

Introduction

This report summarises the business of the Remuneration Committee for the academic year to 31 July 2016 and sets out how the Committee has discharged its responsibilities as set out within the approved, and published, [terms of reference](#)¹.

The report is prepared for members of the Board of Governors but it is also intended to publish the report on the website as part of our ongoing efforts to improve the transparency of governance processes within the institution.

Terms of Reference and Membership

Purpose

The Remuneration Committee is constituted to discharge the Board of Governors' responsibilities in relation to:

- i. setting a framework for the pay and conditions of all staff;
- ii. the appointment, assignment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of holders of senior posts²

Holders of senior posts include the Vice-Chancellor, Deputy and Assistant Vice-Chancellors, Pro Vice-Chancellors, the Clerk to the Governors, and other senior posts as defined by the Committee³.

The terms of reference are reviewed as part of the wider consideration of governance effectiveness on an annual basis through the Nominations and Governance Committee.

Membership

The Remuneration Committee is composed of five members: the Chairs of the Board of Governors and its three major committees (Audit & Risk, Finance, Estates & IT and Strategic Planning and Performance Committees) and the Vice-Chancellor for matters not concerning himself.

Accordingly, the members of the Committee for the period were: Gillian Camm (Chair) Sandra Forbes, Dr Martin Hagen, Sonia Mills and Professor Steven West.

The Committee's meetings were also attended by Helen Lloyd Wildman (Deputy Vice-Chancellor, Chief Operating Officer and Clerk to the Board of Governors) and, where appropriate, by Debbie England (Director of Human Resources & Organisational Development [HROD]). The Committee was supported during the year by Christine Gledhill (Deputy Clerk to the Board of Governors).

Declarations of Interest

¹ See <http://goo.gl/a5Ru5S>

² Articles of Government, (Article 3(1,d,e)) – See goo.gl/0hOH1M

³ There are three different definitions of senior staff within the University/Sector all of which fall outside of the HERA scheme: a) "Holders of Senior Posts" – as listed above, b) "Senior Postholders" – Anyone on the "S" Grade pay scales and c) "Senior Staff" – A HEFCE definition to support reporting: any member of staff whose gross annual salary is greater than £100,000.

The Committee routinely received declarations of interest from the Vice-Chancellor, Deputy Vice-Chancellor and Chief Operating Officer and the Director of HROD, with a decision made on a case-by-case basis as to whether the individual declaring an interest should remain in the meeting.

The Vice-Chancellor, the Deputy Vice Chancellor and the Director of HR were not present at any discussions directly relating to their emoluments during the academic year.

Committee Meetings

The Remuneration Committee met on three occasions during the 2015/2016 academic year: 13 January 2016 (special meeting), 5 February 2016 and 8 June 2016.

The minutes of the first two meetings have been ratified and the unconfirmed minutes of the June meeting were shared with the Board of Governors at its meeting on 19 July 2016 when the Chair of Governors provided Members with a commentary of discussions held.

Work of the Committee

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. in general regulatory and legislative changes would not 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. Reports and reviews from external experts commissioned by the Committee, as appropriate;
- v. Internal analysis of salary distributions, performance and contribution to the strategy of the University.

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) Scheme³ within the upper quartile of the remuneration offered within comparator institutions, often taken as other members of the University Alliance mission group.

When considering changes to the remuneration of Holders of Senior Posts the Committee also seeks 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](#)⁴ (2011) found that "median earnings are a more representative measure of the pay of the whole workforce".

Vice-Chancellor's Emoluments

The Committee also considers arrangements for the Vice-Chancellor's remuneration which, in common with most of the sector, consists of base remuneration and a contractual performance related pay, in UWE's case, of up to 10% of the basic pay. The Committee

⁴ See <http://goo.gl/t9uehE>

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.

Since 2012/2013 the Committee has defined the Vice-Chancellor's performance targets in relation to the financial performance of the institution and National Student Survey results. In order for the maximum bonus to be payable the stretch targets for both performance targets must be achieved. The achievement of one of the targets triggers a proportion of the allowable bonus subject to their being no deterioration in the other metric.

At the June meeting the Committee agreed that the bonus targets set for the Vice Chancellor for the previous academic year should remain unchanged.

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

External appointments and expenses

The Committee recognises the importance of the senior team having a strong external profile but routinely reviews and web-publishes the expenses claimed by holders of senior posts and monitors the level of commitments external to the University held by individuals. The 2015/2016 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.

Gillian Camm
September 2016

Appendix: Summary of Senior Expenses and Operational 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 August 2015 to July 2016 are as follows:

	Total	Air/Rail Fares	Hospitality	Mileage	Accom	Other**
Steve West Vice Chancellor	31992.71	19102.06	1684.27	679.60	2588.59	7938.19
Jane Harrington Deputy Vice Chancellor and Provost	6683.64	5345.84	309.75	90.78	407.57	529.7
Helen Lloyd Wildman Deputy Vice Chancellor and Chief Operating Officer	6463.26	2509.15	300.51	301.77	1406.93	1944.9
Alex Gilkison ACE Pro Vice-Chancellor & Executive Dean	15643.2	8473.82	2527.46	-	3780.37	861.55
Donna Whitehead FBL Pro Vice-Chancellor & Executive Dean (from October 2015)	21520.43	12590.44	511.20	277.24	3814.71	4326.84
Paul Olomolaiye FET Pro Vice-Chancellor & Executive Dean	10925.62	6906.10	1200.14	246.1	1208.04	1365.24
Steven Neill HAS Pro Vice-Chancellor & Executive Dean	5220.03	3562.97	572.65	662.18	258	164.23
Martin Boddy Pro Vice-Chancellor	2414.92	1166.02	98.49	202.11	426.00	522.3
Jo Midgley Pro Vice-Chancellor	10795.91	6511.85	792.74	459.9	1509.63	1521.79
William Marshall Pro Vice-Chancellor (Commercial)	1074.7	-	7.7	507	-	560
William Liew Director of Finance and Planning	1511.75	285.09	105.83	515.10	107.63	498.1

**Costs incurred within the "other" category typically include parking, taxis, visas and Conferences

Commentary on larger entries

Steve West - The larger components relate to travel and accommodation costs for visits to: Hong Kong for Shape Graduation visit; Beijing-Hong Kong for Asean conference (GuangXi Vocational Training Council and the Hong Kong Vocation Training Council venture) and to Northshore and Villa College and Sri Lanka and the Maldives.
and travel costs and business trips to London.

Jane Harrington – Larger components relate to business trips to Malaysia (partnership visit) Taylors

Jo Midgley – The larger expenses relate to flights and accommodation costs to Malaysia (partnership visit) Taylors College and trip to China.

Alex Gilkison – Larger components relate to business trips to Bangkok, Hong Kong and Cyprus University visits

Paul Olomolaiye - Larger components relate to business trips to Nigeria and Sri Lanka.

Donna Whitehead - The larger components relate to the EFMD Conference for Deans and Directors General 2016; the Leaderships for Higher Education Conference - 15 June 2016 and the AACSB conference and business trip to Miami