

# East Coast College's Senior Post Holder Remuneration

## Annual Report for the year ending 31 July 2021

### Introduction

This report is prepared in accordance with the Colleges' Senior Post Holder Remuneration Code issued by the AoC Governors Council in December 2018.

East Coast College adopted the Code of Good Governance in inception in 2017 and this was amended as of December 2018 to reflect that College's should adopt and must have due regard to the Colleges' Senior Post Holder Remuneration Code, December 2018.

This Senior Staff Remuneration Code report covers the year ended 31 July 2021.

Each college must publish a readily accessible annual statement, based on an annual report to its governing body. This report must contain:

- A. A list of Senior Post Holders within the remit of Remuneration Committee;
- B. Its policy on the remuneration for post holders within the remit of Remuneration Committee;
- C. Its policy on income derived from external activities;
- D. the pay multiple of the Chief Executive / Principal and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.

The report should also contain:

- Its choice of comparator college(s)/organisation(s);
- An explanation of any significant changes.

### Membership

East Coast College Remuneration Committee is part of the Governance Remuneration and Search Committee. The terms of reference state that the membership should be not fewer than five members to include the Chair of the Corporation and the Principal, and up to two associate governors. The membership of the Governance Remuneration and Search Committee during the year was:

- Rob Evans – Chair of Corporation
- Tina Ellis – Vice Chair of Corporation
- Alan Debenham – Chair of People Committee
- Albert Cadmore
- Stuart Rimmer – CEO and
- As of 26 5 21 meeting David Blake – Chair Designate

When remuneration of the CEO was discussed the meeting was chaired by Alan Debenham (Chair of the People Committee) and the CEO was not in attendance.

When remuneration of the Director of Governance was discussed the meeting was chaired by Alan Debenham (Chair of the People Committee) and the Director of Governance was not in attendance.

The Governance Remuneration and Search Committee terms of reference state that:

- *Any member of staff, including the Principal, will withdraw from a meeting where his or her remuneration, conditions of service, appointment or promotion is being discussed.*

The Committee met on 26 5 21 to discuss remuneration of the senior post holders and to make recommendation to the Corporation for remuneration in 21/22.

When considering remuneration comparable data should be used and the Committee considered The AOC College Senior Pay Survey 2020.

The terms of reference of the Committee are included in the standing orders, which are available at <https://www.eastcoast.ac.uk/corporation-governors/>

### **Senior Post Holders**

The College currently had in 20/21 4 senior post holders, all of whom are appointed by the Corporation:

- Stuart Rimmer – Principal and CEO
- Urmila Rasan – Deputy Chief Executive
- Paul Padda – Deputy Principal
- Wendy Stanger – Director of Governance

The terms of reference state that the Committee is:

- To give due regard to the interests of the public and the financial health of the College and ensure that it can be demonstrated that the pay of the senior post-holders is set by a committee which has no personal interest in the outcome of its decisions.
- To consider and advise the Corporation on the framework of pay and conditions of Senior Post Holders, taking into account relevant surveys, including the Director of Governance to include appraisal, promotion, grading, conduct, suspension, dismissal and retirement and may consider the following elements
  - Basic salary
  - Benefits in kind
  - Pension provision
  - Terms and conditions of service
  - Performance related elements, if appropriate
- To review and ensure that objectives are set annually for Senior Post Holders. The Committee shall evaluate annually the specific remuneration packages of the Principal and other senior post-holders including
  - Pre-established performance goals and/or

- An appropriate peer group and any 360 degree review.

Decisions on the salaries of senior post holders are informed by market data including data on other General Further Education Colleges, and comparable roles in other sectors/organisations of a comparable size, institutional and personal performance and affordability.

In respect of recruitment, the College aims to recruit senior post holders using remuneration packages that are market-competitive and consistent with the existing remuneration structure. The College does not expect to make special recruitment arrangements outside the standard policy, but may do so in exceptional circumstances in order to secure the appointment of the right candidate.

### **Policy on Income Derived from External Activities**

The Senior Post Holder Code states that:

- *There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders.*

During 20/21 the CEO and Principal was approved by the Chair to carry out additional external work. An ETF project on leadership where the resultant payment was split between the College and the CEO and Principal and a Further Education Leadership Trust research on CEO stress on a direct commission basis. These were approved on the understanding that they would not interfere with the substantive role at the College and due to the personal development and learning that would result for the College and the wider sector.

During 20/21 the Director of Governance whose role is not a full-time one was approved by the Chair and CEO to take on a consultancy role with AOC to produce training for Governance Professionals and that the income from this be retained. This was approved on the understanding that it would not interfere with her substantive role at the College and due to the personal development opportunity and learning that would result for the College and the wider sector.

### **Expenses**

All expenses paid to Senior Post Holders are solely in reimbursement of expenses incurred in furtherance of the business of the College and comply with the College's Financial Regulations. Expenses reduced in 20/21 due to Covid.

The total amount of expenses reimbursed in the year to Senior Post Holders was

Senior Post Holder	2021	2020
CEO and Principal	£1583	£3037
Deputy Chief Executive	£3344*	£3490*
Deputy Principal	£225	N/A
Director of Governance	£0	£317

\*Expenses agreed as part of employment package.

## Median Earnings

The amounts paid to the Chief Executive and Principal who is the accounting officer and who is also the highest paid member of staff is as follows

<b>Chief Executive and Principal</b>	<b>2021 £000</b>	<b>2020 £000</b>	<b>2019 £000</b>
Salaries	150	144	139
Employers national insurance	19	19	18
Benefits in kind	0	0	0
<b>Total</b>	<b>169</b>	<b>163</b>	<b>157</b>
Pension contributions	36	33	23

The Chief Executive and Principal's remuneration was increased in 2020/2021 in recognition of his performance including the achievement of an Ofsted good and the good financial rating.

The college's median pay for 2020/21 is £22,703 compared to £26,295 in 2019/20 was and the Principal's basic salary as a multiple is:

	<b>2021</b>	<b>2020</b>	<b>Restated 2019</b>
Principal's basic salary as a multiple of the median of all staff	6.6	5.5	5

This change was due to the College recruiting more people on pay less than £27k during 20/21 and the number vacancies carried were at the mostly higher pay level.

The amounts paid to the Deputy Chief Executive is as follows:

<b>Deputy Chief Executive</b>	<b>2021 £000</b>	<b>2020 £000</b>	<b>2019 £000</b>
Salaries	100	100	100
Employers national insurance	13	13	17
Benefits in kind	0	0	0
<b>Total</b>	<b>113</b>	<b>113</b>	<b>117</b>
Pension contributions	25	28	36

The Deputy Chief Executive was appointed as a senior post holder after a recruitment process in January 2019 but was employed on a temporary contract prior to this and this is reflected in the 2019 data. It was accepted by Corporation on appointment in 2019 that the salary was in excess of benchmark. It was agreed that it represented value for money given her experience and the confidence that the Corporation and external stakeholders had in her.

The actual amounts paid to the Director of Governance is as follows:

<b>Director of Governance</b>	<b>2021 £000</b>	<b>2020 £000</b>	<b>2019 £000</b>
Salaries	30	29	29
Employers national insurance	3	3	3
Benefits in kind	0	0	0
<b>Total</b>	<b>33</b>	<b>32</b>	<b>32</b>
Pension contributions	7	6	6

The Director of Governor post is a part time one based on 25 hours and the FTE equivalent remuneration for the in 20/21 was £44,490.

The Deputy Principal role was designated a Senior Post Holder as of 1 8 20 and the actual amounts paid is as follows:

<b>Deputy Principal</b>	<b>2021 £000</b>
Salaries	82
Employers national insurance	10
Benefits in kind	0
<b>Total</b>	<b>92</b>
Pension contributions	19

### Comparators

When considering remuneration for the period of this report the College used the AOC 2020 data based on the College's turnover band £25m and £30. AoC's survey is based on voluntary responses from colleges and in 2020 there was an 82% response rate from FE college corporations

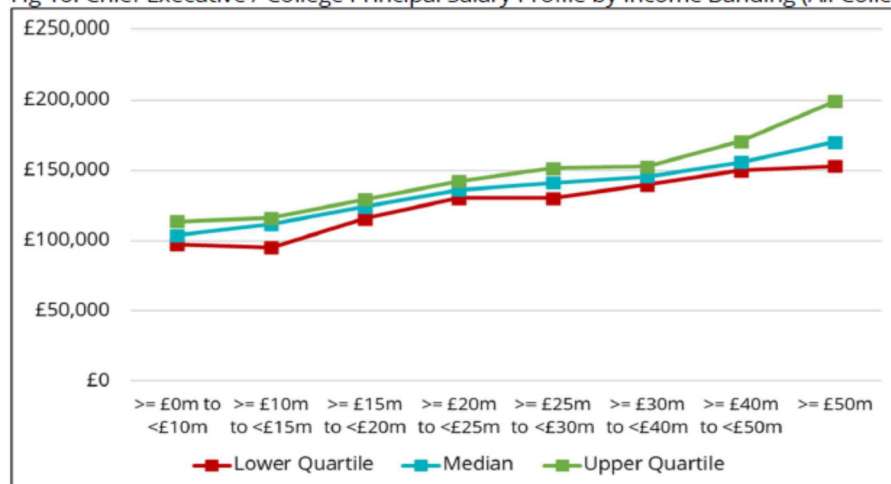
### CEO/Principal

The AOC 2020 data demonstrated that the remuneration is above the median and just below the upper quartile:

College Income	Base	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
Under £10m	10	£76,125	£97,488	£103,945	£113,750	£122,000
Between £10m and £15m	20	£89,779	£95,242	£111,650	£116,363	£121,735
Between £15m and £20m	22	£113,433	£115,819	£124,124	£129,375	£134,702
Between £20m and £25m	21	£126,983	£130,333	£136,350	£142,380	£152,011
Between £25m and £30m	20	£129,625	£130,445	£141,400	£151,688	£155,623
Between £30m and £40m	28	£128,634	£140,000	£145,881	£152,805	£162,617
Between £40m and £50m	16	£142,842	£150,000	£155,917	£170,771	£177,870
£50m or more	22	£141,000	£153,250	£170,325	£199,369	£215,463

Figure 16 shows how overall median, lower quartile and upper quartile salary rates increase as the total income budget increases.

Fig 16. Chief Executive / College Principal Salary Profile by Income Banding (All Colleges)



### Deputy Chief Executive

The AOC 2020 data demonstrated that the remuneration (based on the level 2 Deputy Principal role and area finance, which is the nearest comparator) is above the upper quartile and just below the Upper decile

College Income	Base	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
Under £10m	5		£65,000	£67,952	£72,700	
Between £10m and £15m	16	£60,279	£62,502	£70,606	£75,418	£80,400
Between £15m and £20m	14	£75,064	£77,665	£86,700	£93,937	£96,556
Between £20m and £25m	17	£75,308	£83,729	£85,353	£95,000	£100,000
Between £25m and £30m	18	£80,000	£81,783	£87,245	£98,165	£106,563
Between £30m and £40m	23	£78,358	£84,719	£90,000	£100,450	£112,337
Between £40m and £50m	12	£75,984	£88,710	£97,500	£113,013	£123,307
£50m or more	21	£84,000	£94,688	£106,050	£115,000	£122,000

## Deputy Principal

The AOC 2020 data demonstrated that the remuneration (based on the level 2 Deputy Principal role) is just above the median:

College Income	Base	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
Under £10m	19	£55,172	£62,500	£66,672	£67,710	£80,570
Between £10m and £15m	48	£48,367	£59,660	£63,722	£75,088	£80,000
Between £15m and £20m	46	£61,358	£75,000	£80,000	£89,388	£94,500
Between £20m and £25m	61	£70,000	£74,646	£81,606	£85,353	£91,530
Between £25m and £30m	59	£60,565	£71,954	£81,854	£89,500	£100,600
Between £30m and £40m	94	£67,670	£75,750	£86,064	£95,000	£107,500
Between £40m and £50m	64	£70,000	£80,000	£85,963	£95,000	£108,000
£50m or more	102	£67,216	£75,000	£90,505	£102,378	£119,500

## Director of Governance

The AOC 2020 data demonstrated that the FTE remuneration is just above the lower quartile and below the Median:

College Income	Base	Lower Decile	Lower Quartile	Median	Upper Quartile	Upper Decile
Under £10m	9		£42,427	£44,642	£46,000	
Between £10m and £15m	20	£25,393	£37,416	£43,883	£51,134	£59,555
Between £15m and £20m	19	£24,930	£37,820	£44,947	£57,488	£62,668
Between £20m and £25m	21	£30,000	£30,742	£42,426	£51,144	£57,255
Between £25m and £30m	19	£40,986	£43,446	£46,924	£52,822	£57,277
Between £30m and £40m	28	£40,667	£49,334	£55,070	£59,360	£62,790
Between £40m and £50m	16	£43,283	£52,122	£55,000	£62,769	£66,363
£50m or more	20	£30,775	£36,318	£52,402	£61,278	£74,117