

# South Staffordshire College



## **SENIOR POST HOLDER REMUNERATION POLICY**

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Audience:	Governors, Staff, Stakeholders

# Senior Postholder Remuneration Policy

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## 1.0 Policy Statement

- 1.1 The purpose of this policy is to establish clear college guidance regarding Senior Post Holder Remuneration and to establish key principles, structures and monitoring arrangements for the college.
- 1.2 Senior Post Holders are senior members of staff appointed by and directly accountable to the Governing Body. Decisions made in relation to Senior Post Holder remuneration will need to strike a balance between recruiting and retaining the best staff, delivering the best outcomes for students and ensuring that resources are used effectively.
- 1.3 This Policy pays due regard to the Association of Colleges' Senior Post Holder Remuneration Code. It provides a set of principles for setting Senior Post Holder pay and conditions and a procedure for making such decisions.
- 1.4 This policy will support the implementation of our "Purpose":  
*"Our purpose is to transform the life chances, wellbeing and happiness of our communities, and we will achieve this through the talent of our staff"*

## 2.0 Scope

- 3.1 In adopting the AoC Remuneration Code the Board accepted that its approach would be governed by the following key elements:
  - A fair and appropriate and justifiable level of remuneration;
  - Procedural Fairness; and
  - Transparency and accountability.
- 3.2 This policy applies to all college Senior Post Holders.

## 4.0 Linked Policies and Procedures

- 4.1 Policies and Procedures linked to this include:
  - Annual Performance Review Policy.

## 5.0 Key Guiding Principles

- 5.1 This policy will be implemented in a manner that embraces our “Values” and “Guiding Principles:

### Values

- Togetherness-Working together to provide an outstanding experience for our learners, employers and communities;
- Standards- High performance to enhance life chances and success of learners, communities and employers;
- Sustainability-A beacon for sustainable development, to educate, inspire and enhance quality of life; and
- Customer Care-Exceed the expectations of all by providing creative leadership, inclusivity and respect for people and their future.

### Guiding Principles

- Excellence in learning and teaching;
- Community contribution; and
- Entrepreneurial attitude.

## 6.0 Deciding Senior Post Holders Pay

- 6.1 Governors are responsible for ensuring that Senior Post Holders receive fair, appropriate and justifiable levels of remuneration that recognise individuals’ contributions to the College’s success and the need to recruit, retain and motivate staff of the appropriate calibre while also ensuring that the College delivers value for money. In considering Senior Post Holder remuneration, therefore, Governors should consider the following.

### 6.2 The value of the role

The value of different Senior Posts may vary in a number of ways including the complexity of the role, the degree of discretion in relation to decision making and accountability and the impact that the role has on students, employees and other stakeholders and on the financial sustainability of the College. Consideration may also need to be given to the knowledge, specialist skills and professional credibility that are required.

### 6.3 Performance in support of strategic objectives

An assessment of performance in relation to Senior Post Holders’ objectives should be considered, with reference to College KPIs. There must be a robust and consistent process for setting objectives and assessing progress, with post holders clear as to what is expected, including what will be considered ‘normal’ and what ‘exceptional’ performance.

#### 6.4 **Market Context**

In considering the value of each role, due account needs to be taken of market rates for comparable roles within the sector, bearing in mind the location, size and complexity of the College. It is important that salaries remain competitive with similar roles within the sector if the College is to recruit and retain the best College leaders.

#### 6.5 **Affordability**

Any changes in remuneration for staff in any category will need to take into account the College's overall financial position.

#### 6.6 **Public Context**

As an institution that is publicly accountable, the Governing Body should ensure transparency in relation to the setting of Senior Post Holder remuneration and needs to be mindful of the wider public consciousness when doing so. This includes considering the College's approach to rewarding all its staff, how Senior Post Holder remuneration and any proposed increases compare with those for staff at large (including how Senior Post Holder salaries compare with median average earnings at the College) and the impact of any proposed changes.

#### 6.7 **Parity and fairness**

Governors must consider matters of equality and diversity to ensure that there are no biases pertaining to gender or to any protected characteristics in the setting of pay.

### 7.0 **Remuneration Committee**

7.1 The Remuneration Committee must be independent. No individual can be involved in deciding his or her own remuneration.

7.2 The Remuneration Committee is responsible for the setting and reviewing of Senior Post Holder pay and conditions of the Senior Post Holders already in post. It does not advise on the pay and conditions of new appointments. The Committee will be chaired by an external governor who is not the Chair of the Governing Body.

7.3 The Principal will not be a member of the committee but may advise the committee in relation to the performance of other Senior Post Holders, particularly those who are directly accountable to the Principal. The Chair of the Governing Body will advise in relation to the Principal's and Clerk's performance, which is kept under review by the Chair of the Governing Body.

7.4 Prior to each Remuneration Committee meeting at which changes to Senior Post Holder pay are to be considered, the Chair of the Remuneration Committee, the Chair of the Governing Body and the Chief Executive Principal will meet to take into account the following information in relation to each Senior Post:

- Complexity of the role (scale and range of decision making, collaboration and contact, time-critical activity);

- Impact of the role (on students, research, finance and people including employees, partners and the community);
  - Level of discretion involved in the role (level of accountability, degree of autonomy and decision-making authority);
  - Level of knowledge and skills (including specialist skills) required; and
  - Reputation and academic / professional credibility needed for the role.
- 7.5 They will also assemble relevant benchmark data from the Association of Colleges and other available sources to allow for external comparisons.
- 7.6 At the beginning of every academic year the Chief Executive Principal will agree objectives with the Deputy Chief Executive Officer and Deputy Principal – Finance & Resources, along with other members of the Senior Management Team, with reference where appropriate to specific Key Performance Indicators (KPIs). Objectives will reference what is expected and what will be considered exceptional performance. The Chief Executive Principal and Clerk's objectives will be set by the Chair of the Governing Body in the same way.
- 7.7 The Remuneration Committee will receive a report on the relative value of roles, market rates, the overall financial position of the College and the median rate of pay for staff. It will also receive a report from the Chief Executive Principal on the performance of the Deputy Chief Executive Officer and Deputy Principal – Finance & Resources. A report will be received from the Chair of the Governing Body on the performance of the Chief Executive Principal and Clerk.
- 7.8 The Remuneration Committee will decide on the appropriate remuneration for each Senior Post based on the value of and market rate for the role, with due regard to the overall financial position of the College and any overall staff pay award. This will be reflected in the consolidated salary for the role. The Committee will make separate recommendations in relation to any further awards pertaining to performance which will be non-consolidated. Such payments will be related to exceptional performance, based on the Senior Post Holder exceeding expectations through their impact in their role in relation to their objectives, which where appropriate will be validated by KPIs.
- 7.9 Information about the remuneration of Senior Post Holders will be published in accordance with the Association of Colleges' Senior Post Holder Remuneration Code.

## **8.0 Supplement in lieu of Pension**

- 8.1 Whilst the College is committed to investing in pension provision for employees it recognises that some individuals, typically higher earners with a high degree of financial security for retirement as a result of previous pension scheme membership, may be affected by the pension tax limits.

8.2 Where a Senior Post Holder meets the following criteria, they have the option to opt out of future pension provision and apply to the Remuneration Committee for a cash supplement, subject to certain eligibility criteria.

8.3 To be eligible for the supplement in lieu of pension, the Senior Post Holder must:

- Be able and willing to demonstrate that they are/ will be subject to tax charges relating to either the Lifetime Allowance (LTA) or the Annual Allowance (AA) i.e. they have exceeded the AA or are expected to exceed the LTA and have benefit statements from their pension provider and/or a protection application certificate or acknowledgement from HMRC;
- Sign a declaration confirming that they understand opting out of active pension scheme membership will mean they no longer automatically benefit from death in service and active member ill health provisions;
- Confirm that they have taken independent financial advice in relation to this matter; and
- Consent to a variation to their contract of employment.

## **9.0 Severance Payments**

9.1 Any severance payment made by the College to a Senior Post Holder must be reasonable, appropriate and justifiable. Where severance payments are under consideration, legal advice should be taken to ascertain the legitimacy of any proposed payment. The Board should comply with the Association of Colleges' Senior Post Holder Remuneration Code in relation to severance payments. In line with the funding agreement, the Board must draw any such payments to the attention of the College's External auditor.

## **10.0 External Earnings**

10.1 In line with Senior Post Holder contracts which contain an exclusivity clause:

- Senior Post Holders are expected to declare any external income from employment or engagement.
- The expectation is that external income will not be retained but on occasion permission to retain income may be given by the Board in regard to the CEO's activities, and the CEO in regard to all other SPHs activities.
- Where staff are appointed on a fractional basis it may be that external activity can be accommodated outside of contract, but it should still be declared to avoid conflict

## **11.0 Non-Salary Rewards**

11.1 Other than a pension provision, annual leave and sick pay, SPHs also have the option to take out private health insurance, paid for by the College.

## **12.0 Monitoring, Review and Responsibility**

11.1 This policy will be reviewed by the Board every three years.

11.2 The internal monitoring of the implementation of this policy will be the responsibility of the Clerk to the Corporation.

11.3 The responsibility for ensuring that this policy, and its associated procedures and processes, remain appropriate and comply with changes in legislation will be both the Assistant Principal – HR and the Clerk to the Corporation.