

CARDIFF METROPOLITAN UNIVERSITY

DRAFT SENIOR STAFF REMUNERATION STATEMENT AND REMUNERATION COMMITTEE'S ANNUAL REPORT FOR 2017/18

Introduction

Cardiff Metropolitan University follows the principles of the Higher Education Code of Governance published by the Committee of University Chairs (CUC) in 2014, the Higher Education Senior Staff Remuneration Code published by CUC in June 2018 and guidance issued on behalf of the Welsh Government. This, the first Senior Staff Remuneration Statement issued by the Remuneration Committee, will be developed to form the basis of annual pay policy statements.

This statement seeks to provide assurance that the Remuneration Committee on behalf of the Board of Governors carries out its work on senior staff remuneration in a responsible and transparent way in accordance with the overarching principles set out below.

Composition, Purposes and Terms of Reference of the Remuneration Committee

.1 Composition

The Remuneration Committee is comprised of six members, all of whom are either independent governors or 'lay' (i.e. non-staff or student) co-opted governors.

Although historically the President & Vice-Chancellor has been a member of the Committee for the purpose of providing advice on and presenting salary recommendations and the outcomes of performance appraisals with regard to other senior post-holders, the President & Vice-Chancellor always took no part in, and was absent for, determinations on his/her own pay and conditions. In line with best practice across the sector, a change was made to the Committee's membership during 2017/18 to provide for the President & Vice-Chancellor to be an attendee at Remuneration Committee meetings save for consideration of items relating to his/her salary and terms and conditions. Similar arrangements have applied to the attendance of the Clerk to the Governors, who acts as Secretary to the Committee, since incorporation in 1991.

.2 Purpose

The Remuneration Committee has been established to ensure that remuneration arrangements for all senior post-holders support the University's strategic aims and enable the recruitment, motivation and retention of the most senior staff whilst also complying with requirements of regulation and best practice. The Committee has delegated authority from the Board of Governors for setting remuneration and terms and conditions for senior post-holders. It is tasked with ensuring adherence with the Higher Education Senior Staff Remuneration Code and particularly with ensuring fair, appropriate and justifiable levels of remuneration, procedural fairness, transparency and accountability. Due regard is to be had to the outcomes of national pay negotiations for staff on the 51 point pay spine and to awards for Level 3 and professorial staff.

.3 Terms of Reference

As a minimum, the Committee meets each business year during the Summer Term for performance and salary reviews and in the Spring Term for half-year reviews of performance against objectives.

Under its Terms of Reference, which are reviewed annually at the Committee's first meeting in each business year, the Committee is to:

- .1 to receive and consider the outcomes of the annual appraisal of the President & Vice-Chancellor and Clerk to the Board of Governors;
- .2 to determine annually the pay of the President & Vice-Chancellor including the level of any performance related element of pay;
- .3 to receive from the President & Vice-Chancellor accounts of the appraisal of the holders of other senior posts;
- .4 to determine after consultation with the President & Vice-Chancellor the annual pay of the holders of other senior posts and the level of any performance related element of pay;
- .5 to consider, where appropriate, any changes to the conditions of service of the President & Vice-Chancellor and/or the holders of any other senior posts;
- .6 to have regard to Level 3 salaries and pay multiples in the determination of pay for all senior post-holders;
- .7 to present to the Board of Governors the annual Senior Staff Remuneration Statement;
- .8 to determine in accordance with the Policy on Severance Payments to Senior Staff approved by the Board of Governors in December 2000 and revised in October 2018 applications for early retirement/severance payments made by senior post holders and senior staff, and to give early notice of such applications by senior post holders to the Board of Governors;
- .9 to undertake such other responsibilities as may from time to time be determined by the Board of Governors;
- .10 to report regularly and at least annually to members of the Board of Governors on the business undertaken within the Remuneration Committee.

Overarching Principles

The Committee has regard to the following overarching principles in setting terms and conditions for senior post-holders:

- .1 Fair, appropriate and justifiable levels of remuneration, based on a clear understanding of the responsibilities, context and expected contribution of a role,

- the attributes required to undertake that role effectively and matters of equality, diversity and inclusion;
- .2 Transparency and accountability, evidenced through termly report and an annual statement to the Board of Governors;
 - .3 Proportionality, fairness and consistency in application;
 - .4 Performance, ensuring that remuneration is treated as an enabler to achieving the University's objectives;
 - .5 Recruitment and retention, ensuring that salaries are sufficient in the context of the market for the various roles and review of practice at comparator institutions balanced by the need to demonstrate the achievement of value for money in the use of resources;
 - .6 Process, with remuneration being set through a policy and process based on the application of a consistent framework with independent decision-making informed by appropriate evidence and review;
 - .7 Compliance with HE Senior Staff Remuneration Code.

Key considerations when determining and reviewing senior staff remuneration

The value of a post will be determined by a number of components and criteria for assessing the value of the role including i) job size, ii) complexity, iii) impact, iv) levels of autonomy, accountability and decision-making authority, v) experience, vi) knowledge and skills, vii) reputation and credibility and viii) external comparisons.

In setting senior salaries and conducting annual reviews the Appointment Committee or Remuneration Committee as the case may be will have regard *inter alia* to comparative salaries and data issued by the Committee of University Chairs and the Universities and Colleges Employers' Association. The Committee is entitled to seek independent professional and legal advice.

Annual Performance Review

The Chair of the Board of Governors will present an annual report to the Remuneration Committee on the Vice-Chancellor's performance for the previous year. The annual report will provide information on performance against agreed objectives measured through a performance management framework.

The Vice-Chancellor will present a similar annual report to the Remuneration Committee on the performance of Level 2 senior post-holders.

Pensions

Senior post-holders are entitled and encouraged to join one of the following three pensions schemes, viz. the Universities Superannuation Scheme, the Teachers' Pension Scheme and the Local Government Pension Scheme. The committee has agreed flexibility to apply alternative arrangements where, because of pension taxation, continued subscriptions to a pension scheme are not of benefit to the individual.

Notice periods

The notice period for the Vice-Chancellor and Deputy Vice-Chancellor is six months. The notice period for all other senior post-holders is three months.

Severance Pay

Any severance payments made above the statutory requirements are to be agreed in accordance with the Senior Staff Severance Policy last revised by the Board of Governors in October 2018.

Reporting of decisions made by the Remuneration Committee

As provided by its Terms of Reference, the Committee reports annually to members of the Board of Governors on the business undertaken within the Remuneration Committee and reports on the business of its meetings to 'lay' governors privately at the first meeting of the Board of Governors after each Committee meeting.

Senior Staff Pay for 2018/19 and Pay Multiples

The Committee reviews salaries for senior post-holders annually and, during 2017/18, determined substantive salaries for two PVCs, where protected salary arrangements were in place as a consequence of senior staff restructuring. Data were provided on awards for staff on the 51 point pay spine, the retail price consumer price indices at 1 August 2017 and relevant data from UCEA pay settlements and from the Chair of the Board of Governors the CUC Survey of Vice-Chancellors' Remuneration. The Committee acknowledged current political and media interest in senior staff emoluments in HEIs, particularly regarding emoluments for Vice-Chancellors, issues of transparency and process and advice from CUC.

.1 Vice-Chancellor

Taking account of issues of performance, salary awards across the University and the sector and the median salary for all universities of similar size, the salary for the Vice-Chancellor, who came into post on 1 October 2016, was reviewed during 2017/18 to align it to the UCEA median point for total pay for universities of £70m to £100m turnover of £233,906 from 1 August 2017 (£100m to £160m from 2018/19).

The Vice-Chancellor's emoluments are published every year in the University's Annual Report and Financial Statements. The 2017/18 Annual Report and Financial Statements were approved by the Board of Governors on 27 November 2018. The following data have been disclosed for the year 2017/18:

Salary	£233,906
Benefits in kind	£0
Payment in lieu of employer's pension contributions	£32,677
Total emoluments	£266,583

The Vice-Chancellor's salary as a multiple of the median salary of £37,703 for 2017/18 was 6.2; the pay multiple for total remuneration was 7.0

.2 Other senior post-holders

For 2017/18, as set out in the Annual Report and Financial Statements and following a restructuring of Level 2 posts which came into effect from 1 August 2017, senior post-holders in addition to the Vice-Chancellor were the Deputy Vice Chancellor, the PVC (Research and Innovation), the PVC (International), the PVC (Student Engagement), and the PVC (Cyncoed) & Dean of the School of Sport and Health Sciences. Level 2 posts were restructured with effect from 1 August 2017. New appointments to the positions of Deputy Vice Chancellor, PVC (Student Engagement) and PVC (Cyncoed) & Dean of the School of Sport and Health Sciences came into effect during the Autumn Term 2017.

The Annual Report and Financial Statements provides data on higher paid staff, i.e. staff paid £100,00 p.m. or more, in bands of £5k. The following data record the cost of six staff for 2017/18, one more than the number of designated senior post-holders:

	No.
£100,000 to £104,999	2
£125,000 to £129,999	2
£130,000 to £134,999	1
£135,000 to £139,999	1

.3 Financial Transactions

Due to the nature of the University's operations and the composition of the Board, it is inevitable that transactions will take place with organisations in which a Member of the Board or a senior member of staff may have an interest. All transactions where there is an real or perceived interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The financial regulations require an individual to declare an interest and to withdraw from discussions should a conflict of interest arise or be perceived to arise. Written assurances are obtained annually from all Governors and key personnel in respect of the individual and close family. For the financial year to 31 July 2018 the returns state that there has been no undue influence between the University and related parties (as defined by FRS102).

Remuneration Committee Business during 2017/18

During the year 2017/18 the Committee met on three occasions, on 5 December 2017, 16 January 2018 and 3 July 2018.

The following business was transacted:

review of the Committee's Terms of Reference including a change in the Vice-Chancellor's status from member to attendee;

review of senior staff performance during 2016/17 and objectives and targets for 2017/18 and receipt of the Strategic Projects Register 2017/18;

determination of senior staff salaries for 2017/18;

oversight and review of two senior staff severance agreements entered into during the summer of 2017 as outcomes of the recent senior management restructuring exercise;

review of the operation of the Senior Staff Severance Policy – a revised Policy was approved by the Board of Governors in October 2018;

review of the use of honoraria and other additional payments;

consideration of CUC's draft Higher Education Senior Staff Remuneration Code – accepting the generality of the draft Code, the Committee decided to contribute to the consultation exercise through the response to be submitted by Chairs of Universities Wales;

arrangements for the next review of the Committee's effectiveness and review of the salary-setting process – it was decided in October 2018 that a review of the Remuneration Committee's effectiveness would be incorporated in the full review of the Board of Governors scheduled to commence early in the Spring Term 2019, facilitated by Advance HE.

December 2018

Richard Walters
Secretary & Clerk to the Governors
on behalf of the Chair and Members of the Remuneration Committee

Approved by Nicola Amery, Vice-Chair of the Board of Governors and Chair of the Remuneration Committee