## ROYAL NORTHERN COLLEGE OF MUSIC

**Report of the Remuneration and Strategic Staffing Committee to the Board of Governors**

**For the Year Ended 31 July 2020**

**Introduction**

This report summarises the business of the Remuneration and Strategic Staffing Committee throughout the College’s academic year from 1 August 2019 to 31 July 2020 (the ‘period’) and sets out how the Committee has discharged its responsibilities as set out within the approved terms of reference.

The report is written for the Board of Governors but it is also intended to publish the report on the website as part of our continuing efforts to improve the transparency of governance processes within the College.

**Structure and Membership of the Committee**

The composition of the Committee reflects the guidance published by the Committee of University Chairs and the requirement set out in the Remuneration Code that Remuneration Committees must be independent and competent. The Committee is chaired by an independent governor and the Principal is not a member. The Committee has carefully considered whether the Principal should be in attendance at meetings of the Committee and agreed that this is helpful when discussing business due to the insights she brings on matters relating to the remuneration of her Executive Team (excluding herself) and staffing policy.

The Secretary to the Committee is Dr Dawn Edwards, Clerk to the Board.

The members of the Remuneration and Strategic Staffing Committee during the period were:

Felicity Goodey (Chair)

Carolyn Baxendale

Nick Prettejohn (Chair of the Board)

David Roper (Deputy Chair of the Board)

The Chair and members of the Committee are appointed by the Nominations Committee based on their experience and skills in relation to remuneration and senior staffing decisions.

**Terms of Reference of the Committee**

The terms of reference were reviewed by the Committee at its November 2019 meeting. The key change was to include the remuneration of the Principal’s Executive Team under the Committee’s responsibility. The terms of reference for 2019/20 were as follows:

1. To consider and determine on behalf of the Board the remuneration arrangements for the Principal of the College, the Clerk to the Board and members of the Principal’s Executive Team in accordance with the HE Remuneration Code.
2. At the Board’s request, to consider and determine the remuneration arrangements for senior managers in the College, who are not holders of senior posts.
3. To advise the Board or, on behalf of the Board, the Principal, in relation to the general salary structure, remuneration and terms of employment of the College’s senior management.
4. To consider any severance terms for senior post holders on the termination of their employment and make recommendations to the Board.
5. To approve and keep under review on behalf of the Board, the College’s Human Resources strategy and staff policies designated as a Regulation of the College.
6. To take account of the College’s responsibilities for equality and diversity when considering the remuneration of staff falling within the remit of the Committee and in the consideration of human resources policies designated as a regulation of the College.
7. To provide the Board with an annual report of the business of the Committee which is transparent and meets the requirements of good governance.
8. To consider such strategic staffing issues as may be referred to it by the Board, or by the Executive Committee of the College, and to advise the Board and/or the Executive Committee accordingly.

**Dates of Meetings and Attendance**

During the period, meetings of the Committee were held on the 27 November 2019 and 3 June 2020; the latter being held remotely. Each meeting was quorate and well-attended. The minutes of both meetings have been received by the Board.

The Principal (Professor Linda Merrick), was in attendance at both meetings in 2019/20, but withdrew from the meeting of 3 June 2020 when her remuneration was discussed and agreed for 2020/21. The Deputy Principal (Operations) (Susan Baines) and the Head of Human Resources (Paul Hynes) were in attendance at each meeting as required for specific agenda items. The Secretary to the Committee (Dr Dawn Edwards) was in attendance at each meeting, withdrawing from the meeting of 3 June when the Committee considered her remuneration.

**Approach to Remuneration**

At its meeting in November 2019 the Committee agreed to broaden its remit of responsibility with respect to the remuneration of staff to include responsibility for reviewing on an annual basis, the salary all members of the Principal’s Executive Team and not only the Clerk to the Board, Deputy Principal (Operations), Deputy Principal (Performance and Programmes) and the Director of Finance. This change has enabled the Committee to have an oversight of the salary levels of all senior staff of the College, thus improving transparency and ensuring equity in remuneration across the Principal’s Executive Team. The Committee also agreed that the starting salary of newly appointed senior staff should be discussed by the Principal and Chair of the Committee prior to confirmation, following a recommendation from the appointment panel.

In making decisions about the remuneration of the Principal’s Executive Team’s for 2020/21, the Committee took account of the position being adopted across the higher education sector in relation to the national pay award being frozen in light of the COVID-19 pandemic and agreed that neither the Principal or the members of her Executive Team would receive an annual pay award in 2020/21.

The Committee operated in accordance with best practice as recommended in the Higher Education Code of Governance, the Remuneration Code and other guidance produced by the Committee of University Chairs and the Office for Students.

**The Principal’s remuneration package**

The Principal’s salary reflects the scale and complexity of the job, comparisons with benchmarks and her outstanding performance measured against objectives set by the Chair of the Board.

Professor Merrick’s remuneration comprises three elements; her salary, benefits and pension. The College does not operate a system of performance-related pay.

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| **Emoluments of Principal** | **2018/19** | **2019/20** |
| Salary | £141,599 | £155,750 |
| Benefits | £1,981 | £2,029 |
| Subtotal | £143,580 | £157,779 |
| Pension costs | £23,336 | £35,947 |
| Total | £166,916 | £193,726 |

***External appointments and expenses***

All expenditure for and by the Principal was wholly and exclusively for approved College business with the aim of enhancing the outcomes for students and staff and raising the profile of the College regionally, nationally and internationally. Services were procured in accordance with the College’s financial regulations.

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| --- | --- | --- | --- | --- |
|  | **Air fares** | **Rail travel** | **Other travel** | **Accommodation** |
| **2018/19** | £5,333 | £7,976 |  | £2,694 |
| **2019/20** | £883 | £1,495 | £(6,302)[[1]](#footnote-1) | £2,522 |

***Analysis of Principal’s remuneration***

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| --- | --- | --- |
|  | **2019\*** | **2020\*** |
|  | **Median** | **Pay multiple** | **Median** | **Pay multiple** |
| College | £38,460 | 3.7 | £34,804 | 4.4 |
| Professional services | £26,243 | 5.9 | £27,511 | 5.7 |
| Academic staff | £42,036 | 3.7 | £42,792 | 3.6 |

*\* Data based on 31 March each year*

**Other business considered by the Committee**

The Committee considered the Human Resources Strategy Annual Report for 2018/19 together with associated performance indicators. Other key areas of business at the two meetings held in 2019/20 were the status of casual workers, data in relation to staff sickness and the College’s gender pay gap which for 2018/19 showed a zero percent pay gap. The Committee agreed to include as a standing agenda item actions being taken by the College to ensure, and where necessary promote, increased diversity across the College’s staff, including academic staff, and to receive more detailed data on the pay of all staff to ensure equity for all.

The Committee was pleased to note that preliminary data for 2019/20 suggests that the gender pay gap will remain at zero.

**Governance**

Members are collectively of the opinion that the Remuneration and Strategic Staffing Committee continues to discharge effectively its responsibilities as set out in the agreed terms of reference and in doing so supports the Board to fulfil its obligations under Article 3(2,d) of the Articles of Governance.

**Recommendation**

The Remuneration and Strategic Staffing Committee asks the Board to approve its approach to the remuneration of the Principal and her Executive Team. It has endeavoured to achieve a balance between rewarding success, demonstrating good governance and use of resources. The Board is invited to receive the report and endorse the Committee’s approach.

 *Felicity Goodey*

*Chair of the Remuneration and Strategic Staffing Committee*

*November 2020*

1. Actual costs for 2019/20 were £1,300 but an insurance claim was received for £7,332 in respect of expenses incurred in 2017/18. [↑](#footnote-ref-1)