

Report to:	Corporation
Date of Meeting:	14/12/2023
Purpose:	For Decision
Executive Lead:	Clerk
Status:	Non-confidential

**Title: Senior Post Holder Remuneration Annual Report 2022-23**

<p><b>1. Executive Summary</b></p> <p>1.1 The Annual Report on Senior Post Holder remuneration is prepared in accordance with the Code of Good Governance and the Senior Post Holder Remuneration Code for the twelve-month period to 31 July 2023.</p>																	
<p><b>2. Recommendations</b></p> <p>2.1 Corporation are asked to approve the annual report for publication on the College website.</p>																	
<p><b>3. Impact on Student Experience</b></p> <p>3.1 Weaknesses in the framework of governance, risk management and control such that it could become, inadequate and ineffective would have an adverse impact on the student experience.</p>																	
<p><b>4. Financial and Resource Implications</b></p> <p>4.1 There are no direct financial or resource implications arising from this report.</p>																	
<p><b>5. Strategic Objectives</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">SO1 - To Become a Truly Inclusive College</td> <td style="width: 20%; text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>SO2 - To deliver a curriculum that meets the needs of students, employers and our community</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>SO3 - To deliver an outstanding student experience</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>SO4 - To be an employer of choice</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>SO5 - To maintain a sustainable college</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> <tr> <td>SO6 - To grow the college's income through student recruitment</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> </tr> </table>						SO1 - To Become a Truly Inclusive College	<input checked="" type="checkbox"/>	SO2 - To deliver a curriculum that meets the needs of students, employers and our community	<input checked="" type="checkbox"/>	SO3 - To deliver an outstanding student experience	<input checked="" type="checkbox"/>	SO4 - To be an employer of choice	<input checked="" type="checkbox"/>	SO5 - To maintain a sustainable college	<input checked="" type="checkbox"/>	SO6 - To grow the college's income through student recruitment	<input checked="" type="checkbox"/>
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## Introduction

1. The Committee's Terms of Reference can be found at appendix 1.
2. The membership of the Remuneration Committee during the year to 31 July 2023 was as follows:

Name	Category of Member
Paul Birtles (Chair)	Independent Governor
Cath Orange	Independent Governor
Billy Khokhar	Independent Governor
Lendy Ho	Independent Governor

3. Meetings of the Remuneration Committee were held on:

24 November 2022  
12 December 2022  
29 March 2023  
27 April 2023

4. Attendance at meetings during 2022-23 was as follows:

Remuneration Committee	Possible attendances	Total attendances	Total absences	%attendance	24.11.22	12.12.2022	29.03.23	27.04.23
Paul Birtles (Chair)	4	4	0	100%	1	1	1	1
Lendy Ho	4	4	0	100%	1	1	1	1
Cath Orange	4	4	0	100%	1	1	1	1
Billy Khokhar	4	4	0	100%	1	1	1	1
<b>Total by meeting</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>100%</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>

5. The College's vision, mission, values and strategic objectives that form the College's strategy for 2020 to 2024 were:

### Vision

Creating a better future for all through education and training.

### Mission

Working together to transform lives.

### Our values

- Respectful – supportive, empathetic, mindful

- Inclusive – belonging, valued, understanding
- Trust – credible, accountable, honest
- Inspirational & Aspirational – passion, ambition, belief, confidence

### **Strategic Objectives**

- To deliver a curriculum that meets the needs of students, employers and our community
- To deliver an outstanding student experience
- To be an employer of choice
- To maintain a sustainable college
- To grow the college's reputation and influence

### **Approach to Remuneration**

6. In 2022-23, the following roles were designated as senior post holders (SPH) and therefore fall within the remit of the Remuneration Committee:

- Chief Executive Officer
- Director of People Services
- Clerk to the Corporation
- Vice Principal Finance & Corporate Services

7. The Corporation adopted the Association of College's SPH Remuneration Code at its meeting on 18 July 2019 and is committed to the following principles in terms of its remuneration policy:

- A fair and competitive salary offer to attract and retain high performing staff, taking account of the circumstances of the College and evidence about the ability to recruit;
- A framework for SPH remuneration which is fair and informed by information about the range of salaries and the median earnings of all staff and the College's ability to pay;
- Decision-making processes for SPH remuneration that are fair, transparent and accountable.

8. The Remuneration Committee has due regard to:

- The use of public funds and the financial health of the College;
- Performance and achievement evidenced through each individual's annual appraisal discussion;
- Other relevant factors such as pension provision;
- The overall performance of the College;
- The College's position against national benchmarks;
- Salary levels within the sector;
- Inflation;
- Other environmental factors affecting the College;
- The Equality and Diversity Policy; and
- The College's Values and the Nolan principles.

in decisions related to remuneration.

9. In advising the Corporation the Committee will consider:

- appropriate remuneration, other terms and conditions for SPHs;
- the effectiveness of the SPH appraisal process and the extent to which performance targets are met;
- the adequacy of SPH job descriptions;
- any concerns in relation to capability or conduct; and
- SPHs' career ambitions and development plans;

10. The data that supports these indicators is drawn from the following sources:

- (a) College finance record data available from the ESFA and AoC
- (b) AoC Senior Staff Pay Survey
- (c) College Internal Analysis and External Reports.

11. SPHs are appointed by the Corporation on a spot salary. The Corporation does not operate a system of performance related pay.

12. At its meeting on 12 December 2022, the Committee sought to recommend to the Corporation that the CEO, DPS and Clerk were awarded a salary uplift of £5k, back dated to 13 September 2022.

13. The current value for the College of the pay multiple of Chief Executive Officer earnings against the median of all staff is 4.97:1. The Increase is predominantly driven by insourcing of catering and security staff.

<b>Year</b>	<b>Pay multiple of Chief Executive Officer earnings against the median of all staff</b>
2022-23	4.86:1
2021-22	4.97:1
2020-21	4.90:1
2019-20	4.60:1

### **Institutional performance**

14. The College was inspected by Ofsted in November 2021 and judged 'Good', an improvement on the 'requires improvement' received in 2017. An Ofsted inspection was carried out in Teacher training provision on 27-30 March 2023 resulting in the college being awarded a 'Good' rating—the second highest possible grading. A full Ofsted inspection is to be expected in 2024.

15. In October 2021, the College received confirmation from the Education and Skills Funding Agency that the College had moved out of formal intervention into the next phase of post intervention monitoring and support and from 28 September 2022 the College had both its Financial Notice's to Improve, closed.

16. In its letter of October 2021, the Education and Skills Funding Agency confirmed a financial health grading of Requires Improvement for 2021/22 (the latest outturn forecast year), and Good for 2022/23 (the current budget year).

17. The College is in receipt of restructuring facility funding and subject to conditions subsequent and bank covenants.

### Remuneration Comparison

18. The table below outlines the total remuneration for the Chief Executive Officer, with year on-year comparator data, as follows:

<b>Emoluments of the Chief Executive Officer</b>	<b>2022-23</b>	<b>2021-22</b> £	<b>2020-21</b> £	<b>2019-20</b> £
Salary	171,160	165,000	165,000	165,000
Performance related pay	N/A	N/A	N/A	N/A
Benefits	N/A	N/A	N/A	N/A
Sub-total	171,160	165,000	165,000	165,000
Pension costs	40,531	39,072	39,000	38,000
<b>Total</b>	<b>211,691</b>	<b>204,072</b>	<b>204,000</b>	<b>203,000</b>

### External appointments and expenses

19. The College includes an exclusivity of service clause in its SPH employment contract.

20. There were no instances of the Chief Executive retaining income generated from external bodies during the year.

### Severance Payments

21. The Vice Principal Quality & Student Experience received a termination payment and signed a settlement agreement, authorised by the Chair.

22. The notice period for all SPHs is 6 months.

## **Expenses Policy**

23. The College operates a single expenses policy. The expenses of the Chief Executive Officer are reviewed and approved by the Chair of the Corporation. The expenses of other SPHs are reviewed and approved by the Chief Executive Officer.

## **Appendix 1**

### **Remuneration Committee Terms of Reference**

These Terms of Reference must be read in conjunction with the Instrument and Articles of Government, the Corporation's Standing Orders and the College's Financial Regulations from time to time. They may only be varied by the Corporation.

### **Membership and Operation**

- 1.1 The membership of the Remuneration Committee ("the Committee") shall include the Chair of the Corporation and at least three other Independent Governors. It may also include up to two co-opted members who must be wholly independent of the College. Members of staff, members of the Audit Committee and students of the College are not eligible for membership of the Committee.
- 1.2 Collectively, members of the Committee shall have recent and relevant experience and expertise in strategic reward management.
- 1.3 Only members of the Committee and other Independent Governors have the right to attend Committee meetings. Other individuals, including external advisors may be invited by the Committee, or its Chair, to attend for all or part of any meeting as and when appropriate.
- 1.4 The Clerk to the Corporation shall act as Clerk to the Committee.
- 1.5 Any senior post holder present at a meeting of the Committee shall be required to withdraw from that part of the meeting where his/her remuneration is being considered. In the case of the Clerk a Committee Member will record any decision.
- 1.6 The Committee shall further be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out above) to exclude any, or all, participants and observers.
- 1.7 The Chair and Vice-Chair of the Committee will be selected by the Committee from among its members in accordance with the Corporation's Standing Orders. The Chair of the Corporation shall not be the Chair or Vice-Chair of the Committee.
- 1.8 The quorum for Committee meetings shall be at least 40% of the total membership entitled to attend and vote at meetings of the Committee or any two such members, whichever is the greater.

- 1.9 The Committee shall meet at least twice a year and otherwise as required.
- 1.10 The Committee shall be granted rights of access to obtain all the information and explanations it considers necessary, from whatever source at the College's expense, to fulfil its remit.

### **The Committee's remit**

- 2.1 In all its decision-making, the Committee shall have due regard to:
- The use of public funds and the financial health of the College;
  - Performance and achievement evidenced through each individual's annual appraisal discussion;
  - Other relevant factors such as pension provision;
  - The overall performance of the College;
  - The College's position against national benchmarks;
  - Salary levels within the sector;
  - Inflation;
  - Other environmental factors affecting the College;
  - The Equality and Diversity Policy; and
  - The College's Values and the Nolan principles.
  - The compliance requirements set out in Managing Public Money.
- 2.2 The Committee shall ADVISE the Corporation on:
- 2.2.1 appropriate remuneration, other terms and conditions, and bonuses for senior post holders;
- 2.2.2 the effectiveness of the senior post holder appraisal process and the extent to which performance targets are met;
- 2.2.3 the adequacy of senior post holder job descriptions;
- 2.2.4 any concerns in relation to capability or conduct;
- 2.2.5 senior post holders' career ambitions and development plans;
- 2.2.6 any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of any senior post holder, with the aim of:
- Avoiding rewarding poor performance;
  - Dealing fairly with cases where early termination is not due to poor performance;
- 2.2.7 such other matters as the Corporation may reasonably request.
- 2.3 The Committee shall consider and APPROVE the performance targets and appraisal objectives for senior post holders.
- 2.4 The Committee shall periodically review its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum

effectiveness, compliance with the Senior Post Holder Remuneration Code and recommend any changes it considers necessary to the Corporation for approval.

- 2.5 Notwithstanding the generality of 2.2 above, where they relate to newly created senior posts or to new appointments, the Senior Post Holder and Clerk Appointments Committee shall be authorised to make recommendations and decisions regarding remuneration, terms and conditions and job descriptions in place of the Remuneration Committee, as appropriate.

### **Reporting responsibilities**

- 3.1 The Committee Chair shall report to the Corporation on the Committee's proceedings after each meeting on all matters within its remit.
- 3.2 The Committee shall make whatever recommendations to the Corporation it deems appropriate on any area within its remit where action is needed.