

Introduction

The University has adopted the CUC Higher Education Senior Staff Remuneration Code [‘the Code’]. The Remuneration Committee is responsible for determining the levels of pay and reward for senior staff. The Vice-Chancellor’s remuneration is independently set and annually reviewed by the Remuneration Committee, in line with the Code’s guidelines.

Decisions on remuneration take into account sector pay, via Office for Students’ benchmarking data, as well as other factors such as the performance of the University.

The Remuneration Committee provides an Annual Report to the Board in lieu of minutes of its meetings. The purpose is to provide sufficient assurance to the Board that the Remuneration Committee has effectively discharged its responsibilities.

The Code indicates that each institution must publish a readily accessible Annual Statement. In the interests of transparency, the Board of Governors agreed on 16 December 2020 that the Senior Remuneration Annual Statement 2019-20 would be one and the same document as the Senior Remuneration Annual Report 2019-20 and would be readily available, via the University’s website.

The Remuneration Committee’s Terms of Reference are enclosed in full at Appendix D. In line with the Code, to provide extra assurance around procedural fairness, please note that the committee’s chair is a lay governor, who is not Chair of the Board of Governors.

Membership in 2019-20 was as follows:

- **Committee Chair** (*lay governor who is not Chair of the Board of Governors*) - Mr Richard Stevens to 31 January 2020; Mrs Emma van der Lugt (interim) to 17 September 2020; Prof Patricia Hind from 18 September 2020
- **Chair of the Board of Governors** (*not eligible to chair Remuneration Committee but must be a member of Remuneration Committee*) – Mr Graham Raikes MBE
- **Chair or Member of the Finance & Resources Committee** – Mr Richard Stevens (Chair of F&R Committee) to 31 January 2020; Prof Patricia Hind (Deputy Chair of F&R Committee). Mr Alex Hawtin (Chair of F&R Committee) was also in attendance 26 November 2020.
- **Chair or Member of the Audit Committee** – Mrs Emma van der Lugt (Chair of Audit Committee); Mr Stephen Criddle OBE (Member of Audit Committee) from 13 May 2020.
- **Other Co-opted Members as required** – Mrs Jackie Westerman, from 1 November 2019.

The Vice-Chancellor, Prof Rob Warner, while a member of the Board of Governors, is not a member of the Remuneration Committee. He may attend as required, in an advisory capacity, when invited by the committee. It is important to note that no individual can be involved in deciding his or her own remuneration; the Vice-Chancellor therefore will not be present in any meeting for any discussion or decision about his own remuneration.

Other attendees (not members) according to the Terms of Reference, may be the Deputy Vice-Chancellor, Human Resources Manager and Clerk to Board of Governors as required. They, in the same way as the Vice-Chancellor, may be invited to attend in an advisory capacity, in order to provide contextual information regarding matters pertaining to other senior staff; they are not members of this committee and will withdraw from the meeting for any discussion or decision regarding their own conditions or remuneration.

Prof Patricia Hind
Chair of Remuneration Committee
December 2020

**Senior Remuneration – Annual Statement by Remuneration Committee for
Board of Governors 2019/20**

Chair of the Committee: Prof Patricia Hind

Date: November 2020

Purpose of the report:

The Remuneration Committee provides an annual report to the Board of Governors in lieu of minutes of the meetings. In June 2018, the CUC published The Higher Education Senior Staff Remuneration Code providing additional guidance for reporting matters of senior Remuneration to the Board of Governors, which the Board formally adopted on 13 July 2018. This report has been prepared based on that CUC guidance.

Context:

In November 2015, the Board determined that the Remuneration Committee should report its decisions and key points of its deliberations to the Board of Governors as Reserved Business. The Board does not receive the full minutes of the Remuneration Committee, but these are available to individual non-elected governors, on request, via the Governance Officer. If Freedom of Information (FOI) requests are received on the activities of the Remuneration Committee or related matters, the Board agreed in 2016 that this annual report should be the source of what is released; the full minutes of the Committee should not be released.

Meetings, membership and attendance:

The committee met once in 2019/20 on 25 September 2019. In line with the annual cycle of business, a second meeting had been scheduled, for 2 April 2020. However, this was deferred, first to July 2020 and then to October 2020, due to the onset of the Covid-19 pandemic. The business of this deferred meeting was conducted on 14 October 2020. Although the October dates fall outside the academic year 2019-20, the business pertains to the 2019-20 cycle, and therefore is reported upon here.

During the year 2019/20 the committee was chaired initially by Directly Appointed Independent Governor Mr Richard Stevens (whose appointment as governor ended on 31 January 2020) and then by Directly Appointed Independent Governor Mrs Emma van der Lugt, Deputy Chair of this committee, who acted as interim Chair.

Directly Appointed Independent Governor Prof Patricia Hind was appointed Committee Chair on 18 September 2020.

In line with the CUC HE Senior Staff Remuneration Code, the Chair of the Board of Governors, Mr Graham Raikes, MBE, was a member of, but did not chair, this committee.

Mrs Jackie Westerman (Co-opted Member of the Board) was a member from 1 November 2019 onwards. Mr Stephen Criddle, OBE (Directly Appointed Independent Governor) was a member from 13 May 2020 onwards.

The attendance at each meeting was as follows:

Attendees	25.09.2019	14.10.2020	26.11.2020
Richard Stevens (Committee Chair)	✓		
Graham Raikes, MBE (Chair of Board)	✓	✓	✓
Emma van der Lugt (Dep Chair of Board, Chair of Audit Committee)	✓	✓	✓
Prof Rob Warner (Vice-Chancellor)	✓ (attendee)	✓ (attendee)	
Lucy Pengelly (Director of People & Organisational Development)	✓ (attendee)	✓ (attendee)	✓ (attendee)
Unity Stuart (Clerk to the Board of Governors)	✓ (attendee)		
Prof Patricia Hind (Committee Chair; Dep Chair of Finance & Resources Committee)		✓	✓
Stephen Criddle, OBE		✓	✓
Alex Hawtin (Chair of Finance & Resources Committee)			✓
Jackie Westerman		✓	✓
Jessamie Thomas (Governance Officer)		✓ (attendee)	✓ (attendee)

The Vice-Chancellor withdrew from the meetings of 25 September 2019 and 14 October 2020 during the Reserved Business items. Lucy Pengelly withdrew from both these meetings during the discussion of Senior Pay.

The committee met on one further occasion, 26 November 2020, in order to finalise this report and move on to discuss other matters which would be included in the 2020-21 Annual Remuneration Report in due course.

Matters considered by the committee at its meeting on 25 September 2019:

- The Chair and Deputy Chair of the Committee were considered and approved.
- The Terms of Reference were considered. Pending clarity of the wording of the HR Sub Committee's¹ remit to matters more strategic rather than operational, its Terms of Reference were approved. It was noted that Staff and Student Governors would be invited to attend HR Sub-Committee meetings.
- The Chair, frequency of meetings, membership and cycle of business for the Remuneration Committee and HR Sub-Committee were considered and approved.
- It was agreed that the Remuneration Committee might recommend that the Sub-Committee discuss items such as the gender pay gap and receive reports from the Sub-Committee in turn.

¹ The HR Sub-Committee was renamed People & Organisational Development Sub-Committee on 17 July 2020

- The revised Senior Pay Policy (including approval of the proposed timings for PDRs) was discussed, in line with relevant guidance.
- The proposed timeline for the Senior Pay Policy was discussed.
- It was agreed that the Senior Pay Policy would explicitly reference the affordability of any increases in direct relation to the financial performance of the institution.
- It was agreed that the Senior Pay Policy would be clear that there was a ‘normal’ cycle but there could be exceptional decisions made surrounding this as needed.
- The committee approved the Senior Pay Policy with the caveat of the suggested edits above being implemented.
- The Gender Pay Gap was discussed, the University’s position being positive when benchmarked against the sector, but more work would be done in this area, with the ambition being to declare a zero pay gap.
- The committee received an update on the implementation of the 360 review system, which was in trial form and would be tailored to the University and its values. The committee noted its usefulness and made suggestions as to how its effectiveness might be enhanced.
- The annual Remuneration Committee report to the Board was considered and approved.
- The structure of senior staff was considered and approved.
- An update on the USS pension position was presented. Discussions were being held with the USS around section 75 debt and long term plans.
- The teachers’ pension, LGPS, strike action and impact on students were all discussed.
- *Reserved business - The Vice-Chancellor withdrew for this element of the meeting.*
 - The Vice-Chancellor’s objectives and KPIs were discussed.
 - The weighting of the Vice-Chancellor’s KPIs would be given greater consideration.
 - The Vice-Chancellor’s financial successes would be considered a key KPI.

Matters considered by the committee at its meeting on 14 October 2020:

- The Committee received a contextual update on staffing, of particular relevance given the onset of COVID-19.
- The Committee considered the remuneration for Senior Posts (for 2019-20 cycle).
- The Benchmarking Report was considered by the Committee to ensure alignment with the sector. UCEA benchmarking was included in the report, as was GuildHE benchmarking where applicable.
- A summary report from the Vice-Chancellor on the senior team members’ achievements and performance was received. *Lucy Pengelly withdrew for this element of the meeting.* Some exceptional performance was noted. Recommendations for pay and performance and an uplift in salary for some members of the senior team were received and approved. *No member of staff was present when the committee discussed his/ her salary.*
- Reserved Business - The Vice-Chancellor withdrew from the meeting.
 - The Vice-Chancellor’s performance against Key Performance Indicators (KPIs) was considered and significant in-year improvements were noted.
 - The committee received formal recommendation for a bonus payment and uplift in salary for the Vice-Chancellor. These were agreed.

- The Annual Remuneration Committee report (draft) to the Board was considered. It was agreed that the business of the Remuneration Committee meeting (14 October 2020) be included in the 2019/20 report.
- The committee would review the Senior Pay Policy at its next meeting.

Senior Management Team

The Vice-Chancellor reported to the committee on the performance of the Senior Management Team (SMT). It was noted that 2019/20 had seen continuity in the membership of the SMT, but extraordinary discontinuities in everyone's lives due to Covid-19.

Student recruitment had increased once again, to just under 1,000 new entrants. NSS performance on all programmes bar one had seen further improvement above the sector. Student Voice initiatives had been taken further, with the embedding of a Student Engagement and Outcomes Panel, which sat in parallel with the University Board of Studies.

The University's People Strategy and Marketing & Student Recruitment Strategy had been developed for submission to the Board in November 2020. The IT strategy had been developed with a view to developing integrated software solutions for the Professional Service teams. Digital pedagogies, accelerated by lockdown, were creating not only an academically supportive and stretching online environment, but were preparing the way for new distance learning opportunities for international students. The Civic Engagement and Knowledge Exchange Strategies had continued to develop. The University's Campus Development Plan, including ambitious decarbonisation intent, had been signed off by the Board.

New initiatives had been launched to maximise student part-time employment on campus, when many of their customary jobs in the city were at risk or no longer in existence. The University's financial performance had proven robust, notwithstanding Covid-19, with a new Ethical Investment Policy and business planning approach ready for full implementation.

The Vice-Chancellor noted that the work of the team had been exemplary in professionalism and dedication, and Covid-19 had demanded almost every week that critical decisions and actions had to be taken in the evenings and over the weekends, in response to the latest Governmental announcements and requirements. This had been all the more impressive considering that all the Vice-Chancellor's senior team had children at home of school age and the Vice-Chancellor noted that the way that they managed to juggle parental and professional duties had been admirable. They had delivered their work to a very high standard, set excellent standards for their teams, and worked remarkably well together, particularly considering management meetings had needed to be online for over six months. Along with all the dedicated staff team, the Vice-Chancellor noted that the entire SMT deserved warm congratulations for all that had been achieved.

The Basis and Scope of this Statement

The University has used as a basis the Office for Students Guide and the CUC Higher Education Senior Staff Remuneration Code June 2018 and is reporting on the remuneration decisions of the Vice-Chancellor and other senior post holders prescribed in the constitution or the remit of Remuneration Committee (see Appendix A for list of postholders). The Vice-Chancellor's remuneration is published within the Financial Statements annually.

The Process for Setting Remuneration

At the time of this report, Remuneration Committee comprised:

- Prof Patricia Hind, Directly Appointed Independent Governor, Chair of Remuneration Committee, Deputy Chair of Finance & Resources Committee.
- Graham Raikes, MBE, Directly Appointed Independent Governor, Chair of the Board, Member of Finance & Resources Committee.
- Emma van der Lugt, Directly Appointed Independent Governor, Deputy Chair of the Committee, Chair of Audit Committee, Joint Deputy Chair of the Board.
- Stephen Criddle, OBE, Directly Appointed Independent Governor
- Jackie Westerman, Co-opted Member of the Board

The Board of Governors delegates to the Remuneration Committee full powers to act on its behalf and in its name in all matters relating to the terms and conditions of service and the emoluments of the holders of 'Senior Posts' as defined in the Articles of Association.

The Remuneration Committee is responsible for **considering and approving** the senior staffing structure, performance development review summaries, total emoluments and conditions of service of senior post holders who report directly to the Vice-Chancellor. The Committee will consider the appointment and, annually, the salary position of senior post holders **as recommended by** the Chair of the Board and Vice-Chancellor. The overall financial performance of the University is considered in any decisions surrounding senior remuneration.

The Articles of Association dictate that Holders of Senior Posts include: "The Vice-Chancellor, Deputy / Pro Vice-Chancellors, and the holders of such other senior posts as the Governing Body may determine in accordance with Article 25.1.4. The Board are responsible for "the determination of which posts are Senior Posts, save that the Vice-Chancellor, Chaplain and Clerk shall always be Holders of Senior Posts".

The comparator institutions/organisations

The Committee seeks comparative information on salaries and other emoluments and conditions in the sector from the Universities and Colleges Employers' Association (UCEA) to inform decisions and ensure that all arrangements are unambiguous and diligently recorded.

Comparative data is also taken from post 92 universities and Higher Education Corporations (HECs) by institutional income the £24m – £70m bracket. Mission group data from GuildHE is also used as a comparator.

With regard to Directors of Professional Services, there was no GuildHE comparison available. The comparative data is taken from the ‘up to £70m’ bracket data, which would include much larger HEIs.

The policy on income derived from external activities

It is often helpful to the University for its staff to hold non-executive director roles. Senior Staff complete annually a declaration concerning their Private Work Returns within the Personal Development Review system detailing any such roles. No members of SMT held such roles in year.

The policy on income derived from external activities for Academic Staff is outlined in their contracts of employment and within the Consultancy Policy. Senior post holders are required to annually declare interests within the PDR system as well.

The pay multiple of the Vice-Chancellor

The Vice-Chancellor’s basic salary is 8.5 times the median pay of staff (2019 7.5 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Vice-Chancellor’s total remuneration is 8.9 times the median total remuneration of staff (2019 7.9 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

Severance Payments

There were no severance payments made to senior managers during the period 1 August 2019 – 31 July 2020.

Expenses Policy

The University has a single scheme outlined within the Financial Regulations (see Appendix B).

All expenses are monitored by the Finance team in line with the Financial Regulations. Expenses can be audited at any time by the Committee and are regularly reported on in response to FOI requests.

Appendices

Appendix A - List of Postholders under the remit of Remuneration Committee in 2019/20

Appendix B - Expenses, as per the University's Financial Regulations

Appendix C - Senior Pay Policy 2019/20

Appendix D – Remuneration Committee Terms of Reference 2019/20

Appendix A - List of Postholders under the remit of Remuneration Committee in 2019/20

Professor Rob Warner, Vice-Chancellor
Professor Michelle Jones, Deputy Vice-Chancellor
Professor Ian Luke, Pro Vice-Chancellor (Academic)
Mrs Katy Willis Pro Vice-Chancellor (Student Success)
Mr Simon Arthurs, Director of Finance
Mr Stephen Plant, University Secretary & Registrar
Mrs Lucy Pengelly, Director of People & Organisational Development
Mr John Bailey, Director of Estates & IT Infrastructure
Mrs Unity Stuart, Governance Manager (to January 2020)
Rev Michelle Parkman, Chaplain

Appendix B - Extract from Financial Regulations 2019-20

14. GENERAL STAFF EXPENSES

14.1 General

Claims for expenses incurred by University staff carrying out their official duties will be paid at the authorised rates. Allowable expenses are detailed in the following procedure notes.

All claims must be certified by an authorised officer, and should, other than in exceptional circumstances, be claimed in the month to which they relate.

Claims for subsistence and other non-mileage expenditure must be supported by the valid receipts where physically possible. Expenditure will only be reimbursed up to a maximum of the specified limits, and only to the value of valid, original, itemised supporting documentation.

14.2 Overseas Travel

14.2.1 Justification

All overseas travel must be justified and approved by the Vice-Chancellor and Chief Executive. All journeys should be authorised by the appropriate Dean. The Vice-Chancellor and Chief Executive will discuss their plans for overseas trips with the Chair of the Governing Body. Overseas travel involving a member of the University Board of Governors will normally be subject to approval by the University Board of Governors with a note approving the trip being recorded in the minutes of the relevant meeting at which the issue was discussed.

All journeys must be considered against the following criteria:

- That the journey fits with the strategy of the University.
- That alternative arrangements such as video conferencing are inappropriate.
- That the most economic and effective travel and accommodation arrangements have been made.
- Repeat journeys to a location take into account the benefits to be derived from a second or subsequent visit bearing in mind the success of the initial or previous visits. The repeat journey should be judged on the benefits it will bring the University when considered against the costs incurred on a follow-up visit.

Whenever possible a report should be prepared giving the outcomes of the visit and the need for any further visits.

14.2.2 Air Travel

The normal method of overseas travel is by air and the following are the rules regarding air travel:

- The journey should be undertaken after a price comparison exercise.
- The journey should be undertaken on an economy class ticket for short journeys particularly within Europe.
- For international travel, outside of Europe, air travel will normally be at economy rates, except where this has been formally agreed with the Vice Chancellor or included in the client contract.

Examples of exceptional cases where economy travel may be upgraded include where an upgrade enables staff to work during travel, or where staff are undertaking formal engagements for which they must arrive refreshed.

Regular travellers may qualify for one of the air miles schemes of the major airlines. Individuals are not permitted to benefit from such awards relating to University business journeys. Such awards should be used to off-set other official University approved journeys.

14.3 Hotel Accommodation and Subsistence

Overseas hotel accommodation and meals will be reimbursed to actual levels of expenditure subject to the production of receipts and in line with the following guidance:

- Hotel accommodation should be fit for purpose i.e. comfortable without being opulent and it should be safe. Typically staff should be booked into 3 star hotels.
- Beverage costs will be reimbursed but alcoholic drink expenditure will not be refunded.
- Business related communication charges (telephone, facsimile etc.) will be reimbursed on production of receipts and subject to certification that calls are 'duty calls'.

14.4 Insurance

Queries over insurance matters relating to overseas travel should be directed to the Vice-Chancellor's office.

Appendix C

Senior Pay Policy 2019

In line with the University values, the aim of this policy is to provide transparency, and clarity, with regards to the process for remunerating senior staff.

1. Coverage

This policy covers the remuneration of the University's Senior Management Team, and those on the University's senior pay spine, Grade 10.

2. Principles

The University seeks to adhere to the following principles in determining pay for senior staff:

- a) The process for remunerating senior staff will be clear and transparent.
- b) The University will monitor actively the external market with the aim of remaining fully competitive with UK-based post 92 institutions and the GuildHE Group. This includes consideration of salary levels in other institutions and whether there is a trend for senior salary reviews to be conducted, restricted or suspended.
- c) The University will use the annual UCEA Senior Salary Survey and CUC guidance to benchmark and determine suitable pay rates.
- d) Pay increases will be clearly differentiated according to performance. Performance in line with position expectations will be rewarded with a pay increase that maintains pay competitiveness within the sector by application of any nationally negotiated pay award.
- e) The University will gear performance awards to those that are adding most value to the University. High or exceptional performance will be defined by reference to the strategic aims of the University.
- f) The financial framework for determining senior staff remuneration will consider the impact on total costs of employment, not just the cost of actual pay increases. This includes such considerations as the on costs of employment e.g. pension costs and national insurance contributions.
- g) The University will operate in line with Office for Students (OfS) guidance and 'have regard to' the ACEVO good pay guide, which is addressed to charities in general.

3. Pay Structure

The main university pay scale, in line with UCEA guidelines, runs from spine point 2 – 51, consisting of 8 different pay grades. This pay scale is administered through the HERA process to ensure proper grading of all staff. The locally agreed pay spine for senior staff runs from spine point 52 to spine point 71, this is known as Grade 10. The senior pay scale encompasses two categories: senior managers, such as an Executive Dean or Pro Vice Chancellor; and, Professors. The senior staff pay spine expressly does not include posts at the level of Vice Chancellor and Deputy Vice Chancellor.

The broad senior management team comprises three categories: those on the main university pay scale, those on the local senior pay scale, and those above that scale. The review process for each category will vary, however performance will be monitored consistently as detailed in the next section.

4. Senior Staff Performance Management

The performance management of senior staff will be conducted in line with the University Performance Development Review procedures, and where applicable, the University Probationary and/or Capability Procedures. Senior staff will have an annual PDR conducted through the iReview system, prior to any review of their salary.

The outcome of each senior staff members PDR should be recorded as follows:

- a) **Under performance** - the individual is not fulfilling many of their objectives as set out in their PDR and/or many of the expectations of the position as set out in the job description. This may include a failure to demonstrate the University's values and leadership behaviours. Under performance at this level will involve formal action through the University's Capability Procedure.
- b) **Performance which falls short of expectations** – the individual is not meeting or fulfilling some of their objectives as set out in their PDR and/or some of the expectations of the position as set out in the job description. This may include a failure in demonstrating some of the University values and leadership behaviours. This reduction in performance is likely to have occurred or been identified in the last year. It will have been raised with the individual and supportive measures have been suggested to assist improvement.
- c) **Performance meets expectations** – the individual is fully competent in their position, consistently achieving all or most of their objectives/performance expectations. The individual will also be consistently demonstrating the University values and leadership behaviours.
- d) **Performance exceeds expectations** – the individual fulfils all responsibilities, exceeds objectives/performance expectations, is easily recognisable as a high performer.
- e) **Outstanding/exceptional performance** – the individual makes an exceptional contribution to the university; a role model and star performer,

The standard increase in line with the nationally agreed pay award, salary uplift or performance related bonus should correlate with the ratings, modified only where appropriate by any considerations relating to the external market or internal relativities.

5. Remuneration Increases and Awards

There are three categories for consideration; the nationally agreed annual pay award, salary uplift or performance related bonus.

Senior staff will receive the ***nationally agreed pay award*** depending on their category of Senior Manager within the organisation.

Salary uplifts will also depend on the category of Senior Manager. However, the general principles with salary uplifts will include confirmation of the individual's performance exceeding expectations or being considered as outstanding.

Any additional increases in base pay should be justified by reference to either a shift in the external market or enhanced contribution in the position as demonstrated through development in skills, responsibilities or profile that contribute to the strategic aims of the University, and sustaining that high level of performance over time. To inform the decision-making process the Director of People & Organisational Development will provide the Remuneration Committee with indicative market ranges for the relevant jobs, based on reliable sources of survey data.

Performance related bonuses will only be awarded where the Senior Manager's performance exceeds expectations or is considered as outstanding. Performance related bonuses will not exceed £10,000 in all categories of Senior Managers.

In setting the financial envelope and guidelines for any senior salary review round, the Remuneration Committee may indicate that awards are restricted to performance related bonuses in a particular year as opposed to increases in base salary.

Performance related bonuses (i.e. awards that are not added into basic pay on a permanent basis) are payable for exceptional one-off achievements where it may not be evident that the same level of achievement is likely to be replicated in the future. Such payments are not pensionable because they are variable in nature (i.e. the same level of performance may not be replicated the following year).

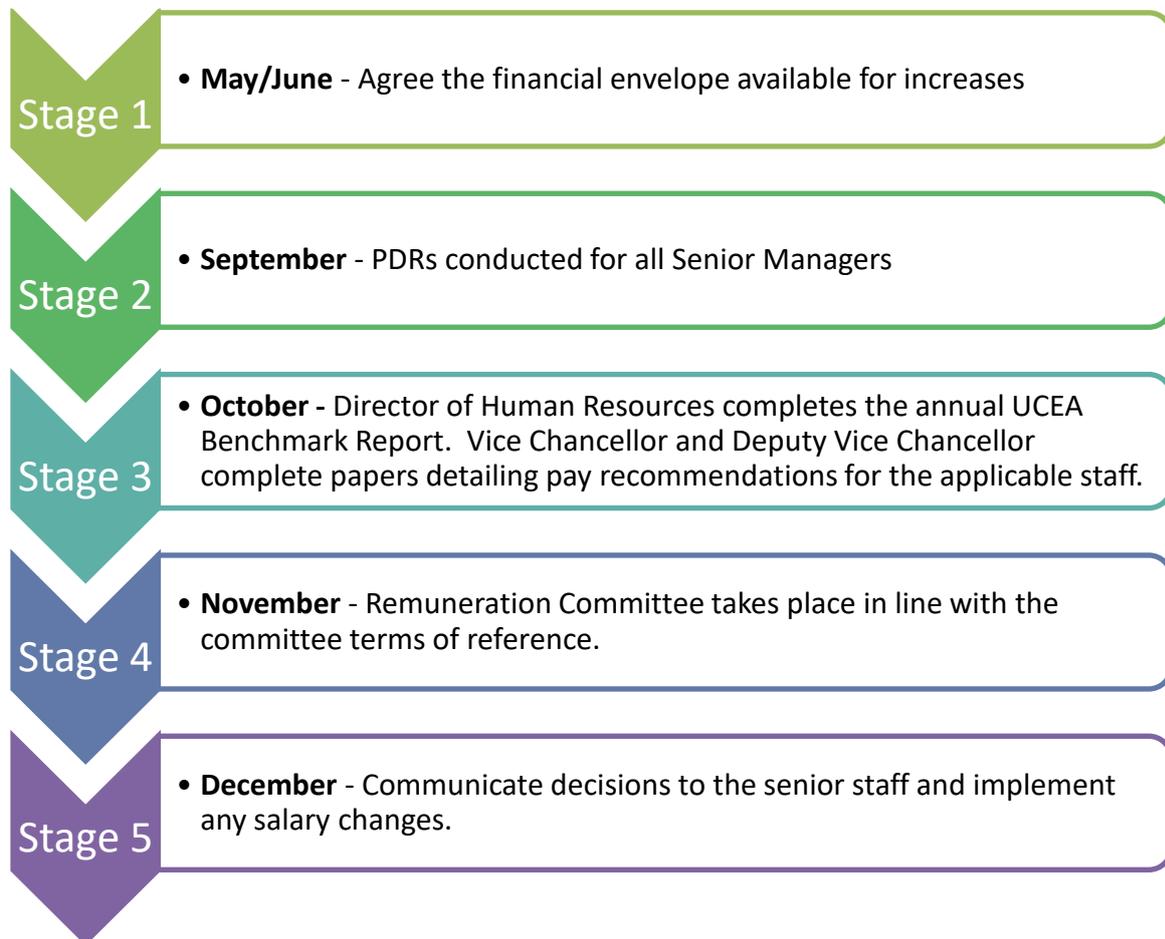
If an individual is nominated for a performance related bonus in several consecutive years the Remuneration Committee may consider whether part or all of the award should be consolidated into basic pay, on the basis that the individual is demonstrating sustained exceptional contribution to the University.

Performance related bonuses may also be made where there is clear evidence that an individual is already paid well relative to their peers, so it would be inappropriate to increase their basic salary. In these circumstances a performance related bonus, equivalent to what the individual would have received as a basic pay increase may be awarded.

6. Review Process

The annual review process, and timeline is detailed in diagram 1.

Diagram 1 Annual Review Process



The Director of People & Organisational Development report will be provided to the Remuneration Committee in advance of the meeting. The benchmark data will take due consideration of the context in which the University operates, and the size and turnover of the University.

In preparation for the Committee meeting, following the completion of the PDR's, the Vice-Chancellor and/or the Deputy Vice Chancellor will prepare papers detailing the pay recommendations for the applicable staff. These reports will link to the value delivered by an individual in position. The paper should include detail on the following criteria:

- complexity (scale and range of decision making, collaboration and contact, time-critical activity);
- impact (on students, research, finances and people, including employees, partners and citizens);

- discretion (level of accountability, degree of autonomy and decision-making authority);
- levels of experience;
- knowledge and skills (including specialist skills) required;
- reputation and academic/professional credibility needed for the role;
- an ability to recruit and retain key staff; and
- external comparisons.

The Remuneration Committee will operate in line with the Committee's terms of reference and with due consideration of the CUC HE Senior Staff Remuneration Code. The Remuneration Committee will also be formulated, and will operate, in accordance with the University values and equality procedures.

The review process for each category of Senior Manager is detailed as follows:

a) Senior Managers on the main University Pay Scale, Grade 9.

- They will automatically receive the nationally agree annual pay award, and so this does not need to come to Remuneration Committee.
- Any salary uplift within the main pay scale is subject to the standard HR process (HERA – Higher Education Role Analysis). This process is designed to determine objectively any entitlement to an increase, which should then be implemented. The Remuneration Committee should therefore be notified annually of these salaries and may want to advise the Vice-Chancellor, or Deputy Vice-Chancellor, that a particular salary looks misaligned in comparison to the sector.
- Any performance-related bonus for an individual Senior Manager should be determined by the Remuneration Committee, informed by the Vice-Chancellor's or Deputy Vice Chancellor's recommendations following the defined performance outcome of their PDR.

These principles should also apply to the two other members of staff for whom Remuneration has salary responsibilities – the Clerk to the Board of Governors and the University Chaplain.

b) Senior Managers on the Local Senior Pay Scale, Grade 10.

- Remuneration Committee will decide whether the nationally agree annual pay award is granted.
- Remuneration Committee will determine any salary uplift and/or performance-related bonus, informed by the Vice-Chancellor's or Deputy Vice Chancellor's recommendations following the defined performance outcome of their PDR.
- For internal promotions, the starting salary within this pay scale should come as the Vice-Chancellor's recommendation to Remuneration, and this decision should be made by email rather than waiting for one of Remuneration

Committee's twice-yearly meetings. The Remuneration Committee may choose to delegate this authority to the Chair of the Remuneration Committee working with the Vice-Chancellor.

- For external Senior Manager appointments, the starting salary shall be determined by the Vice-Chancellor in conjunction with those Governors on the interview panel.

c) Professors on the Local Senior Pay Scale, Grade 10.

Their starting salary depends on our standard practice and market variations. That is, not all Professors in all disciplines are paid the same.

- They will automatically receive the nationally agree annual pay award, and so this does not need to come to the Remuneration Committee.
- The Vice-Chancellor shall have the authority to determine Professors' starting salaries within the agreed pay scale.
- There may be an exceptional salary uplift based on outstanding performance, or in response to market pressures (such as the REF transfer market) and this should come to the Remuneration Committee for consideration as the Vice-Chancellor's or Deputy Vice Chancellor's recommendation.

d) Deputy Vice-Chancellor

- Remuneration Committee will decide whether the nationally agree annual pay award is granted.
- Remuneration Committee will determine any salary uplift and/or performance-related bonus, informed by the Vice-Chancellor's recommendations following the defined performance outcome of their PDR.
- For external appointments at this level, the starting salary shall be determined by the Vice-Chancellor in conjunction with those Governors on the interview panel.

e) Vice-Chancellor

- Remuneration Committee will decide whether the nationally agreed annual pay award is granted.
- Remuneration Committee will determine any salary uplift and/or performance-related bonus, informed by the Chair's recommendations following the defined performance outcome of their PDR.

The Vice-Chancellor will not be present in the meeting for the discussion and decision about their own remuneration. Nor will the Clerk to the Board of Governors or the Director of People & Organisational Development.

Appendix D – Remuneration Committee Terms of Reference (2019-20)

Serviced by: Clerk to the Board of Governors

Reports to: Board of Governors

1. Constitution

The Governing Body has established a Committee known as the Remuneration Committee.

2. Membership and Quorum

2.1 The Remuneration Committee composition must include the Chair of the governing body, be composed of a majority of directly appointed members and have appropriate experience available to it.

2.2 Members

- Chair of the Board of Governors
- Chair or member of the Finance & Resources Committee
- Chair or member of the Audit Committee
- Other Independent governors as required
- Other co-opted members as required

In attendance (as required)

- Vice-Chancellor / Deputy Vice-Chancellor
- Clerk to the Board of Governors
- Human Resources Manager

2.3 The Chair of the Board shall not be eligible to Chair the committee. No Elected Governor (staff or student) shall be eligible for membership as is established under Article 27.4 of the Articles of Association.

2.4 The Committee has the discretion to invite relevant officers to attend the meeting for specified items, including the Vice-Chancellor and Deputy Vice-Chancellor. Any member of staff, including the Vice-Chancellor, should withdraw from the Committee when their own salary, terms and conditions or severance payments are under consideration. The Committee may meet without any officers present.

2.5 The Committee may co-opt an additional member with knowledge of the salaries, terms and conditions of service of senior staff in Higher Education.

2.6 The meeting shall be quorate when the Chair and two Governors are present. The majority must be independent governors (i.e not co-opted members).

3. Frequency of meetings

3.1 The Committee shall normally meet at least once per year to carry out the annual review of senior staff salaries and conditions; a special meeting will be convened if required arising from the recruitment, resignation or retirement of one of the senior staff within its remit.

4. Authority

4.1 The Board of Governors delegates to the Committee full powers to act on its behalf and in its name in all matters relating to the terms and conditions of service and the emoluments of the holders of 'Senior Posts' as defined in the Articles of Association.

4.2 The Committee is not authorised to make decisions on those issues which are properly the responsibility of the full Board of Governors.

4.3 The Committee delegates responsibility for consideration of Human Resources matters to the HR sub-committee.

5. Duties

5.1 To consider and approve the structure of senior staff, defined in the Senior Pay Policy.

5.2 To consider the performance development reviews of senior staff.

5.3 To determine on behalf of the Board of Governors, at least annually, and according to the Senior Pay Policy, the total emoluments and conditions of service of senior post holders¹. This may include senior managers on the main university pay scale, on the local senior pay scale on or above grade 10, the Deputy Vice-Chancellor and Vice-Chancellor. The Clerk to the Board of Governors and University Chaplain will also be

¹ The Articles of Association dictate that Holders of Senior Posts include :

- 'The Vice-Chancellor, Deputy / Pro Vice-Chancellors, and the holders of such other senior posts as the Governing Body may determine in accordance with Article 25.1.4'
- 25.1.4 - The Board is also responsible for 'the determination of which posts are Senior Posts, save that the Vice-Chancellor, Chaplain and Clerk shall always be Holders of Senior Posts'

considered within the remit of the Senior Pay Policy, as per the Articles of Association.

The Committee will seek comparative information on salaries and other emoluments and conditions in the sector from the Universities and Colleges Employers' Association (UCEA) to inform decisions and ensure that all arrangements are unambiguous and diligently recorded.

- 5.4 The committee will consider the appointment and, annually, the salary position of senior post holders as recommended by the Chair of the Board and Vice-Chancellor.
- 5.5 To determine, on behalf of the Board of Governors, severance arrangements for staff as defined as senior post holders.
- 5.6 To ensure that all conditions of service comply with the requirements of employment law, including equal opportunity legislation.
- 5.7 To consider the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance to the staff within its remit.
- 5.8 The Committee shall conduct its business in accordance with the Articles of Association, the Terms and Conditions of funding between the OfS and the University, and the CUC Remuneration Code.

6. Reporting procedures

- 6.1 The minutes of meetings of the Remuneration Committee will remain confidential but will be available on request to Governors, the Internal and External Auditors and the Auditor of the HEFCE Assurance Service.
- 6.2 The Committee must report on its decisions and operation at least annually to the governing body; such a report should not normally be withheld from any members of the governing body.