

UNIVERSITY OF WESTMINSTER REMUNERATION COMMITTEE

ANNUAL REPORT TO THE COURT OF GOVERNORS 2019/20

1. Introduction

This report records the Remuneration Committee's work over the financial year ending 31 July 2020 and supplements the minutes of Committee meetings, which are made available for inspection in accordance with the University's Articles of Association (paragraph 27.3).

As with all the sub-committees of the Court, the Remuneration Committee has presented the minutes of its meetings to the meetings of the Court of Governors¹ and has dealt with the range of areas on which it has delegated authority from the Court.

The following individuals - i.e. all members of the University Executive Board (UEB) - have been within the remit of the Committee during the period:

- Vice-Chancellor and President
- Deputy Vice-Chancellors (2)
- University Secretary and Chief Operating Officer
- Pro Vice-Chancellor and Head of College (3)

2. Terms of Reference and Membership

The terms of reference and membership applicable during the period are available at Appendix 1a and 1b.

The Committee reviewed the Committee's terms of reference and membership on 11 December 2019, the first meeting of the 2019/20 academic year. The Committee agreed the following amendments, which were approved by the Court and adopted on 18 March 2020:

- a) Formatting changes to ensure a consistent presentation format across all Court committees.
- b) Clarification that the business of the Committee may be conducted via email and by Chair's action (within parameters to be set out in Standing Order 4 - Committee structure and procedures).

Independent governor Vanessa James - Interim Chair for the HR Committee replaced Philip Murphy in the membership with effect from 18 March 2020. The Nominations Committee invited independent governor Mei Xin Wang to observe meetings of the Remuneration Committee from January 2020 in preparation for joining the membership from 1 September 2020.

3. Implementation of the remuneration framework in 2019/20

3.1. Salaries

Having discussed the student body's view on senior pay at the University with the UWSU President, Ibrahim Alzaid, members decided that salaries for UEB members from 1 August 2020 would remain as at 1 August 2019 (plus the Cost of Living award agreed in September 2019) or as at appointment. The Committee decided

¹ Confidential minutes that reference personal salary data are redacted prior to submission to the Court

to make one exception and approved an uplift to the salary for the Vice-Chancellor based on development and performance in the role and on the recommendation of the Chair to the Court of Governors. When making salary decisions in April 2020 the Committee considered the external context - including the financial impact of the coronavirus pandemic and the view of the regulator and government on senior pay in the sector. The Committee also considered a confidential pro forma report on performance during 2019/20 presented by the Chair to the Court of Governors (for the Vice-Chancellor) and by the Vice-Chancellor (for all other UEB members) and referenced the 2019/20 objectives and performance measures agreed in December 2019.

The Committee postponed a decision on any Cost of Living award for UEB members pending announcement of any such award for other colleagues.

In August 2020, the Committee approved the starting salary and terms and conditions for the appointment to the role of Interim Head of College (Design, Creative and Digital Industries).

3.2. Performance measures

In August 2020 the Committee confirmed that the proposed objectives and performance measures for UEB members for 2020/21 are appropriate, subject to a minor review of the objectives for the Vice-Chancellor and the Deputy Vice-Chancellor (Education).

3.3. Senior team recognition scheme

The Committee agreed in December 2019 not to change the previously agreed amount - £5,000 - payable to individuals if the criteria are met. At the same meeting, the Committee confirmed that the criteria for payment had not been met in 2018/19.

4. Pay multiple

The total remuneration package for the Vice-Chancellor is a salary of £250,000. There are no additional pension payments and are no benefits in kind.

At 31 July 2020, the Vice-Chancellor's basic salary is 5.5 times the median pay of staff, where the median pay is calculated based on all staff² recorded on the payroll.

At 31 July 2020, the Vice-Chancellor's total remuneration is 4.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Group and the University to its staff.

The table below illustrates how the pay multiple has changed over the last five years³:

Year	Pay multiple (basic salary)	% change from previous year	Pay multiple (total remuneration)	% change from previous year
2019/20	5.5	-1.8%	4.9	-2%
2018/19	5.6	-3.5%	5.0	-2%
2017/18	5.8	-14.7%	5.1	-15%
2016/17	6.8	+3.0%	6.0	+3.4%
2015/16	6.6	Nil	5.8	+1.7%

² All staff include academic and non-academic staff including visiting lecturers that are required to be included in real time reporting to HMRC. Agency staff are excluded.

³ The University has adopted the definitions for preparing the median pay ratio set out within the 2019/20 Accounts Direction. The median pay ratios have been prepared based on all staff recorded on the payroll. 2017/18 multiples have been restated to bring them in line with this change.

5. Other work

5.1. Expenses claims – Chair to the Court of Governors

The Committee confirms that the Director of Finance discharged the Committee's responsibility to act as the formal authority for the authorisation of expenses claims made by the Chair to the Court during the period. The Committee received a summary of the expenses reimbursed to the Chair to the Court for the financial year 2018/19 in December 2019.

5.2. Remuneration of colleagues on senior management contracts

The Committee received and noted a summary report on the level of remuneration of colleagues on senior management contracts in April 2020 for internal benchmarking purposes.

5.3. Severance payments

The Committee did not receive notification of any severance payments paid in 2019/20.

5.4. Remit and responsibilities of the Committee

In April 2020, the Committee reviewed their remit and responsibilities as part of a broader review of the committee structure reporting to the Court of Governors. The Committee did not propose any changes to their remit; however, due to the infrequency of meetings for this Committee, members agreed that the current practice of having an observer in attendance for a year prior to joining the membership should be adopted as a regular succession plan.

**David Cheeseman - Chair, Remuneration Committee
25 November 2020**

APPENDIX 1A: TERMS OF REFERENCE AND MEMBERSHIP (1 AUGUST 2019 TO 17 MARCH 2020)

UNIVERSITY OF WESTMINSTER
COURT OF GOVERNORS

REMUNERATION COMMITTEE

- Membership:** Independent Governor (Chair)
Chair of the Court and Pro Chancellor (ex officio)
Chair of the HR Committee (ex officio)
One additional independent Governor
Co-opted non-governor members with particular expertise (as appropriate)
- In attendance:** Director, Human Resources and Organisation Development (professional adviser)
Clerk to the Court
Other staff, including the Vice-Chancellor, may attend by invitation of the Chair
- Quorum:** Three independent Governors
- Meetings:** The Committee usually meets twice a year. Additional meetings may be called or matters considered by correspondence as deemed necessary by the Chair to execute the business of the Committee.

Terms of Reference

- 1 To review and determine the remuneration, terms and conditions of employment, and, where appropriate, severance payments of the Vice-Chancellor*; to devise and implement appropriate measures and procedures whereby the Vice-Chancellor's performance may be assessed;
- 2 To review and determine the salaries, terms and conditions of employment for the other 'holders of senior posts', and the other members of the University Executive Board, and to agree with the Vice-Chancellor appropriate measures and procedures whereby the performance of these individuals may be assessed;
- 3 To consider appropriate schemes of remuneration for 'holders of senior posts', and the members of the University Executive Board, and the measures and procedures by which their performance against the targets shall be assessed for the purposes of determining payment due;
- 4 To receive information as appropriate on the level of remuneration of all staff on senior management contracts;
- 5 To seek comparative information on salaries and on other emoluments and conditions of service in the HE sector and where possible in other relevant not-for-profit organisations; to give due regard to the provisions of the HE Code of Governance, the HE Senior Staff Remuneration Code, and the CUC illustrative practice note concerning Remuneration Committees and their operation;
- 6 To act as the formal authority for the authorisation of expenses claims made by the Chair of the Court; to require the Chief Operating Officer to discharge this responsibility on behalf of the Committee;
- 7 To report to the Court of Governors, as appropriate.

* 'Holders of senior posts' and members of the University Executive Board must withdraw from the Committee when their own remuneration, terms and conditions of appointment or severance payment are under discussion.

COMMITTEE MEMBERSHIP 2019/20

Independent Governor (Chair)	David Cheeseman
Chair of the Court and Pro Chancellor	Diane Yeo
Chair of the HR Committee	Philip Murphy (to 27 February 2020) Vanessa James, Interim Chair (from 18 March 2020)
One additional independent Governor	Karen Dunnell (Deputy Chair)
Independent (non-governor) member	Matthew Appleton

APPENDIX 1B: TERMS OF REFERENCE AND MEMBERSHIP (FROM 18 MARCH 2020)

REMUNERATION COMMITTEE

The Remuneration Committee is a committee of the Court of Governors.

The purpose of the Committee is to review and determine, on delegated authority from the Court, matters relating to the remuneration, terms and conditions of employment and performance measures for members of the University Executive Board.

Specifically, the Committee will:

1. To review and determine the remuneration, terms and conditions of employment, and, where appropriate, severance payments of the Vice-Chancellor⁴; to devise and implement appropriate measures and procedures whereby the Vice-Chancellor's performance may be assessed;
2. To review and determine the salaries, terms and conditions of employment for the other members of the University Executive Board, and to agree with the Vice-Chancellor appropriate measures and procedures whereby the performance of these individuals may be assessed;
3. To consider appropriate schemes of remuneration for members of the University Executive Board and the measures and procedures by which their performance against the targets shall be assessed for the purposes of determining payment due;
4. To receive information as appropriate on the level of remuneration of all staff on senior management contracts;
5. To seek comparative information on salaries and on other emoluments and conditions of service in the HE sector and where possible in other relevant not-for-profit organisations; to give due regard to the provisions of the HE Code of Governance, the HE Senior Staff Remuneration Code, and the CUC illustrative practice note concerning Remuneration Committees and their operation;
6. To act as the formal authority for the authorisation of expenses claims made by the Chair of the Court; to require the University Secretary and Chief Operating Officer to discharge this responsibility on behalf of the Committee;
7. To report to the Court of Governors, as appropriate.

Membership

Nominees (2)

Independent Governor (Chair)
One additional independent Governor

Ex-officio (2)

Chair of the Court of Governors and Pro Chancellor
Chair of the HR Committee

Co-opted (1+)

Non-governor members with particular expertise (as appropriate)

In attendance

Director, Human Resources and Safety, Health and Wellbeing (professional adviser)
Clerk to the Court of Governors and Head of University Governance
Other staff, including the Vice-Chancellor, may attend by invitation of the Chair

⁴ The Vice-Chancellor, or any other members of the University Executive Board in attendance, must withdraw from the Committee when their own remuneration, terms and conditions of appointment or severance payment are under discussion.

Quorum

A quorum of the Committee shall comprise three independent governors.

Meetings

The Committee usually meets twice a year. The work of the Committee may be conducted at additional meetings called by the Chair, outside of meetings by means of electronic communication at the request of the Chair, or by Chair's action.

APPENDIX 2 - REMUNERATION FRAMEWORK FOR 'HOLDERS OF SENIOR POSTS' AND OTHER MEMBERS OF THE UNIVERSITY EXECUTIVE BOARD

1. Principles

The Committee has agreed five principles in relation to the salary bands used as the framework for decisions on the remuneration of 'holders of senior posts' and other members of the University Executive Board (UEB):

- The Committee may approve an individual salary that does not map precisely to one of the four points (although it would usually be expected to fall within the range for the relevant salary band), and other considerations may be used to determine where in the range an individual's salary is agreed.
- Inclusion of points in the range does not constitute the introduction of automatic incremental salary increases.
- Points within the salary band possibly may be linked to performance of the institution.
- Use of the top of the salary band would be exceptional and/or for use where there are issues of retention of staff.
- New post holders or appointees to newly scoped posts would be expected to be appointed at the entry level of the salary band (point 1).

2. Reference group

Remuneration for 'holders of senior posts' and other UEB members is based on data from an agreed reference group.

In December 2019, the Committee agreed to retain the benchmark group agreed by the Committee in August 2017 - UCEA reference group: London and the South East, Median to Upper Quartile and income '£70m to £202m'. The benchmark group will be reviewed again in 2020-23, or sooner if the University's income changes significantly.

3. Salary bands

The agreed salary bands are divided into two zones – 1 and 2. The lower limit of Zone 3 equals the upper limit of Zone 2 and the upper limit of Zone 3 is 10% above the upper limit of Zone 2. The following guidance is provided on the three zones:

Zone 1: Developing in Role = gaining experience, developing within the role and satisfactory performance.

It is expected that the role holder is developing the competency with further learning to deliver the job role. They will consistently demonstrate high levels of adaptability and commitment as well as an understanding of the wider issues linked to their role, such that the undertaking of responsibilities clearly results in improved output and/or productivity.

A submission confirming 'satisfactory Performance' with the line manager for the review period, will result in the maintenance of salary position. The line manager can advise on areas to develop where necessary.

Zone 2: Established Experience = continued good performance over time.

It is expected that the role holder consistently achieves and sustains a good standard of skills, knowledge and behaviours, attitudes and work performance, appropriate to the role. They will meet all the key targets and objectives which includes the demonstration of high levels of adaptability and commitment as well as an understanding of the wider issues linked to their role. Such good and excellent performance across leadership competencies and delivery of role responsibilities would be significant, but not sufficient to justify moving to Zone 3.

A submission confirming 'Fully Contributing' with the line manager for the review period will result in movement within the salary band.

Zone 3: Fully Established and Exceptional Performance = Sustained exceptional Performance that has gone above and beyond the normal call of duty on an on-going basis.

It is expected that exceptional standards are delivered from the post holder on a sustained basis. In performing this range of significant and additional responsibilities, it is expected that the post holder consistently demonstrates work performance at an advanced level, always exceeding the targets and objectives of their role and demonstrating by example clear leadership and influencing skills at this level that is above expectations at the grade / role across all competencies.

The award of a salary increase will be on the basis of contribution to sustained exceptional performance within the review period. Evidence of external roles held and national representation would be typically required.

The role holder consistently undertakes a wide range of significant additional responsibilities above those expected within Zone 2. It is expected that the post holder will consistently demonstrate performance at an exceptional level. Targets are consistently exceeded and all core competencies at this grade are continually demonstrated at an exceptional level.

A submission confirming 'Exceptional Performance' with the line manager for the review period will result in movement within the salary band. Zone 3 may be used for market retention.

An individual is positioned in the relevant salary band according to capability, is assessed annually against the expectations, and may be progressed through the zones. The University's leadership competencies are the basis of the assessment of performance of 'holders of senior posts' and other UEB members.

Pay progression through the relevant salary band will reflect an increased level of contribution. Any progression within and between zones is not consolidated into the individual's salary until such time as they have demonstrated the increased level of contribution for three years (the three years need not be consecutive).

Annually, the Committee receives a pro forma report from the Vice-Chancellor on the performance of each of the UEB members for whom s/he is the line manager and from the Chair to the Court on the performance of the Vice-Chancellor. The pro forma includes a recommendation of the zone in which the line manager considers the individual should be positioned.

4. Senior team recognition scheme

The Senior Team Recognition Scheme is a framework to recognise the collaborative efforts of UEB members. The Scheme is based on a qualitative judgement informed by pre-defined transparent quantitative information (metrics) and will only be used in situations where there is justifiable and evidenced exceptional corporate performance.

The Scheme uses the University's strategic objectives, as reported in the monthly 'management information pack' as the metrics for gauging the collaborative performance of UEB members.

The annual amount to be paid to each individual, if team performance is evidenced, is reviewed and set by the Committee on an annual basis. The current amount that would be payable is £5,000 per individual.

5. Income derived from external activities

External work which is supportive of and related to an individual's professional responsibilities is encouraged by the University. However, the principle of exclusivity of service applies to all colleagues at the University, and as such, it is not expected for any colleague to undertake any additional paid work that may conflict with their contract with the University.

Before a member of UEB enters into an obligation to undertake any external work, including consultancy, they must inform and obtain permission from their line manager. This permission should be sought and confirmed in writing and will include confirmation as to whether any income derived from such external activities is payable to the individual or to the University. The line manager will take a decision on income derived from external activities on a case by case basis.