

SENIOR POST HOLDER REMUNERATION:

ANNUAL REMUNERATION COMMITTEE & REMUNERATION STATEMENT

1. Introduction

This report is produced in accordance with the Association of College's Senior Post Holder Remuneration Code which was adopted by the Corporation in July 2019.

The Remuneration Committee of the Furness College Corporation has responsibility to make recommendations to the Corporation on the remuneration and benefits of the Principal, Senior Post Holders and the Clerk.

1.1 Remuneration Committee Terms of Reference

The Terms of Reference for the Committee are reviewed and approved annually by the Committee and are also included within the Standing Orders for the Corporation as approved by Board annually.

- Committee membership will comprise the Chair and Vice-Chair(s) of the Corporation and the Chairs of the sub-committees of the Corporation. The Chair of the Corporation cannot act as Chair of the Committee.
- In the instance of there being two Vice Chairs of the Corporation, the members of the Committee shall appoint one Vice-Chair of the Corporation who shall act as Chair of the Committee. If the Chair is absent from a meeting, the members of the Committee who are present will elect another member of the Committee to act as Chair for that meeting.
- The Committee shall be quorate when at least three members are in attendance.
- The Clerk to the Corporation shall act as Clerk to the Committee.
- The Committee shall meet as and when required to fulfil the terms of reference, but at least once in each academic year.
- Decisions to be made at meetings of the Committee shall be determined by a majority of the votes of members present and eligible to vote. Where there is an equal division of votes, the Committee Chair shall have a second casting vote.

The Committee will:

- Review and agree conditions of service, including disciplinary and grievance procedures, of the holders of senior posts* and the Clerk.
- To review and set the remuneration of the holders of senior posts* and the Clerk, annually.
- To undertake, or to make suitable arrangements for, the annual appraisal of the Principal and the Clerk and to ensure that appraisal arrangements are in place for other senior post-holders.

* Senior post means the post of Principal and such other posts as the Board may from time to time determine for the purposes of the Articles of Government.

- The Governing Body of Furness College has adopted the AoC Senior Staff Remuneration Code, this is an optional amendment to the AoC Code of Good Governance which the College has previously adopted. In order to meet the requirements of this Code the Committee will arrange for a report to be published annually and placed on the College website with regards to the remuneration of senior post-holders, this will also include the processes and policy involved in considering and setting the remuneration of senior post-holders.
- The draft or agreed minutes of the Committee meeting will be presented to the next meeting of the Corporation and the Chair of the Committee, or in her/his absence another member of the Committee, will report to the Corporation on the business of the Committee.

N.B: In accordance with clauses 14 (5) and (10) of the Instrument of Government, the Principal and the Clerk will withdraw from the part of any meeting at which his or her remuneration, conditions of service, promotion or retirement or at which the appointment of his or her successor are to be considered. (In the case of the Clerk, an Acting Clerk will be appointed).

1.2 Committee membership

Committee membership is in line with the Terms of Reference for the Committee, for the 2018/19 academic year the Committee members were:

Name	Eligible to attend	Actual attendance
Jan Fielding (Chair)	2	2
Caroline Vernon	2	2
John Butler	2	2
John Sidney	1	1

1.3 Committee meetings

The following meetings took place during 2018/19:
5.12.18 and 12.6.19

The Principal is not a member of the Committee and no member of staff is present during any discussion regarding their own remuneration.

1.4 College Strategy and objectives and key performance indications

The College's strategic aims and plan, corporate objectives and key performance indicators detail the key performance measures which the College will use to measure performance and identify performance improvements against the measures it has set. These are refreshed annually and approved by the Corporation with stretching targets set to optimise performance outcomes and efficiencies.

The College uses a performance dashboard "Nexus" to track progress against its corporate objectives, this is used as a tool by management to measure performance at any point in time. Performance is reported to, and scrutinised by, each Learner Experience Committee (for quality, learner number and performance related targets), Finance & Resources Committee (for financial and staff related targets) and each Board meeting.

2. Approach to Remuneration

Article 3.1 (f) of the Instruments and Articles of Furness College Corporation state 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, 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"

The performance objectives for senior post-holders are agreed by the Remuneration Committee who track the progress against meeting these targets at Committee meetings, this progress is then reported to the Corporation via Board meetings.

The Corporation approves the remuneration of senior post-holders following Remuneration Committee recommendation. The level of remuneration awarded will be in consideration of that awarded to other members of staff within the organisation, comparison to the Association of College's annual survey and affordability with the aim of ensuring that the process and any remuneration awarded is fair, transparent and in consideration of other members of staff.

The salaries of senior post holders are informed by market data and primarily the source of this data is comparison with Senior Post Holders at other further education colleges of a similar size. The Remuneration Committee uses the Association of College's annual salary survey for comparison purposes and its aim is to ensure that the salary of senior post-holders is competitive with other similarly sized Colleges and such levels to recruit and retain senior post-holders. The following is an extract from the survey for colleges with between £15m and £20m income, which is level in which Furness College falls.

College Income	Base	Lower Quartile	Median	Upper Quartile
£15m - £20m	22	£116,692	£123,338	£133,928

Extract from the AoC Pay Survey 2018, published March 2019

The Principal's pay for 2018/19 was £122,159

Compared to a median of all staff pay of £21,479, this gives a ratio of 1:5.6

Compared to the mean of all staff pay = £26,321, this gives a ratio of 1:4.6

As noted the Principal's pay is subjected to sector benchmarking for similarly sized colleges.

3. External Appointments

The AoC Senior Post Holder Remuneration Code (as adopted by the Corporation) states that

"there should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders)

The College includes an exclusivity clause in its senior post-holder employment contract which requires permission be granted for any additional external work.

There were no instances of remunerated external work undertaken by Senior Post-holders in 2018/19

4. Expenses

Senior Post-holders are entitled to claim travel and subsistence expenses in line with the College's Travel and Expenses Policy for college staff. This ensures that SPH follow the same procedures for claiming expenses as all college staff and any value associated with these is the same as all college staff are entitled to.

The Chair of the Corporation approves any claims made by the Principal and these are then subjected to further scrutiny, as are all staff claims, by the Finance Team within the College.

There were no claims made outside of the permitted scope during 2018/19.

The expenses claimed by the Principal for the 2018-19 academic year were **£773.25**.

This does not include mileage and train fair costs which are claimed in accordance with the requirements of college policy, these are the same for all members of staff regardless of their level within the organisation.

Any gifts and hospitality received must be in line with the procedures within the Gifts and Hospitality Policy, this policy applies to all members of staff as well as senior post holders.

For 2018/19 there were no declarations made by the Principal, SPH or the Clerk.

Annual Remuneration Committee & Remuneration of SPH Statement		
Approved:	Remuneration Committee	Board
Date:	October 2019	October 2019
Review due:	October 2019	