



THE BOARD OF THE ARTS UNIVERSITY BOURNEMOUTH HIGHER EDUCATION CORPORATION
MINUTES OF THE MEETING OF THE REMUNERATION COMMITTEE HELD ON 16 MARCH 2023

Present:

- Dr Gerard Moran (Chair of the RemCom and Vice-Chair of the Board of Governors)
- Dorothy MacKenzie (Chair of the Board of Governors)
- Prue Keely-Davies (Chair of the HR Committee)
- Kevin Purcell (Independent Governor)

In Attendance:

- Kerry Sheehan (Director of People, Inclusion and Organisational Development and Secretary to the Committee)

1. Chair's Opening Remarks

1.1 The Chair welcomed all in attendance at the meeting, noting this was an additional meeting to the normal cycle.

1.2 The Chair reminded RemCom that, their main role is to decide the remuneration of the Principal and Vice-Chancellor. The other business is to review and approve the salary decisions for the Senior Postholders and other staff who are on spot salaries confirming that RemCom, in reviewing decisions, can make recommendations that executive decisions might be reconsidered.

1.3 Finally, the Chair confirmed that the Secretary will leave the room when RemCom are to have their main discussions as although discussions would not be about individuals, the Secretary is impacted by the outcome. The Chair confirmed that he will take notes of the meeting and provide these to the Secretary for the purpose of the minutes.

2. Apologies for absence

2.1 Apologies received from Rob McClatchey (Independent Governor and Chair of the Audit & Risk Committee). The Chair confirmed that the meeting was quorate.

3. Context: National Salary Negotiations

3.1 The DPIOD advised that UCEA (Universities and Colleges Association) and the five HE sector trade unions had exceptionally agreed to bring forward the 2023-24 national salary negotiations in light of the cost of living crisis and the wave of strike action across the HE sector. The standard process was completed without agreement and ACAS (Advisory, Conciliation and Arbitration Service) were invited to assist with further talks. The outcome of the ACAS facilitated talks was a two-part national pay award, one part to be paid from 1 February 2023 and the other part to be paid from 1 August 2023. The award from 1 February 2023 was an uplift of 2% or £1,000.00, whichever is higher according to the salary point. The award from 1 August would be 3-5%, according to the salary point.

3.2 The DPIOD further advised that the outcome of these negotiations is normally a factor for consideration when reviewing the salary recommendations for Senior Postholders and for RemCom in making the salary decision for the Vice-Chancellor (VC).

3.3 The DPIOD confirmed that the February 2023 pay award had been applied for AUB staff and the intention was to award the remainder in August 2023.

4. Salary Recommendations for Senior Postholders

4.1 The DPIOD confirmed the VC's recommendation that all postholders on spot salaries should receive a 2% increase to their salaries and the basis of this recommendation was to ensure fairness in light of the outcome of the national negotiations.

4.2 The DPIOD confirmed that she was not aware of the financial impact of the 2% increase to postholders on spot salaries.

4.3 Regarding the documentation submitted for the meeting, the DPIOD confirmed that the VC's recommendation had not been informed by the research undertaken into how other universities were applying the outcome of the 2023-24 national negotiations to their spot salary staff as this

was only recently available. The DPIOD also confirmed that with the benchmarking data for the Executive Director roles, RemCom should be considering the data above the median point.

4.4 The DPIOD confirmed that staff on spot salaries had not informed her of their expectation of the outcome of the RemCom meeting.

4.5 Kevin Purcell expressed concern about the notion of fairness being a factor in the VC's recommendation as in remuneration terms it doesn't follow that if one group gets the award, another group should get it. Mr Purcell advised that across other organisations it would not be thought unfair to treat lower paid staff in a different way from higher paid staff when it comes to salary decisions.

4.6 Dorothy Mackenzie asked how the payment would be dealt with in terms of the Remuneration Framework. It was agreed that an 'off-cycle payment' would be the most appropriate approach.

5. Summary of RemCom discussions

5.1 As noted by the Chair, the Committee took the view that it should continue with its established principles and processes and not be deflected by the unusual circumstances of a national agreement that included making part of the next year's settlement both out of cycle and in the middle of a financial year.

5.2 It noted that the level of awards made through the JNCHES process had been used for reference in determining the remuneration of senior staff in the past and would continue to be taken into account in the future but agreed that it did not follow that JNCHES agreements should automatically be applied to staff who were outside the scope of that process.

5.3 Members were of the view that the principle of basing remuneration chiefly on the outcomes of individual performance reviews at year end and on contextual evidence concerning achievement of University KPIs, as mentioned in the Committee's Terms of Reference, should be of overriding importance. It was duly agreed to recommend to the VC that decisions on senior staff remuneration should be made in the summer, following individual performance reviews relating to the full year. The Committee also decided that this would also be the appropriate point at which to decide on the VC's remuneration.

5.4 It was noted that there were advantages to such an approach in that the Committee would be deciding on remuneration levels at a time when the financial affordability of their decisions could be understood: such information was not available to members at the present time. Furthermore, in abiding by established principles, the possibility of appropriate reward for exceptional individual performance(s) was not being precluded.

5.6 Finally, applying a standard percentage rise, or percentage rises, to higher salaries was not consistent with the use of benchmarking which had been adopted by RemCom in recent times in the interests of fairness. Applying a 2% of salary advance payment now could give rise to the expectation that remuneration decisions in the summer would follow the same pattern as the JNCHES agreement whereas the Committee would be considering a range of factors and data in exercising its stewardship of the Remuneration Framework.

6. Communication of RemCom's Recommendations and Decision

6.1 In the absence of the Director of People, Inclusion and Organisational Development from the main discussions (as was appropriate), it was agreed that the Chair would relay its recommendations and decision to the VC verbally and provide the Director with an account of deliberations to enable a suitable record to be kept to inform the published report from the Committee to the Board at the end of the cycle.

7. Date of next meeting.

7.1 The date for the next regular meeting will be in August 2023 .