

**2019/20 ANNUAL REPORT OF THE REMUNERATION COMMITTEE  
TO THE CORPORATION**

**DECEMBER 2020**

# NEW CITY COLLEGE CORPORATION

## Annual Remuneration Committee Report

### 1 INTRODUCTION

The New City College's Instrument & Articles of Government define certain senior key personnel as Senior Post Holders (SPH) and provide that the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts are matters for Governing Body (Article 3(e) refers).

The college operates a committee structure and has a Remuneration Committee with Terms of Reference that state its objective as:

To consider the terms, conditions, performance and pay of the Group Principal & CEO, any designated SPHs and the Director of Governance); and to make recommendations to Corporation as appropriate.

The AoC Code includes the requirement that the college must publish a readily accessible annual statement, based on an annual report to its governing body. The purpose of this report is to address that requirement.

### 2 STRATEGIC CONTEXT

By visibly adopting this Remuneration Code, the Governing Body is demonstrating leadership and stewardship in relation to remuneration within its institution and, in doing so help to protect institutional and sector reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.

### 3 PROCESS/POLICY

#### Remuneration process

The College's Remuneration Committee met on 21 November 2019 and 30 June 2020

- To discuss and agree SPH performance for 18/90 and targets for 19/20
- To discuss and review SPH performance against targets for 19/20
- To review the Director of Governance's probation and make recommendations on appointment
- To review the remuneration of those staff within its remit and to determine any changes to SPH pay from 1 August 2020

#### Committee Membership

The following tables sets out the membership of the committee and attendance for 2019-20

	REMUNERATION COMMITTEE				
	21.11.19	30.6.20	Actual attendance	Possible attendance	% attendance
Marilyn Hawkins	1	1	2	2	100%
Rob Hull	1	1	2	2	100%
Gerry McDonald	1	1	2	2	100%

Lutfey Siddiqi	1	1	2	2	100%
Stephen Critoph	1	1	2	2	100%
Neil Yeomans	1	1	2	2	100%
Malcolm O'Brien	1	AP	1	1	50%
Actual	7	6			
Possible	7	7			
	<b>100%</b>	<b>85%</b>			<b>93%</b>

### Senior Post Holders

The roles designated as Senior Post Holders (SPH) and therefore within the remit of the Committee for 2019-20 are:

- Group Principal & CEO
- Deputy CEO
- Deputy Principal
- Director of Governance

### Remuneration Policy

The SPH Remuneration Policy has been devised with regard to the principles of the AoC Code, so that the College has:

- a fair and competitive salary offer to attract and retain high performing staff;
- a framework for SPH remuneration that is affordable and
- decision-making processes for SPH remuneration that are fair, transparent and accountable.

### Choice of comparator college(s)/organisation(s)

Salaried were benchmarked in 2018-19 against the Association of College's Senior Pay Survey 2018. The Committee considered salary data for colleges with a turnover of £65m+ and £100m+ (as the college will be significantly increasing in size post-merger), against the 5 largest colleges excluding NCC and the approximated peer group. Benchmarking will take place in 2020-21 against the 2020 Survey.

### Policy on income derived from external activities

The Code requires colleges to justify any retention of external income by SPH in addition to their remuneration. The College includes an exclusivity of service clause in its SPH employment contract, which requires an SPH to obtain express permission for additional external work (whether or not it is remunerated), and this is reflected in the SPH Remuneration Policy. There were no instances of remunerated external work taking place during the year.

### Performance measures & pay considerations

Each SPH has performance targets set, with the Group Principal & CEO's targets being in relation to the following objectives:

1. To achieve the College's corporate goals for 2019/20 as approved by the Corporation
2. To ensure NCC develops as a harmonised, post-merger organisation.
3. To ensure that the College Group develops as a leading London provider of education, skills and training
4. To ensure that the College Group achieves operating efficiencies whilst pursuing a strategy that leads to Ofsted Outstanding
5. To provide the Board with timely, detailed and clear College performance and sector data that will assist members in shaping strategy and response
6. To develop the skills and knowledge of senior managers to build capacity and resilience across the College
7. To work with others to build the College's reputation in the areas in which it operates and across London

It was agreed that changes to SPH salaries for 2019-20 would be in line with the College recommendations for all staff which were for an increase of 2.75% with those under £30,000 receiving

3% and those over £77,000 receiving at 2.5% uplift. Recommendations were made in the context of the Board's responsibility for ensuring efficient use of resources.

***Pay multiple of the Group Principal and CEO and the median earnings of the institution's whole workforce are as follows:***

***Ratios:***

***75% 3.83:1***

***50% 5.19:1***

***25% 7.55:1***

***25% £24730***

***50% £35960***

***75% £48714***

***Expenses***

*Minimal expenses are paid to the CEO, the sum paid in 2019-20 totalled circa £300 for travel costs.*

***Significant changes for 2019-20***

There were no significant changes for 2019-20:

**4 RECOMMENDATION**

The committee is asked to consider this report and recommend to the Board for approval and publication.