

Annual Statement on Remuneration of Senior Post Holders 2020/21

1. Introduction

Milton Keynes College Group has adopted the AOC Colleges' Senior Post Holder Remuneration Code (the Code) and as required by the Code, publishes this annual statement.

Senior Post Holders (SPHs) are appointed by the Board of Governors. The SPHs in the year ending 31st July 2021 were CEO and Group Principal (Dr Julie Mills OBE), Group Chief Operating Officer (Imelda Galvin), Principal: Milton Keynes College (Chris McLean) and Head of Governance (Karen Brown).

The Remuneration Committee met twice in 2020/21 (on 14th September 2020 to review the executive leadership structure and on 1st July 2021 to undertake a periodic pay review).

2. Remuneration Policy

The College is committed to ensuring that SPH remuneration is fair, appropriate, and justifiable, that procedures and decision making are fair and transparent, that proper accountability is demonstrated and that an appropriate balance is struck between recruiting, retaining and rewarding the best staff possible, whilst delivering the best outcomes for students and demonstrating effective use of resources.

SPHs receive an annual salary. There are no performance-related bonuses or other benefits. SPHs are enrolled in either the Local Government Pension Scheme (LGPS) or the Teachers' Pension Scheme (TPS).

3. Decision Making Processes

The Board of Governors has a Remuneration Committee made up of external governors and served by the Head of Governance (clerk to the Corporation). As at November 2021, the members of the committee were Gwynneth Tan (Committee Chair), David Meadowcroft (Chair of Governors), Dr Liz Marr (Vice-Chair of Governors), Alan Cook (Chair of Audit & Risk Committee) and Ruby Parmar.

To inform its decisions, the Committee receives relevant external comparators (using data from the most recent AOC Senior Pay Survey of colleges with a similar income level, location and scope of operations) and the performance of each SPH in relation to the College's strategic priorities and financial health.

The Board has delegated responsibility to the Remuneration Committee for reviewing and making decisions on the remuneration of the College’s SPHs. The Board is advised when the Committee has met. The Committee’s terms of reference are annexed to this statement.

4. Strategic Objectives

The Board agrees strategic priorities annually which are aligned to the College’s Strategic Plan. The Board monitors progress through the CEO’s report and Board agenda items. In her CEO’s report to the Board on 14th July 2021, the CEO summarised progress at the end of the 2020/21 year.

The Board operates a Carver style of governance where the full Board meets eight or nine times a year with only statutory committees. Task & Finish Groups provide an additional layer of scrutiny of quality, finance and property development. Governors have significant experience across a range of specialisms including Education, Finance and Business.

The College is rated as Good by Ofsted following its inspection in May 2017 and is rated as having good financial health by the ESFA.

The Board also ensures that identified risks are included in the College’s Strategic Risk Register and that appropriate action is taken to manage and mitigate the effects of these risks.

5. Emoluments of the CEO and Group Principal

The CEO is the College’s Accounting Officer and the highest paid member of staff.

Table 1: Total Remuneration CEO and Group Principal over time and Pay Multiples

	2020/21 £	2019/20 £	2018/19 £	2017/18 £	2016/17 £
Salary	164,583	150,000	150,000	150,000	133,000
Performance Related Pay	None	None	None	None	None
Benefits	None	None	None	1,000	7,000
Subtotal	164,583	150,000	150,000	150,000	140,000
Pension Costs	38,973	34,620	24,000	24,000	22,000
Total	203,556	184,620	174,000	175,000	162,000
Pay multiple of the CEO & Group Principal ¹	6.34	6	5.05	5.38	6.09
Expenses	Expenses are authorised and paid in accordance with the College’s Financial Regulations Section 7. The Audit and Risk Committee receives an annual analysis of expenses payments, which is then published on the College website.				

6. Expenses

- All expenses paid to SPHs are solely in reimbursement of expenses incurred in the furtherance of the business of the College and comply with the College's Financial Regulations and Expenses (Travel and Subsistence) Policy and Guidelines. Expenses of SPHs and governors are reported to the Audit and Risk Committee annually and are published on the College website.

7. External Appointments

SPHs may represent the College on various bodies and boards and / or carry out academic and civic responsibilities at other organisations. Where this is the case the activity will be agreed by the line manager as part of the role and any income generated may be retained by the College.

The CEO, COO, Principal: Milton Keynes College and the Head of Governance are directors / company secretary of subsidiary companies of the College for which they receive no additional remuneration.

The CEO also serves on the following external bodies (unremunerated): Helena Kennedy Foundation, Women Leaders UK, MK Dons SET, MK Business Leaders.

8. Severance Payments

Appropriate severance payments require three key elements – namely:

- a) Reasonable, appropriate, and justifiable amount;
- b) Procedural fairness; and
- c) Transparency and accountability.

Where severance payments relating to SPHs are under consideration, advice is taken from the external auditor to ascertain the legitimacy of any proposed payment. The Board complies with the Association of Colleges' Senior Post Holder Remuneration Code in relation to severance payments. In line with the funding agreement, the Board will draw any such payments to the attention of the College's regularity auditor.

A severance payment was made to a SPH in the 2020/21 accounting year which was brought to the attention of the external auditors.