Policy on the Remuneration and Appraisal of Senior Post Holders and the Director of Corporate Governance, Risk and Compliance

TYPE:	Policy
PURPOSE:	To provide a framework for the remuneration of senior post-holders and the Director of Corporate Governance, Risk & Compliance (DGRC) to the Corporation.
SCOPE:	This policy applies to senior post holders and the Director of Corporate Governance, Risk and Compliance.
RESPONSIBILITY:	The Corporation is responsible for this policy. The Remuneration Committee has responsibility for operating the Policy and monitoring its impact.

The Director of Corporate Governance, Risk & Compliance to the Corporation will ensure the policy is reviewed regularly and the Vice Principal HR and Student Services will support the Director in advising on all matters relating to human resources or obtaining external advice, as appropriate.

LEGAL CONTEXT:
See: https://www.aoc.co.uk/funding-and-corporate-services/governance/governance-resources/colleges-senior-post-holder

1. **Scope and Purpose of the Policy**

The aim of this Policy is to provide a framework for the remuneration of senior post-holders and the Director of Corporate Governance, Risk & Compliance (DGRC) to the Corporation. This provides the basis for the Remuneration Committee ('the Committee') to determine the remuneration of senior post holders and the DGRC, as provided by the terms of reference for the Committee (see appendix 1).

The appraisal process should "create a golden thread" between individual targets and the College's strategic objectives.

This Policy should be read in conjunction with the AOC's Senior Post Holder Remuneration Code and the College's Code of Conduct for Staff and Governors, which advocates the values and expectations of all those involved at the College. The Policy also sits alongside the SPH and DGRC contract of employment with regard to terms and conditions of employment.

2. **Membership and Advice for the Committee**

Membership of the Committee is set out in section 1 of the Terms of Reference and should not include the Principal, the DGRC or staff or student governors. The Chair of the Corporation should not act as Chair of the Committee.

The Principal of the College will normally be invited to attend meetings of the Committee to provide advice and respond to specific questions raised by members of the Committee. Where a matter concerns her own personal remuneration, conditions or performance the Principal will withdraw from the meeting.

The DGRC shall act as DGRC to the Committee, but where a matter concerns her own personal remuneration, conditions or performance she will withdraw from the meeting.

The Vice Principal HR and Student Services will provide information and advice, as appropriate. Specialist human resources-related and/or legal advice will be sought from an appropriate source and this may be through independent advice, as appropriate.

All HR related and/or legal advice will be provided in writing to ensure a full record is held for future scrutiny.

The Committee will utilise all external benchmarking and research available to inform decisions relating to remuneration and/or conditions for senior post holders and the DGRC. This will include sources such as:

National comparator information:

AOC national analysis of FE salaries;
Times Educational publication relating to Principal's salaries;
CIPD general salary information; and
Other publications that provide information to compare context.

Local comparator information:

Midland college comparators in the AOC Senior Staff survey, particularly those of a similar size with an income between £40-50m.

3. Appraisal of Performance

The College has a range of measures to identify appropriate performance, but the key document is the Strategic Plan and the Annual Priorities. The Annual Priorities pull together the main performance objectives for the year. The Principal has overall responsibility for achievement of the Annual Priorities.

The senior post holders will be expected to contribute towards the College's achievement of the Strategic Plan and in particular the annual priorities. Each member of the Executive Mangement Team will have specific, individual targets to achieve, agreed at an annual meeting with the Principal and the Remuneration Committee. Performance against these targets will be monitored and used to inform consideration of remuneration for senior post holders. Performance management is a continuous process, with regular feedback and not just an annual review and it is a constructive, two-way conversation, supporting continuous improvement.

Appraisals should include discussion of behaviours, values, and leadership style, not just achievement of targets. Training and development needs will be discussed and recorded as part of the process. There is potential for broader feedback mechanisms to inform appraisals e.g. 180° or 360° feedback.

The DGRC appraisal will take place annually and be conducted by the Chair and Vice Chair of the Corporation with the Principal. Targets will be set annually and monitored by the Committee. All appraisal meetings should be formally documented and retained.

Chair Performance Review

A competent and effective Chair of Corporation is a vital element of effective governance. Regular, constructive review of Chair performance helps ensure Chairs are competent and effective. Similar principles apply as for SPH appraisal. This process is led by the Vice Chair of Corporation and reported to the Remuneration committee.

4. **Remuneration, benefits and terms and conditions of Senior Post Holders**

Each senior post holder will sign a contract of employment setting out the terms and conditions of employment. Any change to the contract will be following consultation with senior post holders and be approved by the Corporation, upon recommendation by the Committee.

5. **Remuneration, benefits and terms and conditions of the DGRC**

The DGRC to the Corporation will sign a contract of employment setting out the terms and conditions of employment. Any change to the contract will be following consultation with the DGRC and be approved by the Corporation, upon recommendation by the Committee.

6. **Annual Review of Remuneration and Benefits for Senior Post Holders and the DGRC**

It is the College's policy to provide remuneration packages that fairly reward contribution, having regard to the size and complexity of operations and the need to attract, retain and motivate staff of the highest quality.

Remuneration packages may comprise:
- Salary
- Annual pay award, in line with pay award for College staff
- Pension – the College currently offers 2 pensions: Teachers' Pension Scheme and West Midlands Pension Scheme for support staff. Senior postholders may be subject to either of these schemes.

At the current time the College does not normally include retention awards or benefits in kind (healthcare, cars or life insurance) for any staff, but the Committee will have the descretion to consider and recommend changes in packages, as appropriate.

Consideration of levels of remuneration for senior post holders will be based on:

* Size and complexity of the role;
* Prior experience or additional experience brought to the role, over and above that expected;
* Performance against pre-agreed targets, where exceptional and individual performance can be ascertained or where overall College performance has been exceptional and above expectations;
* Comparison with peer groups, benchmarking information from the sector or beyond;
* Comparison with local colleges and review of recently advertised comparitive posts.

7. **Employment or Engagement Externally to the College**

Senior Post Holders and the DGRC must ensure that they devote the required time to ensure the duties of their role are adequately fulfilled.

Where a SPH or the DGRC undertake work externally (paid or unpaid) to their College role, approval must be obtained from the Chair of the Corporation. A written request must be provided outlining the duties required and clarity to ensure that this work will not interfere with the performance of duties at the College or where it may enhance the member of staffs role at the College.

Where the additional external work is paid, this must be clearly stated in the written request to the Chair to the Corporation.

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