

ROYAL NORTHERN COLLEGE OF MUSIC

Report of the Remuneration and Human Resources Committee to the Board of Governors For the Year Ended 31 July 2023

Introduction

This report summarises the business of the Remuneration and Human Resources Committee¹ throughout the College's academic year from 1 August 2022 to 31 July 2023 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 and will be published on the website.

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 Professor Dawn Edwards, Clerk to the Board.

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

Felicity Goodey (Chair)
Carolyn Baxendale²
Ravi Gupta (Chair of the Board)
Hazel Province³
Colin Walklin (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 human resource decisions.

Terms of Reference of the Committee

The terms of reference were reviewed by the Committee at its November 2022 meeting. The terms of reference for 2022/23 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 Higher Education Remuneration Code.
2. At the Board's request, to consider and determine the remuneration arrangements for senior managers in the College, who are not members of the Principal's Executive Team.

¹ Formerly the Remuneration and Strategic Staffing Committee. The Board of Governors approved the change of name of the Committee with effect from 1 January 2023

² Until 31 December 2022

³ With effect from 1 January 2023

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 the Principal or members of the Principal's Executive Team 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 staff policies designated as a Regulation of the College.
6. To keep under review the College's Human Resources key performance indicators.
7. 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.
8. To review the diversity profile of the College's staff and monitor the actions taken to redress the balance.
9. To provide the Board with an annual report of the business of the Committee which is transparent and meets the requirements of good governance.
10. 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

Meetings of the Committee were held on the 2 November 2022, 15 March 2023 and 14 June 2023. Each meeting was quorate and well-attended. The minutes each meeting have been received by the Board.

The Principal, (Professor Linda Merrick) and Secretary to the Committee (Professor Dawn Edwards) were in attendance at each meeting in 2022/23, but each withdrew from the meeting of 14 June 2023 when their remuneration was discussed and agreed for 2023/24. The Deputy Principal (Operations) (Susan Baines) was in attendance at each meeting as required for specific agenda items, and the Head of Human Resources (Paul Hynes) for two out of the three meetings.

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. With respect to the 2023/24 national pay award of five percent, UCEA recommended a phased pay uplift to take into account inflation and its impact on the cost of living. The College implemented the pay uplift with effect from 1 February 2023 with the remainder implemented from 1 August 2023. The February interim uplift was £1,000 on each pay point or 2 percent, whichever was greater with staff receiving the remainder of the uplift in August 2023.

In making decisions about the remuneration of the Principal's Executive Team's for 2023/24, the Committee took account of the financial position of the College and the national pay award. It agreed that members of the Executive Team would receive the nationally agreed pay award in

2023/24. Additionally, the salary of two members of the Executive Team were increased to a level commensurate with other members of the Executive Team with a similar level of responsibility.

With respect to the Principal's remuneration, comparative data was made available to the Committee on the basic and total remuneration for the Head of institution, institutional income and expenditure, size, complexity and student numbers for Conservatoire UK peer institutions. The Committee took into consideration the Principal's outstanding performance overall and leadership, her standing nationally particularly with respect to her role as Chair of Conservatoires UK and the extensive lobbying with Government she undertakes. After careful consideration and recognising the continuing financial pressures the higher education sector is facing, members agreed a two percent enhancement to her salary in addition to the National Pay Award to bring her remuneration closer to that of comparative Conservatoire UK institutions.

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 2022/23

The Principal's salary reflects the scale and complexity of the job, comparisons with benchmarks and her performance measured against objectives set by the Chair of the Board. The Principal has long played a significant National leadership role among UK Conservatoires as well demonstrated outstanding leadership at RNCM. The Committee has been mindful for some time of the disparity between salaries awarded to the Principal of RNCM and other UK Conservatoires and sought to reduce it over a number of years.

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	2021/22	2022/23
Salary	£158,086	£169,659
Benefits	£2,211	£2,334
Subtotal	£160,297	£171,993
Pension costs	£37,435	£40,175
Total	£197,732	£212,168

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
2021/22		£1,863.20	£85.80	£2,303.28
2022/23	£542.89	£2,167.41	£256.46	£4,305.00

Analysis of Principal's remuneration

	2022*		2023*	
	Median	Pay multiple	Median	Pay multiple
College	£45,079	4.4	£46,965	4.5
Professional services	£33,202	5.9	£31,498	6.1
Academic staff	£55,292	3.6	£56,951	3.7

** Data based on 31 March each year*

Other business considered by the Committee

Following discussion at the June 2023 meeting of the Committee, and confirmation of the receipt of World Leading Specialist Provider Funding, the Committee agreed to recommend to the Board a one-off non-consolidated cost-of-living award to staff. The Committee considered the Performance and Development Review completion rates for 2021/22 and the Human Resources Performance Indicators for 2021/22, including data in relation to staff sickness and staff turnover. The diversity profile of staff was discussed, focussing on part-time hourly paid Principal Study tutors and initiatives being taken at School level to recruit tutors from more diverse backgrounds. The Committee was informed of the process and timescale for a review of the College's pay grading structure for Grade 7 and below, the proposal being in principle and subject to consultation through the Joint Negotiating and Consultative Committee. Results of the 2023 Staff Engagement Survey were discussed in detail with the Committee noting the high overall engagement score, an indicator of the emotional commitment of staff, for both academic and professional services staff. The weakest areas of engagement will be the focus for bespoke Department/School level action plans in 2023/24. The Committee approved the Relationships between College Staff and Students Policy.

Governance

Members are collectively of the opinion that the Remuneration and Human Resources 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 Human Resources Committee asks the Board to approve its approach to ensuring the value of all staff at the College is properly recognised and that the remuneration of the Principal and her Executive Team is appropriate. The Committee 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 Human Resources Committee

November 2023