



Remuneration Annual Report to Council 2023/24

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 2023 to 31 July 2024**.

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 2023/24 was as follows:
 - Andy Cole (Deputy Chair of Council), Chair
 - Maggie Galliers (Chair of Council)
 - Anna Crabtree (Chair of Resources Committee)
 - Susan Rosser (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. In 2023/24, we took expert advice from Mercers in relation to our pension risks and to explore establishing a defined contribution scheme.

6. The Staff Reward Committee met on two occasions between 1 August 2023 and 31 July 2024:
 - 13 November 2023
 - 3 June 2024
7. All members were able to attend both meetings, with the exception of one member who provided comments via the Chair prior to each meeting. 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 2023/24 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 pay negotiations
 - National pay trends including pensions
 - Voluntary Severance scheme to be implemented during 2024/25
 - Sector pay gap report including Details of the University's gender, ethnicity and disability pay gaps
 - Academic and Professional Service Employee promotions
 - Annual Bonus Payment to BNU staff
 - Performance reports 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 2023/24 was as follows:
 - Andy Cole (Deputy Chair of Council), Chair
 - Maggie Galliers (Chair of Council)
 - Anna Crabtree (Chair of Resources Committee)
 - Susan Rosser (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 2023/24.

13. The Vice-Chancellor's Remuneration Committee met on two occasions between 1 August 2023 and 31 July 2024:
 - 13 November 2023
 - 3 June 2024
14. All members were able to attend both meetings, with the exception of one member who provided comments via the Chair prior to each meeting. 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 2023/24 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 (2023/24)
 - Vice-Chancellor pay benchmarks and salary review
 - Vice-Chancellor performance and salary confirmation
 - The note for the Financial Statement (2022/23) regarding disclosures on staff pay
 - The Annual Remuneration Report to Council and Web statement (2022/23)
 - Remuneration package to be offered in the process of recruiting a new Vice-Chancellor

Key Decisions and approaches to remuneration in 2023/24

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 2023/24 with a income of £192,239m (GROSS), a surplus of circa £3.7m and a cash balance at year end of circa £47.050m.
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 2023/24

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
 - Pro Vice-Chancellor (Education)
 - Chief Finance Officer
 - Commercial and Business Development Director
 - University Secretary and Clerk to the Council
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 the 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 two main defined benefit arrangements, applicable to Senior Employees, and employer contribution rates are:
- Teachers’ Pension Scheme (TPS) - 28.68%
 - 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 2023/24 was that the Vice-Chancellor had met his objectives 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 Vice-Chancellor had an increase in 2023/24 which moved their salary closer to benchmark but remaining below.
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, Note 6b in the 2021/22 Financial Statements and Note 6 in the 2022/23 Financial Statements. Note 6 in the 2023/24 Financial Statements has been prepared on the same basis.

Institutional performance

28. Total remuneration of the Vice-Chancellor:

Emoluments of the Vice-Chancellor	2023-24	2022-23	2021-22	2020-21
Salary	£232,237	£224, 533	£208,654	£198,510
Performance related pay	£375	£1,000	N/A	N/A

Benefits	N/A	N/A	N/A	N/A
Subtotal	£232,612	£225,533	£208,654	£198,510
Pension costs	N/A	£28,322*	£45,043	£41,949
Payment in lieu of pension contribution	£30,954	£18,481**	N/A	N/A
Total	£263,293	£272,336	£253,697	£240,459

*until December 2022

** From January 2023, the VC opted out of the USS and has received an annual cash supplement in lieu of pension contributions. The USS contribution rates changed in 2023.

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

Remuneration for other employees 2023/24

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 (2022/23). 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 2023/24 as yet. Using our payroll data, the head of the provider's basic salary is 6.3 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. The head of the provider's total remuneration is 5.7 times the median total remuneration of staff, where the median total remuneration (including pension) is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

Year	Head of Institution's salary	Median salary of all staff	UCEA Pay Multiple (BNU)	HE Sector (England)
2023-24	£232,237	£37,099	5.9	6.9
2022-23	£224,533	£36,465	5.9	7.0

2021-22	£208,654	£34,304	5.9	6.8
2020-21	£198,510	£33,797	5.9	7.0
2019-20	£198,510	£33,797	5.9	7.0
2018-19	£195,000	£33,621	5.8	7.0
2017-18	£205,638	£34,273	6.0	7.0
2016-17	£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. One severance payment decision was taken in 2023/24 for a Senior Employee. This amounted to £20,100. The cost of total severance payments for other employees in 2023/24 was £150,695.20 relating to 13 employees.

External appointments and expenses

39. The University's Remuneration Policy for senior managers was revised and approved in February 2024. This policy along with the University's Consultancy Policy (revised and approved in September 2023) 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 2024/25

40. The priority for 2024/25 is to work with UCEA on the sector wide defined contribution scheme.

Drafted by University Secretary (Ellie Smith): 18 October 2024

Amendments proposed by HRD (Rachel Cornwall): 23 October 2024

Checked/amended by Finance (Simon Anderson): 31 October 2024

Amended following confirmation by KPMG: 12 November 2024

Report approved and recommended to Council by the Staff Reward Committee (via correspondence): 18 November 2024

Report amended further to KPMG amendments: 20 November 2024

Report presented to Council: 26 November 2024