



BUCKINGHAMSHIRE
NEW UNIVERSITY

EST. 1891



REMUNERATION ANNUAL REPORT TO COUNCIL (2018-19)

Introduction

1. This annual report has been prepared by the Remuneration Committee in accordance with the 'Higher Education Senior Staff Remuneration Code' (CUC, July 2018) and is presented to Council for their information and consideration.
2. The report covers the activities of the University's approach to Remuneration and the work of the Remuneration Committee for the period **1 August 2018 to 31 July 2019**.
3. The **Terms of Reference** of the Remuneration Committee are published in the Council Committee Constitution document:
https://bucks.ac.uk/_data/assets/pdf_file/0019/12745/Council-Constitutions-and-Terms-of-Reference.pdf. These were reviewed and updated by the Committee (17 July 2018) to reflect sector best practice and ensure full compliance with the recently published CUC Code. Key changes made at that time are detailed below. No further changes to the constitution have been made during 2018-19.
 - a) Vice-Chancellor to be 'in attendance' rather than a full member of the Committee
 - b) The requirement of an Annual report from the Remuneration Committee to Council
 - c) Chair of the Remuneration Committee to be the role of the Deputy Chair of Council not the Chair of Council. (Note: this change was made in July 2017)
4. **Membership** of the Remuneration Committee for 2018-19 was:

Chair: Irene Kirkman (Deputy Chair and Chair of Governance Committee)
Member of Remuneration Committee since August 2018 / Chair since August 2018
Attended 2 out of 2 meetings

Members: Michael Hipkins (Chair of Council)
Member of Remuneration Committee since August 2014 / Chair for 2016-17
Attended 2 out of 2 meetings

John Smith (Chair of Audit Committee)
Member of Remuneration Committee since August 2016
Attended 2 out of 2 meetings

Tim Marshall (Chair of Resources Committee)
Member of Remuneration Committee since August 2017
Attended 2 out of 2 meetings

In attendance: Professor Nick Braisby (Vice-Chancellor)
Attended 2 out of 2 meetings

Secretary: Ellie Smith (Academic Registrar & Secretary)
Secretary to *Remuneration Committee since May 2010*
Attended 2 out of 2 meetings

Alexandra Bode-Tunji (HR Director)
Secretary/Advisor to Remuneration Committee since May 2018
Attended 2 out of 2 meetings

5. The Committee has met on three occasions since 1 August 2018:

23 October 2018

5 March 2019

16 July 2019

Approaches to Remuneration

6. Statement on competitive environment and markets that Bucks operates within

- 6.1 The unprecedented changes facing the UK higher education sector still remains a key challenge and like other HEIs, Bucks is facing broad-ranging challenges in 2019-20; these include:
- a) Brexit and the challenges for Universities with a no deal Brexit looking more like the outcome on 31 October 2019 given the change in political leadership.
 - b) The recommendations from the Augar review and depending on the approach to implementation, some of these could have a significant impact on income.
 - c) This is the third year of deficit and the University will need to generate additional income of £3.6M to achieve the planned surplus for 2019-2020.
 - d) An increasingly competitive international student recruitment market in the context of the UK's inclusion of international students in the net migration target.
 - e) The changing landscape in regulation with emerging evidence of a step change in the approach OfS is adopting in relation to compliance.
 - f) The current cap on full-time home undergraduate fees.
 - g) Preparation for the next Research Excellence Framework (REF); subject-based Teaching Excellence Framework (TEF); and the upcoming Knowledge Exchange Framework (KEF).
 - h) Inflation remains at around 2% and the freeze on public sector pay rises has been lifted, with pay settlements between 2-3%. Pay award for the UK HE sector was 1.8%, and the five Trade Unions have rejected the pay deal.

6.2 Key employment issues facing the sector at present include:

- a) The financial pressure for HEIs given the rise in employer contribution for public sector pension schemes in particular Teachers Pension Scheme (TPS) and Local Government Pension Scheme (LGPS). These rises pose an affordability challenge for Bucks like many other HEIs.
- b) Heightened industrial relations relating to pay, pension, casualisation with the use of zero hour contracts. Currently UCU and UNISON still remain in dispute on 2018-19 pay negotiations and UCU's ballot for strike action opened on 9 September till 30 October 2019.
- c) The Government has confirmed that it will make changes to off-payroll working rules (commonly known as IR35) from 6 April 2020. The rules will also be extended to the private sector. The reforms will affect HEIs who engage off-payroll workers.
- d) Gender pay gap within Bucks is below the sector average, however recent changes in the senior leadership team will impact on the pay gap in future years.

7. Ratios between Heads of Institutions and staff

7.1 Pay Ratio Distribution – Comparison of 'median all staff total salary' compared to the total pay of the Vice-Chancellor within the University: Bucks remains in the bottom quartile within the sector.

7.2 The pay ratio for the University set out in the table below is in line with the comparator levels and is well below the sector average:

Academic Year	Bucks	HE Sector (England)
2018-19	6.0	7.0
2017-18	5.8	6.9
2016-17	5.6	6.8
2015-16	5.5	6.6

8. Pay competitiveness with HEIs and approach to setting remuneration

8.1 Overall, the total pay analysis is mixed. The University pays competitively compared to post 92 HEIs with similar income for most roles, with 28 out of the 32 roles matching or exceeding 95% of the median pay range. However this drops, significantly to less than 50% when comparing with general post 92 HEIs with only 15 out of 32 roles matching or exceeding 95% of median pay.

8.2 The Committee will therefore need to consider factors such as, performance, selection and retention of talent in key roles to inform salary adjustments for senior roles in future.

9. The key principles agreed by Council that guides decisions relating to remuneration for the Executive team

9.1 Benchmarking – A comparison of total pay using a bespoke benchmarking group of both post 92 HEIs and the 10 closest post-92 institutions by income: The University like other HEIs faces significant competition for talent.

- 9.2 Performance – Review of performance of members of the Executive team against the previously discussed and agreed objectives: The remuneration does not include performance-related payments.
10. The following factors are used in considering reward proposals for senior post holders, including:
- Performance in support of the institutions strategic objectives
 - Size and complexity of Bucks
 - Nature of the HE markets and issues of recruitment/retention
 - Bucks’ objectives in relation to the diversity of the workforce (e.g. NHS salaried staff)
11. Data to support the above is drawn from:
- Higher Education Statistics Agency
 - University and Colleges Employer Association’s Senior Staff Remuneration Survey
 - Committee of University’s Chair’s Vice-Chancellor Salary Survey
 - Reports and reviews from external experts commissioned by the committee
 - Internal analysis of salary distributions
12. Pay and reward for the rest of the workforce, is based on:
- The Job evaluation scheme and a grading structure which is nationally negotiated
 - Pay awards based on awards negotiated as part of the national bargaining arrangements
 - Benefits: Bucks offers a range of benefits and has recently launched its benefits booklets to provide clarity and raise awareness on all the benefits available to employees. The booklet can be found [here](#)
 - Recognition: The university revised its recognition scheme during 2018-19 by introducing monthly recognition awards and revising the annual Vice-Chancellor Awards
 - Pension schemes: The University currently operates the following pension schemes:
 - University Superannuation Scheme (USS)
 - Teacher Pension Scheme (TPS)
 - Local Government Pension Scheme (LGPS)
 - Scottish Widow (SW)
13. Performance related pay
- 13.1 The University Policy to which staff are eligible can be found [here](#).
- 13.2 Currently pay is not linked to performance and the University currently uses service based increments. This has its limitations with limited recognition for contribution based performance. The Remuneration policy allows for performance related pay for outstanding performance for those in senior roles this will be used in future

within an approved framework to reward outstanding performance in support of the new University Strategy – Impact 2022.

14. Pensions

14.1 University Superannuation Scheme

- a) The Joint Negotiating Committee (JNC) met on 22 August 2019 to resume its consideration of the USS Trustee’s 2018 valuation report, which was submitted in line with [Option 3](#). The committee decided that no benefit changes should be made in response to the total contribution rate (30.7%), and that the change in the rate should be shared 65:35 between employers and members respectively (21.1%, 9.6% from October 2019).
- b) UCU is holding firm on its ‘no detriment’ position and will be balloting its members over potential strike action related to USS pensions in opposition to a member contribution rate above 8%. The ballot will run from 9 September until 30 October 2019 and the results are expected shortly after the ballots close.

14.2 Local Government Pension Scheme (LGPS)

- a) The valuation of the scheme was scheduled for 31 March 2019. The funding position used market conditions on 29 March which was the last working day in the month.
- b) Individual Funds vary considerably on their approach to consulting employers and what flexibility is on offer. Results are expected to be announced early 2020 with a new contribution schedule from April 2020.
- c) A number of HEIs have reviewed the pension arrangements relating to LGPS to ensure affordability.

14.3 Teachers’ Pension Scheme (TPS)

- a) The increase in employer’s contribution for Bucks was approximately £800K and this is effective from 1 September 2019.

15. Total remuneration of the Vice-Chancellor

Emoluments of the Vice-Chancellor	2018-19	2017-18	2016-17
Salary	£195,00	£209,100	£205,000
Performance related pay	N/A	N/A	N/A
Benefits	N/A	N/A	N/A
Subtotal	£195,00	£209,100	£205,000
Pension costs	£50,700	£35,547	£34,850
Total	£245,700	£244,647	£239,850

External appointments and expenses

16. The University is currently updating its Remuneration Policy to specifically address the following areas
 - Policy on the retention of income generated from external bodies
 - The amount of income retained from external bodies by the Head of Institution
 - Statement about the expenses policy and a statement about the extent of expenses incurred

Update on Priorities for Remuneration Committee for 2018-19

17. Changes to the Executive team with the appointment of a new Vice-Chancellor and Deputy Vice-Chancellor
18. Engaging a Pensions Consultant to provide expert advice on Pensions in the future
19. Reward strategy for employee benefits

Priorities for Remuneration Committee for 2019-20 and Beyond

- Remuneration policy
- Approach to reward for employees on spot salaries
- Recognition framework
- Pensions and affordability

Drafted by Ellie Smith: 1 July 2019

Further content added by Alexandra Bode-Tunji:

Formatting and content checked by Ellie Smith – 30 September 2019

Finalised by Alexandra Bode-Tunji – 1 October 2019