

**MACCLESFIELD COLLEGE SENIOR STAFF REMUNERATION STATEMENT AND
REMUNERATION COMMITTEES ANNUAL REPORT 2022**

A PURPOSE OF THE REPORT

WHY IS THIS PAPER BEING PRESENTED?

In 2018, Macclesfield College Corporation agreed to adopt the AoC Colleges' Senior Staff Remuneration Code. The Corporation should ensure that Macclesfield College complies with the 'must' and have regard to the 'should' statements set out in the code. The code also has a requirement that the college must publish a readily accessible annual statement, based on the annual report to the Corporation. The purpose of this report is to address this requirement. Macclesfield College's Instrument and Articles of Association confirm that the appointment, grading, suspension, dismissal and determination of pay and conditions for Senior Post Holders are matters for the Corporation.

WHICH OF THE RESPONSIBILITIES OF THE CORPORATION DOES THIS PAPER ADDRESS?

1	Determination and periodic review of the educational character and mission	
2	Oversight of college activities	
3	Developing/approving college strategy	
4	Monitoring outcomes for learners and monitoring achievement of strategy	
5	Effective and efficient use of resources, ensuring the solvency of the college, safeguarding the college's assets	
6	Approval of the annual estimates of income and expenditure	
7	Senior staff employment and remuneration	Yes
8	Modification or revocation of Articles	
9	Meeting statutory responsibilities	Yes
10	Responsibility of the Corporation for its own procedures and activities	Yes

B PROPOSED RECOMMENDATIONS FOR GOVERNORS

Governors are requested to review the content of this report.

C WHAT ARE THE IMPLICATIONS FOR LEARNERS? (including any Equality and Diversity implications)

D SUMMARY

The Macclesfield College Remuneration Committee met on 25 January 2022. The Remuneration Committee discussed the performance and remuneration of the Senior Post Holders in consideration to the AoC benchmarking report, tool and market

information including the response from the AoC to Trade Union Pay Claim 2021/22. The Principal attended the meeting to present information in relation to the performance of the Deputy Principal, who is a Senior Post Holder and left the meeting while her performance and remuneration were reviewed.

The roles designated as Senior Post Holders and reviewed by the Remuneration Committee were the following:

- Chief Executive and Principal
- Deputy Principal
- Director of Governance

In consideration of the remuneration for each role, the Remuneration Committee reviewed the latest data from the Association of Colleges' Senior Pay Survey. The Remuneration Committee reviewed the data in relation to the North West, FE colleges across England and turnover. The salary ranges support the Remuneration Committee to determine an appropriate spot point, in addition to reviewing the performance of the individual in relation to the College financial position and any additional information relating to the college overall position.

The value of a post will be determined by a number of factors and criteria for assessing the value of the role including, complexity, size of the job, accountability, decision making authority, autonomy of the role, experience, knowledge, skills, reputation, credibility and the market comparisons.

The Remuneration Committee complies with the AoC Colleges' Senior Staff Remuneration Code and ensure that the Remuneration Committee is not chaired by the Chair of the Corporation. The Terms of Reference for the Remuneration Committee are reviewed annually by the Remuneration Committee and recommended for approval by the Corporation.

The Remuneration Committee reviewed salaries and ensured a fair and consistent approach and decisions were made. This was compared to the context and financial position of Macclesfield College, the same or similar roles in other FE colleges and experience and performance of an individual.

The Corporation reviewed and ratified the decision of the Remuneration Committee at the Corporation meeting on 26 April 2022.

Macclesfield College Senior Post Holder Pay Policy

Statement of Intent

The Governors of Macclesfield College will act with integrity, confidentiality, objectivity and honesty in the best interests of Macclesfield College. Governors will be open about decision making and actions to appropriate people. The procedure for determining pay will be consistent with the principles of public life: objectivity, openness and accountability.

Equality, Diversity and Inclusion Policy

Governors will comply with Macclesfield College Equality, Diversity and Inclusion Policy in its decision making and consideration.

Annual Performance Review

The Chair of the Board of Governors will report annually to the Remuneration Committee on the Principal's and the Director of Governance's performance for the previous year. Information will be shared on performance against agreed objectives measured through the appraisal and performance framework for Macclesfield College.

The Principal will provide a report to the Remuneration Committee on the performance of the Deputy Principal and any other Senior Post Holders.

No individual will be part of their own decision making relating to pay.

Procedures for Pay

The Committee has regard to the following overarching principles in setting terms and conditions for senior post holders:

- Fair, appropriate and justifiable levels of remuneration, based on a clear understanding of the responsibilities, context and expected contribution of a role, the attributes required to undertake that role effectively and matters of equality, diversity and inclusion;
- Transparency and accountability;
- Proportionality, fairness and consistency in application;
- Recruitment and retention, ensuring that salaries are sufficient in the context of the market for the various roles and review of practice at comparator institutions balanced by the need to demonstrate the achievement of value for money in the use of resources;
- Process, with remuneration being set through a process based on the application of a consistent framework with independent decision-making informed by appropriate evidence and review;
- Compliance with the AoC Colleges' Senior Staff Remuneration Code.

Remuneration Committee

The Remuneration Committee meets annually and abides by the Remuneration Committee Terms of Reference and in conjunction with the AoC Colleges' Senior Staff Remuneration Code.

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the Executive Leadership Team which comprises the Principal & Chief Executive, Deputy Principal and Vice Principal - Finance and Resources until 31 December 2021 and Director of Finance and Estates from 1 November 2021. Staff costs include compensation paid to key management personnel for loss of office.

Emoluments of key management personnel, Accounting Officer and other higher paid staff

	2022 No.	2021 No.
The number of key management personnel including the Accounting Officer was:	4	3
	4	3

8 Staff costs and key management personnel remuneration (continued)

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	Key management personnel		Other staff	
	2022 No.	2021 No.	2022 No.	2021 No.
£35,001 to £40,000	1	-	-	-
£45,001 to £50,000	1	-	-	-
£70,001 to £75,000	-	1	-	-
£80,001 to £85,000	1	-	-	-
£85,001 to £90,000	-	1	-	-
£125,001 to £130,000	-	1	-	-
£135,001 to £140,000	1	-	-	-
	4	3	-	-

Key management personnel (including the Accounting Officer) total compensation is made up as follows:

	2022	2021
	£'000	£'000
Salaries – gross of salary sacrifice and waived emoluments	310	300
Benefits in kind	-	-
Employer’s National Insurance (or Social Security contributions)	40	38
	<u>350</u>	<u>338</u>
Pension contributions	74	73
Total key management personnel compensation	<u>424</u>	<u>411</u>

There were no amounts due to key personnel that were waived in the year, nor any salary sacrifice arrangements in place.

8 Staff costs and key management personnel remuneration (continued)

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid of key management personnel) of:

	2022	2021
	£'000	£'000
Salaries	140	136
Benefits in kind	-	-
Employer’s National Insurance	19	18
	<u>159</u>	<u>154</u>
Pension contributions	34	33
Total	<u>193</u>	<u>187</u>

The relationship between the accounting officer's emoluments, expressed as a multiple of all other employees based on full-time equivalents, is set out below for both basic salary and total remuneration.

	2022	2021
	No.	No.
Basic salary as a multiple of median basic salary of staff	6.22	5.68
Total remuneration as a multiple of median total remuneration of staff	8.57	7.81

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Local Government Pension Scheme and Teachers Pension Scheme and are paid at the same rate as for other employees.

The remuneration package of key management staff, including the Principal and Chief Executive, is subject to annual review by the Remuneration Committee of the governing body who use benchmarking information to provide objective guidance.

The Principal and Chief Executive reports to the Chair of the Corporation, who undertakes an annual review of her performance against the College's overall objectives using both qualitative and quantitative measures of Performance.

E DETAIL

The detail is contained within the report.

F POTENTIAL RISKS (Quality, Learner Experience, Financial, Legal)

Not meeting statutory responsibility.

G DATA SETS

The data is contained within the report.