

## NEW CITY COLLEGE CORPORATION

### 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 7 October and 18 November 2021, 23 and 31 March 2022 and 28 June 2022

- To discuss and agree SPH performance for 20/21 and targets for 21/22
- To discuss and review SPH performance against targets for 21/22
- To review remuneration of those staff within its remit and to determine any changes to SPH pay

##### Committee Membership

The following tables sets out the membership of the committee and attendance for 2021-22

	REMUNERATION COMMITTEE					Actual attendance		Possible attendance	% attendance
	07.10.21	18.11.21	23.03.22	31.03.22	28.06.22				
Marilyn Hawkins	Y	Y	Y	Y	Y	5		5	100%
Rob Hull	Y	Y	Y	Y	Y	5		5	100%

Gerry McDonald	Y	Y	Y	Y	Y	5	5	100%
Stephen Critoph	Y	Y	Y	Y	N	4	5	80%
Neil Yeomans	Y	Y	Y	Y	Y	5	5	100%
Actual	5	5	5	5	4			
Possible	5	5	5	5	5			
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>80%</b>			<b>96%</b>

### Senior Post Holders

The roles designated as Senior Post Holders (SPH) and therefore within the remit of the Committee for 2022-22 were:

- Group Principal & CEO
- Deputy CEO
- 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.

The Corporation is committed to investing in pension provision for employees and reviewed pension arrangements for staff who were reaching either lifetime or annual contribution limits. The Corporation recognises that this might have an impact on the recruitment and retention of senior staff across the group. A non-contractual policy was put in place for a two year period for all eligible staff. This applies to both Teachers' Pension Scheme and Local Government Pension Scheme (LPFA) members.

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

CEO and Deputy CEO salaries were benchmarked in 2021-22 against the 2021 Association of Colleges' Senior Pay Survey. 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 2023-24 for SPH salaries.

### 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 achieves at least a GOOD OfSTED inspection outcome in 2021/22
2. To achieve the College's corporate goals for 2021/22 as approved by the Corporation including significant progress on the strategic intent.
3. To ensure the NCC matrix is fully effective in improving standards, communication, processed and a single group approach.
4. To ensure that the College Group achieves improved teaching, learning and outcomes consistency and further reduces campus and curriculum variation
5. To ensure the College is appropriately structured and resourced to respond to policy change and financial pressures. This will involve:

- a) A restructure of staffing in Spring 2022
  - b) A review of contribution levels for each Directorate
  - c) A comprehensive assessment of the College's ability to respond to change. This will include a review of organizational culture including reference to BLM
  - d) An assessment of the capacity of the senior team
6. To provide the Board with timely, detailed and clear College performance and sector data that will assist members in shaping strategy and response
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 2021-22 would be in line with or below the College recommendations for all staff which were for an increase of 3%. The CEO received a 2.5% increase. 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:**

	2021-22	2021-22	2020-21	2020-21	2019-20	2019-20
Upper 75%	£43,179.00	6.80:1	£42,752.00	5.63:1	£41,608.00	5.64:1
Middle 50%	£33,699.00	8.72:1	£34,220.00	7.03:1	£31,905.00	7.36:1
Lower 25%	£25,693.00	11.43:1	£25,705.00	9.37:1	£24,267.00	9.86:1

Expenses

Minimal expenses are paid to the CEO, the sum paid in 2021-22 totalled £134.60 for travel, £67.09 for hospitality costs and £65.99 for teaching resources.

Significant changes for 2021-22

There were no significant changes for 2021-22

**4 RECOMMENDATION**

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