

- a. **A Fair, Appropriate and Justifiable Level of Remuneration.** Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to their college's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

Principles:

Remuneration should take account of the context in which the college operates.

Remuneration must be linked to the value, based on several components, delivered by the individual within the role.

Remuneration must consider matters of equality, diversity, and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure.

Colleges should be clear about what they expect from staff, i.e., what is 'normal' and what is 'exceptional'. There must be a robust and consistent process for setting objectives and assessing an individual's contribution.

Remuneration can vary according to individual performance.

Except in the case of incremental progression, any awards made in respect of annual performance related payments linked to the achievement of specific annual objectives should not be consolidated.

From time to time the value of a role may need to be reviewed considering changing conditions, sustained performance, experience etc.

Non-achievement of an individual's expected contribution should be clearly addressed through performance management.

Any severance payments must be reasonable and justifiable. There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity, particularly in respect of full-time post holders. The Corporation Board must authorise the retention of any income generated by a SPH from external bodies in a personal capacity.

- b. **Procedural Fairness.** Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision making using appropriate evidence and assessing the value of roles, the contexts and individuals' performance in them.

Principles:

Senior Post Holder remuneration should be determined in the context of each college's approach to rewarding all its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.

No individual can be involved in deciding his or her own remuneration.

Remuneration Committees must be independent, competent and should not be chaired by the Chair of the Governing Body.

The CEO must not be a member of the Remuneration Committee.

- c. **Transparency and Accountability.** The process for setting remuneration must be transparent. For Senior Post Holders there must be a college level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the CEO must be separately justified, published, and related to the remuneration of all staff within the organisation.

