**PERFORMANCE AND REMUNERATION COMMITTEE – ANNUAL REPORT FOR THE YEAR ENDING 31ST JULY 2019 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 31st July 2019.

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

1. a list of Senior Post Holders within the remit of Remuneration Committee;
2. its policy on the remuneration for post holders within the remit of Remuneration Committee;
3. its policy on income derived from external activities;
4. 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:

1. its choice of comparator college(s)/organisation(s);
2. 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:

5th October 2018

29th November 2018

21st January 2019

20th March 2019

1st May 2019

19th June 2019

**Senior Post Holders**

During the academic year to July 2019 there were the following senior post holders:

* Anne Pryer Deputy CEO until 30/09/18
* Gill Banks Principal Knowsley until 30/09/18
* Jette Burford CEO until 31/3/19
* Rob Molloy CFO
* Lorna Lloyd-Williams Clerk to the Corporation, (subsequently referred to as the 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 provisions

taking 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 Deputy CEO and Principal Knowsley were made redundant in September 2018.

The Committee discussed the remuneration of the CFO on the 21st January 2019 when they agreed to make a recommendation to the Board that the CFO’s salary be increased from £90K to £100K p.a. with pay to be back dated until the 1st January. The rationale for increase was to provide a salary in line with the role and responsibilities, and to reflect the postholders extended responsibilities in acting as Deputy CEO following the departure of Anne Pryer.

The CEOs remuneration was discussed on the 21st January 2019 when the committee gave consideration to salary supplement policy for individuals who wish to opt out of pension payments because of tax. The committee recommended to the Governing Board to approve in principle a salary supplement payment to the CEO subject to compliance with the policy once finalised. On the 8th February 2019 the Governing Board resolved to approve the salary supplement policy and for the salary supplement to be approved for the CEO payable from the 1st March 2019.

There was no discussion of the remuneration of the Clerk to the Corporation throughout the academic year.

**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 only came into effect in July 2019.

Prior to July 19 general cost of living pay increases were discussed as part of the annual budget planning process. Senior post holders’ salaries were discussed by the Remuneration Committee and all other pay increases were at the discretion of the Chief Executive unless there was a significant impact on College budgets.

**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 2019)

(Date source: gender pay gap reporting 2019)

Chief Executive/principal £69.25/hour

Median male (all workforce) £16.35/hour

Median female (all workforce) £13.31/hour

Median all workforce £14.83/hour

Pay multiple of Chief Executive to median pay of all workforce 4.67

This is the first time this figure has been reported to the Governing Body. Research will be undertaken for future reporting on college comparators and government set guidelines.