

**REMUNERATION COMMITTEE
30TH AUGUST 2022**

REDACTED MINUTES FOR PUBLICATION

A meeting of the Remuneration Committee was held remotely via Zoom videoconferencing on Tuesday 30th August 2022 from 14.30-15.30pm.

Present: Jat Brainch [JB] Honorary Treasurer and Chair
Amanda Clack [AC]
Stephen Jackson [SJ]
Andy Macdonald [AM]

Apologies:

In Attendance: Laura Bell McMillan (Board Apprentice) [LBM] - observing
Jane Fawkes (University College Secretary) [JEF] (Except for items 4.1 and 4.2)
Lyndsay Hughes (note taker) [LH]
Ashley Wheaton (Principal) [AW] (Except for item 4.2)
Lisa Wilks (HR Director) [LW]

0224 1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST

0225 There were no conflicts of interest declared, except noting that:
- The Principal would not attend item 4.2 regarding his own remuneration and reward package.
- The Deputy Principal would not attend items 4.1 and 4.2 regarding Executive members and Principal's remuneration and reward packages.
- Ashley Wheaton and Andy Macdonald work together on the JISC Remuneration Committee where Andy is involved as Group HR Director and AW is Chair of the Committee/ Vice-Chair of JISC.

0226 1.2/ APOLOGIES FOR ABSENCE

0227 There were no apologies for absence.

0228 1.3/ WELCOME TO THE NEW EXTERNAL REPRESENTATIVE

0229 The Chair welcomed Andy Macdonald, Group HR Director at JISC, to his first meeting of the Committee as External Representative. The Chair also welcomed Laura Bell McMillan who as a Board Apprentice was observing the meeting. The Chair reminded participants of the confidentiality and sensitivity of the planned discussions.

0230 1.4/ MINUTES OF THE MEETING HELD ON 22ND OCTOBER 2021

0231 The minutes of the Remuneration Committee held 22nd October 2021 (paper 1.4) 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.

0232 1.5/ MINUTES OF THE MEETING HELD ON 11TH MAY 2022

0233 The minutes of the exceptional Remuneration Committee held 11th May 2022 (paper 1.5) were **APPROVED** as a true record and signed by the Honorary Treasurer. The Committee **APPROVED** the full redaction of these minutes, noting they will therefore not be published on the UCEM website.

0234 1.6/ MATTERS ARISING AND ACTIONS SUMMARY

0235 The Committee **NOTED** that there were six actions ongoing since the October meeting of the Committee, five of which have been fully closed. The ongoing action related to UCEM preparing a pay policy and this will be discussed at agenda item 5.1.

0236 1.7/ REMUNERATION COMMITTEE ANNUAL REPORT 2021-22

0237 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 2021-22 academic and financial year was presented in paper 1.7 for review and approval.

0238 The Committee **APPROVED** the Remuneration Committee Annual Report 2021-22 for presentation to the Board of Trustees for review and final approval in September 2022.

0239 2.1/ ROLE AND REMIT OF THE REMUNERATION COMMITTEE

0240 The Committee was reminded of its role through consideration of its Terms of Reference, the requirements of the Office for Students Accounts Direction and the CUC Higher Education Remuneration Code guidance provided in papers 2.1a and 2.1b and the link to the CUC Higher Education Senior Staff Remuneration Code. The Committee **NOTED** that its deliberations will be transparent to the wider Board and that minutes (with redactions) will be published on the UCEM website. The Committee also **NOTED** that full transparency is driven by the Office for Students Conditions of Registration and the requirement to publish a pay transparency justification statement and a pay multiples submission later in the year.

0241 The Committee reviewed its Terms of Reference. There were no proposed changes except to the Committee membership. The Committee **NOTED** that appointment of a Student Trustee to the Committee is part of UCEM's commitment to transparency, accountability and value for money from the student perspective and UCEM will seek to fill the vacancy left by Muhammad Ahmed in Autumn 2022 when the next round of Student Trustee recruitment is completed.

0242 The Committee **APPROVED** the Remuneration Committee Terms of Reference V9.01 for finalisation and publication as the new V10.00.

- 0243 The Committee **NOTED** the context in which it is empowered to make decisions on remuneration of key roles at UCEM and **NOTED** the relevant guidance provided.
- 0244** **3.1/ STAFF REMUNERATION AND REWARD**
- 0245 Jane Fawkes/Lisa Wilks reminded the Committee that the Board of Trustees had approved, on 7th July 2022, the budget for 2022-23. REDACTED
- 0246 The Committee queried the total number of staff eligible for pay benchmarking REDACTED
- 0247 The Committee commented that UCEM still aspires to median benchmark but recognised that this is still not possible and has sought to attract and retain staff through other measures this year, such as expanding the benefits made available to staff. Benchmarking is not always easy in the higher education sector and for the types of roles UCEM has – it can be open to some interpretation and provides only one data point for consideration. REDACTED UCEM will continue to benchmark annually providing the budget allows.
- 0248 AM requested to see data on benchmarking awards being made relative to gender and other protected characteristics. The Committee would also like to see the cost implications of moving all staff to median benchmarks and the current numbers of staff in each benchmark quartile to help inform future Committee discussions.
- ACTION: Provide pay benchmarking award data of UCEM staff by protected characteristics to the Committee. [LW]**
- Provide data on the total cost of benchmarking all UCEM staff to median quartile and data on numbers of staff in each quartile currently. [LW]**
- 0249 The Committee **NOTED** the Staff Performance Bonus process for 2022-23 REDACTED and to be distributed in September against a five-point graded performance scale for all staff. The totality will be fitted to the available budget once all performance scores are known.
- 0250 The Committee **NOTED** that all staff are to be awarded a 3% pay rise as per the approved budget for 2022-23 and payable from August 2022 REDACTED
- 0251 REDACTED
- 0252** **4.1/ THE PRINCIPAL'S PROPOSALS ON REMUNERATION AND REWARD FOR THE EXECUTIVE**
- 0253 Jane Fawkes, the Deputy Principal and a member of the Executive, left the meeting for items 4.1 and 4.2.
- 0254 Ashley Wheaton proposed adjustments to the annual pay awards (based on the most relevant of Higher Education sector benchmarks – the GuildHE median), and performance related bonus payments for the members of the UCEM Executive Team, for approval by the Remuneration Committee. AW reminded the Committee that it is only required to review those salaries over £100,000 (which is only some members of the Executive team) for the purposes of OfS compliance but that all members of the Executive had been presented for consideration in paper 4.1. AW

also confirmed that his recommendations for bonus seek to align with the institutional approaches to PDR performance ratings that will apply to all staff. Proposals for 3% pay uplifts align with those being made to all UCEM staff and the budget approved by the Board in July 2022. The Committee considered each member of the Executive in turn.

0255 REDACTED

0256 REDACTED

0257 REDACTED

0258 REDACTED

ACTION: REDACTED

0259 REDACTED

0260 REDACTED

0261 REDACTED

0262 REDACTED

0263 REDACTED

0264 REDACTED

0265 REDACTED

0266 REDACTED

0267 REDACTED

0268 REDACTED

0269 REDACTED

0270 REDACTED

0271 REDACTED

0272 REDACTED

ACTION: Process the agreed bonus payments for the Executive through payroll in October 2022 and the agreed uplifts in September 2022 but backdated to 1st August 2022. [LW]

Inform the Executive Team of the decisions of the Committee regarding remuneration and reward for the 2021-22 year. [AW]

0273 The Committee **NOTED** the total budget impact of these awards relative to 2021/22 are all within agreed and approved budgets. Finally, the Committee also **NOTED** that, in taking these decisions on remuneration and bonuses, where any total

package now exceeds £100K, UCEM will be required to disclose this in future annual remuneration disclosures to the OFS.

0274 Ashley Wheaton left the meeting at the conclusion of this item.

0275 4.2/ REMUNERATION AND REWARD FOR THE PRINCIPAL

0276 The purpose of the Committee discussion was to agree any pay adjustment for the Principal, to agree any annual bonus/reward for the Principal and to agree how the Principal's performance will be measured in 2022-23.

0277 REDACTED

0278 REDACTED

0279 REDACTED

ACTION: REDACTED

0280 REDACTED

0281 REDACTED

ACTION: Process the remuneration adjustment for the Principal in September 2022, backdated to August 2022. [LW]

0282 REDACTED

0283 REDACTED

0284 REDACTED

0285 REDACTED

0286 REDACTED

ACTION: REDACTED

0287 AC **AGREED** to work with the Principal over the next month to set objectives for the year ahead which will be shared with the wider Committee by the next meeting.

ACTION: Share the agreed performance targets and metrics for the Principal for the 2022-23 year with the wider Committee once agreed. [AC]

0288 5.1/ DEVELOPMENT OF A UCEM PAY POLICY

0289 Ashley Wheaton and Jane Fawkes re-joined the meeting for this agenda item.

0290 The Committee was reminded that in July 2021 it had requested that UCEM develops a formal pay policy. At that time the Committee had noted that all staff who had been benchmarked that year were moved only to the lower quartile, where some Executive members received increases taking their pay closer to median quartile benchmarks. The use of lower quartile benchmarks recognises the financial

position and challenges UCEM faces. The aim was to set out a formal pay policy where the narrative would be that UCEM is on a journey towards financial sustainability and the ability to consistently generate a financial surplus and that it aspires to pay staff to the median quartile of relevant benchmarks when this financial position becomes a reality (thereby recognising that the lower quartile may be all that is possible whilst UCEM continues to run a deficit/breakeven budget). This position recognises the balance between ensuring the financial stability of the institution alongside fairness and parity in pay to all staff.

0291 LW has prepared a first draft UCEM Pay Policy for the Committee based on this context, and this was provided at paper 5.1a for the review and comment of the Committee. LW commented that the aim of the policy was to be simple and provide a logical structure to UCEM's pay arrangements. It seeks to include only what is not already included in employment contracts.

0292 The Committee welcomed the policy and its contents. The only suggestion was to include a full definition of 'pay' at the start of the policy, so this is not left to interpretation.

0293 The Committee **APPROVED** the draft UCEM Pay Policy as provided in paper 5.1a subject to inclusion of a definition of pay in the context of the policy.

ACTION: Make final amendment to the Draft Pay Policy to include a definition of 'pay' then finalise and publish the document. [LW]

0294 The Committee was reminded and informed that an Exceptional Nominations and Governance Committee meeting had taken place in February 2022 following the Principal's proposal to take a sabbatical during the year. This was also attended by the Chair of the Remuneration Committee. At that meeting it was agreed that UCEM should prepare a Sabbatical/Study Leave policy for the approval of the Board. It is the intention that this policy is prepared for Remuneration Committee consideration and approval in October 2022.

ACTION: Prepare a draft UCEM Sabbatical/Study Leave Policy for Board approval. [LW]

0295 6.1/ ANY OTHER BUSINESS

0296 No other matters of business were raised, and the Chair closed the meeting at 15.30pm.

0297 The date and time of the next Remuneration Committee meeting will be Friday 21st October 2022.

An additional short meeting of the Remuneration Committee (with a quoracy of membership) was convened on 2nd September 2022 to finalise agreements on the matters left outstanding from 30th August 2022, these being:

1/ REDACTED

2/ REDACTED

3/ REDACTED

Stephen Jackson, Laura Bell McMillan, Ashley Wheaton and Jane Fawkes did not attend this meeting.

0298 REDACTED

0299 REDACTED

0300 REDACTED

ACTION: REDACTED

0301 REDACTED

ACTION: REDACTED

0302 REDACTED

0303 REDACTED

ACTION: REDACTED

0304 REDACTED

ACTION: Inform the Principal of the decisions of the Committee regarding remuneration and reward for the 2021-22 year. [JB]

REDACTED

REDACTED

Signed:



Name: Jat Brainch

Position: Honorary Treasurer and Chair of Remuneration Committee

Date: 21st October 2022