



BISHOP
GROSSETESTE
UNIVERSITY

Annual Report of the Remuneration Committee

November 2020

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1. Overview

This report covers the reporting period November 2019 to November 2020. The performance objectives of the Vice-Chancellor and other senior postholders are formally agreed in November each year. Performance against these objectives is formally reviewed at the June meeting of the Remuneration Committee given the alignment to the academic year.

The University Council receive a report after each meeting of the Remuneration Committee. This annual report provides an over-arching summary of its deliberations over the year and will itself be reported to University Council.

2. Structure and Membership of the Remuneration Committees

During 2019/20 the University Remuneration Committee considered the remuneration of senior postholders, specifically:

- (a) The **Vice-Chancellor**
- (b) The **Deputy Vice-Chancellor**
- (c) The **Chief of Finance & Operations**
- (d) The **Registrar and University Secretary**

From November 2020 the University Remuneration Committee will consider the remuneration of the following:

- (a) The **Vice-Chancellor**
- (b) The **Deputy Vice-Chancellor**
- (c) The **Chief Operating Officer (Vacant)**
- (d) The **Registrar and University Secretary**

The remuneration of all other staff is considered by the Finance, Employment and General Purposes Committee of the University.

The membership of the Remuneration Committee as at the date of this report is as follows:

- Dr Stephen Critchley, Member of University Council (Chair)
- Mr David Babb, Member of University Council and Chair of the Finance, Employment & General Purpose Committee
- Mrs Jackie Croft, Member of University Council
- Mr Bob Walder, Chair of University Council
- Mrs Wendy Cundy, Independent Representative (resigned from post in October 2020)
- Right Reverend Dr Nigel Peyton

The membership and attendance for the period covered by the report is outlined in section 3 below.

Members of the Committee are appointed by the University Council based upon advice and guidance provided by the Governance & Nominations Committee of the University.

The terms of reference for the Committee are at Appendix 1.

2.1 Dates of Meetings and Attendance

The Committee usually meets three times per year in November, February and June. For the period covered by this report the meeting dates and attendance is noted in the following table:

Member	Date of Meeting		
	06 November 2019	20 February 2020	20 June 2020
Mr Stephen Critchley	Attended	Attended	Attended
Mr David Babb	Apologies	Attended	Attended
Mrs Jackie Croft	Apologies	Attended	Attended
Mr Bob Walder	Attended	Attended	Attended
Mrs Wendy Cundy	Attended	Attended	Apologies
Prof David Head	Attended	N/A	N/A
Rt Revd Dr Nigel Peyton	N/A	Attended (as an observer)	Attended

2.2 Servicing of the Committee

During 2019/20 the Head of Quality and Regulatory Compliance, Kelly Fisher, clerked meetings of the Remuneration Committee, in accordance with the Committee's Terms of Reference.

The Director of Human Resources attends all meetings by invitation of the Committee to provide specialist knowledge and support including remuneration benchmarking data to inform decision making.

During 2019/20 the Vice-Chancellor of the University attended to report on the performance of the Deputy Vice-Chancellor and the Registrar and University Secretary. The Vice-Chancellor is not present for any part of the meeting, where their performance or remuneration is discussed or agreed.

Comprehensive reports of each meeting were provided to the University Council.

3. Approach to Remuneration

The University has established a framework that outlines a number of clear principles that will be followed to ensure that decisions on the levels of remuneration for senior postholders are evidence-based and are transparent, fair and equitable. The framework is set out below. In addition, the University is committed to following guidance and advice provided by the Committee of University Chairs (CUC) for the approach on setting senior staff remuneration.

3.1 Setting the Initial Salaries of Staff under the remit of the Remuneration Committee

When setting the initial salaries of senior staff, the University takes account of:

- (i) Benchmarking data gathered via the annual independent Universities and Colleges Employers Association (UCEA) survey of senior staff remuneration within the higher education sector, with a particular focus upon:
 - Post-92 by income up to 70 million
 - Institutions within the membership of the Cathedrals Group of Universities
 - Rest of England Income
- (ii) The relative performance of the University in comparison with other institutions and the salaries offered for comparable posts at similarly performing institutions, especially within the Cathedrals Group and/or GuildHE mission group.

- (iii) Benchmarking data, where this is available, for comparable senior posts in other sectors.
- (iv) Comparison with the salaries of other senior postholders within the University, taking into consideration the relative responsibilities and accountabilities of each senior post.
- (v) The need to apply an inflationary adjustment to take account of time lags in the publication of benchmarking data.
- (vi) The need to offer a competitive reward package to attract and secure candidates with the necessary experience, taking account of the relevant market intelligence.

3.2 Reviewing the Salaries of Senior Staff

When making changes to the salaries of senior staff the University takes account of:

- (i) Their sustained performance and contribution during the preceding year(s).
- (ii) The percentage increase in salary awarded to staff on national pay scales as a consequence of national negotiations.
- (iii) The average percentage increase in salary received by staff on national pay scales to reflect incremental pay progression.
- (iv) Maintaining the relative value of salaries when compared with benchmarking data in the annual UCEA survey of senior staff remuneration within the higher education sector, with a particular focus upon:
 - Institutions with a turnover of £25m to £70m
 - Institutions within the membership of the Cathedrals Group of Universities and/or GuildHE mission group
- (v) The overall affordability of any proposed increases to senior salaries, taking account both of the University's financial performance and the need to offer salaries that compare favorably with competitor institutions.
- (vi) Any material changes in roles and responsibilities since the previous review period.

3.3 Non-consolidated payments

One-off, non-consolidated payments may also be made to acknowledge exceptional individual contribution and to ensure the delivery of strategic imperatives.

3.4 Probationary Periods

Staff receive no increase in salary until the successful completion of their probationary period.

3.5 Pay Relativities within the institution

The University will ensure that its highest paid staff member will not earn more than 20 times the full-time equivalent salary of its lowest paid staff member. This is consistent with a proposal considered by the Hutton Review of Fair Pay in the Public Sector.

3.6 Application of this Framework

This framework applies to all staff designated as senior postholders by the Board of Governors. The Remuneration Committee takes account of its principles when setting the remuneration of all senior staff.

4. Institutional Performance

The Remuneration Committee receives the following information to support their decision-making:

- (i) Copies of the performance feedback forms/tables received by senior postholders following their annual Performance Reviews. This records the detail of both their achievement against personal objectives and their contribution to the achievement of corporate objectives, including the assistance they have given to supporting the attainment of colleagues' objectives.
- (ii) A comprehensive report on the University's comparative performance when compared with the Cathedrals Group/GuildHE Universities. This provides details of the University's overall performance in relation to:
 - Performance in key league table(s): these draw primarily upon the University's position in the domestic league tables including the Complete University Guide.
 - Student satisfaction: National Student Survey (NSS) outcomes.
 - Student employability: Longitudinal Education Outcomes (LEO)/Graduate Outcomes Survey results.
 - Teaching excellence: performance in the Teaching Excellence Framework (TEF) and results derived from TEF-related activity.
 - Research and Innovation performance: performance in the Research Excellence Framework and income from research and innovation activities.
 - Financial performance: the total income of the University and surplus generation for future investment.

These measures are used because they reflect fundamental measures of strategic success but also represent higher-level output measures for which reliable benchmarking data is available.

Bishop Grosseteste University continues to seek improvements in league table position and student satisfaction. These aspects will build upon successful LEO, TEF and REF outcomes given the context of the University's position and its commitment to widening participation. The University remains in a strong financial position overall despite posting a deficit for 2019/20 due to increasing costs and investment at a time of static student recruitment.

5. Assessment of Senior Postholders' Performance (excluding the Vice-Chancellor)

Having discussed and taken account of all relevant factors and especially the requirements of the Framework for Setting the Pay of Senior Postholders, the Remuneration Committee agreed the remuneration of senior postholders for the academic year 2020/21 and that changes to salary should be implemented with effect from 1 August 2020.

The Remuneration Committee took care to ensure that their decisions achieved a balance between achieving valid pay relativities for levels of relative seniority, rewarding performance, and ensuring compatibility with the salaries paid for comparable roles in comparable universities.

5.1 External Appointments and Expenses

Senior postholders may only accept remunerated roles with other bodies with the explicit permission of the Vice-Chancellor. None of the University's senior postholders receive any remuneration from other bodies.

6. Assessment of the Vice-Chancellor's Performance

6.1 Assessment of Value and Performance

6.1.1 Contextual Information

To enable the Remuneration Committee to assess the value and performance delivered by the Vice-Chancellor, the following contextual information is provided to the Committee:

- a. A narrative based on the discussions conducted at the Vice-Chancellor's personal development review (PDR) meeting with the Chair and Deputy Chair of the Board of Governors.
- b. An assessment of achievement against the Vice-Chancellor's personal objectives for the reporting year.
- c. A summary of the salary and benefits received by the Vice-Chancellor.
- d. Details of the remuneration received by the Vice-Chancellor in previous years.
- e. CUC and UCEA comparator data.
- f. Lowest paid staff member pay ratio and median pay rate ratio data for the University.

In addition, the Chair of the Board of Governors writes to all governors to invite comments, feedback and observations on the Vice-Chancellor's performance.

6.1.2 Judgement of Performance

In reaching their decision, the Remuneration Committee concluded that:

- a. Comments, feedback and observations on the Vice-Chancellor's performance from governors confirmed that it was the view of governors that the Vice-Chancellor had provided effective leadership for the University; sustained the University's performance; and had maintained a firm focus upon achieving key strategic outcomes for the University.
- b. The assessment of the Vice-Chancellor's achievement against his objectives for 2019/20 showed that the majority of objectives had been successfully completed. In instances where objectives had been partially completed, significant progress could be demonstrated.
- c. The Vice-Chancellor had:
 - (i) Managed and led the University extremely well in difficult circumstances.
 - (ii) Worked positively with organisations, including the Office for Students (OfS), including some areas of development regarding Student Record Systems identified in a recent audit.
 - (iii) Attained a good level of performance in very challenging circumstances.

Having discussed and taken account of all relevant factors and especially the requirements of the Framework for Setting the Pay of Senior Postholders, the Remuneration Committee agreed that the Vice-Chancellor's salary should be increased by the percentage applied to other staff on academic grades, however due to the current pandemic UCEA have frozen the 2020 pay negotiations with trade unions, resulting in a pay freeze. The VC will not receive a pay increase in 2020.

6.2 Other Benefits

6.2.1 Health Insurance

The Vice-Chancellor receives healthcare insurance cover under the Universities and Colleges Corporate Healthcare Scheme or from an existing provider should the cost of provision be broadly similar to that provided by the Universities and Colleges Corporate Healthcare Scheme (this insurance cover is also available to all senior postholders of the University). The charge to the University of providing this cover on behalf of the Vice-Chancellor was £2,099.62 for 2019/20 and is anticipated to be £2,141.61 for 2020/21. It is a taxable benefit and the Vice-Chancellor pays tax upon this.

6.2.2 Pension Allowance

The University provides pension arrangements for academic related roles through the Teachers' Pension Scheme and through the Local Government Pension Scheme for professional support staff. The exception to this is where existing members of the Universities Superannuation Scheme (USS) are employed by the University and are able to continue their membership of this scheme. The Vice-Chancellor is a member of the USS pension scheme and employer contributions for 2019/20 amounted to £41,221.

6.2.3 Accommodation

The University provides accommodation on campus for the Vice-Chancellor who is required to live on site for the better performance of his/her duties. The provision of such accommodation dates back prior to 1977 and therefore meets the representative occupier test as per HMRC guidance. As a result there is no taxable benefit for providing this accommodation but the University does declare annually the rental value of the property as if it had been let on the open market. For 2019/20 this amounted to £10,800. The running costs comprising utilities and cleaning costs form part of the taxable benefit calculation for the Vice-Chancellor on an annual basis.

6.2.4 External Appointments and Expenses

The Vice-Chancellor may only accept remunerated roles with other bodies with the explicit permission of the Chair of Governors. The Vice-Chancellor does not receive any remuneration from other bodies.

6.3 Summary of Vice-Chancellor's Emoluments

Emoluments of the Vice-Chancellor	2019/20	2020/21 Estimate
Salary	195,362.00	195,362.00
Bonus	0	0
Benefits	9,572.00	9,839.29
Subtotal	204,934.00	205,201.29
Pension costs	40,700.00	42,457.63
TOTAL	245,634.00	247,658.92

(NB Costs for 2020/21 are estimated only and are derived from current data held within the University's HR system.)

BISHOP GROSSETESTE UNIVERSITY

REMUNERATION COMMITTEE TERMS OF REFERENCE 2019-20

Constitution

1. The University Council has established a Committee of the University Council known as the Remuneration Committee.

Membership

2. The Remuneration Committee and its Chair shall be appointed by the University Council, from among its own members.
3. The Committee shall include:
 - a. the Chair of the University Council and
 - b. at least three other lay/independent members (not necessarily members of the University Council).
4. The Chair of the Audit Committee **or** the Chair of the Finance, Employment & General Purposes Committee would normally be a member.
5. The Vice-Chancellor shall not be a member, but may attend sections of the meeting where their remuneration is not being discussed.
6. Council members elected to represent the staff, the Students Union President and the Deputy Vice-Chancellor(s) may not be members of the Committee.

Quorum

7. A quorum shall be at least three members, one of whom should normally be the Chair.

Attendance at meetings

8. A representative from HR will normally be in attendance.
9. No other persons, with the exception of the minuting officer and clerk, may attend meetings unless invited to do so by the Committee.

Voting

10. All members of the Committee shall be entitled to vote.
11. In the event of an equal vote on any matter, the Chair shall have a second and casting vote.

Term of Office

12. The term of office of members shall be reviewed annually by the University Council subject to any membership requirements in the Instrument & Articles of Government.

Frequency of meetings

13. Meetings shall normally be held three times each financial year.
14. Additional meetings will be called by the Chair of the Council as and when required.

Authority

15. The Committee is authorised to review the salaries, terms and conditions (and where appropriate, severance payments) of the head of the institution and such other members of staff as the University Council deems appropriate, advising University Council accordingly. (Specifically the Vice-Chancellor, the Deputy Vice-Chancellor, the Registrar and Secretary and the Chief of Finance and Operations.)
16. The Committee will consider, amend and recommend to University Council as appropriate the University's annual Remuneration Report and Statement and recommend to Council as appropriate.
17. If considering severance arrangements for senior staff, the Committee must represent the public interest and avoid inappropriate use of public funds. The Committee should be careful not to agree to a severance package which staff, students and the public might deem excessive. Contracts of employment for senior staff should specify periods of notice of not more than 12 months, and should not provide for pension enhancements.
18. In the case of senior staff earning *at or above the level of disclosure of higher paid staff as required by the Office for Students*, the institutional policy on Severance Payments to Senior Staff shall apply.
19. The Committee is authorised to make recommendations on any other relevant matter referred to the Committee by the University Council.
20. The Committee is not authorised to make decisions on any matters which are specified in the Instrument and Articles of Government as being the prerogative of the whole University Council or other committees or authorities.
21. The Committee is authorised to carry out any other duties delegated to it by the University Council.
Duties

Duties

22. The duties of the Committee shall be:
 - a. to seek comparative information on salaries and other benefits and conditions of service in the higher education sector;
 - b. to advise the University Council that the remuneration of senior staff, including the Vice-Chancellor, has been determined following due process - normally this will include salaries elsewhere, performance related and nationally agreed cost of living increases;
 - c. to recommend to the University Council any proposal for significant change to terms and conditions of employment of senior staff, including the Vice-Chancellor;

- d. to carry out any other duties delegated to it by the University Council; and
- e. to have regard for the CUC Remuneration Code.

Reporting procedures

- 23. The Committee's report to the University Council should provide sufficient detail of the broad criteria and policies against which decisions have been made.

Clerking arrangements

- 24. The Head of Quality and Regulatory Compliance will act as clerk to the Committee and will attend the committee's meetings. A minuting secretary may also attend the Committee's meetings.