



SENIOR POST-HOLDER REMUNERATION ANNUAL REPORT 2018-2019

1. INTRODUCTION

The Corporation adopted the Senior Post Holder Remuneration Code in March 2019, following its publication in December 2018.

This annual report is prepared in accordance with AoC guidance and is designed to provide a fair, transparent and objective summary of the Corporation's arrangements for the remuneration of designated Senior Post Holders, as defined in the Articles of Government.

The Remuneration Committee is responsible for making recommendations on the remuneration and terms and conditions of service of all Senior Post Holders ensuring that they are fairly rewarded for their individual contributions to the College's overall performance.

The Remuneration Committee meets annually in July and agreed terms of reference can be found at **Annex 1**.

The Committee's membership and records of attendance for the period covered by this report can be found at **Annex 2**.

The following positions have been designated as Senior Posts in accordance with the College's Articles of Government:

- Principal and Chief Executive
- Director of Corporate Services
- Director of Human Resources
- Director of Quality and Development
- Director of Resources

The Principal and Chief Executive is responsible directly to the Corporation for the overall direction and control of the College and shapes the College's culture in support of the College's mission, vision and values. The Principal is the Chief Accounting Officer for the College.

Directors are senior managers reporting directly to the Principal and hold significant responsibility for the formulation and implementation of the College's Business Strategy, policy and plans, ensuring that Corporate Objectives and targets are achieved.

2. APPROACH TO REMUNERATION

Stephenson College aims to be a fair and reasonable employer and our approach to remuneration for all employees is to ensure that there is a fair, transparent and objective framework for the determination of salaries within the College, ensuring equal pay for work of equal value.

To attract and retain a talented workforce, the College aims to offer pay and benefits which are competitive with others in the Sector and which recognise and reward contribution.

We have adopted pay scales and grades which vary according to the level of responsibility associated with each role and any pay progression within agreed grades is on an annual basis, subject to satisfactory performance.

In addition, the College operates in a competitive environment and recognises that at certain times there may be particular labour market changes or pressures leading to particular skill shortages or high demand for specific skills. In these circumstances market premiums and/or recruitment and retention payments may be paid in order to attract good candidates or retain existing employees.

The College also operates incentive payments or bonus schemes from time to time. Where they are implemented, the payments are linked to objective criteria and the achievement of specific agreed targets.

The College has not implemented performance related pay, although annual incremental pay progression is subject to satisfactory performance. Our Pay Policy also includes accelerated incremental pay progression where performance is deemed to be outstanding.

Subject to affordability, the College strives to make annual cost of living pay awards in August each year.

In determining remuneration for Senior Post Holders, the Corporation considers the nature of the role and the skills, experience, knowledge and qualifications required for its effective operation. Market rates, competition and other economic factors are also carefully considered as is the College's performance against a range of indicators and in support of the College's strategic objectives. These include:

- Teaching, learning and outcomes for students
- Management, financial performance and administration
- Leadership of staff
- Stakeholder, partner and employer satisfaction
- National and local external relations
- Effective management of identified risks

The College is a General Further Education College (GFE) with an income in the region of £13m.

The College enrolls large numbers of students including apprentices, 16-18 year olds on full-time study programmes and adult learners, particularly through our distance learning programmes.

The College is one of the largest suppliers of apprenticeships within the region and has extensive contracts for apprentice training with a number of large scale national employers. As a consequence the College recruits learners from across the UK to these programmes.

In determining remuneration levels for Senior Post-holders, the Corporation recognises the balance to be struck between recruiting, rewarding and retaining the best senior staff possible to deliver the outcomes for our students, our community and the wider economy whilst demonstrating the effective use of resources.

The Corporation use the AoC Senior Staff Pay Survey to benchmark Senior staff salaries with other colleges in the Sector and, also, as a matter of principle, considers that Chief Executive salaries should always be set at less than £150,000 per annum.

During the period covered by this report no bonus or incentive payments were paid to Senior Post-holders.

3. COLLEGE PERFORMANCE

The College is rated as Good by Ofsted following its inspection in May 2017 and is rated as having outstanding financial health by the ESFA.

The Corporation monitors the College's performance against a range of key performance indicators at all of its meetings. The sub-committees of the Corporation receive detailed reports on all aspects of College business and include Governors with significant experience across a range of specialisms including Education, Finance and Business.

The Corporation also ensures that identified risks are included on the College's Risk Register and that appropriate action is taken to manage and mitigate the effects of these risks.

Given this, the Corporation is satisfied that the Senior Management Team is exercising effective leadership and that performance is appropriately and effectively managed.

4. REMUNERATION OF THE PRINCIPAL/CHIEF EXECUTIVE 2018-19 AND 2017-18

The Chief Executive received a salary of £147,515 per annum with effect from 1 August 2018 when the College implemented a 2% cost of living pay award for all staff. The details for the current and previous year are as follows:

Emoluments	2018-19	2017-18
Annual salary	£147,515	£144,623
Performance Related Pay	0	0
Benefits	0	0
Subtotal	£147,515	£144,623
Pension Costs	£24,310.44	£23,833.92
Total	£171,825.44	£168,456.92

In addition, the Chair of the Corporation approved the following expenses for the Principal/Chief Executive in accordance with the Financial Regulations:

2018-19 - £3,378.49

2017-18 - £8,292.38

The Principal/Chief Executive is the Vice Chair of the Association of Colleges and sits on the Board of the Education and Training Foundation. The College is in receipt of approved and reimbursed expenses from these organisations. The Principal/Chief Executive is not in receipt of any emoluments in respect of these external positions.

The Principal/Chief Executive's annual salary, expressed as a multiple of the College's median annual salary, is detailed below for the last 5 years:

Year	Median College Salary	CEO Salary Multiple
2014-15	£17,264	7.26
2015-16	£17,768	7.34
2016-17	£19,037	7.37
2017-18	£19,418	7.45
2018-19	£19,806	7.45

5. REMUNERATION OF OTHER SENIOR POST-HOLDERS 2018-19

All other Senior Post-holders received a salary of £72,851 per annum with effect from 1 August 2018 when the College implemented a 2% cost of living pay award for all staff. The details for the current year are as follows:

Post	Annual Salary	PRP	Benefits	Subtotal	Pension Costs	Total
Director Corporate Services & Clerk to the Corporation	£72,851	0	0	£72,851	£15,534.24	£88,385.24
*Director Human Resources	£68,750	0	0	£68,750	£14,689.94	£83,439.94
Director Quality & Development	£72,851	0	0	£72,851	£12,005.88	£84,856.88
Director Resources	£72,851	0	0	£72,851	£15,534.24	£88,385.24

*The Director of Human Resources worked part time from 1 August to 31 December 2018 and full-time from 1 January 2019.

In addition the following expenses were approved for Senior Post-holders during 2018-19, in accordance with Financial Regulations:

Director of Corporate Services & Clerk to the Corporation - £380.80

Director of Human Resources – £20.76

Director of Quality & Development - £1,003.32

Director of Resources - £294.35