



ANNUAL REMUNERATION STATEMENT 2019-20

1. Introduction

At its meeting on 13 October 2020, the Remuneration Committee agreed a detailed Annual Remuneration Report, which was presented to the FE Corporation on 8 December 2020. This statement, which will be made available on the college website, details key issues arising from this.

2. Remit and Membership

The Remuneration Committee has responsibility for all matters relating to the remuneration and terms and conditions of the College's Senior Post Holders and the Clerk to the FE Corporation.

The College's Senior Post Holders in 2019-20 were:

- Principal and Chief Executive – Kate Roe
- Deputy Principal – Carole Todd
- Director of Finance and Corporate Resources – Andrew Hayday

The Clerk to the Corporation was Sarah Thompson

Remuneration Committee membership for the 2019/20 academic year was

- Frances Hoy (Independent Governor, Committee Chair)
- Pat Howarth (Independent Governor, Committee Member and Chair of the FE Corporation)
- Hollie Ball (Independent Governor, Committee Member)

The Principal, Kate Roe, was in attendance at all meetings but left meetings for discussions regarding her own remuneration and terms and conditions. The Clerk to the FE Corporation clerked all meetings of the committees but left meetings during discussions concerning her own remuneration and terms and conditions.

The Committee held two meetings during 2019/20 – on 8 October 2019 and 4 February 2020. All members attended both meetings (100% attendance). The meeting in October 2019 considered interim reviews, while the February meeting considered final performance reviews and targets for the following year.

3. Terms of Reference

The committee's terms of reference for 2019-20 are attached to this report as Annex A.

4. Remuneration Policy

The Corporation's approach to remuneration for senior post holders aims to ensure that the college is able to recruit, retain and reward talented senior staff, capable of delivering the Corporation's strategic goals and sustaining high performance against national benchmarks, while ensuring an effective and efficient use of resources.

When determining remuneration, the committee takes into account the context in which the college is operating, including local and national competition and the value delivered by the individual within the role based on a number of components.

The college is a general further education provider and offers a range of provision across vocational and professional qualifications, from Entry Level up to Higher Education. There is substantial apprenticeship and adult education provision.

The committee reviews senior post holder salaries at least annually and takes account of national benchmarking information provided by the Association of Colleges, as well as regional and national context. The committee accesses and considers independent advice on pay as required.

The FE Corporation has determined that any general pay award made to staff will be applicable to senior post holders

There is no use of performance-related pay for senior post holders within the college.

Senior Post Holders receive pension benefits in line with the schemes available to staff, i.e. Teachers' Pension Scheme or Local Government Pension Scheme.

There are no additional benefits packages made available to Senior Post Holders.

5. Senior Post Holder Performance Review

Individual objectives and priorities for the Principal and Clerk are agreed annually with the Chair of the Corporation. The Principal agrees annual objectives with the Deputy Principal and Director of Finance and Corporate Resources and these are formally approved by the Remuneration Committee. Objectives reflect the focus for individual roles as well as institutional priorities. The key strategic objectives are as detailed in the college's Strategic Plan 2018-2023 and an update against this is considered at each Corporation meeting.

6. Pay Multiples

In line with the College Accounts Direction 2019-20, the pay multiple for the Principal will be included in the annual report and final accounts.

In 2018-19, the Principal's basic salary as a multiple of the median of all staff was 5.2 and the Principal's total remuneration as a multiple of the median of all staff was 5.2. This was unchanged from 2017-18.

No average pay multiple for the sector has been published to date.

As previously agreed by the Remuneration Committee, comparator colleges have been selected on the basis of income, provision type and geographic location. This shows that the pay multiple for the Principal is in line with the pay multiple in colleges with a similar level of income and similar type of provision. There are a wide range of pay multiples across Tees Valley and North East colleges (from 3.25 to 7) and the Principal's pay multiple is within this range.

Information from the most recent AoC Senior Pay Survey suggests a median pay multiple in the sector of 5.3, with a range from 2.93 to 8.8. The Principal's pay multiple is within this range and in line with the median.

7. Equality considerations

There were no instances where there was a gender-related difference in salary for roles of the same type for Senior Post Holders in the College.

The requirement for publication of a gender pay report was removed in 2020 due to COVID-19. In previous years, the college has published an annual gender pay gap report on its website and on the government website in line with requirements. The 2019 Gender Pay Gap report was considered by the Corporation's Finance, Employment and Estates Committee in March 2020. This included the following information regarding senior staff:

Of our senior leadership team we have the following split which shows a positive picture of females in senior posts.

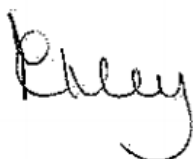
<i>Senior Postholder</i>	<i>Gender</i>
<i>Principal</i>	<i>Female</i>
<i>Deputy Principal</i>	<i>Female</i>
<i>Director of Finance</i>	<i>Male</i>

8. External appointments and expenses

A college policy on retention of external income by senior post holders, as recommended by the Remuneration Committee, was approved by the FE Corporation in December 2019. This permits senior post holders to retain income in specific circumstances and with the agreement of the Remuneration committee.

The policy requires senior post holders to declare income from external bodies via the annual Declaration of Interest process and for the Clerk to provide an update to the Remuneration Committee. An update was provided to the committee in October 2020 and the Corporation were subsequently informed of the income retained by the Principal and Chief Executive.

Signed:



Frances Hoy, Chair of Darlington College Remuneration Committee



Remuneration Committee Terms of Reference

Constitution

The Corporation Board hereby resolves to establish a Committee of the Corporation Board to be known as the Remuneration Committee (the Committee).

The committee will take note of the provisions of The Colleges' Senior Post Holder Remuneration Code, as adopted by the FE Corporation on 26 March 2019..

Membership

The Committee shall be appointed by the Corporation Board from amongst the governors of the Corporation Board and shall consist of not less than three members, which shall not include staff governors. The Principal of the organisation shall not be a member of the Committee.

A quorum shall be two members. However, there must be two independent governors other than the Chair in attendance when the Chair presents recommendations arising from his review meetings with the Principal and Clerk.

One of the members will be appointed Chair of the Committee by the Corporation Board. Wherever possible, an independent governor other than the Corporation Chair will chair meetings of the Remuneration Committee to allow an appropriate level of challenge.

Attendance

The Clerk shall be Secretary to the Committee and shall attend to take minutes of the meeting and provide appropriate support to the Chair and Committee members.

Note: The Clerk to the Corporation shall withdraw from that part of the meeting at which discussion and recommendations are made in respect of his/her post.

The Principal and any other senior post holder will normally be offered an opportunity to make representations to the committee in respect of his / her remuneration but will be asked to withdraw in order that the committee can consider the details.

Frequency

The Committee must consider the frequency and timing of meetings needed to allow it to discharge all of its responsibilities. Based on this consideration the Committee shall meet as a minimum once a year and usually twice each year (once to consider interim performance reviews and once to consider final / annual reviews).

Authority

The Remuneration Committee is authorised to seek any information it requires from any Corporation Board member, Committee of the Corporation, or employee of the College. All Corporation Board Members and employees of the College are required to co-operate with any reasonable request for information from the Committee.

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 when necessary.

Duties

1. To review the performance of senior post holders of the College, the Principal and Clerk to the Corporation.
2. To agree performance objectives for senior post holders, the Principal and the Clerk to the Corporation, on the advice of the Corporation Chair and Principal, as appropriate, and report these to the Corporation
3. To consider terms and conditions, including pay and remuneration, for senior post holders of the College, the Clerk to the Corporation and the Principal and make recommendations to the Corporation
N.B. The Corporation will usually agree any standardised annual pay award to Senior Post Holders as part of their consideration of an annual pay award to all staff.
4. To consider equal pay matters and ensure the college's equality and diversity policy is taken into account when considering staff pay.
5. To consider any severance payments to senior post holders, the Principal and the Clerk to the Corporation in accordance with the Remuneration Code, including seeking any legal advice and advice from the external auditors and making recommendations to the Corporation.
6. To demonstrate to the public that the pay of senior post holders, the Principal and Clerk to the Corporation is set by a committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public and of financial health of the College.
7. To prepare an annual report on remuneration for presentation to the Corporation, and an annual Remuneration statement for publication.

Other matters

The minutes of Remuneration Committee meetings shall be formally recorded by the Clerk. The Chair of the committee will verbally report on meetings of the Remuneration Committee to the Corporation Board at the next meeting, drawing the Board's attendance to any issues of significance. Minutes of the Committee will be available to any Corporation Board members (excluding staff and student members) on request.

The Committee shall be supported administratively by the Clerk, whose duties in this respect will include:

- Agreement of agendas with Chair and attendees and collation of papers
- Taking the minutes
- Keeping a record of matters arising and issues to be carried forward
- Advising the Committee on pertinent issues/areas
- Enabling the development and training of Committee members.