



BISHOP
GROSSETESTE
UNIVERSITY

Annual Report of the Remuneration Committee

November 2023

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1. Overview

This report covers the reporting period September 2022 to November 2023. The performance objectives of the Vice-Chancellor, the Deputy Vice-Chancellor (Academic Affairs) and Registrar and University Secretary were formally agreed in September 2022. Performance against these objectives was formally reviewed at the October 2023 meeting of the Remuneration Committee. This committee also set the performance objectives of the Interim Vice-Chancellor, Deputy Vice-Chancellor (Academic Affairs), Deputy Vice-Chancellor (Operations) and the Registrar and University Secretary for 2023/2024.

The University Council receive a report after each meeting of the Remuneration Committee.

The Annual Report of the Remuneration Committee provides an over-arching summary of the committee's deliberations over the year and will be reported to University Council on 28 November 2023.

2. Structure and Membership of the Remuneration Committee

During 2022/2023, the University Remuneration Committee considered the remuneration of senior postholders, specifically:

- (a) The **Vice-Chancellor**
- (b) The **Deputy Vice-Chancellor (Academic Affairs)**
- (c) The **Registrar and University Secretary**

The Remuneration Committee considered the appropriate starting salary for the Interim Vice-Chancellor, from 1 August 2023. It also recommended to University Council the starting salary for the Deputy Vice-Chancellor (Operations) from 7 August 2023.

From October 2023, the University Remuneration Committee considered the remuneration and performance of the following:

- (a) The **Interim Vice-Chancellor**
- (b) The **Deputy Vice-Chancellor (Academic Affairs)**
- (c) The **Deputy Vice Chancellor (Operations)**
- (d) The **Registrar and University Secretary**

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

The membership of the Remuneration Committee during the period of this report was as follows:

From September 2022:

- Jackie Croft, Member of University Council (Co-opted Chair)
- Richard Hallsworth, Member of University Council and Chair of the Finance, Employment and General Purposes Committee
- Dr Stephen Critchley, Member of University Council and Chair of Audit Committee
- Anne Frost, Chair of University Council
- The Right Reverend Dr Nigel Peyton, Member of University Council.

At the end of September 2022, Jackie Croft resigned from her role as Co-opted Chair of the Remuneration Committee and Dr Stephen Critchley became Interim Chair of the Remuneration Committee until June 2023. In June 2023, University Council appointed Kate Truscott to become Chair of the Remuneration Committee.

The membership and attendance for the period covered by the report is outlined in section 2.1 below.

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

The Terms of Reference for the Remuneration Committee for 2022/2023 are found in Appendix 1. Minutes of the Remuneration Committee are confidential and held with the Governance Office (council@bishopp.ac.uk).

2.1 Dates of Meetings and Attendance

The Committee normally meets three times per year in October, February and June. For the period covered by this report (2022/2023), the meeting dates and attendance is noted in the following table:

To note – additional extraordinary Remuneration Committee meetings were held in 2022/2023 due to the changes in relation to the Vice-Chancellor. These extraordinary meetings considered the compensation for loss of office for the Vice-Chancellor, and the recommended remuneration for the Interim Vice-Chancellor.

Member	Date of Meeting				
	28 September 2022	23 January 2023	24 February 2023	6 March 2023	30 October 2023
Jackie Croft (to 30 September 2022)	Yes				
Dr Stephen Critchley	Yes	Yes (Interim Chair)	Yes (Interim Chair)	Yes (Interim Chair)	Yes
Richard Hallsworth	Yes	Yes	Apologies	Yes	Yes
Anne Frost	Yes	Yes	Yes	Yes	Yes
Rt Revd Dr Nigel Peyton	Yes	Yes	Yes	Yes	Yes
Kate Truscott					Yes (Chair)

On the 17 August 2023, the Remuneration Committee determined (by a Decision in Writing) the approval of the 2023/2024 JNCHES Pay Ward for Executive Pay, which should be applied to the Deputy Vice-Chancellor (Academic Affairs) and the Registrar and University Secretary.

2.2 Servicing of the Committee

During 2022/2023, the Chief Quality and Compliance Officer, clerked meetings of the Remuneration Committee, in accordance with the Committee's Terms of Reference. From September 2023, the Governance Officer clerked the meetings of the Remuneration Committee and the Terms of Reference were amended accordingly.

The Director of People and Infrastructure attended all meetings by invitation of the Remuneration Committee, to provide specialist knowledge and support, including remuneration benchmarking data to inform decision making.

During 2022/2023, the Vice-Chancellor of the University attended to report on the performance of the Deputy Vice-Chancellor (Academic Affairs) and the Registrar and University Secretary. The Vice-Chancellor was not present for any part of the meeting where their performance or remuneration was discussed or agreed. From August 2023, the Interim Vice-Chancellor reported on the performance of the senior postholders. The Interim Vice-Chancellor was also not present for any part of the meeting where their performance or remuneration was discussed or agreed.

Comprehensive reports of each meeting of the Remuneration Committee were provided to the University Council.

3. 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 the Committee of University Chairs (CUC) for the approach on setting senior staff remuneration.

3.1 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 a number of factors:

- (i) benchmarking data gathered via the annual independent Universities and Colleges Employers Association (UCEA) survey of senior staff remuneration within the higher education sector, with a particular focus upon:
 - Post-92 by income up to 40 million.
 - Institutions within the membership of the Cathedrals Group of Universities.
 - Rest of England Income up to 40 million;
- (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 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; and
- (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.

3.2 Reviewing the Salaries of Senior Staff

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);
- (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 up to £40m
 - Institutions within the membership of the Cathedrals Group of Universities and/or GuildHE mission group;

- (v) 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 favorably with competitor institutions; and
- (vi) any material changes in roles and responsibilities since the previous review period.

3.3 Non-consolidated payments

One-off, non-consolidated payments may also be made to acknowledge exceptional individual contribution and to ensure the delivery of strategic imperatives.

3.4 Probationary periods

Staff receive no increase in salary until the successful completion of their probationary period.

3.5 Pay Relativities within the institution

The University ensures that its highest paid staff member will not earn more than 20 times the full-time equivalent salary of its lowest paid staff member. This is consistent with a proposal considered by the Hutton Review of Fair Pay in the Public Sector dated March 2011.

The Vice-Chancellor's total remuneration in 2022/2023 including compensation for loss of office was 12.9 (2021/22: 8.6) times 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.

3.6 Application of this Framework

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

4. Institutional Performance

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 Reviews; and
- (ii) a comprehensive report on 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: Longitudinal Education Outcomes (LEO)/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 and 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 Graduate Outcomes, Teaching Excellence Framework and Research Excellence Framework outcomes given the context of the University's position and its commitment to widening participation through the Access and Participation Plan.

5. Assessment of Senior Postholders' Performance (excluding the Vice-Chancellor)

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 the remuneration of senior postholders for the academic year 2022/2023 and that changes to salary should be implemented with effect from 1 August 2022.

On the 17 August 2023, the Remuneration Committee determined (by a Decision in Writing) the approval of the 2023/2024 JNCHES Pay Ward for Executive Pay, which should be applied to the Deputy Vice-Chancellor (Academic Affairs) and the Registrar and University Secretary.

The Remuneration Committee took care to ensure that their 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.

5.1 External Appointments and Expenses

Senior postholders may only accept remunerated roles with other bodies with the explicit permission of the Vice-Chancellor. None of the University's senior postholders receive any remuneration from other bodies.

6. Assessment of the Vice-Chancellor's Performance

6.1 Assessment of Value and Performance

6.1.1 Contextual Information

To enable the Remuneration Committee to assess the value and performance of the Vice-Chancellor the following information is provided to the Committee:

- a summary of discussions at the Vice-Chancellor's personal development review (PDR) meeting with the Chair and Deputy Chair of the University Council;
- an assessment of achievement against the Vice-Chancellor's personal objectives for the year;
- a summary of the salary and benefits received by the Vice-Chancellor;
- details of the remuneration received by the Vice-Chancellor in previous years;
- guidance and advice provided by the Committee of University Chairs on the setting of senior staff remuneration;
- benchmarking data gathered by the Universities and Colleges Employers Association with a particular focus on, post-92 by income up to £40 million, institutions within the membership of the Cathedrals Group of Universities and Rest of England income; and
- lowest paid staff members pay ratio and median pay rate ratio data for the University.

6.1.2 Judgement of Performance

The Vice-Chancellor stood down at the end of the 2022/2023 academic year. A new Interim Vice Chancellor was appointed for 2023/2024, with a fixed spot salary throughout the 12-month fixed term contract.

The Remuneration Committee agreed, given the recent appointment (1 August 2023) of the Interim Vice Chancellor, no pay award would be implemented for this position in August 2023.

6.2 Other Benefits

6.2.1 Health Insurance

The Vice-Chancellor received healthcare insurance cover under the Universities and Colleges Corporate Healthcare Scheme or from an existing provider should the cost of provision be broadly similar to that provided by the Universities and Colleges Corporate Healthcare Scheme (this insurance cover is also available to all senior postholders of the University). The charge to the University of providing this cover on behalf of the Vice-Chancellor was £2,765.65 for 2022/2023. The new Interim Vice-Chancellor declined health insurance, so the anticipated cost for 2023/2024 is £0.

6.2.2 Pension Allowance

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 left the USS pension scheme in January 2021 and was paid a taxable pension allowance, in lieu of pension contribution, of £35,533.44 a year via payroll. Due to compensation for loss of office, a total of £57,740 was paid in 2022/2023 including payments in lieu of pension. The Interim Vice-Chancellor will receive no pension payments or pension allowance for 2023/2024.

6.2.3 Accommodation

The University provided accommodation on campus for the Vice-Chancellor who was required to live on site for the better performance of their duties. The provision of such accommodation dated back prior to 1977, and therefore met the representative occupier test as per HMRC guidance. As a result, there was no taxable benefit for providing this accommodation, and the University declared annually the rental value of the property as if it had been let on the open market. For 2022/2023, this amounted to £14,000. The running costs, comprised of utilities and cleaning costs, formed part of the taxable benefit calculation for the Vice-Chancellor.

The Interim Vice-Chancellor is not required to live on campus and therefore, will not be using the accommodation on campus for 2023/2024.

6.2.4 External Appointments and Expenses

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

6.3 Summary of Vice-Chancellor's Emoluments

Emoluments of the Vice-Chancellor	2022/2023
Salary	£204,241
Bonus	£0
Benefits	£8,091
Subtotal	£212,332
Pension costs	-
Taxable pension allowance (contribution in lieu of pension)	£57,740
Compensation for loss of office	£139,433
TOTAL	£409,506

The Vice-Chancellor was paid for loss of office on 31 July 2023.

An Interim Vice-Chancellor was appointed on 1 August 2023, on a 12-month fixed term contract. The Interim Vice-Chancellor declined any taxable benefits and entry into any of the Universities pension schemes.

Emoluments of the Interim Vice-Chancellor, can be found below:

Emoluments of the Interim Vice-Chancellor	2023/2024 Actual
Salary	£230,000
Bonus	£0
Benefits	£0
Subtotal	£230,000
Pension costs	N/A
Taxable pension allowance (contribution in lieu of pension)	£0
TOTAL	£230,000

APPENDIX 1:**REMUNERATION COMMITTEE TERMS OF REFERENCE 2022-2023****Constitution**

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

Membership

2. The Committee shall be appointed by the University Council from among its own members. The Committee shall comprise of at least four members, as follows:
 - (i) the Chair of the University Council and
 - (ii) at least three other Lay/independent members (not necessarily members of the University Council) subject to the approval of the University Council. Lay/independent members shall be full members of the Committee.
3. The Chair of the Audit Committee and the Chair of the Finance, Employment & General Purposes Committee would normally be members.
4. The Vice-Chancellor shall not be a member but may attend sections of the meeting where their remuneration is not being discussed.
5. 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

6. A quorum shall be at least three members, including the Chair.
7. The Chair of the Committee shall be appointed from full members of the Committee by the University Council.
8. Where the Chair of the Committee is absent, the members shall choose one of their number to act as chair for that meeting.
9. The Chair of the Committee should not be the Chair of University Council.

Attendance at meetings

10. A representative from HR will normally be in attendance.
11. No other persons, with the exception of the minuting officer and clerk, may attend meetings unless invited to do so by the Committee.

Voting

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

Term of Office

- 14 The term of office of members shall be reviewed annually by the University Council subject to any membership requirements in the Articles of Association of the Company incorporating the Instrument and Articles of Government of University.

Frequency of meetings

- 15 Meetings shall normally be held three times each financial year.
- 16 Additional meetings will be called by the Chair of the Remuneration Committee as and when required.

Authority

- 17 The Committee is authorised to 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, advising University Council accordingly. (specifically the Vice-Chancellor, the Deputy Vice-Chancellor (Academic Affairs), the Registrar and Secretary.
- 18 The Committee will consider, amend and recommend to University Council as appropriate the University's annual Remuneration Report and Statement and recommend to Council as appropriate.
- 19 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.
- 20 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.
- 21 The Committee is authorised to make recommendations on any other relevant matter referred to the Committee by the University Council.
- 22 The Committee is not authorised to make decisions on any matters which are specified in the Articles of Association of the Company incorporating the Instrument and Articles of Government University as being the prerogative of the whole University Council or other committees or authorities.
- 23 The Committee is authorised to carry out any other duties delegated to it by the University Council.

Duties

24. The duties of the Committee shall be:
- to seek comparative information on salaries and other benefits and conditions of service in the higher education sector;
 - 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;
 - to recommend to the University Council any proposal for significant change to terms and conditions of employment of senior staff, including the Vice-Chancellor;
 - to carry out any other duties delegated to it by the University Council; and
 - to have regard for the Committee of University Chairs (CUC) Remuneration Code.

Reporting procedures

25. 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

26. The Chief Quality and Compliance Officer will act as clerk to the Committee and will attend the committee's meetings. A minuting secretary may also attend the Committee's meetings.

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