

## WEST SUFFOLK COLLEGE

### REMUNERATION COMMITTEE ANNUAL REPORT FOR THE YEAR ENDING 31 JULY 2021

#### 1 Introduction

This report is prepared in accordance with the College's Senior Staff Remuneration Code issued by the AoC Governors Council in December 2018.

West Suffolk College adopted by the Corporation in July 2019.

This Senior Staff Remuneration code report covers the year ended 31 July 2021.

Each college must publish a readily accessible annual statement, based on an annual report to its governing body. This report must contain:

- a) a list of Senior Post Holders within the remit of Remuneration Committee;
- b) its policy on the remuneration for post holders within the remit of Remuneration Committee;
- c) its policy on income derived from external activities;
- d) the pay multiple of the Chief Executive / Principal and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.

The report should also contain:

- Its choice of comparator college(s)/organisation(s);
- An explanation of any significant changes.

#### Membership

The membership of the Remuneration Committee during the year was:

- Debbie Wildridge (member until 1 March 2021)
- Elton D'Souza – Chair of the Corporation
- Jan Bloomfield – Co-opted member of the Committee
- Sarah Howard – Chair of the Remuneration Committee
- Sue Daley – Vice Chair of the Corporation

The terms of reference state that the membership of the Committee shall comprise up to five members including the Chair of the Corporation; and notes that the CEO may attend the meeting to advise and inform the Committee on the performance of Senior Post Holders.

When remuneration of the CEO was discussed the CEO was not in attendance.

The Remuneration Committee met on 25 February 2021 and on 24 May 2021. At these meetings the Committee discussed the performance and remuneration of the Senior Post Holders, considered the AoC College Senior Pay Survey as comparable remuneration benchmarking data, and recommended to the Corporation the amount to be budgeted for the remuneration of Senior Post Holders in 2021/22.

At both meetings there was 100% attendance of Governors and the Clerk to the Corporation (who was not a Senior Post Holder) Clerked both meetings.

#### Senior Post Holders

During the 2020/21 academic year, the College had three Senior Post Holders, all of whom were appointed by the Corporation:

- Nikos Savvas – Principal and CEO
- Laraine Moody – Vice Principal Employer Engagement
- Stephen Jones – Vice Principal Finance and Resources

### **Policy on the Remuneration for Senior Post Holders**

The Remuneration Committee is concerned with all aspects of the employment of Senior Post Holders, including recruitment, promotion, retention, setting and reviewing performance targets. The Committee is also responsible for reviewing and making decisions on the remuneration, terms and conditions of employment of Senior Post Holders, taking account of affordability, comparative information on the remuneration, benefits and conditions of employment from within the further education sector and other organisations of a comparable size/turnover.

The Performance Management Policy sets out the framework under which performance reviews for all staff are carried in the year and explains the alignment of individual objectives with the College's strategic priorities and plans. In respect of senior post holders, the performance objectives are agreed by the Remuneration committee and reports on the performance reviews are provided to the Committee to inform their decision making in respect of the consideration of and salary award/progression.

The College's Pay Policy applies to all staff including Senior Post Holders. In conjunction with the performance management policy, it is designed to motivate staff to achieve the College's strategic objectives.

Decisions on the salaries of senior post holders are informed by market data including data on other General Further Education Colleges, and comparable roles in other sectors/organisations of a comparable size, institutional and personal performance, and affordability. The Committee's aim is to pay a competitive salary based on benchmarking and other market median data (informed by appropriate market intelligence, and consider, where relevant, the remuneration of its Senior Post Holders in comparison with other sector pay intelligence and the AoC Senior Pay Survey, which is produced annually).

In respect of recruitment, the College aims to recruit senior post holders using remuneration packages that are market-competitive and consistent with the existing remuneration structure. In doing so, the College seeks to pay no more than necessary to attract talented individuals. Newly recruited Senior Post Holders are subject to a probationary period and are eligible to receive the same remuneration elements as existing Senior Post Holders, namely salary, set at an appropriate level taking into account the experience and quality of the candidate, and membership of the appropriate pension scheme.

Where the appointment of Senior Post Holders is required the Corporation ensures there is diversity in recruitment panels and other senior roles and monitor the strategies and extent to which the pools of candidates for senior roles are diverse.

The College does not expect to make special recruitment arrangements outside the standard policy, but may do so in exceptional circumstances in order to secure the appointment of the right candidate.

### **Policy on Income Derived from External Activities**

The Senior Post Holder Code states that there "should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders".

During 2020/21 the Principal and CEO carried out additional external work, as approved by the Corporation. This was in additional work was provided to Suffolk Academies Trust, where the Principal and CEO fulfilled the role of CEO (for the whole academic year) and interim Principal of One Sixth Form College (for the period 17 May 2021 to 31 July 2021). This work was additional to his role and terms and conditions of employment at the College, and whilst the College earned an income on the services provided to Suffolk Academies Trust, the Principal and CEO did not accept remuneration for this additional work.

During 2020/23 the Vice Principal Finance and Resources carried out additional external work, as approved by the Corporation. This was in additional work was provided to Suffolk Academies Trust, where the Vice Principal Finance and Resources fulfilled the role of CFO (for the whole academic year).

This work was additional to his role and terms and conditions of employment at the College, and whilst the College earned an income on the services provided to Suffolk Academies Trust, the Vice Principal Finance and Resources did not accept remuneration for this additional work.

### Expenses

All expenses paid to Senior Post Holders are solely in reimbursement of expenses incurred in furtherance of the business of the College and comply with the College's Financial Regulations. The total amount of expenses reimbursed in the year to Senior Post Holders was:

Principal and CEO	£397.22
Vice Principal Employer Engagement	£368.86
Vice Principal Finance and Resources	£24.35

### Median Earnings

In previous years the Principal and CEO has been awarded both salary increases and cost of living awards to align to the median salary. On each occasion he has deferred acceptance of these awards.

Since August 2020, the Vice Principal Employer Engagement has received the salary of 1.0 full-time equivalent whilst working a 0.9 full-time equivalent pattern; this actual working time is factored into the comparison below.

The data used below is the actual salary accepted and received by the Senior Post Holder.

#### • Principal and CEO

	2018/19	2019/20	2020/21
Salary	£131,386	£147,963	£148,063
Performance Related Pay	£0	£0	£0
Benefits	£0	£0	£0
Subtotal	£131,386	£147,963	£148,063
Pension Costs	£21,638	£34,202	£34,990
<b>Total</b>	<b>£153,024</b>	<b>£182,165</b>	<b>£183,053</b>

#### • Vice Principal Employer Engagement

	2018/19	2019/20	2020/21
Salary	£80,800	£80,800	£83,394
Performance Related Pay	£0	£0	£0
Benefits	£0	£0	£0
Subtotal	£80,800	£80,800	£83,394
Pension Costs	£18,342	£18,342	£20,078
<b>Total</b>	<b>£99,142</b>	<b>£99,142</b>	<b>£103,472</b>

#### • Vice Principal Finance and Resources

	2018/19	2019/20	2020/21
Salary	£82,921	£84,636	£88,885
Performance Related Pay	£0	£16,786	£0
Benefits	£0	£0	£0
Subtotal	£82,921	£84,636	£88,885
Pension Costs	£18,823	£19,467	£20,977
<b>Total</b>	<b>£101,744</b>	<b>£104,103</b>	<b>£109,862</b>

### Ratio of lowest full-time equivalent salary

When considering the remuneration of Senior Post Holders, the Committee considers the ratio of the Senior Post Holders relative to the salaries paid to lowest full-time equivalent salary member of staff and to the median full-time equivalent salary paid to all College employees.

In 2020/21, the College's lowest full-time equivalent salary was £17,315 (increased from £16,875 in the previous year) and the College's median full-time equivalent salary was £28,330.

Based on these figures the ratios for the Senior Post Holders are tabled below:

- Principal and CEO**

	2018/19	2019/20	2020/21
Ratio of lowest FTE Salary	01:08	01:08.8	01:08.55
Ratio to median pay of all employees	01:04.7	01:05.3	01:05.2

- Vice Principal Employer Engagement**

	2018/19	2019/20	2020/21
Ratio to lowest FTE Salary	01:05	01:04.8	01:04.9
Ratio to median pay of all employees	01:03	01:2.89	01:02.9

- Vice Principal Finance and Resources**

	2018/19	2019/20	2020/21
Ratio to lowest FTE Salary	01:05	01:05.0	01:05.20
Ratio to median pay of all employees	01:03	01:03.0	01:03.13

### Comparators

When considering remuneration for the period of this report the College used the AoC data based on the College's turnover band £25m and £30. AoC College Senior Pay Survey as comparable remuneration benchmarking data and compared to other colleges within the £30-£40 million turnover bracket. The Committee recognised that given Principal and CEO, and the Vice Principal Finance and Resources operate in 'Group' roles (i.e. in senior post roles across the College and Suffolk Academies Trust, their salary should be considered against the combined 'Group' turnover (including Suffolk Academies Trust) within the £40-£50 million turnover bracket.

The AoC College Senior Pay Survey is based on voluntary responses from colleges and in 2020 there was an 82% response rate from FE College Corporations.

- Principal and CEO**

The AoC College Senior Pay Survey data demonstrated that the remuneration is below the median for a College Group, therefore the Committee agreed to recommend that remuneration be aligned.

College Income	Base	Lower Quartile	Median	Upper Quartile
>= £0m to <£10m	12	£101,125	£105,206	£115,125
>= £10m to <£15m	16	£100,750	£112,680	£116,917
>= £15m to <£20m	25	£120,000	£125,000	£129,663
>= £20m to <£25m	16	£130,975	£136,198	£140,350
>= £25m to <£30m	21	£137,835	£142,100	£152,000
>= £30m to <£40m	31	£140,986	£145,000	£158,663
>= £40m to <£50m	18	£149,000	£161,659	£176,945
>= £50m	21	£158,000	£176,750	£190,000
<b>Total</b>	<b>160</b>	<b>£124,965</b>	<b>£140,299</b>	<b>£157,617</b>
College Income	Base	Lower Quartile	Median	Upper Quartile
CEO of College Group	30	£150,000	£161,800	£188,750

- **Vice Principal Employer Engagement**

The AoC College Senior Pay Survey data demonstrated that the remuneration is above the median, therefore the Committee agreed no change to remuneration.

College Income	Base	Lower Quartile	Median	Upper Quartile
>= £0m to <£10m	45	£70,803	£81,097	£100,000
>= £10m to <£15m	57	£80,000	£90,000	£95,950
>= £15m to <£20m	52	£74,350	£80,000	£91,332
>= £20m to <£25m	33	£60,000	£76,407	£87,870
>= £25m to <£30m	43	£68,677	£86,936	£94,298
>= £30m to <£40m	51	£78,509	£85,000	£91,350
>= £40m to <£50m	79	£69,278	£85,000	£99,400
>= £50m	60	£82,991	£90,113	£100,000
<b>Total</b>	<b>43</b>	<b>£76,701</b>	<b>£89,338</b>	<b>£98,914</b>

- **Vice Principal Finance and Resources**

The AoC College Senior Pay Survey data demonstrated that the remuneration is above the median, therefore the Committee agreed no change to remuneration.

College Income	Base	Lower Quartile	Median	Upper Quartile
>= £0m to <£10m	45	£70,803	£81,097	£100,000
>= £10m to <£15m	57	£80,000	£90,000	£95,950
>= £15m to <£20m	52	£74,350	£80,000	£91,332
>= £20m to <£25m	33	£60,000	£76,407	£87,870
>= £25m to <£30m	43	£68,677	£86,936	£94,298
>= £30m to <£40m	51	£78,509	£85,000	£91,350
>= £40m to <£50m	79	£69,278	£85,000	£99,400
>= £50m	60	£82,991	£90,113	£100,000
<b>Total</b>	<b>43</b>	<b>£76,701</b>	<b>£89,338</b>	<b>£98,914</b>