

Annual Report to the Governing Body 2020-21

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 remit of the Remuneration Committee was expanded to include Staffing and updated terms of reference, which comply in full with the Colleges’ Senior Post Holder Remuneration Code, were approved at the Board meeting held on 9 July 2020. 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. Explanation of any Significant Change

There has been no significant change in the leadership of the College during 2020-21.

A new Principal and CEO, as well as new Vice-Principals of Curriculum and Quality and Finance and Resources joined the College during the 2019-20 academic year.

4. Committee membership and meetings

The membership of the Staffing and Remuneration Committee in 2020-21 comprised 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 although attends for Part 1 of the meeting (Staffing) along with the Director of Human Resources.

The Committee met three times in 2020-21, on 9 November 2020, 3 March 2021 and 30 June 2021. Attendance was as follows:

	09/11/20	03/03/21	30/06/21
Sue Laycock (Chair from xx	√	√	√
David Mabbitt (until 31.12.20)	√	n/a	n/a
Dean Langton	√	√	√
Stephen Morton	X	√	√
Jane Rogers (from 10.12.20)	n/a	√	√

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.

5. 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 three times per year and individual performance objectives aligned with the College’s strategic priorities.

6. Senior Postholders

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

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

7. 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 2020-21 no cost of living pay award was made to either senior postholders or other staff in the College. The salaries for three of the four senior postholders were considered as part of the review of their probationary period and adjusted accordingly, in line with the Policy on Remuneration of Senior Postholders.

Total emoluments of the Principal

	2018/19	2019/20	2020/21
Salary	£111,911 *	£106,317**^	£110,200^
Benefits	0	0	0
Pension costs	£19,128 *	£21,460	£26,905
Total	£131,039*	£127,777	£136,295

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

**This figure is the total of the salary payments made to the two holders of the post of Principal during 2019/20

^ This figure takes account of a voluntary reduction in salary by the Principal from 1 April 2020 to 31 August 2020 inclusive. There has been no increase in salary during the period.

8. 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 whole workforce
2018/19	3.8	£27,175.99
2019/20	4.2	£26,886.79
2020/21	4.2	£26,886.79

The median pay reported in the gender pay gap is calculated by taking all employees hourly rate of pay then dividing by the number of employees. No services are outsourced and all staff are direct employees. The pay multiple and median earning is calculated as at 31 March in each year.

Comparative pay multiples for 2019/20

College	Total income	Pay Multiple of the Principal
A	£10M	3.65
B	£27M	5.3
C	£11.1	3.69
D	£10.4M	4.03
Craven College	£13.7M	4.2

Total emoluments multiple of the Principal and the median of the institution’s whole workforce

Year	Total emoluments Multiple of the Principal	Median emoluments of institution’s whole workforce
2018/19	3.8	£31,872
2019/20	4.3	£31,932
2020/21	4.4	£32,361

Mx Lindsey Johnson has incurred no expenses in the financial year 2020/21.

9. 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.

10. Policy on retention of income from external bodies

The Staffing and 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 Staffing and Remuneration Committee is not aware of any instances of remunerated external work taking place.

The Principal and CEO holds a number of other positions either by virtue of holding the post of Principal and CEO of the College, or as part of their engagement with relevant local bodies, but receives no remuneration for those.

S Laycock

Chair, Staffing and Remuneration Committee