




**TO:** BOARD OF GOVERNORS, 8 DECEMBER 2021  
**FROM:** SUE LANE, CHAIR OF REMUNERATION COMMITTEE  
**PREPARED BY:** ARLENE STONE, DIRECTOR OF HUMAN RESOURCES / LUCY BARLING, GOVERNANCE MANAGER  
**DATE:** 13 OCTOBER 2021  
**APPROVED BY CHAIR:**   
**SUBJECT:** ANNUAL REPORT OF REMUNERATION COMMITTEE TO THE BOARD OF GOVERNORS, 2020/21

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**1. PURPOSE & RECOMMENDATION**

- 1.1 The Remuneration Committee is responsible for overseeing the remuneration of the Vice-Chancellor and other Senior Post Holders, balancing the needs of the University in a competitive environment with the appropriate use of funds, ensuring financial sustainability. The Remuneration Committee reviews the University's framework for the pay and conditions of service for all other staff and also reviews equality and diversity issues in relation to the remuneration of staff, whilst monitoring the gender pay gap.
- 1.2 This report summarises the business of the Remuneration Committee in the academic year 2020/21 and describes how the Committee has discharged its responsibilities in accordance with its terms of reference.
- 1.3 The report is prepared in compliance with the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC), which requires Bath Spa University to produce an annual remuneration report. Under the Code, the report should provide sufficient assurance to the governing body that the Remuneration Committee has effectively discharged its responsibilities.
- 1.4 **The Board of Governors is invited to: NOTE this report; and ENDORSE the Committee's principles that govern their approach to remuneration.**

**2. TERMS OF REFERENCE AND MEMBERSHIP**

- 2.1 The Remuneration Committee terms of reference were reviewed and approved by the Remuneration Committee in October 2021, and subsequently by the Board of Governors in December 2021; refer to **Appendix A**.
- 2.2 The Committee's remit applies only to the holders of "Senior Posts", defined as Vice-Chancellor, Deputy Vice-Chancellor Pro-Vice-Chancellor Finance & Infrastructure (Chief Financial Officer) and the Secretary to the Board of Governors (a role undertaken by the University Secretary).

- 2.3 In 2020/21, the Committee met virtually on two occasions, October 2020 and May 2021, both meetings were quorate. The members, as outlined below, were in attendance for the review period with the University Secretary represented by R di Corpo as the Committee Secretary. The University Secretary was not present for any discussions about his own pay.
- 2.4 The Remuneration Committee meetings are also attended by the University's HR Director who provides information and analysis. The Vice-Chancellor was not present for any discussions, including discussions about her own pay but is in attendance when requested by the Chair; this of course excludes meetings or agenda items where discussions and decisions are made where there would be personal implications.
- 2.5 The Remuneration Committee comprises independent members from a range of backgrounds who are able to provide an independent view on remuneration matters. Remuneration Committee members have the requisite skills in line with the current Higher Education Senior Staff Remuneration Code. During 2020/21, the Committee's membership was composed as follows:

Category of Membership	Name
The Chair of the Board of Governors	Mr J Glasspool (Chaired the October meeting when he was Deputy Chair) Mr T Jagger for the October meeting
Independent members of the Board with expertise in leadership and/or senior remuneration in other sectors, appointed by the Board	Ms S Lane (Current Chair) Ms R Heald and Prof P Martin attended the October meeting before retiring as governors. Dr J Brasted and Ms J Luxford joined the Committee as members for the May meeting.

- 2.6 No member of University staff is a member of Remuneration Committee. There was no conflict of interest for Remuneration Committee members at any meeting during 2020/21.

### **3. PRINCIPLES**

- 3.1 Bath Spa University is aware of its responsibilities to demonstrate appropriate use of resources, whilst ensuring that we can attract and retain the best possible staff to maintain our reputation, add to society, improve the local economy and ensure our students have the best possible experience and outcome. Our staff are our greatest asset and appropriate remuneration and reward are an important part of our relationship.
- 3.2 The following three elements of fair and appropriate remuneration, from the Committee of University Chairs (CUC) code, shall govern the determination of remuneration for senior staff:
- a fair, appropriate and justifiable level of remuneration;
  - procedural fairness; and
  - transparency and accountability.
- 3.3 In setting/ approving the remuneration of Senior Post Holders of the University, multiple factors are taken into consideration that have arisen through discussion and reference to the CUC HE Remuneration Code:
- 3.3.1 The economic environment and the extent of pay restraint nationally.

- 3.3.2 The role and ability to recruit into that role in the current local/ national/international market.
  - 3.3.3 The skills and experience the individual brings to the role and the wider University, including leadership skills.
  - 3.3.4 Role-based market rates/benchmark information.
  - 3.3.5 The performance in the previous 12 months measured through individual and team performance review related to the University's strategic objectives. In particular, exceptional performance should be rewarded.
  - 3.3.6 The overall pay envelope.
  - 3.3.7 The requirement to reduce the Gender Pay Gap.
- 3.4 In doing all of the above, remuneration decisions will enable:
- The recruitment, motivation and retention of the highest quality staff.
  - Exceptional performance to be recognised.
  - Internal relativity.
- 3.5 The Committee is working on a Remuneration Strategy that will expand on how they intend to implement these principles and is intending to secure some external expertise to assist in developing this. This will be brought to the April 2022 Remuneration Committee meeting for discussion.

#### **4. WORK OF THE COMMITTEE**

- 4.1 The Committee has been mindful of the challenges the University operates within that include the pandemic, high levels of uncertainty and change. Members considered the turnover and size of the University, understanding that it is positioned as relatively small in the sector. The Committee also considered the challenges that are faced by having multiple sites, the ambitions of the University in the 2030 Strategy, and the associated Recovery & Renewal plan, and the links made internationally.
- 4.2 In addition to the above, the Committee examined and discussed a broad and comprehensive set of data identified below. In summary, the main considerations taken into account by the Committee in determining changes to the remuneration packages of the holders of Senior Posts were:
- The performance of the University, for example as set out in the regular reports to the Board on specified Key Performance Indicators.
  - The individual contribution of post-holders as aligned with the University's strategy and performance, and in relation to agreed personal objectives.
  - The need for the University to maintain its competitive position in the higher education and wider market-place for equivalent positions.
  - Affordability and reputation.
- 4.3 Given that the University is competing in increasingly competitive national and international markets, the data the Committee used to inform its deliberations therefore draws on a broad range of contextual and bench-marking information. The information analysed included the following:
- University and Colleges Employers Association (UCEA) Senior Staff Remuneration Survey data for:
    - All institutions
    - All Post-92 institutions

- All institutions with an income of £70m to £100m
- Post 92 Universities with an income of £70m to £100m
- Million + group
- Benchmark information from other universities including the CUC Vice-Chancellor Salary Survey data for:
  - Falmouth University
  - Goldsmiths
  - University of Winchester
  - University of Portsmouth
  - University of Buckingham
  - University for the Creative Arts
  - Coventry University

#### 4.4 The Committee also received and noted information on:

- The national pay negotiations between UCEA and the five trade unions.
- The pay multiple of the remuneration of the Vice-Chancellor to the median earnings of the university workforce. This year the ratio for the basic pay of the Vice-Chancellor compared to medians was 6.5 compared to 5.4 the previous year and 7.5 for total pay compared to 6.5 last year. The change in the multiplier figures is a result of a decrease in the median salary for all staff, this is most likely due to the increased use of casual staff coming out of lockdown.

4.5 As there had recently been an independent review of the CUC HE Remuneration Code published, the Committee received a report noting the recommendations made by the review that were relevant to the University. One of the recommendations was to conduct a self-assessment against the Code which they also received a paper about. They concluded that they were satisfied that the University was compliant with the CUC HE Remuneration Code and the other recommendations made in the review. They noted that an updated version of the Consultancy Policy included a statement on income derived from external activities for Senior Post Holders and that this Policy was publicly available on the website [here](#). The Committee also discussed how to engage staff and students in remuneration issues and the HR Director was commissioned to discuss with student and staff governors the approach of the Committee to decision making and to seek their views about how they might input in the future.

4.6 When the Vice-Chancellor was appointed her remuneration included eligibility to receive a bonus of up to £19,200 dependant on performance, this has always been disclosed, along with her salary on the website. For a variety of reasons, none of which are related to the performance of the Vice-Chancellor, the bonus has never been paid. The Committee discussed the request from the Vice-Chancellor that this element of her remuneration was removed and that it would align her with all the other Senior Post Holders. The Committee agreed to the request and acknowledged the Vice-Chancellor's leadership and team spirit, and her significant role in the renewal and recovery plan.

4.7 During 2020/21, the Committee received reports on the performance of the holders of Senior Posts against their objectives. The Committee acknowledged the significant challenges faced by the senior leadership team as a result of the global pandemic. They noted the personal impact on these individuals many of whom often gave up their annual leave or still continued to contribute to work during their leave. They recognised the unpredictability of the external environment and the impact on the financial performance of the organisation, so agreed that

senior post holders would not receive a pay increase, along with the rest of staff. However, the Remuneration Committee were extremely complimentary about how effectively and relentlessly the leadership team had worked in unprecedented circumstances.

4.8 The Committee's discussions during this time period covered inter alia:

- The important governance role of the Committee in reaching remuneration decisions.
- Alignment between the remuneration packages of holders of Senior Posts with the performance of both the individuals and the university and in particular that performance related pay should only reward exceptional performance.
- How the Committee would be able to demonstrate that their decisions represented value for money
- The potential for other roles outside the sector to also be used as benchmarks.

4.9 In addition to the above the Committee received papers about and discussed the gender pay gap (which covers all staff groups), staff diversity data and equality and diversity activities prior to a summary report going to the Board. They also reviewed the framework for pay and conditions of staff and received a report on governor's expenses.

## 5. RECOMMENDATION

5.1 The Board of Governors is invited to APPROVE this report and the Committee's principles that govern their approach to remuneration.

## ATTACHMENTS

**APPENDIX A** Terms of Reference, Bath Spa University Remuneration Committee

Signed:



Dated:

13 October 2021

**Endorsed by the Board of Governors on 8 December 2021**

**APPENDIX A****TERMS OF REFERENCE  
BATH SPA UNIVERSITY REMUNERATION COMMITTEE****1. Purpose**

1.1 The Remuneration Committee is responsible to the Board of Governors for:

- Determining the grading, pay, and terms and conditions of service for Senior Post Holders<sup>1</sup> including, if necessary, severance arrangements;
- Reviewing the University's framework for the pay and conditions of service for all other staff and making recommendations to the Board of Governors where appropriate;
- Monitoring the Gender Pay Gap and Equality and Diversity.
- Other related matters as may be delegated by the Board of Governors.

**2. Membership**

2.1 The Committee shall be a standing committee of the Board of Governors.

2.2 The Committee shall consist of up to five independent members of the Board of Governors and one of whom shall act as Chair of the Committee. In addition, an independent specialist in the field of remuneration may be co-opted to the Committee as necessary.

2.3 Membership shall usually include the Chair or the Deputy Chair of the Board of Governors, or both.

2.4 The Chair of the Board of Governors may not be the Chair of the Committee.

2.5 The Vice-Chancellor may not be a member of the Committee. The Vice-Chancellor may attend its meetings by invitation but must not be present nor involved in any discussion regarding their own remuneration or terms of employment.

**3. Quorum**

3.1 The quorum necessary for the transaction of business shall be three, including the Chair of the Committee.

**4. Frequency and attendance at meetings**

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<sup>1</sup> Senior Post Holders include the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro Vice-Chancellor (Finance & Infrastructure), the Secretary to the Board of Governors and other senior posts as determined by the Board of Governors.

4.1 The Committee shall usually meet twice per year and at such other times as the Chair of the Committee shall require.

4.2 The University Secretary shall be the Secretary of the Committee.

4.3 In attendance at the Committee shall be the Director of Human Resources.

4.4 At the discretion of the Chair of the Committee, other individuals may be invited to observe a meeting of the Committee by prior arrangement.

## **5. Other matters**

5.1 The Secretary shall withdraw from any meeting or part thereof where their position is under discussion.

5.1 The Committee shall be authorised by the Board of Governors to obtain, at the University's expense, outside legal or other professional advice on any matters within its terms of reference.

***Reviewed by Remuneration Committee: 13 October 2021***

***Approved by the Board of Governors: 8 December 2021***