

## Lakes College: Annual Report and Pay Policy for Senior Staff 2022-23

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, who bring their recommendations to the Board. In setting the pay levels of the Senior Postholders, the Remuneration Committee and the Board 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.

Effective from 1<sup>st</sup> August 2014, the Senior Postholders have volunteered to receive the same pay rise as staff and this continued to be the case in 2022. The Remuneration Committee, however, noted that the policy in place in 2022 suggested that the Principal's salary was not in line with the previously agreed formula and made adjustments accordingly.

It was also noted that the formula to set SPH salaries had not been reviewed for ten years and an external review was commissioned and the following formula adopted for 2022:

- 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 for the Principal.
- The pay would be set at the upper quartile of that survey and that the current pay differential between Principal and Deputy Principal would be maintained;
- That there would be periodic external review of the Senior Postholder Salaries (likely to be every 6 years) and in the intervening years, the Senior Postholders would receive the same award as staff.

The Principal's salary sits at a pay ratio of 1:4.23 against the median earnings of the college. This continues to be a comparatively low pay ratio for the public sector and has been static for some time. Details are published in the financial statements of SPH remuneration, 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.

Chair, Remuneration Committee

*Nigel Holliday*

31 December 2022

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.

	<b>College 2022 £000</b>	<b>Group 2022 £000</b>	<b>College 2021 £000</b>	<b>Group 2021 £000</b>
<b>Salaries</b>	268	268	262	262
<b>Benefits in kind</b>	2	2	4	4
<b>Pension contributions</b>	59	59	58	58
	<b>329</b>	<b>329</b>	<b>324</b>	<b>324</b>

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:

	<b>College 2022 £000</b>	<b>Group 2022 £000</b>	<b>College 2021 £000</b>	<b>Group 2021 £000</b>
<b>Salaries</b>	114	114	111	111
<b>Benefits in kind</b>	1	1	2	2
<b>Sub Total</b>	<b>115</b>	<b>115</b>	<b>113</b>	<b>113</b>
<b>Pension contributions</b>	27	27	26	26
	<b>142</b>	<b>142</b>	<b>139</b>	<b>139</b>

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

	<b>College 2022 £000</b>	<b>Group 2022 £000</b>	<b>College 2021 £000</b>	<b>Group 2021 £000</b>
Principal and CEO's basic salary as a multiple of the median of all staff	4.2	4.2	4.4	4.4
Principal and CEO's total remuneration as a multiple of the median of all staff	4.2	4.2	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, although in 2021-22 the Principal's salary was reviewed to re-align with AOC benchmarking. 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.