

Remunerations Committee-Annual Report

Introduction

1. This report summarises the business of the Remunerations Committee for the academic year to 31 July 2016 and sets out how the Committee has discharged its responsibilities as set out within its terms of reference.
2. The report is prepared for members of Council but, once approved, will be published on the University's website as an Annual Report on the work of the Committee.

Terms of Reference and Membership

3. The members of the Committee for the reporting period were:
 - Ms Jane Kelly, Chair of Council who chaired the Committee
 - Professor Kenneth Gregory, as Deputy Chair of Council
 - Ms Amanda Rowlatt, independent member of Council [from 1 November 2015]
 - Professor Mike Spyer, independent member of Council
 - Dr Kevin Thomas, independent member of Council [from 1 June 2016]
 - Professor Julia Buckingham, Vice-Chancellor and President
 - Professor William Leahy, Deputy Vice-Chancellor [Academic].
4. The Secretary to the Committee is Jim Benson [Secretary to Council and University Secretary] and meetings are also attended by Jane Drysdale [Director of Human Resources]. Members of the Committee and attendees withdraw from the meeting when their own salary or conditions of service or severance arrangements are discussed.
5. The Committee is quorate when three independent members are present. Absentees will be consulted on any decisions made by the Committee
6. The Terms of Reference were revised at the end of the 2015/16 academic year and are published on the University's website:

<http://www.brunel.ac.uk/about/documents/pdf/co05.pdf>

Committee Activities During 2015/16

7. All meetings in 2015/16 were quorate except for the one held on 6 October 2015. In this instance all formal decisions of the Committee were reported to the absent members and ratified at the following meeting.
8. Ms Jane Kelly was unable to attend the meeting of the Committee held on 19 April 2016. Professor Gregory assumed the position of Chair for this meeting.

9. Ms Jane Kelly joined the meeting of the Committee held on 14 June 2016 by telephone. Professor Gregory assumed the position of Chair for this meeting.

10. No declarations of interest were made by Committee Members in the reporting period.

11. The Vice-Chancellor, the Deputy Vice-Chancellor [Academic] and the Secretary to Council were not present at any discussions directly relating to their emoluments or expenses during the academic year. The Committee recognises the importance of the senior team having a strong external profile and from time to time these commitments are reviewed along with the expenses claimed. There are no matters of concern to report.

Committee Meetings

12. Remunerations Committee met on seven occasions during the 2015/16 academic year:

17 September 2015 [VC appraisal meeting].

6 October 2015

25 November 2015

17 February 2016

19 April 2016

14 June 2016

Work of the Committee

14. The Committee has developed a strong evidence-based ethos to its work and has identified four guiding principles:

i. Clear alignment between remuneration packages of holders of senior posts and the organisational culture of the University;

ii. while general regulatory and legislative changes are persuasive they would not necessarily dictate the University's remuneration framework for all staff;

iii. where contracted employees exercise a choice which provided the University with a financial benefit, there should not be an expectation that the University would share that benefit with the individual but it might, at its discretion, choose to do so;

iv. the University should not provide, or pay for, employee tax advice.

15. Further information on the work of the Committee is set out in the Remunerations Committee Annual Report for 2014/15.

Vice-Chancellors Emoluments

16. The Committee also considers arrangements for the Vice-Chancellor's remuneration. The Committee utilises evidence from both inside and outside the HE sector to benchmark the Vice-Chancellor's pay and agrees quantified performance targets that are aligned to the strategy of the University. After the Vice Chancellor completed a year's service the Committee agreed performance targets for the 2013/14 and the 2014/15 academic years. These have been reviewed regularly by the Committee and were revised for the 2015/16 academic year and beyond.

17. The disclosure of performance targets was considered in depth by Remunerations Committee. The Committee considers that disclosure of a summary of targets is a key feature of good reward governance and that it is in the interests of the University that these should be disclosed retrospectively but at a time when considerations of commercial sensitivity make it prudent to do so.

Pension Arrangements

18. The Government has further reduced the amount individuals can invest tax free in their pension provision, both on an annual basis and over their working life. The changes are structured in such a way that they now have the potential to impact on a significant number of staff adversely affecting the value of their overall remuneration package. The Committee has spent a significant amount of time in the academic year considering the impact of these changes on the competitiveness of the University's remuneration offer and has set up arrangements for all staff to be informed of the impact of these changes. The Committee will consider a wider review of the University's approach to remuneration both in light of these changes and the wider context,

The Appraisal and Performance Review of the Vice Chancellor

19. The Vice Chancellor's Appraisal and Performance Review is conducted by the Chair, following consultation with the other independent members of Remunerations Committee, and reflects the comments of all those Independent Members of Council who respond to the Chair's invitation to contribute their views on her performance.

20. While mindful of the speculation that the salaries of Vice Chancellors attract, the Committee agreed that the Vice Chancellor's salary should reflect what they regarded as an outstanding performance in 2015/16. This view was confirmed by all those who contributed comments on her performance prior to her appraisal. The Committee also took account of the salaries paid to Vice Chancellors at peer and comparable HEIs. It was noted that the Vice Chancellor is not in receipt of PRP or fringe benefits which means her salary is the only means by which her achievements can be recognised in terms of remuneration. It was agreed to increase the Vice Chancellor's annual salary from £250,000 to £270,000 with effect from 1 August 2015 and to make a one-off non-pensionable bonus payment of £25,000 in recognition of her performance during 2014/15. This was reported in the financial statements for 2015/16.

21. The Committee also noted the continued efforts the Vice Chancellor has made to raise the University's external profile and contribute to the work of national and advisory groups for example:

-Universities UK: *Treasurer, elected member of the Board; Member Business Engagement and Employment Policy Group.*

-Royal Society of Biology: *Trustee and Member of Council*

-Royal Institution: *Trustee; Chairman, Science and Education Committee; Member, Finance Committee and various ad hoc groups.*

-Royal Society: *Member of the Higher Education Steering Group*

-Joint BIS/HEFCE/UUK/NUS Framework for Partnership Working Group: *Member*

22. The Vice-Chancellor made the following overseas visits:

Malaysia and Singapore-between 15-21 November 2015 to visit partner universities, industrial partners, government officials and to attend alumni events.

China-between 10-16 April 2016 to visit prospective partners in higher education and industry as well as to attend alumni events.

The Appraisal and Performance Review of other Senior Staff

23. The Vice Chancellor conducts an Appraisal and Performance Review of the Secretary to Council in consultation with the Chair of Council. Remunerations Committee set the salary and PRP for the Secretary to Council at its meeting in September.

24. The Vice Chancellor conducts an Appraisal and Performance Review for the other Senior Staff that come under the remit of Remunerations Committee. The Vice Chancellor reports her recommendations in respect of salary and PRP for these individuals to Remunerations Committee. These were considered and approved at its meeting in September 2016 in accordance with the Committee's terms of reference.

Governance

25. The Committee is committed to having a transparent and consistent approach to its work and this extends to the reporting of the Vice Chancellor's salary and those of other staff. It, however, respects the rights of these individuals to have sensitive information treated in confidence and discloses such details only after proper consent has been obtained. The co-operation received in this respect from the Vice Chancellor and other members of staff ultimately enables the Committee to effectively discharge its responsibilities as set out in the published terms of reference.

Recommendation

26. The Remuneration Committee is seeking support from Council for its approach to remunerating the Vice Chancellor and other senior staff. It has endeavoured to achieve a balance between rewarding success and demonstrating good governance. Council is invited to receive the report and endorse the Committee's approach.

Remuneration Committee
April 2017