

University of Cumbria
REMUNERATION COMMITTEE
Annual Report to the University Board 2023/24

Introduction

1. This report covers the work of the Remuneration Committee for the financial year 2023/24 and includes work performed up to the date of this report.
2. The Committee considered the full range of issues appropriate to its terms of reference and responsibilities. The Terms of Reference for the 2023/24 Academic Year are attached at Appendix A.
3. The Terms of Reference for the Committee were updated for 2023/24 Academic Year, the key changes being to the senior post-holders, with the Chief Operating Officer in post for the full year and a change to the titles of the Deputy Vice Chancellors.
4. This report from the Remuneration Committee to University Board, has been produced in line with best practice and as required to comply with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code.
5. The Vice Chancellor, two Deputy Vice Chancellors and Chief Operating Officer were the senior post-holders at the University through 2023/24.

Membership

6. The members of the Committee in 2023/24 were:

Jill Johnston (Chair)
Ian Looker
Martin Williams
Peter Yates

All the Directors who were members of the Committee were formally appointed by the University Board. Their appointment to the Committee was coterminous with their period of office as Directors.

7. The secretary to the Committee was the University Secretary, Dr Jean Brown.

Meetings

8. The Committee held meetings on: 13 September 2023; 6 October 2023; 20 March 2024; 3 May 2024; 24 June 2024; and 10 July 2024.
9. Attendance was 100%. The University Secretary was in attendance at all of the meetings; the Director of People and Culture attended all meetings after her appointment (the October 2023 meeting onwards). The Vice Chancellor attended the meetings, or parts of meetings, that discussed the senior leadership team and Corporate Leaders' pay and terms and conditions; she did not attend any of the meetings, or parts of meetings, that discussed her remuneration or senior staff pension arrangements.

Business of the Committee

10. A key aspect of the work of the Committee in 2023/24 was in relation to the Remuneration of the Vice Chancellor. Other aspects of the Committee's work are detailed below.
11. The Committee reviewed and approved its annual report to the Board for 2022/23.
12. The Committee discussed and agreed the Corporate Leader pay award for 2023/24. With the work on the refreshed pay, benefits and reward framework for Corporate Leaders underway

(see paragraph 13), it was agreed that the pay award approved in March 2023 of a 2% uplift paid from 1 February 2023, in line with the payment at that time to staff on the national pay framework, would not be added to. It was recognized that this meant that Corporate Leaders were in receipt of a lower percentage pay award for 2023/24 than the majority of staff, with the position and reasoning behind it agreed to be communicated to Corporate Leaders.

13. The Committee received updates throughout the year on the refresh of the pay, benefits and reward framework for Corporate Leaders. At its July 2024 meeting the Committee received the outcomes of this work, including:
 - Details of the benchmarking assessment that had been undertaken against three benchmark groups and recommendations on a role-by-role basis.
 - A recommendation for the Corporate Leaders' pay award for 2024/25 (to be equivalent to the award agreed for the highest point on the national pay spine) and the criteria required to be in place for the award to be paid to an individual.
 - Recommendations for next steps in developing the pay framework for Corporate Leaders, including establishing a clear distinction between Corporate Leader roles and substantive Professors, and a process by which staff at this level could see progression, for example, through evidence of sustained excellent performance. This work was agreed to be progressed in 2024/25.
14. Through the year the Vice Chancellor briefed the Committee on a range of matters relating to the senior team, including senior staff departures and succession plans. This included plans for the Vice Chancellor's Executive from 1 August 2024, and the Pro Vice Chancellor (PVC) roles that were to be introduced. The Committee approved the changes to senior posts which required Remuneration Committee approval. With the significant changes to the Deputy Vice Chancellor role from 1 August 2024, a review of the remuneration of the role was commissioned; on receipt of the outcome of the review the revised salary was agreed.

Approach to Remuneration

15. The Committee takes a holistic approach to setting the remuneration of the Vice Chancellor and senior post holders, taking the national pay agreement, the responsibilities of the job, institutional and personal performance, the external environment and comparative information into account in the decision making.
16. The Committee considers the balance that is required between recruiting, retaining and rewarding the best staff for the institution and its key stakeholders, while demonstrating effective use of resources.
17. The Remuneration Committee is keen to ensure that the reward mechanisms used by the institution are fair across all staff groups. The People Performance and Culture Committee oversees the policies and practices with respect to the majority of the University's staff, with the Remuneration Committee being provided with information on the national pay and grading framework and nationally agreed pay awards. The Remuneration Committee also approves the framework for staff whose remuneration lies between the national pay framework and that of the senior post holders.
18. The starting point for discussions of the Vice Chancellor's and senior post-holder's pay, presuming performance does not warrant withholding any increase, is the nationally agreed pay award. Where this award is made to staff, and when it is made, is usually reflected in the agreement for senior post-holders.
19. Performance of the Vice Chancellor and senior post holders cannot be wholly separated from that of the institution, however well-articulated personal objectives enable the individual's contribution and leadership to be appropriately balanced against the institutional performance metrics. Established processes are in place for setting objectives for the Vice Chancellor and all staff across the institution. Performance against these objectives is reviewed regularly through

a Personal Development and Performance Review process. The Vice Chancellor’s objectives reflect the ambition of the University’s Strategy and the objectives articulated within the Annual Operating Plan.

20. With respect to consideration of the Vice Chancellor’s remuneration, alongside information about the nationally agreed pay award, the Remuneration Committee is provided with a report from the Chair of the Board that sets out how the Vice Chancellor has performed against her objectives for the year. In addition, the Committee receives a report from the Chair of the Board that provides further context for its decision making, including reference to the feedback received in the one to one discussions held by the Chair with each member of University Board on an annual basis where, amongst other matters, the performance of the Vice Chancellor is discussed.
21. Relevant comparative data is used in the consideration of the Vice Chancellor’s remuneration, as reported to the Committee by the University Secretary. The comparative data report draws on the Universities and Colleges Employer Association’s Senior Staff Remuneration Survey and the detailed information provided by the Committee of University Chairs’ Vice-Chancellor Salary Survey. The Committee is provided with information relating to institutions and groups of institutions of relevance to the University, for example, those with similar turnover (higher and lower than the University).
22. Comparison of the Vice Chancellor’s salary and total remuneration to the median of all staff is a requirement for the sector from the Office for Students. The data for the University of Cumbria for 2023/24, using the definitions set out in the Office for Students Accounts Direction, is as follows:
 - The Vice Chancellor’s basic salary is 5.8 times (2022/23: 5.9) 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 Vice Chancellor’s total remuneration is 6.9 times (2022/23: 7.0) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The Vice Chancellor’s Remuneration

23. The Committee undertook its annual review of the Vice Chancellor’s salary with the range of inputs set out earlier in this report. Having looked at the benchmark data, the Committee considered that the Vice Chancellor’s current salary still appeared to be a reasonable one, taking into account all relevant factors, including the size and income of the University of Cumbria.
24. With respect to the pay award for 2023/24, it was agreed that the Vice Chancellor be given the same pay award as the Corporate Leaders, i.e. 2% backdated to 1 February 2023. This was in line with the first element of the pay award for staff on the National Pay Framework pay-scale, but without the additional uplift applied from 1 August 2023. The reasoning behind the decision not to apply the additional uplift to the Corporate Leaders’ salaries, and by extension to the Vice Chancellor, was multi-factor, including that there was a review of the pay framework for Corporate Leaders underway, and the sector-wide financial context.
25. The Vice Chancellor’s total remuneration for 2022/23 and 2023/24 academic years is set out in the table below. Note that her base salary for 2023/24 was £217,474 with the additional remuneration detailed in the table relating to the 2% pay award being back dated to 1 February 2023.

Vice Chancellor’s remuneration	2023/24	2022/23
Salary	219,606	213,210

Performance related pay	0	0
Benefits	0	0
Subtotal	219,606	213,210
Pension costs	55,627	50,488
Total	275,233	263,698

Justification for the Vice Chancellor's Remuneration

26. The Financial Statements for 2023/24 require a note providing the justification of the Vice Chancellor's remuneration for that year. The note is included here for completeness (paragraphs 27 to 33 inclusive).
27. The University has adopted the Committee of University Chairs' Higher Education Senior Staff Remuneration Code, published in June 2018, in full. One aspect of this, the annual Remuneration Committee report to the Board for the 2023/24 financial year, can be found [here](#)¹. In line with the publication requirements of the Office for Students' Accounts Direction, the element of this report that covers the process for setting the Vice Chancellor's remuneration and the justification of this remuneration is set out below.
28. When determining the initial remuneration package for the Vice Chancellor on appointment in 2016, the Remuneration Committee took account of the university's circumstances, and noted a range of comparative data on remuneration of vice chancellors elsewhere in the sector.
29. Since her appointment Remuneration Committee have taken the starting point for the annual review of the Vice Chancellor's remuneration to be the nationally agreed pay award. The Committee has then taken a range of inputs into account in determining any amendment to this – these have included: comparative data from the Universities and Colleges Employer Association's Senior Staff Remuneration Survey; detailed information provided by the Committee of University Chairs' Vice-Chancellor Salary Survey; the external operating environment; plus the performance of the Vice Chancellor and the university over the past year.
30. The mechanism adopted to judge the performance of the Vice Chancellor is based on two processes: the first is an appraisal, between the Chair of the Board and the Vice Chancellor, on progress against her objectives for the year; the second is from interviews between the Chair of the Board and all board directors on a one to one basis, to obtain their feedback on the 'health' of the University and the contribution made by the Vice Chancellor. This is then fed into the Remuneration Committee by the Chair of the Board.
31. The Committee undertook its annual review of the Vice Chancellor's salary with the range of inputs set out above. Having looked at the benchmark data, the Committee considered that the Vice Chancellor's current salary still appeared to be a reasonable one, taking into account all relevant factors, including the size and income of the University of Cumbria.
32. With respect to the pay award for 2023/24, it was agreed that the Vice Chancellor be given the same pay award as Corporate Leaders i.e. 2% backdated to 1 February 2023. This was in line with the first element of the pay award for staff on the National Pay Framework pay-scale, but without the additional uplift applied from 1 August 2023. This amounted to a salary of £217,474 for 2023/24. The reasoning behind the decision not to apply the additional uplift to the Corporate Leaders' salaries, and by extension to the Vice Chancellor, was multi-factor, including that there was a review of the pay framework for Corporate Leaders underway, and the sector-wide financial context.

¹ <https://www.cumbria.ac.uk/about/publications/>

33. Note that the Vice Chancellor received £219,606 in salary in 2023/24; the uplift from £217,474 relates to the 2% pay award being back dated to 1 February 2023 but paid in 2023/24.

External Appointments and Expenses

34. The Vice Chancellor's contract specifies that 'The Vice-Chancellor may undertake occasional additional duties for the University, or other external bodies provided that she obtains the prior written consent of the Chair of the University Board to do so and subject to annual review. The Chair shall report all such matters to the Remuneration Committee. Any remuneration payable to the Vice-Chancellor by such external bodies may be retained by her, but shall be reported annually by her in writing on a confidential basis to the Chair of the Board, who may from time to time initiate a review of the extent and suitability of these additional duties.'

35. In 2023/24 the Vice Chancellor was not in receipt of any income from external appointments.

36. All members of University staff, including the Vice Chancellor, follow the expenses policy that can be found on the internal Staff Hub. The Quick Guide is attached at Appendix B, the full document will be provided on request. Expenses incurred by the Vice Chancellor in 2023/24 amounted to £4,617.

Appendix A:

UNIVERSITY OF CUMBRIA UNIVERSITY BOARD OF DIRECTORS

REMUNERATION COMMITTEE

<h3>TERMS OF REFERENCE AND MEMBERSHIP</h3>

The Remuneration Committee is responsible to the Board of Directors for discharging its responsibilities with respect to the remuneration and terms and conditions of employment of the Vice Chancellor, senior post holders, University Secretary and posts designated as Corporate Leaders and those on point 52 of the pay spine, while there remain staff in post on this point.

The University has adopted the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code in full. Remuneration Committee is responsible for ensuring that the Code is complied with, both to the letter and in the spirit with which it undertakes its duties.

The University has adopted the CUC 'Guidance on Decisions taken about Severance Payments in HEIs'. Remuneration Committee is responsible for ensuring that the Guidance is complied with.

Remuneration Committee should have oversight of the remuneration and terms and conditions of employment of all other staff at the University, as determined by the People, Performance and Culture Committee of the Board of Directors, to ensure that it undertakes its work within the context of the institution as a whole.

Terms of Reference:

1. To determine and review the remuneration, terms and conditions (and, where appropriate, severance payments) of the Vice Chancellor, other 'senior post holders' as the University Board of Directors deems appropriate and the University Secretary.

'Senior post holders' must include the Vice Chancellor and should include the most senior roles in the institution. The staff defined as 'senior staff' by the Office for Students' Accounts Direction must also be included. The senior posts, and post holders, should be listed as an appendix to these Terms of Reference and updated as and when necessary.
2. To approve the pay and grading framework for Corporate Leader posts and point 52 of the pay spine and to keep its implementation under review.
3. To approve and review the terms and conditions for Corporate Leader posts and point 52 of the pay spine.
4. To approve, on the recommendation of the Vice Chancellor, the pay award proposals for Corporate Leader posts and point 52 of the pay spine.
5. To seek comparative information on salaries and other benefits and conditions of service in the higher education sector (such as the CUC and UCEA).
6. To receive sufficient information on the pay and grading framework for all staff at the University not within the Committee's remit, their terms and conditions and their

remuneration, including pay awards, to set its work in the context of the institution as a whole.

7. To advise and make recommendations to the University Board of Directors, after consultation with holders of senior posts, rules and procedures for the suspension or dismissal of holders of senior posts and for the consideration of appeals against dismissal.
8. If considering severance arrangements for senior staff, the Committee must comply with the guidance issued by the CUC. Alongside this, 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.
9. To provide an annual report from the Committee to the University Board of Directors, to include the proposed annual statement, as required by the CUC Senior Staff Remuneration Code. The annual report to be consistent with the guidance provided in the CUC Senior Staff Remuneration Code.

Appendix A - Senior post-holders as at September 2023:

Vice Chancellor – Professor Julie Mennell

Chief Operating Officer – Mark Swindlehurst

Deputy Vice Chancellor – Professor Rob Trimble

Deputy Vice Chancellor – Professor Brian Webster-Henderson

Frequency of Meetings:

The Committee will meet at least once per annum.

Membership:

The Chair of the Board of Directors should not Chair Remuneration Committee, but must be a member of the Committee.

Directors:

Chair (to be a Director)

3 or 4 Directors (who shall include the Chair of the University Board and normally the Vice Chair of the Board and the Chair of the People Performance and Culture Committee of the Board)

In attendance (where the business of the Committee is not of direct relevance to themselves):

- University Secretary (Secretary to the University Board of Directors)
- Vice Chancellor

Quorum: A minimum of three members shall be present.

Format of meetings:

Meetings will either be held in person or virtually. The Committee will determine at the start of each year which meetings it wishes to be held in person, with this reviewed in year if felt to be required.

External Advice:

The Committee is authorised by the Board of Directors to obtain external independent advice, and to secure the attendance of non-members with relevant experience and expertise if it considers it necessary, normally in consultation with the Chair of the Board of Directors.

University Secretary
September 2023

Appendix A: Senior Posts:

The Articles of Association define senior posts as 'the post of Vice-Chancellor and such other senior posts of the University as the Board of Directors shall from time to time determine'.

The duties of the Board include:

- 'the determination of the Senior Posts save that the Vice-Chancellor shall always be a Senior Postholder'
- 'the appointment, appraisal, discipline, suspension and dismissal and the determination of the grading, pay and conditions of service of the holders of Senior Posts'

The Board cannot delegate:

'the appointment of the Vice-Chancellor and/or other holders of Senior Posts and appeals against dismissal of the Vice-Chancellor and/or other holders of Senior Posts'

In addition to the requirements of the Articles, the Office for Students' Accounts Direction sets out requirements for staff defined as 'senior staff' – currently they only include the Vice Chancellor in this definition, but this may be expanded. It may be that any such change requires a change to the roles listed in due course.

Appendix B – Expenses Quick Guide – the full document will be provided on request (links are to the Staff Hub)

Expenses Quick Guide

The full Expenses Policy and Procedures is available [here](#) and provides detailed guidance on spend covered by this, whilst the Procurement Card Policies and Procedures available [here](#) may also be useful regarding purchases which are not claimable as expenses. The expenses process is for reimbursement of costs incurred in relation to business travel and subsistence only. Where spend outside of this area has been incurred, please contact the Payroll Manager for further guidance.

Claim Overview		
Subject	Restrictions	Claim Limit
Hotels	<ul style="list-style-type: none"> - Should not be required when commuting between campuses in the north of England, and are acceptable only where meetings or functions end after 9pm or begin before 8am the next morning - Bookings at or near your normal place of work are only acceptable in very limited circumstances – Please contact the Payroll Manager if this will be required 	<ul style="list-style-type: none"> - Outside of London: £80 per night - London: £120 per night
Meals: Breakfast	<ul style="list-style-type: none"> - Can be claimed if staying overnight or if travelling to an organisation or campus (except base campus) which means leaving home before 6:30am 	<ul style="list-style-type: none"> - Up to £5.00
Meals: Lunch	<ul style="list-style-type: none"> - Can be claimed if out of the office and not at another University campus during the day 	<ul style="list-style-type: none"> - Up to £5.00
Meals: Evening Meal	<ul style="list-style-type: none"> - Can be claimed if staying overnight or if travelling from an organisation or campus (except base campus) means returning home after 8pm - No alcohol or tips can be claimed 	<ul style="list-style-type: none"> - Up to £15.00
Mileage	<ul style="list-style-type: none"> - Travel in a personal vehicle is only permitted with appropriate business insurance in place - To be used only where public transport or a hire vehicle is not practical - Is not acceptable for journeys of over 100 miles (one-way) or total mileage of over 200 miles in one day 	<ul style="list-style-type: none"> - Cars, up to 10,000 miles: 30p per mile - Cars, over 10,000 miles: 25p per mile - Car passengers: 5p per mile - Motorcycles and bikes: 20p per mile
Taxis	<ul style="list-style-type: none"> - Journeys of under 5 miles where public transport is unavailable and walking or cycling are not appropriate 	
Train Travel	<ul style="list-style-type: none"> - Booking and credit card fees will not be reimbursed 	<ul style="list-style-type: none"> - Standard class only

Key Points

Authorisation	Expenses should not be incurred without authorisation in advance, but submitted expense claims will be sent to your line manager for authorisation.
Exceptions	Where an expense claim does not comply with policy, justification for this must be provided with the claim - An example of this is a late booking of a hotel where the cost restrictions could not be complied with.
Payment	Expense claims authorised by the 10 th of the month, excepting in December and at Easter when payroll deadlines may be earlier, will be included in the current month's payroll. Claims authorised after this time will be paid in the following month. Where an expense claim is found following payment to be in breach of policy, this will be deducted through payroll.
Procurement cards	Should be used in the first instance, in particular for hotel and train bookings, and always for air travel.
Queries	Should be directed in the first instance to the Payroll Manager. Where a cost is not covered by this policy, early discussion of the best way to procure may avoid additional charges.
Receipts	Are required for all expenses incurred excepting mileage. Where a receipt has been lost, a card receipt where possible and evidence of the item cost as well as an explanation should be provided.
Time limits	Expenses should normally be submitted within 30 days and must be authorised within 3 months to ensure payment.
Travel	Should be avoided where possible, for example using Skype or video conferencing. Where travel is necessary, public transport should be considered in the first instance. Train bookings should where possible be made using a procurement card or through the Ordering Team, and air travel cannot be claimed through expenses.

Roles and Responsibilities	
Submitter	<ul style="list-style-type: none"> - Accurately complete claims within one month of costs being incurred - Attach receipts to all claims excepting mileage - Provide accurate costing information for claim - Provide explanations for any exceptions to policy
Authoriser	<ul style="list-style-type: none"> - Confirm that spend is approved, where necessary confirming this with the budget holder - Check that expenses are within policy and that explanations are provided for any exceptions - Check that all required receipts are available, and that costs match claim and do not include out of policy items - Authorise or reject claims as appropriate
Payroll	<ul style="list-style-type: none"> - Process payment of authorised claims, returning for review any which are outside of policy and where explanation is insufficient - Complete spot checks on receipts provided