
Annual Report of the Remuneration Committee 2022-23

1.0 Background

- 1.1 The College's Articles of Government (3e) outline the Corporation's responsibilities in relation to Senior Post Holders (SPHs): 'The Corporation shall be responsible for the following functions—the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk, including, where the Clerk is, or is to be appointed as, a member of staff, the Clerk's appointment, grading, suspension, dismissal and determination of pay in the capacity of a member of staff.'
- 1.2 The Remuneration Committee advises the Corporation on these matters. Decisions require full Corporation consideration and approval.

2.0 Senior Post Holders

2.1 The roles designated as Senior Post Holders in 2022-23 were:

- Principal & Chief Executive
- Deputy Principal & Chief Executive
- Vice Principal Corporate Services & External Relations
- Vice Principal Curriculum & Quality
- Executive Director, Finance & Funding
- Clerk to the Corporation

2.2 The College appointed Diane Dimond as interim Principal and Chief Executive Officer on 1 August 2022. Julia Gray was appointed to the permanent post in January 2023.

2.3 A new Vice Principal (Curriculum & Quality) was appointed in September 2022.

2.4 A new Executive Director of Finance & Funding role was introduced in April 2023.

2.5 A new Clerk to the Corporation was appointed in January 2023. Upon her resignation, an interim Clerk was appointed in March 2023 and has been in role up to the time of this report. The role was re-named Director of Governance & Clerk to the Corporation.

3.0 Senior Post Holder Remuneration Code

- 3.1 The Corporation has adopted the Association of Colleges' (AoC) Senior Staff Remuneration Code (the Code). This Code includes the requirement that colleges must publish a readily accessible annual statement, based on an annual report to its governing body. The purpose of this report is to address that requirement alongside the requirements of the ESFA 2022-23 Accounts Direction.
- 3.2 The College has regard to the UK Corporate Governance Code and the Charity Governance Code drawing upon best practice available and regulatory requirements as they relate to the Further Education Sector. The Corporation has had due regard for the Charity Commission's guidance 'Charitable purposes and public benefit.'
- 3.3 The Board has not adopted the CUC Higher Education Staff Remuneration Code but has instead,

complied with the AoC Code as:

- Both codes cover the same areas and require college leadership to implement similar assurance and compliance measures
- Both have been designed to provide transparency and protect institutional and sector reputation by demonstrating stewardship and leadership in relation to remuneration within their institutions
- The AoC Code has been designed to be more directly relevant to the circumstances of the college
- The AoC Code is also identified in the ESFA's 2022-23 Accounts Direction for adoption.

3.4 In order to meet the requirements of the Code, and best practice within the sector, the following actions have been implemented or continued for 2022-23:

- The Committee is chaired by a governor other than the Chair of the Corporation
- The Principal & Chief Executive is not a member of the Committee. She can attend but withdraws for any discussion on their own remuneration
- The Clerk minutes the meeting but withdraws for any discussion on their own remuneration
- The Committee continues to use the annual AoC benchmarking survey to review individual job roles and salary bands based on comparison with similar colleges in terms of turnover and geography
- The Committee's terms of reference were reviewed by the committee and approved by the Corporation Board in July 2023.

4.0 Committee Membership and Meetings

4.1 The following governors were members of the committee in 2022-23:

Richard Gaunt, Committee Chair and External Governor (to 31 July 2023)
Steve Bennett, External Governor (Committee Chair from 1 August 2023)
Sandra Gordon, External Governor
Peter Rilett, Chair of the Corporation and External Governor

4.2 During 2022-23, the Committee met on 1 December 2022 and 12 July 2023.

5.0 Remuneration Policy and Process

5.1 The Committee reviewed the Senior Post Holder Remuneration Policy which had been updated to comply with the new ONS guidelines on Senior Post Holder Pay. It also reviewed the Senior Postholder Appraisal Policy.

5.2 The Remuneration Committee reviewed appraisals completed for the Senior Post Holders, individual remuneration and confirmed objectives and targets for 2022-23 in line with the College's Senior Post Holder Remuneration Policy.

5.3 The AoC Senior Pay survey data (a national survey of colleges) is used for comparison purposes when determining pay for posts advertised due to vacancy and when conducting an annual review of salaries.

5.4 The Committee recommended that, based on current context, no pay award should be recommended for Senior Post Holders for 2022-23.

5.5 The College's Annual Report and Financial Statements 2022/23 sets out key management personnel emoluments (which include Senior Post Holders), salaries, employers' national insurance, benefits in kind and pension contributions. The Principal is the College's Accounting Officer and the highest paid member of staff.

7.5 As part of the Annual Report & Accounts, the College is required to publish the pay multiple of the Principal / Chief Executive and the median earnings of the institution's whole workforce. This is set out in the table below and also in the Annual Members Report and

	2023	2022
Principal's and CEO's basic salary as a multiple of the median of all staff*	5.1	4.5
Principal and CEO's total remuneration as a multiple of the median of all staff+	5.0	7.7
<p>* The pay ratio is based on the Principal's basic salary and average rate of pay for college workforce, excluding agency and casual workers. The median pay excludes agency and casual workers and is based on July salary costs.</p> <p>+The ratio has been calculated by calculating the basic salary and total remuneration, including lieu of notice of the two (2022 two) Principal and CEO for the time they held this post. Basic pay is grossed up to 1FTE equivalent, and total remuneration is amount paid. Excluding pay in lieu of notice, the total remuneration as a multiple of the median of all staff ratio is 5 (2022: 4.7).</p>		

8.0 Policy on income derived from external activities

- 8.1 The Code requires colleges to justify any retention of external income by Senior Post Holders in addition to their remuneration. The College includes an exclusivity of service clause in its Senior Post Holder employment contract, which requires a Senior Post Holder to obtain express permission for additional external work (whether or not it is remunerated).
- 8.2 In the event of a Senior Post Holder requesting approval of external work, the Chair of the Remuneration Committee would determine how much, if any, of the additional remuneration the Senior Post Holder would be permitted to retain and the grounds for this.
- 8.3 The Principal & Chief Executive has undertaken external work in 2023 and remuneration for this has been remitted to the College.

Steve Bennett,
 Chair of the Remuneration Committee
 December 2023

