

 ACTIVATE LEARNING	TITLE		REF [as per register]	VERSION
	Remuneration of Senior Post Holders (SPH)		CPO22	0.1
	APPROVAL BODY:		DATE [of approval]	REVIEW DATE
	Corporation		12 December 2023	12 December 2025
	LEAD PERSON	Chief People Officer		
	EQIA DATE	25/09/2023.	DPIA DATE	25/09/2023.

REMUNERATION OF DESIGNATED SENIOR POST HOLDERS POLICY

Policy Statement

1. The Activate Learning Corporation recognises the importance of ensuring that Senior Post Holders (SPH) receive 'fair and appropriate' remuneration (see para 5) which facilitates the recruitment, retention and motivation of high-quality individuals.
2. The Corporation Board has adopted the Association of Colleges (AoC) Code of Good Governance in England. The SPH Remuneration Code forms part of the AoC Code of Good Governance in England. To be compliant with the Code of Good Governance, the Activate Learning Corporation must adopt or have due regard for the Remuneration Code (as stated in 9.9 and 9.10 of the AoC Code of Good Governance). The Activate Learning Corporation is thus committed to following the AoC SPH Remuneration Code, which will be used on an 'apply or explain' basis. This means that the Corporation will explicitly state on annual basis that they have abided by the minimum requirements of the Remuneration Code or will provide meaningful explanations for non-compliance and how their alternative arrangements meet its principles.
3. By visibly adopting the AoC Remuneration Code, the Corporation is demonstrating leadership and stewardship in relation to remuneration within Activate Learning and, in doing so, protecting institutional and sector reputation and providing greater assurances to key stakeholders and partners, including the student community and wider society.

Scope

4. This Policy applies to all SPHs appointed by the Activate Learning Corporation which, as of December 2023, includes the Chief Executive Officer (CEO) and Governance Professional.

Fair and Appropriate Remuneration

5. Remuneration includes not only basic salary but also pension arrangements, performance related pay, other allowances, and any benefits in kind. Fair and appropriate remuneration requires three key elements – namely that there is:
 - a. A fair, appropriate, and justifiable level of remuneration.
 - b. Procedural fairness.
 - c. Transparency and accountability.
6. Each of the elements are underpinned by several supporting principles as follows (extracted from the AoC SPH Remuneration Code):

- a. **A Fair, Appropriate and Justifiable Level of Remuneration.** Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to their college's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

Principles:

- Remuneration should take account of the context in which the college operates.
- Remuneration must be linked to the value, based on several components, delivered by the individual within the role.
- Remuneration must consider matters of equality, diversity, and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure.
- Colleges should be clear about what they expect from staff, i.e., what is 'normal' and what is 'exceptional'. There must be a robust and consistent process for setting objectives and assessing an individual's contribution.
- Remuneration can vary according to individual performance.
- Except in the case of incremental progression, any awards made in respect of annual performance related payments linked to the achievement of specific annual objectives should not be consolidated.
- From time to time the value of a role may need to be reviewed considering changing conditions, sustained performance, experience etc.
- Non-achievement of an individual's expected contribution should be clearly addressed through performance management.
- Any severance payments must be reasonable and justifiable. 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. The Corporation Board must authorise the retention of any income generated by a SPH from external bodies in a personal capacity.

- b. **Procedural Fairness.** Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision making using appropriate evidence and assessing the value of roles, the contexts and individuals' performance in them.

Principles:

- Senior Post Holder remuneration should be determined in the context of each college's approach to rewarding all its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.
- No individual can be involved in deciding his or her own remuneration.
- Remuneration Committees must be independent, competent and should not be chaired by the Chair of the Governing Body.
- The CEO must not be a member of the Remuneration Committee.

- c. **Transparency and Accountability.** The process for setting remuneration must be transparent. For Senior Post Holders there must be a college level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the CEO must be separately justified, published, and related to the remuneration of all staff within the organisation.

Principles:

- A readily accessible annual statement, based on an annual report to its governing body should be published. This report must contain:
 - A list of SPH within the remit of Remuneration Committee.
 - Its policy on the remuneration for post holders within the remit of Remuneration Committee.
 - Its policy on income derived from external activities.
 - The pay multiple of the Chief Executive and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.

The report should also contain:

- The choice of comparator college(s)/organisation(s).
- An explanation of any significant changes.
- The percentile/salary range to which the CEO's salary is benchmarked using data from the Association of Colleges Senior Pay Report.

Terms and Conditions

7. The terms and conditions for individual SPH are agreed by the Corporation Board on appointment and documented in individual contracts of employment, based upon recommendations from the Remuneration Committee.
8. The Corporation Board may use the conventional range of emoluments used by organisations in relation to pay for SPH which, in addition to basic salary and organisational pension contribution, could include performance related pay, car allowance or company car, relocation or accommodation allowance, medical and/or dental insurance, etc.
9. Any changes to the terms and conditions of SPH require approval from the Corporation Board.

Responsibilities

10. The Corporation Board is ultimately responsible for the remuneration of SPH and upholding the AoC SPH Remuneration Code.
11. The Corporation Board delegates the function of performance management for SPH to the Remuneration Committee.
12. The Remuneration Committee sets and reviews the Performance Objectives and Personal Development Objectives for SPH and makes recommendations in relation to performance related pay for SPH to the Corporation Board for approval.
13. The Remuneration Committee undertakes a review of the total remuneration for SPH on an annual basis making any recommendations for a change to the terms and conditions to the Corporation Board for approval.
14. The Corporation Board must approve all requests for SPH to undertake external board-level commitments and document the arrangements for any income generated from such commitments.

References

- Corporate Ethics Policy
- Association of Colleges Senior Post Holder Remuneration Code