



## Remuneration Annual Report to Council 2022/23

### Introduction

1. This report provides a summary of the work of the Staff Reward Committee and the Vice-Chancellor's Remuneration Committee over the year, demonstrating that the University fully meets the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration code. The University has followed the regulatory guidance in preparing and publishing financial statements as provided by the Office for Students (OfS) (Regulatory advice 9: Accounts direction, OfS 2019.41) on the disclosure of senior pay in its published accounts.
2. This report covers the University's approach to remuneration and the work of the Staff Reward Committee and the Vice-Chancellor's Remuneration Committee for the period **1 August 2022 to 31 July 2023**.

### Staff Reward Committee

3. The principal matters of business covered by the Staff Reward Committee are:
  - To consider policies and procedures on the remuneration of senior employees, and recommend these to Council, and to oversee implementation within the University
  - To consider proposals from the Vice-Chancellor and determine on behalf of Council, the remuneration arrangements for the senior post holders
  - To receive updates from the Vice-Chancellor on the performance of senior post holders against objectives set
4. Membership of the Staff Reward Committee for 2022/23 was as follows:
  - Andy Cole (Deputy Chair of Council), Chair
  - Maggie Galliers (Chair of Council)
  - Anna Crabtree (Chair of Resources Committee)
  - Supriya Sobti (Chair of Audit Committee)
  - Karen Satterford (Chair of Student Experience Committee)
  - Professor Nick Braisby (Vice-Chancellor)
  - Rachael Cornwall (Director of Human Resources), Advisor
  - Ellie Smith (Secretary)
5. The Director of Human Resources is adviser to the Staff Reward Committee and can, if required, call upon external independent advisers as appropriate. No external independent advice was required in 2022/23.

6. The Staff Reward Committee met on two occasions between 1 August 2022 and 31 July 2022:
  - 7 November 2022
  - 6 June 2023
7. All members attended all meetings. Minutes were taken and confirmed and are held by the Secretary and available, upon request, to independent/co-opted members of Council.
8. The role and remit of the Staff Reward Committee is detailed above (see para 3).
9. During 2022/23 the Staff Reward Committee have received, reviewed and/or approved information relating to:
  - Committee Terms of Reference and Business Cycle
  - Reports from the Director of Human Resources on:
    - Sector strike action and implications for BNU
    - National pay trends including pensions
    - Collective Pay Bargaining
    - Details of the University's gender, ethnicity and disability pay gap reports
    - Academic and Professional Service Employee promotions
    - Cost of living challenges and the support provided by BNU
  - Performance report and recommendations for base pay increases and remuneration decisions for Senior Employees

#### Vice-Chancellor's Remuneration Committee

10. The principal matters of business covered by the Vice-Chancellor's Remuneration Committee are:
  - To consider and determine on behalf of Council, the remuneration arrangements for the Vice-Chancellor
  - To monitor performance of the Vice-Chancellor against objectives set
  - To provide assurance to Council that the University is adhering to guidance on senior pay as directed by the OfS Accounts Direction and advised by the CUC Higher Education Senior Staff Remuneration Code.
11. Membership of the Vice-Chancellor's Remuneration Committee for 2022/23 was as follows:
  - Andy Cole (Deputy Chair of Council), Chair
  - Maggie Galliers (Chair of Council)
  - Anna Crabtree (Chair of Resources Committee)
  - Supriya Sobti (Chair of Audit Committee)
  - Karen Satterford (Chair of Student Experience Committee)
  - Rachael Cornwall (Director of Human Resources) Secretary and Advisor
12. The Director of Human Resources is adviser to the Vice-Chancellor's Remuneration Committee and can, if required, call upon external independent advisers as appropriate. No external independent advice was required in 2022/23.

13. The Vice-Chancellor's Remuneration Committee met on two occasions between 1 August 2022 and 31 July 2022:
  - 7 November 2022
  - 6 June 2023
14. All members attended all meetings. Minutes were taken and confirmed and are held by the Secretary and available, upon request, to independent/co-opted members of Council.
15. The role and remit of the Vice-Chancellor's Remuneration Committee is detailed above (see para 10).
16. During 2022/23 the Vice-Chancellor's Remuneration Committee has received, reviewed and/or approved information relating to:
  - Committee Terms of Reference and Business Cycle
  - Vice-Chancellor objectives
  - Vice-Chancellor pay benchmarks and salary review
  - Vice-Chancellor performance and salary
  - The note for the Financial Statement (2022/23) regarding disclosures on staff pay
  - The Annual Remuneration Report to Council and Web statement (2022/23)

#### Key Decisions and approaches to remuneration in 2022/23

17. The Committees (Staff Reward Committee and Vice-Chancellor's Remuneration Committee) recognise that the University operates in a complex, competitive and evolving legal, regulatory, industrial relations and market environment. The University's desire to attract the best staff poses a significant challenge in light of the increased financial, political and sector uncertainties, such as increasing competition and implications for growing core student numbers.
18. The scale of the financial challenge continues to affect universities with many continuing to face shortfalls in income. However BNU has demonstrated a strong performance in 2022/23 with a income of £188.8m (GROSS), a surplus of circa £8.9m and a cash balance at year end of circa £51.6m.
19. The context in which the University operates was taken into consideration when approving the revised Remuneration and Severance Policy for Senior Employees. The policy takes into consideration:
  - the need to balance the challenging financial climate, the external perception of senior salaries and the University's ability to attract talent
  - the ability to recognise the contribution and performance of Senior Employees to retain its best staff
  - the need to demonstrate leadership and stewardship in relation to remuneration for Senior Employees and, in so doing, protect the University's reputation.
20. The Committees (Staff Reward Committee and Vice-Chancellor's Remuneration Committee) consider both institutional outcomes and personal performance in making decisions on remuneration.

## Remuneration for Senior Employees 2022/23

21. The Vice-Chancellor Remuneration Committee is directly responsible for setting the remuneration of the Vice-Chancellor.
22. The Staff Reward Committee is directly responsible for setting remuneration for Senior Employees in the University, and these are usually members of the University's Executive team as follows:
  - Deputy Vice-Chancellor
  - Senior Pro Vice-Chancellor, Education & Digital
  - Pro-Vice Chancellor, Student Experience
  - Chief Finance Officer
  - Commercial and Business Development Director
  - University Secretary and Clerk to the Council

*(as of 31 July 2023)*
23. Elements of remuneration for Senior Employees, the reason for inclusion and the way they operate, covering the remuneration element, the policy, application and performance considerations are outlined below:
  - a. Basic Pay: supports the recruitment and retention of Senior Employees with the skills and experience to deliver the University's strategic plan, goals and objectives. Salary increases (which can be either consolidated or non-consolidated), provide an opportunity to recognise exceptional individual contributions
    - i. Increases to the Vice-Chancellor and Chief Executive salary, are determined and approved by the Vice-Chancellor's Remuneration Committee. Base salary increases for other Senior Employees, reporting into the Vice-Chancellor, are proposed by the Vice-Chancellor and approved by the Staff Reward Committee.
    - ii. Increases to base salary are determined annually and the Vice-Chancellor's Remuneration Committee and/or the Staff Reward Committee takes into account: individual performance; the scope of the role; salary levels in comparable organisations; base salary increases for the staff of the University generally; the financial performance of the University and the available budget for increases; and any retention issues.
    - iii. In benchmarking base salaries, the Committees (Vice-Chancellor's Remuneration and Staff Reward Committee) consider three comparator points which are: independent analysis of UCEA market data, to arrive at an appropriate level of remuneration for the size of the role compared to institutions with similar income; individual skills; experience in the role. Base salary increases can be either consolidated (a permanent increase to base salary which is pensionable) or non-consolidated.

- b. Pension: supports the recruitment and retention of Senior Employees, in line with the market, in particular the HEI sector. The University has three main defined benefit arrangements, applicable to Senior Employees, and employer contribution rates are:
- Universities Superannuation Scheme (USS) - 21.6%
  - Teachers' Pension Scheme (TPS) - 23.68%
  - Local Government Pension Scheme (LGPS) – 18.4%
- c. Benefits: to attract and retain Senior Employees by providing benefits in line with market practice in the University sector. A range of benefits are available, including an employee assistance programme. In addition the University's sick pay is six months full pay and six months half pay. The booklet can be found [here](#). The University bears the cost of providing benefits.

### Justification for the Vice-Chancellor and Chief Executive's remuneration

24. The Chair of Council undertakes the Vice-Chancellor and Chief Executive Officer's annual Performance and Development Review (PDR) against an agreed set of objectives, both institutional and personal, which were reviewed periodically during the year. The overall conclusion from the review for 2022/23 was that the Vice-Chancellor's performance was good during another challenging year.
25. The Vice-Chancellor's remuneration has been benchmarked and found to be appreciably below what would be expected for an institution of comparable income. Because of this, and their sustained and exceptional performance, the Vice-Chancellor's Remuneration Committee decided to increase the base pay for the Vice-Chancellor to the benchmark in 2020, however the Vice-Chancellor chose not to take an increase in remuneration in 2020/21. The VC had an increase in 2022/23 which still puts their salary appreciably below those paid at the benchmark.
26. The Vice-Chancellor's Remuneration Committee has agreed that the shortfall will be made up over four years, and the accumulated difference between their remuneration and the benchmark remuneration will be paid at the end of that period subject to continued satisfactory performance thus bringing the Vice-Chancellor's remuneration in line with the market for future years. Subject to satisfactory performance a salary increase will be payable annually from 1 August 2021.
27. The Vice-Chancellor's remuneration is published in the Financial Statements. KCG, the University's Internal Auditors, confirmed the accuracy of Note 7b in the 2019/20, 2020/21 and Note 6b in the 2021/22 Financial Statements. Note 6 in the 2022/23 Financial Statements has been prepared on the same basis.

### Institutional performance

28. Total remuneration of the Vice-Chancellor:

<b>Emoluments of the Vice-Chancellor</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Salary</b>	£224, 533	£208,654	£198,510	£198,510

<b>Performance related pay</b>	N/A	N/A	N/A	N/A
<b>Benefits</b>	£1,000	N/A	N/A	N/A
<b>Subtotal</b>			£198,510	£198,510
<b>Pension costs</b>	£28,322*	£45,043	£41,949	£41,588
<b>Payment in lieu of pension contribution</b>	£18,481**	N/A	N/A	N/A
<b>Total</b>	£272,336	£253,697	£240,459	£240,098

\*until December 22

\*\* From January 2023, the VC opted out of the USS and has received an annual cash supplement in lieu of pension contributions

29. The Vice-Chancellor's remuneration did not include performance-related payments.

### Remuneration for other employees 2022/23

30. All employees of the University receive a base salary, benefits consistent with those available to Senior Employees, and are eligible to participate in the University's pension arrangements.
31. Employees on the JNCHES pay grades B to I, usually receive an annual cost of living award and are eligible for incremental progression. The University also uses annual contribution points to recognise exceptional performance.
32. The University uses the Higher Education Role Evaluation [HERA] model to evaluate roles in grades B to I. This translates into a 51 point pay spine with identified grade boundaries, defining the minimum and maximum salary and incremental progression points.
33. The University started paying the Real Living Wage in 2023.

### Pay ratios/Pay multiples

34. The ratio/multiple between the Vice-Chancellor's remuneration and the median salary for all staff is set out in the table below. The ratio remains appreciably below the sector average.
35. The UCEA report pay ratio/multiple between the head of provider's remuneration and the median salary for staff remains at 5.9. This is based on information provided by the Universities & Colleges Employers Association (UCEA) which uses HESA data (academic staff only. This has not been updated for 2022/23 as yet). The pay ratio/multiple including all staff as calculated using the University's Payroll data is 6.2.

<b>Year</b>	<b>Head of Institution's salary</b>	<b>Median salary of all staff</b>	<b>UCEA Pay Multiple (BNU)</b>	<b>HE Sector (England)</b>
<b>2022-23</b>	£224,533	£36,465	5.9	7.0
<b>2021-22</b>	£208,654	£34,304	5.9	6.8
<b>2020-21</b>	£198,510	£33,797	5.9	7.0
<b>2019-20</b>	£198,510	£33,797	5.9	7.0
<b>2018-19</b>	£195,000	£33,621	5.8	7.0

<b>2017-18</b>	£205,638	£34,273	6.0	7.0
<b>2016-17</b>	£202,200	£34,862	5.8	6.9

### Policy on severance and termination payments

36. The Committees (Staff Reward Committee and the Vice-Chancellor's Remuneration Committee) have specific responsibilities for decisions relating to severance pay for Senior Employees, and discharges these through explicit delegated responsibility from Council.
37. In making severance payments for Senior Employees, the University will outline the rationale for any payments made, in the context of meeting its contractual obligations and in line with the CUC Higher Education Senior Staff Remuneration code.
38. No severance payment decisions were taken in 2022/23 for Senior Employees. The cost of total severance payments for other employees in 2022/23 was £27,093, relating to three employees.

### External appointments and expenses

39. The University's revised Senior Staff Remuneration and Severance Policy was approved in July 2020. This policy along with the University's Consultancy Policy sets out a statement about:
  - the expenses policy and the extent of expenses incurred
  - retention of income from external bodies

### Priorities for Staff Reward Committee for 2023/24

40. The priority for 2023/24 is to work with the national body to consider how we can better reflect pay versus performance.

Drafted by University Secretary (Ellie Smith): 19 September 2023

Amendments proposed by HRD (Rachel Cornwall): 6 October 2023

Checked/amended by Finance (Simon Anderson): 19 October 2023

Amended / BNU income figures added – 2 November 2023

Report approved and recommended to Council by the Staff Reward Committee: 13 November 2023

Report presented to Council: 28 November 2023