



Remuneration Committee

**Annual Report to the Corporation
2018/19**

**FINAL SIGNED VERSION
FOR THE CORPORATION MEETING ON 17 DECEMBER 2019**

REMUNERATION COMMITTEE ANNUAL REPORT TO THE CORPORATION 2018/19

INTRODUCTION

The Colleges' Senior Post Holder Remuneration Code

The Corporation approved the adoption of the Colleges' Senior Post Holder Remuneration Code (SPHRC) on the recommendation of the Remuneration Committee, on 11 June 2019.

This report is produced by the Remuneration Committee for the Corporation, as required by the SPHRC. It fulfils the SPHRC requirement that the Remuneration Committee must publish a readily accessible annual statement, based on an annual report to its governing body, including:

- 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.

This report covers the 2018/19 academic year: 1 August 2018 to 31 July 2019.

Terms of Reference – Appendix 1 and 2

On 9 October 2018 the Corporation approved revised Terms of Reference for the Remuneration Committee which were in place for the year under review. They can be found at Appendix 1.

Draft Terms of Reference to reflect the requirements of the SPHRC were considered at the Remuneration Committee meeting on 30 September 2019 with a final version recommended for approval at the Corporation meeting on 17 December 2019. They can be found at Appendix 2.

Membership

Membership of the Remuneration Committee for the year ended 31 July 2019 was:

		Meetings attended
Paul McCunn	Chair	1 / 2
Denis Miles	Vice Chair	2 / 2
David Ash		2 / 2
Robert Pearce		2 / 2
Gary Woodman		2 / 2

The Remuneration Committee includes individuals with an appropriate mix of skills and experience to allow it to discharge its duties effectively and all Members are appointed by the Corporation.

Clerk to the Remuneration Committee

Sue Frost MA ACA Cert ICOSA, Clerk to the Corporation, served as Clerk to the Committee for the year.

Remuneration Committee Meetings

The Remuneration Committee met on the following dates during 2018/19:

25 September 2018

2 April 2019

All Committee meetings were quorate throughout.

Senior Post Holders

The Senior Post Holders within the remit of Remuneration Committee for the year ended 31 July 2019 were:

Stuart Laverick	Principal and Chief Executive officer
Nicola Williams	Vice Principal and Deputy Chief Executive Officer
Sue Frost	Clerk to the Corporation

Approach to Remuneration

Colleges operate in an extremely competitive environment. The Corporation wishes to attract and retain the best possible Senior Post Holders to deliver the best possible outcomes for students, society and the economy whilst demonstrating effective use of resources in a challenging environment.

When considering the remuneration of Senior Post Holders the following factors may be considered:

- Pay awards granted to all staff in the College
- Performance against agreed RAGG rated objectives
- Performance in support of the college's strategic objectives such as:
 - Teaching learning and assessment outcomes for students
 - Management, financial performance and administration
 - Leadership of staff
 - Stakeholder, partner and employer satisfaction
 - External relations nationally and locally;
 - Major initiatives and projects.
- The size and complexity of the College;
- The nature of the post-16 markets and issues of recruitment and retention
- The College's objectives in relation to the diversity of the workforce

From time to time the Remuneration Committee may choose to refer to benchmarking information contained in:

- College finance record data available on ESFA and AoC websites
- AoC Senior Staff Pay Survey
- College Internal Analysis and External Reports.

The remuneration of key management personnel (including the accounting officer) is recommended to the Corporation by the Remuneration Committee which considers a range of factors, including pay awards granted to all staff in the College and performance against agreed RAGG rated objectives. No benchmarking information was considered in 2018/19 other than staff pay awards. The Remuneration Committee's view is that the key management personnel's (including the accounting officer's) emoluments are justified in terms of the value they add to the College and the effectiveness of their performance.

Senior Post Holder Remuneration Policy – Appendix 3

A Draft Senior Post Holder Remuneration Policy was considered at the Remuneration Committee meeting on 30 September 2019 with a final version recommended for approval at the Corporation meeting on 17 December 2019.

External Appointments and Expenses – Appendix 4

Senior Post Holder Policy for Income Derived from External Activities

A Draft Senior Post Holder Policy for Income Derived from External Activities was considered at the Remuneration Committee meeting on 30 September 2019 with a final version recommended for approval at the Corporation meeting on 17 December 2019.

Pay Multiples

The Remuneration Committee intends to take into account the current value for the College of the pay multiple of the Principal and Chief Executive Officer earnings against the median of all staff, (as recommended by the Hutton Review of Fair Pay in the public sector), and to review how this indicator changes over a number of years. If this is significantly above any published average an explanation will be provided. Published sector average data is not yet available but will be included in future years.

Principal/Chief Executive Pay and Remuneration and Multiples¹

	2018/19	2017/18
Earnings of highest paid full year salary	£144,000	£145,000
Full time equivalent median earnings of all staff	£25,675	£24,682
Ratio	5.61	5.87
Earnings of highest paid full year salary (inc ER Pension)	£167,731	£167,896
Ratio	6.53	6.80

The Principal and Chief Executive's basic salary is 5.61 times (2017/18: 5.87) the median pay of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the College to its staff.

The Principal and Chief Executive's total remuneration, which includes employer pension costs, is 6.53 times (2017/18: 6.80) the median pay of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the College to its staff.

This calculation excludes any staff paid via agency or Protocol.

Comparator College Organisations

In 2017/18 the Remuneration Committee Members were provided with the AoC Sector Salary Survey for information. Practice in the College since merger has been to only consider awarding Senior Post Holders the same increment applied to College staff.

In 2018/19 the AoC Sector Salary Survey was not available to the Remuneration Committee for information because the Principal did not support providing College data to the AoC for this purpose. The College has not sought to identify other comparator organisations at this point.

¹ It is the Remuneration Committee's intention to retain these details in the report until data is present for five years.

Explanation of any Significant Changes

There were no significant changes to Senior Post Holders terms and conditions in 2018/19. Two Senior Post Holders received the staff salary award of 1%, one Senior Post Holder declined it.

CONCLUSIONS AND RECOMMENDATIONS**The Remuneration Committee's Opinion to the Corporation**

On the basis of the evidence from papers and Minutes of meetings, the Remuneration Committee considers that its and the Corporation's responsibilities with regard to the Senior Post Holder Remuneration Code have been satisfactorily discharged.

Signed:

Date:

Paul McCunn
Chair of the Remuneration Committee

17 December 2019



TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1 Constitution

The Corporation has approved the following Terms of Reference for the Remuneration Committee.

Purpose

- 1.1 To advise the Corporation on the appointment, performance and early termination of Senior Postholders, so as to:
- ensure that all Senior Postholders are fairly rewarded for their individual contributions to the College's overall performance
 - demonstrate to the public that the pay of Senior Postholders is recommended by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the College.
- 1.2 To make decisions on other matters as delegated by the Corporation.

3 Principal Responsibilities

3.1 General

To recommend to the Corporation the terms and conditions of service of College Senior Postholders. These postholders are defined under section 1(i) of the Articles of Government as the Principal and such other senior posts as the Corporation may determine. The Corporation has determined that the Vice Principal and Deputy Chief Executive and the Clerk to the Corporation are Senior Postholders.

3.2 Recruitment

To advise the Corporation on the conduct, composition and procedures of any selection panel for Senior Postholders and generally on the appointment of Senior Postholders.

3.3 Annual Performance Review

To carry out the annual Senior Postholder Performance Review:

- To review annual performance objectives for the Principal and Clerk to the Corporation for subsequent agreement between these Senior Postholders and the Chair of Corporation and to approve objectives set by the Principal for other Senior Postholders.
- To review the appraisal reports and performance of Senior Postholders and to assess the extent to which annual objectives are met.
- To review comparative sector information relating to Senior Postholders' pay and conditions of employment.
- To recommend, in the light of the above, changes to the pay and conditions of employment of Senior Postholders to the Corporation.

3.4 Early Termination

The Committee will advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable on the event of the early

termination of the employment of the Principal or any other Senior Postholder with the broad aims of:

- avoiding rewarding poor performance
- dealing fairly with cases where early termination is not due to poor performance.

4 Membership

- 4.1 The Committee will be appointed by the Corporation and will have up to seven members including, where appropriate, a Co-opted Member.
- 4.2 The Staff and Student Members and the Principal are excluded from membership of the Remuneration Committee.
- 4.3 Committee Members may serve until the end of their terms as Corporation Members (or for up to two successive terms of four years in the case of external co-optees). A Committee Member may leave the Committee at any time by giving verbal notice to the Chair of the Committee and Clerk to the Corporation. Such notification will be reported in writing to the next Corporation meeting by the Clerk to the Corporation and will take effect from that date.
- 4.4 The quorum will be any three Members of the Committee.
- 4.5 The Chair of the Committee will be appointed by the Corporation. If the Chair is absent from any Remuneration Committee Meeting, the Members present shall choose one of their number to act as Chair for that meeting.

Attendance at meetings

- 4.6 The Principal will normally attend appropriate parts of meetings at the invitation of the Committee, but will not be present for any decisions relating to the changes to pay and conditions of employment of Senior Postholders.
- 4.7 All Senior Postholders have the right to attend appropriate parts of the meeting should they wish to do so, but will not be present for any decisions relating to the changes to pay and conditions of employment of Senior Postholders.
- 4.8 The Clerk to the Corporation will be Clerk to the Committee but will not be present for any decisions relating to the changes to pay and conditions of employment of the Clerk to the Corporation. The Committee Chair will provide Minutes of this part of the meeting.
- 4.9 The Committee will have the power to invite such other persons to attend meetings as may be desirable and necessary.
- 4.10 Other Corporation Members shall have the right of attendance.

Frequency of Meetings

- 4.11 The Committee will meet at least twice per year.

Authority

- 4.12 The Committee is authorised by the Corporation to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any Corporation Member, Committee of the Corporation or employee of the College, and all Corporation Members and employees of the College are directed to co-operate with any request made by the Committee.
- 4.13 The Committee is authorised by the Corporation to commission independent advice from third parties to assist it in making recommendations to the Corporation, should it wish to

do so. Such advice will be sought by the Clerk to the Corporation at the request of the Remuneration Committee Chair, supported by the Corporation Chair, with all costs being met by the College.

Reporting Procedures

- 4.14 The Clerk to the Committee will circulate Minutes of the meetings of the Committee to all Committee Members. The Chair will ensure that any Minutes relating to the Clerk to the Corporation are circulated to Committee Members.
- 4.15 Minutes of this Committee will be kept as confidential documents by the Clerk and circulated in accordance with the Corporation Code of Conduct guidelines on confidentiality.
- 4.16 Committee Minutes will be included in Corporation papers as a Confidential Item and reported upon at the Corporation meeting.

Approved by the Corporation on: 9 October 2018

Review frequency: Annual

Sue Frost
Clerk to the Corporation



TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1 Constitution

- 1.1 The Corporation has approved the following Terms of Reference for the Remuneration Committee.
- 1.2 Senior posts are defined under Article 1 (i) of the Instrument and Articles of Government as “the post of Principal and such other senior posts as the Corporation may decide”. The Corporation has determined that the Vice Principal and Deputy Chief Executive Officer and the Clerk to the Corporation are also Senior Post Holders. Because it appoints Senior Post Holders, the Governing Body has obligations to the Vice Principal and Deputy Chief Executive Officer and the Clerk to the Corporation as their employer that it cannot delegate to the Principal. In this respect, the position of a Senior Post Holder in relation to the governing body is analogous to that of the Governance Professional (who in this college is classified as a Senior Post Holder).
- 1.3 Under Article 3 (1) of the Instrument and Articles of Government the Corporation is 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, including, where the Clerk is, or is to be appointed as, a member of staff, the Clerk’s appointment, grading, suspension, dismissal and determination of pay in the capacity of a member of staff.”

2 Purpose

- 2.1 To advise the Corporation on the appointment, performance, remuneration and early termination of Senior Post Holders, so as to:
- ensure that all Senior Post Holders are fairly and appropriately rewarded for their individual contributions to the College’s overall performance
 - demonstrate to the public that the pay of Senior Post Holders is recommended by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of the financial health of the College
- 2.2 To comply with the requirements of the Association of Colleges Governor’s Council’s “The Colleges’ Senior Post Holder Remuneration Code” and to give due consideration to the “AoC Explanatory Notes and Guidance on the Colleges’ Senior Post Holder Remuneration Code”, in particular noting that:
Fair and appropriate remuneration and appropriate severance payments² require three key elements – namely that there is:
- i) a fair, appropriate and justifiable level of remuneration/amount;
 - ii) procedural fairness; and
 - iii) transparency and accountability.

² Remuneration includes not only basic salary but also bonuses, expenses and other allowances, and the monetary value of benefits in kind including housing and cars, etc.

- 2.3** To ensure that recommendations made to the Corporation in respect of remuneration for Senior Post Holders comply with the Senior Post Holder Remuneration Policy.
- 2.4** To monitor the use of the Senior Post Holder Policy for Income Derived from External Activities where applicable.
- 2.5** To make decisions on other matters as delegated by the Corporation.

3 Principal Responsibilities

3.1 General

To recommend to the Corporation changes to the terms and conditions of service of College Senior Post Holders.

3.2 Recruitment

To advise the Corporation on the conduct, composition and procedures of any selection panel for Senior Post Holders and generally on the appointment of Senior Post Holders.

To ensure that contracts agreed with Senior Post Holders are fair, reasonable, constitute best value, are justifiable and do not expose the institution to significant potential liabilities, for example by being able to explain notice periods of more than six months.

3.3 Senior Post Holder Performance Reviews

To carry out the annual final Senior Post Holder Performance Review:

- To review annual performance objectives for the Principal and Clerk to the Corporation for subsequent agreement between these Senior Post Holders and the Chair of Corporation and to approve objectives set by the Principal for other Senior Post Holders
- To review the appraisal reports and performance of Senior Post Holders and to assess the extent to which annual objectives are met
- To review comparative sector information relating to Senior Post Holders' pay and conditions of employment
- To consider the median pay multiple as a benchmarking measure and ratio to aid Remuneration Committee deliberations
- To recommend, in the light of the above, changes to the pay and conditions of employment of Senior Post Holders to the Corporation

To carry out the interim Senior Post Holder Performance Review:

- To review the appraisal reports and performance of Senior Post Holders and to monitor progress towards meeting the annual objectives

3.4 Early Termination

To advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable on the event of the early termination of the employment of the Principal or any other Senior Post Holder with the broad aims of:

- avoiding rewarding poor performance
- dealing fairly with cases where early termination is not due to poor performance.

To note that it is recommended that in negotiations about severance packages and payments, both parties seek legal advice.

3.5 Annual Report

To produce an Annual Report for the Corporation to provide sufficient assurance to the governing body that the Remuneration Committee has effectively discharged its responsibilities.

4 Membership

- 4.1 The Committee will be appointed by the Corporation and will have up to seven members including, where appropriate, a Co-opted Member.
- 4.2 The Staff and Student Members and the Principal are excluded from membership of the Remuneration Committee.
- 4.3 Committee Members may serve until the end of their terms as Corporation Members (or for up to two successive terms of four years in the case of external co-optees). A Committee Member may leave the Committee at any time by giving verbal notice to the Chair of the Committee and Clerk to the Corporation. Such notification will be reported in writing to the next Corporation meeting by the Clerk to the Corporation and will take effect from that date.
- 4.4 The quorum will be any three Members of the Committee.
- 4.5 The Chair of the Committee will be appointed by the Corporation. If the Chair is absent from any Remuneration Committee Meeting, the Members present shall choose one of their number to act as Chair for that meeting. The Corporation Chair may not be appointed as Remuneration Committee Chair on a permanent or temporary basis.

5 Attendance at Meetings

- 5.1 The Principal will normally attend appropriate parts of meetings at the invitation of the Committee, but will not be present for any decisions relating to the changes to pay and conditions of employment of Senior Post Holders.
- 5.2 All Senior Post Holders have the right to attend appropriate parts of the meeting should they wish to do so, but will not be present for any decisions relating to the changes to pay and conditions of employment of Senior Post Holders.
- 5.3 The Clerk to the Corporation will be Clerk to the Committee but will not be present for any decisions relating to the changes to pay and conditions of employment of the Clerk to the Corporation. The Committee Chair will provide Minutes of this part of the meeting.
- 5.4 The Committee will have the power to invite such other persons to attend meetings as may be desirable and necessary.
- 5.5 Other Corporation Members shall have the right of attendance.

6 Frequency of Meetings

- 6.1 The Committee will meet at least twice per year.

7 Authority

- 7.1 The Committee is authorised by the Corporation to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any Corporation Member, Committee of the Corporation or employee of the College, and all Corporation Members and employees of the College are directed to co-operate with any request made by the Committee.

7.2 The Committee is authorised by the Corporation to commission independent advice from third parties to assist it in making recommendations to the Corporation, should it wish to do so. Such advice will be sought by the Clerk to the Corporation at the request of the Remuneration Committee Chair, supported by the Corporation Chair, with all costs being met by the College.

8 Reporting Procedures

8.1 The Clerk to the Committee will circulate Minutes of the meetings of the Committee to all Committee Members. The Chair will ensure that any Minutes relating to the Clerk to the Corporation are circulated to Committee Members.

8.2 Minutes of this Committee will be kept as confidential documents by the Clerk and circulated in accordance with the Corporation Code of Conduct guidelines on confidentiality.

8.3 Committee Minutes will be included in Corporation papers as a Confidential Item and reported upon at the Corporation meeting.

Approved by the Corporation on: 17 December 2019

Review frequency: Annual

Sue Frost
Clerk to the Corporation

SENIOR POST HOLDER REMUNERATION POLICY

Purpose of Policy/ Document

To ensure compliance with the Association of Colleges' "The Senior Post Holder Remuneration Code" adopted by the Corporation on 10 June 2019

Application of Policy (Range and Scope)

This document applies to all Senior Post Holders

Particular Legal Requirements/Issues Outside of Equality, Diversity and Disability (E.D.D)

Links with Other Policies/Documents

Senior Post Holder Policy For Income Derived From External Activities
Remuneration Committee Terms Of Reference

Equality, Diversity and Disability (Disability, Equality, Duty Impact Assessment)

Has a Preliminary Equality Analysis been completed?

*Yes No Date Completed:

Is a full Impact Assessment required?

*Yes No

If 'yes', has a copy been sent to the Equality Manager?

*Yes No

For Completion by the Executive:

POLICY/DOC REFERENCE	
CATEGORY	
AUTHOR / ORIGINATOR	Sue Frost
ISSUE DATE	17 December 2019
REVIEW DATE	December 2022
POSTHOLDER RESPONSIBLE FOR REVIEW	Clerk to the Corporation
RATIFIED /AUTHORISED BY	Corporation

1 Background

- 1.1** The Corporation adopted the Association of Colleges' "The Senior Post Holder Remuneration Code" on 10 June 2019. The Elements and Principles of the Code and the Heart of Worcestershire College Specifics are as follows, and will be applied by the Remuneration Committee when considering Senior Post Holder remuneration, terms and conditions. Compliance with the Remuneration Policy will be assessed each year as part of the Remuneration Committee Performance Review.

2 Elements of fair and appropriate remuneration

- 2.1** Fair and appropriate remuneration³ requires three key elements – namely that there is:
- i a fair, appropriate and justifiable level of remuneration;
 - ii procedural fairness; and
 - iii transparency and accountability.

3 Element i - A fair, appropriate and justifiable level of remuneration

- 3.1** Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to their college's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

3.2 Principles

- a) Remuneration should take account of the context in which the college operates.
- b) Remuneration must be linked to the value, based on a number of components, delivered by the individual within the role.
- c) Remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure
- d) Colleges should be clear about what they expect from staff, i.e. what is 'normal' and what is 'exceptional'. There must be a robust and consistent process for setting objectives and assessing an individual's contribution.
- e) Remuneration can vary according to individual performance. However, the decision to apply performance-related pay is for individual colleges to make. Nothing in this Code is intended to imply that performance-related pay is a requirement for fair and appropriate remuneration.
- f) Except in the case of incremental progression, any awards made in respect of annual performance related payments linked to the achievement of specific annual objectives should not be consolidated.
- g) From time to time the value of a role may need to be reviewed in light of changing conditions, sustained performance, experience etc.
- h) Non-achievement of an individual's expected contribution should be clearly addressed through performance management.
- i) Any severance payments must be reasonable and justifiable
- j) 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.

3.3 Heart of Worcestershire College Specifics

- i) Senior Post Holders will normally be appointed at a spot salary, not on an incremental scale.

³ Remuneration includes not only basic salary but also bonuses, expenses and other allowances, and the monetary value of benefits in kind including housing and cars, etc.

- ii) Senior Post Holder performance will be monitored through RAGG rated achievement of objectives set annually by the Corporation Chair as line manager for the Principal and Clerk to the Corporation and by the Principal as line manager for other Senior Post Holders.

iii) Performance Related Pay does not apply at any level in the College.

4.1 Element ii – Procedural fairness

Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision-making using appropriate evidence and assessing the value of roles, the contexts and individuals' performance in them.

4.2 Principles

- a) Senior Post Holder remuneration should be determined in the context of each college's approach to rewarding all of its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.
- b) No individual can be involved in deciding his or her own remuneration.
- c) Remuneration Committees must be independent, competent and should not be chaired by the Chair of the Governing Body.
- d) The Chief Executive / Principal must not be a member of the Remuneration Committee.

4.3 Heart of Worcestershire College Specifics

- i) Annual pay awards for Senior Post Holders will normally be offered at the same rate as that agreed for staff as part of the annual budgeting process.
- ii) Remuneration Committee Terms of Reference for membership and attendance support the procedural fairness principles.

5.1 Element iii - Transparency and accountability

The process for setting remuneration must be transparent. For Senior Post Holders there must be a college level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the Chief Executive / Principal must be separately justified, published and related to the remuneration of all staff within the organisation.

5.2 Principles

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.

5.3 Heart of Worcestershire College Specifics

- i) The Remuneration Committee annual report to the Corporation will be drafted by the Clerk to the Corporation (with information from the Finance Director) and approved each year as part of the Remuneration Committee Performance Review.

Approved by the Corporation on: 17 December 2019

Review Frequency:

Triennial

Sue Frost

Clerk to the Corporation



SENIOR POST HOLDER POLICY FOR INCOME DERIVED FROM EXTERNAL ACTIVITIES

Purpose of Policy/ Document

To ensure compliance with the Association of Colleges' "The Senior Post Holder Remuneration Code" adopted by the Corporation on 10 June 2019

Application of Policy (Range and Scope)

This document applies to all Senior Post Holders

Particular Legal Requirements/Issues Outside of Equality, Diversity and Disability (E.D.D)

Links with Other Policies/Documents

Senior Post Holder Remuneration Policy
Remuneration Committee Terms of Reference

Equality, Diversity and Disability (Disability, Equality, Duty Impact Assessment)

Has a Preliminary Equality Analysis been completed?

*Yes No Date Completed:

Is a full Impact Assessment required?

*Yes No

If 'yes', has a copy been sent to the Equality Manager?

*Yes No

For Completion by the Executive:

POLICY/DOC REFERENCE	
CATEGORY	
AUTHOR / ORIGINATOR	Sue Frost
ISSUE DATE	17 December 2019
REVIEW DATE	December 2022
POSTHOLDER RESPONSIBLE FOR REVIEW	Clerk to the Corporation
RATIFIED /AUTHORISED BY	Corporation

1 Background

1.1 The Corporation adopted the Association of Colleges' "The Senior Post Holder Remuneration Code" on 10 June 2019. The Elements and Principles of the Code and the Heart of Worcestershire College Specifics related to the Senior Post Holder Policy For Income Derived From External Activities are as follows, and will be applied by the Corporation Chair and Principal in their roles as line managers of Senior Post Holders. Compliance with the Senior Post Holder Policy For Income Derived From External Activities will be assessed each year as part of the Remuneration Committee Performance Review.

2 Elements of fair and appropriate remuneration

2.1 Fair and appropriate remuneration⁴ requires three key elements – namely that there is:

- i a fair, appropriate and justifiable level of remuneration;
- ii procedural fairness; and
- iii transparency and accountability.

3 Element i - A fair, appropriate and justifiable level of remuneration

3.2 Principles

j) 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.

3.3 Heart of Worcestershire College Specifics

a) Senior Post Holders must declare any opportunity to generate individual income from external bodies in a personal capacity to the Corporation Chair as line manager for the Principal and Clerk to the Corporation and by the Principal as line manager for other Senior Post Holders.

b) The Corporation Chair as line manager for the Principal and Clerk to the Corporation and by the Principal as line manager for other Senior Post Holders will consider whether circumstances are such that the individual should be allowed to retain that income. (Eg the opportunity does not occur in the course of a normal working week; does not involve the use of College resources; does not impinge in any way upon working time.)

c) The Corporation Chair as line manager for the Principal and Clerk to the Corporation and by the Principal as line manager for other Senior Post Holders should not normally approve any opportunity to generate individual income from external bodies in a personal capacity for full time Senior Postholders. (Any activities carried out on behalf of external bodies in the course of normal working relations should be carried out as part of the normal work commitment, within normal working hours as far as possible and any income should be paid direct to the College.)

d) The Corporation Chair as line manager for the Principal and Clerk to the Corporation and by the Principal as line manager for other Senior Post Holders should normally approve any opportunity to generate individual income from external bodies in a personal capacity for part time Senior Post Holders, as long as they are satisfied that such work will not does not compromise the Senior Post Holder's College role. (Eg the opportunity does not occur in the course of a normal working week; does not involve the use of College resources; does not impinge in any way upon working time.)

4.1 Element ii – Procedural fairness

4.2 Principles

No specific references.

4.3 Heart of Worcestershire College Specifics

⁴ Remuneration includes not only basic salary but also bonuses, expenses and other allowances, and the monetary value of benefits in kind including housing and cars, etc.

- a) Annual pay awards for Senior Post Holders will normally be offered at the same rate as that agreed for staff as part of the annual budgeting process.

5.1 Element iii - Transparency and accountability

5.2 Principles

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

- c) Its policy on income derived from external activities;

5.3 Heart of Worcestershire College Specifics

- a) The Remuneration Committee annual report to the Corporation will be drafted by the Clerk to the Corporation (with information from the Finance Director) and approved each year as part of the Remuneration Committee Performance Review.

Approved by the Corporation on: 17 December 2019

Review Frequency: Triennial

Sue Frost
Clerk to the Corporation