

Remuneration Annual Report to the Corporation 2017/18

I. Introduction

This report is produced in accordance with the Colleges' Senior Post Holder Remuneration Code. The Remuneration Committee has responsibility to make recommendations to the Corporation on the remuneration and benefits of the Chief Executive Officer and other senior post holders.

I.1 Terms of Reference

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

I.2 Committee membership

The following members served on the committee during 2017/18:

Name	Eligible to attend	Actually attended
Peter Davies (Chair)	2	2
Martin Dudley	2	2
Laura Wakelin	2	2
David Whatton	2	2

I.3 Committee meetings

The following meetings took place during 202017/18:

- 24 January 2018
- 10 May 2018

The CEO is not a member of the Committee. No member of staff is present for the discussion of their own remuneration.

I.4 College's key strategic objectives, outcomes and main performance indicators

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 31st July 2018, the College employed 796 people, including 39 management staff, 371 teaching staff, 183 learning support staff and 203 business support and facilities staff.

2. 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 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. Both the Performance Management Policy and the Pay Policy were reviewed in April 2018.

Decisions on the salaries of senior post holders are informed by market data including data on other further education colleges of a comparable size, 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. The College pays a competitive salary based on the market median (informed by appropriate market intelligence, in particular reference to the AoC Senior Pay Survey which is produced annually).

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 pay no more than necessary 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.

3. Institutional performance

The College's performance in 2017/18 is detailed in the Annual Report and can also be found on the College's website within the Dudley Dashboard.

4. Emoluments of the Chief Executive Officer (CEO)

Emoluments of CEO	2017/18 (as at 31 st July 2018)	2016/17 (as at 31 st July 2017)
Salary	£182,092	£169,720
Performance related pay	£0	£0
Benefits	£0	£0
Subtotal	£182,092	£169,720
Pension costs	£29,314	£27,407
Total	£211,406	£197,127

4.1 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 2017/18 was Band 1, point 9 which was £16,861. Based on this figure, the ratio for the CEO's salary was 1:10.8.

4.2 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 CEO's emoluments and that of all other employees as a pay multiple, expressed as follows:

- CEO's basic salary divided by the median pay of all other Corporation employees (all on a full-time equivalent basis); and
- CEO's total emoluments divided by the median pay of all other Corporation employees (all on a full-time equivalent basis)

The College's median pay for all other Corporation employees in 2017/18 was £29,628 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 CEO's basic salary in 2017/18 was 1:6 and based on the CEO's total emoluments was 1:7.

5. External appointments and expenses

The CEO serves on the following external bodies with the approval of the Corporation:

- Chair of Dudley Academies Trust
- Chair of Black Country Living Museum
- Chair of Shrewsbury Academies Trust

- National Leader of Further Education
- Chair of the West Midlands Further Education and Skills Productivity Group
- Chair of the AoC Portfolio Group on Devolution

The CEO does not receive any remuneration for this external work. The College receives a payment in respect of the CEO's activity as a National Leader of Further Education of £10,000 per annum which covers expenses incurred in the fulfilment of these duties and is not passed on to the CEO.

The CEO in accordance with the College's overseas working policy receives a £50 taxable overseas allowance for each night he spends overseas on College business. During 2017/18 he received £950 in overseas allowance payments.

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 total amount of expenses reimbursed to the CEO in 2017/18 was £2,684.20.

Peter Davies
Chair of Remuneration Committee 2017/18
26th March 2019

DUDLEY COLLEGE OF TECHNOLOGY

TERMS OF REFERENCE FOR THE REMUNERATION COMMITTEE

DUTIES

1. To consider and advise the Corporation on the remuneration and other terms and conditions of the Chief Executive Officer (CEO).
2. To consider and advise the Corporation on the remuneration and other terms and conditions of the holders of other senior posts as determined by the Corporation.
3. To consider and advise the Corporation on the remuneration and other terms and conditions of the Clerk to the Corporation/Senior Officer Corporate Governance.
4. To advise the Corporation on annual performance targets for the CEO, the holders of other senior posts and the Clerk to the Corporation/Senior Officer Corporate Governance and to evaluate their performance against these targets and any relevant benchmarking information on performance.
5. To refer matters that relate wholly or in part to the remit of another Committee to that Committee.
6. To submit its recommendations to the next meeting of the Corporation.
7. To submit its minutes to the next meeting of the Corporation.

POWERS

1. To seek professional advice where appropriate in relation to matters within the remit of the Committee.

NB: Membership of the Committee shall be as determined by the Corporation from time to time.

The quorum for a meeting shall be two Members

The Clerk to the Corporation/Senior Officer Corporate Governance shall act as Clerk to the Committee.