



education
training
collective

ANNUAL REMUNERATION STATEMENT 2023-24

1. Introduction

At its meeting on 14 November 2024, the Remuneration Committee agreed a detailed Annual Remuneration Report, which was presented to the FE Corporation on 12 December 2024. 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 Group Director of Governance (Clerk to the FE Corporation).

The group's Senior Post Holders in 2023-24 were:

- Chief Executive and Group Principal – Grant Glendinning
- Deputy Chief Executive (Curriculum) – Jason Faulkner (from 1 July 2024)
- Chief Operating Officer – Phil Hastie
- Chief Financial Officer – Fiona Sharp

The Group Director of Governance (Clerk to the Corporation) was Sarah Thompson.

Remuneration Committee membership for the 2023/24 academic year was

- Stuart Blackett (Independent Governor, Committee Member, Corporation Chair)
- Louise Davies (Independent Governor, Committee Member)
- Dot Smith (Independent Governor, Committee Member)
- Gary Wright (Independent Governor, Remuneration Committee Chair)

There are no planned changes to membership for the 2024-25 academic year.

The Chief Executive, Grant Glendinning, attended all three of the Remuneration Committee meetings held in 2023-24 but left during discussions regarding his own remuneration and terms and conditions. The Group Director of Governance clerked all meetings of the committee but left during discussions concerning her own remuneration and terms and conditions.

The Committee held three meetings during 2023-24. Scheduled meetings took place on 9 November 2023 and 2 May 2024, and a special meeting was held on 11 March 2024. Attendance of members across all meetings was 91.7%. The November meeting considered: salary benchmarking; performance of senior post holders and the Clerk; targets for the 2023-24 academic year; re-naming of the role of Clerk to Group Director of Governance; and succession planning for senior staff. The committee also discussed equal pay considerations and agreed an Annual Remuneration Report and Statement. The special meeting in March considered pay uplifts for two members of staff based on review of salary benchmarking and equal pay considerations. The May meeting was focussed on interim performance reviews in relation to senior post holders and the Clerk, approval of staffing policies related to senior post holders, and re-organisation of the senior management team specifically in relation to creation of a new senior post holder role.

3. Terms of Reference

The committee's terms of reference for 2023-24 are attached to this report as Annex A. The terms of reference were reviewed in November 2023 and updated to reflect the re-classification of colleges as public sector organisations and the requirements for Corporations to follow HM Treasury guidance and seek approval from the Department for Education in certain circumstances. The terms of reference were also updated to reflect the introduction of a People Committee.

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 Group Director of Governance. In 2023-24, the Corporation agreed to award a pay increase of 6.5% effective from 1 October 2023. This took into account an AoC recommendation on pay, as well as the group's financial position. This award was applied to the group's senior post holders and the Group Director of Governance. A marginal salary increase was applied for the Chief Operating Officer to align salary with group salary scales. Salary uplifts were also applied for the Chief Financial Officer and Group Director of Governance following a review of salary benchmarking information and in light of equal pay considerations.

Senior Post Holders and the Group Director of Governance 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 Group Director of Governance.

5. Senior Post Holder Performance Review

Individual objectives and priorities for the Chief Executive and Group Director of Governance are discussed with the Chair of the Corporation and formally agreed annually with the Remuneration Committee. The Chief Executive agrees annual objectives with the Deputy Chief Executive, 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 2023-24 will be included in the annual report and final accounts. In 2023-24, 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 also 5.4:1. This is a relatively minimal change from 2022-23 (basic salary as a multiple of the median of all staff at 5.4:1 and total remuneration as a multiple of the median of all staff 5.9:1) and reflects a general trend of minimal change year on year, other than when there was a change of Chief Executive and re-negotiated salary levels.

Comparative information for 2023-24 is not yet available but comparative information for 2022-23 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. However, when reviewing salary benchmarking, the Remuneration Committee identified that salary ranges for male senior postholders aligned with higher brackets when compared to the female senior postholder and the Group Director of Governance. This was addressed via agreement of salary uplifts by People Committee in March 2024.

Gender pay gap data for the College group was considered at the February 2024 People Committee 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 group. 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 group role and where involvement was wholly outside group 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. No retention of income by Senior Post Holders was reported in 2022-23.

Signed:



Gary Wright, Chair of Education Training Collective Remuneration Committee

Annex A

REMUNERATION COMMITTEE –TERMS OF REFERENCE 2023-24

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:	Minimum quorum of 3
Attendance:	The Corporation attendance target is 80%. Committee members are therefore expected to attend both of the meetings scheduled in 2023-24 ____
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, and taking account of HM Treasury's senior pay guidance¹ and any other relevant guidance documents. 2. To review the performance of the Chief Executive, other holders of senior posts² and the Group Director of Governance (taking into account the Chair's appraisal of the Chief Executive and Group Director of Governance and the Chief Executive's appraisal of other senior post holders); and to report outcomes to the FE Corporation. 3. To agree performance objectives for the Chief Executive, senior post holders and the Group Director of Governance, on the advice of the Corporation Chair and Chief Executive, as appropriate, and report these to the People Committee 4. To consider terms and conditions of service, including job descriptions and remuneration for the Chief Executive, holders of senior posts and the Group Director of Governance to the Corporation and make recommendations to the People Committee. As part of its remit, the committee should regularly review remuneration for the Chief Executive, senior post holders and the Group Director of Governance and ensure this can be justified in light of agreed performance outcomes. The committee is also responsible for ensuring any required approval is sought from the Department for Education in relation to remuneration for new appointments, performance-related pay and pay awards; and for ensuring any application for approval is signed by the Remuneration Committee Chair³.

¹ See [Senior Pay Guidance 2023.pdf](#)

² 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, Deputy Chief Executive, Chief Operating Officer and Chief Financial Officer. Decisions about the terms and conditions of senior managers other than designated 'Senior Post Holders' are the responsibility of the Chief Executive.

	<p>5. To support with any senior post holder recruitment exercise. Panels for the appointment of senior post holders will include at least one member of the Remuneration Committee.</p> <p>6. To consider equal pay matters and ensure the College Group's equality and diversity policy is taken into account when considering staff pay.</p> <p>7. To consider any severance payments to the Chief Executive, holders of senior posts and the Group Director of Governance to the Corporation, in accordance with the Remuneration Code and HM Treasury senior pay guidance, including seeking any legal advice from the external auditors, and to make recommendations to the People Committee.</p> <p>8. To demonstrate to the public that the pay of the Chief Executive, holders of senior posts and the Group Director of Governance 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.</p> <p>9. To prepare an annual report on remuneration for presentation to the Corporation and an annual Remuneration statement for publication; and to ensure that the annual accounts disclose and justify the remuneration package for senior staff and disclose a comparison between the principal's remuneration and that of other staff.</p>
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