

**Board Business: Annual Remuneration 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 19 November 2020 and 24 June 2021

- To discuss and agree SPH performance for 19/20 and targets for 20/21
- To discuss and review SPH performance against targets for 20/21
- To review the remuneration of those staff within its remit and to determine any changes to SPH pay from 1 August 2021

Committee Membership

The following tables sets out the membership of the committee and attendance for 2020-21

	REMUNERATION COMMITTEE				
	19.11.20	24.06.21	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%

Stephen Critoph	1	1	2	2	100%
Neil Yeomans	1	1	2	2	100%
Actual	5	5			
Possible	5	5			
	100%	100%			100%

### Senior Post Holders

The roles designated as Senior Post Holders (SPH) and therefore within the remit of the Committee for 2020-21 were:

- Group Principal & CEO
- Deputy CEO
- Deputy Principal (to March 2021)
- 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 2019-20 against the Association of College's Senior Pay Survey 2019. 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 2021-22 against the 2021 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 ensure the College continues to respond to the challenges of Covid-19
2. To achieve the College's corporate goals for 2020/21 as approved by the Corporation including significant progress on the strategic intent.
3. To ensure NCC develops as a harmonised organisation.
4. To ensure that the College Group achieves improved teaching, learning and outcomes consistency and eliminates significant campus variation
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 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 2020-21 would be in line with the College recommendations for all staff which were for an increase of 1%. Recommendations were made in the context of the Board's responsibility for ensuring efficient use of resources.

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

**Ratios:**

	2020-21	2020-21	2019-20	2019-20
Upper 75%	£42,752.00	5.63:1	£41,608.00	5.64:1
Middle 50%	£34,220.00	7.03:1	£31,905.00	7.36:1
Lower 25%	£25,705.00	9.37:1	£24,267.00	9.68:1

**Expenses**

Minimal expenses are paid to the CEO, the sum paid in 2020-21 totalled £21.05 for travel and £zero hospitality costs.

**Significant changes for 2020-201**

There were no significant changes for 2020-21