

NSCD Annual Remuneration Report: 2021-22

1. Introduction: Senior Staff Remuneration Code

Northern School of Contemporary Dance (NSCD) considers that it is important that there is transparency and openness in relation to Designated Senior Post-holder (DSP) pay. This document outlines the mechanism by which NSCD's DSP remuneration is determined. It follows the principles set out in The Higher Education Senior Staff Remuneration Code introduced by Committee of University Chairs. Although use of the Code is voluntary, NSCD has adopted it.

DSPs are the School's most senior and highest paid staff. By adopting the Code, the school seeks to demonstrate a high standard of stewardship of DSP pay. It hopes that stakeholders can have confidence that appropriate oversight of DSP pay takes place, and that public money is being used appropriately.

The Code sets out the following principles:

- I. a fair, appropriate and justifiable level of remuneration;
- II. procedural fairness; and
- III. transparency and accountability.

Each of these elements are underpinned by several supporting principles and this report is intended to address those, covering the following topics:

- The responsibilities of the Remuneration Committee.
- Its membership
- The context in which NSCD operates
- An outline of the Designated Senior Post-holders' pay award 2021-22 and the rationale underpinning that decision
- The remuneration of the Principal
- The relationship between the remuneration for highest and lowest paid employees

2. The Responsibilities of the Remuneration and Staffing Committee

The Remuneration and Staffing Committee is the body that determines the level of Designated Senior Post-holders' pay. The Terms of Reference for the Remuneration and Staffing Committee in 2021-22, and hence its responsibilities, can be found at Appendix 1.

3. Membership of the Remuneration and Staffing Committee

As at 18 October 2022, the membership of the Committee was:

Ms Tamsin Cooper – Independent Governor and Chair of the Remuneration and Staffing Committee (term of office ended 16 October 2022)
Professor Peter Moizer – Chair of Governors
Mr Ben Mitchell – Vice Chair of Governors and Chair of Finance and Resources Committee
Ms Peri Thomas – Independent Governor

The Clerk to the Governors acts as the Clerk to the Remuneration and Staffing Committee except where their remuneration package is being considered.

4. Context

The School had a total income of just over £4.3M in 2021-22, of that approximately £4M is generated from undergraduate and postgraduate courses, being mainly from regulated tuition fees and grants for our UK and EU students, and funding body grants, with the remainder from international students and independent fee payers. The regulated funding in 2021-22 was received from the Office for Students (OfS) via our membership of the Conservatoire of Dance and Drama, which is a registered higher education institution. From June 2022, the School became an independently registered higher education institution. We also receive approximately £200K of funding from the Department of Education for our Centre for Advanced Training. In addition, the School received a core grant from the Arts Council England of around £153K per annum as a result of gaining National Portfolio Status until 2023. Finally, the School received around £272K from other commercial activities such as theatre box office, studio lettings, weekly classes and short courses.

One of the School's key financial objectives is to increase the overall level of tuition fee income, in expectation that key grant funding from the OfS may be removed or reduced in the near future. This includes significant expansion of the education provision via the introduction of new courses which will increase the number of undergraduate and postgraduate students, as well as continuing with further internationalisation. Consequently, NSCD has to maintain rigorous financial discipline whilst at the same time looking to continue to invest in students, staff and facilities.

NSCD's staff cost for 2021-22 was £2.6M, employing during the year, 84 full and part time staff, equivalent to 52.5FTE. Of these, 66 receive a fixed monthly salary and the remaining 18 are paid via submission of monthly claims for hours worked. These are predominantly Learning and Participation and CAT teaching staff teaching weekend and evening classes, musician/accompanists and guest teaching staff on the undergraduate and postgraduate programmes.

The School, is a Scheduled Body and as such is required to offer occupational pensions to its staff. Both are defined benefits scheme, and as such employer contribution rates and benefits are relatively high:

Scheme	Eligible Staff	Employer contribution rate
Local Government Pension Scheme	<ul style="list-style-type: none">• Business Support	15.50%
Teachers' Pension Scheme	<ul style="list-style-type: none">• Teaching Staff	23.68%

DSPs are members of one or other of the above schemes.

In 2021-22 all staff received a consolidated pay increase of 2% effective from 1st November 2021. In 2022-23 all staff, with the exception of DSPs, will receive a consolidated pay increase of 3% effective from 1st November 2022.

5. Designated Senior Post-holder's Pay Increase: 2021-22

The Remuneration Committee is responsible for advising and seeking the approval of the Governing Body on the remuneration of the Principal and Designated Senior Post-holders (DSPs). At 18 October 2022, the DSPs were:

Sharon Watson	Principal and CEO
Ruth Manning	Director of Finance and Resources
Darren Carr	Vice-Principal and Director of Studies
Joan Matthews	Clerk to the Governors

At its meeting on 26 October 2021, the Board approved the recommendation of the Committee to make a whole staff pay award of 2% from 1 November 2021 and the Committee approved the same pay award for DSPs.

At the meeting of the Committee on 20 October 2021, a performance related pay award was also approved for three of the DSPs: the CEO and Principal, Vice-Principal and Director of Studies, and Director of Finance and Resources.

In order to carry out a benchmarked review of DSP salaries, the School participated in the Universities and Colleges Employers Association (UCEA) Senior Staff Remuneration Survey, which is widely used within the sector and provides comparative data for senior posts in a range of higher education institutions. The Committee considered the data from that survey, along with other relevant comparative data, including from the commercial sector and other similar providers, including schools within CDD, at its meeting in March 2022.

The Committee agreed that Guild HE institutions with income of up to £40M was an appropriate comparator group, and that in light of the School's turnover of c£4M, salaries should be set at 80% of the lower quartile figure in that group. In recognising the gap between some of the existing DSP salaries and the agreed benchmark, the Committee agreed to award an increase at that time representing 67% of any differential between the current salary and the target salary of the DSPs, with effect from 1 April 2022.

In reaching its decision, the Committee:

- Received advice from the Principal summarising the performance of the DSPs
- Agreed that there were no performance management issues which would potentially preclude any DSPs from receiving a pay award.
- Were cognisant of the salary increases made to staff.

6. Remuneration of the CEO and Principal

The table below sets out the remuneration of the Principal for the past three years.

	2019-20**	2019-20***	2020-21	2021-22
Salary	£61,965**	£15,705***	£70,642	£79,751
Performance Related Pay	£3,000	Nil	Nil	£3,000
Benefits	Nil	Nil	Nil	Nil
Sub Total	64,965	15,705	70,642	82,751
Pension Costs	13,784	3,719	16,728	19,274
Total	£78,749	£19,424	£87,370	£102,025

*Per Annual Accounts

** Janet Smith, retired on 15 May 2020

*** Sharon Watson, in post from 11 May 2020

7. Pay Multiple: Principal to Median and Lowest Paid Employee

The following table details the pay multiple of the Principal when compared to the median pay of all employees.

	2019-20*	2019-20*	2020-21*	2021-22
School - Basic Pay of Principal to median Pay	2.43	2.00	2.25	2.55
School - Total Remuneration of Principal to median Remuneration	2.41	2.03	2.36	2.64
HE Sector - Basic Pay of Principal to median Pay (published by OfS)	5.21	5.21	5.68	Not yet published
HE Sector - Total Remuneration of Principal to median Remuneration (published by OfS)	5.65	5.65	6.11	Not yet published

8. Retention of Income from External Bodies

All DSP contracts contain an exclusivity of service clause and the Remuneration and Staffing Committee is not aware of any instances of remunerated external work taking place. A policy on the retention of income from external bodies was approved by the Remuneration and Staffing Committee in October 2021.

9. Explanation of any significant change

There are no significant changes to report.

Northern School of Contemporary Dance
Terms of Reference
REMUNERATION AND STAFFING COMMITTEE

1.	Membership	1.1	Four Board Members (excluding staff and student members) including the Chair of the Board of Governors.
		1.2	The Committee may, if it considers it necessary or desirable, appoint up to two External Experts.
		1.3	The Chair of Finance Committee should normally be a member.
2.	Quorum	2.1	Two, with Board members in the majority.
3.	Frequency of Meetings	3.1	At least twice per year.
4.	Attendance at meetings	4.1	The Principal, and Director of Finance and Resources shall normally attend meetings at the invitation of the Committee except where their remuneration package is being considered. The HR Manager may also attend meetings where appropriate. The Committee shall have the power to invite such other persons, including senior post holders, to attend meetings as may be desirable and necessary.
		4.2	Other Board members shall have the right of attendance, save that the Committee may, when they are satisfied that it is appropriate, meet without staff or student members being in attendance. Such persons shall not have a vote.
5.	Authority	5.1	The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any Board Member, Committee or employee of the School and all Board Members and employees of the School are directed to co-operate with any request made by the Committee.
		5.2	The Committee is authorised by the Board to obtain outside legal or other independent professional advice provided that the Committee may not incur direct expenditure in this respect without prior approval of the Board.
6.	Duties	6.1	Review and determine the Board's policy on remuneration (including senior post-holders) so as to: <ul style="list-style-type: none"> • ensure that staff are fairly rewarded; and • give due regard to the interests of the public and of the financial health of the School.
		6.2	Determine the specific remuneration packages of the Principal and other senior post-holders, and in so doing shall consider the following component elements: <ul style="list-style-type: none"> • basic salary • benefits in kind • annual bonus/performance related elements • pension provisions • the main terms and conditions in each senior post-holder's service agreement, with particular reference to the notice provisions. • The remuneration of other management posts to ensure consistency in relativities and pay and conditions of staff across the School.

		6.3	Evaluate annually the specific remuneration packages of the Principal and other senior post-holders against: <ul style="list-style-type: none"> • Performance goals and objectives. • An appropriate peer group.
		6.4	Determine any compensation (including the augmentation of pension benefits) which may be payable in the event of the early termination of the employment of the Principal or any other senior post-holder with the broad aim of: <ul style="list-style-type: none"> • avoiding rewarding poor performance. • dealing fairly with cases where early termination is not due to poor performance.
		6.6	Review the Board's policies in relation to all aspects relating to the remuneration and employment of the Principal and other senior post-holders.
		6.7	Advise the Board regarding annual pay awards for all staff (other than Senior Post Holders).
		6.8	Consider those risks allocated to the Committee for oversight.
		6.9	Consider and approve the following policies: <ul style="list-style-type: none"> • Remuneration and Reward. • Policy on income derived from external activities
		6.10	To comply with the CUC HE Remuneration Code, produce and publish a readily accessible annual statement, based on an annual report.
		6.11	Considering and recommending the School's HR Strategy to the Board.
		6.12	Reviewing and monitoring key performance indicators in relation to the School's HR functions and staff development
		6.13	Reviewing and monitoring significant changes to the School's employment policies and procedures and framework of pay and conditions for staff.
		6.14	Reviewing and monitoring the School's HR arrangements to ensure they conform with its policies on Equality and Diversity
		6.15	Reviewing and considering any proposed significant staffing changes, referring any proposals with substantial additional resource implications to the Finance and Resources Committee.
		6.16	Reviewing and considering any proposals for restructuring within the organisation, in particular those where collective consultation is required or where redundancies may be made.
		6.17	Reviewing and monitoring the health and wellbeing of staff, including consideration of any reports on staff surveys.
7.	Performance Monitoring	7.1	The Committee will consider its own performance against agreed performance indicators and report on this to the Board of Governors annually.

8.	Chair	8.1	The Chair of the Committee will be appointed by the Board of Governors but shall not be the Chair of the Board
9.	Committee Servicing	9.1	The Committee shall be serviced by the Clerk to the Governors, except where his/her remuneration package is being considered.
10.	Reporting Procedures	10.1	Decisions will be presented to the next available Board Meeting.
11.	Appointing Authority	11.1	Members shall be appointed by the Board of Governors.
12.	Approval and Reviews	12.1	These Terms of Reference will be reviewed and approved by the Board of Governors biennially. Date approved: July 2021 Review due: July 2023