

## **REASEHEATH COLLEGE SENIOR STAFF REMUNERATION STATEMENT AND REMUNERATION COMMITTEE'S ANNUAL REPORT FOR 2019/20**

### **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 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.

Membership in 2019-20 was 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 2019-20. These were the Principal and CEO; the Vice Principal Finance and Resources; the Vice Principal Curriculum and Quality and the Company Secretary.

#### **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 company secretary. 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 for performance and salary reviews. The Committee met on 28 January 2020 and on 21 September 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 company secretary, including:

1. The remuneration policy and the package (salary and other benefits and where appropriate any severance payments) and conditions of service of the designated Senior Post Holders
2. The remuneration and conditions of service of the Company Secretary (Head of Governance)
3. In determining remuneration policy, the committee will take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of the Colleges' Senior Staff Remuneration Code
4. Review the on-going appropriateness and relevance of the remuneration policy
5. The annual performance objectives of the designated Senior Post Holders and the Company Secretary
6. Appropriate procedures for the assessment of the performance of the designated Senior Post Holders and the Company Secretary
7. The Annual Performance Development Reviews of the designated Senior Post Holders and the Company Secretary
8. Appropriate disclosure of the designated Senior Post Holders' remuneration, for example in the annual Financial Statements, and the preparation and publishing of a readily-accessible annual statement on the work of the committee
9. 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 company secretary:

- 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 will report annually to the Remuneration Committee on the Principal's and the company secretary's performance for the previous year. The annual report will provide information on performance against agreed objectives measured through a performance management framework.

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

### Senior Staff Pay for 2019-20 and pay multiples

<b>Principal/CEO</b>		
	<b>2020</b>	<b>2019</b>
Salaries	138	135
Benefits in kind	2	1
Total	140	136
Pension Contributions	32	22

<b>Median Pay and pay multiples</b>		
	<b>2020</b>	<b>2019</b>
Principal basic salary as multiple	6.00	5.85
Principal total remuneration as multiple	7.46	6.85

The median pay is calculated on a full-time equivalent basis for the salaries paid by the Group to all staff members.

**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 last 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 company secretary, the Governing Body.

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

**Jackie Schillinger**  
**Company Secretary**  
**on behalf of the Chair and Members of the Remuneration Committee**

**Approved by the Board of Governors 28 January 2021**