

2020

**The Corporation
of
The Sixth Form College, Colchester**



**Remuneration Committee
Annual Report 2019/2020**

Introduction

The Remuneration Code (Appendix A to the Code of Good Governance) was adopted by the Corporation October 2019 [meeting no.118]

By visibly adopting the Remuneration Code, the Corporation is openly demonstrating its commitment to leadership and stewardship in relation to remuneration and, in doing so is helping to protect institutional and sector reputation and providing greater assurances to key stakeholders and partners, including the student community and wider society.

Remuneration Code Element III - Transparency and Accountability

‘The process for setting remuneration must be transparent. For Senior Post Holders there must be college level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the Principal must be separately justified, published and related to the remuneration of all staff within the organisation.’

In furtherance of the above objective the Corporation is required to ‘publish a readily accessible annual statement based on the Remuneration Committee’s annual report to the Corporation’.

Annual Report

The Committee has given due regard to the Senior Post Holder Remuneration Code, abiding by the requirements of the Code applicable to Sixth Form Colleges, and has operated within its agreed committee terms of reference.

The 5 members of the committee were appointed by the Corporation. Membership excludes staff, students, the Principal, Corporation Chair. M Atherton was appointed Chair of the Remuneration Committee for the period 01.09.2019 – 01.10.2020.

The Committee met once during the year on 01.10.2019. All members of the committee were in attendance.

The annual report of the Remuneration Committee has been drafted and published in accordance with the requirements laid out in the Remuneration Code as detailed below:

1. A list of Senior Post Holders within the remit of Remuneration Committee

In accordance with the Instruments and Articles of Government the Corporation designated two senior post holder posts i.e. the post of Principal (Accounting Officer) and the post of Clerk to the Corporation.

2. The Corporation’s policy on the remuneration for post holders within the remit of Remuneration Committee

The Senior Post Holder Remuneration Policy & Procedure as approved by the Corporation 21.10.2019 [minute No. 118.10.2] is provided as Appendix A

3. The Corporation’s policy on income derived from external activities

The Senior Post Holder External Employment - Engagement Policy as approved by the Corporation 21.02.2020 [minute No. 120.10.1] is provided as Appendix B

4. The pay multiple of the Principal and the median earnings of the College’s whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.

The relationship between the Principal’s remuneration, expressed as a multiple of all other employees based on full-time equivalents, is set out in table 4.1. for both basic salary and total remuneration.

Table 4.1

	2020 No.	2019 No.	2018 No.
Published financial accounts to July 2020: Basic salary as a multiple of median basic salary of all other employees	3.35	3.6	3.6
Published financial accounts to July 2020: Total remuneration as a multiple of median total remuneration of all other employees	3.32	3.1	3.1
Data provided by the College 16.09.2020 [snapshot from July 2020 payroll] Total remuneration as a multiple of mean total remuneration of staff	3.81	3.42	3.49

Median salary of the College’s whole workforce is set out in table 4.2

Table 4.2

Data provided by the College 16.09.2020 [snapshot from July 2020 payroll]	
July 20	£38,682
July 19	£36,880
July 18	£32,265

5. The Corporation’s choice of comparator College(s)

When considering the remuneration of the Principal, rather than selecting one college (which may or may not be typical), the committee used the data contained within the SFCA Workforce Survey 2020, attached as Appendix C. The 2020 survey provided data from 5 college types; Academy [22], Free School [3], General FE & Tertiary [2] Sixth Form College [44] giving a much wider cohort.¹ In particular the report provides; information re college size-bands, distribution of colleges and centres included in the analysis in each region and size-band, Principal’s salaries and numbers by student numbers and salary averages by college size band.

It should be noted that in the case of the College the only remuneration staff receive is pay and pension. However, in general, remuneration can also include other benefits such as car

¹ Seven colleges who completed the survey, including GFE colleges and 16-19 free schools do not use the current NJC pay scales. Where applicable data is reported separately in those tables most relevant to NJC negotiations; where data are combined, this is indicated in the table or chart title.

allowance, private health care and other taxable benefits. This would be taken into consideration if comparing like for like with other organisations.

6. An explanation of any significant changes

Not applicable at this time.

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Chair of the Remuneration Committee

**The Corporation
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**Senior Post Holder
Remuneration Policy & Procedure
[Appendix A]**

Senior Post Holders Remuneration Policy and Procedure.

1. Policy

1.1 Key principles

The Corporation is responsible for the remuneration of designated Senior Post Holders, including the Clerk to the Corporation. The purpose of this policy and procedure is to ensure that the Corporation does this in a transparent and accountable manner in line with the Senior Post Holder Remuneration Code (adopted July 2019).

The Corporation has established a Remuneration Committee for this purpose, and to make recommendations on remuneration of Senior Post Holders.

1.2 Scope

This policy relates to those posts which have been designated as Senior Post Holders (with direct accountability to the Corporation). The College currently has two Senior Post Holders, identified below:

- a. Principal
- b. Clerk to the Corporation

1.3 Purpose

The purpose of this policy is to ensure that the Corporation provides remuneration packages and reviews that fairly reward senior postholders having regard to the ethos and values of the College, the reward systems in place for other College employees, and, gives due regard to the interests of the public and of the financial health of the College.

Remuneration packages may potentially comprise

- Salary
- Pensions
- Other benefits e.g. relocation package/ enhancement to pension etc.

The College does not operate or set salary using a performance related pay mechanism, however, in order to receive a pay increase. Senior Post Holders must have achieved an acceptable level of performance as indicated in their annual Continual Professional Development review (CPD) and Performance review.

The Corporation does not normally pay any of the following:

- Bonus payments
- Special Recognition payments

1.4 Responsibilities

These are set out in the terms of reference of the Remuneration Committee

1.5 Monitoring and Review

The policy will be reviewed on a regular basis by the Remuneration Committee.

2. Procedure

- 2.1** The pay of Senior Post Holders will be reviewed on an annual basis. Usually (but not always) at the same time as the pay review for all other members of staff (which currently falls between July and September).
- 2.2** The Senior Manager - HR and Administration will advise the Chair of Remuneration Committee when annual salary reviews should be undertaken and provide relevant documentation.
- 2.3** The Senior Manager – HR and Administration will provide advice and support to the Remuneration Committee. This may include salary increases applied each year to all other members of college staff and to provide benchmark (including SFCA) data regarding the market rate for the posts concerned.
- 2.4** Salaries will be considered with reference to the overall financial situation of the College, in line with budget and strategic plans, as advised by the Senior Manager- HR and Administration and the Finance Manager.
- 2.5** Senior Post Holders may submit information that they wish the Committee to consider.
- 2.6** The Committee will meet to consider any salary review and the Senior Manager - HR and Administration will at the request of the committee, attend as an advisor.
- 2.7** The outcome of the remuneration review will require ratification by the Corporation, and is then passed to the HR department for implementation.
- 2.8** Salaries are normally implemented from 1st September each year however the Corporation is able to determine its own timescale for the review or implementation of salary.
- 2.9** The decision of the Corporation is final, and there is no formal process for appeal.

Note: At regular intervals consideration should be given to a review of the posts to identify any significant changes in responsibility/ complexity etc which may necessitate a revised job description which may in turn lead to a regrading of a role.

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**External Engagement
or Employment of Senior Post Holders
[Appendix B]**

Policy on External Engagement or Employment of Senior Post Holders

- 1. External Engagement or Employment including income derived from external activities**
- 1.1 Senior Post Holders are required to devote their full attention and abilities to their duties during their working hours and to act in the best interests of the College at all times.
- 1.2 They may not undertake any employment or engagement which might interfere with the performance of their duties or conflict with the interests of the College.
- 1.3 Any additional engagement or employment (beyond a maximum level of 5 working days per academic year), should only be undertaken with the prior written consent of the Corporation Chair. Consent will not be withheld unless, in the opinion of the Corporation Chair and Remuneration Committee Chair, the engagement or employment conflicts with the interests of the College or could have, or could be expected to have, an adverse effect on the post-holder's ability to carry out their work for the Corporation.
- 1.4 Where the additional engagement or employment is remunerated, and, in the opinion of the Corporation Chair is undertaken by the Senior Post Holder in their capacity as an employee of the Corporation, or involves the use of the College's name, premises, intellectual property or systems, the Senior Post Holder will be required to account to the Corporation, through the Remuneration Committee for any resulting income.
- 1.5 In all other circumstances, Senior Post Holders undertaking external work must make clear that they are doing so in a private capacity and are not in any way representing the College.
- 1.6 All additional engagements or employments should be declared as interests by the Senior Post Holder concerned and recorded in the Register of Interests maintained by the Clerk.
- 1.7 In the interests of transparency where staff are appointed on a part time basis external activity undertaken outside of contract, should still be declared to avoid a conflict of interests.