

REMUNERATION COMMITTEE

21st OCTOBER 2022

REDACTED MINUTES FOR PUBLICATION

A meeting of the Remuneration Committee was held remotely via Zoom videoconferencing on Friday 21st October 2022 from 11.15am-12.00noon.

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

Apologies:

In Attendance: Jane Fawkes (University College Secretary) [JEF] (Except for item 2.3)
Lyndsay Hughes (note taker) [LH]
Ashley Wheaton (Principal) [AW]
Lisa Wilks (HR Director) [LW]

0305 **1.1/ DECLARATION OF ANY CONFLICTS OF INTEREST**

0306 There were no conflicts of interest declared, except noting that:
- The Deputy Principal would not attend item 2.3 REDACTED
- 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.

0307 **1.2/ APOLOGIES FOR ABSENCE**

0308 There were no apologies for absence.

0309 **1.3/ MINUTES OF THE MEETING HELD ON 30TH AUGUST 2022**

0310 The minutes of the Remuneration Committee held 30th August 2022 (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.

0311 **1.4/ MATTERS ARISING AND ACTIONS SUMMARY**

0312 The Committee **NOTED** that there were many actions agreed at the last meeting of the Committee:
All those relating to pay awards and payroll have been actioned, as has the finalisation and publication of the UCEM pay policy.

Actions regarding provision of pay benchmarking data, creation of a sabbatical/study leave policy for approval, and creation of revised pay structures for the Executive Team will come forward in 2023.

The Principal's objectives are still being finalised and will be shared over email once completed by the Chair of the Board of Trustees.

REDACTED

0313 **1.5/ CHAIR'S ACTION – EXECUTIVE PAY DECISIONS**

0314 The Committee **NOTED** that via follow-up discussions and email during September and October, two further decisions of the Committee were taken regarding Executive pay, with final approval made on 7th October. The Committee was therefore content to note the following Chair's Action:

0315 REDACTED

0316 **2.1/ TO APPROVE THE PAY TRANSPARENCY JUSTIFICATION STATEMENT FOR THE 2021-22 FINANCIAL STATEMENTS AND ACCOUNTS**

0317 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 2021-22 Financial Statements and Accounts was presented in paper 2.1.

0318 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 and 2020-21.

0319 The Committee **APPROVED** the Pay Transparency Justification Statement proposed in paper 2.1 for the 2021-22 UCEM Financial Statements and Accounts:
The Remuneration Committee met on 9 July 2021 and approved a basic pay increase of 2%, from £209,000 to £213,180 per annum, from 1 August 2021. This represented an inflationary increase only, as the Committee were satisfied basic pay sat comfortably within the relevant Higher Education sector benchmarks.
In terms of a performance-related bonus for the year ending 31 July 2022, the Remuneration Committee met to consider this on 30 August 2022. Clear performance metrics had been set the prior year, focused on four areas of work, namely 1) operational and overall business performance based on annual Key Performance Indicators; 2) strategic priorities and projects, including the Ofsted inspection outcome and Indefinite Degree Awarding Powers application outcome; 3) increasing the profile and brand of UCEM; and 4) personal development activities. By the end of August 2022 all results against performance metrics were available for the Committee to review, and it was noted that these had been monitored throughout the year via the quarterly report to the wider Board of Trustees.
The Committee noted it had been a difficult year personally for the Principal but that despite taking a three-month leave of absence from May to July 2022 inclusive, leadership of the Institution had been strong with strong performance against metrics, particularly Ofsted Good and the generation of a financial surplus. As a result, the Committee approved a performance-related bonus for the Principal of £39,500.

0320 **2.2/ TO APPROVE THE PAY MULTIPLES SUBMISSION**

- 0321 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 2021-22 was presented in paper 2.2.
- 0322 LW reported that this is the third 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 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 more. This is a total of 493 staff in 2021-22 (was 474 in 2021 and 478 in 2020). 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).
- 0323 For the financial year ending 31 July 2022, the pay multiple at UCEM is as follows:
- The Head of the Provider's basic salary is 5.15 times (2021: 5.05) 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 7.23 times (2021: 7.18) 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.
- 0324 The Committee **NOTED** that the basic salary pay multiple and the total remuneration pay multiple have both remained broadly static since last year, and remain comfortably within normal levels seen at other HEIs, as per the benchmarking data provided.
- 0325 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.
- 0326 The Committee **APPROVED** the pay multiple wording presented for inclusion in the end of year Financial Statements for 2021-22, noting that the ratios will also be included in the Annual Financial Return.
- 0327** **2.3/ REDACTED**
- 0328 REDACTED
- 0329 REDACTED
- 0330 REDACTED
- 0331 REDACTED
- 0332 REDACTED
- 0333** **3.1/ ANY OTHER BUSINESS**

- 0334 No other matters of business were raised, and the Chair closed the meeting at 11.52am.
- 0335 The date and time of the next Remuneration Committee meeting will be Wednesday 22nd February 2023.

Signed:



Name: Jat Brainch

Position: Honorary Treasurer and Chair of Remuneration Committee

Date: 22nd February 2023