

## Tameside College Further Education Corporation Remuneration Annual Report 2022/23

### Part A – Introduction

#### 1 AoC Senior Post Holder Remuneration Code

- 1.1 At its meeting on 13 May 2019, the Board of Governors approved the adoption of the AoC Senior Post Holder Remuneration Code (“Code”). It was felt that this Code, which was designed specifically for the further education sector, was more relevant to the College than the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code, which had a focus on the higher education sector and represents less than 10% of College income.
- 1.2 The Board of Governors has subsequently undertaken actions to comply with the Code. The Remuneration Committee annually reviews the extent to which the College complies with the Code and any further actions required. The Remuneration Committee has concluded that it is substantively compliant.

#### 2 Terms of Reference of the Remuneration Committee

- 2.1 The terms of reference of the Remuneration Committee, attached as Appendix 1, were approved by the Corporation on 4 July 2023. The main objectives of the Committee are to review the policy on the pay and conditions of service for the Senior Post Holders and make recommendations to the Corporation accordingly, so as to:
- (i) ensure that the Senior Post Holders are fairly rewarded for their individual contributions to the College’s overall performance; and,
  - (ii) demonstrate to the public that the pay of Senior Post Holders is reviewed by a Committee which has no personal interest in the outcome of its recommendations and which gives due regard to the interests of the public and of the financial health of the College.

#### 3 Membership of the Remuneration Committee

- 3.1 The Members of the Remuneration Committee during the year ended 31 July 2023 were:

<b>Corporation Members:</b>
Malcolm Bruce
Karen James
John Lyne – Committee Chair
Chris Rushton (until 24.03.23)

#### 4 Cycle of Meetings and Attendance 2022/23

- 4.1 The Remuneration Committee met twice in the year ended 31 July 2023. Attendance at the meetings of the Remuneration Committee was as follows:

	<b>01.11.22</b>	<b>09.05.22</b>	<b>Actual attendance</b>	<b>Possible attendance</b>
Malcolm Bruce	✓	✓	2	2
Karen James	✓	✓	2	2
John Lyne	✓	✓	2	2
Chris Rushton	✓	-	1	1
<b>Total</b>	4	3	7	7

4.2 The overall attendance rate in the year ended 31 July 2023 was 100%.

## 5 College Strategic Objectives and Main Performance Indicators

5.1 The College’s five strategic objectives in 2022/23 were:

- 1 People – To enable all our people to develop the skills, knowledge and behaviours they need to play a productive role in the local and regional economy
2. Finance and Business Growth – To ensure the College is financially resilient and maintains its strong financial health
- 3 Quality – To do the right things, right the first time
- 4 Curriculum – To provide a high quality teaching, learning and assessment experience which leads to outstanding learner attainment and progression
- 5 Estate and Resources – To ensure everyone is able to access a high quality, safe and secure learning and working environment.

5.2 The College had 33 key performance indicators that were monitored by the Board in 2022/23. These covered the broad areas of curriculum and quality, funding and finance, recruitment and applications (students) and human resources. Important KPIs within these areas included: retention, pass rate, achievement rate, overall achievement rates (for apprentices), attendance, quality of teaching and learning, survey results, value-added, SAR grade, ESFA financial health grade, EBITDA, cash balance, operating surplus, pay expenditure, enrolments, staff satisfaction.

## 6 College Staffing Structure

6.1 The College had 457 fte staff budgeted as at 31 August 2023. These can be broken down as follows:

Senior Leadership Team	9
Curriculum	265
Student Support and Central Services	112
Business Support	63
<u>External Funded Staff</u>	<u>8</u>
<b>Total</b>	<b>457</b>

The College currently outsources catering and cleaning.

6.2 The Corporation has five designated Senior Post Holders:

- Principal
- Deputy Principal – Quality and People
- Deputy Principal – Curriculum
- Executive Director Finance, Estates, MIS and IT
- Clerk to the Corporation

## Part B – Approach to Remuneration

### 7 The College’s Operating Environment

7.1 The further education sector has faced tight funding settlements over the past decade that has seen College staff pay awards unable to keep pace with the rate of inflation. This situation has become more acute during the current period of high inflation. In addition, funding settlements for schools has remained better than that of colleges and this has led to an increasing disparity between the pay of school and college teaching staff. As an

employer, the College also competes with certain sectors outside of education some of which have seen significant increases in pay rates in recent years. The effect of these factors combined, has led to difficulties in recruiting teachers, in all areas. It has also impacted on recruitment into pastoral, learning support and business support roles, particularly lower scale roles in the support areas. Since COVID rules relaxed, the College has seen higher than normal turnover, especially in business support areas. The government announced additional funding for colleges in 2023/24, which was expected to go entirely into improving staff pay. The Senior Leadership Team and Governors have recognised that a significant pay award was needed, both to recruit and to retain good staff.

- 7.2 Tameside College faces competition from neighbouring colleges, including sixth form colleges, for leadership and teaching staff. Sixth form colleges are often viewed as an easier working environment, with students generally coming from less disadvantaged backgrounds.

## **8 The Corporation's Principles in Relation to Senior Post Holder Remuneration**

- 8.1 The Corporation's principles in relation to Senior Post Holder remuneration are to seek a balance between recruiting, retaining and rewarding the best staff possible, to deliver the best outcomes for students, society and the economy while demonstrating effective use of resources.

## **9 Approach to Setting Remuneration**

- 9.1 The Remuneration Committee considers factors such as economic factors, funding, competition, market rates, roles, skills experience and individual performance in its decision making. In particular, it is highly conscious of the College's tight funding position and the need to exercise restraint in Senior Post Holder remuneration.
- 9.2 Factors used in considering reward proposals for Senior Post Holders take into account:
- (i) the College's performance against agreed KPIs that cover areas including:
    - outcomes for learners;
    - the quality of teaching, learning and assessment;
    - management, financial performance, and administration;
    - leadership of staff;
    - stakeholder satisfaction;
  - (ii) the size and / complexity of the College.
- 9.3 The data which underpins the above factors includes internal and external generated datasets and reports, specifically, the AoC Senior Staff Pay Survey.
- 9.4 The directly employed College workforce receive annual pay awards that have matched, or in the case of the last three years has exceeded, the AoC recommended pay award and are eligible for either the Teachers' Pension Scheme (for academic staff) or the Local Government Pension Scheme (for support staff).
- 9.5 All staff in College, other than the Senior Post Holders are employed on a pay scale. The five Senior Post Holders are all appointed on a spot salary. In considering Senior Post Holder remuneration, the Remuneration Committee takes into account the cost of living pay award given to all other staff, which in turn is informed by the AoC recommended pay award. Senior Post Holders may be awarded any combination of a salary increase or a non-consolidated payment based on the performance of the organisation and achievement of personal objectives and a comparison of individual remuneration against sector averages. During 2018/19 it was agreed that Senior Post Holders should also automatically receive the Board approved College pay award as this was viewed effectively as a cost of living adjustment.

- 9.6 The Committee benchmarks Senior Post Holder salary based on the annual sector-wide AoC Pay Survey. This provides data on comparable roles according to the income of the institution ( $\geq$ £30m to  $<$ £40m), by college type (FE college) and by region (North / National). The College’s income has grown considerably in recent years, from £20.5m in 2015/16 to £31.1m in 2023/24 moving the College into a higher income band for sector comparisons. In 2021/22, the College benchmarked itself against colleges with an income of ( $\geq$ £25m to  $<$ £30m).
- 9.7 The current value of the College’s pay multiple of the Principal’s pay against the College’s median pay is as follows:

	<b>2023</b>	<b>2022</b>
Principal’s basic salary as a multiple of the median of all staff	5.21	4.96
Principal total remuneration as a multiple of the median of all staff	5.42	5.16

(Source: Draft Tameside College Members’ Report and Financial Statements 2022/23)

## Part C – Institutional Performance

### 10 Institutional Performance in 2022/23

- 10.1 In the past year, despite tight funding settlements, the College has had a number of achievements: These include:
- (i) student outcomes in 2022/23: High grades at A level were 28%, against the 2018/19 (pre-COVID year) comparator of 31%. A\* to C grades were 61% against 69% in 2018/19. The overall vocational value-added (One Grade) score for graded level 3 (non-A level) qualifications was +0.3, demonstrating positive value added. The apprenticeships achievement rate, which was identified as the key area for improvement in 2022/23, unfortunately declined from 66% last year to 48%. To a significant extent this was due to ongoing delays with end point assessment for apprentices and those apprentices will achieve in 2023/24 instead;
  - (ii) estates: during 2022/23 refurbishment of Victoria D Floor for T Level (Education and Childcare) was completed. Work commenced on an £11.5m capital investment (with £4.6m grant funding) at Beaufort Road, investing in a building refurbishment for Animal Management and Brickwork facilities; this element is due to complete early in 2023/24. Work on the second element, a new purpose-built Automotive Centre, has begun and due to complete in August 2024. £1.2m (100% grant funding) of Engineering, Mechatronics and Maintenance equipment has been installed relating to the successful bid for Institute of Technology capital funding;
  - (iii) satisfaction: maintained staff and student satisfaction rates that are above QDP (QDP Service Ltd) benchmarks;
  - (iv) enrolments: for 2022/23, the College enrolled 3,146 16-18 learners (against a funded target of 2,904). Growth was significant across the College and much higher than any planned growth;
  - (v) finance: an expected surplus of £2,213k in 2022/23 against an original budgeted surplus of £622k and then a revised budgeted surplus of £658k, with ongoing ‘outstanding’ financial health. The Board approved a budget for a surplus of £138k in 2023/24, which was reforecast in October 2023 as a surplus of £496k, also approved by the Board.
- 10.2 Senior Post Holder remuneration is generally limited to salary and pension costs, although a non-consolidated payment may also be awarded. Currently there are no other additional benefits paid for accommodation, private health insurance or car. The emoluments of the Principal over the past two years were as follows:

<b>Emoluments of the Principal</b>	<b>2022/23</b>	<b>2021/22</b>
Salary	£155k	£142k
Performance related pay	-	-
Benefits	-	-
Subtotal	£155k	£142k
Pension costs	£37k	£34k
<b>Total</b>	<b>£192k</b>	<b>£176k</b>

(Source: Draft Tameside College Members' Report and Financial Statements 2022/23)

## Part D – External Appointments and Expenses

### 11 External Appointments

- 11.1 The College policy on the retention of income generated from external bodies can be found in Appendix 2
- 11.2 The amount retained from external bodies by the Principal in 2022/23 was £2,680 (eight days work). This was in relation to her role as an Ofsted Inspector, for which she received £335 per day inclusive of all expenses (accommodation and travel). This arrangement was agreed separately at the time of her appointment. The Principal records annual leave for the days that she undertakes this work.

### 12 Expenses

- 12.1 The College's Expenses Policy can be found in Appendix 3. The extent of expenses for the five Senior Post Holders during 2022/23 is indicated below.

<b>Senior Post Holder</b>	<b>Total Expenses</b>
Principal	£0.00
Deputy Principal – Quality and People	£470.55
Deputy Principal – Curriculum	£310.52
Executive Director Finance and Estates	£0.00
Clerk to the Corporation	£40.40

## **Tameside College Further Education Corporation**

### **Remuneration Committee Terms of Reference 2023/24**

#### **1 Constitution**

- 1.1 The Tameside College Further Education Corporation hereby resolves to adopt the following terms of reference for the Remuneration Committee.

#### **2 Objective**

- 2.1 The Remuneration Committee shall review the policy on the pay and conditions of service for the Principal and the holders of designated senior posts and make recommendations to the Corporation accordingly, so as to:
- (i) ensure that the Principal and holders of senior posts (as designated by the Corporation) are fairly rewarded for their individual contributions to the College's overall performance; and,
  - (ii) demonstrate to the public that the pay of holders of senior posts is reviewed by a Committee which has no personal interest in the outcome of its recommendations and which gives due regard to the interests of the public and of the financial health of the College;
  - (iii) comply with HM Treasury requirements and guidance in relation to senior pay controls and special payments.

#### **3 Membership**

- 3.1 The Remuneration Committee shall be appointed by the Corporation and shall comprise four Members including:
- The Chair of the Corporation
  - The Vice-Chair of the Corporation
  - Up to two other Members of the Corporation, excluding the Principal and Staff and Student Members
  - Up to one external co-opted Member.
- 3.2 Any persons co-opted to serve on the Committee will be of established standing, reputation and integrity in the community which the College serves but independent of the College. Such members will be free from any business or other relationship with the College which might compromise the exercise of their independent judgement.
- 3.3 A quorum shall be two Members of the Remuneration Committee.
- 3.4 The Chair of the Remuneration Committee shall be appointed by, and be a Member of, the Corporation.
- 3.5 If the Chair is absent from any meeting of the Committee, the Members present shall choose one of their own number to act as Chair for that meeting.
- 3.6 Corporation Members who are Members of the Remuneration Committee shall hold a term of office on the Committee which is commensurate with their term of office as a Member of the Corporation.
- 3.7 Members retiring at the end of their term of office shall be eligible for re-appointment by the

Corporation.

#### **4 Attendance at Meetings**

- 4.1 The Principal shall normally be invited to attend meetings of the Remuneration Committee save where his/her remuneration package is being considered. The Committee may invite other senior postholders to attend meetings when necessary.
- 4.2 Other Corporation Members shall also have a right of attendance as observers save that the Remuneration Committee may exclude Staff and Student Members and any other Corporation Members who are employees of the College.
- 4.3 The Clerk to the Corporation shall be the Clerk to the Remuneration Committee.

#### **5 Frequency of Meetings**

- 5.1 The Remuneration Committee shall normally meet on two occasions in each academic year.

#### **6 Authority**

- 6.1 The Remuneration Committee is authorised by the Corporation to investigate any activity within its terms of reference.
- 6.2 It is authorised to seek any information it requires from any employees of the College and all employees of the College are directed to co-operate with any request made by the Committee.
- 6.3 The Remuneration Committee is authorised by the Corporation to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary provided that the Committee shall not incur direct expenditure in this respect in excess of £5,000 (plus VAT) in any College financial year without the prior approval of the Corporation.

#### **7 Duties**

- 7.1 The Remuneration Committee shall advise the Corporation on specific remuneration packages of the Principal and other senior postholders (as designated by the Corporation) and in doing so shall consider the following component elements:
- basic salary;
  - benefits in kind;
  - annual bonus/performance related elements;
  - pension provisions;
  - the main terms and conditions in the service agreement for each designated senior postholder, with particular reference to the notice provisions.
- 7.2 The Remuneration Committee shall evaluate annually the specific remuneration packages of the Principal and designated senior postholders against:
- pre-established performance goals and objectives; and
  - an appropriate peer group.

For that purpose, the Committee will review and assess performance target goals and objectives established before the commencement of the relevant period and determine whether such goals and objectives have been achieved at the end of the relevant period.

7.3 The Remuneration Committee shall advise the Corporation on any compensation (including the augmentation of pension benefits) which may be payable in the event of an early termination of the employment of the Principal or any designated senior postholder, with the broad aim of:

- avoiding rewarding poor performance; and
- dealing fairly with cases where early termination is not due to poor performance.

7.4 The Remuneration Committee shall review on a continuing basis the Corporation's policy in relation to:

- all aspects relating to the remuneration of the Principal and designated senior postholders including salary levels, comparisons with similar colleges, performance criteria and compensation commitments on early termination;
- main component elements in the specific remuneration packages of each designated senior postholder, such as salary, benefits in kind, individual bonuses and pension entitlements.

7.5 In reviewing and making any recommendation to the Corporation on the pay of Senior Post Holders, the Remuneration Committee shall follow HM Treasury (HMT) requirements in relation to Managing Public Money and HMT Guidance for Approval of Senior Pay: Senior Pay Controls Process. The Corporation must seek permission from the Department for Education (DfE) in respect of senior pay over defined limits.

7.6 In reviewing any special payments, including severance, compensation and ex-gratia payments being considered for senior postholders, the Remuneration Committee shall give consideration to the requirements of HMT Managing Public Money and the approval required for any payments above stated thresholds and signing of non-disclosure agreements.

## **8 Reporting Procedures**

8.1 The minutes of the Remuneration Committee shall normally be presented to the Corporation as a confidential agenda item.

**Policy on Retention of Income Generated from External Bodies****Extract From Employee Code of Conduct****2.11 Other Employment**

Employees should only engage in other employment if permission is granted to do so by the Principal. If doing so will have an adverse effect on the way in which College duties are performed, or would result in a conflict of interests permission may be refused. Employees are required to notify the Principal of any employment or engagement which they intend to undertake whilst in the employment of the College (including any which commenced before their appointment). If any employee is in doubt about such a matter they should discuss it with their line manager. Please also refer to your Contract of Employment.

Private work or work connected with an outside interest must not be done in College time, nor with the use of College materials, facilities or resources.

Fees paid for private work completed outside College time and without using College resources, belong to the individual. Otherwise the remuneration must be paid to the College.