

Remuneration Policy for Senior Post Holders (SPH)

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1. Introduction

1.1. Senior post holders are those senior members of staff appointed by, and directly accountable, to the Board. Decisions made in relation to senior post holder remuneration should ensure a balance between recruiting and retaining the best staff, delivering the best outcomes for students and ensuring that College resources are used efficiently and effectively.

1.2. This Policy has been developed in full consideration of the Association of Colleges' Senior Post Holder Remuneration Code¹ and provides a set of principles to be applied when considering senior post holder pay and conditions, and a procedure to support the making of such decisions.

2. Related Policies, Procedures and Documents

2.1. Standing Orders and Schedule of Levels of Authority for Decision making²

2.2. The Instrument and Articles of Government³

2.3. The Code of Good Governance for English Colleges⁴

2.4. Association of Colleges' Senior Post Holder Remuneration Code.

2.5. Appraisal procedures⁵

2.6. Other policies and documents may be identified from time to time as circumstances change and may be added to this list.

3. Principles for Deciding Senior Post Holder Pay

3.1. The Board is responsible for ensuring that senior post holders receive fair, appropriate and justifiable levels of remuneration that recognise:

- a. individuals' contributions to the College's success; and
- b. the need to recruit, retain and motivate post holders of the appropriate calibre;

¹ <https://www.aoc.co.uk/funding-and-corporate-services/governance/governance-resources/colleges-senior-post-holder>

² <https://www.rutc.ac.uk/images/pdfs/Policies/standing-orders-rutc-2020.pdf>

³ https://www.rutc.ac.uk/images/pdfs/instrument-and-articles-of-government-2020_.pdf

⁴ <https://www.aoc.co.uk/funding-and-corporate-services/governance/governance-resources/code-good-governance-english-colleges>

⁵ Available from HR

c. whilst also ensuring that the College demonstrates value for money.

3.2. The Board will therefore apply the following principles when making decisions relating to senior post holder remuneration:

a. The Value of the Role: Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to the College's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources. The value of different senior posts may vary in a number of ways, including the complexity of the role, accountability, levels of discretion in relation to decision making and the impact that the role has on students, employees and other stakeholders, as well as the financial sustainability of the College. Consideration should also be given to the knowledge, specialist skills and experience and professional credibility required.

b. Performance in Support of Strategic Objectives: An assessment of performance in relation to senior post holders' objectives should be considered, with reference to the College's key performance indicators. There must be a robust and consistent process for setting objectives and assessing progress, to ensure that post holders are clear as to what is expected of them by the Board. This should include the definition of what is considered to be 'normal' and 'exceptional' performance.

c. Market Factors: In considering the value of each role, due attention should be taken of market rates for comparable roles within the sector, including factors such as location, size and complexity of the College. It is important that salaries remain competitive with comparable roles within the sector if the College is to recruit and retain the highest quality College leaders.

d. Affordability: Any changes in remuneration for post holders must take into account the College's overall financial position.

e. Public Context: The Board is publicly accountable and therefore must ensure transparency in relation to the setting of senior post holder remuneration whilst being considerate of public consciousness, when doing so. This should include considering the College's approach to rewarding all its staff and how senior post holders' remuneration, and any proposed increases, compare with the College workforce as a whole (median average earnings) and the impact of any proposed changes.

f. Parity and fairness: The Board must consider matters of equality and inclusion to ensure that there are no biases pertaining to any protected characteristics in the setting of pay.

3.3. The Search, Remuneration and Performance Committee must be independent and in no circumstances can an individual be involved in deciding his or her own remuneration.

4. Procedure

4.1. The Search, Remuneration and Performance Committee is responsible for setting and reviewing senior post holders pay and conditions. The Committee will be chaired by an external Member who is not the Board Chair.

The Search, Remuneration and Performance Committee has also been delegated to approve senior post-holder role descriptions and person specifications and to determine the grading and conditions of service of senior post-holders.

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 Board Chair will advise in relation to the Principal's and Head of Governance's performance

4.2. There is the option prior to the Search, Remuneration and Performance Committee meeting at which the senior post holder pay is to be considered, for the Chair of the Search, Remuneration and Performance Committee, the Principal and the Assistant Principal with responsibility for Human Resources to meet to assess the value of each senior post holder in relation to:

- a. complexity of the role (scale and range of decision making, collaboration and contact, time critical activity);
- b. impact of the role (on students, research, finance and people including employees, partners and the community);
- c. level of discretion in role (level of accountability, degree of autonomy and decision making authority);
- d. levels of knowledge and skills required;
- e. reputation and academic/professional credibility required for the role.

4.3. Relevant benchmarking data, obtained from the Association of Colleges and other relevant sources, will also be used to enable external comparison.

4.4. At the beginning of each academic year, the Principal will agree objectives with other members of the Executive Team with reference to specific key performance indicators where appropriate. Objectives will reference what is expected and what will be considered exceptional performance. The Principal's objectives will be set by the Board Chair in the same way. The Head of Governance's objectives will be set in the same way by the Chair.

4.5. The Search, Remuneration and Performance Committee will receive a report on the relative values of the 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 Principal on the performance of senior post holders and from the Board Chair on the performance of the Principal.

4.6. The Search, Remuneration and Performance Committee will decide on the appropriate remuneration for each senior post, based on the value of and market rate for the role, and having 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.

4.7. The Search, Remuneration and Performance Committee may 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 the impact in their role in relation to their objectives, which will be validated by key performance indicators where appropriate.

4.8. The Search, Remuneration and Performance Committee will provide clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders.

4.9. Information relating to the remuneration of senior post holders will be published in accordance with the Association of Colleges' Senior Post Holder Remuneration Code.

5. Income Derived from External Activities

5.1. The Board recognises that it is important that staff represent the College on various bodies and boards and carry out academic and civic responsibilities at other organisations e.g. non-executive director roles.

5.2. Senior Post Holders must disclose and explain any income derived from any such activity that generates additional income for the individual from the external body.

5.3. Senior Post Holders will not be permitted to retain significant sums derived from any such activity. The significance will be determined by The Search, Remuneration and Performance Committee according to each case.

6. Severance Payments

6.1. The Board will comply with the Association of Colleges' Senior Post Holder Remuneration Code in relation to the treatment of severance payments.

6.2. Any severance payment made by the College to a senior post holder must be reasonable, appropriate and justifiable. Where severance payments are under consideration, advice should be taken from the external auditor to ascertain the legitimacy of any proposed payment.

6.3. In line with the College Financial Memorandum, the Board must draw any such payments to the attention of the College's regularity auditor.

7. Equality Analysis

7.1. By virtue of the provisions of the Equality Act 2010, the Board has a duty to have due regard to the need to:

- a. eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct;
- b. advance equality of opportunity between people of different groups;
- c. foster good relations between people from different groups.

7.2. In implementing this Policy and associated procedures, the Board will actively take these aims into account as part of its decision making process and will demonstrate how this has been undertaken.

7.3. Where necessary a full equality impact assessment will be undertaken.

8. Implementation, Monitoring and Review

8.1. This Policy will be reviewed at the end of its first year of operation to ensure that the Policy has operated effectively, is fit for purpose and that no unintended consequences have occurred.

Following this first view, the Policy will be reviewed every three years, or as otherwise directed by the Principal, College policy or legislative changes.

Version	Effective from	Summary of change	Prepared by	Approved by
1	07.010.20	First version	Sarah Connerty	SRP – 22.09.20 Board – 07.10.20