

Tameside College Further Education Corporation Remuneration Annual Report 2018/19

Part A – Introduction

1 Terms of Reference of the Remuneration Committee

1.1 The terms of reference of the Remuneration Committee, attached as Appendix 1, were approved by the Corporation on 15 October 2018. 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.

2 Membership of the Remuneration Committee

2.1 The Members of the Remuneration Committee during the year ended 31 July 2019 were:

Corporation Members:
Alison Ashworth
John Lyne – Committee Chair
Manilal Mistry
Joan Ryan

2.2 Manilal Mistry stepped down as a Governor (and member of the Remuneration Committee) at the end of his term of office on 31 July 2019.

3 Cycle of Meetings and Attendance 2018/19

3.1 This report covers three meetings of the Audit Committee with attendance as follows:

	01.10.19	11.02.19	29.04.19	Actual attendance	Possible attendance
Alison Ashworth	✓	✓	✓	3	3
John Lyne	✓	✓	✓	3	3
Manilal Mistry	✓	✓	✓	3	3
Joan Ryan	✓	✓	✓	3	3
Total	4	4	4	12	12

N.B: An additional meeting scheduled for 11 February 2019 at short notice.

The overall attendance rate in 2018/19 was 100%.

4 College Strategic Objectives and Main Performance Indicators

4.1 The College's four strategic objectives are:

- 1 Enhancing and improving quality
- 2 Maintain the very strong financial health of the College
- 3 Developing the College
- 4 Developing an estate to ensure outstanding accommodation for all learners

- 4.2 The College had 34 key performance indicators that were monitored by the Board at each meeting during 2018/19. These covered the broad areas of curriculum and quality, funding and finance, recruitment and applications and human resources. Important KPIs within these areas included: retention, pass rate, achievement rate, overall and timely 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.

5 College Staffing Structure

- 5.1 The College had 361 fte staff as at 30 April 2019. These can be broken down as follows:

Senior Leadership Team	7
Teaching and Learning	260
<u>Business Support</u>	<u>94</u>
Total	361

The College currently outsources catering and cleaning.

The Corporation has five designated Senior Post Holders:

- Principal
- Deputy Principal
- Vice Principal Quality and People
- Executive Director Finance and Estates
- Clerk to the Corporation

Part B – Approach to Remuneration

6 The College's Operating Environment

- 6.1 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. 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. The effect of these factors combined, has led to difficulties in recruiting to teachers, especially in subjects such as A Levels and Construction.
- 6.2 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.

7 The Corporation's Principles in Relation to Senior Post Holder Remuneration

- 7.1 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.

8 Approach to Setting Remuneration

- 8.1 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. An example of this, in year, includes, the recruitment of an Executive Director Finance and Estates instead of a like-for-like replacement of a second Vice Principal with wider responsibilities. Additional responsibilities (HR, MIS, IT) were shared amongst existing Senior Post Holders.
- 8.2 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.
- 8.3 The data which underpins the above factors includes internal and external generated datasets and reports, specifically, the AoC Senior Staff Pay Survey.
- 8.4 The directly employed College workforce receive annual pay awards that have matched 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). Where appropriate, the College also makes market force payments to help recruit certain staff, for teaching posts in Electrical and Plumbing and Science A level teachers.
- 8.5 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 considers the cost of living pay award given to all other staff, which in turn considers 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 College pay award as this was viewed effectively as a cost of living adjustment.
- 8.6 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 £20m to <£25m), by college type (FE college) and by region (North West).
- 8.7 The current value of the College's pay multiple of the Principal's pay (£137,500) against the College's median pay (£27,515) is 5.0.

Part C – Institutional Performance

9 Institutional Performance in 2018/19

- 9.1 In the past year, despite tight funding settlements, the College has continued the trend of improved performance since 2016: This includes:
- (i) Ofsted inspection in April 2019 resulting in the College improving from Grade 3 (Requires Improvement) to Grade 2 (Good);
 - (ii) improved student outcomes. Based on performance in 2017/18, the College was judged the top performing GFE college in Greater Manchester for school leavers

and apprenticeships. Value-added for A level has improved since 2016 from ALPS 8 to 4 and the A level pass rate has been consistently 98% to 100%. High grades have also significantly improved. A level leavers' progression into Oxbridge and Russell Group universities is now good and rising further. For level 3, graded vocational courses the value-added score has improved from ALPS 6 to 3. High grades on 3 A level equivalent vocational courses have risen to 74%;

- (iii) successful completion and opening of Tameside One to learners. The Corporation also approved the construction an £11m Construction Skills Centre, that will provide first class construction facilities and unlock further development of the Beaufort Road site;
- (iv) improved staff and student satisfaction rates that are significantly above QDP (QDP Service Ltd) benchmarks;
- (v) increased enrolments during a time of demographic downturn, securing future income;
- (vi) forecast surpluses of £226k in 2018/19, £270k in 2019/20 and £180k in 2020/21 with ongoing 'outstanding' financial health forecast to remain for the duration for the current financial plan.

9.2 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:

Emoluments of the Principal	2018/19	2017/18
Salary	£135k	£133k
Performance related pay	-	-
Benefits	-	£2k
Subtotal	£135k	£135k
Pension costs	£22k	£21k
Total	£157k	£156k

(Source: Tameside College Members' Report and Financial Statements)

Part D – External Appointments and Expenses

10 External Appointments

10.1 The College policy on the retention of income generated from external bodies can be found in Appendix 2

10.2 The amount retained from external bodies by the Principal in 2018/19 was £3,685. 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 in 2016. The Principal records annual leave for the days that she undertakes this work.

10.3 During 2018/19, the Vice Principal Quality and People undertook consultancy for QDP Services Ltd encompassing about 6-8 days' work. This work was agreed by the Principal and was undertaken in the post holder's own time.

11 Expenses

11.1 The College's Expenses Policy can be found in Appendix 3. The extent of expenses for the five Senior Post Holders during 2018/19 was as follows and was incurred mainly for mileage, parking, travel, accommodation and subsistence.

Senior Post Holder	Total Expenses
Principal	£1,117.16
Deputy Principal	£79.13
Vice Principal Quality and People	£59.26
Executive Director Finance and Estates	-
Clerk to the Corporation	£88.28

Appendix 1**Tameside College Further Education Corporation****Remuneration Committee Terms of Reference 2018/19****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:
- (iii) 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,
 - (iv) 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.

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 the Chair 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 The Remuneration Committee will be responsible for approving the:

- Senior Postholder Disciplinary Procedure
- Senior Postholder Grievance Procedure
- Senior Postholder Capability Procedure

8 Reporting Procedures

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

Appendix 2

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.

EXPENSE CLAIMS PROCEDURE

1. GENERAL RULES FOR ALL EXPENSE CLAIMS

- a. All expenses claimed must be necessarily incurred by staff in the performance of their official duties.
- b. All expenses claimed must be authorised by the Line Manager and must be within the Departmental budget.
- c. Claims for travel and subsistence should be made as follows:

TYPE OF CLAIM	FORM USED
Car Mileage	Car Mileage Claim Form
Public Transport, Car Parking, Taxis, Subsistence	Travelling and Subsistence Claim Form

- d. All claim forms should be checked for arithmetical accuracy before submission for payment.
- e. Receipts should be attached for all expenses claimed. Failure to provide receipts may result in non-payment of expenses claimed.
- f. Expense Claims should be submitted regularly each month to the HR Department
- g. Members of staff should seek advice/clarification on any point of expense claims where uncertainty is presented.

2. TRAVELLING EXPENSES

- a) Public conveyance must be used on all appropriate occasions. The College has a policy to pay second class rail travel/bus fares except where special considerations apply.
- b) Rail tickets may be ordered in advance through the Finance Department
- c) It is not normally expected that claims for car allowances will be made in respect of journeys in excess of 100 miles. However a claim may be paid if the following criteria applies:
 - i) There is a substantial saving in time which at least counterbalances the additional car mileage costs incurred, or
 - ii) The use of a car was unavoidable, or
 - iii) Prior authorisation has been given by the Line Manager, or the HR Department
 - iv) Where an employee chooses to use a car, but does not qualify for car allowances under the criteria outlined above then a claim may be made for the “discounted” rail fare. This must be at the most economic rate for the journey concerned.
- d) Where two or more employees travel in one car the College shall pay either:-
 - i) The car mileage allowance at the appropriate rate, or
 - ii) The most economic and verified discounted rail fare available for each member of

staff carried, except where the aggregate cost of discounted rail fares exceed the appropriate car mileage allowance.

- e) Ensure that you have adequate insurance cover at all times when you are intending to claim car mileage allowance. Your insurance policy must provide cover for use of your vehicle for business purposes. The College does not provide any passenger, third party or vehicle insurance cover.

3. CAR ALLOWANCE CLAIMS

- a) Tameside College Car Allowance Scheme is established in line with the Inland Revenue Fixed Profit Car Scheme under which tax free mileage allowances can be paid.

- b) The College Car Allowance Mileage rates are:

40 pence per mile for the first 10,000 miles
25 pence per mile for each additional mile

- c) Car allowance payment for travel from home to work will not normally be paid. However, where an employee is "called out" to attend work in an emergency, outside their normal working hours, car mileage allowance can be claimed subject to a maximum return journey for claim purposes of 20 miles. (The Inland Revenue class all car allowance benefits from home to work as a taxable benefit).
- d) If you are required to travel from home to a place other than the College you can make a claim for car mileage allowance, in which case you must deduct your normal return mileage from home to your place of work.

4. CAR PARKING

Car Parking fees incurred on business, but not at a College site if you are based at that site, will be reimbursed to you upon submission of the car park ticket.

5. TAXIS

As a general rule, the College will not reimburse staff for any journeys made by taxi, as it does not view this as an economic use of resources. In certain circumstances however it is recognised due to the time of day or other mitigating circumstances that the use of a taxi is the only viable option, in which case the member of staff may reclaim their receipted taxi fares, providing the necessity of the taxi journey is demonstrated and approved by their Line Manager

6. SUBSISTENCE

Meal expenses etc will be payable to members of staff who are prevented, by their official duties, from taking a meal at home or in the College and thereby incur additional expenditure.

Hotel accommodation should normally be arranged in advance, payable by invoice. Advice on hotel accommodation prices is available from the HR Department.

Scales of subsistence expenses are subject to periodic review and possible change.

EXPENSES PAYABLE FROM SEPTEMBER 2013 ARE AS FOLLOWS:

- 1) Second class rail fare or bus fare incurred

2) Subsistence expenses on the following scale:-

- Bed and Breakfast Reasonable rate as agreed with Head of HR
- Bed and Breakfast in London Reasonable rate as agreed with Head of HR
- Breakfast Up to 7.00
- Lunch Up to 7.00
- Dinner Up to 13.00