



education
training
collective

ANNUAL REMUNERATION STATEMENT 2022-23

1. Introduction

At its meeting on 9 November 2023, 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 2022-23 were:

- Chief Executive and Group Principal – Phil Cook (to 21 August 2022)
- Chief Executive and Group Principal – Grant Glendinning (from 22 August 2022)
- Chief Operating Officer (change of title from Group Executive Director Planning and Infrastructure, effective from 22 November 2022) – Phil Hastie
- Chief Financial Officer (change of title from Group Executive Director Finance, effective from 15 December 2022) – Fiona Sharp

The Clerk to the Corporation was Sarah Thompson.

Remuneration Committee membership for the 2022/23 academic year was

- Stuart Blackett (Independent Governor, Committee Member, Corporation Chair)
- Louise Davies (Independent Governor, Committee Member)
- Dot Smith (Independent Governor, Committee Member, Chair for Remuneration Committee meeting held on 10 November 2022)
- Gary Wright (Independent Governor, Committee Member, Remuneration Committee Chair from 11 November 2022)

There are no planned changes to Remuneration Committee membership for the 2023-24 academic year.

The Chief Executive, Grant Glendinning, attended both of the Remuneration Committee meetings held in 2022-23 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 2022-23 – on 10 November 2022 and 11 May 2023. All members attended both meetings (total attendance of 100% over two meetings). The November meeting considered: salary benchmarking; performance of senior post holders and the Clerk; targets for the 2022-23 academic year; senior management team remuneration and reorganisation; and succession planning for senior staff. The committee also agreed an Annual Remuneration Report and Statement. The May meeting was focussed on interim performance reviews in relation to senior post holders and the Clerk, and approval of staffing policies related to senior post holders.

3. Terms of Reference

The committee's terms of reference for 2022-23 are attached to this report as Annex A. The terms of reference were reviewed in November 2022 and a minor amendment was made to reflect the decision of the committee to meet twice in each year.

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 usually applies any general pay award to staff to senior post holders and the Clerk. In 2022-23, the general pay increase of 3% from 1 August 2022 and a further pay award of 1% from 1 May 2023 were awarded to the Clerk. A lower pay award of 2% was made to Senior Management Team members (including the Chief Executive and Senior Post Holders). Additional salary increases were applied to the Chief Operating Officer and Chief Financial Officer as part of a senior Management Team restructure.

Senior Post Holders and the Clerk 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 or the Clerk.

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 Chief Operating Officer and the Chief Financial Officer 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 Strategic Plan 2023-26 was approved by governors in July 2023 and was based on key priorities identified by governors at the annual Strategic Conference held in February 2023.

6. Pay Multiples

In line with the College Accounts Direction, the pay multiple for the Chief Executive for 2022-23 will be included in the annual report and final accounts. In 2022-23, the Chief Executive's basic salary as a multiple of the median of all staff was 5.4:1 and the Chief Executive's total remuneration as a multiple of the median of all staff was 5.9:1. This is a decline from 2021-22 (basic salary as a multiple of the median of all staff at 6.6:1 and total remuneration as a multiple of the median of all staff 7.5:1) and reflects the change of Chief Executive early in the 2022-23 financial year and renegotiated salary levels. Prior to this more significant change, there had been a trend of minimal change year on year.

Comparative information for 2022-23 is not yet available but comparative information for 2021-22 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. This 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 in line with the median 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.

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.

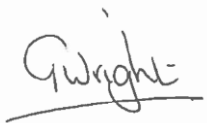
Gender pay gap data for the College Group was considered at the November 2022 Finance and Employment Committee meeting and the gender pay gap report was published on the group website and appropriate government website.

12. 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 to the next meeting of the Remuneration Committee). 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:

A handwritten signature in black ink that reads "G Wright". The signature is written in a cursive style with a horizontal line underneath the name.

Gary Wright, Chair of the Education Training Collective Remuneration Committee

REMUNERATION COMMITTEE TERMS OF REFERENCE

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 both of the meetings scheduled in 2022-23
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) 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,

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.

	<p>and report these to the Finance and Employment Committee</p> <ol style="list-style-type: none"><li data-bbox="480 331 1331 544">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.<li data-bbox="480 600 1331 723">Panels for the appointment of senior post holders will include at least one member of the Remuneration Committee.<li data-bbox="480 779 1331 902">5. To consider equal pay matters and ensure the College Group's equality and diversity policy is taken into account when considering staff pay.<li data-bbox="480 958 1331 1216">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.<li data-bbox="480 1272 1331 1529">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.<li data-bbox="480 1585 1331 1709">8. To prepare an annual report on remuneration for presentation to the Corporation and an annual Remuneration statement for publication.
--	--