

**THE BOARD OF THE ARTS UNIVERSITY BOURNEMOUTH HIGHER EDUCATION CORPORATION**

**MINUTES OF THE MEETING OF THE REMUNERATION COMMITTEE HELD ON 4 JULY 2018**

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**Present:** Angela Neuberger Independent Member (Chair)

Chris Martin Chair of the Board

Mike Gibson Deputy Chair of the Board

Sara Webb Independent Member

**In Attendance**: Kerry Sheehan Head of HR & Secretary to the Committee

**1. Welcome**

1.1 The Chair welcomed all in attendance at the meeting, noting that the meeting was arranged as a follow up to the previous week’s formal Remuneration Committee, to address some matters of technicality which had arisen following the formal meeting.

1.2 The Chair advised that Michael Clarke was unable to attend today’s meeting but had sent his apologies and comments for inclusion.

**2. Minutes of the Committee Meeting on 27 June 2018**

2.1 The Chair advised that this meeting would consider the minuting of Remuneration Committee meetings.

2.2 The Committee were reminded that recommendations within CUC’s ‘Possible Outline Structure for a Remuneration Annual Report to the Governing Body’ document included the insertion of links to the Remuneration Committee’s minutes.

2.3 The Committee noted that individuals had the right for their personal information to be protected, and that commercial confidentiality was also an important factor of consideration. It was therefore agreed that only the process and factors taken into account in determining the compensation of Senior Postholders would be minuted.

2.4 No subjective data relating to individual performance would be included. It was agreed that for future years, the performance and achievements of Senior Postholders over the year in question would be provided for inclusion in the papers for the Remuneration Committee and that this specific information would be kept only by the Head of HR following the meeting.

***The Principal and Vice Chancellor (VC) joined the meeting***

**3. Meetings**

3.1 The VC had been invited to join the meeting as several items under discussion would fall under the responsibility of the University management.

3.2 The Committee agreed that Remuneration Committee meetings should be increased to twice a year.

3.3 It was noted that there are no specific guidelines for when the Report to the Board and the Remuneration Statement should be provided and that the VC and Head of HR would be liaising with their networks to find out what other institutions are doing, to inform arrangements for this and future years.

**4 Preparing the Report and/or Statement**

4.1 The Committee decided to produce a combined Remuneration Report and Statement. The Head of HR was asked to prepare the draft, taking the CUC guidance into consideration.

4.2 It was noted that the guidance provided by UCEA on calculating the pay multiple for the VC would be followed.

**5. Terms of Reference**

5.1 The Committee agreed that, in terms of the remuneration of Senior Postholders, the Committee *approves* for all apart from the VC’s where it *decides*. Furthermore, there should be explicit reference to the fact that the Committee determines the conditions of service and remuneration of the VC.

5.2 With regards to 3 (a) it was agreed that the wording should be changed to reflect that the Remuneration Committee ‘provide assurance’ to the Board.

5.3 It was agreed that key matters such as severance, pay in lieu of pension, pension, poor performance, income from external bodies etc should be listed as being those for which the Committee would ensure there are AUB policies in place, this falling under the remit of the HR Committee.

5.4 It was agreed that reference to the Committee having assurance that the annual cost of living process is implemented should be included.

5.5 It was agreed that 3 (f) should include ‘or AUB management’.

5.6 The Head of HR confirmed that the Terms of Reference would be updated accordingly.

**6 Remuneration Framework**

6.1 A general discussion was held around the benefits of AUB management conducting an annual salary benchmarking exercise and providing a statement to the Remuneration Committee as to how salaries benchmark against the sector, including for Senior Postholders. The Committee agreed that it was important the University could demonstrate competitiveness in its remuneration approach and could properly justify any different position being taken.

6.2 The importance of determining appropriate salary ranges for Senior Postholders was discussed as well as the inclusion of where a postholder might be positioned on such a range. It was noted that the mid-point of a range would be considered as a fully functioning postholder with salary movement above this being for a postholder who was delivering exceptional performance. It was further noted that the Framework should include the University’s position on where postholders would be placed when they are initially recruited, as well as how the University might handle situations where a postholder’s salary became situated above the top point of the range, for example due to changes in responsibilities.

6.3 It was agreed that the benchmarking data from the annual Senior Salary Survey should be against Post 92 institutions with income £24-70million and that the information provided to the Remuneration Committee would make it clear, for each postholder, what the current salary against benchmark is and the reasons for any difference.

6.4 It was agreed that all Senior Postholders would be required to make a declaration of interests and to declare any income derived from external sources each year. It was noted that an institutional policy should be developed ensuring that individuals sought approval for external appointment/work before undertaking it; that they subsequently declared it and that any external appointment/work should have no conflict of interest for the individual and AUB. The Remuneration Committee would note any income although it wasn’t anticipated this would be of significant amounts.

6.5 The Committee requested that all references to ‘decide’ should be changed to ‘approve’ within the document.

6.6 It was agreed that a fuller definition of the Hay job evaluation process would be useful to include.

6.7 The VC agreed to consider whether a project to introduce compensation statements to all staff would be beneficial for the forthcoming year. It was agreed that a compensation statement for Senior Postholders would be trialled for 2018-19.

6.8 The VC noted the importance of ensuring that individuals were incentivised to produce high performance and motivated to stay in AUB’s employment, especially if they are at the top of the salary band, and was invited by the Committee to give further consideration to how this might be addressed.

6.9 The Committee asked the VC and the Head of HR to produce policies on third-party payments and cash allowances in lieu of pension contributions for approval by the Committee.

6.10 The Head of HR confirmed that the Remuneration Framework would be updated accordingly.

**7 Any Other Business**

7.1 It was agreed that the Head of HR would produce the minutes for the Remuneration Meeting held on 27 June 2018 and circulate to the Committee for comment. Notes of this meeting would be produced for the Committee also.

7.2 The Head of HR was asked to then update the Terms of Reference and Remuneration Framework in association with the VC. These documents should then be circulated to the Committee for final approval; with the Remuneration Framework being presented at the next HR Committee to note. Further to this the Head of HR would produce a draft Remuneration Report/Statement for the Remuneration Committee’s consideration.