

Introduction

This report summarises the business of the Remuneration Committee for the academic year to 31 July 2015 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, 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 by Alastair Osborn (Head of Learning & Teaching Enhancement and Deputy Head of Academic Services) until May 2015 and by Christine Gledhill (Deputy Clerk to the Board of Governors) from 1 June 2015.

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 who's gross annual salary is greater than £100,000.

Declarations of Interest

The Committee routinely received declarations of interest from the Vice-Chancellor, Deputy Vice-Chancellor and 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 2014/2015 academic year: 24 September 2014, 19 January 2015 and 16 June 2015.

The Minutes of the first two meetings have been ratified and are provided within the appendix. A verbal report of the June meeting was given by the Chair to the Board of Governors at its meeting on 21 July 2015 and the minutes of that meeting will be provided to the Board of Governors in November 2015 alongside confirmation of any payment(s) due in relation to contractual performance related.

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 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

⁴ See <http://goo.gl/t9uehE>

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 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.

In September 2014 the Committee approved the implementation of a non-contractual bonus scheme for grade S6 staff (DVC level), 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 publishes the expenses claimed by holders of senior posts and monitors the level of commitments external to the University held by individuals. The 2014/2015 expenses summary was deferred until the autumn term 2015/2016 due to team changes and staff illness elsewhere, but is provided as an appendix to this report.

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
October 2015

Appendix: Summary of Senior Staff Expenses and Operational Costs - August 2014 to December 2015

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 2014 to December 2015 are as follows:

	Total	Air/Rail Fares	Hospitality	Mileage	Accom	Other**
Steve West Vice Chancellor	12,502.06	8782.50	1235.54	298.80	1110.83	1074.39
Jane Harrington FBL Pro Vice- Chancellor & Executive Dean	11327.66	8512.62	646.33	-	1204.03	964.68
Alex Gilkison ACE Pro Vice- Chancellor & Executive Dean	7114.38	3884.16	822.54	-	1862.62	545.06
Paul Olomolaiye FET Pro Vice- Chancellor & Executive Dean	Awaiting expenses					
Steven Neill HAS Pro Vice- Chancellor & Executive Dean	695.52	8.90	-	480.15	88.50	117.97
Martin Boddy Pro Vice- Chancellor	851.78	484.18	42.04	19.80	-	305.76
Ron Ritchie	311.60	-	-	282.60	-	29.00
William Marshall Pro Vice- Chancellor (Commercial)	451.40	-	90.81	223.20	-	137.39
William Liew Director of Finance and Planning	277.82	231.53	28.89	9.90	-	7.50

**Taxis; Parking

N.B: Helen Lloyd Wildman and Jo Midgley had not been appointed and Julie McCloud and John Rushworth left the University in September 2014.

Commentary on larger entries

Steve West - The larger components relate to travel and accommodation costs including to the NEU Graduation Ceremonies, Kuala Lumpur.

Jane Harrington - The larger amounts relate travel and accommodation costs incurred from institutional visits to Kuala Lumpur and Maldives and Sri Lanka.

Alex Gilkison - The larger components relate to return visits to Hong Kong Space University, and to Alexander College, Cyprus.

Summary of Senior Expenses and Operational Costs – January 2015 to July 2015

The summary details for expenses processed in the period January 2015 to July 2015 are as follows:

	Total	Air/Rail Fares	Hospitality	Mileage	Accom	Other**
Steve West Vice Chancellor	16498.67	10738.67	1087.37	636.26	2042.45	1994.12
Helen Lloyd Wildman Deputy Vice Chancellor (COO)	3015.51	1501.55	157.46	-	297.00	1059.50
Jane Harrington Deputy Vice Chancellor (Academic)	10,782.84	7974.15	379.79	-	1315.72	1113.18
Alex Gilkison ACE	9381.02	4338.33	1096.63	-	2524.98	1421.08
Paul Olomolaiye Pro Vice chancellor FET	**awaiting details					
Steven Neill Pro Vice Chancellor HAS	4092.61	3381.98	212.45	314.33	-	179.04
Noel Burchell FBL (acting Jan – July 2015)	No expenses were found for this period.					
Jo Midgley	8292.53	3831.56	1060.43	132.75	1240.12	2027.67
Martin Boddy Pro vice Chancellor	1244.81	432.46	4.90	9.00	-	798.45
Ron Ritchie	774.70	109.55	-	586.35	-	78.80
William Marshall	311.35	-	12.90	188.55	-	109.90
William Liew	1178.96	347.36	3.90	322.20	45.50	460.00

**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 including to the Global HE Study visit, to Australia and to IBST 4th International conference, Lisbon May 2015.

Jane Harrington

The larger amounts in this expense return relate travel and accommodation costs incurred from institutional visits to Kuala Lumpur and Vietnam and attending the graduation ceremony in Kuala Lumpur.

Alex Gilkison

The main components of the expenses relate to return visits to Hong Kong Space University, and to Taylors University and a visit to Alexander College, Cyprus.

Jo Midgley

The main component in this expense return relates to a visit to the Malaysian Strategy Seminar and Convocation in Kuala Lumpur.