

THE CORPORATION OF EAST SURREY COLLEGE

THE COLLEGES' SENIOR POST HOLDER REMUNERATION CODE - ANNUAL STATEMENT TO THE GOVERNING BODY 2022/23

In accordance with its Articles of Government, the Corporation has established a Senior Postholders' Employment Committee to review all matters relating to the employment, pay and conditions of service and the training and development of those roles designated as Senior Post Holders within the College. The Committee then makes recommendations as appropriate to the Corporation Board.

The roles designated as Senior Post Holders during the period 1 August 2022 to 31 July 2023 were:

Chief Executive
Principal
Chief Executive & Principal – role combined from 01.01.23
Chief Operating Officer
Executive Director Commercial & Partnerships – role designated as a senior post holder 15.09.22
Director of Governance

The membership of the Senior Postholders' Employment Committee during the year comprised of the following independent members of the Corporation Board:

Liz Rushton
Colin Monk (Chair)
Phillip Kerle
Alex Hayman
Simon Bland

The Committee met on two occasions during the course of 2022/23

- 13 September 2022
- 29 June 2023

At the meeting held on 14 March 2019, the Committee recommended to the Corporation Board the adoption of the Association of Colleges' 'The Colleges' Senior Post Holders Remuneration Code' (the Code) as part of the Code of Good Governance for English Colleges. The Corporation Board accepted this recommendation and adopted the Code at its meeting on 28 March 2019.

The principles of the Code apply to all decisions affecting the remuneration of Senior Post Holders and the College has applied them in full.

As part of the compliance with the Code, the Committee produce an annual report to the Corporation Board, which reflects the work of the Committee over the year and, in particular, demonstrates that the remuneration for senior staff is fair and appropriate. Based on this annual report, the publishing a readily accessible annual statement.

There are three key elements that the Committee adopts to demonstrate that the remuneration of Senior Post Holders is fair and appropriate:

- 1) **A fair, appropriate and justifiable level of remuneration.** This involves consideration of:
 - a clear understanding of the responsibilities, context and expected contribution of a role
 - the attributes required to undertake that role effectively
 - the recognition of an individual's contribution in their role to the success of the College
 - the ability to recruit, retain and motivate staff of appropriate calibre in the context of the market
 - a demonstrating value for money in the use of resources

- 2) **Procedural fairness.** This requires:
 - a process that has competent people applying a consistent framework using appropriate evidence
 - independent decision-making, specifically ensuring that:
 - the Committee is not chaired by the Chair of the Corporation Board
 - the Chief Executive/Principal is not a member of the Committee
 - no individual being involved in deciding their own remuneration
 - that remuneration is set in the consideration and context of the approach to rewarding all staff

- 3) **Transparency and accountability.** This requires that:
 - the process must relate to the competitive environment, the value of the roles and institutional performance
 - the remuneration of the Chief Executive/Principal must be separately justified, published and related to the remuneration of all staff within the College
 - the College publish a readily accessible annual statement that is based on the Committee's annual report to the Corporation Board

Approach to Remuneration

The College operates within a highly competitive environment in the South East of England for suitably experienced professionals with the appropriate levels of expertise to manage a Grade 2 college.

The levels of responsibility and the skills required for each Senior Post Holder are clearly defined and are linked to the College's own pay scales, which have been approved by the Corporation Board. In the light of the merger with John Ruskin College in February 2019, a comprehensive review was undertaken by the Committee at the meeting held on 14 March 2019 of the pay scales for the senior post holders in post at that time. The Committee recognised the increased responsibilities inherent in the new structure for these senior post holders and established pay scales to be applied for the next three years. As part of this review, the Committee concluded that no additional senior post holders were required to be appointed.

From the beginning of the 2021/22 academic year, a Group Organisational Structure was established with a standalone CEO position and a new position of Principal created.

The standalone position of CEO was consolidated with the Principal following the retirement of the CEO on 31 December 2022. The current Principal was appointed to this role from 1 January 2023.

In July 2022 it was agreed that as there was a new senior team in place, establishing a new set of pay scales for senior post holders would be deferred to the following year.

All staff, including Senior Post Holders, undertake an annual appraisal with their line manager when performance against objectives is reviewed and new objectives set. Regular 1:1s continue throughout the year so that objectives can be continually monitored. The line manager for the Chief Executive & Principal and Director of Governance is the Chair of the Corporation and, for the Chief Operating Officer and Executive Director Commercial & Partnerships, the line manager is the Chief Executive & Principal.

All Senior Post Holder roles are reviewed annually for any pay increases. In doing so, the Committee takes into account the following specific factors:

- the nature of the role including the experience and skills required
- the individual's appraisal, especially their performance against objectives
- the agreed College objective regarding recruitment and retention – which is to continue to offer salaries to the Senior Post Holders within the upper quartile of those offered to holders of comparable posts in the South East of England.
- the guidance given by the Association of Colleges in their latest Senior Pay Survey, based on holders of comparable posts with reference to location and size (annual income) of the College (acknowledging that this guidance is normally a year out of date and refers only to base salary and not the total remuneration package).
- the general economic environment in which the College operates, particularly with reference to market rates and competition, as well as the specific state of the College's finances regarding affordability.

As part of this policy on remuneration, the College:

- does not apply performance related pay and does not operate an annual bonus system
- can confirm that there is no income generated from external bodies by any Senior Post Holder in a personal capacity
- has a single policy on expenses that applies to all staff, including Senior Post Holders

Pay Multiple of the Chief Executive/Principal and the median earnings of the institution's whole workforce

	2023	2022
Median Salary	£29,158	£27,489
Chief Executive/Principal's basis salary as a multiple of the median of all staff	4.1	5.7

The College uses the latest AOC Senior Pay Survey data based on the College's turnover band £20m - £25m

Approved by SPEC: 29 June 2023
Approved by Corporation Board 6 July 2023