

**FURNESS COLLEGE**  
**ANNUAL REPORT TO THE REMUNERATION COMMITTEE**  
**REMUNERATION COMMITTEE, 18 OCTOBER 2024**



**Classification: CONFIDENTIAL**

**Paper Number:**

**Author: Chair of the Remuneration Committee**

**Recommendation:** Receive  Note  Approve

**Purpose:**

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.

**Risk number:**

Key institutional risks addressed by this paper:

1. Solvency & financial stability
2. Recruitment and retention of students

**1. Impact on Outcomes for Students**

The recruitment and retention of appropriately skilled senior staff is critical to ensuring an effective and well-run College delivering strong outcomes for students, our employer partners and the wider community.

**2. Executive Summary**

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 salaries of senior post holders are informed by AoC benchmarking 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.

Historically, benchmarking data has been used to set the base salary on appointment for senior postholder positions, and thereafter, salaries of senior postholders move in line with the pay award agreement applicable to wider college staff group.

Latest available benchmarking data appears to confirm that the base salary for the Principal & CEO is not in line with the median salary, but the package agreed includes a consideration for expenses that would bring it into line. The salaries for Vice Principals is broadly in line with average median salaries.

**3. Recommendation**

It is requested that the Members of the Committee RECEIVE and NOTE the report, and are requested to RECOMMEND to Board that any pay awards for SPHs and the Clerk are made in line with any pay award approved for all staff.

**4. Detailed commentary**

4.1 Remuneration Committee Terms of Reference

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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. The Terms of Reference were reviewed and approved by the Remuneration Committee on 13.6.25

The Committees role is to:

- Review and agree conditions of service, including disciplinary and grievance procedures, of the holders of senior posts\* and the Clerk.
  - Review and set the remuneration of the holders of senior posts\* and the Clerk, annually.
  - 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).

**4.2 Remuneration Committee membership**

Committee membership is in line with the Terms of Reference for the Committee, for the 2024/2025 academic year attendance at the committee was 83%. The Committee members were:

<b>Name</b>	<b>Eligible to attend</b>	<b>Actual attendance</b>
John Sidney (Chair)	3	3
Gary Lovatt	1	1
Jan Fielding	1	1
Matt Coward-Gibbs	3	3
Phil Huck	3	1

**4.3 Remuneration Committee meetings**

The following meetings took place during 2024/2025:

18.10.24 14.2.25 13.6.25

The Principal & CEO is not a member of the Committee, they however attend the sessions but are not present for any discussion of their salary.

#### 4.4 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. The underpinning annual plan and corporate objectives are refreshed annually and approved by the Corporation with stretching targets set to optimise performance outcomes and efficiencies.

The College uses a performance dashboard 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.

#### 4.5 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 College has adopted the AoC Senior Staff Remuneration Code. The principles of which are:

1. Remuneration should take account of the context in which the college operates
2. Remuneration must be linked to the value, based on a number of components, delivered by the individual within the role
3. Remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure
4. Colleges should be clear about what they expect from staff i.e. what is 'normal' and what is 'exceptional'. There must be a robust and consistent process for setting objectives and assessing an individual's contribution
5. Remuneration can vary according to individual performance. However, the decision to apply performance related pay is for individual colleges to make. Nothing in this code is intended to imply that performance related pay is a requirement for fair and appropriate remuneration.
6. Awards made in respect of annual bonus arrangements linked to the achievement of specific annual objectives should not be consolidated

7. From time to time the value of a role may need to be reviewed in light of changing conditions, sustained performance, experience etc.
8. Any severance payments must be reasonable and justifiable
9. 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

#### 4.6 Benchmarking Remuneration

The salaries of senior post holders are informed by AoC benchmarking 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 Colleges' 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.

#### 4.7 Current Remuneration for SPH and related benchmarking

The current Principal & CEO took up post from 1<sup>st</sup> September 2025. There were no changes to the existing SPH roles. Please refer to the table at Appendix A which contains the details of the SPH remuneration and latest available benchmarking.

#### 4.8 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. The current Principal is an Ofsted Inspector and permission to continue in this role was sought and agreed on appointment as it was agreed that this would be a significant benefit to the College.

#### 4.9 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.

During the 2024/2025 academic year, the Principal claimed expenses of £495.29 in line with the requirements of college and against the same for all members of staff regardless of their level within the organisation.

During the 2024/2025 academic year, the Vice Principal Curriculum & Quality claimed expenses of 393.5 in line with the requirements of college and against the same for all members of staff regardless of their level within the organisation.

During the 2024/25 academic year, the Vice Principal Resources made no claim for expenses.

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.

No gifts or hospitality were recorded by either the Principal or the Senior Leadership Team.

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Fig 15. Chief Executive / College Principal Salary by Total Income Banding (All Colleges)

College Income	Base	Lower Quartile	Median	Upper Quartile
>= £0m to <£10m	6	£102,221	£103,643	£106,404
>= £10m to <£15m	14	£111,788	£122,800	£130,429
>= £15m to <£20m	16	£117,633	£127,765	£135,323
>= £20m to <£25m	14	£136,620	£141,156	£149,875
>= £25m to <£30m	11	£145,000	£151,529	£159,384
>= £30m to <£40m	35	£153,155	£159,992	£171,422
>= £40m to <£50m	25	£160,992	£170,400	£179,598
>= £50m	38	£169,151	£185,706	£198,649
<b>Total</b>	<b>159</b>	<b>£137,350</b>	<b>£159,287</b>	<b>£174,700</b>

Statement on Senior Post- holders Remuneration		
Approved:	Remuneration Committee	Board
Date:	6 <sup>th</sup> October 2025	21 <sup>nd</sup> October 2025
Review due:	October 2026	October 2026

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**REMUNERATION COMMITTEE 6.10.25**

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