

Review October 2024

Policy name	Senior Postholder Remuneration Guidance	
Department	ESCG Board	
Exec owner	Chief Operating Officer (& Director for People & Culture)	
Who was consulted in the development of this policy (e.g. staff forum, other departments)	Governance, Performance and Remuneration Committee	
Approved by Exec Team (date)	N/A	
Approved by Committee (date)	GP&R Committee – 23 rd October 2024	
Approved by Board (date)	12th December 2024	
Available on intranet/ website	Intranet	Website
	N	Y (Governance)
Review cycle annual/ every 3 years	Every 3 years	
Date of next review	October 2027	

Senior Postholder Remuneration Guidance

Introduction

1. This guidance is to ensure the ESCG Board operates in a transparent and accountable framework when dealing with the pay for Senior Postholders and in line with guidance in the Association of Colleges, Code of Good Governance 2024 and Remuneration Code for Senior Staff December 2018, as well as the ESFA College Financial Handbook and Treasury's Managing Public Money.
2. Fair and appropriate remuneration is key to the success and development of the college sector. The Board has adopted the AoC Remuneration code to ensure we demonstrate leadership and stewardship in relation to remuneration, and in doing so help us protect sector reputation and provide greater assurances to key stakeholders and partners, including our student and wider community.

Scope

3. The principles outlined in these Remuneration Guidelines apply to all remuneration decisions affecting the emoluments of the CEO and other Senior Postholders as prescribed in the ESCG Instrument and Articles of Government. In England, the principles also apply to Senior Post holders as defined in EFSA accounts direction.
4. Responsibility for remuneration of Senior Postholders rests with the Governance, Performance & Remuneration Committee.

Guidance

5. The framework for remuneration and pay should be:
 - a) fair, appropriate and justifiable level of remuneration
 - b) subject to procedural fairness
 - c) transparency and accountability
6. To be fair, appropriate and justifiable:
 - a) Pay should be considered in the context in which the College operates.
 - b) Pay must be linked to the value delivered by the individual (based on a number of components).
 - c) Pay must consider equity, equality, diversity, and inclusion to ensure there are no biases pertaining to protected characteristics within the pay structure.
 - d) Clarity is required in stating expectations from staff i.e. what is 'normal' and what is 'exceptional'.
 - e) There must be a robust and consistent process for setting objectives and assessing an individual's contribution.
 - f) Awards made in respect of annual bonus arrangements linked to the achievement of specific annual objectives should not be consolidated.
 - g) From time to time the value of a role may need to be reviewed in light of changing conditions, sustained performance, experience etc.

- h) Non-achievement of an individual's expected contribution should be clearly addressed through Senior Post Holder performance management framework.
- i) Any severance payments must be reasonable and justifiable and, following College reclassification in 2022, in line with Treasury 'Guidance for approval of senior pay: Senior pay controls process' and Managing Public Money.

7. To achieve procedural fairness:

- a) Senior Post Holder remuneration should be determined in the context of the Board's approach to rewarding all its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.
- b) No individual can be involved in deciding their own remuneration.
- c) The CEO & Principal must not be a member of the Governance, Performance & Remuneration Committee for items discussing their own remuneration.

8. Transparency and Accountability:

- a) The process for setting remuneration must be transparent. For Senior Postholders there must be corporation level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the CEO & Principal must be separately justified, published in the annual financial statement.

9. The pay of Senior Postholders is reviewed annually (as per contract of employment) usually (but not always) at the same time as the pay review for all other staff.

10. The Board will publish a readily accessible annual statement, based on an annual report to its governing body. This report must contain:

- a) a list of senior Postholders within the remit of the Governance, Performance & Remuneration Committee.
- b) This guidance.
- c) Its policy on income derived from external activities which is published in ESCG financial statements.
- d) The pay multiple of the CEO & Principal and the median earning of the whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.
- e) Its choice of comparator college/organisations
- f) An explanation of any significant changes.