

**Runshaw College Remuneration Committee
2020/2021 Annual Report to the Governing Body**

Background

Runshaw College's Instrument and Articles of Government define senior posts as 'the Principal and such other senior posts as the Corporation may decide'. The Corporation has agreed to adopt the AOC Governor's Council's Colleges' Senior Post Holder Remuneration Code and this Code includes a requirement that the College publish a readily accessible annual statement, based on an annual report to its governing body. This report is designed to address that requirement.

This report covers the 2020/21 academic year: 1 August 2020 to 31 July 2021.

Terms of Reference

The Terms of Reference which are reviewed annually by the Committee are attached to this report.

Remuneration Committee Meetings

The Remuneration Committee met on the following dates during 2020/21:

- 16th November 2020
- 15th March 2021

Senior Post Holders

The Senior Post Holders within the remit of Remuneration Committee for the year ended 31 July 2021 were:

Clare Russell	Principal and Chief Executive Officer
Martin Rigby	Deputy Principal
Zoe Smallman	Deputy Principal
Fatema Hussein	Head of Governance

Membership

Membership of the Remuneration Committee for the year ended 31 July 2021 was:

Joshi Jariwala (Chair)
Diane Bourne
Portia Bailey
Louise Myers
Warren Middleton

Clerk to the Remuneration Committee

Fatema Hussein, Head of Governance, served as Clerk to the Committee for the year.

Approach to Remuneration

Colleges operate in an extremely competitive environment. The Corporation wishes to attract and retain the best possible Senior Post Holders to deliver the best possible outcomes for students, society and the economy whilst demonstrating effective use of resources in a challenging environment. When considering the remuneration of Senior Post Holders the following factors may be considered:

- Pay awards granted to all staff in the College
- Performance against agreed objectives
- Performance in support of the college's strategic objectives
- Major initiatives and projects.
- The size and complexity of the College
- The nature of the post-16 markets and issues of recruitment and retention
- The College's objectives in relation to the diversity of the workforce
- Benchmarking data, including the AoC Senior Staff Pay Survey

Remuneration 2020/21

The Corporation Board in November 2020 agreed that due to the impact of Covid 19 on the College finances, it would not be possible to make any pay award to staff in 2020-21 which also applied to Senior Post Holders.

Pay Multiples

Principal/Chief Executive Pay

£000's	1 Aug 2020- 31 July 2021	1 Aug 2019- 31 July 2020
Salary	129	157
Benefits in Kind	2	3
Total	131	160
Pension Contributions	31	32

There was a change in post holder from 1 August 2020

Median Pay & Pay Multiples	2020	2019
Pay Median (Full time equivalent median earnings of all staff)	£25,363	£24,435
Principal basic salary as a multiple of the median of all staff	5.09	6.42
Principal total remuneration as a multiple of the median of all staff	5.59	7.23

Comparator Colleges

In setting the pay range for each Senior Post Holder role, the Committee has regard to the latest benchmark data for relevant roles published in the AoC's Senior Pay Survey. This provides the most comprehensive senior pay data for the FE sector, with a strong response from 171 colleges representing 68% of the sector. The relevant comparator Colleges are those with a turnover of £25-£30 million as the College falls between these ranges. The salary ranges are guides for the Committee to determine an appropriate spot point, having regard to the context of the College as well as the performance of the individual role holder.

Benchmark data, using the AoC's Senior Pay Survey, indicates that two Senior Post Holders salaries were in the lower pay quartile (including the Principal) and two just below the median pay quartile.

Level 1 – College Principal

College Income (All Colleges)	Sample Size	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
Between £25m and £30m	18	£128,875	£131,564	£141,400	£151,389	£154,050

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

Income Derived from External Activities

The College includes an exclusivity of service clause in its Senior Postholder employment contracts, which requires a Senior Postholder to obtain permission for additional external work. Should permission be granted by the Corporation for external work to be undertaken, the Corporation will determine how much, if any, of the additional remuneration the Senior Postholder would be permitted to retain and on what basis this determination is made. No Senior post holders have derived income from external activities in the reporting period.

Expenses

All expenses paid to Senior Post Holders are solely in reimbursement of expenses incurred in the course of their duties and comply with the College's Travel and Expenses Policy and Financial Regulations.

Post	Total expenses 1 August 2020– 31 July 2021
Principal and Chief Executive Officer	136.61
Deputy Principal	0
Deputy Principal	0
Head of Governance	0

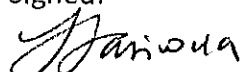
Explanation of any Significant Changes

There were no significant changes to Senior Post Holders terms and conditions in 2020/21.

The Remuneration Committee's Opinion to the Corporation

On the basis of the evidence from papers and minutes of meetings, the Remuneration Committee considers that its and the Corporation's responsibilities with regard to the Senior Post Holder Remuneration Code have been satisfactorily discharged.

Signed:



Chair of the Remuneration Committee

Date: 15th November 2021

RUNSHAW COLLEGE CORPORATION

REMUNERATION COMMITTEE TERMS OF REFERENCE

1. CONSTITUTION

The Corporation has adopted the following terms of reference for the Remuneration & Organisational Development Committee.

2. OBJECTIVE

The Committee shall review and advise the Corporation on its policy on executive remuneration and on the specific remuneration packages of designated senior postholders so as to:

- ensure that designated senior postholders are appropriately rewarded for their individual contributions to the College's overall performance; and
- demonstrate that the pay and conditions of designated senior postholders are set up by the Corporation upon the advice of a Committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public, the financial health of the College, and the achievement of the College's objectives

2. Membership

The Committee shall be appointed by the Corporation and shall consist of:

- Up to five members, (or such other numbers as the Corporation may from time to time determine);
- Members of the Committee, who are members of the Corporation, shall, at the Corporation's discretion, serve for the same term of office as their appointment as member of the Corporation.
- Co-opted members of the Committee will be appointed by the Corporation and will serve for a period of up to four years (the first 12 months of which will be a probationary period), after which time their membership will be reviewed
- The Chair of the Committee shall be appointed by the Corporation.
- The Principal will not be a member of the Committee but will attend in an advisory capacity where appropriate
- The Chair of the Corporation will be a member of the Committee but will not chair the Committee

3. Quorum

For a meeting to be quorate at least three members must be present

4. Frequency of Meetings

The Committee will meet at least once every academic year

5. Authority

- 5.1 The Committee is authorised by the Corporation to investigate any activity within its terms of reference.
- 5.2 The Committee is authorised by the Corporation to obtain outside legal or other independent professional advice, and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary, provided that the Committee does not incur direct expenditure in this respect in excess of £1,000 without prior approval of the Corporation. The Corporation may also require experts to be present and to advise when drafting disclosures to be made in the Corporation's report and accounts.

6. Duties

The Committee shall:

- 6.1 review and advise the Corporation on policy relating to all aspects of the remuneration of the Principal and other designated senior postholders;
- 6.2 advise the Corporation on the specific remuneration packages and conditions of service of the Principal, other designated senior postholders and the Head of Governance, having regard to appropriate peer group comparators and the competitive environment;
- 6.3 advise the Corporation on any severance payments (including pension benefits) which may be payable in the event of the early termination of the employment of a designated senior postholder or other staff covered by 6.2 above with the aim of:
 - (i) avoiding rewarding poor performance;
 - (ii) assuring value for money and compliance with external guidance from regulators; and
 - (iii) dealing fairly with cases where early termination of employment is not due to poor performance;
- 6.4 report annually on the performance of individual designated senior post holders, the achievement of their performance goals and objectives and make recommendations annually to the Corporation on individual remuneration packages for the Principal and other designated senior post holders and where deemed appropriate for the Head of Governance
- 6.5 publish and report, in accordance with statutory financial requirements, the:
 - (i) total remuneration of the Principal and designated senior postholders; and
 - (ii) pay multiple of the Principal and the median earnings of the College's whole workforce; and
- 6.6 publish and keep under review a policy on income derived from external activities.

7. Administrative Arrangements

- The Head of Governance shall be the Clerk to the Committee
- The Corporation will approve an annual schedule of meetings. The Committee or its Chair may agree amendments to the schedule where necessary.

- Agendas and papers will be sent to members at least seven days prior to the meeting. Members should forward any items for inclusion on the agenda to the Head of Governance.
- Minutes of meetings will be circulated to members within ten working days of the meeting. Further copies will be sent out with the agenda for the following meeting.
- Minutes will be subject to approval at the following meeting. Once approved, minutes, other than those recording items of 'reserved business' will be placed on the College Governance website page

8. Review of The Terms of Reference

- The terms of reference may be amended, modified or replaced by resolution of the Corporation.
- The terms of reference should be reviewed by the Corporation at least every three years.