

University of  
Northampton



**Remuneration Committee**  
**Annual Report 2019/20**  
**to the Board of Governors**

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## **Part One – The Nature and Work of the Remuneration**

### **Committee**

#### **Scope**

This report covers the work of the Remuneration Committee from 1 August 2019 to 31 July 2020.

#### **Terms of Reference**

The Committee's duties cover all aspects of the remuneration of the University's senior post holders, oversight of the University's remuneration framework and the decisions of the Vice Chancellor about the remuneration of senior managers. The full terms of reference are attached at Appendix 1. The terms of reference were last reviewed by the Board on 18 March 2020.

#### **Membership**

Members of Remuneration Committee are appointed by the Board of Governors. The disposition of governors and external members to the Committee, and the skills mix of its members, is kept under review by the Nominations Committee.

The membership from September 2019 to 31 July 2020 was as follows:

<b>Name</b>	<b>Type</b>	<b>Notes</b>
<b>Sue Dutton</b>	Independent governor	Ex-officio chair from 01/08/2019 in her role as Deputy Chair of the Board
<b>Mark Mulcahey</b>	Independent governor	Ex-officio member in his role as Chair of the Board of Governors
<b>Martin Pettifor</b>	Independent governor	Senior Independent Member

<b>Jeff Halliwell</b>	Independent governor	
<b>Gemma Lovegrove</b>	Student governor	President of the Students' Union
<b>Michael Nadin</b>	Independent external member	
<b>Sylvia Hughes</b>	External member	Former Board member and Chair of the Board

The following are in attendance at meetings:

<b>Name</b>	<b>Role</b>
<b>Richard Horsley</b>	Independent governor, Chair of the Audit Committee
<b>Miriam Lakin</b>	Clerk to the Board of Governors, Clerk to the Committee
<b>Deborah Mattock</b>	Director of HR, Marketing and International Relations
<b>Nick Petford</b>	Vice Chancellor

In accordance with the Terms of Reference, neither the Clerk or Vice Chancellor was present during discussions of their own remuneration.

No external consultants were employed by the Committee during the reporting period.

### **Meetings and Attendance of Members**

The Remuneration Committee met three times during the reporting period. The quorum is five of the nine members, or where there are vacancies, the same proportions, as rounded up, of those members eligible to be present.

<b>Date</b>	<b>Attendance of Members</b>
<b>16 September 2019</b>	6 of 6
<b>2 March 2020</b>	6 of 7
<b>22 June 2020</b>	7 of 7

### **Post Holders in the Remit of the Remuneration Committee**

The Committee is delegated by the Board of Governors to approve the remuneration of each of the senior post holders, including salary and performance related pay. The senior post holders are:

- Vice Chancellor
- Deputy Vice Chancellor
- Chief Operating Officer
- Clerk to the Board

### **Business Conducted by the Remuneration Committee**

#### September 2019

- Reviewed achievement of the personal and corporate objectives of senior post holders for 2018-19
- Discussed the setting of probationary objectives for the Deputy Vice Chancellor who started at the University in November 2019
- Discussed deferral of the inflationary pay award
- Approved its Annual Report to the Board

## March 2020

- Approved a final iteration of the senior post holders' objectives for 2019-20, and reviewed progress towards the achievement of these objectives
- Approved probationary objectives for the DVC
- Received the Board's decisions on corporate targets to be used in the corporate element of performance related pay
- Discussed how to ensure that the Board was involved in discussions of the performance of the senior post holders
- Noted the job descriptions of the senior post holders
- Reviewed the Committee's terms of reference
- Noted a review by the Office for Students of compliance with the Accounts Direction on senior staff pay disclosures

## June 2020

- Discussed draft corporate targets and personal objectives of the senior post holders for 2020-21
- Discussed how to ensure that the Board had oversight of the personal objectives
- Received a review of compliance with the HE Senior Staff Remuneration Code and took assurance of compliance
- Approved its work plan for 2020-21

## Part Two – Matters Required by the Office for Students

### Introduction

The [Accounts Direction](#) published by the Office for Students requires the University to report on the following in the 'staff costs' note to its Annual Report and Accounts.

### Higher Paid Staff Salaries

This table:

- Excludes the VC
- Excludes employer's pension contributions
- Is determined at financial year end

### Number of staff in salary band

Salary band	2020	2019	2018
£165,000 - £169,999	1		
£160,000 - £164,999	-	1	1
£145,000 - £149,999	1	-	1
£125,000 - £129,999	-	-	1
£110,000 - £114,999	2	1	-
£105,000 - £109,999	0	3	4

### Vice Chancellor's Remuneration Package

#### Summary

Figures are rounded to the nearest 1000

	2019-20	2018-19	2017-18	2016-17
	£000	£000	£000	£000
Salary	199	199	195	192

Performance Related Pay	0*	0*	22	20
Benefits				
- Residential emolument	0	0	10	9
- Residential allowance	10	10		
- Healthcare	2	1	1	1
<b>Total Paid to the VC</b>	<b>211</b>	<b>210</b>	<b>228</b>	<b>222</b>

Pension cost to the University	42	33	34	33
<b>Total</b>	<b>256</b>	<b>243</b>	<b>262</b>	<b>255</b>

\*The Board of Governors remains satisfied with the performance of the Vice Chancellor. On the grounds of affordability, no performance related pay was awarded in respect of 2018-19 or 2019-20.

A 1.8% inflationary pay award was made to all staff in December 2019. The Remuneration Committee agreed that this should also be applied to the Vice Chancellor and the other senior post holders in its remit.

#### Other Taxable Benefits

##### *Residential Allowance*

Until 1st August 2018, a Service Occupancy Agreement was applicable as part of the Vice Chancellor's contract of employment. This required the Vice Chancellor to live in a house provided by the University adjacent to the campus.

In recognition of the Service Occupancy Agreement, the Vice Chancellor received a pensionable emolument. The emolument increased his pensionable salary to recognise the value of the benefit for pension purposes. In accordance with the contract of employment, the residential emolument was a value for pension purposes only.



This arrangement came to an end in 2018. It was agreed that a residential allowance equivalent to the value of the emolument would be paid to cover the costs of living in Northampton.

The change came into effect on 1 August 2018. Over the reporting period, it was paid monthly in equal instalments. Since this date the Vice Chancellor has been required to pay for accommodation costs whilst staying in Northampton. A clause to this effect was added to his contract and the Occupancy Agreement was terminated.

#### *Healthcare*

In common with all senior staff, the Vice Chancellor receives healthcare insurance.

#### *Non-Taxable Benefits*

	<b>2019-20</b>	<b>2018-19</b>
Membership of the Athenaeum Club which allows the Vice Chancellor to stay in London whilst on business there	£362.50 (Quarter 1 and 2) £380.00 (Quarter 3 and 4)	£346.25 (Quarter 1 and 2) £362.50 (Quarter 3 and 4)
Fellowship of the Royal Society of Arts	£182	£178
Subscription to the Geological Society	£214	£210
Subscription to Mineralogy	n/a	£35.94
Membership to European Geosciences Union	n/a	£55.98 (in order to submit a paper)

Membership to American Geophysical Union	n/a	£41.60 (in order to submit a paper)
Priority Pass	£69	
Subscription to EGU	£17.66 (in order to submit a paper)	
Stanford – magazine subscription	£58.99	
<b>Total</b>	<b>£2026.65</b>	<b>£1939.02</b>

In addition, where this is most effective in cost/benefit terms, the Vice Chancellor has the use of the University car and a shared driver whilst on University business. All members of the University Management Team are able to use this service.

#### Matters not applicable during the reporting period

None of the following were paid to the Vice Chancellor during the reporting period:

- Dividends
- Amounts under the pension scheme
- Payments in lieu of pension contributions
- Compensation for loss of office

No salary sacrifice arrangements were in place.

The Vice Chancellor received no other remuneration from the University. The Vice Chancellor received expenses during the reporting period. These are published on the University's website.

## Justification for the total remuneration package

The University is a complex institution. For example:

- 1,800 staff (headcount)
- 11,500 students on campus, and a further 6,000 elsewhere
- £126m turnover
- Strong competition from universities in the region
- High level of long-term borrowing to support the development of the Waterside Campus and therefore bond covenants to maintain.

The Board of Governors remains entirely satisfied with the performance of the Vice Chancellor. Over the past year, despite very tough operating conditions, the Vice Chancellor has led on some notable successes including:

- Refreshment of the University's vision and value proposition and Changemaker Challenges
- Successful integration of a new Deputy Vice Chancellor role into the senior team
- Continued strong management of the financial position, for example compliance with the bond covenants set by the HM Treasury in its role as the University's guarantor
- Led the University's response to a global pandemic. The response was assured and proportionate. It was delivered calmly and with the utmost professionalism by all staff in order to minimise the impact on the student experience and protect the safety of our community. Operations continued with minimal disruption, due in part to the 'future-focused' elements of the University's strategy, such as investment in IT, active blended learning, and remote learning and working. This strategy was the vision of the Vice Chancellor and his team. During the pandemic, the University was also able to offer resources, support and expertise to make a significant contribution to the community in which we operate

- Enterprise income target met
- Research output target met
- 2019 student recruitment was within 10% of the target despite tough competition and demographic factors
- Rated first for overall satisfaction in the Postgraduate Research Experience Survey 2020
- Leadership on innovation and the identification and development of new funding streams including developments with partners nationally and internationally
- Leadership on placemaking and engagement with businesses and the community

In summary, the Vice Chancellor brings great value to the University through his skill in leading and inspiring the University to expand beyond its traditional boundaries, creating and exploiting opportunities that build on our core competencies. Over this year, he has continued to provide strong leadership in support of a strategy around which the University has coalesced.

The Vice Chancellor has received no salary uplift (aside from an inflationary uplift) or performance related pay for the past two academic years. He has received the same inflationary increase as all other staff. This increase is at the discretion of the Remuneration Committee.

The Vice Chancellor's salary is benchmarked every three years. There are no salary negotiations in addition to the benchmarking exercise. The remuneration of the Vice Chancellor is benchmarked against the remuneration of Vice-Chancellors from post 92 universities, universities with more than £100m turnover, post 92 universities with a turnover between £100-160m, and universities outside London and the South East. These benchmarks were selected in order to give a range of comparisons with similar institutions.

The last benchmarking exercise took place in February 2019. No change was made to the Vice Chancellor’s salary because of the exercise. It was noted that the Vice Chancellor’s salary was below the median for all of the comparator groups used. However, total compensation, including potential performance related pay, was comparable to the median and somewhat below the upper quartile. The next benchmarking exercise will take place in February 2022. The Vice Chancellor’s performance is assessed formally by the Remuneration Committee which monitors the achievement of personal objectives, and a selection of corporate objectives. Subject to affordability, a performance-related payment is made based on the achievement of these objectives. The Vice Chancellor’s performance is also scrutinised by the Chair of the Board and the Board of Governors as a whole. For example, the Board monitors the achievement of the University’s strategy and corporate objectives.

**Pay Multiple**

Expressed as a multiple, the VC’s basic salary and total remuneration when compared to the median basic salary and total remuneration of all staff

	2019-20	2018-19
Basic salary	5.99	5.65
Total remuneration	6.65	6.22

## **Part Three – Matters Required by the Higher Education Senior Staff Remuneration Code**

### **Introduction**

The Office for Students' Accounts Direction requires that providers have regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs (CUC).

The Code applies to all staff earning over £100k. It states that, 'Each institution must publish a readily accessible annual statement, based on an annual report to its governing body'.

The Board has adopted the Code, and the Remuneration Committee confirms compliance. A review of compliance with the Code is included at Appendix 3. As well as some of the matters required by the OfS to be included in the Annual Accounts, the Code requires reporting on the following.

### **Policy on the Remuneration of Senior Post Holders**

The [Remuneration Policy for employees outside the JNCHES framework](#) applies to the senior post holders. The basic principles of this policy are the same as those of the [Pay and Reward Policy](#) which applies to all other staff. For example,

- The University will operate a reward and recognition system which is transparent, based on objective criteria and free from unlawful bias
- The reward and recognition system will support the strategic objectives of the University
- The University is committed to the principle of equal opportunities in employment and believes that pay and conditions of employment should be awarded fairly and equitably for doing like work or work rated as equivalent

## Pay Framework

The Remuneration Committee has oversight of the University's pay framework, which shows how:

- Grading and starting salary
- Inflationary increases
- Performance related pay
- Equal pay review and benchmarking

are applied to staff in grades 1-11, senior managers, and senior post holders.

The framework is at Appendix 1 as part of the Terms of Reference of the Remuneration Committee.

## Determination of Senior Staff Remuneration

In accordance with the Remuneration Policy for Staff Outside the JNCHES Framework

- Reward mechanisms are clear and up to date
- Packages are competitive and recognise comparable remuneration through benchmarking
- Remuneration is determined fairly and objectively
- Remuneration includes base pay and variable elements.

## Performance Related Pay

Performance related pay (PRP) is awarded only where the financial results of the University allow. The award of PRP to senior post holders is at the discretion of the Remuneration Committee. The award to senior managers is at the discretion of the Vice Chancellor. The award is based on the successful performance of a selection of corporate targets and personal objectives.

On the grounds of affordability, no performance related pay was awarded in respect of performance in 2019-20. The Remuneration Committee remains satisfied with the performance of the senior post holders.

### **Comparator Institutions**

A benchmarking exercise of the salaries of the senior post holders was carried out in February 2020.

Sector remuneration data from the Universities and Colleges Employers' Association was used. In the case of the Vice Chancellor, data from the Committee of University Chairs on Vice-Chancellors' remuneration was also reviewed. For each role, the salary and the total package of the following types of institution was considered:

- All post 92 universities
- All universities with £100m turnover
- All post 92 universities with an income of £100-160m
- All universities outside London and the South East

For each type of institution, the median figure and the upper quartile was considered.

No adjustments to salary were made as a result of the benchmarking exercise. The benchmarking exercise takes place every three years for senior post holders.

### **Policy on Income Derived from External Activities**

Under the terms of the contract for senior post holders and senior managers, other employment must be approved by the line manager.

The University's Code of Conduct for employees states that:



‘those who undertake additional work outside of the University, whether it is paid or voluntary, must notify their line manager.

Employees engaged in other work must ensure that it does not come into conflict with their duties at the University, that they devote their time during their University working hours to their University post and that it does not distract them from carrying out their duties with the University.’

There is a further Code of Conduct for Governors, External Committee Members, University Officers and Senior Post Holders. This makes clear the ethical standards expected of those in scope, including the fiduciary duty they owe the University. It adopts the Seven Principles of Public Life the basis of the ethical standards expected of those in scope.

The University’s policy on consultancy income is included at Appendix 2.

## **Appendix 1 – Remuneration Committee Terms of Reference**

### **1. Duties of the Committee**

#### **University Remuneration Framework**

- 1.1. Work with the Vice Chancellor and his senior team to keep the appropriateness and relevance of the University's remuneration framework under review
- 1.2. Work within the remuneration framework and the University's policies when determining and reviewing remuneration
- 1.3. Ensure that the remuneration framework is compatible with the Higher Education Senior Staff Remuneration Code

(The University's remuneration framework is an appendix to this document)

#### **Senior Post Holders**

- 1.4. The senior post holders are:
  - Vice Chancellor
  - Deputy Vice Chancellor
  - Chief Operating Officer
  - Clerk to the Board of Governors
- 1.5. The Board of Governors may assign other posts to the category of senior post holder. If changes are made, these changes must be published as part of these terms of reference
- 1.6. In respect of the senior post holders, the duties and responsibilities of the Committee are as follows:
- 1.7. Determine the total individual remuneration package of each senior post holder including salary, performance related pay and any other elements of remuneration
- 1.8. Determine severance arrangements for senior post holders. In doing so, to ensure compliance with guidance issued by the Committee of University Chairs on severance payments in HEIs

- 1.9. Determine the terms and conditions and benefits awarded to senior post holders
- 1.10. Working within the processes established for other staff, determine the measures and procedures by which the performance of senior post holders against targets are assessed
- 1.11. Approve the design of any performance-related pay scheme for senior post holders
- 1.12. Review and approve the personal annual objectives of senior post holders
- 1.13. Review the performance of the senior post holders against the set objectives, and determine any annual performance-related pay awards
- 1.14. Ensure that any concerns about performance against the annual objectives are addressed
- 1.15. Carry out a regular benchmarking exercise of the remuneration package of the senior post holders. This will consider the appropriateness of the level of remuneration, using benchmarking information against comparative roles
- 1.16. Review and, if deemed appropriate, approve the application of an inflationary pay award which must be the same as the award applied to all other staff
- 1.17. Review and approve personal development plans

### **Senior Managers**

- 1.18. The senior managers are employees outside the Joint Negotiating Committee for HE Staff National Framework Agreement who are not senior post holders
- 1.19. To have an overview of the Vice Chancellor's decisions regarding the salaries, benefits and bonuses of senior managers
- 1.20. To receive proposals from the Vice Chancellor for any changes to benefits and bonuses for senior managers

## **Other Duties**

- 1.21. Determine the arrangements for any honoraria payments to non-salaried positions appointed by the Board of Governors
- 1.22. Provide an annual report to the Board of Governors on the work of the Committee, setting out its approach and decisions regarding the remuneration of senior post holders
- 1.23. As part of its decision making, take account of:
  - 1.23.1. The remuneration of all of the University's employees, for example the rate of increase of average remuneration of all staff, and pay ratios
  - 1.23.2. Affordability and the University's budgetary position
  - 1.23.3. The University's strategy and market position
  - 1.23.4. The charitable status of the University and the need to ensure value for money for its stakeholders
  - 1.23.5. The public interest and the safeguarding of public funds, alongside the interests of the University
  - 1.23.6. The need for transparency of process
  - 1.23.7. Comparative information on the remuneration, benefits and conditions of employment in the University sector and other sectors as considered appropriate
- 1.24. Promote the University's responsibilities for equality, diversity and inclusion by ensuring that relevant issues are given full consideration as part of the Committee's work
- 1.25. Ensure compliance with
  - 1.25.1. the Higher Education Senior Staff Remuneration Code
  - 1.25.2. the requirements of the Office for Students in respect of remuneration

1.26. Report to the Board of Governors where the decisions of the Committee are likely to have an impact on all staff

1.27. Undertake other such duties as may be appropriate to assign to the Committee by the Board

## **2. Procedural Rules**

2.1 Only members of the Committee have the right to attend its meetings

2.2 Subject to procedural rules 2.3 and 2.4, the Committee may invite others to attend at its discretion

2.3 No individual will attend any part of a meeting where their own remuneration arrangements are being discussed or determined, or be in any way involved in decisions regarding their own remuneration

2.4 No one for whom the University is their employer may serve as a member of the Remuneration Committee

## **3. Members**

- Chair of the Board of Governors – ex officio
- Deputy Chair of the Board of Governors – ex officio
- Three further independent governors
- One student governor, the President of the Students' Union
- Up to three members co-opted to the Committee as external members, having expertise in remuneration issues and practice in other institutions and sectors, to help ensure that remuneration remains fair but also competitive

## **4. Quorum**

The quorum is five of the nine members of the Committee. Where there are vacancies the quorum is same proportion, as rounded up, of those members eligible to be present.

## **5. Chair**

- The Deputy Chair of the Board of Governors is ex-officio Chair of the Committee
- In the absence of the Chair, the Remuneration Committee will be chaired by its Deputy Chair
- The Deputy Chair of the Remuneration Committee is elected by the Committee on the recommendation of the Chair of the Board
- The Deputy Chair of the Remuneration Committee is elected for a maximum of two three-year terms of office
- The Deputy Chair will be selected from amongst the members who are independent or co-opted governors of the University

## **6. Attendees**

No individual will attend any part of a meeting where their own remuneration arrangements are being discussed or determined, or be in any way involved in decisions regarding their own remuneration.

Subject to this, and the other Procedural Rules at section 2, the following are in attendance at the invitation of the Committee:

- Chair of the Audit Committee
- Vice Chancellor
- Director of Human Resources
- Clerk to the Board of Governors, who is Clerk to the Committee
- Others at the discretion of the Committee

## **7. Delegations and Authorisations**

- The Committee is authorised to seek any information it requires to fulfil its terms of reference. This includes authority to appoint remuneration consultants and to commission or purchase any reviews, reports, surveys or information which it deems necessary, within budgetary constraints set by the Board of Governors.
- The Committee is delegated by the Board to Governors to approve the remuneration package of each senior post holder including salary, performance related pay and any other elements of remuneration and the terms and conditions, benefits and severance arrangements of senior post holders

## **8. Frequency of Meetings**

Meetings will be held at least twice per year.

## **Appendix to the Terms of Reference – University Remuneration Framework Principles**

The University has two policies which set out the principles by which staff are remunerated. These are the [Pay and Reward Policy](#) and the [Remuneration Policy for Employees Outside the JNCHES Framework Agreement](#) (links open in Firefox only).

The basic principles common to both policies are:

- The University values the contribution its employees make toward its success. In order to remunerate its employees appropriately and fairly the University will operate a reward and recognition system which is transparent, based on objective criteria and free from unlawful bias
- The reward and recognition system will support the strategic objectives of the University, enabling the University to recruit, retain and reward a high calibre of employees and enhance its reputation as an employer
- The University is committed to the principle of equal opportunities in employment and believes that pay and conditions of employment should be awarded fairly and equitably for doing like work or work rated as equivalent, irrespective of gender, race, disability, age, nationality, religion, creed, political beliefs, sexual orientation, trade union membership, full or part-time working or other irrelevant distinction that may cause disadvantage or unfair discrimination



## University of Northampton Remuneration Framework

Group	Grading and Starting Salary	Inflationary increases	Performance Related Pay	Pay Review
Employees grades 1 – 11 (Pay and Reward Policy applies)	Starting Salaries Procedure applies. Roles graded and benchmarked under HERA (Higher Education Role Analysis)	Agreed under the National Framework Agreement of JNCHES*	N/A	N/A Under HERA, roles can be submitted for re-grading
Senior Managers (Executive Deans, Deans, Executive Directors, Directors) (Remuneration Policy for Staff outside JNCHES applies)	Grading agreed by relevant member of UMT advised by Director of HR, and in line with relevant benchmarking data. HR Director/COO monitor remuneration decisions, ensure that internal monitoring controls are in place and salaries have been determined based on benchmarking with the sector and market forces	Same percentage increase as agreed by JNCHES is applied	No more than 15% of annual salary. Subject to affordability Recommendations are made by the line manager. Final award agreed by the VC	Regularly, normally every 3 years

Senior Post holders (VC, COO, DVC, Clerk)	Not graded Salary is agreed by Rem Com	Rem Com decides whether to apply the same percentage increase agreed by JNCHES. Rem Com may decide the JNCHES award or no award; no other inflationary award decisions are possible	No more than 15% of annual salary. Subject to affordability Determined by Rem Com on recommendation of the relevant line manager (under Staff outside JNCHES Policy)	Regularly, normally every 3 years
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All staff are included in a pension scheme unless they opt out

\* Joint Negotiating Committee for HE Staff

## **Appendix 2 – Policy and Procedure on Consultancy Income**

Consultancy is considered to be activity, usually in the form of information and advice, which generates income from a client organisation, usually to conduct a specific project with agreed outcomes in an agreed timeframe. This is clearly differentiated from either research or teaching and learning activity. We have recognised two types of consultancy for this purpose.

### *Category A Consultancy*

This relates to projects which are not core requirements of an individual's role and which they 'win' and conduct in addition to their normal role.

In order to promote the development of such activity staff are encouraged to bring this work into the University and through its accounts, thereby allowing the work to be covered by University's insurance. Critically, staff will then be able to retain **100%** of the income after any direct costs have been deducted, that is, only costs directly incurred in conducting the consultancy, such as the hire or further labour or travel expenses. No overheads will be charged. In many cases the direct costs will be minimal or even non-existent.

The procedure relating to this type of Consultancy is as follows:

- Income would be invoiced by the University and posted to a cost code in the consultant's name;
- The individual's Dean/Director will be responsible for the calculation of direct costs, if any;
- All other aspects of the individual's role are required to be fulfilled although there is some flexibility in relation to timing which may be required to facilitate the consultancy;
- It may prove possible for the consultant to 'buy out' some further time at direct cost from the income received;
- The consultant may take the profit made as salary (individuals should note tax and National Insurance implications) assuming the balance is

never negative or alternatively leave monies in the cost code for work related expenditure of their choosing;

- Monies remaining can be carried forward between financial years.

### *Category B Consultancy*

This relates to projects secured and conducted in the normal course of a person's role and consistent within their objectives and Faculty objectives: a planned aspect of faculty practice. These may be either secured by an individual or team and given in whole or part to the individual/team to conduct by their line manager.

The procedure relating to this type of Consultancy is as follows:

If time is made available within the individual's workload to perform the consultancy then no additional payment to the individual is required;

Should the individual be on a 'normal' academic contract and has fulfilled the requirement of that contract including their 'scholarly activity' then an honorarium may be paid for this additional work;

The scale of this honorarium should be based on the gross financial contribution made by the consultancy project. **50%** of such contribution may be awarded to the individual/team conducting the work;

In this case the conditions in Category A (above) apply to this payment i.e. any profit is posted to a cost code in the consultant's/team's name.

The Policy has been adopted with immediate effect and individuals wishing to use the Policy and accompanying Procedure in the course of their duties should discuss this with their Dean/Director in the first instance.

The policy:

- protects the individual and the University within a contract with the client and by the provision of professional indemnity insurance;

- provides support with costing and pricing, fee negotiation and contract development;
- ensures that there is no conflict of interest between the University and its employees and avoids staff potentially being in breach of their contract;
- further exploits commercial and other opportunities that might arise as a result of such activity.

## Appendix 3 – Review of Compliance with the HE Senior Staff Remuneration Code

### Element I - A fair, appropriate and justifiable level of remuneration

Principles	University Position
a) Remuneration should take account of the context in which the institution operates	<p>A salary benchmarking exercise takes place every three years. Salaries are compared to other post-92 institutions, to the region, and to other institutions by turnover</p> <p>For the senior post holders in the remit of the Remuneration Committee, a benchmarking exercise was carried out at the meeting on 20/02/2019. No changes were made as a result.</p> <p>On 17/07/2019, the Committee received a data report on how the VC's remuneration compared with that of other VCs in the sector, the region, and institutions in the same turnover bracket</p>
b) Remuneration must be linked to the value, based on a number of components, delivered by an individual acting within a role	<p>The elements of remuneration are basic salary and performance related pay (PRP).</p> <p>PRP has a corporate element and a personal element, both of which are related to the achievement of objectives</p>
c) Remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to	<p>Equal pay audit and gender pay gap reports are published annually. Equality and Diversity implications are part of every report at Board level. The Remuneration Committee's terms of reference have been updated over 2019-20 to include specific reference to its consideration of equality, diversity and inclusion issues as part of its work.</p>

gender or other protected characteristics within the pay structure	
d) Institutions should be clear about what they expect from staff, i.e. what is 'normal' and what is 'exceptional'. There should be a robust and consistent process for setting objectives and assessing an individual's contribution	Annual objectives are approved by Remuneration Committee or the VC as appropriate. Progress towards achievement is overseen by the Chair of the Board or VC as appropriate, and reported to Rem Com in the case of the senior post holders. Objectives are drafted to be SMART, and to add additional value beyond the post holder's day-to-day role
e) Remuneration can vary according to individual performance	Performance related pay is: 10% corporate objectives, 5% personal objectives PRP is subject to affordability
f) Awards made in respect of annual bonus arrangements linked to the achievement of specific annual objectives should not be consolidated	PRP is not consolidated
g) From time to time the value of a role may need to be reviewed in light of changing conditions, sustained performance, experience etc	Benchmarking exercise as above. There is an annual review of individual performance through the PDR process. This sets and monitors annual objectives. The PDR process can trigger a review of the job description.

<p>h) Non-achievement of an individual's expected contribution should have consequences</p>	<p>Consequences are financial. There is no award of PRP for objectives that are not completed, or are partially completed.</p> <p>The University's Performance Management Procedure applies to senior post holders and senior managers. Regular conversations with line managers address performance</p>
<p>i) Any severance payments must be reasonable and justifiable</p>	<p>In the last 5 years the University has not made a severance payment to a senior post holder. Staff may be eligible under the Voluntary Severance Scheme. This scheme is potentially applicable to all staff of the University and has been agreed with the relevant Unions to ensure payments are reasonable and justified</p>
<p>j) There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity</p>	<p>Under the terms of the contract, other employment must be approved by the line manager.</p> <p>The retention of income from consultancy is covered by a policy</p>

**Element II – Procedural fairness**

<b>Principles</b>	<b>University Position</b>
<p>a) Senior post holder remuneration should be determined in the context of each institution's approach to rewarding all of its staff,</p>	<p>An annual inflationary increment is recommended to the Remuneration Committee. This always follows the amount awarded nationally to all HE staff. The Committee's terms of</p>



<p>and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff</p>	<p>reference have been updated in 2019-20 to make clear that the Committee's decisions take into account the remuneration of all employees</p>
<p>b) No individual can be involved in deciding his or her own remuneration</p>	<p>No one can be in attendance or vote when their own remuneration or PRP is being discussed</p>
<p>c) Remuneration Committees must be independent and competent</p>	<p>As well as the Chair and Deputy Chair of the Board, and independent governors, the Committee contains external independent members with recent and relevant experience in the field of remuneration. The Chair of the Audit Committee is in attendance as an additional control mechanism. The Director of HR is in attendance to give specialist advice.</p> <p>No one can be in attendance or vote when their own remuneration or PRP is being discussed</p>
<p>d) The head of the institution (HoI) must not be a member of the Remuneration Committee</p>	<p>The Vice Chancellor is not a member of the Rem Com. The VC is in attendance at Remuneration Committee to advise it on those matters in his remit, specifically the line management and objectives of the COO and DVC. The Vice Chancellor is not in attendance and does not vote on his own remuneration or PRP</p>

e) Remuneration Committees, when considering Hol remuneration, must be chaired by a lay governor who is not Chair of the governing body	The Deputy Chair of the Board is the Chair of the Remuneration Committee. The Deputy Chair of the Board is an independent member
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### Element III - Transparency and accountability

<b>Each institution must publish a readily accessible annual statement, based on an annual report to its governing body, containing:</b>
a) a list of post holders within the remit of Remuneration Committee
b) its policy on the remuneration for post holders within the remit of Remuneration Committee
c) its choice of comparator institutions/organisations
d) its policy on income derived from external activities
e) the pay multiple of the Hol and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above average, an explanation of why
f) an explanation of any significant changes

The University's published Annual Report and Accounts each year contains the pay multiple

To date, the Board has decided not to publish the other matters listed here, which are in Section Three of the current report.

The policies on remuneration and consultancy income are publicly available on the University's website. The Remuneration Committee terms of reference contain a list of the post holders within its remit, and this is also published on the website.