##

**Remuneration Committee -** *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 16 November 2023, 13 March 2024 and 27 June 2024.

The role of the committee is to:

* To discuss and agree SPH targets
* To discuss and review SPH performance against targets
* 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 2023-24

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **REMUNERATION COMMITTEE** |   |  |   |  |   |   |
|  | **16.11.23** | **13.03.24** | **27.06.24** | Actual attendance |  | Possible attendance | % attendance |
| Marilyn Hawkins | Y | Y | Y | **3** | **3** | **100%** |
| Rob Hull | Y | Y | Y | **3** | **3** | **100%** |
| Gerry McDonald (in attendance) | Y | Y | Y | **3** | **3** | **100%** |
| Neil Yeomans | Y | Y | Y | **3** | **3** | **100%** |
| Richard Smith Morgan | - | Y | Y | **2** | **2** | **100%** |
| Actual | 3 | 4 | 4 |  |  |   |   |
| Possible | 3 | 4 | 4 |  |  |   |  |
|  | **100%** | **100%** | **100%** |  |  |  | **100%** |

Senior Post Holders

The roles designated as Senior Post Holders (SPH) and therefore within the remit of the Committee for 2023-24 were:

* Group Principal & CEO
* Deputy CEO – to May 2024
* 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 2023-24 against the 2023 Association of College’s 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.

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 2023/24 as approved by the Corporation.

2. To develop, in collaboration with Board and wider stakeholders, a new Strategic Intent for 2023/24

3. To complete a merger with Brooke House Sixth Form College, subject to Board approval.

4. To ensure the further development of a self-improving, reflective and supportive organisational culture that drives consistency and performance with a clear focus on pedagogy.

5. To ensure that the College Group achieves improved teaching, learning and outcomes consistency with a specific focus on Construction and Engineering

6. To ensure the College is appropriately structured and resourced to respond to policy change and financial pressures.

7. To ensure the College makes significant progress in realigning its curriculum offer, shaping provision that responds to the needs of learners, local employers, future skills demands and government policy, within the context of ensuring a balanced budget.

8. To work with others to build the College's reputation in the areas in which it operates and across London, working with the AoC, ETF and other sector bodies.

It was agreed that changes to SPH salaries for 2023-24 would be in line with the college recommendations for all staff which were for an increase of 3%. 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:***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2023-24 | 2023-24 | 2022-23 | 2022-23 | 2021-22 | 2021-22 |
| Upper 75% | £47,898 | 6.66:1 | £44,975 | 6.69:1 | £43,179.00 | 6.80:1 |
| Middle 50% | £37,850 | 8.44:1 | £35,540 | 8.47:1 | £33,699.00 | 8.72:1 |
| Lower 25% | £30,254 | 10.55:1 | £28,407 | 10.6.1 | £25,693.00 | 11.43:1 |

Expenses

Minimal expenses are paid to the CEO, the sum paid totalled £256.10 for travel and £282.29 for hospitality costs (merger).

Significant changes for 2023-24

The Deputy CEO left in May 2024 and the Board are involved in the recruitment of a new SPH.

**4 RECOMMENDATION**

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