

NCG's Senior Post Holder Remuneration Code: Annual Statement to the Governing Body

Introduction

NCG's Corporation has adopted the AoC Colleges' Senior Post Holder Remuneration Code (published in December 2018 and last updated in September 2021) which 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. The Corporation has determined that this statement will be made available via NCG's Publication Scheme.

Background

The Instrument and Articles of Government of NCG define a 'senior post' as the post of '*Chief Executive of NCG and other such senior posts as the Corporation may decide for the purposes of these Articles*'.

Article 3 (1) (e) states that the Corporation 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 Clerk, including, where the Clerk is, or is to be appointed as, a member of staff, the Clerk's appointment, grading, suspension, dismissal and determination of pay in the capacity of a member of staff.

Committee Terms of Reference and Membership

The Appraisal and Remuneration Committee's Terms of Reference state that the purpose of the Appraisal and Remuneration Committee is to determine and monitor on behalf of the Corporation, the remuneration and performance of senior post-holders and the Director of Governance within the framework determined by the Corporation. These responsibilities are set out in full within the Terms of Reference for the Appraisal and Remuneration Committee which are available on the [NCG website](#) and include the responsibility to:

- *Determine the remuneration framework for senior post-holders (including the CEO), including pension rights, any compensation payments and all other benefits and*

contractual terms included within the offer of employment. Senior post-holders shall not be involved in any decisions as to their own remuneration.

- *Receive and review the annual performance objectives for senior post-holders, ensuring they are clear, transparent and measurable.*
- *Monitor performance against the objectives for senior post-holders.*

The membership of the Appraisal and Remuneration Committee comprises four governors. Members who served during 2023/24 were as follows:

- Mark Squires (Chair – resigned October 2023)
- Chris McCourt
- John Widdowson
- Andrew Cunningham (resigned June 2024)

Consistent with the Senior Post Holder Remuneration Code, the Corporation has determined that:

- The Chair of the Corporation Board shall not be the Chair of the Remuneration Committee.
- The Chief Executive Officer shall not be a member of the Remuneration Committee but may advise the Committee on matters other than their own remuneration. The Committee may invite other senior post holders to attend meetings where necessary.
- The Chief Executive Officer shall withdraw when matters relating to the remuneration and performance of the Chief Executive are considered.
- Other senior post holders (including the Director of Governance) shall withdraw when matters relating to their remuneration and performance are considered.
- The Director of Governance shall be the Clerk to the Committee unless otherwise agreed by the Committee.

Remuneration Process

NCG's Appraisal and Remuneration Committee met on 17th October 2023, 14th of May 2024 and the 19th of November 2024. At these meetings it:

- Approved the 2022/23 senior staff end of year appraisal outcomes and the 2023/24 senior staff objectives (October 2023).
- Noted the senior staff mid-year appraisals (May 2024).
- Approved the 2023/24 senior staff end of year appraisal outcomes and the 2024/25 senior staff objectives (November 2024).
- Approved this document (November 2024).

List of NCG Senior Post Holders

- Chief Executive Officer
- Chief Operations & Compliance Officer & Secretary to the Board (resigned March 2024)
- Executive Director of Quality
- Chief Finance Officer
- Chief Information, Data & Estates Officer
- Executive Principal - Curriculum
- Executive Principal – People & Culture
- All College Principals
- Director of Governance (appointed June 2024)

Remuneration Policy

The AOC recommend the creation of a remuneration policy for senior post holders with the aim of delivering:

- A fair and competitive salary offer to attract and retain high performing staff, taking account of the circumstances of NCG and evidence about the ability to recruit.
- A framework for SPH remuneration that is fair and which is informed by information about the range of salaries and the median earning of all staff and NCG's ability to pay.
- Decision-making processes for SPH remuneration that are fair, transparent and

accountable.

Having considered this requirement, the Appraisal & Remuneration Committee have decided a policy is not required as to ensure full transparency the Senior Post Holder model contract of employment has been agreed by this Committee and will be made available on request (contact clerk@ncgrp.co.uk).

Choice of Comparator College(s) / Organisation(s)

In determining the remuneration packages of each SPH role, the AOC College Senior Pay Survey 2023 and the latest benchmark data for relevant roles as reported in the AOC 'Benchmarking Tool' was taken into consideration. Further work was also done on comparator colleges/groups using the Management Accounts 2023 of those colleges.

Reference was also made to the North-East Pay Survey undertaken by Nigel Wright. An external benchmarking report on NCG Senior Post Holder salaries was also commissioned. The Committee also considered the revised [DfE guidance on senior pay](#) following reclassification and the requirements of 'Managing Public Money'.

In line with published process, the Committee took the view that remuneration packages of the current SPH should have individual specific changes as agreed by the Appraisal & Remuneration Committee at their meeting of 19 November 2024.

Policy on Income Derived from External Activities

The Senior Post Holder Code states that:

- *There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders.*

NCG includes an exclusivity of service clause in its SPH employment contract, which requires a SPH to obtain express permission for additional external work (whether or not it is remunerated). In the event of an SPH requesting approval of external work, the Chair of the Appraisal & Remuneration Committee would consult with the Chair of the Corporation and with fellow members of the Committee to determine how much, if any,

of the additional remuneration the SPH would be permitted to retain and the grounds for this. This decision would be recorded in the minutes of the next meeting of the Committee.

The CEO's appointment to the Board of the Newcastle Hospitals NHS Trust, approved during the previous period, continues.

Pay multiple of the Chief Executive Officer and the median earnings of the institution's whole workforce

Year	Basis of Calculation	Pay Multiple of the CEO/Principal	Median earnings of the institution's whole workforce
2023/24	<u>Current CEO</u> Basic Salary	6.48	£32,396.00
2023/24	<u>Current CEO</u> Total Remuneration	6.30	£39,467.00
2022/23	<u>Current CEO</u> Basic Salary	6.99	£30,062
2022/23	<u>Current CEO</u> Total Remuneration	6.88	£36,159
2021/22	<u>Current CEO</u> Basic Salary	7.23	£29,062
2021/22	<u>Current CEO</u> Total Remuneration	7.22	£34,922
2020/21	<u>Current CEO</u> Basic Salary	7.56	£27,796
2020/21	<u>Current CEO</u> Total Remuneration	7.44	£28,216
2019/20	<u>Current CEO</u> Basic Salary	7.91	£26,561
2019/20	<u>Current CEO</u> Total Remuneration	8.17	£29,386
2018/19	<u>Interim CEO</u> Basic Salary	6.4	£25,000

Year	Basis of Calculation	Pay Multiple of the CEO/Principal	Median earnings of the institution's whole workforce
2018/19	<u>Interim CEO</u> Total Remuneration	6.65	£28,663
2018/19	<u>Previous CEO</u> Basic Salary	9.09	£25,000
2018/19	<u>Previous CEO</u> Total Remuneration	9.79	£28,663