



## **Hopwood Hall College – Appraisal & Remuneration Committee 2019/20 Annual Report to the Governing Body**

### **Background**

Hopwood Hall College's Instrument and Articles of Government define senior posts as 'the Principal and such other senior posts as the Corporation may decide'. The Corporation has agreed to adopt the AOC Governor's Council's Colleges' Senior Post Holder Remuneration Code and this Code includes a requirement that the College publish a readily accessible annual statement, based on an annual report to its governing body. This report is designed to address that requirement.

This report covers the 2019/20 academic year: 1 August 2019 to 31 July 2020.

### **Terms of Reference**

The Terms of Reference which are reviewed annually by the Committee are attached to this report.

### **Remuneration Committee Meetings**

The Remuneration Committee met on the following dates during 2019/20:

- 26<sup>th</sup> September 2019
- 27<sup>th</sup> November 2019
- 3<sup>rd</sup> February 2020
- 27<sup>th</sup> April 2020

### **Senior Post Holders**

The Senior Post Holders within the remit of Remuneration Committee for the year ended 31 July 2020 were:

Julia Heap	Principal and Chief Executive officer
Andrea Murphy	Deputy Principal
Joanne Bentley	Executive Director Finance & Estates & Risk Management

### **Membership**

Membership of the Remuneration Committee for the year ended 31 July 2020 was:

Nazir Afzal  
Clive Reid  
Jennifer Worsdale

### **Clerk to the Remuneration Committee**

John Fargher, Clerk to the Corporation, served as Clerk to the Committee for the year

### Approach to Remuneration

Colleges operate in an extremely competitive environment. The Corporation wishes to attract and retain the best possible Senior Post Holders to deliver the best possible outcomes for students, society and the economy whilst demonstrating effective use of resources in a challenging environment. When considering the remuneration of Senior Post Holders the following factors may be considered:

- Pay awards granted to all staff in the College
- Performance against agreed objectives
- Performance in support of the college’s strategic objectives
- Major initiatives and projects.
- The size and complexity of the College
- The nature of the post-16 markets and issues of recruitment and retention
- The College’s objectives in relation to the diversity of the workforce

### Remuneration 2019/20

Annual pay awards for Senior Post Holders will normally be offered at the same rate as that agreed for staff as part of the annual budgeting process.

The Corporation, in November 2019, agreed a 1% pay award for staff in 2019/20 and this also applied to Senior Post Holders. No additional remuneration has been provided for Senior Post Holders.

### Pay Multiples

#### Principal/Chief Executive Pay

	2020	2019
Salaries (£)	136,000	202,000
Benefits in Kind	-	-
Total	136,000	202,000
Pension Contributions	28,000	26,000

Median Pay & Pay Multiples	2020	2019
Pay Median (Full time equivalent median earnings of all staff)	£28,491	£26,579
Principal basic salary as a multiple of the median of all staff	4.8	7.6
Principal total remuneration as a multiple of the median of all staff	4.9	7.4

## **Comparator Colleges**

In setting the pay range for each Senior Post Holder role, the Committee has regard to the latest benchmark data for relevant roles published in the AoC's Senior Pay Survey. The relevant comparator Colleges are those with a turnover of £20-25m as the College falls between these ranges. The salary ranges are guides for the Committee to determine an appropriate spot point, having regard to the context of the College as well as the performance of the individual role holder. The Committee is entitled to seek independent professional and legal advice.

## **Income Derived from External Activities**

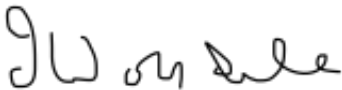
The college includes an exclusivity of service clause in its Senior Postholder employment contracts, which requires a Senior Postholder to obtain permission for additional external work. Should permission be granted by the Corporation for external work to be undertaken, the Corporation will determine how much, if any, of the additional remuneration the Senior Postholder would be permitted to retain and on what basis this determination is made. No senior post holders have derived any income from external activities in the reporting period.

## **Explanation of any Significant Changes**

There were no significant changes to Senior Post Holders terms and conditions in 2019/20.

## **The Remuneration Committee's Opinion to the Corporation**

On the basis of the evidence from papers and minutes of meetings, the Appraisal & Remuneration Committee considers that its and the Corporation's responsibilities with regard to the Senior Post Holder Remuneration Code have been satisfactorily discharged.



Signed:

Chair of the Remuneration Committee

Date: 10th December 2020



## **HOPWOOD HALL COLLEGE FURTHER EDUCATION CORPORATION**

### **APPRAISAL & REMUNERATION COMMITTEE TERMS OF REFERENCE**

#### **1. Constitution**

The Hopwood Hall College Further Education Corporation hereby resolves to adopt the following terms of reference for the Appraisal & Remuneration Committee.

#### **2. Objective**

2.1 The Appraisal & Remuneration Committee shall, as far as is reasonably practical, operate in accordance with the Association of Colleges (AoC) "Colleges' Senior Postholder Remuneration Code". The Committee shall review and recommend to the Corporation Board the policy on executive remuneration together with recommendations on the specific remuneration packages of the Principal & Chief Executive, the Deputy Principal, the Executive Director Finance, Estates & Risk Management and any other positions designated by the Corporation Board as Senior Posts so as to:

- ensure that the Principal & Chief Executive and the Designated Senior Postholders are fairly rewarded for their individual contributions to the College's overall performance; and,
- demonstrate to the public that the pay of the Principal & Chief Executive and Designated Senior Postholders is reviewed by a Committee which has no personal interest in the outcome of its decisions and which gives due regard to the interests of the public and of the financial health of the College.

#### **3. Membership**

3.1 The Appraisal & Remuneration Committee shall be appointed by the Corporation and shall comprise:

The Chair of the Corporation

The Vice-Chair of the Corporation

One other Member of the Corporation (excluding the Principal & Chief Executive and Staff and Student Members of the Corporation Board)

3.2 A quorum shall be two Members of the Remuneration Committee.

3.3 Members retiring at the end of their term of office shall be eligible for re-appointment by the Corporation.

#### **4. Attendance at Meetings**

- 4.1 The Principal and Designated Senior Postholders shall normally be invited to attend meetings of the Appraisal & Remuneration Committee save where their own remuneration packages are being considered.
- 4.2 Other Corporation Members shall also have a right of attendance as observers save that the Appraisal & Remuneration Committee may exclude Staff and Students Members and any other Corporation Members who are employees of the College.
- 4.3 The Clerk to the Corporation shall be responsible for overseeing the clerking arrangements for meetings of the Appraisal & Remuneration Committee.

#### **5. Frequency of Meetings**

- 5.1 The Appraisal & Remuneration Committee shall normally meet at least once in each term of the academic year (i.e. 1 September to 31 August).
- 5.2 In accordance with provisions in the Instrument & Articles of Government of the College, "meeting" includes a virtual meeting at which the members attending are present in more than one room, provided that by use of video or telephone conferencing facilities and/or electronic communication, it is possible for every person present at the meeting to communicate with each other.

#### **6. Authority**

- 6.1 The Appraisal & Remuneration Committee is authorised by the Corporation Board to investigate any activity within its terms of reference.
- 6.2 It is authorised to seek any information it requires from any employees of the College and all employees of the College are directed to co-operate with any request made by the Committee.
- 6.3 The Appraisal & Remuneration Committee is authorised by the Corporation Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary provided that the Committee shall not incur direct expenditure in this respect in excess of £10,000 in any College financial year without the prior approval of the Corporation Board.
- 6.4 The Committee may also require experts to be present and to advise when drafting disclosures to be made in the Corporation's report and accounts.

#### **7. Duties**

- 7.1 The Appraisal & Remuneration Committee shall advise the Corporation Board on specific remuneration packages of the Principal & Chief Executive, the Deputy Principal, the Executive Director Finance, Estates & Risk Management and any other posts designated by the Corporation Board as Senior Posts and in doing so shall consider the following components:

- basic salary;
- benefits in kind;
- annual bonus/performance related elements;
- pension provisions;
- the main terms and conditions in the service agreement for each designated senior postholder, with particular reference to the notice provisions.

7.2 The Appraisal & Remuneration Committee shall evaluate annually the specific remuneration packages of the Principal & Chief Executive and Designated Senior Postholders against:

- pre-established performance goals and objectives;
- the context in which the College operates;
- the AoC's annual survey on the remuneration of Senior Postholders;
- market rates;
- an appropriate peer group.

For that purpose, the Committee will review and assess performance targets and objectives established before the commencement of the relevant period and determine whether such targets and objectives have been achieved at the end of the relevant period.

7.3 The Appraisal & Remuneration Committee shall advise the Corporation Board on any compensation (including the augmentation of pension benefits) which may be payable in the event of an early termination of the employment of the Principal & Chief Executive or other Designated Senior Postholder with the broad aim of:

- avoiding rewarding poor performance; and
- dealing fairly with cases where early termination is not due to poor performance.

7.4 The Appraisal & Remuneration Committee shall review on a continuing basis the Corporation's policy in relation to:

- all aspects relating to the remuneration of the Principal & Chief Executive and the Designated Senior Postholders including levels, comparator groups of colleges, component elements, performance criteria and compensation commitments on early termination;
- main component elements in the specific remuneration packages of each designated senior postholder, such as salary, benefits in kind, individual bonuses and pension entitlements;
- any service agreements which provide for, or imply, notice periods of more than one year (or any provisions for pre-determined compensation on terms which exceed one

year's salary and benefits) together with an explanation of the reasons for any longer notice period.

7.5 The Appraisal & Remuneration Committee shall consider and advise the Corporation Board on the Continuing Professional Development (CPD) needs of the Principal & Chief Executive and the Designated Senior Postholders in the context of the overall College objectives and Strategic Plan.

## **8. Reporting Procedures**

8.1 The Appraisal & Remuneration Committee shall produce a Remuneration Annual Report to the Corporation Board in accordance with Section 3 of the Appendix to the AoC's Colleges' Senior Postholder Remuneration Code.

8.2 Unless specified otherwise by the Appraisal & Remuneration Committee, the Minutes of Committee Meetings shall be presented to the Corporation Board as a confidential agenda item.

**Approved by the Hopwood Hall College Further Education Corporation on 10 October 2019  
Paragraph 5.2 added 21 May 2020**