Committee secretaries** are responsible for ensuring that their committees are aware of this policy and adhere to it; for providing external members with the correct expenses form and related policies; and, if relevant, for seeking authorisation for payment from the applicable remuneration committee (see Sections D and E) and confirmation of employment status for tax purposes from the University's [tax team](#). They are responsible for informing the University's Remuneration Committee of any payment arrangements that pre-date this policy (see Section H below).
25. **Committee chairs** are responsible for liaising with their secretary to ensure that their committee is compliant with this policy.
26. **The University Remuneration Committee** is responsible for considering and deciding on cases for payment of external members for normal committee duties; and ensuring that this policy is upheld through a light touch annual audit or comparable measures.
27. **Local remuneration committees within parts of the University** whose remit includes the payment of external members of committees must adopt a policy on such payments that aligns with this policy; and refer to the University's Remuneration Committee any payments that fall outside their policy but which they wish to approve or any payments for which conflicts of interest exist. They are responsible for informing the University Remuneration Committee of authorised payments on an annual basis.
28. **The Secretary to the University's Remuneration Committee** will keep a record of all approved payments to external members of committees, including payments approved by local remuneration committees, and of any payment arrangements that pre-date this policy where they have been brought to the Committee's attention (see Section H below). The Committee will review these records annually.
29. As with all information held by the University, records of these payments are subject to the Freedom of Information Act 2000 and may need to be disclosed in whole or in part.
30. **The University's Remuneration Committee** will review this policy every three years and review its fee schedule annually, and amend them as appropriate. Such reviews will take into account the latest guidance on best practice issued by relevant external bodies.
31. **The Registry's Office** will distribute this policy; publish the latest version on the University's website; and provide appropriate explanatory guidance.

H. Transitional Arrangements for Existing Payments

32. External members of committees receiving payment for normal committee duties under arrangements that pre-date the adoption of this policy (i.e. made prior to the academic year 2019–20) may continue to claim the same amount for the duration of their current term of office.
33. Committee secretaries must inform the University's Remuneration Committee of any existing payment arrangements. The Secretary to the Remuneration Committee will keep a record of these payments.
34. For re-appointment or new appointment to these positions, committee secretaries must follow the process set out in Sections D and E above.

I: Related Policies and Further Guidance

35. Aspects of this policy relate to charity law or areas covered by other University policies, regulations, procedures, or guidance:

| Area | Relevant policies or guidance |
|--|--|
| Best practice for external members of Universities' governing bodies | The Committee of University Chairs' Higher Education Code of Governance , Section 2, 7.7 (p. 26). |
| Payments to Trustees | Charity Commission Guidance on Trustee Expenses and Payments |
| Paying for services over and above committee duties | University Competition Procedure University Procurement Guidance including template forms |
| Expenses and Refreshments | University Financial Procedures Chapter 5b: Expenses and Benefits |
| Employment status of external members | Committee secretaries should contact the University tax team (Raven login required) about each individual case |

Effective date of this policy: 1 October 2019

Next review by: 1 October 2022

Appendix 1: Fee Schedule (excluding expenses)

Payment ranges are indicative and any proposed rate should be carefully considered against the criteria set out in paragraph 13 of the policy. Ranges for expected days of work are also indicative and payment may be pro-rated for a role expected to take less time.

| Member type | Annual rate | Included in rate |
|--|---|---|
| Chair of a Board or Syndicate or other equivalent body (who is also expected to chair one or more sub-committees) | Base level of £6,000 – £12,000 With market rate top-up for specialist skills up to an expected maximum of about £30,000 (and taking into careful account criteria in paragraph 13 of the policy) | <ul style="list-style-type: none"> • Close engagement with committee work involving significant strategic oversight and higher risk decisions • Chairing responsibilities for the body and its sub-committees, including preparation for and attendance at meetings • Engagement with the general day-to-day correspondence concerning the business of the body and its sub-committees • Participation in training, briefings, induction and special invitation events • About 10-20 days' work in total |
| Member of a Board or Syndicate or other equivalent body with significant strategic oversight (who is also expected to be a member of one or more sub-committees) | Within range £6,000 – £12,000 | <ul style="list-style-type: none"> • Close engagement with committee work involving significant strategic oversight and higher risk decisions • Preparation for and attendance at meetings of the body and its sub-committees • Engagement with the general day-to-day correspondence concerning the business of the body and its sub-committees • Participation in training, briefings, induction and special invitation events • About 10-20 days' work in total |
| Chair of a sub-committee or advisory panel or other equivalent body | Base level of £2,000 – £5,000 With market rate top-up for specialist skills up to an expected maximum of about £12,000 (and taking into careful account criteria in paragraph 13 of the policy) | <ul style="list-style-type: none"> • Close engagement with committee making largely operational decisions • Chairing responsibilities, including preparation for and attendance at meetings of the body • Engagement with the general day-to-day correspondence concerning the business of the body • Participation in training, briefings, induction and special invitation events • About 5-10 days' work in total |
| Member of a sub-committee or advisory panel or other equivalent body | Within range £2,000 – £5,000 | <ul style="list-style-type: none"> • Close engagement with committee making largely operational decisions • Preparation for and attendance at meetings of the body • Engagement with the general day-to-day correspondence concerning the business of the committee or panel • Participation in training, briefings, induction and special invitation events. • About 5-10 days' work in total |

Effective date of this schedule: 1 October 2019. Next review by: 1 October 2020.

Appendix 2: Application Form for Authorisation of Payments to External Members by Remuneration Committee

1. Name of committee:

2. Role(s) of external member(s) to be paid (and name(s) if known):ⁱ

Committee secretaries must obtain authorisation before offering payment to externals

3. On what basis is a payment justified? Tick one or more boxes of a. – e. below:

- a. There are market norms of payment for comparable committee work within either the higher education sector or a relevant industry that raise significant barriers to recruiting at the required level of expertise without offering payment;
- b. There has been demonstrable difficulty recruiting external members with the required expertise or specialist knowledge despite reasonable attempts;
- c. The payment would significantly mitigate risk through expert external oversight of high-profile new ventures, major operational areas, or consistently underperforming parts within the University;
- d. Such payment is a requirement of an associated grant or donation (such as the foundation of an institution managed by the committee) or of an appointing body that is external to the University;
- e. There is some other basis judged by the Remuneration Committee to be as important as the above.

4. Please elaborate briefly on each ticked response:

5. What is the level of payment proposed (eg £s per annum)?

6. With reference to criteria a. – e. in paragraph 13 of the Policy,ⁱⁱ why is that level of payment justified?

7. Given the expectation that workload will affect payment (criterion c.), please give an indicative range for total days of work (i.e. including preparation, correspondence and business between meetings):

8. Please indicate any previous payment arrangement(s) for external member(s)

9. Please provide contact details for the Chair and Secretary of the Committee.

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**Please return this form to: Andrea Hudson, Interim Director of Human Resources,
andrea.hudson@admin.cam.ac.uk**

Explanatory notes

ⁱ External members in comparable roles within a single committee should receive the same payment.

- ⁱⁱ [Paragraph 13 of the Policy on Payments to External Members of University Bodies and Committees:] The rate of pay should reflect all of the following:
- a. market rates for comparable positions, with a discount to acknowledge the attraction and marketability of working for the University and its charitable status;
 - b. the relative complexity and strategic level of the committee's remit and business;
 - c. the workload, including the number of substantive meetings and the expected level of engagement between meetings;
 - d. the degree of current market and specialist experience required for the role; and
 - e. the degree of personal liability and exposure associated with the role.

The rate of pay must be annual and should normally fall within the ranges set out in Appendix 1 of the Policy. Secretaries must check employment status for tax purposes with the University's tax team (taxqueries@admin.cam.ac.uk) before discussing payment with prospective external members to ensure that they convey the correct tax information.