

# Remuneration Committee's Annual Report to 31 July 2022 to the Board of Management

## 1. Introduction

The Remuneration Committee presents its annual Remuneration Report for the year ended 31 July 2022 to the Board of Management to provide assurance on the conditions of service and remuneration of the College's Senior Leadership Team. There is no specific regulatory requirement for the College to produce this Report but the Remuneration Committee have agreed that it would increase transparency and be in line with the principles of good governance as set out in the Association of Colleges Senior Post Holder Remuneration Code ("the Code")<sup>1</sup>. This Remuneration Report for the year ended 31 July 2022, once considered by the Board, will be published on the College's website.

The contents of this Report are as recommended within the Code but with additional information to enhance the transparency of the College's senior remuneration.

## 2. Terms of Reference

The Remuneration Committee's terms of reference are shown in Appendix 1. It is responsible for reviewing and determining the salary and terms and conditions of appointment of all Senior Management including the Principal and Chief Executive ("the Principal").

## 3. Membership of the Remuneration Committee

Membership during the year ended 31 July 2022 is shown as below: -

Sandra Heidinger	Chair
Gordon McGuinness	Member
David Newall	Member
David Watt	Member

All of these individuals are Non-Executive members of the College Board i.e. they are not remunerated by Glasgow Clyde College. Whilst David Newall is Chair of the Glasgow Clyde College Board of Management, in line with good governance he does not Chair Remuneration Committee.

The Principal is NOT a member of Remuneration Committee but attends Remuneration Committee at the invitation of the Chair to inform discussions on the remuneration and conditions of service of other senior postholders. The Principal is never present when his own remuneration and/or conditions of service are discussed.

The Clerk to the Board attends Remuneration Committee as minute secretary and the Assistant Principal, Human Resources, is invited to attend as appropriate, including to present an annually produced background paper setting out information as described in Section 7, below. Whilst the Assistant Principal, Human Resources, may be invited to contribute to general discussions on the Senior Leadership 'as a class', she is not a member of the Committee and is not involved in any decision making relating to her individual salary.

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<sup>1</sup> The College is not bound by the Association of Colleges Remuneration Code but it was considered as part of a governance review and Remuneration Committee agreed that the publishing of this annual report would increase transparency of its decision making.

#### **4. Meetings**

The Committee met remotely during 2021/22 on 23 February and 19 May 2022. Both meetings were quorate with 100% attendance by members and the minutes were shared with the Board.

#### **5. Senior Postholders**

The senior postholders within the remit of the Remuneration Committee for the year ended 31 July 2022 were: -

Principal and Chief Executive

Deputy and Vice Principal, Curriculum and Quality Enhancement

Vice Principal, Resources and College Development

Assistant Principal, Quality and Performance

Assistant Principal, Student Experience

Assistant Principal, Finance and Infrastructure

Assistant Principal, Human Resources

Assistant Principal, Health and Wellbeing

Assistant Principal, Access and Continuing Learning

Assistant Principal, Engineering, Computing and the Built Environment

Assistant Principal, International and Business Development

Assistant Principal, Faculty of Business, Creative and Digital Industries

#### **6. Remuneration Policy**

The Senior Management Pay Policy, which is approved by the Board, guides the work of the Remuneration Committee. A copy of this policy is attached as Appendix 2.

#### **7. Approach to Remuneration**

Before deciding on the level of the pay award for Senior Postholders the Committee considered a range of detailed information which included the following: -

- Glasgow Clyde College's financial position
- Public Sector Pay Policy
- National Bargaining discussions affecting the salaries of other College staff
- Comparator salaries for senior management from a range of other Scottish Colleges of a comparable size and complexity
- Ratio between the GCC Principal's pay and median staff pay at Clyde and how this ratio has changed over time
- Association of Colleges (AOC) – Colleges Senior Pay Survey 2020
- Pay award historical data for senior management and other College staff
- Cost impact of any award
- Gender pay equality impact of any award.

## **8. College policy on external activities and expenses**

College staff (including those within the Remuneration Committee's remit) are required by their contract of employment to seek written approval from the Principal for any secondary employment. For the Principal, written approval is required from the Chair of the Board of Management. No such approvals were sought in the year ended 31 July 2022.

The College has a policy for paying expenses which applies to all College staff, including Senior Postholders.

## **9. Pay multiples**

In advance of its decision making on the Principal's pay, the Remuneration Committee considered the ratio of the Principal's pay to the median staff salary from 2017/18 onwards.

The College's Annual Accounts for 2021/22 confirm that the Principal's pay was 3.4 times the median remuneration of the workforce which was £39,264. In 2020/21, the ratio was 3.5. Further details of the Principal's remuneration are included in the College's Annual Accounts which can be found at [Publications | Glasgow Clyde College](#)

## **10. Summary of Remuneration Committee meetings 2021/22**

The following agenda items were discussed at each meeting: -

### **23 February 2022**

Strategic discussion on options to enhance the senior leadership team performance management system and associated reward.

### **19 May 2022**

Senior Team performance management improvement Stage One – Developing a robust and aligned performance management system

Senior Leadership Team Pay Context and Benchmarking

Pay Award Historical Data

At the 19 May 2022 meeting, the Remuneration Committee reached the preliminary view that the Senior Postholders should receive a pay award of 1.5%. After considering the cost impact of this award and the impact on the median ratio and pay equality, the Committee confirmed the 1.5% award.

The Committee considered the basis on which collective performance related awards might be made to Senior Postholders in future but no decision was made given the initial need to develop an improved performance management system for the senior leadership team.

## 11. Pay summaries

The following table sets out the pay range (at date of this report) for the Senior Leadership Team and the pay awards over the last five years.

	<b>Principal</b>	<b>Deputy and Vice Principals</b>	<b>Assistant Principals</b>
<b>Salary</b>	130-135k	90-100k	70-75k
<b>Number</b>	1	2	9
<b>2017-2018</b>	Capped at £1600	1.5%	1.5%
<b>2018-2019</b>	Capped at £1600	Capped at £1600	2%
<b>2019-2020</b>	Capped at £2000	2%	2%
<b>2020-2021</b>	Capped at £800	Capped at £800	1%
<b>2021-2022</b>	1.5%	1.5%	1.5%

The corresponding change for other College staff over the same period is:

	<b>Head of Curriculum/Curriculum Managers</b>	<b>Senior Lecturer</b>	<b>Lecturer</b>	<b>Support Staff</b>
<b>2017-18</b>	0.61%*	1.34%*	5.92% - 1.47%*	£450
<b>2018-19</b>	0.40%**	1.09%**	5.59% - 1.44%**	£525
<b>2019-20</b>	3.82%***	5.65%***	10.05% - 2.81%***	3%<£36,500 2%>£36,500
<b>2020-21</b>	2.00%	2.00%	2.00%	3%<£36,500 2%>£36,500
<b>2021-22</b>	1.87% - 1.98%	2.12%	2.31% - 2.84%	1.83% - 5.27%

\* 2017 -18 - all lecturing staff also received an unconsolidated amount of £200

\*\* 2018- 19 - all lecturing staff also received an unconsolidated amount of £200

\*\*\* 2019 - 20 - all lecturing staff also received a consolidated amount of £1500

## **12. Current Position**

The Committee met on 1 September 2022 (in person) where it discussed and agreed the approach to improved performance management for the Senior Leadership Team. The Committee also reviewed its own governance arrangements, against best practice, and proposed changes to the Voluntary Severance Scheme.

A Voluntary Severance Scheme has now been updated and forwarded for consideration by the College's approval bodies. The enhanced approach to performance management for the Senior Leadership Team has also commenced.

At its next meeting in 2023, the Committee will consider the annual pay award for the senior leadership team for 2023/24 and will receive an update on the introduction of an enhanced performance management system for staff within its remit.

A handwritten signature in black ink, reading "Sandra Heidinger". The signature is written in a cursive style with a large initial 'S'.

**Sandra Heidinger**

**Chair of Remuneration Committee**

## **Appendix 1:**

### **REMUNERATION COMMITTEE**

#### **REMIT OF COMMITTEE**

These functions are delegated by the Board of Management to the Remuneration Committee

##### **REMIT**

To be responsible for reviewing and determining the salary and terms and conditions of appointment of all Senior Management including the Principal and Chief Executive within an agreed funding envelope. To adopt and maintain a process consistent with the Code of Good Governance and to be responsible for ensuring that process is followed.

To fulfil this function, the Committee's role will be

To formulate the College's Senior Management Pay Policy including at Principal's level, and review that policy annually recommending any changes to the Board.

To report back to the Board on decisions made by the Remuneration Committee with enough detail to assure the Board that the Senior Management Pay Policy has been followed.

To ensure a clear process is in place to set and agree personal performance measures for the Principal and the other members of the Senior Management Team. In assessing the performance of the Principal, views will be sought from the staff and student communities.

To advise the Board on the terms of any severance schemes made available to staff or the terms of any individual settlement agreements if required.

##### **MEMBERSHIP**

The membership of the Committee is the Chair of the Board and four other members excluding the Principal and the staff and student representatives. The four other members will be the Chairs of the Audit, Finance and Resources, Learning and Teaching and Organisational Development Committees. The Vice Chair of the Board shall be the Chair of this Committee. The Chair of the Board must not be the Chair of the Committee. If there are vacancies, due to the ineligibility of a Committee Chair to take up membership, the Board will appoint a replacement member. The Committee shall meet twice per year.

##### **QUORUM**

The quorum set by the Committee is three members.

REVIEWED SEPTEMBER 2022

## Appendix 2:

### SENIOR STAFF PAY POLICY

#### 1. COVERAGE

This policy describes the remuneration policy for Glasgow Clyde College's senior staff (i.e. those not covered by the National Recognition and Agreements Procedure (NRPA)).

#### 2. REMUNERATION PRINCIPLES

Glasgow Clyde College seeks to adhere to the following reward principles in determining pay for senior staff:

- The process for remunerating senior staff will be clear and transparent.
- The College will use as its context the parameters for public sector pay increases as set out by the Scottish Government annually.
- The financial framework for determining senior staff remuneration will take into account the impact on total costs of employment, not just the cost of actual pay increases. This includes such considerations as the on costs of employment e.g. pension costs, national insurance contributions and holiday entitlement.

#### 3. PAY STRUCTURE

The College has a pay spine that covers senior staff (Levels 1 – 3). Senior staff are paid on spot salaries and there is no automatic progression through pay points.

Pay for staff levels 4 to level 10 are adjusted annually by reference to the outcome of national bargaining. All senior staff (levels 1 – 3) who have a current performance review described later in his paper will normally receive the annual increase as set out in the Scottish Government's Public Sector Pay Policy Remits Policy.

The College has a commitment to be a fair employer and has job evaluated all senior roles using consistent criteria.

#### 4. PAY ON APPOINTMENT

Senior staff are appointed to a spot salary on the pay scale based on the job evaluation score for the post. This process ensures that salaries are equitable and fair and free of any bias.

#### 5. REVIEW OF SENIOR STAFF PAY

Each year at its March meeting, the Remuneration Committee undertakes a review of senior staff pay. The outline financial envelope for the review will be discussed and determined annually as an initial step in the review process. The Public Sector Pay Policy for Staff Pay Remits document published by the Scottish Government annually will form the context of any pay award for senior management. Reference will also be made to any agreements made with staff through the national bargaining process and any relevant developments within senior pay agreements across the sector.

#### 6. THE PAY REVIEW PROCESS

Remuneration for the Principal and Chief Executive and all members of the senior management team is determined by the Remuneration Committee.

The pay review process is supported by comprehensive management information, which itemises for all senior staff:

- Current basic salary and history of past reward, if applicable;
- Any separate payments currently receive e.g. for additional responsibilities;
- Any salary adjustment made on an exceptional basis during the past year;
- Comments on any issues identified with respect to internal relatives or potential equal pay risks/equal pay information;

All senior staff are assessed as part of the review: only those for who there is a current performance review can be recommended for an award.

There is no formal link between the outcome of a performance review and pay outcomes. However, pay recommendations may take into account performance evidence discussed and recorded as part of the performance review process.

## **7. REMUNERATION COMMITTEE DECISION**

The Remuneration Committee considers the assessment of the performance of senior staff and any recommendations for review at its March meeting. Following decision by the Remuneration Committee, the outcomes of the Review are communicated and implemented with effect from 1 April each year.