

# PERFORMANCE AND REMUNERATION COMMITTEE – ANNUAL REPORT FOR THE YEAR ENDING 31ST JULY 2020 TO THE CORPORATION

## INTRODUCTION

### Terms of Reference

This report is prepared in accordance with the Colleges Senior Post Holder remuneration code issued by the AoC Governors Council in December 2018. St Helens College adopted the Senior Post Holder Remuneration Code in May 2019. This Senior Post Holders Remuneration code report covers the year ended 31<sup>st</sup> July 2020.

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:

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

### Membership

The Performance and Remuneration Committee of St Helens College comprises the following independent board members and meets at least once a term, mid-term in line with its terms of reference. The membership of the Performance and Remuneration committee during the year was:

- Jim Pinsent (Committee Chair and Vice-Chair)
- Nick Shore
- Elaine Brocklehurst (Vice- Chair)
- Susan Jee (Chair of the Governing Board)

The committee met on the following dates:

9<sup>th</sup> October 2019

31<sup>st</sup> January 2020

18<sup>th</sup> March 2020

24<sup>th</sup> June 2020

## **Senior Post Holders**

During the academic year to July 2020 there were the following senior post holders:

- Monica Box Interim Principal
- Rob Molloy CFO until 31/10/19
- Richard Allanach Interim CFO commenced 26/9/19 to the 31/7/20
- Rav Garcha CFO commenced 1/6/20
- Mark Doyle Deputy Principal
- Lorna Lloyd-Williams Governance Director

The terms of reference state that the committee responsibilities are to

- To evaluate and advise the Board on the remuneration packages of the designated SPH staff, the Extended SLT members, and the Clerk, including but not limited to:
  - basic salary
  - benefits in kind
  - annual bonus/performance related elements
  - pension provisionstaking account of pre-established performance targets and an appropriate peer group.
- To advise the Board on any compensation (including pension benefits) which may be payable in the event of the early termination of the employment of any designated SPH/Extended SLT member, and the Clerk, with the broad aims of:
  - avoiding rewarding poor performance
  - dealing fairly with cases where early termination is not due to poor performance
  -
- To review the whole College Group annual pay awards put forward by the CEO, and to make recommendations to the Corporation on the individual designated SPHs, the Extended SLT's, and the Clerk's pay awards, and any non-standard pay adjustments put forward by the CEO, and to ensure that they are appropriate for the roles, fair, affordable and otherwise appropriate.

The Committee discussed both the possibility of a general cost of living pay increase, an increase in the minimum wage and a review of the academic pay structure. Due to the financial pressures the college was facing there was no cost of living pay increase or academic pay structure review. The minimum wage was increased.

The committee also discussed the salary range when recruiting a CFO. There was no discussion of the remuneration of either the Deputy Principal or the Governance Director throughout the academic year. This was in line with there being no ability, due to financial pressures, to make general cost of living pay increase to all staff.

## **THE COLLEGES APPROACH TO REMUNERATION**

The Colleges pay policy applies to all staff including senior post holders. Senior Post holders' salaries will be considered by the Performance and Remuneration Committee of the Governing Body with a recommendation to the full Governing Body. When considering Senior Post holders salaries the Performance and Remuneration Committee will take into account overall individual performance, contribution to the overall performance of the College, affordability and benchmark data. The pay policy came into effect in July 2019.

## **EXTERNAL APPOINTMENTS AND EXPENSES**

The policy in respect of senior Postholders and other members of SLT is covered by the College's External Interest Procedure which is applicable to all staff. In summary this means that all staff should declare any external interests including paid positions. The College reviews these declarations to ensure there are no conflicts of interest. Where other remunerated work is deemed acceptable then staff may retail the additional income on the proviso that this work is completed in their own time, either through annual leave or unpaid time off. Members of SLT are asked to declare any external interests annually. Any variation to this policy for members of SLT must be authorised by the Governing Body

## **THE PAY MULTIPLE OF THE CHIEF EXECUTIVE/PRINCIPAL AND THE MEDIAN EARNINGS OF THE INSTITUTIONS WHOLE WORKFORCE ILLUSTRATING HOW THAT MULTIPLE HAS CHANGED OVER TIME AND IF IT IS SIGNIFICANTLY ABOVE ANY PUBLISHED AVERAGE AN EXPLANATION OF WHY**

Pay multiple (as at 31 March 2020):

(Date source: gender pay gap reporting 2019)

Chief Executive/principal	£69.25/hour (£69.25/hour – 18/19)
Median male (all workforce)	£17.49/hour (£16.35/hour – 18/19)
Median female (all workforce)	£14.71/hour (£13.31/hour – 18/19)
Median all workforce	£16.10/hour (£14.83/hour – 18/19)

Pay multiple of Chief Executive to median pay of all workforce      4.30 (4.67 – 18/19)

The Government suspended publication of data, due to be published on the 31 March 2020 due to the pandemic and therefore benchmarking data is not currently available.