

Remuneration Committee Terms of Reference 2023/24

Purpose

Remuneration Committee is a Committee of the Board of Governors and has delegated authority to oversee the framework for, and specific decisions in relation to [a] base pay and [b] wider remuneration and reward of the Vice-Chancellor and Chief Executive, University Executive (UE) and wider Senior Management Group (SMG) members.

In this context, base pay refers to the gross (pre-tax) remuneration paid to senior staff. Total remuneration includes: recruitment, retention or market-based salary supplements, pension benefits and alternatives offered in lieu of employer pension contributions for taxation purposes, any performance-related payments, private health insurance and any other taxable or non-taxable benefits.

The Committee will act as the approving body in relation to proposed remunerated external roles for senior staff members within its scope and any other roles referred to it by the Vice-Chancellor.

The Committee may also advise Employment and Finance Committee from time to time where its considerations have implications for the University's overall approach to staff pay and reward.

Principles

Remuneration Committee adopts a range of principles and policy and regulatory reference points to approach senior staff remuneration matters, including:

- i. the principles set out in The Higher Education Senior Staff Remuneration Code of the Committee of University Chairs (CUC) (November 2021), as follows:
 - a fair, appropriate and justifiable level of remuneration;
 - procedural fairness;
 - transparency and accountability.
- ii. the regulatory guidance and accounts directions of the Office for Students (OfS);
- iii. the CUC HE Code of Governance;
- iv. the legislation and associated regulation relevant to the University's status as an exempt charity, including the need to best use and safeguard the University assets and resources.

Scope

The following post holders are considered senior staff who are members of the University Executive and Senior Management Group of the University, and fall within the scope of Remuneration Committee for the purpose of base pay and wider remuneration and reward:

- Vice-Chancellor and Chief Executive
- Deputy Vice-Chancellor
- Pro Vice-Chancellor (Research and Knowledge Exchange)
- Pro Vice-Chancellor (Education)
- Pro Vice-Chancellor (International)
- Pro Vice-Chancellor (Strategic Projects)
- Faculty Pro Vice-Chancellor (Arts, Design and Social Sciences)
- Faculty Pro Vice-Chancellor (Business and Law)
- Faculty Pro Vice-Chancellor (Engineering and Environment)
- Faculty Pro Vice-Chancellor (Health and Life Sciences)
- Chief Financial Officer
- Chief Information Officer
- Chief Marketing Officer
- Chief People Officer
- Chief Strategy Officer
- Academic Registrar and Director of Academic, Student and Library Services
- Head of Governance and Secretary to the Board
- Director of Campus Services

- Director of Research and Innovation Services

Specific Committee Duties

The specific duties of the Committee are to:

- i. oversee and assure itself and the Board of Governors on the effectiveness of the overall framework within which senior staff remuneration is reviewed and approved to ensure that:
 - reasonable, appropriate and justifiable levels of remuneration are awarded to senior staff on [a] appointment and [b] when in post;
 - decisions are procedurally fair;
 - wider matters of equality, diversity and inclusion are considered in relation to pay and reward, including the implications for those with protected characteristics;
 - wider workforce remuneration and reward is a factor in reviewing and setting senior staff pay;
 - transparency and accountability to the Board of Governors, staff, student and wider stakeholders.
- ii. review and approve on an annual basis any changes to the base salary of the Vice-Chancellor and Chief Executive and the Secretary to the Board and Head of Governance as 'holders of senior posts' in the Instrument of Government of the University, taking into account:
 - the context within which the University operates to seek to balance the regional, national and global market for recruitment and retention of staff with consideration of remuneration in the context of the wider workforce;
 - the value of the individuals as measured by their performance and contribution to the University.
 - in the case of the Vice-Chancellor and Chief Executive to review the outcome of the Performance Development Appraisal (PDA) process, undertaken by the Chair of the Board.
- iii. review and approve on annual basis, on the advice of the Vice-Chancellor and Chief Executive, any changes to the base salary, and annual supplements as appropriate, of the members listed above.
- iv. review, on at least an annual basis, and ensure the publication and analysis of, the pay multiple and ratio of the highest paid individual (the Vice-Chancellor and Chief Executive) to the median earnings of the University workforce, and any other pay ratio it considers relevant.
- v. review and approve the following:
 - a. any policies related to pensions and alternative arrangements fully or partially in lieu of employer pension contributions for relevant senior staff;
 - b. any other policies in relation to the total remuneration and reward package of senior staff;
 - c. any policies on external income for senior staff;
 - d. requests from senior staff to undertake external roles, whether paid or unpaid,
 - e. monitoring report(s) from the Vice-Chancellor on external roles held by senior staff that have been internally approved.
- vi. approve reasonable and justifiable severance payments where this route needs to be exercised in relation to senior staff, in line with CUC guidelines and OfS, and relevant requirements on the University as a charitable body.
- vii. review, contribute to, and recommend to the Board of Governors, an annual remuneration report on its work and the institutional approach to remuneration, and ensure this report is appropriately configured for the publication of a remuneration annual statement in the annual report and financial statements of the University.

The Committee will carry out its duties by:

- i. receiving, through the Chief People Officer, Secretary and others, clear and independent data, information and analysis to inform its discussions and decisions on senior staff remuneration, including:
 - annual UCEA Remuneration Survey Data;
 - available data with commentary and context as published in each HEI's annual financial statements on the base salary and total remuneration (including other taxable and non-taxable benefits) of the heads of institution in the region based on three years of prior data:
 - feedback on salary benchmarks from Executive Search agencies where this is available
 - specific regional and market factors, including competition for talent and retention
 - specific institutional salary distributions including the remuneration profiles of other members of senior management.
- ii. consideration of clear and evidence-based reports on any matter of senior staff remuneration policy, including national and global policy developments and horizon scanning, to inform its decision-making;
- iii. ensuring effective dialogue and cross-referral of issues with other Committees of the Board, including Audit Committee, Employment and Finance Committee and Strategic Performance Committee, and effective escalation and reporting to the Board of Governors, including the minutes of its meetings and the annual remuneration report as required by The Higher Education Senior Staff Remuneration Code of the Committee of University Chairs (CUC) (November 2021);

iv. ensuring that the appropriate transparency and accountability is exercised in external reporting and disclosure (which protects and safeguards individuals' rights to data privacy), including through the annual remuneration statement in the annual report and financial statements of the University.

Constitution

Co-opted members of Board Committees form part of the quorum, which is a simple majority of its members, and have full voting rights.

Membership

Peter Judge	Independent Governor	2 nd term ends: 31/12/25
Dr Roberta Blackman-Woods	Independent Governor	2 nd term ends: 31/07/26
Helen Fairfoul	Independent Governor	2 nd term ends: 28/02/26
Graeme Hudson	Co-opted Board Committee Member	2 nd term ends: 01/01/24
<u>Committee Secretary:</u>		
Georgina Bailes	Secretary	
<u>Individuals with a standing invitation to attend each meeting</u> (except for discussion or decision-making in relation to their own remuneration):		
Professor Andy Long	Vice Chancellor and Chief Executive	
Jane Embley	Chief People Officer	