

## 2017/2018 Annual Report of the Remuneration Committee

### Introduction

This report summarises the business of the Remuneration Committee for the academic year to 31 July 2018 and sets out how the Committee has discharged its responsibilities as set out within the approved, and published, [terms of reference](#)<sup>1</sup>.

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 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 posts<sup>2</sup>

Holders of senior posts include the Vice-Chancellor, Deputy and Assistant Vice-Chancellors, Pro Vice-Chancellors, the Clerk to the Board of Governors, and other senior posts as defined by the Committee<sup>3</sup>.

The terms of reference are reviewed annually by the Committee and as part of the wider consideration of governance effectiveness through the Nominations and Governance Committee.

#### Membership

The Remuneration Committee is composed of four Independent Governors: the Chairs of the Board of Governors and its three major committees: Audit, Finance, Estates & IT and Strategic Planning and Performance.

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

Sonia Mills (Chair)  
Sandra Forbes  
Rob Fraser  
Dr Martin Hagen.

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<sup>1</sup> See <http://goo.gl/a5Ru5S>

<sup>2</sup> Articles of Government, (Article 3(1,d,e)) – See [goo.gl/0hOH1M](http://goo.gl/0hOH1M)

<sup>3</sup> 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 Clerk to the Board of Governors, Dr Jodie Anstee also attends the meetings of the Committee and, where appropriate, Debbie England (Director of Human Resources & Organisational Development [HROD]) also attends.

During the year the Committee secured the services of Julie Alderdice, a representative of Korn Ferry, Hay Group, to ensure the provision of independent advice. Ms Alderdice attended the meeting held on 21 June 2018.

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 receives declarations of interest from the Director of HROD, with a decision made on a case-by-case basis as to whether she should remain in the meeting.

No discussions took place during the academic year that directly related to the emoluments of the Director of HROD to require her to absent herself from the meeting.

### **Committee Meetings**

The Remuneration Committee met twice during the 2017/2018 academic year, on:

Thursday 19 October 2017

Thursday 21 June 2018.

The Committee was quorate on both occasions. A third meeting, which was scheduled for Thursday 1 March 2018, did not take place due to the closure of the University because of severe weather conditions.

The minutes of the first meeting have been ratified and the unconfirmed minutes of the June meeting were shared with the Board of Governors at its meeting on 11 July 2018 when the Chair of Governors provided Members with a commentary of discussions held.

### **Business during the Year**

#### 19 October 2017

The primary purpose of this meeting was to:

- Review and revise Terms of Reference, Membership and operating arrangements for the Committee
- Finalise the Committee's annual report to the Board of Governors
- Review the achievement of annual institutional targets and personal targets and confirm remuneration payments.

#### 21 June 2018

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

- National pay negotiations latest position
- Senior management pay distribution demographics report
- Senior management (grade 5 and above) remuneration and contractual summary

- Agree the approach to VC and DVC remuneration from 1 August 2018 (taking into account new [recommendations](#) from the Committee for University Chairs)
- External commitments of holders of senior posts.

## **Institutional Performance and Market Position**

UWE Bristol is an Alliance Group university offering over 600 courses at undergraduate, postgraduate and professional development levels. Teaching and research is structured within four faculties located at several campuses in Bristol and a campus in Gloucester. UWE Bristol employs over 3,600 staff and has over 30,000 students.

2017 saw an increase in student recruitment against the backdrop of a 2% overall reduction in the number of students applying for university places. In 2017, UWE Bristol's total income was £257m with EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) at 14.2% and cash flow generation (net of financial costs) at 9.7%.

UWE Bristol is ranked 57<sup>th</sup> in the [Times Good University Guide 2017](#) (an increase of 3 places on the previous year). In 2018, continued delivery of the University's strategy saw the University climb to its highest ever position, at 37<sup>th</sup> in the Guardian league table and be awarded Gold in the Teaching Excellence Framework, recognising that the University consistently delivers outstanding teaching and learning outcomes for its students. Student satisfaction levels also rose with 89% of students who graduated that year indicating that they are "satisfied overall" with the quality of their course, placing the University in the top 10 in the UK for student satisfaction ([see NSS results](#)).

## **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:

- clear alignment between remuneration packages of holders of senior posts and the organisational culture of the University;
- in general regulatory and legislative changes would not dictate the University's remuneration framework for all staff;
- 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;
- the university should not provide, or pay for, employee tax or pension advice.

The principal evidence underpinning discussions is drawn from:

- Higher Education Statistics Agency (HESA) data;
- University and Colleges Employer Associations (UCEA) Senior Staff Remuneration Survey;
- Committee of University Chairs Vice-Chancellor Salary Survey;
- Times Higher Education Survey data;
- Reports and reviews from external experts commissioned by the Committee, as appropriate;
- 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'<sup>4</sup> 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 that whilst in most cases this does provide the total emoluments figure, it is possible that not all HEIs have reported elements of vice-chancellor pay consistently.

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<sup>3</sup> within the upper quartile of the remuneration offered within comparator institutions, taken as other members of the University Alliance mission group.

For 2017/2018, CUC total emoluments data collated at 1 January 2018 and Times Higher Education survey total emoluments data published in February 2018 were used for the following comparator Alliance Group institutions:

Nottingham Trent  
Oxford Brookes  
Leeds Beckett \*  
Plymouth \*  
Liverpool John Moores  
Sheffield Hallam  
Portsmouth  
Northumbria  
Manchester Metropolitan  
Hertfordshire.

As two of the benchmark universities – Leeds Beckett and Plymouth – are no longer members of the Alliance Group, the Committee agreed the inclusion for a second year and permanently, of the following universities to provide further benchmark data:

South Wales  
Coventry  
Huddersfield.

These comparator universities are the main metropolitan institutions similar to UWE in terms of size, complexity and income.

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](#)<sup>5</sup> (2011) found that "median earnings are a more representative measure of the pay of the whole workforce".

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<sup>4</sup> 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.

<sup>5</sup> See <http://goo.gl/t9uehE>

## Vice-Chancellor's Emoluments

The Committee also considers arrangements for the Vice-Chancellor's remuneration which 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. The Committee also takes advice on vice-chancellor pay from its independent external adviser and other experts.

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 1.7% increase to basic salary in August 2017. The Committee is satisfied that the Vice-Chancellor's pay remains proportionate when compared to that of his peers.

The Committee also monitors the relationship between the Vice Chancellor's pay and that of the median UWE Bristol salary. The Vice-Chancellor's basic salary is 7.9 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid to staff. On a total remuneration basis, (including performance bonus and benefits-in-kind), the multiple is 9.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration of all staff. There are a number of factors which affect the pay multiples. UWE Bristol is a comparatively large University which does not outsource many services. It should be also noted that the calculations reflect the fact that UWE Bristol engages hundreds of students each year to be ambassadors, to act as mentors on peer assisted learning programmes and/or to work on numerous other University projects.

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) and student satisfaction benchmarking UWE Bristol's NSS results against the average for University Alliance Group institutions. The Vice-Chancellor cannot receive a bonus at all if UWE Bristol does not maintain at least Silver status in the Teaching Excellence Framework with Gold status being a minimum criterion for a rating of exceptional.

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.

## External appointments and expenses

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

At its meeting on 19 October 2017, the Committee reviewed the categorisation of expenses to separate staff expenses and business costs, to ensure the full clarity of expenses reports. The 2017/2018 expenses summary, provided as an appendix to this report, reflects this decision.

## **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.

**Sonia Mills**  
**October 2018**

## 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 August 2017 to July 2018:

### Staff Expenses

	Total	Subsistence	Misc.
Steve West Vice Chancellor	15.52	15.52	Nil
Jane Harrington Deputy Vice Chancellor and Provost	160.20	Nil	160.20
Donna Whitehead FBL Pro Vice-Chancellor & Executive Dean	279.17	279.17	Nil
Paul Olomolaiye FET Pro Vice-Chancellor & Executive Dean	37.21	37.21	Nil
Jane Roscoe ACE Pro Vice Chancellor & Executive Dean	242.89	242.89	Nil
Steven Neill HAS Pro Vice-Chancellor & Executive Dean	145.18	145.18	Nil
Martin Boddy Pro Vice-Chancellor	14.66	14.66	Nil
Jo Midgley Pro Vice-Chancellor	21.65	21.65	Nil
William Marshall Pro Vice-Chancellor (Commercial)	23.03	23.03	Nil
William Liew Director of Finance	68.68	68.68	Nil

### Business Costs

	Total	Air/Rail Fares	Hospitality	Mileage	Accomm	Misc.	Other**
Steve West Vice Chancellor	37004.77	26329.71	436.72	467.20	2810.84	48.90	6911.40
Jane Harrington Deputy Vice Chancellor and Provost	6022.49	4225.71	93.00	58.50	1102.84	Nil	542.44
Donna Whitehead FBL Pro Vice-Chancellor & Executive Dean	12577.57	6532.17	1781.98	106.38	3189.22	73.60	894.22
Paul Olomolaiye FET Pro Vice-Chancellor & Executive Dean	7719.76	4424.11	1390.32	94.05	1044.75	Nil	766.53
Jane Roscoe ACE Pro Vice Chancellor & Executive Dean	6169.07	994.30	849.01	Nil	2639.88	1182.20	503.68
Steven Neill HAS Pro Vice-Chancellor & Executive Dean	4396.14	964.61	106.70	339.23	104.00	2616.60	265.00
Martin Boddy Pro Vice-Chancellor	940.04	538.86	21.50	118.88	Nil	Nil	260.80
Jo Midgley Pro Vice-Chancellor	7414.01	3856.27	943.96	170.10	2333.12		110.56
William Marshall Pro Vice-Chancellor (Commercial)	1149.10	275.94	185.2	310.54	Nil	277.92	99.50
William Liew Director of Finance	4012.74	1868.07	44.28	843.15	1122.73	18.96	115.55

\*\* memberships, taxis, parking, tolls, etc.

## **Commentary on larger entries**

Jane Harrington

Travel and accommodation costs for collaborative visit to Delhi.

William Liew

Travel and accommodation costs for business trip to Kuala Lumpur (Universiti Teknologi)

Jo Midgley

Travel and accommodation costs for visits to Kuala Lumpur (Taylors College Graduation Ceremony) and China (collaborative visit to Jinan University, Guangzhou)

Paul Olomolaiye

Travel and accommodation costs for visit to New Delhi, India

Steve West

Travel and accommodation costs for visits to Male, The Maldives (Villa College Graduation ceremonies), Hong Kong (SHAPE Graduation Ceremony) and China (collaborative visit to Jinan University, Guangzhou and visit to Shangdong University, Shanghai), Kuala Lumpur (Taylors College Graduation Ceremony), Sydney (Macquarie University), Delhi (Manav Rachna University) and Cyprus.

Various meetings in London: HEFCE; UUK; University Alliance; UUK Mental Health, OfS.