

Remuneration Annual Report to the Corporation 2022/23

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 Principal
- 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 2022/23:

Name	Eligible to attend	Actual attendance
Valerie Little (Vice Chair)	3	3
Jason Parker (Chair)	3	3
David Whatton	2	2
Paul Noon	1	0
Wendy Davies	3	3

2.3 Remuneration Committee meetings

The following meetings took place during 2022/23:

- 13 October 2022
- 19 January 2023
- 11 May 2023

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 2022/23 is as follows:

2.3.1 13th October 2022

- Annual Senior Remuneration Report and committee’s annual report recommended to Corporation.

2.3.2 19th January 2023

- End of year performance review 2022 for Chief Financial Officer noted and proposed objectives for 2023 recommended to Corporation.
- End-of-year performance review 2022 for Vice Principal noted and proposed objectives for 2023 recommended to Corporation.
- End-of-year performance review 2022 for Chief Executive & Principal noted and proposed objectives for 2023 recommended to Corporation.
- End-of-year performance review 2022 for Director of Corporate Governance noted and proposed objectives for 2023 recommended to Corporation.
- Senior Post Holders’ salary review recommended to Corporation.

2.3.3 11th May 2023

- Terms of reference and annual business plan for 2023/24 recommended to Corporation.
- Chair and Vice Chair of the committee for 2023/24 appointed.
- In year performance review of all senior post holders noted.
- Flexible working request in respect of a senior post holder recommended to Corporation

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 2023, the College employed 777 staff across 927 positions, including 63 management positions, 380 teaching positions, 64 learning support positions and 220 professional services 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. The Senior Post Holder Remuneration Policy has been revised to take account of HM Treasury requirements on senior pay following the re-classification of Colleges in November 2002, and will be approved by the Corporation at its meeting on 11th November 2023.

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.

4.1 Managing Public Money

The committee has taken account of the HM Treasury requirements in relation to controls on senior pay which are set out within Managing Public Money guidance dated June 2023, which are applicable to the College following re-classification of Colleges in November 2022. These requirements apply to any new appointments at or above £150,000 or with performance related pay above £17,500. The requirements also apply to any contractual adjustments for existing post holders, to post holders moving to a new post, even if previously paid above the defined threshold, to any pay awards above 9% for those staff paid above the

threshold, or where a pay award of over 9% would take their remuneration to or above the threshold. The committee confirms that none of the above circumstances have been applicable during 2022/23.

5. Institutional performance

The College's performance in 2022/23 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	2021/22	2022/23
Salary	£158,776	£167,997
Performance related pay	£0	£0
Benefits	£0	£0
Subtotal	£158,776	£167,997
Pension costs	£32,231	£34,726
Total	£191,007	£202,723

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 2022/23 was Band 1, point 13 which was £20,142. Based on this figure, the ratio for the Chief Executive and Principal was 1:8.3.

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 2022/23 was £35,711 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 2022/23 was 1:4.7 and based on total emoluments was 1:5.7.

7. Severance payments to Senior Post Holders

No severance payments were made to Senior Post Holders in 2022/23.

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
- Director of Black Country Colleges 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 2022/23 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 2022/23 was £9.19. The Chief Executive and Principal did not incur any expenses on the College's business credit card in 2022/23 other than incidental purchases of goods and services on behalf of the College.

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 2022/23