



Annual Report on Senior Post Holder's Remuneration 2021/22

1. Background

Bolton College's Articles of Association define senior posts as '*such senior posts as the Board with the approval of the University may decide*'. Clause 6.1.6 states that Governors shall be responsible for '*the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Company Secretary/Clerk*'.

The Remuneration Committee has responsibility to make recommendations to the Board on the remuneration and benefits of the Principal/CEO and other Senior Post Holders.

2. Colleges' Senior Post Holder Remuneration Code

This report is produced in accordance with the [Colleges' Senior Post Holder Remuneration Code](#) (the 'Code') developed by the Association of College Governors' Council published in December 2018. The Board agreed to adopt the Code at its meeting held on 12 November 2019.

The Code includes the requirement that the College must publish a readily accessible annual statement, based on an annual report to its governing body. The purpose of this report is to meet that requirement and is produced in accordance with the guidance provided by the AoC in its [explanatory notes](#) on the Code.

The Code applies to all remuneration decisions affecting the emoluments of Senior Post Holders. The Code concerns fair and appropriate remuneration and requires three key elements, which are:

- a. a fair, appropriate and justifiable level of remuneration;
- b. procedural fairness; and
- c. transparency and accountability

3. Terms of Reference

The terms of reference of the Remuneration Committee are included at Appendix 1.

4. Remuneration Committee membership and meetings

The following members served on the Remuneration Committee during 2021/22:

Name	Eligible to attend	Actually attended
Andrew Fawcett (Chair)	1	1
Dr Andrew Roberts	1	1
Professor George Holmes	1	1
Kate Flood	1	1

The following meeting(s) took place during 2021/22:

- 22 September 2021

Consistent with the Senior Post Holder Remuneration Code:

- The Chair of the Remuneration Committee is not the Chair of the Board
- The Principal/CEO is not a member of the Remuneration Committee

No member of staff is present for discussions relating to their own remuneration.

The Remuneration Committee is responsible for advising the Board on the remuneration packages of the Principal/CEO and other Senior Post Holders with a view to ensuring that they are fairly rewarded for their individual contributions to the College's overall performance, having due regard to the financial health of the College and public accountability.

5. Senior Post Holders

The roles designated as Senior Post Holders and therefore within the remit of the Remuneration Committee and the Code are:

- Principal/Chief Executive
- Deputy Principal
- Company Secretary/Clerk

6. College's key strategic objectives, outcomes and main performance indicators

The College strategic operating plan details key performance indicators for the year which the Board uses to measure performance and distance travelled towards the strategic objectives.

The Performance Management Policy sets out the framework under which performance reviews for all staff are carried out and explains the alignment of individual objectives with the College's strategic priorities and plans. In respect of Senior Post Holders, the performance objectives are agreed by the Remuneration Committee with reports on the annual reviews are provided to the Remuneration Committee to inform their decision making in respect of the consideration of salary progression.

7. Approach to Remuneration

The Remuneration Committee is concerned with all aspects of the employment of Senior Post Holders, including recruitment, promotion, retention, setting and reviewing performance targets. The Remuneration Committee is also responsible for reviewing and making decisions on the remuneration, terms and conditions of employment of Senior Post Holders, taking account of institutional and personal performance, affordability, comparative information on the remuneration, benefits and conditions of employment from within the further education sector and other organisations of a comparable size/turnover.

The Remuneration Committee's aim is to pay a competitive salary but a significant part of this is dependent upon performance. The College pays a competitive salary based on the market median (informed by appropriate market intelligence, in particular reference to the AoC Senior Pay Survey which is produced annually).

The Principal/CEO reports to the Chair of the Board who undertakes an annual review of his performance against the College's overall objectives using both qualitative and quantitative measures of performance. The Remuneration Committee considers performance achievements of all Senior Post Holders, the demands of the role,

benchmarking information against similar roles in other colleges, market rates in order to recruit, retain and reward such staff whilst seeking to achieve the most effective use of resources available.

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. Newly recruited Senior Post Holders are subject to a probationary period and are eligible to receive the same remuneration elements as existing Senior Post Holders, namely salary, set at an appropriate level taking into account the experience and quality of the candidate, and membership of the appropriate pension scheme.

Explanation of any Significant Changes

The appointment to the post of Principal was made permanent in January 2019 following an interim appointment that commenced in January 2017. The substantive appointment was made following a full recruitment and selection exercise that included advice from external consultants on an appropriate remuneration package that was consistent with a college that operated within a highly competitive environment in the North West of England requiring a suitably experienced professional with the appropriate levels of expertise to manage and lead a Grade 2 college.

Following the integration with the University of Bolton, the College recognised the additional responsibilities inherent in the new structure for Senior Post Holders and has established salaries accordingly to reflect the wider duties undertaken as part of a University Group.

8. Total Emoluments of the Principal/CEO and Deputy Principal

The College's Financial Statements set out key management personnel emoluments (which include Senior Post Holders), salaries, employers' national insurance, benefits in kind and pension contributions.

Principal/CEO		
	2021/22	2020/21
Salary	£153,000	£150,000
Performance related pay	£0	£0
Benefits	£0	£0
Subtotal	£153,000	£150,000
Pension costs	£36,000	£34,000
Total	£189,000	£184,000

Deputy Principal		
	2021/22	2020/21
Salary	£95,000	£93,000
Performance related pay	£0	£0

Benefits	£0	£0
Subtotal	£95,000	£93,000
Pension costs	£24,000	£22,000
Total	£119,000	£115,000

9. Pay multiple of the Principal/CEO and the median earnings of the institution's whole workforce

In addition, in accordance with the Code, the College is required to disclose the relationship between the Principal/CEO's emoluments and that of all other employees as a pay multiple, expressed as follows:

- Principal/CEO's basic salary divided by the median pay of all other employees (all on a full-time equivalent basis); and
- Principal/CEO's total emoluments divided by the median pay of all other employees (all on a full-time equivalent basis)

The relationship of the Principal/CEO's basic salary and total remuneration expressed as a multiple of the median of all staff are also set out below. The Financial Statements are approved by the Board, submitted to the ESFA/Companies House and published on the College website annually.

Year	Pay Multiple of the Principal/CEO (basic salary)	Median earning of College's whole workforce
2019/20	4.9:1	30,337
2020/21	4.8:1	31,001
2021/22	4.7:1	32,240

Note: Pay multiple and median earning is calculated as at 31 July in each year.

10. Choice of comparator colleges/organisations

Relevant benchmarking data from the AoC and other available sources, including monitoring of other comparable posts in the market, is used for external comparisons. As a general principle, the Remuneration Committee has used the median point for relevant roles in similar size further education Colleges in the North of England, as published in the AoC's Senior Pay Survey, as a comparator.

11. External appointments and expenses

The Principal serves on the following external bodies with the approval of the Board:

- IGEN Trust (Director)
- Wanderers Sport in the Community CIC (Trustee/Director)

The College's policy on external activities applies to all staff and an exclusivity of service clause is included in its Senior Post Holder employment contracts. The Principal/CEO holds other positions by virtue of holding the post of Principal/CEO of the College, but does not receive any remuneration for this external work.

All expenses paid to Senior Post Holders are solely in reimbursement of expenses incurred in the furtherance of the business of the College and comply with the College's Financial Regulations. The total amount of expenses reimbursed to the Principal/CEO in 2021/22 was £Nil, and to the Deputy Principal £Nil.

Remuneration Committee 2021/22

Monday 17 October 2022



BOLTON COLLEGE

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

1. MEMBERSHIP

- 1.1 The Committee shall be appointed by the Board and shall comprise:
Up to five (5) independent members (or such other number as the Board may from time to time determine) including the Vice Chancellor of the University ex officio.
- 1.2 Membership may include additional persons with relevant experience who are not Board members who have been recommended by the Search and Governance Committee, and approved by the College and University Board, to be Co-opted External Members of the Committee. It may not include University Group Staff or Student Governors.
- 1.3 The Committee may invite other persons to attend meetings as deemed appropriate.
- 1.4 Members of the Committee, who are members of the Board, shall, at the Board's discretion, serve for the same term of office as their appointment as a member of the Board.
- 1.5 Co-opted members of the Committee will be approved by the University Board and will serve for a period of up to four years, (the first 12 months of which will be a probationary period), after which time their membership will be reviewed.
- 1.6 Members shall serve for a period of one academic year and shall be eligible for re-appointment.

2. QUORUM

- 2.1 A quorum for meetings of the Committee shall be three (3) members of which two must be external Board / Co-opted members. In the event of the Chair being unable to attend, the remaining members shall elect a Chair from among those present.

3. FREQUENCY OF MEETINGS

- 3.1 Meetings shall be held not less than once a year.
- 3.2 Attendance is subject to exclusion, where appropriate, during consideration of 'reserved business items'.

4. RESPONSIBILITIES OF THE COMMITTEE

- 4.1 The Committee shall review and advise the Board on its policy on executive remuneration and on the specific remuneration packages of designated senior postholders so as to:
- 4.2 ensure that designated senior postholders are appropriately rewarded for their individual contributions to the College's overall performance;

- 4.3 demonstrate that the pay and conditions of designated senior postholders are set by the Board upon the advice of a Committee which has no personal interest in the outcome of its decision and which gives due regard to the interests of the public, the financial health of the College, and the achievement of the College's objectives;
- 4.4 review and advise the Board on policy relating to all aspects of the remuneration of the Principal and other designated senior postholders to include the requirements of the AoC Senior Post Holder Remuneration Code as adopted by the Board;
- 4.5 advise the Board on the specific remuneration packages and conditions of service of the Principal, other designated senior postholders and the Clerk of the Board having regard to appropriate peer group comparators;
- 4.6 advise the Board on any severance payments (including pension benefits) which may be payable in the event of the early termination of the employment of a designated senior postholder or other staff covered by 4.5 above with the aim of:
 - (i) avoiding rewarding poor performance;
 - (ii) assuring value for money and compliance with external guidance from regulators; and
 - (ii) dealing fairly with cases where early termination of employment is not due to poor performance;
- 4.7 receive a report annually on the performance of individual designated senior post holders, the achievement of their performance goals and objectives and make recommendations annually to the Board on individual remuneration packages for the Principal and other designated senior post holders and where deemed appropriate for the Clerk to the Board; and

5. ELECTION OF CHAIR

- 5.1 The Chair of the Committee shall be elected at the first meeting of the Committee in each College year.
- 5.2 The Chair of the Board may be a member of the Remuneration Committee but should not be its Chair.

6. CLERKING OF THE COMMITTEE

- 6.1 The Clerk to the Board shall be Clerk to the Committee.
- 6.2 Agendas and Papers

The agenda and meeting papers will be sent to members at least seven (7) days prior to the meeting. Members should forward any items for inclusion on the agenda to the Clerk to the Committee.

7. REPORTING TO THE BOARD

- 7.1 Minutes will be subject to approval at the following meeting. Once approved, minutes, other than those recording items of 'reserved business' will be placed on the College

internet Governance page.

- 7.2 The Clerk shall circulate minutes of the meeting to the Committee and to all Board members.
- 7.3 The Committee may provide a report of its work to the Board, annually or more frequently, if necessary.

8. REVIEW OF THE TERMS OF REFERENCE

- 8.1 The terms of reference may be amended, modified or replaced by resolution of the College and University Board.
- 8.2 The terms of reference should be reviewed by the College Board at least every three years.