



BISHOP
GROSSETESTE
UNIVERSITY

Annual Report of the Remuneration Committee

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Overview

This report covers the reporting period November 2017 to November 2018. The performance objectives of the Vice-Chancellor and other senior postholders are set in November each year. Performance against these objectives is formally reviewed at the June meeting of the Remuneration Committee given the alignment to the academic year.

The University Council receives a report after each meeting of the Remuneration Committee. This annual report provides an over-arching summary of its deliberations over the year and will itself be reported to University Council.

During 2017/18 the Remuneration Committee recognised that the salaries of all senior postholders were out of line with those in comparable institutions. A rebasing of these salaries was therefore undertaken following extensive benchmarking at this time. The Remuneration Committee therefore anticipated that whilst appropriate market analysis would be provided for the setting of salaries in 2018/19 any significant adjustment for this financial year would be highly unlikely.

Structure and Membership of the Remuneration Committees

1 The University Remuneration Committee considers the remuneration of senior postholders. These are:

- (a) The **Vice-Chancellor**
- (b) The **Deputy Vice-Chancellor**
- (c) The **Chief Operating Officer**

The remuneration of all other staff is considered by the Finance, Employment and General Purposes Committee of the University.

The membership of the Remuneration Committee as at the date of this report is as follows:

- Dr Stephen Critchley, Member of University Council (Chair)
- Mr David Babb, Member of University Council and Chair of the Finance, Employment & General Purpose Committee
- Mrs Jackie Croft, Member of University Council
- Mr Bob Walder, Chair of University Council
- Mrs Wendy Cundy, Independent Member

Members of the Committee are appointed by the University Council based upon advice and guidance provided by the Governance & Nominations Committee of the University.

2 The terms of reference for the Committee are at Appendix 1.

Dates of Meetings and Attendance

3 The Committee usually meets three times per year in November, February and June. For the period covered by this report the meeting dates and attendance is noted in the following table*:

*Note; the report will usually be approved at the November meeting of the Remuneration Committee each year. As this is the first such report and is being considered at the February meeting, attendance for the November 2018 meeting is also included in the table below.

Member	Date of Meeting			
	13-Nov-17*	20-Feb-18	22-Jun-18	06-Nov-18
Mr Stephen Critchley		Attended	Attended	Attended
Mr David Babb		Attended	Apologies	Attended
Mrs Jackie Croft		Apologies	Attended	Apologies
Mr Bob Walder		Attended	Attended	Attended
Mrs Wendy Cundy		N/A	N/A	Attended
Dr Tony Hill		Attended	Attended	N/A
Mrs Angela Crow		Attended	N/A	N/A
Prof David Head		N/A	Attended	N/A
Rt Revd Nigel Peyton		N/A	Attended	N/A

- The targets and remuneration of the Vice-Chancellor and other senior postholders were discussed at the June 2017 meeting. As the agenda items for the November 2017 meeting were not time critical it was agreed to hold these over until the February meeting. The November 2017 meeting therefore did not take place.

Servicing of the Committee

- The University Registrar, Ms Stephanie Gilluly, clerks meetings of the Remuneration Committee in her capacity as Clerk to the University Council. The remuneration of the Registrar is not discussed at the Remuneration Committee.
- The Director of Human Resources attends all meetings by invitation of the Committee to provide specialist knowledge and support including remuneration benchmarking data to inform decision making.
- The Vice-Chancellor of the University attends to report on the performance of the Deputy Vice-Chancellor and Chief Operating Officer. Under no circumstances is the Vice-Chancellor to be part of the meeting when his/her own performance or remuneration is being discussed and agreed.
- Comprehensive reports of each meeting were provided to the University Council.

Approach to Remuneration

- The University has established a framework that outlines a number of clear principles that will be followed to ensure that decisions on the levels of remuneration for senior postholders are evidence-based and are transparent, fair and equitable. The framework is set out below. In addition, the University is committed to following guidance and advice provided by CUC (Committee of University Chairs) for the approach on setting senior staff remuneration.

Setting the Initial Salaries of Staff under the remit of the Remuneration Committee

- When setting the initial salaries of senior staff, the University takes account of:
 - Benchmarking data gathered via the annual independent UCEA survey of senior staff remuneration within the higher education sector, with a particular focus upon:
 - Institutions with a turnover of £25m to £70m
 - Institutions within the membership of the Cathedrals Group of Universities and/or GuildHE mission group
 - Post-92 Institutions outside London

- (ii) The relative performance of the University in comparison with other institutions and the salaries offered for comparable posts at similarly performing institutions, especially within the Cathedrals Group and/or GuildHE mission group.
- (iii) Benchmarking data, where this is relevant and available, for comparable senior posts in other sectors.
- (iv) Comparison with the salaries of other senior postholders within the University, taking into consideration the relative responsibilities and accountabilities of each senior post.
- (v) The need to apply an inflationary adjustment to take account of time lags in the publication of benchmarking data.
- (vi) The need to offer a competitive reward package to attract and secure candidates with the necessary experience, taking account of the relevant market intelligence.

Reviewing the Salaries of Senior Staff

- (b) When making changes to the salaries of senior staff the University takes account of:
 - (i) Their sustained performance and contribution during the preceding year(s) including a report on the performance of these staff.
 - (ii) The percentage increase in salary awarded to staff on national pay scales as a consequence of national negotiations.
 - (iii) The average percentage increase in salary received by staff on national pay scales to reflect incremental pay progression.
 - (iv) Maintaining the relative value of salaries when compared with benchmarking data in the annual UCEA survey of senior staff remuneration within the higher education sector, with a particular focus upon:
 - Institutions with a turnover of £25m to £70m
 - Institutions within the membership of the Cathedrals Group of Universities and/or GuildHE mission group
 - Post-92 Institutions outside of London
 - (v) Benchmarking data, where this is relevant and available, for comparable senior posts in other sectors.
 - (vi) The overall affordability of any proposed increases to senior salaries, taking account both of the University's financial performance and the need to offer salaries that compare with competitor institutions.
 - (vii) Any material changes in roles and responsibilities since the previous review period.

Non-consolidated payments

- (c) One-off, non-consolidated payments may also be made to acknowledge exceptional individual contribution and to ensure the delivery of strategic imperatives. The University Remuneration Committee will develop an updated Pay Policy during 2019 that will also review the use of non-consolidated payments.

In 2017/18 the University Council awarded a £100 recognition payment to all staff employed as at the 1 August 2017 for performance achievements in 2016/17. Senior staff employed at this time also received the £100 payment.

Probationary Periods

- (d) Staff receive no increase in salary until the successful completion of their probationary period.

Pay Relativities within the institution

- (e) The Remuneration Committee will consider the basic pay multiple that the University's highest paid staff member will earn in relation to the median remuneration of its other staff. Benchmarking of this multiple will be undertaken recognising that the University employs many of its own staff at all levels within the institution. This is particularly relevant as many institutions within the sector outsource services for housekeeping, security, porters and maintenance. As the University employs staff within these functions a slightly higher pay multiple may be expected compared to those institutions outsourcing.

Application of this Framework

- (f) This framework applies to all staff designated as senior postholders by the University Council. The Remuneration Committee takes account of its principles when setting the remuneration of all senior staff.

Institutional Performance

9 The Remuneration Committee receives the following information to support their decision-making:

- (i) Copies of the performance feedback forms/tables received by senior postholders following their annual Performance Development Reviews. This records the detail of both their achievement against personal objectives and their contribution to the achievement of corporate objectives, including the assistance they have given to supporting the attainment of colleagues' objectives.
- (ii) For future years, a comprehensive report in consideration of the University's comparative performance when compared with the Cathedrals Group/GuildHE Universities. This provides details of the University's overall performance in relation to:
- Performance in key league table(s): these draw primarily upon the University's position in the domestic league tables including the Complete University Guide.
 - Student satisfaction: National Student Survey (NSS) outcomes.
 - Student employability: Destinations of Leavers from Higher Education (DLHE)/Graduate Outcomes Survey results.
 - Teaching excellence: performance in the Teaching Excellence Framework (TEF) and results derived from TEF-related activity.
 - Research and Innovation performance: performance in the Research Excellence Framework and income from research and innovation activities.
 - Financial performance: the total income of the University and surplus generation for future investment.

These measures are used because they reflect fundamental measures of strategic success but also represent higher-level output measures for which reliable benchmarking data is available.

Bishop Grosseteste University continues to seek improvements in league table position and student satisfaction. These aspects will build upon successful DHLE, TEF and REF outcomes given the context of the University's position and its commitment to widening participation. The University remains in a strong financial position overall despite posting a small deficit for 2017/18 due to increasing costs and investment at a time of static student recruitment.

Assessment of Value and Performance

Contextual Information

- 10 To enable the Remuneration Committee to assess the value and performance delivered by the Vice-Chancellor, Deputy Vice-Chancellor and Chief Operating Officer the following contextual information is available to the Committee:
- (a) A narrative based on the discussions conducted as part of the individual's personal development review (PDR) meeting.
 - (b) An assessment of achievement against the personal objectives for the reporting year.
 - (c) A summary of the salary and benefits received by the individual staff.
 - (d) Details of the remuneration received by the individual staff in previous years.
 - (e) CUC and UCEA comparator data.

In addition, the Chair of the University Council encourages University Council members to provide comments, feedback and observations on the performance of the staff.

Judgement of Performance of the Deputy Vice-Chancellor and Chief Operating Officer

- 11 Having discussed and taken account of all relevant factors and especially the requirements for setting the pay of the Deputy Vice-Chancellor and Chief Operating Officer, the Remuneration Committee agreed the remuneration for the academic year 2018/19 and that changes to salary should be implemented with effect from 1 August 2018.

The post of Deputy-Vice Chancellor was vacant until January 2019. In setting the initial salary for this role, as part of the recruitment process, the criteria outlined in section 8 of this report were applied. Future salary reviews will be based upon the performance criteria noted above.

For the Chief Operating Officer a 2% uplift on existing salary was agreed. This was in line with the increase applied, to date, for all other staff within the University as part of the national pay bargaining process.

- 12 The Remuneration Committee took care to ensure that its decisions achieved a balance between achieving valid pay relativities for levels of relative seniority, rewarding performance, and ensuring compatibility with the salaries paid for comparable roles in comparable universities.

External Appointments and Expenses

- 13 The Deputy Vice-Chancellor and Chief Operating Officer may only accept remunerated roles with other bodies with the explicit permission of the Vice-Chancellor. Neither the Deputy Vice-Chancellor nor Chief Operating Officer received any remuneration from other bodies during 2017/18.

Judgement of Performance of the Vice-Chancellor

- 14 In reaching their decision, the Remuneration Committee concluded that:
- (a) Comments, feedback and observations on the Vice-Chancellor's performance from University Council

members confirmed that it was their view that the Vice-Chancellor had provided effective leadership for the University; sustained the University's performance; and had maintained a firm focus upon achieving key strategic outcomes for the University.

- (b) The assessment of the Vice-Chancellor's achievement against his objectives for 2017/18 showed that the majority of objectives had been successfully completed. In instances where objectives had been partially completed, significant progress could be demonstrated. There were no instances where little or no progress had been made towards the achievement of an objective.
- (c) The Vice-Chancellor had:
 - (i) Effectively addressed a number of challenges whilst noting that those now faced by the University were more complex and likely to become harder to address.
 - (ii) Demonstrated both the commitment and the ability to nurture and develop an effective senior team, noting in particular the recruitment of new senior staff to the University and the operation of the Vice-Chancellors Executive Group which was formed in 2017/18.
 - (iii) Attained a sound level of performance over the reporting year.

- 15 Having discussed and taken account of all relevant factors and especially the requirements of the Framework for Setting the Pay of Senior Postholders, the Remuneration Committee agreed that the Vice-Chancellor should receive a salary of £191,908 with effect from 1 August 2018. This represented a 2% uplift which was also in line with the increase applied, to date, for all other staff within the University as part of the national pay bargaining process.

Other Benefits

Health Insurance

- 16 The Vice-Chancellor receives healthcare insurance cover provided by BUPA. The charge to the University of providing this cover on behalf of the Vice-Chancellor was £1,704 for 2017/18 and is anticipated to be £1,877 for 2018/19. It is a taxable benefit and the Vice-Chancellor pays tax on this.

Pension Allowance

- 17 The University provides pension arrangements for academic related roles through the Teachers' Pension Scheme and through the Local Government Pension Scheme for professional support staff. The exception to this is where existing members of the Universities Superannuation Scheme (USS) are employed by the University and are able to continue their membership of this scheme. The Vice-Chancellor is a member of the USS pension scheme and employer contributions for 2017/18 amounted to £33,866.

Accommodation

- 18 The University provides accommodation on campus for the Vice-Chancellor who is required to live on site for the better performance of his/her duties. The provision of such accommodation dates back prior to 1977 and therefore meets the representative occupier test as per HMRC guidance. As a result there is no taxable benefit for providing this accommodation but the University does declare annually the rental value of the property as if it had been let on the open market. For 2017/18 this amounted to £10,800. The running costs comprising utilities and cleaning costs form part of the taxable benefit calculation for the Vice-Chancellor on an annual basis.

External Appointments and Expenses

- 19 The Vice-Chancellor may only accept remunerated roles with other bodies with the explicit permission of the Chair of University Council. The Vice-Chancellor does not receive any remuneration from other bodies.

Summary of Vice-Chancellor's Emoluments

Emoluments of the Vice-Chancellor	2018/19 Estimated	2017/18	2016/17
Salary	191,908	188,145	158,222
Bonus	0	100	0
Benefits	5,900	5,692	4,966
Subtotal	197,808	193,937	163,188
Pension costs	35,503	33,866	28,480
TOTAL	233,311	227,803	191,668
Basic Salary Pay Multiple		7.6	6.4

(NB Costs for 2018/19 are estimated only and are derived from current data held within the University's HR system.)

Appendix 1

Bishop Grosseteste University

Remuneration Committee Terms of Reference

Constitution

1. The University Council has established a Committee of the University Council known as the Remuneration Committee.

Membership

2. The Remuneration Committee and its Chair shall be appointed by the University Council, from among its own members.
3. The Committee shall include:
 - (i) the Chair of the University Council
 - (ii) at least three other lay/independent members (not necessarily members of the University Council)
4. The Chair of the Audit Committee **or** the Chair of the Finance, Employment & General Purposes Committee would normally be a member.
5. The Vice-Chancellor shall not be a member, but may attend sections of the meeting where their remuneration is not being discussed.
6. Council members elected to represent the staff, the Students Union President and the Deputy Vice-Chancellor(s) may not be members of the Committee.

Quorum

7. A quorum shall be at least three members, one of whom should normally be the Chair.

Attendance at meetings

8. The Director of Human Resources will be in attendance.

9. No other persons may attend meetings unless invited to do so by the Committee.

Voting

10. All members of the Committee shall be entitled to vote.
11. In the event of an equal vote on any matter, the Chair shall have a second and casting vote.

Term of Office

12. The term of office of members shall be reviewed annually by the University Council subject to any membership requirements in the Instrument & Articles of Government.

Frequency of meetings

13. Meetings shall normally be held three times each financial year.
14. Additional meetings will be called by the Chair of the Council as and when required.

Authority

15. The Committee is authorised to determine and review the salaries, terms and conditions (and where appropriate, severance payments) of the head of the institution and such other members of staff as the University Council deems appropriate. (Specifically the Vice-Chancellor, the Deputy Vice-Chancellor and the Chief Operating Officer.)
16. If considering severance arrangements for senior staff, the Committee must represent the public interest and avoid inappropriate use of public funds. The Committee should be careful not to agree to a severance package which staff, students and the public might deem excessive. Contracts of employment for senior staff should specify periods of notice of not more than 12 months, and should not provide for pension enhancements.
17. In the case of senior staff earning *at or above the level of disclosure of higher paid staff as required by the Office for Students*, the institutional policy on Severance Payments to Senior Staff shall apply.
18. The Committee is authorised to make recommendations on any other relevant matter referred to the Committee by the University Council.
19. The Committee is not authorised to make decisions on any matters which are specified in the Instrument and Articles of Government as being the prerogative of the whole University Council or other committees or authorities.
20. The Committee is authorised to carry out any other duties delegated to it by the University Council.

Duties

21. The duties of the Committee shall be:
- a. to seek comparative information on salaries and other benefits and conditions of service in the higher education sector.
 - b. to advise the University Council that the remuneration of senior staff, including the Vice-Chancellor, has been determined following due process - normally this will include salaries elsewhere, performance related and nationally agreed cost of living increases.
 - c. to recommend to the University Council any proposal for significant change to terms and conditions of employment of senior staff, including the Vice-Chancellor.
 - d. to carry out any other duties delegated to it by the University Council.
 - e. to have regard for the CUC Remuneration Code.

Reporting procedures

22. The Committee's report to the University Council should provide sufficient detail of the broad criteria and policies against which decisions have been made.

Clerking arrangements

23. The Registrar (or other appropriate independent individual) will act as clerk to the Committee and will attend the committee's meetings. A minuting secretary may also attend the Committee's meetings.