



South
Staffordshire
College

**SENIOR POST HOLDER
REMUNERATION POLICY**

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Audience:	Governors, Staff, Stakeholders

Senior Post Holder Remuneration Policy

1. Introduction

- 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. These are the:
 - Chief Executive Principal
 - Deputy Chief Executive
 - Deputy Principal – Finance and Resources.
- 1.3 Decisions made in relation to Senior Post Holder remuneration should strike a balance between recruiting and retaining the best staff, delivering the best outcomes for students and ensuring that resources are used effectively.
- 1.4 The College has adopted the Association of Colleges' Senior Post Holder Remuneration Code 'the Code' and this policy has been drafted in accordance with the Code. It provides a set of principles for setting Senior Post Holder pay and conditions and a procedure for making such decisions.
- 1.5 This policy will support the implementation of 'People' under our strategic objectives.

2. Scope

- 2.1 In adopting the 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.
- 2.2 This policy applies to all college Senior Post Holders.

3. Linked Policies, Procedures, including SPH Appraisals

Policies and Procedures linked to this include:

- Appraisal process
- SPH Disciplinary Policy
- SPH Grievance Policy

4. Deciding Senior Post Holders Pay

Governors are responsible for ensuring that Senior Post Holders receive fair, appropriate and justifiable levels of remuneration. 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. In considering Senior Post Holder remuneration, therefore, Governors should consider the following:

- 4.1 **The value of the role.** This 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.

4.2 **Performance against/in support of strategic 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.

4.3 **Market Context should be considered** taking account of market rates for comparable roles within the sector, benchmarking data for comparable roles, location, size and complexity of the College.

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

4.5 **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. Prior DfE approval may be required for any remuneration awards which meets or exceeds certain thresholds and / or % remuneration award increases as set out in government guidance documentation.

4.6 **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.

4.7 **SPH Appraisal process**
The appraisal process for SPH largely reflects the overall College appraisal process for staff. However regard should also be had to the guidance issued by the DfE – Effective senior post holder appraisal and chair performance review.

<https://www.gov.uk/government/publications/effective-senior-post-holder-appraisal-and-chair-performance-review>

5. Remuneration Committee

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

5.2 The Remuneration Committee is responsible for the reviewing of Senior Post Holder pay and conditions of the Senior Post Holders already in post and making recommendations to the board for setting Senior Postholder pay and conditions. (The Committee does not advise on the pay and conditions of new appointments)

which will be determined by the Corporation in accordance with articles 3(1)(f) and 11 of the Instrument and Articles of the Corporation.) The Committee will be chaired by an external governor who is not the Chair of the Governing Body.

- 5.3 The Remuneration Committee's Terms of Reference can be found on the College website here.
- 5.4 The Assistant Principal – HR will also assemble relevant benchmark data from the Association of Colleges and other available sources to allow for external comparisons.
- 5.5 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 CEP on the performance of the Deputy Chief Executive and the Deputy Principal – Finance & Resources. A report will be received from the Chair of the Governing Body on the performance of the CEP
- 5.6 The Remuneration Committee will decide on the appropriate remuneration for each Senior Post and make recommendations to the board for approval, 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.
- 5.7 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.
- 5.8 Information about the remuneration of Senior Post Holders will be published in accordance with the Association of Colleges' Senior Post Holder Remuneration Code.

6. Pension

Senior Post Holders are eligible for membership of the Teachers' Pension Scheme or the West Midlands Local Government Pension Scheme. Contributions are determined by the rules of the scheme.

7. Severance Payments

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 and advice from the external auditor should be taken to ascertain the legitimacy of any proposed payment. The Board must comply with (i) the Association of Colleges' Senior Post Holder Remuneration Code in relation to severance payments and (ii) the Managing Public Money regulations (including where necessary prior Government approval for any severance payment above

statutory or contractual entitlements). In line with the funding agreement, the Board must draw any such payments to the attention of the College's External auditor. The College Financial Handbook provides further details.

8. External Earnings and appointments

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 CEP's activities, and the CEP in regard to all other Senior Post Holder's 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

9. Expenses

The College's Expenses Policy applies to all College staff and is in line with Financial Regulations.

10. Other Pay

There is no other pay, bonus or performance related pay scheme in operation at the College

11. Monitoring, Review and Responsibility

- 10.1 This policy will be reviewed by the Board every three years.
- 10.2 The internal monitoring of the implementation of this policy will be the responsibility of the Head of Governance.
- 10.3 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 Head of Governance.