



REMUNERATION COMMITTEE REPORT TO THE BOARD OF TRUSTEES 2019/20

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For decision <input type="checkbox"/>	For discussion: <input checked="" type="checkbox"/>
The Board of Trustees is asked to:	
NOTE the annual report of the Remuneration Committee for 2019/20.	
Executive Summary	
In line with requirements from the CUC (Committee of University Chairs) Senior Staff Remuneration Code, Remuneration Committees must produce an annual remuneration report to the governing body.	
The Committee also met on the 7 th October 2020 to consider the Vice-Chancellor's Pay Ratio.	
Report/Supporting Information	
Report/Supporting Information attached.	NO <input type="checkbox"/> YES <input checked="" type="checkbox"/>

- 1. Background**
- 1.1 Remuneration Committee is responsible for overseeing the remuneration of the Vice-Chancellor and other members of the University's Executive Team, balancing the needs of the University in a competitive environment with the appropriate use of funds. The Remuneration Committee also reviews equality and diversity issues in relation to remuneration of senior staff.
- 1.2 This committee normally meets twice a year, once to consider annual salary movement for those senior staff within its remit (and maintain an overview of salary decisions already made by the Professorial Salary Committee and Senior Professional Services Salary Committee), and once to consider a range of matters related to remuneration.
- 1.3 Remuneration Committee determines the remuneration for members of its remit group: Vice-Chancellor, Deputy Vice-Chancellor and Provost, Deputy Vice-Chancellor (Temple Quarter), Pro Vice-Chancellors, Chief Operating Officer, the Registrar and University Secretary, the Deans and Senior Professional Services Directors on M4. Decisions are made based on detailed information provided by the individual's line manager on performance in role against clear objectives.
- 1.4 The policies on remuneration and on external working for the Remuneration Committee Remit Group are published on the [Remuneration Committee web page](#).
- 1.5 Due to the ongoing COVID-19 situation, Remuneration Committee met once during 2019/20 on 16 July 2020. The Committee also met on the 7th October 2020 to consider the Vice-Chancellor's Pay Ratio and the report was updated further to that meeting.

2. Membership of Remuneration Committee

- 2.1 The Remuneration Committee comprises of external 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.
- 2.2 Membership of Remuneration Committee as at 16 July 2020 is as follows: Mohammed Saddiq (Chair of Remuneration Committee and lay member of the Board of Trustees), Jack Boyer (Chair of the Board of Trustees), Jessica Cecil (Lay member of the Board of Trustees), Andrew Poolman (University Treasurer and lay member of the Board of Trustees), and Andreas Raffel (Lay member of the Board of Trustees).
- 2.3 No member of University staff is a member of Remuneration Committee. There was no conflict of interest for Remuneration Committee members at this meeting.
- 2.4 As part of Remuneration Committee's commitment to ensuring members' skills are kept up to date on senior remuneration matters, the first part of this meeting was a presentation on sharing good practice for setting executive pay, facilitated by senior remuneration experts [Verditer](#).

3. Staff pay negotiations for 2020/21

- 3.1 Remuneration Committee was updated on the local staff pay negotiations with the three trade unions recognised by the University, (UCU, UNITE and UNISON). The University had undertaken pay negotiations to reduce the pay bill in 2020/21, as a result of the known reduction in income in 2019/20 and the potential income reduction in 2020/21. The primary aim of the negotiations was to protect jobs where possible.
- 3.2 Remuneration Committee noted the outcome of these discussions, which are as follows:
 - 3.2.1 REDACTED COMMERCIAL IN CONFIDENCE**
- 3.3 In addition to the above local outcomes, there will be no national pay award for 2020-21 – annual national pay negotiations with UCEA (University and Colleges Employers Association) and the five recognised HE Trade Unions.
- 3.4 Remuneration Committee noted that the University Executive Board has taken a voluntary 10% pay cut (with the Vice-Chancellor taking a 20% voluntary pay cut) for an initial period of 1 May 2020 to 31 August 2020. Bristol was one of the first institutions to announce such a move, which was recognised positively by Government. This voluntary pay cut will continue until September 2020, after which time the University will have visibility of student numbers and associated income for 2020/21. After that time, any voluntary pay cuts, should they be required, will only take place in the context of a formal University-wide remuneration framework approved in consultation with Remuneration Committee.
- 3.5 Remuneration Committee noted that the University is undertaking an equality impact assessment of the above measures to determine the impact and effect. If the University finds itself to be in a better financial position than anticipated in the Autumn, the measures outlined at 3.2 will be reconsidered.

4. Performance of the Remuneration Committee Remit Group 2019/20

- 4.1 There was a more 'light touch' approach to reporting to Remuneration Committee on performance of the remit group for 2019/20, given that: (1) objectives/priorities had changed dramatically with COVID-19, (2) salaries were effectively frozen or voluntarily reduced and (3) the senior team were extraordinarily busy at this time.
- 4.2 Hugh Brady, Robert Kerse, Judith Squires and Lucinda Parr joined this part of the meeting to give a verbal update on the performance of their direct reports on salary grade M4 and above. No member of staff was present at the meeting when their own performance was discussed.
- 4.3 Remuneration Committee recognised how hard the University leadership team had worked in unprecedented circumstances. The team had steered the institution through exceptional times with significant workload and subsequent personal impact.
- 4.4 Succession plans in place for if a member of the senior team fell ill were also discussed, and Remuneration Committee was reassured that this has been carefully considered.

5. Pay in Lieu of Pensions

- 5.1 This had been discussed at a separate meeting in February and it was agreed at this meeting to continue this policy for a further year for existing members.

6. Gender and Ethnicity Pay Gap Report 2020

- 6.1 Remuneration Committee noted the Gender and Ethnicity Pay Gap Report for 2020.

7. Median to Vice-Chancellor Pay Ratio

- 7.1 There is ongoing attention given to the expression of head of institution pay as a ratio compared to median staff pay, and from 1 August 2019 there is a standard method for reporting in the sector.
- 7.2 The Median to Vice-Chancellor Pay Ratio reported to Remuneration Committee from 2015 to 2019 moved to 1:9 in 2019, having remained at 1:8 in the previous years (which in the absence of a standard sector methodology at that time used basic pay and market supplements and excluded casual staff).
- 7.3 As confirmed in the Remuneration Committee Report to the Board in June 2019, the University is adopting a new pay ratio method as required by the Office for Students (OfS) for institutions' Annual Financial Statements. The new requirements are for two pay ratios¹, base pay² and total pay³, using a wider staff base than before, namely

¹ As confirmed in the OfS Accounts Direction from Aug 2019. The pay multiple must be expressed as the full-time equivalent of the head of the provider's remuneration divided by the median pay at the provider.

² As confirmed in the OfS Accounts Direction FAQs, base pay is defined as full-time equivalent basic salary prior to any adjustment for salary sacrifice (where this applies), excludes bonus payments, market supplements, allowances, and clinical excellence awards.

³ As confirmed in the OfS Accounts Direction FAQs, total pay is defined as full-time equivalent total salary including basic salary (prior to any adjustment for salary sacrifice), dividends (including dividends paid in lieu of salary), performance-related pay and other bonuses awarded during the year (including any deferred payment arrangements and any amounts waived), employer pension contributions and payments in lieu of pension contributions, any sums paid under any pension scheme in relation to employment with the provider, other taxable benefits, non-taxable benefits (where these are available only to senior members of staff or are available only to the head of the provider), market supplements, allowances, clinical excellence awards and any other remuneration.

the inclusion of casual staff⁴.

7.4 The Median to Vice-Chancellor pay ratio data from 2018-2020 (Table 1) is provided, however comparisons across the three years are not recommended because of the evolving methodological requirements with which we have complied during 2019 and 2020 respectively, impacting on the median. A further consideration during this exceptional year is the voluntary temporary reduction of the Vice-Chancellor's salary by 20%. Using the OfS method in 2020 which includes those staff in RTI reporting to HMRC, the base pay ratio is 1:9 and the total pay ratio is 1:11 (compared to 1:10 base pay in 2019 and 1:10 total pay in 2019, but following the OfS guidance available at the time).

7.5 **Table 1 : UoB Pay Ratios 2018, 2019, 2020**

	As at 1/8/18	As at 1/8/19	As at 31/07/20*	Comments
Base pay and market supps only (to 1 d.p.)	8.2	8.9	Not used	Former PR method prior to OfS requirements
Base pay and market supps only (rounded)	8	9		
Base pay (to 1 d.p.)	Not used	10.0	8.7	OfS method used at 01/08/19, but OfS staff definition then changed affecting the median in 31/7/20 figure
Base pay (rounded)	Not used	10	9	
Total pay (to 1 d.p.)	Not used	10.5	10.9	OfS method used at 01/08/19, but OfS staff definition then changed affecting the median in 31/7/20 figure
Total pay (rounded)	Not used	10	11	

* Data as at 31 July 2020 instead of 1 August 2020 as we have used the same data set utilised in the Annual Financial Statement and this year there has been no pay increase for the Vice-Chancellor or pay award for staff

7.7 Since full adherence to the Draft OfS Accounts Direction is necessary from 1 August 2019, the Pay Ratio provided in the Annual Financial Statement can be compared directly to other HEI's Pay Ratios for 2019-20 when these become available.

⁴ As confirmed in the OfS Accounts Direction FAQs this included casual staff, which included those employed directly through an external employment agency who set rates independently of the University.