



education
training
collective

ANNUAL REMUNERATION STATEMENT 2021-22

1. Introduction

At its meeting on 10 November 2022, the Remuneration Committee agreed a detailed Annual Remuneration Report, which was presented to the FE Corporation on 17 December 2022. This statement, which is available on the college website, details key issues arising from this.

2. Remit and Membership

The Remuneration Committee has responsibility for all matters relating to the remuneration and terms and conditions of the College's Senior Post Holders and the Clerk to the FE Corporation.

The College's Senior Post Holders in 2021-22 were:

- Chief Executive and Group Principal – Phil Cook
- Group Executive Director Planning and Infrastructure – Phil Hastie
- Group Executive Director Finance – Fiona Sharp

The Clerk to the Corporation was Sarah Thompson

Remuneration Committee membership for the 2021/22 academic year was

- Stuart Blackett (Independent Governor, Committee Chair)
- Louise Davies (Independent Governor, Committee Member)
- Dot Smith (Independent Governor, Committee Member)
- Mark White (Independent Governor, Committee Member, Chair of the FE Corporation)

Remuneration Committee membership for the 2021-22 academic year is: Stuart Blackett (Corporation Chair), Louise Davies, Dot Smith and Gary Wright.

The Chief Executive, Phil Cook, attended both of the meetings held in 2021-22 but left during discussions regarding his own remuneration and terms and conditions. The Clerk to the FE Corporation clerked both meetings of the committee but left during discussions concerning her own remuneration and terms and conditions.

The Committee held two meetings during 2021-22 – on 11 November 2021 and 16 June 2022. All members attended the meeting in November; Stuart Blackett, Louise Davies and Dot Smith were present at the June meeting (total attendance of 86% over two meetings). The November meeting considered: performance of senior post holders and the Clerk; targets for the following year; performance of other senior managers; and succession planning. The committee also agreed an Annual Remuneration Report and Statement. The June meeting was focussed on arrangements for handover to a new Chief Executive from August 2022, and interim performance reviews in relation to senior post holders and the Clerk.

3. Terms of Reference

The committee's terms of reference for 2021-22 are attached to this report as Annex A. The terms of reference were reviewed in November 2021 and no amendments were made at that time.

4. Remuneration Policy

The Corporation's approach to remuneration for senior post holders aims to ensure that the Group is able to recruit, retain and reward the best staff possible, to deliver the Group's strategic objectives and the best outcomes for students, local communities and the economy, while demonstrating effective and efficient use of resources. When determining remuneration, the committee takes into account the context in which the college is operating, including economic factors, competition, market rates and the value delivered by the individual within the role based on a number of components

The college is a general further education provider and offers a range of provision across vocational and professional qualifications, from Entry Level up to Higher Education. There is substantial apprenticeship and adult education provision.

The committee reviews senior post holder salaries at least annually and takes account of national benchmarking information provided by the Association of Colleges, as well as regional and national context. The committee accesses internal and external advice on pay as required.

The FE Corporation applies any general pay award to staff to senior post holders. In addition, the Group Executive Director Planning and Infrastructure was awarded a fixed term increment from June 2022 to reflect temporary additional responsibilities. There were no other pay awards and no performance-related payments to Senior Post Holders in 2020-21.

Senior Post Holders receive pension benefits in line with the schemes available to staff, i.e. Teachers' Pension Scheme or Local Government Pension Scheme.

There are no additional benefits packages made available to Senior Post Holders.

5. Senior Post Holder Performance Review

Individual objectives and priorities for the Chief Executive and Clerk are discussed with the Chair of the Corporation and formally agreed annually with the Remuneration Committee. The Chief Executive agrees annual objectives with the Group Executive Director Planning and Infrastructure and Group Executive Director Finance and these are reported to and ratified by the Remuneration Committee. Objectives reflect the focus for individual roles as well as institutional priorities. The Group's key strategic goals are agreed by governors each February for the subsequent year.

6. Pay Multiples

In line with the College Accounts Direction, the pay multiple for the Chief Executive for 2021-22 will be included in the annual report and final accounts. In 2021-22, the Chief Executive's basic salary as a multiple of the median of all staff was 6.6:1, the Chief Executive's total remuneration (excluding exit payment) as a multiple of the median of all staff was 7.5:1, and the Chief Executive's total remuneration (including exit payment) as a multiple of the median of all staff was 9:1. There was no change to the pay multiple in respect of basic salary compared to the previous year and a very slight decline in the pay multiple for total remuneration (by 0.2 from 7.7:1 in 2020-21). The multiple including exit payment reflected an additional payment to the Chief Executive on cessation of his post and is therefore not comparable with previous years. Overall trends are for minimal change year on year.

Comparative information for 2021-22 is not yet available but comparative information for 2020-21 was considered by the Remuneration Committee. The committee has previously determined that comparator colleges will be selected on the basis of income, provision type and geographic location. The committee considered comparative information in respect of North East colleges as well as colleges of a similar size and with a similar provision type from a wider geographical area. The committee identified that the pay multiple for the Chief Executive was broadly in line with the pay multiple in colleges with a similar level of income and similar type of provision and within the range of pay multiples across the Further Education sector. Governors believe that the Chief Executive's salary reflects the diversity of the Group's provision across a number of campuses, as well as the need to ensure continuing progress following merger in 2018.

7. Equality considerations

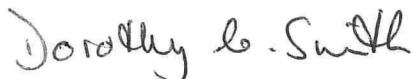
There were no instances where there was a gender-related difference in salary for roles of the same type for Senior Post Holders in the College.

Gender pay gap data for the College Group was considered at the March 2022 FE Corporation meeting and the gender pay gap report was published on the group website and appropriate government website.

8. External appointments and expenses

At its meeting in October 2019, the Remuneration Committee determined that, as a general principle, it was anticipated that Senior Post Holders would not retain income from external appointments and any external income would be repaid to the College. However, circumstances would be considered on an individual basis, with any retention of income approved by the Remuneration Committee for the Chief Executive and by the Chief Executive for other Senior Post Holders (the Chief Executive would report this on to the next meeting of Remuneration). Exceptions could include appointments that were unrelated to a College role and where involvement was wholly outside College time, or appointments where a set payment was made in lieu of expenses that were met wholly by the individual. This expectation is now included in Senior Post Holders' contracts of employment.

Signed:



Dot Smith

Chair of Education Training Collective Remuneration Committee

REMUNERATION COMMITTEE – TERMS OF REFERENCE 2021-22

Composition:	Minimum of three members, no staff or student members are permitted While the Chief Executive is not permitted to sit on the committee as a formal member, he will usually attend all meetings as an adviser (leaving meetings when his own performance and remuneration is under consideration)
Quorum:	40% of committee membership, subject to minimum quorum of 3
Attendance:	The Corporation attendance target is 80%. Committee members are therefore expected to attend the one meeting scheduled in 2021-22
Chair:	Selected by committee, reviewed annually The Corporation Chair cannot chair the Remuneration Committee.
Meetings:	At least one meeting annually
Public access to meetings:	By chair's invitation, with members' approval - see Standing Orders Section 12
Conduct of meetings:	See Standing Orders Section 5
Minutes:	Approval, see Standing Orders Section 4 vi
Minutes:	Circulation/publication – see Standing Orders Section 10
Key functions and delegated powers:	<ol style="list-style-type: none"> 1. To conduct its business in accordance with the provisions of the Colleges' Senior Post Holder Remuneration Code, as adopted by the FE Corporation on 17 October 2019. 2. To review the performance of the Chief Executive, other holders of senior posts¹ and the Clerk (taking into account the Chair's appraisal of the Chief Executive and Clerk and the Chief Executive's appraisal of other senior post holders)

¹ The terms 'holders of senior posts' and 'senior post holders' refer to employees appointed to posts designated as 'Senior Post Holders', currently the Chief Executive, Group Executive Director Planning and Infrastructure and Group Executive Director Finance. The committee may consider the performance of other senior managers but this is not a formal element of the committee's remit and decisions about the terms and conditions of senior managers other than designated 'Senior Post Holders' are the responsibility of the Chief Executive.

3. To agree performance objectives for the Chief Executive, senior post holders and the Clerk, on the advice of the Corporation Chair and Chief Executive, as appropriate, and report these to the Finance and Employment Committee
4. To consider terms and conditions of service, including job descriptions and remuneration for the Chief Executive, holders of senior posts and the Clerk to the Corporation and make recommendations to the Finance and Employment Committee.

Panels for the appointment of senior post holders will include at least one member of the Remuneration Committee.
5. To consider equal pay matters and ensure the College Group's equality and diversity policy is taken into account when considering staff pay.
6. To consider any severance payments to the Chief Executive, holders of senior posts and the Clerk to the Corporation, in accordance with the Remuneration Code, including seeking any legal advice from the external auditors, and to make recommendations to the Finance and Employment Committee.
7. To demonstrate to the public that the pay of the Chief Executive, holders of senior posts and the Clerk to the Corporation is set by a committee that 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 Group.
8. To prepare an annual report on remuneration for presentation to the Corporation and an annual Remuneration statement for publication.

