



The FGB Chair, CEO and the Director of Governance have been given delegated authority by FGB to review confidential minutes on an annual basis. The following minute was released for publication following the review panel meeting held on 10 October 2022. Remuneration Committee 14/11/19 Confidential Minute 5.



Full Governing Body

Remuneration Committee

Meeting	Remuneration Committee	Date and time	14 th November 2019 @1pm
Location	The Private Dining Room, The Yarrow, Broadstairs	Status of minutes	Part B – confidential
Membership	Jonathan Clarke (Chair), Charles Buchanan, Tim Kent		
In Attendance	Graham Razey (Group Principal) for part Sandy Foster (Interim Governance Support) Sarah Szulczewski, Grant Taylor and Michael Earnshaw (Peridot Partners Limited) for item 5 only.		

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	The Chair welcomed everyone to the meeting. There were no apologies.	
2	Declarations of Interest	None were declared apart from any standing declarations.	
3	Minutes of the Meeting	The minutes of the last meeting on 4 th June 2019 were agreed as an accurate record and signed by the Chair.	
4	Matters Arising	There were none.	
5	Presentation by Peridot Partners LLP on Senior Post Holder Remuneration	Following the adoption of the FE Code of Good Governance and the updates to the Senior Post Holders' Remuneration Code, the Committee had instructed Peridot Partners Limited to undertake a benchmarking exercise on salary and appropriate reporting lines and titles. The Committee had received a report from Peridot prior to the meeting and had discussed this prior to the presentation commencing (GR was not present). The team from Peridot then presented the facts of their report on sector benchmarking intelligence to the Committee and invited questions. There was discussion on quartiles and median range data sets for the FE sector, and where the EKC SPH sat within those. It was acknowledged that there were some differentials between roles, with some ahead and some mid-range. Rewards, benefits-in-kind and pension contributions were discussed, and how to be an employer of choice by making packages attractive to retain and attract quality candidates from both within and outside of the FE sector. It was agreed that	FGB to approve the SPH pay recommendation at their next meeting.

	<p>consistency in rewards was important to avoid issues. There was a general discussion on frequency of reviews – with a 3-year refresher being deemed appropriate if there had been no significant change to the role or organisation structure.</p> <p>[CB left the room 1352 - GR in the room]</p> <p>Peridot had been asked to provide an overview of remunerated Chairs in the FE sector. CB is currently remunerated by Charity Commission exception, because of the significant merger changes in the EKC Group over the past few years and the need for strong governance. This is a £20k per annum salary for 1 day per week. The Charity Commission will be required to give approval to extend this arrangement which the Board have previously agreed. Peridot provided a commentary on the sector positioning of remuneration for the Chair, advising that this was not a common arrangement in FE, with only 5-7 organisations remunerating their Chair. It was acknowledged that the local context and risk profile for such remuneration arrangements was key, and a further compelling argument around EKC Group and the continued changes to the organisation could be provided. SF will pick up on the communications with the Charity Commission thus far and draft a suitable response. Peridot’s report had demonstrated to the Committee that the level of remuneration was appropriate.</p> <p>The Committee thanked Peridot for their report and presentation and they left the meeting at 1410.</p> <p>AGREED: SF to progress the action in seeking Charity Commission approval for an extension of the remuneration for CB at the same rate as now, and report back to the Committee. The change to a day rate equivalent in the current term to be confirmed too.</p> <p>[CB joined the meeting].</p> <p>The Committee discussed the findings from the Peridot report and considered the position of the EKC Group Senior Post Holders in order to make a recommendation to the Board. There was discussion on differentials and the impact of phased pay increments. It was agreed to align the phasing with the 3-year strategic plan (YE 2019-2021).</p> <p>RECOMMENDATION: No pay increase this year to EKC Group Senior Post Holders, but that over the next 3 years and aligning with the Strategic Plan (YE2019-2021), the Committee will consider upwards pay increments for each role based on the differential data from the Peridot SPH salary analysis findings, subject always to relevant increases to funding and the financial health of the Group.</p>	<p>SF to pick up on the Charity Commission communications around remunerating the Chair and progress it.</p> <p>SF to confirm the change to a day rate with the Committee.</p> <p>JC/TK to discuss with CB as appropriate.</p>
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6	Draft agenda next meeting	Not provided, with some discussion around its value.	
7	Any other business	<p>A Governor asked whether the Committee should adopt a philosophy on SPH remuneration outcomes. There was discussion on the impact of benchmarking variances across the organisation and how further modelling would be required to ensure inconsistencies did not arise. The adoption of the SPH Remuneration Code was a good start to ensure consistency, but the organisation still has choices to make. The independent assessment did demonstrate that EKC SPH remuneration was largely in the middle salary range for the sector which is good to understand. GR advised the Committee that benchmarking of all roles across the organisation takes time and was last carried out in 2013. This allowed fixed point salary scales to be introduced, but although there is an aspiration to repeat this there is not the budget to meet the aspiration. It was agreed to keep the SPH remuneration on the same basis as the rest of the organisation for the next year, with a review of modelling in 2020-21.</p> <p>AGREED: To keep Senior Post Holder remuneration modelling under review with the next discussion in the 2020-21 academic year.</p>	The Committee to discuss the SPH remuneration review modelling in the 2020/21 academic year.
8	Date and time of next meeting	28 th January 2020 10.15am Broadstairs College.	SF to advise location.

There being no further business the meeting closed at 2.10pm

Signed: 

Print: JONATHAN CLARK

Date: 28 January 2020