

### **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 Committee of University Chairs (CUC) published The Higher Education Senior Staff Remuneration Code [‘the Code’] providing guidance for reporting matters of senior remuneration to the Board of Governors. The Board formally adopted the Code in July 2018. The Code was subsequently revised in November 2021. The Board considered the revised Code at its meeting in March 2022, noting that the three main recommendations which had been made to CUC with regard to updating the Code were around focusing on fairness, an appetite for sharing and learning and making transparency work.

This report has been prepared based on the revised Code, November 2021.

### **Context**

The activities of the Remuneration Committee are reported to the Board of Governors via the Senior Remuneration Annual Report. The Board does not routinely receive full minutes of the Remuneration Committee’s meetings, but these are available (to individual non-elected governors, on request) via the Governance Officer. If Freedom of Information (FOI) requests were received on the activities of the Remuneration Committee or related matters, the Board agreed in 2016 that the Senior Remuneration Annual Report would be the source of the information released, in lieu of the full minutes of the Committee, so as to respect the confidential nature of discussions around individuals’ performance and remuneration.

The Senior Remuneration Annual Statement (which, it has been agreed, should be the same wording as the Annual Remuneration Report, for transparency) is published on the University’s website once approved by the Board of Governors.

### **Membership of Remuneration Committee (RemCom)**

During the academic year 2021/22, RemCom was chaired by Directly Appointed Independent Governor Prof Patricia Hind. Deputy Committee Chair was Emma van der Lugt, Joint Deputy Chair of the Board of Governors. In line with the Code’s recommended practice, the Chair of the Board of Governors, Graham Raikes, MBE, was a member of RemCom, but was not its chair.

The Vice-Chancellor is not a member of RemCom. They may attend, solely by invitation, and not for any discussions or decisions pertaining to their own performance or remuneration. The same principle applies to any staff members who may attend meetings of this committee to advise on specific matters, but not those regarding their own performance or remuneration.

Membership of RemCom, during 2021/22 was as follows:

Prof Patricia Hind	Directly Appointed Governor	Chair of RemCom; Chair of People & Organisational Development Sub-Committee; Deputy Chair of Finance & Resources Committee
Emma van der Lugt	Directly Appointed Governor	Deputy Chair of RemCom; Joint Deputy Chair of Board; Chair of Audit Committee; Deputy Chair of People & Organisational Development Sub-Committee
Graham Raikes, MBE	Directly Appointed Governor	Member of RemCom; Chair of Board; Chair of Governance & Nominations Committee; Member of Finance & Resources Committee; Member of People & Organisational Development Sub-Committee; Member of Estates Project Group
Stephen Criddle, OBE	Directly Appointed Governor	Member of RemCom; Deputy Chair of Audit Committee
Alex Hawtin	National Society Nominated Governor	Member of RemCom; Chair of Finance & Resources Committee
Jackie Westerman	Directly Appointed Governor	Member of RemCom; Member of People & Organisational Development Sub-Committee

### **Schedule of Meetings and Attendance**

RemCom convened twice in 2021/22. The business of those meetings is detailed at the end of this report. Attendance at each meeting was as follows:

<b>Members</b>	<b>19.10.2021</b>	<b>13.06.2022</b>
Prof Patricia Hind	✓	✓
Emma van der Lugt	✓	✓
Graham Raikes, MBE	✓	✓
Stephen Criddle, OBE	✓	✓
Alex Hawtin	✓	✓
Jackie Westerman	✓	✓

<b>Attendees</b>	<b>19.10.2021</b>	<b>13.06.2022</b>
Prof Rob Warner (Vice-Chancellor)	✓ (attendee)	✓ (attendee)
Lucy Pengelly (Director of People & Organisational Development)	✓ (attendee)	✓ (attendee)
Jessamie Thomas (Governance Officer; note-taker)	✓ (attendee)	✓ (attendee)

The Vice-Chancellor withdrew from the Reserved Business elements of the meetings of 19 October 2021 and 13 June 2022, which included any matters related to his own performance and remuneration. The Director of People & Organisational Development also withdrew from the meeting during any discussion or decision about her own performance or remuneration.

### **The Basis and Scope of this Report/Statement**

The University has used as a basis the Office for Students Guide and the Code and is reporting on the remuneration decisions applicable to the Vice-Chancellor and other senior post holders prescribed in the constitution or the remit of RemCom (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, RemCom membership comprised those Board Members whose names are listed at the beginning of this report. The Vice-Chancellor is not a member of the Committee and the Chair of the Board, while a member, does not chair the Committee.

The Board of Governors delegates to RemCom 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.

RemCom 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 (the latest version of which were approved on 16 May 2022) dictate that Holder of Senior Posts include: the Vice-Chancellor, Chaplain and University Secretary, and such other post holders as the Governing Body may determine from time to time in accordance with Article 25.1.4, and "Holder of a Senior Post" shall be construed accordingly.

### **Performance and Remuneration of Senior Management Team**

The Vice-Chancellor reported to RemCom on the performance of the Senior Management Team (SMT) at the meeting held in June 2022. He noted that SMT continued to grow in capacity, delivering leadership and innovation across the University. His detailed report, providing information on each member's performance, presented a representative sample of their individual and collective leadership and achievements. It was confirmed that SMT Personal Development Reviews (PDRs) were complete and targets had been agreed. The Vice-Chancellor reiterated his view that SMT fully warranted his confidence and that of the Board.

Following discussion, RemCom accepted the Vice-Chancellor's recommendations regarding SMT remuneration. The Committee expressed its appreciation to SMT for their achievements and leadership during this period, with its ongoing challenges moving out of the Covid pandemic.

**Performance and Remuneration of Vice-Chancellor**

RemCom is responsible for determining on behalf of the Board of Governors the total emoluments and conditions of service of the Vice-Chancellor. The Committee confirms that the Vice-Chancellor was not present at any meeting during 2021/22 when his performance or remuneration were discussed. The Chair of the Board confirmed that an annual appraisal had taken place with the Vice-Chancellor.

At its meeting in June 2022, the Committee gave consideration to the remuneration of the Vice-Chancellor. This followed a review of the agreed objectives and a recommendation to the Committee, from the Chair.

**The Pay Multiple of the Vice-Chancellor**

The Vice-Chancellor's basic salary is 8.4 times the median pay of staff (2021 8.5 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 8.7 times the median total remuneration of staff (2021 9.2 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

**Agreed Emoluments**

The Committee agreed a bonus award and confirmed the salary uplift, with effect from 1 August 2022, which had been agreed the previous year. The uplift had been awarded in two steps, the first with effect from August 2021 and the second, upon the Committee's confirmation of the Vice-Chancellor's performance during the year, confirmed for August 2022. This was considered to be commensurate with the Vice-Chancellor's performance, having taken into account contextual considerations. These included an appendix detailing the rising national recognition of the University under the Vice-Chancellor's leadership. The Committee confirmed its approval of the Vice-Chancellor's total emoluments.

### **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 in the 'up to £24m' bracket (where available) and '£24m to £70m' bracket, noting that the latter would include much bigger HEIs. Mission Group data from GuildHE and from Cathedrals Group where available is also used as a comparator.

### **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.

### **Severance Payments**

There were no severance payments made to Senior Managers during the period 1 August 2021 – 31 July 2022.

### **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. University Secretary & Registrar, Stephen Plant confirms that this area is reviewed annually and there have been no instances of disciplinary action or fraud.

### **Further Information - Appendices to this Report**

**Appendix A** - List of Postholders under the remit of Remuneration Committee in 2021/22

**Appendix B** - Expenses regulations, as detailed in the University's Financial Regulations

**Appendix C** - Senior Pay Policy

**Appendix D** - Committee Terms of Reference (based on Articles of Association 16 May 2022)

**Appendix E** - Cycle of Business of Remuneration Committee and Personal & Organisational Development Sub-Committee

### Matters considered by RemCom during 2021/22

#### Remuneration Committee – 19 October 2021:

- Minutes of the previous meeting were considered and approved.
- The Register of Interests was included with the papers and any updates invited.
- The Senior Remuneration Annual Report to the Board 2020-21, which included Vice-Chancellor pay ratio data, was considered and approved. The Committee would recommend to the Board that the Senior Remuneration Annual Report should also constitute the Senior Remuneration Annual Statement, to be published on the Plymouth Marjon University website.
- The Committee received a contextual update on the following: the University's approach to pay parity; academic staff promotion based on policy and procedure; Higher Education pay structures; the development of an Organisational Change Policy.
- The Universities and Colleges Employers Association (UCEA) Pay Award 2021-22 was noted.
- The pension schemes in which the University's staff were enrolled were noted.
- Reserved Business – (The Vice-Chancellor was not in attendance for this element of the meeting):
  - Reserved Business Minutes of the previous meeting were considered and approved.
  - The Vice-Chancellor's Key Performance Indicators (KPIs) were considered within a report presented by the Chair of the Board, Mr Graham Raikes, MBE.
  - The Committee discussed the weightings of priority KPIs to ensure that these correlated with the University's strategic ambition.
  - The Vice-Chancellor's KPIs were approved.

#### Remuneration Committee – 13 June 2022:

- Minutes of the previous meeting were considered and approved.
- The Register of Interests was included with the papers and any updates invited.
- The Committee received an update report on the UCEA Pay Award 2022-23 and noted the positive and collaborative relationship between the unions and the University. The Committee received assurance on the affordability of the UCEA pay award within the University's budget proposals.
- The Committee received a contextual update on the pension schemes within which staff were enrolled.
- The Committee discussed the national economy, concerns around inflation and regional employment pressures.
- The University's flexible working approaches were discussed and would be developed further.
- The Committee considered the remuneration for Senior Posts. The Benchmarking Report was considered by the Committee to ensure alignment with the sector. UCEA benchmarking data was provided, as was GuildHE and Cathedrals Group where applicable. Any potential impact on the University's Gender Pay Gap was discussed.
- A summary report from the Vice-Chancellor on the senior team members' achievements and performance was received. Proposals put forward by the Vice-Chancellor regarding

remuneration were considered, with contextual information provided. These were approved.

- A report on the Senior Pay Policy was received. An amendment, with regard to the role of the University Academic Promotions Board in determining salary uplifts, beyond the nationally agreed inflationary uplift, was approved.
- The Committee reviewed its effectiveness, in line with the Board Effectiveness Annual Review Cycle.
- Committee Terms of Reference, incorporating changes reflecting the revised Articles of Association (16 May 2022), were approved. These would be brought to Governance & Nominations Committee and on to Board of Governors for annual consideration and approval. The Terms of Reference follow, at Appendix D.
- Membership, including Committee Chair and Deputy, was confirmed. This would be brought to the Governance & Nominations Committee and on to Board of Governors for annual consideration and approval.
- Reserved Business – (The Vice-Chancellor was not in attendance for this element of the meeting):
  - Reserved Business Minutes of the previous meeting were considered and approved.
  - Committee Chair, Prof Patricia Hind, invited Chair of the Board, Mr Graham Raikes MBE, to summarise his report on the Vice-Chancellor’s performance against Key Performance Indicators (KPIs).
  - The Committee discussed and commended the Vice-Chancellor’s leadership.
  - The Committee suggested areas to be included in the KPI framework going forwards.

With regard to remuneration proposals, discussions were set within the context of the Vice-Chancellor’s total emoluments. The following benchmarking data was considered:

- OfS Senior Staff Remuneration Analysis 2019-20
- VCs’ Salaries 2017-18 ranked by HEI income.
- VCs’ Salaries 2017-18 ranked by VCs’ pay.
- Guild HE and Cathedrals Group Universities by Turnover etc 2019-20.
- Guild HE and Cathedrals Group Universities by VCs’ salaries 2019-20.

Following extensive discussion, and confirmation of targets having been met, it was agreed that the second phase of the two-phase pay award, which had been agreed in principle in July 2021, should be implemented from 1 August 2022. The first phase has been awarded from 1 August 2021.

Any nationally agreed pay uplift for 2022-23 would be applied to the Vice-Chancellor’s salary.

A performance-related bonus was agreed.

Arrangements regarding emoluments were confirmed.

**Appendix A** - List of Postholders under the remit of Remuneration Committee in 2021/22

Professor Rob Warner, Vice-Chancellor  
Professor Michelle Jones, Deputy Vice-Chancellor  
Professor Ian Luke, Deputy Vice-Chancellor  
Katy Willis Pro Vice-Chancellor (Student Success)  
Simon Arthurs, Chief Operating Officer & Finance Director  
Stephen Plant, University Secretary & Registrar  
Lucy Pengelly, Director of People & Organisational Development  
Rev'd Michelle Parkman, Chaplain

**Appendix B – Expenses** Extract from Financial Regulations 2021-22

**11.11. Staff expenses**

**11.11.1.** The University's purchasing and payments procedures enable almost all expenditure for University business to be made without staff needing to incur any personal expenses.

**11.11.2.** However, when staff incur expenses on University business, they will be reimbursed provided they are in accordance with the relevant University policies.

**11.11.3.** The Travel and Expenses policy lists items that can or cannot be claimed.

**11.11.4.** All claims for payment of subsistence, travel- related and incidental expenses shall be submitted within 3 months of the expense being incurred.

**11.11.8.** The University has a an overseas and UK travel and accommodation broker and also an institute rail account. These should be used. To access these please contact the Procurement Service.

**11.11.9.** Staff are encouraged to use the hire car service provided for vehicle trips. A fuel card is also supplied when a hire car is used.

**11.12. Staff - overseas travel advances**

**11.12.1.** Advances to Staff for travel and subsistence must be approved by the relevant SMT Lead. FX cards pre-loaded with currency and alleviate the need to carry large sums of cash. They can be ordered for recurring foreign travel. Requests for FX cards should be lodged with Finance at least 4 weeks prior to the commencement of travel.

**11.12.2.** Within one month of the trip being completed, the receipts must be submitted and any unspent balance repaid or claimed or if an FX card has been used returned.

**11.12.3.** Under no circumstances will a second advance or FX card be approved when the repayment of an earlier advance for individual is still outstanding.

**11.13. Loans to Staff**

**11.13.1.** Staff loan schemes jointly approved by the Director of People and Organisational Development and the Chief Operating Officer and Finance Director.

**11.13.2.** Any loans are approved in accordance with the scheme rules and must be repaid in full before the employee leaves the University's employment.

**11.13.3.** The schemes offered include Cycle to Work loans, electric car schemes.

**11.18. Payments to people involved in Research and similar studies**

**11.18.1.** In many cases, research projects involve interviewing members of public or similar activities. Payments can be made to these participants as follows:

- reimbursement of actual travel costs;
- a small reasonable payment for the subjects' time.

## Appendix C – Senior Pay Policy

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 and in line with the Higher Education Senior Staff Remuneration Code, which the University formally adopted in 2018.
- 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. Other available benchmarking data will be provided.
- 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.
- h) Senior Post Holder remuneration should be determined in the context of the University's approach to rewarding all of its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.

### 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 member's 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).

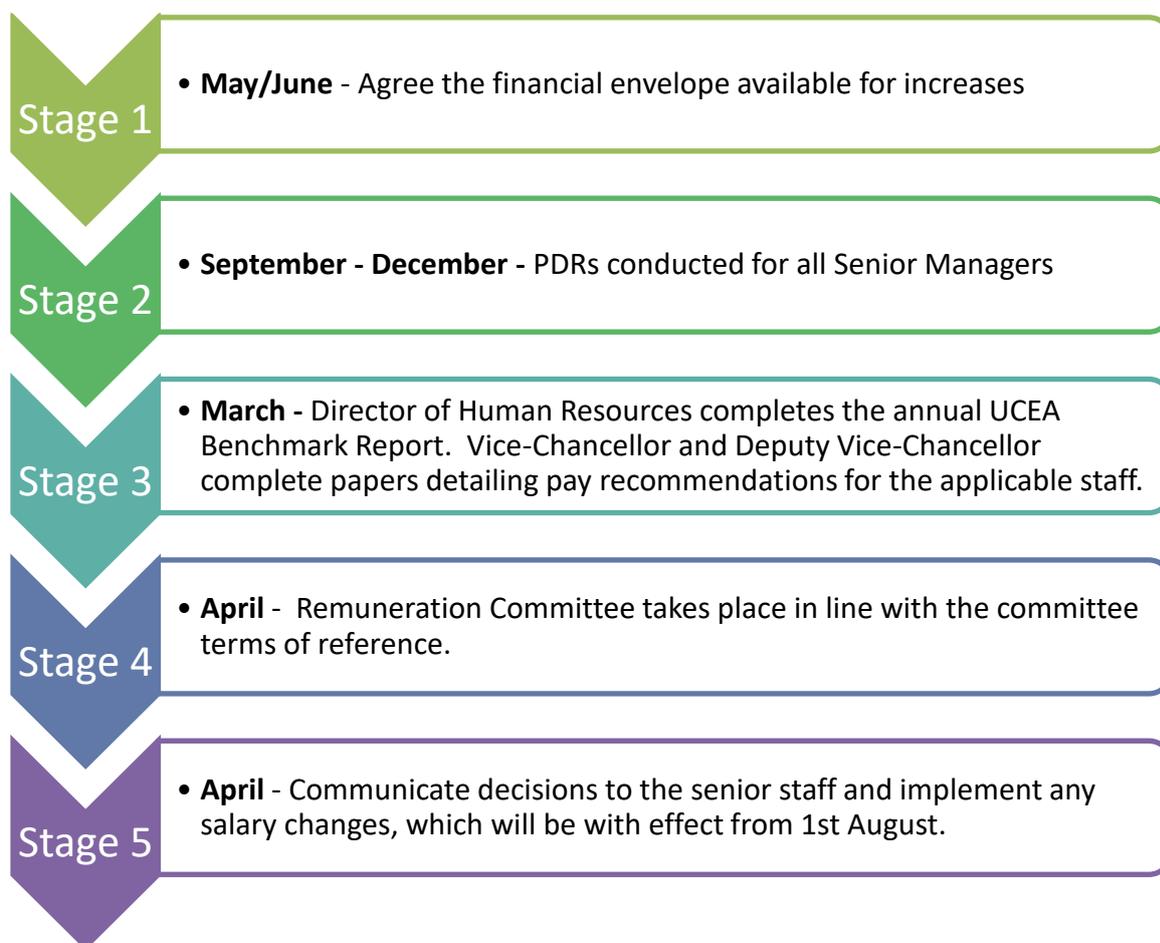
If an individual is nominated for a performance related bonus in several consecutive years the Remuneration Committee may consider whether part or all of the award should be consolidated into basic pay, on the basis that the individual is demonstrating sustained exceptional contribution to the University.

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 PDRs, 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 its 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 the Remuneration Committee 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 agreed 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 agreed 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.
- Salary uplifts for Professors, beyond the nationally agreed inflationary uplift will be confirmed by the Remuneration Committee, who will receive recommendations from the University Academic Promotions Board.

### **d) Deputy 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 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 of Board's recommendations following the defined performance outcome of their PDR.
- Any decision made by Remuneration Committee will be reported verbally to the Vice-Chancellor by the Chair of Board in the first instance and in writing by the Director of People & Organisational Development.

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 nor the Director of People & Organisational Development.

## Appendix D – Remuneration Committee Terms of Reference

*Serviced by: Governance Officer*

*Reports to: Board of Governors*

### 1. Constitution

The Board of Governors 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 Board of Governors, be composed of a majority of 'Nominated' independent governors (Directly Appointed, Diocesan Nominated or National Society Nominated) 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 'nominated' independent governors (Directly Appointed, Diocesan Nominated or National Society Nominated)
- Other co-opted members as required

In attendance (as required)

- Vice-Chancellor / Deputy Vice-Chancellor
- Governance Officer
- Director of People & Organisational Development

2.3 The Chair of the Board shall not be eligible to Chair the committee. An Elected Governor may be a member of the Committee, or may attend meetings (without being a member) at the invitation of the Committee Chair (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 (or Deputy) and two Governors are present.

### **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 People & Organisational Development 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 holders<sup>1</sup>. 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 University Secretary and University Chaplain will also be 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.

---

<sup>1</sup> 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 are also responsible for "the determination of which posts are Senior Posts, save that the Vice-Chancellor, Chaplain and University Secretary shall always be Holders of Senior Posts"

- 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 Higher Education Senior Staff 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.
- 6.2 The Committee must report on its decisions and operation at least annually to the Board of Governors; such a report should not normally be withheld from any members of the Board of Governors.

**Appendix E – Cycle of Business of Remuneration Committee and People & Organisational Development Sub-Committee**

	M1 RemCom	M2 P&OD Sub	M3 RemCom	M4 P&OD Sub
<b>Governance &amp; Housekeeping</b>				
To note Apologies & Declaration of Conflict of Interests	x	x	x	X
To consider and approve Minutes of Previous Meeting	x	x	x	x
To consider Matters Arising	x	x	x	x
To consider Committee Effectiveness, Membership (including Confirmation of Chair/Deputy), Cycle of Business and Terms of Reference (approval)			x	x
<b>Performance, Policy &amp; Remuneration</b>				
To consider and approve the Senior Annual Remuneration Report to the Board	x			
To consider and approve the Structure of Senior Staff	x			
To consider and approve the remuneration for Senior Management Team, the award of any bonus payments and award of inflationary salary increase. Benchmarking data to be provided, for comparison with sector norms and rewards system for all staff. RW to attend in advisory capacity regarding senior staff.			x	
To consider and approve the recommendations of Academic Promotion Panel with regard to professorial uplifts.			x	
To approve any other Senior Staff salary increases and bonus payments + comparison with the sector norm and Rewards System for all staff			x	
To note inflationary salary increases - ie UCEA Pay Award	x		x	
To consider USS financial risk and implications	x			
To review Senior Pay Policy	x		x	
To review terms and conditions of staff	x			
To determine severance arrangements for senior staff, as and when required	x		x	
To consider a contextual update/assurance on relevant risks associated with this committee	x		x	
To receive a People Strategy Update, to cover key strands and action plan		x		x
To consider the UCEA sickness absence survey outcomes		x		

To consider the HESA staff return and information on staff turnover				X
To consider the Staff Survey outcomes (full survey every two years)				X
To receive an update on any new employment/payroll/pension legislation that came into effect in April				X
End of meeting – does any of today’s discussion impact on current risk register – any proposed changes?	X	X	X	X
<b>RESERVED BUSINESS</b>				
To consider and approve RB Minutes of Previous Meeting	X	X	X	X
To review and approve the Vice-Chancellor's KPIs	X		X	
To consider a report on the performance and development of the Vice-Chancellor			X	
To consider and approve the remuneration for Vice-Chancellor and the award of any bonus payments. Benchmarking data to be provided, for comparison with sector norms and rewards system for all staff. The Vice-Chancellor will not be present for this item.			X	
Key: amber = agenda item as appropriate				