

**REMUNERATION COMMITTEE**

**22<sup>ND</sup> OCTOBER 2021**

**REDACTED MINUTES FOR PUBLICATION**

A meeting of the Remuneration Committee was held remotely via Zoom videoconferencing on Friday 22<sup>nd</sup> October 2021 from 11.15am-12.00noon.

Present: Jat Brainch [JB] – Honorary Treasurer and Remuneration Committee Chair  
Amanda Clack [AC] – Chair of the Board of Trustees  
Stephen Jackson [SJ] – Vice Chair of the Board of Trustees

Apologies: Muhammad Ahmed [MA] – Student Trustee Observer

In Attendance: Jane Fawkes [JEF] – University College Secretary  
Lyndsay Hughes [LH] – Note Taker  
Ashley Wheaton [AW] – Principal  
Lisa Wilks [LW] – HR Director

**0162 1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST**

0163 There were no conflicts of interest declared.

**0164 1.2/ TO RECEIVE APOLOGIES FOR ABSENCE**

0165 There were apologies for absence from Muhammad Ahmed.

**0166 1.3/ TO APPROVE THE MINUTES OF THE MEETING HELD ON 9<sup>TH</sup> JULY 2021**

0167 The minutes of the Remuneration Committee held 9<sup>th</sup> July 2021 (paper 1.3) were **APPROVED** as a true record and signed by the Honorary Treasurer. The proposed redactions from these minutes were approved ahead of being published on the UCEM website.

**0168 1.4/ TO CONSIDER MATTERS ARISING FROM THE MINUTES NOT INCLUDED ELSEWHERE ON THE AGENDA**

0169 The actions noted at the previous meeting were reviewed in paper 1.4 and the Committee **NOTED** that the majority had been closed off. The appointment of an External Representative was be discussed at agenda item 1.7. The agreement of a formal pay policy for UCEM was carried forward for presentation to the next meeting of the Committee in August 2022.

0170 The Committee **NOTED** that the objectives for the Principal had been agreed between AW/AC following the meeting in July 2021 and will be circulated to the Committee for information.

**ACTION: Circulate the final agreed objectives for the Principal with the wider Committee. [AW/AC]**

**0171 1.5/ TO APPROVE THE REMUNERATION COMMITTEE TERMS OF REFERENCE**

0172 The Remuneration Committee Terms of Reference V8.01 were presented to the Committee in paper 1.6a with minor proposed amendments to membership (following the change in Student Trustees in summer 2021) and nomenclature.

0173 The Committee **APPROVED** the updated terms of reference V8.01 as presented for finalisation and republication as the new V9.0.

**0174 1.6/ TO APPROVE THE REMUNERATION COMMITTEE ANNUAL REPORT**

0175 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. The report for the Remuneration Committee for the 2020-21 academic and financial year was presented in paper 1.5 for approval.

0176 The Committee **APPROVED** the Remuneration Committee Annual Report 2020-21 for presentation to the Board of Trustees for final approval in November 2021.

**0177 1.7/ TO CONSIDER THE ROLE SPECIFICATION FOR THE EXTERNAL REPRESENTATIVE TO REMUNERATION COMMITTEE**

0178 The Committee was reminded that it had agreed to seek to appoint an external representative to the Committee to help advise it in on senior pay in the context of the wider higher education sector. In order to seek candidates, a role specification was drafted for the review of the Committee (paper 1.7a).

0179 The Committee discussed their preference for the role to be someone with a higher education background or from industry and **AGREED** it would be a Higher Education specialist as these are the benchmarks used at UCEM and ideally someone with comparable Remuneration Committee experience.

0180 The Committee were asked if they had any suggested contacts to directly approach about the role who may be suitable and **AGREED** to specifically approach GuildHE contacts to advertise the role and use the University HR Directors forum that LW sits on.

0181 The Committee reviewed the proposed role specification and **AGREED** to add two specific points – an understanding of UCEA as the benchmarks UCEM uses and experience of senior staff remuneration benchmarking.

0182 The Committee **APPROVED** the role specification for the External Representative to the Remuneration Committee, subject to the minor amendments requested in minute 0181. The Committee **NOTED** that recruitment would commence in January 2022 with a view to the appointment being filled ahead of the next Committee meeting in August 2022.

**ACTION: Advertise the External Representative vacancy from January 2022 through the agreed forums. [JEF]**

**0183      2.1/ TO APPROVE THE PAY TRANSPARENCY JUSTIFICATION STATEMENT FOR THE 2020-21 FINANCIAL STATEMENTS AND ACCOUNTS**

0184      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 to its financial statements. The proposed disclosure for the 2020-21 Financial Statements and Accounts was presented in paper 2.1.

0185      LW clarified that UCEM must disclose the numbers of staff in pay bands above £100K and a statement on Head of Provider pay. The proposed statement follows all official guidance and reflects that provided in the Financial Statements and Accounts in 2019-20.

0186      The Committee **APPROVED** the Pay Transparency Justification Statement proposed in paper 2.1 for the 2020-21 UCEM Financial Statements and Accounts.

**0187      2.2/ TO APPROVE THE PAY MULTIPLES SUBMISSION**

0188      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. The proposed wording of UCEM's submission to the OfS for 2020-21 was presented in paper 2.2.

0189      LW reported that this is the second 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 all guidance. The figures are reflective of UCEM payroll over the last 12 months, including all full and part time staff, leavers and new starters, all Associate Tutors and some exam invigilators. This is a total of 474 staff in 2020-21 (was 478 last 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).

0190      For the financial year ending 31 July 2021, the pay multiple at UCEM is as follows:

- The head of the provider's basic salary is 5.1 times 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 7.2 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

0191      The Committee **NOTED** that whilst the basic salary pay multiple remains unchanged since last year, but that the total remuneration pay multiple had increased from 6.2 times to 7.2 times in 2021, partly influenced by the award of a significant bonus to the Principal but remains under the benchmark.

0192      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.

0193 The Committee **APPROVED** the pay multiple wording presented for inclusion in the end of year Financial Statements for 2020-21.

**0194 2.3/ TO NOTE THE SENIOR STAFF REMUNERATION DISCLOSURES 2019-20**

0195 The Remuneration Committee had communication over email in early September 2021 regarding Senior Staff Remuneration Disclosures. The OfS wrote to the Principal on 8<sup>th</sup> September 2021 informing him that UCEM was named in their analysis of senior staff remuneration disclosures and to request that, should it wish to do so, UCEM makes any representations to the OfS about this prior to a final decision on publication. The letter was provided in paper 2.3a. The Committee was reminded that UCEM had opted not to make any representations to the OfS. Committee endorsement of this decision was secured on 10<sup>th</sup> September 2021 via email.

0196 The Committee **NOTED** its decision not to make representations regarding the publication of UCEM Senior Staff salaries for 2019-20 in the OfS analysis that is due for imminent publication. The Committee expressed confidence in its robust procedures and decisions regarding remuneration decisions made in the Committee meetings should there be any scrutiny. The Committee also **NOTED** that UCEM has prepared a press release on this matter, including references to the justifications for pay amendments in that year, for issue upon release of the OfS analysis when this happens, if there is any interest in UCEM's data. Interest in UCEM is not anticipated.

**0197 2.4/ REDACTED**

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**ACTION: REDACTED**

**0207 3/ ANY OTHER BUSINESS**

0208 No other matters of business were raised, and the Chair closed the meeting at 11.59am.

0209 The date of the next Remuneration Committee meeting will be Tuesday 30<sup>th</sup> August 2022.

Signed: 

Name: Jat Brainch

Position: Honorary Treasurer and Chair of Remuneration Committee

Date: 30<sup>th</sup> August 2022