

ROYAL NORTHERN COLLEGE OF MUSIC

Report of the Remuneration and Strategic Staffing Committee to the Board of Governors For the Year Ended 31 July 2021

Introduction

This report summarises the business of the Remuneration and Strategic Staffing Committee throughout the College's academic year from 1 August 2020 to 31 July 2021 (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 (Professor from 1 July 2021), 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) (until 31 December 2020)
Ravi Gupta (Chair of the Board) (from 1 January 2021)
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 2020 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 2020/21 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 11 November 2020 and 2 June 2021; both being held remotely due to Covid-19. 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 2020/21, but withdrew from the meeting of 2 June 2021 when her remuneration was discussed and agreed for 2021/22. 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 2 June when the Committee considered her remuneration.

Approach to Remuneration

The College signs up to and participates each year in the national pay negotiations conducted by Universities and Colleges Employers Association (UCEA) on behalf of higher education institutions. For 2021/22 UCEA recommended an award of a 1.5% increase to the national pay spine with increases of between 1.54% and 3.6% to spine points below spine point 22. The College implemented this award with an effective date of 1st August 2021.

In making decisions about the remuneration of the Principal's Executive Team's for 2021/22, the Committee took account of the financial position of the College and that the national pay award had been frozen across the higher education sector in 2020/21 in light of the Covid-19 pandemic. It agreed that both the Principal and the members of her Executive Team would receive the nationally agreed pay award in 2021/22. In recognising that the Principal's salary is not commensurate with those of the College's peer institutions, the Committee made a formal commitment to review her salary in 2022 with a view to aligning it more closely to that of the London conservatoires.

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.

Emoluments of Principal	2019/20	2020/21
Salary	£155,750	£155,750
Benefits	£2,029	£2,101
Subtotal	£157,779	£157,851
Pension costs	£35,947	£36,882
Total	£193,726	£194,733

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.

	Air fares	Rail travel	Other travel	Accommodation
2019/20	£883	£1,495	£(6,302) ¹	£2,522
2020/21			£54	

Analysis of Principal's remuneration

	2020*		2021*	
	Median	Pay multiple	Median	Pay multiple
College	£34,804	4.4	£34,804	4.4
Professional services	£27,511	5.7	£27,511	5.7
Academic staff	£42,792	3.6	£41,553	3.7

* Data based on 31 March each year

Other business considered by the Committee

The Committee considered the Human Resources Performance Indicators for 2020/21, agreeing that in the future staff sickness data be included in the performance indicators. A key area of business discussed at the two meetings held in 2020/21 was in relation to the diversity profile of the College's staff and actions that are being taken to achieve a more diverse workforce; this being a standing item on the Committee's agenda. While the committee recognised that achieving better diversity among staff would take time, members want to see demonstrable signs that the issue is being actively addressed and recruitment methods adjusted to attract a more diverse range of candidates. The Committee has asked for regular updates on progress. The Committee received an analysis of the gender pay gap, which remains at zero percent. In discussing working remotely

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.

during the pandemic, the Committee considered the mental health and wellbeing of the College's staff and actions the College is taking to safeguard this. The Committee strongly endorsed policies to encourage staff to take their full entitlement of annual leave and the implementation of a no email out of standard office hours' policy for the Executive Team which will be cascaded down across the College.

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 2021