

# Policy for the review of performance and pay of Senior Postholders (SPHs) and the Clerk to the Corporation

## 1. Key principles and statutory framework

The Board is responsible, under its Instrument and Articles of Government for “The appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk”.

The Board observes the Seven Principles of Public Life, published in the Nolan Committee report 1996 in its conduct: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty and Leadership

The Board aims to abide with the minimum requirements of The AOC “Colleges Senior Staff Remuneration Code”, December 2018, when setting the pay of senior postholders.

## 2. Purpose

To provide a framework for the determination and annual review of the pay of<sup>1</sup> senior postholders and the Clerk that is fair, transparent and equitable.

## 3. Responsibilities

**The Board** approves any annual Cost of Living pay award for all staff, taking into account AOC recommendations and the recommendations of the Executive Team.

**The Board has approved Terms of Reference for the Remuneration Committee that delegates** authority to decide the pay of the Chief Executive Officer (CEO), other designated senior postholders and the Clerk within the framework set by this policy. This does not alter the Board’s overall responsibility for any decisions made on its behalf.

**The Chair of the Board** has overall responsibility for ensuring arrangements are in place for the performance review of the CEO and the Clerk and for reporting outcomes to the Remuneration Committee. This responsibility may be delegated to the Vice Chair of the Board or Chair of Remuneration Committee if required.

**The CEO is** responsible for the performance review of other designated senior postholders and for reporting outcomes and making recommendations on pay to the Remuneration Committee.

**The Clerk** is responsible for providing advice on procedural and governance matters, and for recording the deliberations of the Remuneration Committee on all items other than the Clerk’s performance and pay.

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<sup>1</sup> Senior postholders are defined as the Chief Executive and other positions that have been designated as senior posts by resolution of the Board of Governors. The Clerk, under the terms of the Articles, is treated as as senior postholder by the Board in respect of responsibility for their appointment, grading, suspension, dismissal, and determination of pay.

The Committee and the Clerk shall have access to independent advice if and when required.

#### **4. Monitoring and Review of the Policy**

This policy will be reviewed at least every three years by the Board, on recommendation by the Committee, or as circumstances require (e.g. a change in the legal or policy framework)

#### **5. Policy statement**

In setting the pay of senior postholders and the Clerk, the Board's objectives are to:

- Recruit and retain high calibre staff
- Motivate staff and reward achievement
- Plan for the succession of staff
- Balance the above with the achievement of value for money in the use of resources.

#### **6. Performance Review Process**

- 6.1 Normally, all senior post holders and the Clerk will have an annual appraisal conducted in January of each year where the performance of the previous academic year will be reviewed against objectives and whole College performance. The performance and development objectives for the current academic year, set the previous summer, will also be ratified at this meeting.
- 6.2 Senior postholders and the Clerk will also have regular 'performance conversations' throughout the year in line with the policy for all college employees. A meeting of the Remuneration Committee will be held at an appropriate point in the Summer Term to review performance to date against objectives and whole college KPIs and to consider objectives for the forthcoming academic year.
- 6.3 Performance reviews of the CEO and Clerk will be conducted by the Chair, and any other governors agreed by the Remuneration Committee.
- 6.4 The performance of all other senior postholders shall be overseen by the CEO and reported to the Remuneration Committee.
- 6.5 Should any performance conversation or meeting demonstrate that an individual is not performing at the expected level, this should be clearly addressed using the appropriate college performance management procedures.

## **7. Procedures for determining pay**

- 7.1 The Committee shall take into account the following factors in any annual review of pay:
- a. Salary benchmark data for same-level staff in comparable colleges, eg a from the AOC Survey of Remuneration of Management Staff and Senior Postholders)
  - b. Economic conditions and competitive forces within the local community
  - c. Pay awards given to the wider college staff
  - d. The pay multiple of the Chief Executive / Principal and the median earnings of the institution's whole workforce.
  - e. Affordability, as determined by the College's financial performance
  - f. Whole college performance against the strategic objectives and Key Performance Indicators approved by the Board
  - g. Individual performance against objectives set as part of the annual appraisal process.
- 7.2 Any pay award agreed by the Remuneration Committee for a designated senior postholder or the Clerk, will be backdated to 1 September following the end of year appraisal.

## **8. Reporting Arrangements**

- 8.1 The Chair of the Remuneration Committee will write formally to designated senior postholders and the Clerk to advise of any pay award agreed by the Remuneration Committee.
- 8.2 If a pay award approved by the Remuneration Committee is not fully accepted by the post holder, a specially convened meeting of the Remuneration Committee will take place at the earliest opportunity to note the non-acceptance and the implications of this. This meeting will be called by the Chair of the Remuneration Committee. The Remuneration Committee has the authority to alter or withdraw any pay award which is not fully accepted.
- 8.3 The Chair of the Remuneration Committee will provide a report to the subsequent Board meeting to advise on the outcome of the performance reviews of designated senior postholders and the Clerk. This will include whether any pay awards have been made (in line with the pre-determined criteria set out at section seven above) and accepted.
- 8.4 The Board shall make available an Annual Statement on senior postholder remuneration by 31 December of each year.