

2019/2020 Annual Report of the Remuneration Committee

Introduction

This report summarises the business of the Remuneration Committee for the academic year to 31 July 2020 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, Finance, Estates & IT and Strategic Planning and Performance. 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:

Sonia Mills
Richard Bacon
Jenny Body
Rob Fraser
David Lamb
Clive Lewis (Chair)

The terms of office of Sonia Mills and Rob Fraser ended on 31 July 2020.

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 also attends. Following the departure in June 2019 of Debbie England (Director of Human Resources & Organisational Development [HROD]) Alison McIver, Deputy Director, HROD attended the October 2019 and January 2020 meetings.

The new Director of HROD, Kadisha Lewis-Roberts took up her position in January 2020 and also attended the meeting held that month. Martin Augustus, Head of HR Consultancy, attends meetings of the Committee in support of the Director.

For a third 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 meeting held on 2 December 2019 which focused on the selection panel recommendation of appointment to the DVC and Provost position, 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 appointment process
- ◆ Senior manager pay progression
- ◆ Review of performance of senior post holders

With the exception of the January 2020 meeting, the Committee was supported during the year by Christine Gledhill, Head of Governance and Deputy Clerk to the Board of Governors; Dr Jodie Anstee, Clerk to the Board of Governors supported the January meeting in the Deputy Clerk's absence.

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 four times during the 2019/2020 academic year, on:

Tuesday 15 October 2019

Monday 2 December 2019 (additional meeting)

Thursday 16 January 2020

Monday 1 June 2020.

The Committee was quorate on each occasion.

The minutes were ratified of the meetings held in October, December and January and the unconfirmed minutes of the June meeting were shared with the Board of Governors at its meeting on 2 July 2020 when the Committee Chair provided Members with a commentary of discussions held.

Covid-19

Due to the Coronavirus outbreak and subsequent national lockdown in March 2020, the meeting on 1 June was held virtually using Microsoft Teams.

Business during the Year

15 October 2019

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 2018/2019
- Review the achievement of annual institutional targets and personal targets and confirm remuneration payments.

2 December 2019

This additional meeting was convened to consider for approval the selection panel's recommended appointment to the DVC and Provost position.

16 January 2020

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.

1 June 2020

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 and a large and complex one which offers over 600 courses at undergraduate and postgraduate levels, and in professional development.

Teaching and research is structured within four faculties located at several campuses in Bristol, a campus in Gloucester and through trans-national education (TNE) provision across the globe. UWE Bristol employs circa 4,000 staff and has over 30,000 students from 140 countries.

For 2019/2020, UWE Bristol's total income was £303.1m with EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) at 15.4% and cash flow generation (net of financial costs) at 15.9% of total income.

The Coronavirus pandemic made 2020 an extraordinarily challenging year for the University, for the Higher Education sector and for society as a whole. Despite the year's challenges, continued delivery of the University's strategy saw the University climb to its highest ever position, at 21st in the Guardian league table. Student satisfaction levels remained high with 88% of students who graduated that year indicating that they are "satisfied overall" with the quality of their course, rating the University joint second-best in England for student satisfaction ([see NSS results](#)). UWE Bristol is also ranked 58th in the Times Good University Guide 2020 and has maintained its Gold award in the Teaching Excellence Framework.

The University has played an important part in the national effort to tackle Covid-19, working closely with the government and the NHS to develop a Nightingale Hospital on the site of UWE Bristol's Exhibition and Conference Centre, enhancing NHS capacity to support the local community during the Coronavirus pandemic.

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 Vice-Chancellor Salary Survey;
- iv. Times Higher Education 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.

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.

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.

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".

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.

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 consists of base remuneration and an element of performance related pay; in UWE's case, of up to 10% of the basic pay. The Committee utilises evidence from the sources identified above to benchmark the Vice-Chancellor's pay and sets quantified performance targets, aligned to the strategy of the University, which if reached, trigger the release of a performance related payment. The Committee also takes advice on Vice-Chancellor pay from its independent external adviser and other experts.

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

In recent years, the Vice-Chancellor's basic pay has increased only in line with the national pay award for other university staff. In this regard the VC received a 2% increase to basic salary in August 2019. 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 the University's 2030 strategy.

The Committee also 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.

As mentioned above, up to 10% of the Vice-Chancellor's pay is paid as a bonus and is at risk each year with this element paid incrementally, as a bonus, only if the Vice-Chancellor's performance is judged to be 'on target' or 'exceptional'. The drivers for determining performance are split between financial (relating to EBITDA and cash generation) and student satisfaction benchmarking UWE Bristol's NSS results against the average for a comparator set of institutions. The Vice-Chancellor cannot receive a bonus at all if personal objectives are not achieved and UWE Bristol does not maintain Gold status in the Teaching Excellence Framework.

A non-contractual bonus scheme for grade S6 staff (DVC level) has been in place since September 2014, the payment of which is based upon the same institutional performance metrics as applied to the Vice-Chancellor and is solely at the discretion of the Remuneration Committee.

This year the Vice-Chancellor led the University to an average NSS score of 88%, the maintenance of TEF Gold, EBITDA at 15.4%, and cash generation at 15.9% of total income – exceeding performance targets on all measures.

At its meeting on 1 June 2020 the Committee recognised and commended the Vice-Chancellor's excellent performance and his achievement of objectives during the course of 2019/2020. However, the Committee also recognised the uncertainty created by the

Coronavirus outbreak and agreed that there would be no bonus payment for 2019/2020 and that, in line with other staff, the Vice-Chancellor would not receive an increase in salary.

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 2019/2020 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.

**Clive Lewis, Chair
Remuneration Committee**

October 2020

Appendix: Summary of Senior Staff Expenses and Business Costs

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 2019 to 31 July 2020 are shown below. Reimbursements are accounted for.

Staff Expenses

	Total £	Subsistence £	Misc. £
Steve West Vice-Chancellor	16.00	16.00	Nil
Jane Harrington Deputy Vice Chancellor and Provost (to Nov 2019)	9.90	9.90	Nil
Amanda Coffey Deputy Vice Chancellor & Provost (from April 2020)	Nil	Nil	Nil
Jingjing Xu FBL Pro Vice-Chancellor & Executive Dean (to July 2020)	Nil	Nil	Nil
Raymond McDowell Interim FBL Pro Vice-Chancellor & Executive Dean (from July 2020)	Nil	Nil	Nil
Paul Olomolaiye FET Pro Vice-Chancellor & Executive Dean	31.41	31.41	Nil
Jane Roscoe ACE Pro Vice Chancellor & Executive Dean	467.56	467.56	Nil
Marc Griffiths HAS Pro Vice-Chancellor & Executive Dean	Nil	Nil	Nil
Martin Boddy Pro Vice-Chancellor	Nil	Nil	Nil
Jo Midgley Registrar & Pro Vice-Chancellor	132.87	132.87	Nil
William Liew Chief Financial Officer	27.89	27.89	Nil
Kadisha Lewis-Roberts Chief People Officer (from 1 April 2020 ¹)	Nil	Nil	Nil
Richard Strange Chief Information Officer (from 1 April 2020 ¹)	Nil	Nil	Nil

Note 1 The date this post became part of the University's Directorate Team.

Business Costs

	Total £	Air/Rail/Travel £	Hospitality £	Mileage £	Accommodation £	Misc. £	Other ² £
Steve West Vice-Chancellor	15757.79	14228.36	140.65	74.25	1107.64	Nil	206.89
Jane Harrington Deputy Vice Chancellor and Provost (to Nov 2019)	4423.63	3851.32	Nil	Nil	562.41	Nil	9.90
Amanda Coffey Deputy Vice Chancellor & Provost (from April 2020)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jingjing Xu FBL Pro Vice-Chancellor & Executive Dean (to July 2020)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Raymond McDowell Interim FBL Pro Vice-Chancellor & Executive Dean (from July 2020)	1887.53	1668.53	22.00	Nil	197.00	Nil	Nil
Paul Olomolaiye FET Pro Vice-Chancellor & Executive Dean	730.41	168.93	61.23	91.80	240.65	100.00	67.80
Jane Roscoe ACE Pro Vice Chancellor & Executive Dean	11434.59	7278.21	611.54	Nil	3021.45	467.00	56.39
Marc Griffiths HAS Pro Vice-Chancellor & Executive Dean	1632.92	547.96	184.65	152.40	Nil	703.01	44.90
Martin Boddy Pro Vice-Chancellor	130.40	130.40	Nil	Nil	Nil	Nil	Nil
Jo Midgley Pro Vice-Chancellor	5502.54	4853.99	Nil	173.70	474.85	707.52	Nil
William Liew Chief Financial Officer	2143.77	544.87	Nil	107.96	778.62	707.52	4.80
Kadisha Lewis-Roberts Chief People Officer (from 1 April 2020 ¹)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Strange Chief Information Officer (from 1 April 2020 ¹)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note 1 The date this post became part of the University's Directorate Team.

Note 2 visas, parking, tolls, etc.

Commentary on larger entries

Steve West

Includes travel and accommodation costs for visit to Hong Kong (Villa College graduation and other meetings)

Jane Harrington

Includes travel and accommodation costs for Oman (Attendance at GSET Awards Ceremony, Oman).

Jane Roscoe

Includes travel and accommodation costs for partnership visit to Beijing and Shanghai

Jo Midgley

Includes travel and accommodation costs for Asia-Pacific conference, Hong Kong