

Remuneration Annual Report 2021/22

1. Introduction

This report is produced in accordance with the Colleges’ Senior Post Holder Remuneration Code developed by the Association of Colleges Governor’s Council which Dudley College Corporation has adopted. The Code includes a requirement to produce a readily accessible annual statement, based on an annual report to the Governing Body.

The Corporation has designated the following posts as senior post holders:

- Chief Executive and Principal
- Chief Finance Officer
- Vice Principals (2 post holders from 1st August 2021 to 30th April 2022, 1 post holder from 1st May 2022 onwards)
- Director of Corporate Governance

The Remuneration Committee has responsibility to make recommendations to the Corporation on the remuneration and benefits of all senior post holders.

2. Remuneration Committee

2.1 Terms of Reference

The terms of reference of the Remuneration Committee are included at appendix I.

2.2 Remuneration Committee membership

The following members served on the committee during 2021/22:

Name	Eligible to attend	Actually attended
Valerie Little	3	2
Jason Parker (Chair)	3	3
David Whatton	3	3

2.3 Remuneration Committee meetings

The following meetings took place during 2021/22:

- 14 October 2021
- 21 January 2022
- 12 May 2022

The meetings during the year took place with a mixture of virtual and face to face attendance. The meetings of the committee continued to be effective, with full engagement from all members and attendees.

The Chief Executive and Principal is not a member of the Committee. No member of staff is present for the discussion of their own remuneration.

A brief summary of the matters considered by the Remuneration Committee during the year 2021/22 is as follows:

2.3.1 14th October 2021

- Terms of reference for 2021/22 recommended to Corporation for approval.
- Annual Senior Remuneration Report and committee's annual report recommended to Corporation.

2.3.2 21st January 2022

- Probationary performance review for Chief Financial Officer noted and proposed objectives for 2022 recommended to Corporation.
- End-of-year performance review 2021 for Vice Principals noted and proposed objectives for 2022 recommended to Corporation.
- End-of-year performance review 2021 for Chief Executive & Principal noted and proposed objectives for 2022 recommended to Corporation.
- End-of-year performance review 2021 for Director of Corporate Governance noted and proposed objectives for 2022 recommended to Corporation.
- Incremental progression in respect of senior post holders recommended to Corporation.

2.3.3 12th May 2022

- Terms of reference and annual business plan for 2022/23 recommended to Corporation.
- Chair of the committee for 2022/23 appointed.
- In year performance review of all senior post holders noted.

3. The Corporation's approach to performance management

The operational development plan details key performance indicators for the year which the Corporation uses to measure performance and distance travelled towards the strategic objectives. The College has a performance dashboard on its website called the Dudley Dashboard, which provides an overview of the College's performance in fourteen strategic areas. The dashboard web address is dudleycol.ac.uk/our-college/about-us/dashboard.

The performance of all staff of the College is reviewed in accordance with the performance management policy. The policy sets out the link between performance management and the College operational development plan and how this applies to all staff.

As at 31st July 2022, the College employed 809 staff across 925 positions, including 52 management positions, 396 teaching positions, 285 learning support positions and 192 business support and facilities positions.

4. The Corporation's approach to remuneration

The remuneration committee is concerned with all aspects of the employment of senior post holders, including recruitment, promotion, retention, setting and reviewing performance targets. The committee is also responsible for reviewing and making decisions on the remuneration, terms and conditions of employment of senior post holders, taking account of affordability, comparative information on the remuneration, benefits and conditions of employment from within the further education sector and other organisations of a comparable size/turnover. The Corporation considers that it is compliant with the guidelines contained within the AoC's Colleges' Senior Post Holder Remuneration Code.

The College's Performance Management Policy sets out the framework under which performance reviews for all staff are carried out three times per year and explains the alignment of individual objectives with the College's strategic priorities and plans. In respect of senior post holders, the performance objectives are agreed by the remuneration committee and reports on the termly reviews, including summative reviews, are provided to the committee to inform their decision making in respect of the consideration of salary progression.

The College's Pay Policy applies to all staff including senior post holders. In conjunction with the performance management policy, it is designed to motivate staff to achieve the College's strategic objectives. The Pay Policy was reviewed and updated by the Corporation in July 2022 and will next be reviewed in July 2024.

Decisions on the salaries of senior post holders are informed by market data including published information on other further education colleges of a comparable size, the AoC Senior Pay Survey, market intelligence obtained from wider comparable sectors, institutional and personal performance and affordability. The committee's aim is to pay a competitive salary but a significant part of this is dependent upon performance.

In respect of recruitment, the College aims to recruit senior post holders using remuneration packages that are market-competitive and consistent with the existing remuneration structure. In doing so, the College seeks to attract talented individuals. Newly recruited senior post holders are subject to a probationary period and are eligible to receive the same remuneration elements as existing senior post holders, namely salary, set at an appropriate level taking into account the experience and quality of the candidate, and membership of the appropriate pension scheme.

The College does not expect to make special recruitment arrangements outside the standard policy, but may do so in exceptional circumstances in order to secure the appointment of the right candidate.

5. Institutional performance

The College's performance in 2021/22 is detailed in the Annual Report and can also be found on the College's website within the Dudley Dashboard.

6. Emoluments of the Chief Accounting Officer (Chief Executive and Principal)

Emoluments	2020/21	2021/22
Salary	£152,625	£158,776
Performance related pay	£0	£0
Benefits	£0	£0
Subtotal	£152,625	£158,776
Pension costs	£30,983	£32,231
Total	£183,608	£191,007

6.1 Ratio to lowest full time equivalent salary

When considering the remuneration of senior post holders, the Corporation considers the ratio of the lowest full-time equivalent salary paid to a member of staff to the salaries paid to the senior post holders. The College's definition of its lowest full-time equivalent salary in 2021/22 was Band 1, point 11 which was £18,431. Based on this figure, the ratio for the Chief Executive and Principal was 1:9.6.

6.2 Ratio to median pay of all employees

In addition, in accordance with the College's Senior Post Holder Remuneration Code, the Corporation is required to disclose the relationship between the emoluments of the highest paid employee and that of all other employees as a pay multiple, expressed as follows:

- Basic salary divided by the median pay of all other Corporation employees (all on a full-time equivalent basis); and
- Total emoluments divided by the median pay of all other Corporation employees (all on a full-time equivalent basis)

The College's median full time equivalent pay for all other Corporation employees in 2021/22 was £32,623 per annum.

The Fair Pay Review published in the Hutton Report for the public sector recommended that an organisation's pay multiple should be no greater than 1:20. The College's pay multiple based on the Chief Executive and Principal's basic salary in 2021/22 was 1:4.8 and based on total emoluments was 1:5.8.

7. Severance payments to Senior Post Holders

During 2020/21 as part of a wider redundancy programme one senior post holder was made redundant with effect from 28th February 2021. In addition to the redundancy payment there was a £20,000 settlement payment made to one senior post holder.

8. External appointments and expenses

All expenses paid to senior post holders 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 Gifts and Hospitality Policy.

The Chief Executive and Principal served on the following external bodies with the approval of the Corporation:

- Trustee of Dudley Academies Trust
- Director of Transformational Technologies Partnership Limited

In accordance with the College's overseas working policy, post holders are eligible to receive a £50 taxable overseas allowance for each night spent overseas on College business. During 2020/21 the Chief Executive and Principal did not receive any overseas allowance payments.

The total amount of expenses reimbursed to the Chief Executive and Principal during 2021/22 was £0.00. The total amount of expenses incurred by the Chief Executive and Principal on the College's business credit card in 2021/22 was £146.52 which related to the purchase of rail tickets for business travel.

9. Performance of the Remuneration Committee

- The Committee considers that it has fulfilled all of its duties as shown in its terms of reference.
- The Committee considers that it has complied with the Senior Pay Remuneration Code.

Jason Parker
Chair of Remuneration Committee 2021/22