



REASEHEATH COLLEGE SENIOR STAFF REMUNERATION STATEMENT AND REMUNERATION COMMITTEE'S ANNUAL REPORT FOR 2018/19

Introduction

Reaseheath College follows the principles of the Association of Colleges (AoC) Colleges' Senior Staff Remuneration Code, adopted by the Corporation in March 2019.

This statement seeks to provide assurance that the Remuneration Committee on behalf of the Board of Governors carries out its work on senior staff remuneration in a responsible and transparent way in accordance with the overarching principles set out below.

Composition, Purposes and Terms of Reference of the Remuneration Committee

1. Composition

The Remuneration Committee is comprised of five members, all of whom are either independent governors or independent co-opted committee members.

The Committee is chaired by the Vice Chair of the Board. The Chair of the Board is a member of the Committee, but not permitted to Chair the Committee. Membership includes at least one member with specific human resource expertise/skills. The Principal, staff and student members are precluded from membership of the Remuneration Committee. The Committee has the power to consult external advisers to fulfil its responsibilities.

Current membership is Elizabeth Harrison; David Pearson MBE; Karol Bailey, Jon Furber; Sonia Belfield (Co-opted).

There were four senior staff within the remit of the Remuneration Committee in 2018-19. These were the Principal and CEO; the Vice Principal; The Chief Finance Officer and Director of Resources and the Clerk.

2. Purpose

The Remuneration Committee has been established to ensure that remuneration arrangements for all senior post-holders support the College's strategic aims and enable the recruitment, motivation and retention of the most senior staff whilst also complying with requirements of regulation and best practice. The Committee has delegated authority from the Board of Governors to advise and assure the Board on setting remuneration and terms and conditions for senior post-holders and the clerk. It is tasked with ensuring adherence with the AoC Colleges' Senior Staff Remuneration Code and particularly with ensuring fair, appropriate and justifiable levels of remuneration, procedural fairness, transparency and accountability.

3. Terms of Reference

As a minimum, the Committee meets each business year during the spring term for performance and salary reviews. The Committee met on 29 January 2019 and is meeting again on 28 January 2020.

Under its Terms of Reference, which are reviewed annually by the Committee, the Committee is to advise and assure the College Board on the remuneration and related matters of the senior post holders and the clerk, including:

1. The remuneration policies and the package (salary and other benefits) and conditions of service of the designated senior post holders
2. The remuneration and conditions of service of the clerk
3. Such other issues referred to the Committee by the College Board

Overarching Principles

The Committee has regard to the following overarching principles in setting terms and conditions for senior post-holders and the clerk:

- Fair, appropriate and justifiable levels of remuneration, based on a clear understanding of the responsibilities, context and expected contribution of a role, the attributes required to undertake that role effectively and matters of equality, diversity and inclusion;
- Transparency and accountability;
- Proportionality, fairness and consistency in application;
- Recruitment and retention, ensuring that salaries are sufficient in the context of the market for the various roles and review of practice at comparator institutions balanced by the need to demonstrate the achievement of value for money in the use of resources;
- Process, with remuneration being set through a process based on the application of a consistent framework with independent decision-making informed by appropriate evidence and review;
- Compliance with the AoC Colleges' Senior Staff Remuneration Code.

Key considerations when determining and reviewing senior staff remuneration

The value of a post will be determined by a number of components and criteria for assessing the value of the role including job size; complexity; impact; levels of autonomy; accountability and decision-making authority; experience; knowledge and skills; reputation and credibility and external market comparisons.

In advising and making recommendations on setting senior salaries and conducting annual reviews the Remuneration Committee will have regard to comparative salaries and data issued by the Association of Colleges. The Committee utilise in particular, the AoC Senior Staff Pay Survey and benchmark pay against comparator roles in other similar sized colleges.

The Committee is entitled to seek independent professional and legal advice.

Annual Performance Review

The Chair of the Board of Governors presents an annual report to the Remuneration Committee on the Principal's and the Clerk's performance for the previous year. The annual report provides information on performance against agreed objectives measured through a performance management framework.

The Principal presents a similar annual report to the Remuneration Committee on the performance of the other senior post-holders.

Senior Staff Pay for 2018-19 and pay multiples

Principal/CEO		
	2019	2018
Salaries	135	172
Benefits in kind	1	2
Total	136	174
Pension Contributions	22	-

Median Pay and pay multiples		
	2019	2018
Pay Median	£23,073.94	£23,138.30
Principal basic salary as multiple	5.85	7.45
Principal total remuneration as multiple	6.85	7.52

The median pay is calculated on a full-time equivalent basis for the salaries paid by the Group to all staff members. The reduction in the multiple from the 2017-18 to 2018-19 reporting period is due to the appointment of a new Principal from 1 August 2018.

Income derived from external activities

The College Financial Regulations set out the policy in relation to income derived from external activities. The Financial regulations were reviewed and approved by the Board of Governors Finance and General Purposes Committee on 4 December 2019. Private/external activities may not be undertaken without the consent of the Principal, or in relation to the senior post holders and the clerk, without the consent of the Governing Body.

The senior post holders or the clerk have not derived any income from external activities in the reporting period.

Jackie Schillinger

Clerk to the Corporation

on behalf of the Chair and Members of the Remuneration Committee

Approved by the Board of Governors 11 December 2019