

Lakes College: Annual Report and Pay Policy for Senior Staff

Lakes College Corporation has adopted the Association of Colleges' Senior Staff Remuneration Code and this report sets out how the College takes decisions on the remuneration of its Senior Postholders.

A 'Senior Postholder', a specific term used in the further education sector, denotes a member of staff who is answerable and accountable directly to the Corporation Board. At Lakes College, both the Principal and Deputy Principal are Senior Postholders.

The Corporation Board has delegated to the Remuneration Committee the pay and terms and conditions of the Senior Postholders, with the exception of any agreements relating to the early termination of a contract (should that occasion arise), which is a decision reserved to the Board. All decisions by the Remuneration Committee are reported in full to the Board.

In setting the pay levels of the Senior Postholders, the Remuneration Committee took the decision that they wished to pay a salary commensurate with colleges of a similar size nationally in order to maintain a good level of candidate in the event of vacancies. Following independent review in 2010, the following pay policy was put in place by the Remuneration Committee:

- That the College would use the annual pay survey benchmarking material, produced by the Association of Colleges, for further education colleges (national bracket) as the guide to setting pay.
- The pay would be set at the quartile of that survey depending on the performance of the College in respect of the quality of the offer and the financial well-being of the organisation the previous year.
- That the salaries of other public sector organisations in the area would also be considered.
- That the staff award be taken into account.
- That CPI be taken into account.

This has placed the Principal's Salary at a pay ratio of 1:4.4 against the median earnings of the college in 2020-21. This is a comparatively low pay ratio for the public sector and has been static for some time as the Senior Post-holders have requested that they be awarded the same uplift as staff in the 2021 pay award, as they have done since 2015. This has been considered and agreed by the Committee, however, they have noted that some anomalies are now being seen against sector benchmarking and will look to carry out additional, independent external review in 2021-22. Details are published in the financial statements, with the appropriate extract appended for information. The Senior Postholders are also entitled to private health insurance, with the intent of limiting any absence to College.

The Senior Postholders, like all other staff, are contractually obliged to offer exclusivity of service. They must not, without the written consent of the Corporation, undertake any employment or engagement, which would interfere with the performance of their duties or give rise to a conflict of interest.

This statement has been endorsed by the full Corporation Board.

Nigel Holliday

Chair, Remuneration Committee
27 January 2022

Extract from the Financial Statements of Lakes College West Cumbria 2020-21:

8. EMOLUMENTS OF KEY MANAGEMENT PERSONNEL

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning directing and controlling the activities of the College and are represented by the College Executive Team which comprises the Principal, Deputy Principal and Assistant Principal. .

	College 2021 £000	Group 2021 £000	College 2020 £000	Group 2020 £000
Salaries	262	262	259	259
Benefits in kind	4	4	3	3
Pension contributions	58	58	54	54
	324	324	316	316

There were no amounts due to key management personnel paid for compensation for loss of office, that were waived in-year, nor any salary sacrifice schemes in place. The above emoluments include amounts payable to the Principal (Accounting Officer) (who is also the highest paid officer) of:

	College 2021 £000	Group 2021 £000	College 2020 £000	Group 2020 £000
Salaries	111	111	110	110
Benefits in kind	2	2	2	2
Sub Total	113	113	112	112
Pension contributions	26	26	25	25
	139	139	137	137

The accounting officer's enrolments represent multiples of median employee pay as follows:

	College 2021 £000	Group 2021 £000	College 2020 £000	Group 2020 £000
Principal and CEO's basic salary as a multiple of the median of all staff	4.4	4.4	4.4	4.4
Principal and CEO's total remuneration as a multiple of the median of all staff	4.4	4.4	4.4	4.4

Salary costs for all key management personnel are in line with salary benchmarks for Senior pay as published by the AOC. Pay awards are paid at the same rate as those awarded to other employees.

The pension contributions in respect of the Principal and Senior Post holders are in respect of employer's contributions to the Teachers' Pension Scheme and the Local Government Pension Scheme and are paid at the same rate as for other employees.