

ANNUAL REMUNERATION STATEMENT 2021-2022



Introduction

EKC Group Board of Governors adopted the Association of Colleges Senior Staff Remuneration Code in July 2019 and, in accordance with the code, publishes this annual statement on the remuneration of its senior post holders.

Senior post holders are appointed by the Board of Governors.

From September 2021 – August 2022 the senior post holders were the Group Chief Executive Officer (Graham Razey), the Chief Education Officer (Lucy McLeod), the Chief Strategy Officer (Paul Sayers) and the Chief Financial Officer (Christopher Legg).

The Board of Governors has a Remuneration Committee made up of external governors and served by the Clerk to the Corporation. From September 2021 – August 2022 the members of the Committee were: Jonathan Clarke (Committee Chair); Charles Buchanan (Chair of Governors); Joanna Worby; and Peter Cheney.

The Group Chief Executive Officer acts as an Officer in Attendance for Remuneration matters other than their own. The Committee's terms of reference are annexed to this statement.

Approach to Senior Post Holder remuneration

The Remuneration Committee aims to retain highly talented and effective senior post holders in order to deliver the Group's strategy and to achieve the best outcomes for students, communities and employers while ensuring effective use of resources.

The Committee reviews the performance of each senior post holder annually and has responsibility for making decisions on the remuneration and terms and conditions of employment of senior post holders.

To inform its decisions the Committee takes account of affordability, comparative information on the remuneration benefits and conditions of employment from within the further education sector (using data from the most recent AOC Senior Pay Survey of college's with a similar income level, location and scope of operations), and other organisations of a comparable size/turnover.

In 2019, following the adoption of the Senior Post Holder's Remuneration Code, the Committee commissioned Peridot Partners Limited to undertake an independent wider review of benchmarking than that reported by the Association of Colleges.

The review included some wider benchmarking and some description of the roles of Senior Postholders in other education organisations (MATs and smaller universities) and the reporting and reward structure of these roles, highlighting any differences.

The independent review demonstrated that EKC Group senior post holder remuneration was largely in the middle salary range for the sector.

Emoluments of the Senior Post Holders

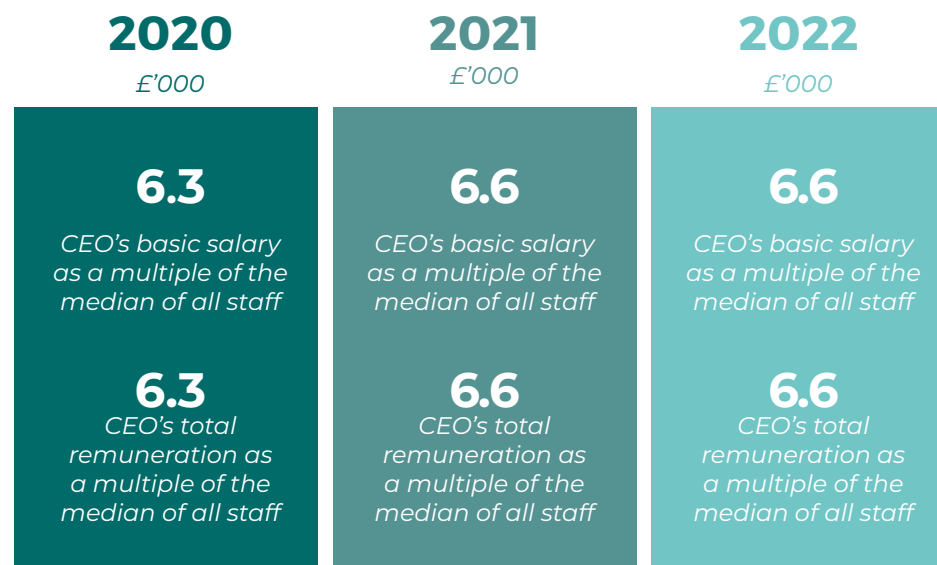
Chief Executive Officer

The Chief Executive Officer is the Group Accounting Officer and the highest paid member of staff.

The amounts payable to the CEO in 2021-2022 were as follows:

	2020 £'000	2021 £'000	2022 £'000
Salary	169	184	190
Benefits in kind	1	2	1
Total	170	186	191
Pension Contribution	39	44	45

In accordance with the College's Senior Post Holder Remuneration Code, the Corporation is required to disclose the relationship between the CEO's emoluments and that of all other employees as a pay multiple, expressed as follows:



Chief Financial Officer (Assistant CEO)

The amounts payable to the Chief Financial Officer (Assistant CEO) in 2021-2022 were as follows:

	2020 £'000	2021 £'000	2022 £'000
Salary	110	115	120
Benefits in kind	1	1	1
Total	111	116	121
Pension Contribution	17	19	21

The relationship between the Chief Financial Officer (Assistant CEO) emoluments and that of all other employees as a pay multiple, expressed as follows:

2020 £'000	4.0 <i>Basic salary as a multiple of the median of all staff</i>	3.8 <i>Chief Financial Officer's total remuneration as a multiple of the median of all staff</i>
2021 £'000	4.1 <i>Basic salary as a multiple of the median of all staff</i>	3.9 <i>Chief Financial Officer's total remuneration as a multiple of the median of all staff</i>
2022 £'000	4.2 <i>Basic salary as a multiple of the median of all staff</i>	4.0 <i>Chief Financial Officer's total remuneration as a multiple of the median of all staff</i>

Chief Education Officer (Assistant CEO)

The amounts payable to the Chief Education Officer (Assistant CEO) in 2021-2022 were as follows:

	2022 £'000
Salary	120
Benefits in kind	1
Total	121
Pension Contribution	21

The relationship between the Chief Education Officer (Assistant CEO) emoluments and that of all other employees as a pay multiple, expressed as follows:

2022 £'000	4.2 <i>Basic salary as a multiple of the median of all staff</i>	4.0 <i>Chief Education Officer's total remuneration as a multiple of the median of all staff</i>
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Chief Strategy Officer (Assistant CEO)

The amounts payable to the Chief Strategy Officer (Assistant CEO) in 2021-2022 were as follows:

	2022 £'000
Salary	110
Benefits in kind	1
Total	111
Pension Contribution	19

The relationship between the Chief Strategy Officer (Assistant CEO) emoluments and that of all other employees as a pay multiple, expressed as follows:

2022 £'000	3.9 <i>Basic salary as a multiple of the median of all staff</i>	3.7 <i>Chief Strategy Officer's total remuneration as a multiple of the median of all staff</i>
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External Appointments

The CEO serves on the following external bodies in his capacity as CEO of EKC Group:

- National Leader of Further Education
- Member of the DfE Principal's Reference Group

The CEO does not receive any remuneration for this external work. The Group receives a payment in respect of the Chief Executive Officer's activity as a National Leader of Further Education of £10,000 and a payment of £5,000 in respect of the CEO's activity as a Member of the DfE Principal's Reference Group which covers expenses incurred in the fulfilment of these duties and is not passed on to the CEO.

The CEO holds directorship/membership of:

- EKC Schools Trust, a subsidiary company of the Group for which no additional remuneration is received.

There were no external activities undertaken by other senior post holders during 2021-2022 for which the post holder received income.

Expenses

All expenses paid to senior post holders are solely in reimbursement of expenses incurred in the furtherance of the business of the Group and comply with the Group's Financial Regulations and Expenses Policy and Guidelines.

The total amount of expenses reimbursed during 2021-22 to Senior Post Holders was:

	Total Payment
Chief Financial Officer	£369.48
Chief Education Officer	£156.60
Chief Executive Officer	£406.97
Chief Strategy Officer	£0

Annex: Terms of Reference for the Remuneration Committee

1 Purpose

- 1.1 Remuneration Committee makes recommendation to the Governing Body on the remuneration and employment terms and conditions of senior post holders and, subject to charity commission mandate, the remuneration of the Chair of the Governing Body.

2 Membership

- 2.1 The membership of the Committee shall be 3 members plus the Chair of the Governing Body. The Group Chief Executive Officer (CEO) acts as an Officer in Attendance for Remuneration matters other than their own. The Chair of the Governing Body is not involved with determining their own remuneration matters.
- 2.2 Members shall be determined at the final meeting of the Governing Body in the academic year.
- 2.3 Members shall be appointed for a period of two academic years and shall be eligible for reappointment. Where a members Term of Office is less than two years the member will serve until the end of their Term of Office. If the member is re-appointed to the Governing Body, the members re-appointment to the Committee will be considered at the same time.
- 2.4 Members shall make the Chair aware of any conflicts of interest prior to each meeting.
- 2.5 member will cease to be a member if they have been absent from 3 consecutive meetings without apologies having been received by the Clerk prior to the meetings. In this case, recommendation will made to the Search and Governance Committee for further consideration.

3 Quorum

- 3.1 The quorum for the meeting shall be 3. If in the course of the meeting the number of members ceases to constitute a quorum then the meeting will be terminated and matters carried over.

4 Frequency of Meetings

- 4.1 The Committee shall meet at least once per academic year and more meetings can be called as and when deemed relevant throughout the year. If there is insufficient business to be discussed, the Chair of the Committee along with the Director of Governance may make a decision to not hold a meeting.
- 4.2 All meetings of the Committee will be summoned by the Director of Governance who shall send written notice to the members of the meeting at least 5 working days in advance of the meeting.

5 Delegated responsibilities of the Remuneration Committee

- 5.1 Approve the annual pay award and remuneration package for Senior Post Holders.
- 5.2 Approve the remuneration and employment terms and conditions of the remunerated Chair.

6 Election of the Chair of the Remuneration Committee

- 6.1 The Chair of the Committee shall be elected at the first meeting of the academic year in which the position becomes vacant with the reappointment of previous Chairs acceptable. In the absence of the Chair, the Committee will appoint from within its membership to act in the capacity of Chair for that meeting.

7 Clerking of the Committee

- 7.1 The Director of Governance shall act as Clerk to the Committee, however if the Director of Governance is not available the Committee can designate a person to act as Clerk for the meeting. The Chair may delegate the role to a member of the Committee if deemed appropriate for certain items.

8 Minutes of the Committee

- 8.1 Once approved by the Committee Chair, the minutes will be uploaded into the Governor area of the Group website. The Chair of the Committee will provide a precis at the next board meeting on the key points.
- 8.2 Papers and minutes for the Committee will be stored within the Governance Intranet site.