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REMUNERATION COMMITTEE ANNUAL REPORT FOR YEAR ENDED

31 JULY 2020

REPORT FROM THE CHAIR OF REMUNERATION COMMITTEE

INTRODUCTION

The Remuneration Committee is responsible for determining the Reward Strategy of the university and for setting the remuneration and the terms and conditions for the Vice-Chancellor and members of the Senior Management Team.

The Remuneration Committee ensures that the remuneration of Professors and Directors at Grade 11 is reviewed annually, based on the recommendations made by the Senior Management Team, using a fair process that reflects the performance of each individual in the context of the University's performance. Salaries of Clinical Professors are determined under separate arrangements.

It takes account of affordability and comparative information on the remuneration, benefits and conditions of employment in the University sector, and wider where appropriate, so that:

- The University can recruit and retain high quality academic and Professional Services leaders;
- Appropriate performance targets and incentives are set, and outcomes monitored for these leaders to develop the continued success of the University.

In determining the remuneration awarded, the Remuneration Committee considers the University's approach taken to recognising performance for all roles in scope from the Senior

Management Team, Heads of Colleges, Directors and Professors. The Committee refers to sector benchmarking information provided from the most recent UCEA Senior Salary Survey.

The key principles of the University's approach to remuneration are as follows:

- Salary awards are merit and performance-related
- The level of awards are decided by the Remuneration Committee, in the context of the overall performance of the University, and takes into account relevant market data
- All academics in scope are expected to make an annual submission for consideration to supplement performance data available within the PDR process. Professional Services senior leadership in scope are far less numerous, so are considered by the Registrar & Chief Operating Officer and discussed at moderation prior to recommendations being made to the Remuneration Committee
- The Chair of the Remuneration Committee has the authority to determine awards outside of the normal cycle in exceptional circumstances
- The salary of the VC, together with anonymised data on salaries above £100K will be published in the Operational and Financial Review and Financial Statements
- Decisions are subject to equality impact assessment.

REMUNERATION COMMITTEE MEMBERSHIP

The Committee is chaired by a Lay Member of Council.

The Vice-Chancellor is not a member of the Committee.

The Registrar and Chief Operating Officer is the Secretary to the Committee but is not a member.

The Director of Human Resources advises the Committee on

process, to ensure procedural fairness in line with the Committee of University Chairs (CUC) Higher Education Remuneration Code.

No member of staff is present for the discussion of their own remuneration or when the Committee makes decisions on the reward of members of the Vice-Chancellor's Senior Management Team.

The members of the Remuneration Committee are:

Chair of the Remuneration Committee:

Pro Chancellor and Chair of Council:

Pro Chancellor:

Member:

Member:

Mr Gordon Anderson

Mr Bledwyn Phillips

Sir Roderick Evans

Dr Kerry Beynon (Lay Member of Council)

Ms Elin Rhys (Lay Member of Council)

REMUNERATION PROCESS

The factors used in considering reward proposals for senior post holders include, but are not limited to:

- a) performance in support of the institution's strategic objectives in areas such as:
 - Research
 - Teaching
 - Innovation and Engagement
 - Leadership and Management
 - Partnerships and external relations internationally, nationally and locally
 - Major initiatives and projects;
- b) the size and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce; and
- e) that some staff are on NHS salaries not determined by the university.

Data that supports these indicators is drawn from;

- a) the Universities and Colleges Employers Association's (UCEA's) Senior Staff Remuneration Survey;
- b) analysis of salary distributions.

All individuals' performance is assessed against the requirements of their role and rated accordingly, on a scale of 0-3, as follows:

PERFORMANCE RATING	CRITERIA
0	Insufficient evidence that the indicative performance level (IPL) is being sustained
1	Sufficient evidence that the IPL is being sustained
2	Sufficient evidence that the IPL is being exceeded
3	Sufficient evidence of exceptional performance, exceeding the IPL

Decisions on the reward of the Vice-Chancellor are made by the University's Remuneration Committee taking account of the factors above and also:

- Achievement of the strategic goals of the University
- The breadth of leadership and financial responsibilities for the University
- The accountability for sustaining a TEF-Gold ranked educational experience for the University's students
- The accountability for sustaining and building on the success of the REF2014, enhancing the University's research reputation and impact
- Benchmarking of the salary against comparator universities.

The current Vice-Chancellor was appointed in July 2019 and his remuneration package was negotiated at that time. It reflected the depth of his leadership, management and academic experience in the Higher Education Sector.

At this year's Remuneration Committee, the Vice-Chancellor indicated that he did not want to be considered for any performance related pay in respect of the 2019/20 year.

At the Remuneration Committee on 30 June 2020 the Senior Management Team, including the Vice-Chancellor, indicated that they did not want to be considered for any performance related pay in respect of the 2019/20 year.

EMOLUMENTS OF THE VICE-CHANCELLOR

Emoluments of the Vice-Chancellor for years ended 31st July 2020 and 31st July 2019 (also see Note 7 of the financial statements section of *The Operating and Financial Review 2019-2020*):

	2019/20 £000	2019/20 £000	2018/19 £000	2018/19 £000
Salary		293		257
Taxable benefits in kind:				
<i>Accommodation and associated costs</i>	19			
<i>University car and associated costs</i>	24			
<i>Other benefits</i>	9	52		9
Total		345		266

THE MEDIAN TO VICE-CHANCELLOR PAY RATIO IS:

2019/20	2018/19
9.1:1	7.1:1

Accommodation costs were significantly higher in 2020 due to a change in HMRC tax rules for the residence of the Vice-Chancellor, affecting all universities, where accommodation became taxable for the first time, in April 2019. During this period, rented accommodation was provided for the Vice-Chancellor in lieu of the University's own house, due to the poor condition of the property, which increased overall costs. The Vice Chancellor had access to a car and driver which he used for work-related and personal journeys and as a result attracted a Benefit in Kind in 2019/20. The car and driver are no longer being used.

REMUNERATION COMMITTEE MEETINGS 2019-2020

The Remuneration Committee met twice during the 2019/20 academic year, as detailed below:

25th November 2019

Reason for meeting	Decisions taken and noted
To agree salary awards for key Senior Management Team positions, as agreed in the Remuneration Committee held on 1st July 2019	<p>The committee considered the following information in order to aid decision-making:</p> <ul style="list-style-type: none"> contextual information on total remuneration levels for comparable roles across the UK, extracted from the UCEA Senior Salary Survey. <p>Outcome:</p> <ul style="list-style-type: none"> Salary agreed for roles.

30th June 2020

Reason for meeting	Decisions taken and noted
<p>To discuss the proposed performance evaluation and proposed payment for Grade 11 employees:</p> <ul style="list-style-type: none"> Senior Management Team Heads of Colleges Directors Professors 	<p>The committee considered the following information in order to aid decision-making:</p> <ul style="list-style-type: none"> the documentation and processes used by the Professorial and Senior Salaries Committees in their review of professorial performance a range of models for mapping performance onto increments on the Professorial Scale and comparator information on salaries from the UCEA Senior Salary Survey the view of the Senior Management Team that they did not wish to be considered for performance payments this year the current financial circumstances of the University and the income generation of individuals within the professoriate the period of time being considered in relation to performance. <p>The committee agreed:</p> <ul style="list-style-type: none"> to accept the position of the Senior Management Team following test, challenge and scrutiny, to accept the recommendations made to the Committee regarding performance payments for Professors, Heads of Colleges and Directors, informed by UCEA benchmarking salary changes, as a result of remuneration decisions, would come into effect on 1st August 2020 the University would develop a more flexible reward framework for grade 11 colleagues, which includes both consolidated and non-consolidated options. <p>The committee noted:</p> <ul style="list-style-type: none"> the severance arrangements that were put in place for grade 11 colleagues within the scope of the Remuneration Committee Terms of Reference the colleagues who have been promoted via the Retention of Exceptional Talent procedure, as set out in the Academic Promotion policy.

