

2020/2021 Annual Report of the Remuneration Committee

Introduction

This report summarises the business of the Remuneration Committee for the academic year to 31 July 2021 and sets out how the Committee has discharged its responsibilities as set out within the approved, and published, [terms of reference](#).

The report is prepared for members of the Board of Governors, but it is also published on the University website as part of our ongoing efforts to ensure the transparency of governance processes within the institution.

Terms of Reference and Membership

Purpose

The Remuneration Committee is responsible to the Board of Governors for setting a framework for the pay and conditions of all staff and the appointment, assignment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of holders of senior posts. The Remuneration Committee also has oversight of developments regarding the Vice-Chancellor's senior team, the Vice-Chancellor's direct line reports and the Pro Vice-Chancellors.

Membership

The Remuneration Committee is composed of six Independent Governors: the Chairs of the Board of Governors and its three major committees: Audit, Risk and Assurance, Finance, Estates & IT and Strategic Planning and Performance (the latter became People, Culture, Quality and Standards as of June 2021). An Independent Member nominated by the Chair of the Board of Governors and agreed by the Board serves as Chair of the Committee.

Accordingly, the members of the Committee for the period were:

Richard Bacon
Jenny Body
David Lamb
Clive Lewis (Chair)
Ian MacKenzie

Clive Lewis became Deputy Chair of the Board of Governors on 1 August 2020 and continued as the Committee Chair, hence there being 5 and not 6, members. Mr Lewis resigned from his position as an Independent Member of the Board of Governors on 1 August 2021.

The Clerk to the Board of Governors, Dr Jodie Anstee attends the meetings of the Committee and, where appropriate, the Director of Human Resources & Organisational Development, Alison McIver also attends. Martin Augustus, Head of HR Consultancy, attends meetings of the Committee in support of the Director.

For a fourth year the Committee secured the services of Julie Alderdice, a representative of Korn Ferry, Hay Group, to ensure the provision of independent expert advice. With the exception of the additional briefing meeting held on 26 May 2021 which focused on the DVC and Provost remuneration arrangements, Ms Alderdice attended all other meetings held during the year.

At the Committee's invitation, during the year the Vice-Chancellor attended for items related to the following:

- ◆ Loss of office payments
- ◆ Senior manager pay progression
- ◆ Review of performance of senior post holders
- ◆ Items relating to external appointments of senior staff
- ◆ Senior staff expenses
- ◆ UWE retirement and savings plan.

The Committee was supported during the year by Christine Gledhill, Head of Governance and Deputy Clerk to the Board of Governors.

Declarations of Interest

The Committee routinely received declarations of interest from the Clerk to the Board of Governors and the Director of HROD, with a decision made on a case-by-case basis as to whether the individual should remain in the meeting.

Both individuals absented themselves from discussions that directly related to their performance and/or emoluments. They were also not present during any discussions related to the review of the performance of holders of senior posts and senior team pay progression.

The Head of HR Consultancy and Ms Alderdice also absented themselves during discussions relating to the performance of holders of senior posts and senior team pay progression.

Committee Meetings

The Remuneration Committee met five times during the 2020/2021 academic year, on:

Tuesday 20 October 2020

Thursday 14 January 2021

Friday 26 February 2021 (additional meeting)

Wednesday 26 May 2021 (briefing meeting)

Tuesday 1 June 2021.

The Committee was quorate on each occasion.

The minutes were ratified of the meetings held in October, January, February and May and the unconfirmed minutes of the June meeting were shared with the Board of Governors at

its meeting on 8 July 2021 when the Committee Chair provided Members with a commentary of discussions held.

All meetings were held virtually using Microsoft Teams.

Business during the Year

20 October 2020

The primary purpose of this meeting was to:

- Review and revise Terms of Reference, Membership and operating arrangements for the Committee
- Review the annual summary of the External Commitments held by Tier 1 and Tier 2 staff
- Finalise the Committee's annual report to the Board of Governors
- Review the remuneration commentary for inclusion in the University Annual Report and Financial Statements for 2019/2020
- Termly summary of new Tier 2 External Commitment requests made to the VC and DVC and Provost.

14 January 2021

The primary purpose of this meeting was to consider the following:

- Review of performance of Tier 1 post holders
- Senior manager pay progression
- Loss of office payments
- Termly summary of new Tier 2 External Commitment requests made to the VC and DVC and Provost.

26 February 2021

This was an additional meeting, the primary purpose of which was to review the Vice-Chancellor's service agreement.

26 May 2021

An additional meeting to consider a briefing on the remuneration arrangements for the DVC and Provost.

1 June 2021

The primary purpose of this meeting was to consider the following:

- National pay negotiations latest position
- Senior management pay distribution demographics report
- Review of VC performance
- Review of VC remuneration for 2019/2020
- Termly summary of new Tier 2 External Commitment requests made to the VC and DVC and Provost.

Institutional Performance and Market Position

UWE Bristol is a modern civic university, with students at the heart of everything it does. The University's priority is to deliver an outstanding university experience for its students through innovative, practice-led, research informed learning. Our ambitious 2030 strategy is focused on transforming futures – from powering the future workforce to helping local economies thrive, to shaping the health and sustainability of our communities and creating solutions to solve global challenges.

UWE Bristol is a large and complex university which offers over 600 courses at undergraduate and postgraduate levels, and in professional development, delivered across a number of campuses in Bristol and through transnational education (TNE) provision across the globe. The University provides TNE opportunities through 15 partner institutions in 10 different countries. In 2020-21 over 7,700 students were studying with the University through its TNE provision, a ten-fold increase in the last decade.

The University has over 37,000 students from 166 countries and is consistently rated highly for student satisfaction, achieving 77% in the National Student Survey (NSS) in the context of the challenging circumstances created by the global pandemic. The University's graduates are also consistently ahead of the market for both highly skilled employment and salary measures. 79% of research is rated as having an outstanding or considerable impact – including the development of personally adaptive robotic systems to support independent living for the elderly and reaching millions of young people with body confidence education.

For 2020/2021, the University has maintained strong financial performance against target, with EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) at 20.2% and cash flow generation (net of financial costs) at 23.5% of total income. The University is approved on the Office for Students Register of Providers with no ongoing conditions of registration.

The University employs over 4,300 staff and contributes over £500m a year to the local economy. This includes leading the development of the highly successful multi-million pound University Enterprise Zone (UEZ) which opened in 2016 to offer offices, labs and co-working spaces for entrepreneurs, innovators and high tech businesses.

The University has played an important part in the national effort to tackle Coronavirus, being instrumental in repurposing the 'Nightingale Hospital' in the University's Exhibition and Conference Centre to a mass vaccination centre for the region. The University's Vice-Chancellor has been recognised for his work on the recovery both regionally and nationally. The University is now ready to welcome students back to campus for the 2021/2022 academic year while maintaining a safe environment for students and students alike.

Approach to Remuneration

Over time the Committee has continued to apply a strong, evidence-based ethos to its discussions and, in addition to supporting national pay negotiations, its agreed four key principles:

- i. clear alignment between remuneration packages of holders of senior posts and the organisational culture of the University;
- ii. whilst the University would be aligned to general regulatory and legislative changes, these would not necessarily dictate the University's remuneration framework for all staff;
- iii. where individuals exercised choice which provided the University with a financial benefit, there should not be an expectation for the University to share that benefit with the individual;
- iv. the university should not provide, or pay for, employee tax or pension advice.

The principal evidence underpinning discussions is drawn from:

- i. Higher Education Statistics Agency (HESA) data;
- ii. University and Colleges Employer Associations (UCEA) Senior Staff Remuneration Survey;
- iii. Committee of University Chairs (CUC) Vice-Chancellor Salary Survey;
- iv. Times Higher Education (THE) Survey data;
- v. Reports and reviews from external experts commissioned by the Committee, as appropriate;
- vi. Internal analysis of salary distributions, performance and contribution to the strategy of the University.

At the time of considerations at the 1 June 2021 meeting, neither the CUC nor the THE data were available. Data collected from annual financial reports from each institution was therefore used. The Committee noted at the time that in the past year, due to the pandemic, a number of VCs received no increase in basic pay and/or waived their entitlement to a bonus payment, and some agreed a reduction in pay. This resulted in an overall decrease in some total emoluments and for that reason the 2020 figures were also provided for comparison.

The Committee is aware that given the increased differential use of pensions and other benefits, 'total emoluments'¹ is becoming an increasingly useful comparator and that, at present, total emoluments figures are not included within the UCEA Survey.

The Committee is also mindful that the Times Higher Education Survey is largely a reproduction of the remuneration information reported by Higher Education Institutions (HEIs) in their annual financial statements and whilst in most cases this does provide the total emoluments figure, it is possible that not all HEIs have reported 'total emoluments' using the same methodology.

¹ Total emoluments include base salary and all other elements of pay, such as bonus and pension payments. The figure is, in effect, the total amount of 'profit' which an individual derives from their employment.

In order to maintain the competitive positioning of UWE's reward packages the Committee routinely seeks to benchmark positions that do not fall into the Higher Education Role Analysis (HERA) Scheme within the upper quartile of the remuneration offered within comparator institutions.

In June each year, the Committee is provided with benchmark data in relation to the remuneration of the Vice Chancellor (VC) and the Deputy Vice Chancellor, (DVC). One of the data sets supplied relates to remuneration data for the VCs of a number of benchmark institutions. The fixed list of benchmark Higher Education Institutions (HEIs) adopted by the Committee is below:

The Nottingham Trent University
Leeds Beckett University
University of Plymouth
Liverpool John Moores University
Sheffield Hallam University
The University of Portsmouth
University of Northumbria at Newcastle
University of Hertfordshire
Birmingham City University
The University of Central Lancashire
Coventry University
Manchester Metropolitan University
Oxford Brookes University.

The agreed list of institutions was produced by considering the following data and indicators:

1. Institution income.
2. Staff numbers.
3. Student numbers.
4. Whether or not the proposed HEI has a business school.
5. Whether or not the proposed HEI has a medical school.
6. The TEF status of each of the proposed benchmark HEI.

In addition to remuneration benchmarking from a number of data sources, Remuneration Committee also takes advice on the Vice-Chancellor's pay from internal and external remuneration experts.

When considering changes to the remuneration of Holders of Senior Posts the Committee also seeks to maintain a steady ratio between senior leaders within the University and the median pay of all staff within the institution noting that the [Hutton Review of Fair Pay in the Public Sector](#)² (2011) found that "median earnings are a more representative measure of the pay of the whole workforce".

² See <http://goo.gl/t9uehE>
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The Vice-Chancellor is not a member of the Remuneration Committee and takes no part in any discussions on his remuneration.

Vice-Chancellor's Emoluments

The Committee also considers arrangements for the Vice-Chancellor's remuneration which previously consisted of base remuneration and an element of performance related pay; in UWE's case, of up to 10% of the basic pay.

At the recommendation of REMCO and in line with other institutions across the sector, the Vice-Chancellor's entitlement to participate in a bonus scheme came to an end in 2021. The Vice-Chancellor has been eligible for a bonus for the last two years but in the circumstances of the pandemic, declined to take his bonus.

The Vice-Chancellor's remuneration is set within the principles that it must be fair, appropriate and justifiable.

The Committee monitors the relationship between the Vice-Chancellor's pay and that of the median UWE Bristol salary. At UWE Bristol the Vice-Chancellor's basic salary is 7.9 times higher, where the median pay is calculated on a full-time equivalent basis for the salaries paid to staff.

A non-contractual bonus scheme for grade S6 staff (DVC level) has been in place since September 2014, the payment of which was based upon the same institutional performance metrics as applied to the Vice-Chancellor and was solely at the discretion of the Remuneration Committee. At the recommendation of REMCO, this entitlement also came to an end in 2021.

Under Professor West's leadership, against the backdrop of the coronavirus pandemic and continued uncertainty within the higher education market and global economy, the University has maintained itself as a financially viable and sustainable institution, in addition to supporting a period of significant investment at the University. In terms of financial size and performance, UWE Bristol is one of the larger British universities.

At its meeting on 1 June 2021 the Committee recognised and commended the Vice-Chancellor's excellent performance and his achievement of objectives during the course of 2020/2021.

In recent years, the Vice-Chancellor's basic pay has increased only in line with the national pay award for other university staff. At the same meeting, REMCO agreed that the Vice-Chancellor receive a basic pay increase in line with the national pay award. The Committee is satisfied that the Vice-Chancellor's pay remains proportionate when compared to that of his peers and in light of his performance to deliver Strategy 2020 and develop and drive forward the University's Strategy 2030.

External appointments and expenses

The Committee recognises the importance of the senior team having a strong external profile and monitors the level of commitments external to the University held by individuals.

The Committee also routinely reviews and web-publishes expenses claimed by senior staff.

The 2020/2021 expenses summary is provided as an appendix to this report.

External Advisers

The Committee retains the services of external advisers solely to advise on remuneration as required.

Governance

Members are collectively of the opinion that the Remuneration Committee continues to effectively discharge its responsibilities as set out in the published terms of reference and in doing so supports the governing body to fulfil its obligations under Article 3(1)(d)(e) of the Articles of Governance.

Recommendation

Members are invited to discuss the report and endorse the Committee's approach to remuneration.

David Lamb
Chair of the Board of Governors

October 2021

Appendix: Summary of Senior Staff Expenses and Business Costs Subject to consideration by REMCO on 19 October 2021

Remuneration Committee, as a matter of routine, examines regular summaries of the expenses of senior staff. The summary details for expenses processed in the period 1 August 2020 to 31 July 2021 are shown below. Reimbursements are accounted for.

Staff Expenses

	Total £	Subsistence £	Misc. £
Steve West Vice-Chancellor	Nil	Nil	Nil
Amanda Coffey Deputy Vice Chancellor & Provost	Nil	Nil	Nil
Raymond McDowell Interim Executive Dean, Faculty of Business and Law	Nil	Nil	Nil
Tod Burton Interim Executive Dean, Faculty of Environment and Technology (from 1 Sept 2020)	Nil	Nil	Nil
Jane Roscoe Pro Vice Chancellor & Executive Dean, Arts, Creative Industries and Education (to 21 Feb 2021)	Nil	Nil	Nil
James Lee Interim Executive Dean, Arts, Creative Industries and Education (from 1 Feb 2021)	Nil	Nil	Nil
Marc Griffiths Pro Vice-Chancellor & Executive Dean, Faculty of Health and Applied Sciences	Nil	Nil	Nil
Martin Boddy Pro Vice-Chancellor, Research and Enterprise	Nil	Nil	Nil
Jo Midgley Registrar & Pro Vice-Chancellor, Student Experience	Nil	Nil	Nil
Paul Olomolaiye Pro Vice-Chancellor & Executive Dean, Faculty of Environment and Technology (to 31 Aug 2020), Pro-Vice Chancellor, Equalities & Civic Engagement (from 1 Sept 2020)	Nil	Nil	Nil
William Liew Chief Financial Officer	Nil	Nil	Nil
Richard Strange Chief Information Officer	Nil	Nil	Nil
Chief People Officer - position vacant	Nil	Nil	Nil

Business Costs

	Total £	Air/Rail/Travel £	Hospitality £	Mileage £	Accommodation £	Misc. £	Other ¹ £
Steve West Vice-Chancellor	785.00	762.40	Nil	Nil	Nil	Nil	22.60
Amanda Coffey Deputy Vice Chancellor & Provost	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Raymond McDowell Interim Executive Dean, FBL	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tod Burton Interim Executive Dean, Faculty of Environment and Technology (from 1 Sept 2020)	87.69	Nil	87.69	Nil	Nil	Nil	Nil
Jane Roscoe Pro Vice Chancellor & Executive Dean, Arts, Creative Industries and Education (to 21 Feb 2021)	420.47	Nil	Nil	Nil	Nil	420.47	Nil
James Lee Interim Executive Dean, Arts, Creative Industries and Education (from 1 Feb 2021)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marc Griffiths Pro Vice-Chancellor & Executive Dean, Faculty of Health and Applied Sciences	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Martin Boddy Pro Vice-Chancellor, Research & Enterprise	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jo Midgley Registrar & Pro Vice-Chancellor, Student Experience	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Olomolaiye Pro Vice-Chancellor & Executive Dean, Faculty of Environment and Technology (to 31 Aug 2020); Pro-Vice Chancellor, Equalities & Civic Engagement (from 1 Sept 2020)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Liew Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Strange Chief Information Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chief People Officer - position vacant	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note 1 visas, parking, tolls, etc.