REMUNERATION COMMITTEE
25 OCTOBER 2024
REDACTED MINUTES FOR PUBLICATION

A meeting of the Remuneration Committee was held remotely via Zoom videoconferencing on Friday 25 October 2024 from 10.30-11.00am.

Present:	Graeme Scott [GS] Honorary Treasurer and Chair Prof Nick Braisby [NB] Amanda Clack [AC] Dr Stephen Jackson [SJ]
Apologies:	
In Attendance:	Adam Denton [AD] Student Trustee Observer Jane Fawkes (University Secretary) [JEF] Lyndsay Hughes (note taker) [LH] Andy Macdonald [AM] External Representative Ashley Wheaton (Vice Chancellor) [AW] Lisa Wilks (Director of HR) [LW]

0522 **1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST**

0523 There were no conflicts of interest declared but it was noted that Ashley Wheaton and Jane Fawkes would be asked to leave the meeting at the close of item 2.2 for the remaining agenda items.

0524 **1.2/ APOLOGIES FOR ABSENCE AND WELCOME**

0525 There were no apologies for absence.

0526 The Chair welcomed Prof Nick Braisby to his first meeting of Remuneration Committee in his capacity as Vice Chair Designate.

0527 **1.3/ MINUTES OF THE MEETING HELD ON 12 SEPTEMBER 2024**

0528 The minutes from 12 September 2024 were discussed between the core Committee membership and the University Secretary before the meeting and some refinements were agreed where too much detail had been included in some minutes. It was also **AGREED** that a robust paper trail will be put in place for 2025 for the VC's appraisal by the Chair, with review discussions being documented and approved by both parties prior to Remuneration Committee taking place.

ACTION: **Propose an appropriate form that can be used for documenting formally the appraisal process for the VC by the Chair, to be**

completed prior to Remuneration Committee sitting again in September 2025.

0529 The minutes of the Remuneration Committee held 12 September 2024 (paper 1.3) were **APPROVED** as a true record and signed by the Chair of the Committee, pending the minor amendments being made. The proposed redactions from these minutes were approved ahead of being published on the UCEM website.

<u>0530</u> <u>1.4/ MATTERS ARISING AND ACTIONS SUMMARY</u>

0531 The Committee **NOTED** all the outstanding actions agreed by the Committee have all been closed or will be closed in November 2024. Others are due for consideration in the meeting itself or are scheduled for report at the next meeting of the Committee in September 2025.

0532 The Committee revisited the suggestion (minute 0494) on when VC/ET bonuses should be paid, relative to the final accounts being approved and signed by the Board. The Committee **AGREED** that payments could be made following the meeting of the joint Audit and Finance Committee's in November that scrutinises the financial statements and accounts, noting that if they were recommended to the Board for approval at that meeting there should be no anticipated changes thereafter. It was noted this carries a small but acceptable risk in order not to delay payments, provided that pre-scrutiny takes place ahead of November payroll deadlines.

<u>0533</u> <u>1.5/ REMUNERATION COMMITTEE ANNUAL REPORT 2023-24</u>

0534 The Committee **NOTED** that every UCEM Sub-Committee prepares an annual report of its work relative to its Terms of Reference as part of demonstrating on-going good governance practice and highlighting to the full Board of Trustees how the wider responsibilities of the Governing Body are being met on its behalf by the Sub-Committees. The report for the Remuneration Committee for the 2023-24 academic and financial year was presented in paper 1.5 for review and approval. The Committee noted that the format had been substantively revised to shorten and focus the content on decisions / impact and welcomed this approach.

0535 The Committee **APPROVED** the Remuneration Committee Annual Report 2023-24 for presentation to the Board of Trustees for review and final approval in December 2024, pending some very minor wording changes being adopted first.

<u>0536</u> <u>1.6/ REMUNERATION COMMITTEE TERMS OF REFERENCE</u>

0537 The Committee considered its Terms of Reference following deferral of their approval at the last meeting (paper 1.6 & 1.6a). The main points debated then were whether UCEM aligns or complies with the CUC Remuneration Code and whether a pensions report is provided annually or not.

0538 The revised draft proposes returning to the word 'comply' with the CUC Remuneration Code. In addition, point 2.5 on pensions was proposed for removal entirely as the Finance Committee typically looks at pensions for UCEM when necessary. It was also requested that the wording on how 'all staff' pay is reviewed be refined further to reflect the reality.

0539 It was also suggested that wording be added to point 2.4 relative to the Executive Team Performance Award, that the scheme structure be reviewed on a regular basis to ensure it remains fit for purpose and appropriate. This will be added prior to the document being finalised.

0540 The Committee **APPROVED** the Remuneration Committee Terms of Reference V13.02 for finalisation and publication as the new V14.00, pending the minor additions requested.

0541 2.1/ PAY TRANSPARENCY JUSTIFICATION STATEMENT FOR THE 2023-24 FINANCIAL STATEMENTS AND ACCOUNTS

0542 The Committee noted that UCEM is required to comply with the Accounts Direction issued by the OfS regarding senior staff pay. UCEM must include certain disclosures in the 'staff costs' note section to its financial statements. The proposed disclosure for the 2023-24 Financial Statements and Accounts was presented in paper 2.1.

0543 LW clarified that UCEM must disclose the numbers of staff earning a full-time equivalent basic salary of over £100,000 per annum and a statement on Head of Provider pay. The proposed statement follows all official guidance and reflects those statements provided in UCEM's previous statements. For the financial year ending 31 July 2024, there were six members of the Executive Team who need to be included with the disclosure (an increase of 1 since last year).

0544 The Committee **APPROVED** the Pay Transparency Justification Statement proposed in paper 2.1 for the 2023-24 UCEM Financial Statements and Accounts as follows:
The number of staff with a full-time equivalent basic salary of over £100,000 for the 12 months to 31 July 2024 is shown below.

Basic salary per annum	*Number of staff (2023-24)*
£105,000 - £109,999	*2*
£110,000 - £114,999	*1*
£115,000 - £119,999	*1*
£150,000 - £154,999	*1*
£230,000 - £234,999	*1*

The basic salary and performance-related bonus element of remuneration for the *Head of Provider (the Vice Chancellor) is agreed by the Remuneration Committee, which is a sub-committee of the Board of Trustees. All members of the Committee are independent trustees, and the Vice Chancellor is not present during discussions about their remuneration. The Committee has regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs, when considering senior staff pay.*

The Remuneration Committee met on 12 September 2023 and approved a basic salary increase of 5% from £219,575 to £230,554 per annum, from 1 August 2023. This increase matched the percentage increase applied to the wider staff group, with the resulting salary comparing favourably to the sector taking into account the scale and size of UCEM as a higher education institution.

In terms of a performance-related bonus for the year ending 31 July 2024, the Remuneration Committee considered this at their meeting on 12 September 2024 and again on 25 October 2024. Clear performance metrics had been set for the year to 31 July 2024, focused on four areas of work, namely 1) operational and overall business performance based on the CX9 targets; 2) strategic priorities around development of a financial resilience strategy, an estate strategy, university title, delivery of GLOBE Stage 2, and remaining in the 30% club at Board level; 3) increasing *the profile and brand of UCEM; and 4) personal development. The Committee agreed this had been another strong year on overall performance by UCEM, with significant highlights including renewal of HM The King's patronage, the Award by the King's Foundation, achievement of student recruitment targets, an increase in NSS results and rating, successful external events, and achievement of the best financial position in 105 years. It was noted these achievements had been made against a difficult political, economic, and social environment for the higher education sector. The Committee approved a performance-related bonus for the Vice Chancellor for the year ending 31 July 2024 of £40,000.*

Full details of the total remuneration package for the Vice Chancellor for the year ending 31 July 2024:

- *Basic salary: £230,554 per annum*
- *Bonus and long service award for the financial year: £41,000*
- *Pension contributions: £40,251*
- *Salary sacrifice: Childcare vouchers £12; Cycle to Work Scheme £2,866*
- *Other taxable benefits: Private medical insurance £2,790*

0545 **2.2/ PAY MULTIPLES: FINANCIAL STATEMENTS AND OfS RETURN**

0546 The Committee noted that as part of compliance with the relevant Accounts Direction issued by the OfS regarding senior staff pay, UCEM is required to provide information about the relationship between the Head of Provider's remuneration and that for all other staff employed in the reporting year, expressed as a pay multiple. This is also referred to as the pay ratio and is reported in both the annual Financial Return to the OfS and UCEM's Financial Statements and Accounts. The proposed wording of UCEM's submission to the OfS for 2023-24 was presented in paper 2.2 alongside the most relevant benchmarking data available.

0547 LW reported that this is the fifth time UCEM has complied with this obligation and the complexity of work required to reach the statements made remains significant. In preparing the statements, UCEM has followed relevant guidance. The figures are reflective of UCEM payroll over the last 12 months which consists of all groups of staff (permanent, fixed-term, full-time, part-time, and casual). The analysis considers in detail variations to contract in year, full time equivalent hours, taxable benefits, pension contributions and bonuses. This is a total of 467 staff in 2023-24 (was 510 in 22-23 with the reduction relative to the quantum of Associate Lecturers included this year). The pay multiple must be expressed as the full-time equivalent of the Head of Provider's remuneration divided by the median pay at the provider (also calculated on a full-time equivalent basis).

0548 For the financial year ending 31 July 2024, the pay multiple at UCEM is as follows:

- The head of the provider's **basic salary** is 5.57 times (2023: 5.30) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's **total remuneration** is 7.59 times (2023: 7.44) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

0549 The Committee **NOTED** that the basic salary pay multiple and the total remuneration pay multiple have both slightly increased since last year as a result but the ratios overall are not of concern, have only increased marginally and remain comfortably within OfS benchmarks of relevance.

0550 The Committee **AGREED** that UCEM has fulfilled its obligations under the relevant Accounts Direction in respect of the pay multiple aspect of the senior staff pay disclosure.

0551 The Committee **APPROVED** the pay multiple wording presented for inclusion in the end of year Financial Statements for 2023-24, noting that the ratios will also be included in the Annual Financial Return.

0552 At the close of this item, the Vice Chancellor and University Secretary left the meeting.

0553 2.3/ REDACTED

0554 REDACTED

0555 REDACTED

0556 REDACTED

ACTION: REDACTED

0557 2.4/ RE-APPROVAL OF BONUS AWARD DECISIONS MADE AT REMUNERATION COMMITTEE ON 12 SEPTEMBER 2024

0558 As per the terms of the Executive Team Bonus Scheme, the Remuneration Committee is afforded a further opportunity in autumn each year to review and re-approve the decisions it made at its September meeting regarding the award of bonuses to the Executive Team and the Vice Chancellor for the previous financial/academic year, in this case 2023-24. This review milestone allows for completion of and reporting on **all** institutional performance metrics, noting in particular that the financial performance for the year and reporting of this by the Auditors is being finalised for Finance Committee in early November.

0559 The Committee **RE-APPROVED** all decisions made on 12 September 2024 regarding remuneration and reward for the Vice Chancellor and Executive Team (minutes 0495-0500 and 0511-0515).

ACTION: Process the agreed bonus payments for the Executive Team in November 2024, following the Joint Audit and Finance Committee's scrutiny and pre-approval of the Financial Statements for 2023-24 on 14 November 2024. [LW]

ACTION: Process the agreed £40,000 bonus payment for the Vice Chancellor in November 2024, following the Joint Audit and Finance Committee's scrutiny and pre-approval of the Financial Statements for 2023-24 on 14 November 2024. [LW]

0560 3/ ANY OTHER BUSINESS

0561 The Chair thanked the Chair of the Board and the Vice Chair for their time and input to Remuneration Committee over the course of their tenures on the Board of Trustees. Both will step down from their roles in early 2025 and a new Board Leadership team will be established who will be part of the Remuneration Committee when it next sits in September 2025.

0562 No other matters of business were raised.

<u>0563</u> **<u>4/ MEETING CLOSE</u>**

0564 The Chair thanked LW and the wider team for all the work put into preparing for the meeting and the matters discussed. The Chair then closed the meeting at 10.58am.

0565 The date and time of the next Remuneration Committee meeting will be Thursday 4 September 2025.

Signed: Graeme Scott

Name: Graeme Scott

Position: Chair, Remuneration Committee

Date: 04 September 2025