

OXFORD BROOKES UNIVERSITY

ANNUAL REPORT OF THE REMUNERATION COMMITTEE 2018

The Committee of University Chairs published a Remuneration Code¹ in June 2018 ('The CUC Code'). This provides guidance to institutions on how to determine fair and appropriate remuneration for vice-chancellors and other senior university staff. Oxford Brookes University has adopted the CUC Code.

At Oxford Brookes University the remuneration of both the Vice-Chancellor and Registrar & Chief Operating Officer and Clerk to the Board of Governors is determined by the Remuneration Committee whose members are independent governors.

The remuneration of members of the Vice-Chancellor's Group (VCG) and the directors of professional services directorates is determined by the Remuneration Committee on the recommendation of the VCG Remuneration Committee. The membership and terms of reference of the Remuneration Committee and the VCG Remuneration Committee are at Appendices 1 and 2.

This report is published in accordance with the CUC Code.

Remuneration Committee

The Remuneration Committee determines the remuneration of the 'holders of senior posts', as defined in the University's Articles of Government, i.e. the Vice-Chancellor (Professor Alistair Fitt) and the Registrar & Chief Operating Officer and Clerk to the Board of Governors (Brendan Casey). In each case, any salary increase is subject to satisfactory performance and the committee receives an annual report on performance against objectives, which is informed by feedback from internal and external stakeholders. The Board of Governors also reviews the performance of the University annually against institutional KPIs, and did this at its meeting on 24 April 2018.

The Remuneration Committee met once in 2017-18 on 11 June 2018 to determine the remuneration of the Vice-Chancellor and Registrar & Chief Operating Officer and Clerk to the Board of Governors, as well as to consider the recommendations of the VCG Remuneration Committee. At that time, the final offer in the national pay negotiations (in which Oxford Brookes University participates) was 2 per cent (with additional increases for staff on the lower pay spine points).

The Remuneration Committee also considered the CUC Code, which had been published a few days earlier, and agreed to meet again during the year to review its terms of reference in the light of the Code. The committee also had before it the University's gender pay gap report 2017².

Vice-Chancellor

The Vice-Chancellor's remuneration is positioned at or around the median basic salary of vice-chancellors of institutions with a similar annual turnover; and is subject to the considerations below:

¹ The full CUC code may be found at <https://www.universitychairs.ac.uk/wp-content/uploads/2018/06/HE-Remuneration-Code.pdf>

² The Gender Pay Gap report for 2017 may be found at: <https://www.brookes.ac.uk/documents/staff/hr/edi/reports/gender-pay-gap-2017/>

- a) proportionate pay and the general level of pay rises in the university sector;
- b) comparability with staff in other universities based on comparative information (such as CUC and UCEA);
- c) the performance in post of the Vice-Chancellor as reported by the Chair of Governors based on a performance review against the year's objectives, and the report of the Vice-Chancellor on the performance of other posts;
- d) the need to recruit and retain well qualified staff;
- e) the views of the senior staff and, if requested by those staff, their representatives; and
- f) the University's charitable purposes and, in particular, the Good Pay Guide for Charities and Social Enterprises issued by the Association of Chief Executives of Voluntary Organisations.

The Vice-Chancellor's remuneration comprises basic salary and an employer's contribution of 2.1% of salary to the Universities Superannuation Scheme under the enhanced opt-out arrangement. He receives no income derived from external activities, or performance-related pay. The University pays the Vice-Chancellor's subscription to the Athenaeum Club (£2,575 in 2018).

The Vice-Chancellor's salary was set by the Remuneration Committee at £233,300 on his appointment on 1 February 2015. He has declined to accept any pay increase since then. (In July 2017, the committee had recommended an increase to £244,000.) As a consequence, his salary is below the median of institutions with a similar turnover.

Emoluments of the Vice-Chancellor	2016-17	2017-18
Salary	£233,300	£233,300
Performance-related pay	NA	NA
Benefits	-	-
Sub-total	£233,300	£233,300
Pension costs	4,899	£4,899
Total	£238,199	£238,199

In accordance with the CUC Code and the OfS Regulatory Advice 9: Accounts Direction³, the following pay multiples are presented as at 31 July 2018.

Comparator	Multiple calculated in accordance with CUC Code ⁴		Multiple calculated in accordance with OfS ⁵	
	Basic Pay	Total Pay	Basic Pay	Total Pay
Median pay of the workforce	1 : 7	1 : 7	1 : 8.1	1 : 8.4

Using the CUC Code methodology, the ratio of the Vice-Chancellor's pay to the median of the workforce for the preceding three years are as follows:

Median pay for the university workforce	Multiple calculated in accordance with CUC Code	
	Basic Pay	Total Pay
2015-16	1 : 7.2	1 : 7.1
2016-17	1 : 7.1	1 : 7.1

³ <https://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-guidance-on-preparing-and-publishing-financial-statements/>

⁴ This calculation is based on UCEA guidance and does not include atypical staff.

⁵ This calculation is based on the OfS Regulatory Advice 9: Accounts Direction and includes all staff.

2017-18	1 : 7	1 : 7
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An extract of the University's policy on travel and expenses applicable to all staff, including the Vice-Chancellor, is presented in Appendix 3. The expenses incurred by the Vice-Chancellor in 2017-18 is summarised below:

UK Travel	£3,713
International Travel	£13,767
Accommodation	£4,706
Hospitality	£251
Conference fees/Subscriptions	£1,009
Other	£20
Total	£26,466

Registrar & Chief Operating Officer and Clerk to the Board of Governors

The Registrar & Chief Operating Officer (RCOO) is also Clerk to the Board of Governors. His remuneration is positioned by reference to the upper quartile for registrars and chief operating officers of institutions with a similar annual turnover using the UCEA annual senior staff salary survey. The RCOO's remuneration comprises basic salary and an employer's contribution to the Universities Superannuation Scheme. He receives no income derived from external activities, benefits in kind or performance-related pay.

The Remuneration Committee had agreed to increase the RCOO's salary to £160,000 from 1 August 2017 to recognise the significant additional duties he would take on as a consequence of the retirement of the Director of Infrastructure Investment.

The committee agreed to increase the RCOO's salary to £163,700 with effect from 1 August 2018 (an increase of 2.3 per cent) to reflect the upper quartile for chief operating officers.

Emoluments of the RCOO	2016-17	2017-18
Salary	£140,000	£160,000
Benefits	-	-
Sub-total	£140,000	£160,000
Pension costs	£25,200	£28,800
Total	£165,200	£188,800

VCG Remuneration Committee

The Remuneration Committee also considered the recommendations of the VCG Remuneration Committee in respect of salary increases effective from 1 August 2018 for the other members of the VCG (the two pro vice-chancellors, the four pro vice-chancellor/deans, the Director of Finance and Legal Services, and the Director of HR), as well as the directors of professional services. All salary increases are subject to satisfactory performance and the committee receives an annual report on individual performance against objectives.

Salaries for staff within the remit of the VCG Remuneration Committee are determined by reference to the upper quartile data for specific professional or academic leadership functions to ensure the University is able to recruit, retain and reward well-qualified staff who are able to support the delivery of the University's strategic objectives (see Appendix 2). Senior staff

remuneration comprises basic salary and employer's pension contribution. They receive no income derived from external activities, benefits in kind, increments or performance-related pay.

The general salary uplift agreed by the Remuneration Committee was 2.26 per cent with additional increases for certain roles to address internal anomalies and to reflect the upper quartile for particular functions. Two staff declined to accept all or part of the recommended salary increase.

Basic salary per annum	Number of staff 1 August 2018
£95,000 - £99,999	3
£100,000 - £104,999	0
£105,000 - £109,999	2
£110,000 - £114,999	1
£115,000 - £119,999	0
£120,000 - £124,999	1
£125,000 - £129,999	0
£130,000 - £135,999	7

Appendix 1

REMUNERATION COMMITTEE

1. Summary of Purpose

- 1.1. To determine the remuneration of senior staff as defined by the Board of Governors (currently the Vice-Chancellor and the Registrar & Chief Operating Officer and Clerk to the Board of Governors).
- 1.2. To advise on the severance arrangements for senior staff.

2. Frequency of Meetings

- 2.1. The committee will meet at least once per year.

3. Duties and Responsibilities

- 3.1. To determine on appointment and subsequently to review the remuneration, terms and conditions of service, appraisal arrangements and any severance provision for senior staff.
- 3.2. To review the remuneration of senior staff at least annually. The committee will have regard to appropriate factors including:
 - a) proportionate pay and the general level of pay rises in the university sector;
 - b) comparability with staff in other universities based on comparative information (such as CUC and UCEA);
 - c) the performance in post of the Vice-Chancellor as reported by the Chair of Governors based on a performance review against the year's objectives, and the report of the Vice-Chancellor on the performance of other posts;
 - d) the need to recruit and retain well qualified staff;
 - e) the views of the senior staff and, if requested by those staff, their representatives; and
 - f) the University's charitable purposes and, in particular, the Good Pay Guide for Charities and Social Enterprises issued by the Association of Chief Executives of Voluntary Organisations.
- 3.3. If considering severance arrangements for senior staff, the committee must represent the public interest and avoid any inappropriate use of public funds, taking care not to agree to a severance package which staff, students and the public might deem excessive.
- 3.4. To report to the Board of Governors the written decision of the Remuneration Committee concerning senior staff pay and provide sufficient detail of the broad criteria, policies and performance against which decisions have been made.
- 3.5. To approve the recommendations of the VCG Remuneration Committee on the pay of PVCs, PVC/Deans and Directors, together with the criteria used in making these decisions.

4. **Memberships**⁶

The members of the committee must be governors who are not employees or students of the University. The Chair of the Board of Governors must not act as the chair of the committee.

	Category	Status	Name
1	Chair	Governor	Martin Howell
2	Member	Governor	Leslie Morphy
3	Member	Governor	Simon Jones
4	Member	Governor	Yasmin Sidhwa
	Vice-Chancellor	In attendance*	Professor Alistair Fitt
	Secretary: Director of HR	In attendance	Alison Cross

* The Vice-Chancellor attends at the request of the committee for specific matters. The Vice-Chancellor is excluded from matters concerning his own remuneration.

⁶ Memberships is determined by the Nominations Committee of the Board of Governors

Appendix 2

VCG REMUNERATION COMMITTEE

TERMS OF REFERENCE AND MEMBERSHIP

1. Summary of Purpose

- 1.1. To recommend to the Remuneration Committee the remuneration of the Pro Vice-Chancellors, PVC/Deans, and directors.
- 1.2. To ensure that the University is able to recruit and retain well-qualified staff who are able to support the delivery of the University's strategic objectives.

2. Frequency of Meetings

- 2.1. The committee will meet at least once per year.

3. Duties and Responsibilities

- 3.1. To review the remuneration of the senior staff within its remit at least annually. In setting base salaries, the committee will have regard to relevant following factors, including:
 - a) proportionate pay and the general level of pay rises in the university sector;
 - b) comparability with staff in similar roles at other universities as reflected in upper quartile data for all universities in the UCEA salary survey and any other relevant comparative information;
 - c) the performance of the postholders against the year's objectives; and
 - d) the University's charitable purposes and, in particular, the Good Pay Guide for Charities and Social Enterprises issued by the Association of Chief Executives of Voluntary Organisations.
- 3.2. To recommend any market supplementation for particular roles to reflect higher upper quartile data for specific administrative functions or academic subject areas, as reflected in relevant comparative salary data.
- 3.3. To represent the public interest and avoid any inappropriate use of public funds, taking care not to agree to any remuneration package which staff, students and the public might deem excessive.
- 3.4. To report to the Remuneration Committee of the Board of Governors the written recommendations of the committee concerning remuneration with sufficient detail of the broad criteria, policies and performance against which those recommendations have been made.

4. Membership

Category	Name	Status
1 Chair	Professor Alistair Fitt	Vice-Chancellor
2 Member	Brendan Casey	Registrar & Chief Operating Officer
3 Member	Martin Howell	Deputy Chair of Governors Chair of Remuneration Committee (or his or her nominee)
Director of HR	Alison Cross	Secretary, in attendance

Appendix 3

Staff, Student and Visitor Expenses Policy

University Financial Regulations, section 34

- 34.1 The University's purchasing and payments procedures are in place to enable the majority of non-pay supplies to be procured through the purchase order or purchase card systems without staff or students having to incur any personal expense.
- 34.2 However, on occasion, staff, students or visitors may incur expenses and are entitled to reimbursement. Guidance is available in the Expenses policy.
- 34.3 All claims for payment of staff expenses shall be completed in a form approved by the Director of Finance and Legal Services and self-certified by the claimant.
- 34.4 The self-certification by the claimant shall be taken to mean that:
- the journeys were approved by the relevant budget holder
 - the expenses were properly and necessarily incurred
 - the allowances are properly payable by the University
 - consideration has been given to value for money in choosing the mode of transport.
- 34.5 Expenses incurred by the Vice-Chancellor will be approved by the Chair of the Board of Governors.
- 34.6 Claims for reimbursement of expenditure incurred on University business by members of the Board of Governors will be authorised by the Registrar & Chief Operating Officer and Clerk to the Board of Governors.
- 34.7 The Director of Finance and Legal Services shall ensure that an appropriate sample of expense claims are reviewed for compliance with the University's Expenses policy. Detected instances of non-compliance could result in formal disciplinary action being taken and shall be reported to the Director of Finance and Legal Services on a regular basis.
- 34.8 Non-staff expense claims shall be completed in a form approved by the Director of Finance and Legal Services and must be approved, before submission, by the appropriate authoriser.

Travel Arrangements and allowances

University Financial Regulations, Section 27

- 37.1 All arrangements for travel must be in accordance with the travel section of the Expenses Policy (<https://intranet.brookes.ac.uk/fls-intranet/finance/policies-and-procedures/expenses-policy/>).
- 37.2 Any approvals required must be obtained in advance of committing the University to those arrangements or confirmation of any travel bookings.

- 37.3 All travel bookings will be made in accordance with the University's Expenses Policy and with a regard to value for money and risk. The University's Expenses Policy covers what can be claimed in terms of payment of subsistence allowances, travelling and incidental expenses.
- 37.4 Where spouses, partners or other persons unconnected with the University intend to participate in a trip, this must be clearly identified in advance. The University must not be charged for more than if the member of staff had travelled alone; the partner's travel costs must be invoiced separately and paid privately.
- 37.5 Members of staff who intend to travel overseas on University official business must comply with the travel section of the University's Expenses Policy, to ensure that the risk of the trip is assessed and that the insurance arrangements are in place.