

## **Preston College - Senior Post Holder Remuneration Committee**

### **Annual Statement - 2023/24**

This statement is based on the annual report to the Board considered on 12 December 2024.

### **Adoption of the AoC Colleges Senior Post Holder Remuneration Code**

The Corporation Board adopted the Association of Colleges (AoC) Senior Post Holder Remuneration Code Senior in December 2019. The Code was first implemented during 2019/20.

### **Corporation's Senior Post Holders**

Until 18 September 2024, the Corporation had designated three posts on the organisational structure as Senior Post Holders. The designated Senior Post Holders for 2023/24 were:

Mr Simon Nixon - Principal and Chief Executive.

Mrs Clare Rayner - Clerk to the Board

Mrs Karen Dunmore - Vice Principal Finance from 17 January 2024 until 30 June 2024.

The post of Vice Principal Finance was removed from the staffing structure on 18 September 2024.

### **Formation of the Senior Post Holder Remuneration Committee and current membership**

The College's Senior Post Holder (SPH) Remuneration Committee was formed in June 2020, following Board approval of the Remuneration Committee membership and SPH Remuneration Committee Terms of Reference.

The SPH Remuneration Committee's remit is to advise the Board in respect of:

- the remuneration and conditions of service of the Principal/Chief Executive and other Senior Post Holders;
- policies relating to Senior Post Holder remuneration;
- the annual statement on Senior Post Holder remuneration;
- review of reports relating to Senior Post Holder remuneration and performance.

The membership of the Committee is: The Chair of the Corporation, the Vice Chair of the Governing Body, the Chair of the Resources Committee and three other independent governors.

During 2023/24 the membership of the Committee was:

Mr Steve Browne - Chair of the Senior Post Holder Remuneration Committee

Mr John Boydell - Chair of the Governing Body

Mrs Lynda Mason - Vice Chair of the Governing Body

Mrs Joanne Jones - Chair of Resources Committee.

Mr Jose Sedano-Martinez – appointed 4 July 2024.

The Committee had two vacancies.

Following board retirements, the current membership of the Committee as of January 2025 is:

Mr Steve Browne - Chair of the Senior Post Holder Remuneration Committee

Mr Jose Sedano-Martinez - Chair of the Governing Body

Mrs Lynda Mason - Vice Chair of the Governing Body

Mrs Joanne Jones - Chair of Resources Committee

Mrs Jen Walters – Appointed 18 September 2024.

### **Committee Attendance**

In 2023/24 the SPH Remuneration Committee met on four occasions: 17 August 2023, 12 September 2023, 30 May 2024 and 25 June 2024. Committee attendance for 2023/24 is shown in the table below.

<b>2023/24</b>	<b>Total</b>	<b>Of a possible</b>
Steve Browne	4	4
John Boydell	4	4
Joanne Jones	4	4
Lynda Mason	3	4

### **Board’s Approach to SPH Remuneration – Policy and Procedure**

The Corporation Board is responsible under the Instrument and Articles of Government for the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of designated senior posts.

The Board’s approach to SPH remuneration should ensure a fair, appropriate and justifiable level of remuneration.

The Resources Committee considers the application of a cost of living pay increase on an annual basis for all staff, including Senior Post Holders, and makes a recommendation to the Board. Any such consideration takes into account the AoC recommended pay award and affordability within the College financial constraints.

The Board approved a Pay Principles Policy for Senior Post Holders (9 July 2020) which states that the College:

- is committed to ensuring and maintaining fair pay principles;
- will take into consideration its responsibility as a public body operating through public funds, when making decisions relating to pay and benefits of Senior Post Holders to ensure that they are fair, transparent and value for money;
- as an employer will ensure that the principles applied to Senior Post Holders reflect those the Board has adopted for staff other than Senior Post Holders;

- in agreeing the salary rate for Senior Post Holders, will be mindful of the principles contained in the AoC document “*The Colleges’ Senior Post Holder Remuneration Code*”:
- ensures that the principle of equal pay for equal value underpins the operation of this Pay Principles Policy for Senior Post Holders.

The Pay Principles Policy for Senior Post Holders outlines the following procedure:

- the Remuneration Committee shall carry out an annual review of remuneration for all Senior Post Holders against relevant benchmarking data to ensure the salaries offered reflect market values for the occupational areas of expertise;
- the Committee shall seek advice on appropriate salary benchmarking information to ensure the remuneration package is sufficient to attract and retain the right candidature for the role; and provides value for money;
- the AoC provides annual salary information to enable external benchmarking comparisons to be made. This information includes recognition of the College income ie an indicator of the size of the College business, the leadership tier at which the role operates and also recognition of regional market value differences;
- the Committee will review Senior Post Holders remuneration in the last cycle of the Governance year, and will determine whether or not to recommend to the Board an increase in remuneration bring the salary of the Senior Post Holder in line with market values and other relevant factors;
- the SPH Remuneration Committee will review Senior Post Holders remuneration in the last cycle of the Governance year, and will determine whether or not to recommend to the Board an increase in remuneration bring the salary of the Senior Post Holder in line with market values and other relevant factors.

The Committee and the Clerk to the Board have access to the advice of the Director of Human Resources and access to independent advice if required.

The SPH Remuneration Committee make recommendations to the Board. Any pay award made in respect of a cost-of-living increase is normally payable from 1 August. Any increase in pay agreed as a consequence of the annual salary review will usually take effect from 1st September of that year in line with the pay progression cycle for non SPH staff.

Minutes of the SPH Remuneration Committee are considered by the Board.

### **SPH Salary Review**

SPHs received the pay award awarded to staff during 2023/24 which was a 7% pay award from 1 August 2023.

The Clerk received financial support for completion of the Risk Management unit of the Chartered Governance Qualifying Programme.

At its meeting on 25 June 2024, the SPH Remuneration Committee completed a salary review for the Principal and Chief Executive and the Clerk and made recommendations to the Board.

The SPH Remuneration Committee noted the notional salaries of the Principal and Chief Executive and the Clerk if a 2% pay increase was applied and benchmarked this salary.

Following salary review and review of benchmarking data for the Principal and Chief Executive and the Clerk to the Board, the SPH Remuneration Committee recommended to the Board that the current salary of the Principal and Chief Executive and the Clerk to the Board should be maintained.

At its meeting on 4 July 2024, the Board approved the recommendations of the SPH Remuneration Committee.

### **Income Derived from Internal and External Activities**

The Pay Principles Policy for Senior Post Holders includes reference to the Corporation policy on SPH Income Derived from Internal and External Activities:

- Senior Post Holders may be required to perform services for any subsidiary of the Corporation. Any such office will normally be without further remuneration, although any expenses reasonably incurred will be payable provided evidence of such expenditure is submitted. In exceptional circumstances, the Remuneration Committee may be asked to consider recommending to the Board payment of an honoraria or ex-gratia payment for service to a Subsidiary;
- the contract of employment for Senior Post Holders requires that it is an exclusive service, with the exception of a declaration of a holding of not more than 5% of any securities in a company which is quoted on a recognised Stock Exchange;
- Senior Post Holders may from time to time be asked or seek to become involved in other businesses to benefit either their professional development or that of the College. Any such undertaking will only be permitted with a resolution of the Board; and any remuneration associated with the office will become income to the College;
- reasonably incurred expenses may be retained or claimed from the College where the arrangement has been deemed to be in the College interest;
- in exceptional circumstances or where the Senior Post Holder is not employed on a full-time basis, the Board may be asked to consider a Senior Post Holder retaining some or all of the income on a personal basis.

There were no external activities undertaken by Mr Nixon and Mrs Rayner during 2023/24 for which they received income.

## Principal and Chief Executive Earnings for 2023/24

	2024	2023
Principal's basic salary as a multiple of the median of all staff.	4.98	4.83
Principal's total remuneration as a multiple of the median of all staff.	4.99	4.84

## Compliance with the Association of Colleges Senior Post Holder Remuneration Code

The Committee is satisfied that the College is fully compliant with the AoC Senior Post Holder Remuneration Code.

This statement is an explanation of the College's decision not to adopt the Council of University Chairs' (CUC) Higher Education Senior Staff Remuneration Code and instead adopt AoC's Senior Post Holder Remuneration Code (SPHRC).

The Board complies with AoC's SPHRC because:

- both codes cover the same areas and require College leadership to implement similar assurance and compliance measures;
- both have been designed to provide transparency and protect institutional and sector reputation by demonstrating stewardship and leadership in relation to remuneration within their institutions;
- AoC's SPHRC has been designed to be more directly relevant to the circumstances of the colleges;
- AoC's SPHRC is also identified in ESFA's 2023/24 accounts direction as suitable for adoption.