

Annual Report on Senior Post Holder's Remuneration 2019/20

Background

The Instrument and Articles of Government define senior posts as 'the Principal and such other senior posts as the Corporation may decide'. Article 3e states that the Corporation shall be responsible for: 'the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk'.

The Corporation has agreed to adopt the AOC Governor's Council Colleges' Senior Post Holder Remuneration Code and this Code includes a requirement that the College publish a readily accessible annual statement, based on an annual report to its governing body. This report is designed to address that requirement.

Meetings

During 2019/2020, the Senior Staff Performance & Remuneration Committee (SSPRC) met on 2 December 2019, 23 March 2020 and 27 July 2020 to review the previous year's performance against objectives set, to set performance objectives and targets for Senior Post Holders, to recommend to the Corporation policies relating to Senior Post Holders and staff where they fell within its remit and to agree a work plan for the forthcoming year. The Committee also reviewed the AoC Pay Survey for Senior Post Holders which indicated that the Senior Post Holders' remuneration was within the ranges appropriate to the size of the College. It was agreed that in considering any cost of living pay award for college staff, that Senior Post Holders would be considered at the same time. This was reported to the Board.

Staff members withdraw from any discussions relating to their own remuneration.

All Committee meetings during 2019/20 had 100% attendance rate.

In July 2020, the Committee and Corporation considered the Committee's Terms of Reference and made no changes as the Terms had been revised the previous year. The Terms of Reference were approved by the Corporation and are set out in the Appendix.

The following members served on the Committee during 2019/20:

Andy Furse (Chair)

Erica Draisey

Carole Stott

Senior Post Holders

The roles designated as Senior Post Holders and therefore within the remit of the SSPRC and the Remuneration Code are:

- Principal & CEO

- Deputy Principal
- Director of Finance & Corporate Services
- Head of Governance

Remuneration Policy

The Corporation's Pay Policy for all staff, agreed in 2018, incorporates the wording of the new Senior Post Holder Remuneration Code.

The Remuneration Code applies to all remuneration decisions affecting the emoluments of Senior Post Holders. The Remuneration Code concerns fair and appropriate remuneration and requires three key elements, which are:

- a. A fair, appropriate and justifiable level of remuneration;
- b. Procedural fairness; and
- c. Transparency and accountability

Under the Pay Policy, Senior Post Holders salaries are determined as a "spot point" salary reviewed annually against the median of the College size, at the time of the review, from comparable posts contained within the annual AoC's Senior Pay Survey. having regard to the context of the College as well as the performance of the individual role holder.

The Corporation decides if cost of living awards should be given to Senior Post Holders, taking into account factors such as:

- Whether a cost of living award is being made to all other staff;
- Whether any of the Senior Post Holders have been recently appointed or have recently received additional remuneration for some other reason

The SSPRC advises the Corporation on Senior Post holder salaries using benchmarking information to provide objective guidance.

The Principal & CEO reports to the Chair of the Corporation who undertakes an annual review of her performance against the College's overall objectives using both qualitative and quantitative measures of performance. The Committee consider performance achievements of all Senior Post Holders, the demands of the role, benchmarking information against similar roles in other colleges, market rates in order to recruit, retain and reward such staff whilst seeking to achieve the most effective use of resources available.

Remuneration 2019/20

No additional remuneration has been provided for Senior Post Holders and no cost of living award to staff or Senior Post Holders since 2018. This is kept under review.

The College's Report and Financial Statements 2019/20 sets out key management personnel emoluments (which include Senior Post Holders), salaries, employers' national insurance, benefits in kind and pension contributions.

The emoluments of the Principal & CEO (the highest paid member of staff) were:

| | 2019/20 | 2018/19 |
|-----------------------|----------------|----------------|
| | £'000 | £'000 |
| Basic salary | 131 | 131 |
| Benefits in kind | 0 | 0 |
| Pension contributions | 30 | 22 |
| Total emoluments | 161 | 153 |

The relationship of the Principal & CEO's basic salary and total remuneration expressed as a multiple of the median of all staff are also set out (these show rates of 5.2 and 5.2 respectively). The Financial Statements are normally approved by the Corporation in December each year.

Income derived from external activities

The Code requires colleges to justify any retention of external income by Senior Post holders in addition to their remuneration. All external appointments or related party transactions are set out in the Financial Statements. The College Policy is that Senior Post Holders must request approval for external work, whether remunerated or not.

Andy Furse,
Chair, Senior Staff Performance & Remuneration Committee
December 2020

SENIOR STAFF PERFORMANCE & REMUNERATION COMMITTEE

Terms of Reference

Membership

- 1.1 The membership of the Committee shall be three (3) members
- 1.2 The Principal/CEO shall not be a member of the Committee but may advise the Committee on matters other than their own remuneration. The Committee may invite other senior post-holders to attend where necessary
- 1.3 Members shall serve for a period of one year and be eligible for re-appointment. Membership should automatically include the Chair and Vice-Chair of the Corporation and the Quality stewardship governor.
- 1.4 Membership shall be determined at the final meeting of the Corporation in the academic year.

Quorum

- 2.1 The quorum for the meeting shall be three members.

Frequency of Meetings

- 3.1 The Committee shall meet at least once per term.

Responsibilities of the Committee

- 4.1 The Committee shall oversee the employment of the Principal/CEO, Deputy Principal, Director of Finance & Corporate Services and Head of Governance, with particular focus on:
 - (i) monitoring agreed performance objectives
 - (ii) monitoring professional development
 - (iii) appropriate human resources policies
 - (iv) induction and probationary period arrangements (where relevant)
- 4.2 The Committee shall advise the Corporation on the specific senior staff employment package of (a) the Principal/CEO, (b) the designated senior post-holders and (c) the Head of Governance, and in so doing shall consider the following component elements
 - basic salary
 - benefits in kind
 - pension provisions
 - the main terms and conditions in each senior post-holder's contract of employment

- 4.3 The Committee shall evaluate annually the specific senior staff employment packages of the Principal/CEO and other senior post-holders including the Head of Governance. The availability of the outcome of appraisal meetings and relevant data regarding senior staff employment will be used to inform consideration of specific senior staff employment packages.
- 4.4 The Committee shall advise the Corporation on any compensation (including augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the Principal/CEO or any other senior post-holders, including the Head of Governance, with the aim of
- avoiding rewarding poor performance
 - dealing fairly with cases where early senior staff employment is not due to poor performance

(The Corporation will report all aspects relating to the senior staff employment of the Principal/CEO and other senior post-holders in its published accounts using established and best reporting practice).

Terms of Reference & Membership

- 5.1 The Committee will review its terms of reference, membership and work plan on an annual basis for recommendation to the Corporation.

Election of Chair

- 6.1 The Chair will be elected at the last meeting of the Committee for the following academic year. The Chair would normally be the Vice-Chair of the Corporation. The Chair should not be the Chair of the Corporation.

Committee Secretariat

- 7.1 The Head of Governance will service the committee (except where matters relating to the Head of Governance are under consideration).

Reporting to the Corporation

- 8.1 The minutes or summary of the key recommendations of the Committee will be reported to the next meeting of the Corporation. These are usually confidential.
- 8.2 The Committee shall produce an annual report to evaluate its effectiveness and confirm compliance with its terms of reference.