

The City of Liverpool College's Annual Report of the Remuneration Committee for year 2021/22

Introduction

To assist the Board in discharging its responsibilities, not least for “the appointment, assignment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts within the framework set by the Board” the Remuneration Committee will meet regularly to consider specifically senior post holder remuneration, performance and targets and will also consider succession planning as appropriate. Unless otherwise specified, the Committee does not have delegated authority and may only make recommendations to the Corporation Board; any decisions taken by the Corporation Board in respect of remuneration will be communicated to the HR Director by the Clerk.

Senior Post Holders falling within the remit of the Committee during 2021/22 are:

- The Principal/Chief Executive
- The Deputy Chief Executive
- The Deputy Principal
- The VP Business Development
- The VP Curriculum Development and Innovation

In 2021/22, the Remuneration Committee was Helene Henry (Chair), Sian Taylor and Peter Tavernor. To protect the independence of the Committee, the Principal, Chair of the Corporation Board, staff and student governors are not members. The Chair of the Corporation Board may attend. The Group HR Director may be invited to attend, and the Committee are able to draw on appropriate legal advice.

During the 2021/22 academic year, the Remuneration Committee met once in November 2021 to review senior post holder remuneration, performance and targets; senior post holder targets are reflected in the KPIs set by the Corporation Board and performance against targets is therefore reviewed at each Board meeting. The Chair meets with the Principal throughout the year to discuss performance and on behalf of the Board, the Principal also meets with the other senior postholders individually to review performance.

The College's Strategic Goals

- **World class skills in business** – establishing ourselves as “the college for business”, with an impact beyond academia which yields clear economic and social benefits.
- **Delivering an outstanding learning and student experience** – enthusiastic and engaging teachers who treat students as individuals with high standards and high aspirations.
- **Developing talent for sustainable employment** – developing the workforce of the future and contributing to economic growth.

The College's strategic plan states that *‘Our people are the biggest factor in our success, and the key to delivering on our promises to the Liverpool City Region. To achieve our vision, we need to continually build the capacity and capabilities of our people. Embedding a performance-oriented culture at every level is a priority for both individuals and teams across the College. Encouraging and rewarding development, progression and contribution are vital*

to motivate our existing workforce and to attract talented new employees as an employer of choice' and also that 'We will continue to continue to take a prudent approach to financial planning, building our reserves through the generation of annual cash based operating surpluses driven by increasing efficiencies and the use of our existing resources in diversifying income.' Any decisions regarding remuneration will take into consideration affordability, sustainability and the need to ensure the College is a competitive employer.

Institutional Performance and Approach to Remuneration

The City of Liverpool College is the largest FE College within the Liverpool City Region and provides a broad curriculum, with courses from entry level to degree level. It is a Good college (Ofsted), its HE provision is rated Silver (Teaching Excellence Framework) and has a financial health score of Good (Education and Skills Funding Agency). The College is not complacent with regards to its position, recognising the other FE providers in the city region, the 29 school sixth-forms and three universities within the city, as well as alternative provision such as UTCs and free schools. The College wholly owns SharEd Educational Services which provides most support functions for the College.

The College's performance and targets are based on and measured against various sector benchmarks and ratings, for example the national achievement rates and the ESFA financial health score and dashboard. Further assurance regarding performance is sought from external sources such as Ofsted, TEF, QAA and audit reports, as well as its own robust assurance and evaluation processes.

The College periodically carries out benchmarking exercises to ensure terms and conditions compare well with the sector. All staff, with the exception of Apprentices, are paid at or above the Living Wage Foundation Living Wage. Apprentices are paid in accordance with the National Minimum Wage or National Living Wage as appropriate. All staff have access to a pension scheme (Teachers' Pension Scheme, Local Government Pension Scheme, and the Aviva Pension Scheme). Factors taken into account when setting remuneration include economic factors, competition, market rates, roles, skills, and experience.

When reviewing Senior Post Holder remuneration, the governing body draws on available information such as the AoC Senior Staff Survey, the all-College finance record, and market intelligence and also considers:

- a) performance in support of the College's strategic objectives in areas such as:
 - teaching, learning and outcomes for students
 - management, financial performance and administration
 - leadership of staff
 - stakeholder, partner and employer satisfaction
 - external relations nationally and locally
 - major initiatives and projects;
- b) the size and complexity of the College;
- c) the nature of the post-16 cohort and issues of recruitment and retention; and
- d) the College's objectives in relation to the diversity of the workforce.

The Principal's basic salary as a multiple of the median basic salary of all staff is 5.7

The Principal's total remuneration as a multiple of the median of total remuneration for all staff is 5.7.

Salary and total remuneration used to calculate are shown on an annualised, full time equivalent basis for all staff employed for any part of the financial year who are required to be included in real-time reporting to HMRC. This Principal's salary has not changed in eight years.

The Principal's salary is 9.9 times higher than the lowest paid employee. The Fair Pay Review was commissioned by the government in 2010 and led by Will Hutton. It concluded that public sector employers should all be able to comply with a maximum pay multiple of 20:1 (highest to lowest paid employee).

An additional payment was made to the Deputy Principal during 2021/22 in recognition of the additional work they undertook during the lengthy absence of another senior postholder which meant that an interim appointment wasn't required. This payment was non-consolidated.

The Principal/Chief Executive's total remuneration, with year on-year comparator data, is as follows:

Emoluments of the Chief Executive/Principal	2020/21	2021/22
Salary	179,000	179,000
Performance related pay	0	0
Benefits	0	0
Subtotal	179,000	179,000
Pension Costs	0	0
Total	179,000	179,000

External appointments and expenses

The Corporation Board recognises the strategic importance of staff representing the College on various bodies and boards as well as carrying out academic and civic responsibilities at other organisations. Senior Post Holders should consult with their line manager before accepting an external appointment, and this should take into account any potential conflicts of interest plus any reputational or other risks to the College including potential impact on the Senior Post Holder's capacity. While Board approval is not required for an external appointment (on the assumption it does not contravene their contract of employment or any College policy), Senior Post Holders are accountable to the Board. Any external appointments must be declared on the Register of Interests which is maintained by the Clerk. Ordinarily, any income earned by a Senior Post Holder in relation to an external appointment will be donated to the College. Senior Post Holders may request that some income is retained and any case submitted to the Board for consideration should include clear rationale as to why, for example, if the external appointment is in no way related to their substantive role and is carried out in their own time. Any income from external appointments which is retained by Senior Post Holders will be declared in the annual accounts, along with an explanation.

No income from external bodies was retained by the Principal/Chief Executive in 2021/22.

All expenses claimed/paid are in accordance with the College's published expenses policy and are declared as required in the annual financial statements.