

## Remuneration Annual Report to the Corporation 2023/24

### 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 2023/24:

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

#### 2.3 Remuneration Committee meetings

The following meetings took place during 2023/24:

- 26 October 2023
- 18 January 2024
- 9 May 2024

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 2023/24 is as follows:

### 2.3.1 26<sup>th</sup> October 2023

- Annual Senior Remuneration Report and committee's annual report recommended to Corporation.
- Updated Senior Post Holder Remuneration Policy recommended to Corporation.

### 2.3.2 18<sup>th</sup> January 2024

- End-of-year performance review 2023 for all senior postholders and proposed objectives for 2024 recommended to Corporation.
- Salary benchmarking review in respect of senior post holders recommended to Corporation.

### 2.3.3 9<sup>th</sup> May 2024

- Chair of committee appointed for 2024/25.
- Committee terms of reference for 2024/25 recommended to Corporation.
- Committee business plan for 2024/25 approved.
- Progress on performance objectives for all senior postholders 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 <http://www.dudleycol.ac.uk/Dashboard.aspx>.

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 31<sup>st</sup> July 2024, the College employed 800 staff across 942 positions, including 61 management positions, 351 teaching positions, 123 learning support positions and 265 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 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 2022 and approved by the Corporation at its meeting on 11<sup>th</sup> November 2023. These requirements are now incorporated within the College Financial Handbook, effective from 1<sup>st</sup> August 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.

#### **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, and in the Colleges Financial Handbook effective from 1<sup>st</sup> August 2024. 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 2023/24.

During the year, the Corporation received notice of the current Chief Executive and Principal's intention to leave his position during the 2024/25 academic year, and submitted a request to the Department for Education to recruit to this position at a salary above the threshold of £150,000. This request was granted for the College to recruit to this vacancy at a salary of up to £170,000 and recruitment is due to be completed during October 2024.

## 5. Institutional performance

The College's performance in 2023/24 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	2022/23	2023/24
Salary	£167,997	£179,093
Performance related pay	£0	£0
Benefits	£0	£0
Subtotal	£167,997	£179,093
Pension costs	£34,726	£39,357
Total	£202,723	£218,450

### 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 2023/24 was Band 1, point 15 which was £22,482. Based on this figure, the ratio for the Chief Executive and Principal was 1:7.9.

### 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 2023/24 was £32,806 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 2023/24 was 1:5.4 and based on total emoluments was 1:6.6.

## 7. Severance payments to Senior Post Holders

No severance payments were made to Senior Post Holders in 2023/24.

## **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 2023/24 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 2023/24 was £28.99. The Chief Executive and Principal incurred £10.28 of expenses on the College's business credit card in 2023/24 which related to travel, with all other credit card expenses being 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.

Approved by the Corporation on 12<sup>th</sup> November 2024.