



Craven College Remuneration Committee: Annual Report to the Governing Body 2018-19

1. Background

The Instrument and Articles of Government of Craven College define a “senior post” as the post of Principal and such other senior posts as the Corporation may decide. Senior postholders are staff appointed by and accountable to the Corporation.

Article 3 states 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’.

2. Colleges’ Senior Postholder Remuneration Code

Craven College Corporation adopted The Colleges’ Senior Post Holder Remuneration Code at its meeting held on 7 February 2019. The Code was developed by the Association of Colleges Governors’ Council and was published in December 2018. The Remuneration Committee amended its terms of reference at its meeting held on 22 January 2019 to comply in full with the Colleges’ Senior Post Holder Remuneration Code. The Colleges’ Senior Post Holder Remuneration Code includes the requirement that the college must publish a readily accessible annual statement, based on an annual report to its governing body. The purpose of this report is to meet that requirement.

3. Committee membership and meetings

The membership of the Remuneration Committee comprises five Governors. Consistent with the Senior Post Holder Remuneration Code:

- The Chair of the Remuneration Committee is not the Chair of the Board
- The Principal (Chief Executive) is not a member of the Remuneration Committee

The Committee met twice in 2018-19, on 9 October 2018 and 22 January 2019. A further meeting was scheduled for 7 May 2019 to consider the results of the AoC Senior Staff Pay Survey as a source of objective and comparative benchmarking data. However, following the resignation of the Principal and CEO in April 2019, after 5 months in post, the Board was required to promptly put in place interim arrangements involving existing senior postholders.

The Committee is responsible for advising the Board on the specific remuneration packages of the Principal and other senior post-holders with a view to ensuring that they are fairly rewarded for their individual contributions to the College’s overall performance, having due regard to the financial health of the College and public accountability.

4. Approach to Remuneration

At its meeting on 10 October 2019 the Board approved the Remuneration Policy for Senior Postholders which provides a set of principles for setting Senior Post Holder pay

and conditions and a procedure for making such decisions, with regard to the principles of the AoC Code.

The senior postholders are subject to the same performance management process as other staff, with performance reviews conducted twice per year and individual performance objectives aligned with the College's strategic priorities.

5. Senior Postholders

The roles designated as senior post holders (SPH) and therefore within the remit of the Remuneration Committee are:

- Principal and CEO
- Vice-Principal Finance and Resources
- Vice-Principal Curriculum and Quality
- Director of Governance

6. Remuneration process

The Committee has taken due regard of the pay award made to other staff in the College whilst being aware of the benchmarking data from the Association of Colleges, to ensure that salaries remained in line with the agreed level. In February 2019 the Board approved the Committee's recommendation that all four senior postholders should receive a consolidated salary increase of 0.75%, effective from 1 January, in line with that awarded to other staff in the College. No other pay awards have been made to senior postholders in 2018-19.

Total emoluments of the Principal

	2017/18	2018/19
Salary	£109,587	£111,911 *
Benefits	0	0
Pension costs	£18,060	£19,128 *
Total	£127,647	£131,039*

*This figure is the total of the salary payments made to the holders of the post of Principal during 2018/19. There have been three different incumbents during 2018/19, each remunerated at a different rate.

7. Pay multiple of the Principal and the median earnings of the institution's whole workforce

Year	Pay Multiple of the Principal	Median earning of institution's workforce	of whole
2016/17	4.6:1	£23,285	
2017/18	4.6:1	£23,517	
2018/19	4.4:1	£23,697	

Note: Pay multiple and median earning is calculated as at 31 March in each year.

8. Choice of comparator colleges/organisations

Relevant benchmarking data from the Association of Colleges and other available sources, including monitoring of other comparable posts in the market, is used for external comparisons. As a general principle, the Committee has used the median

point for relevant roles in similar size General FE Colleges in the North of England, as published in the Association of College's Senior Pay Survey, as a comparator.

9. Policy on retention of income from external bodies

The Remuneration Committee has adopted the College's Policy on External Activities that applies to all staff and an exclusivity of service clause is included in its Senior postholder employment contracts. The Remuneration Committee is not aware of any instances of remunerated external work taking place.

The Principal holds a number of other positions by virtue of holding the post of Principal and CEO of the College, but receives no remuneration for those.

10. Explanation of any Significant Change

There has been significant change in the leadership of the College during 2018-19. During the course of the year, there have been three holders of the post of Principal:

August 2018 – November 2018: Mr R Bellfield (also held the post of Principal during 2016-17)

November 2018 – May 2019: Mr A Cropley

May 2019- August 2019: Mrs J Sherrington (Interim Principal)

These changes have led to varied remuneration packages which were based on the nature of the employment contract and or the skills and abilities of the postholder, when reviewed against the person specification for the post.

All senior postholders who have left the College have done so voluntarily and none have benefitted from any severance package.

The Vice-Principal (Curriculum and Quality) indicated in March 2019 her intention to retire in January 2020. Subsequent changes in the leadership of the College led to a temporary change in her role between May and September 2019 to the post of Interim Deputy Principal. She will retire in February 2020.

The appointment of the substantive Vice-Principal (Finance and Resources) as the Interim Principal with effect from May 2019, led to a vacancy in that post for the period May to September 2019. An interim appointment was made to the post of Vice-Principal (Finance and Resources) in September 2019.

S Laycock
Chair, Remuneration Committee