



THE BOARD OF THE ARTS UNIVERSITY BOURNEMOUTH HIGHER EDUCATION CORPORATION
MINUTES OF THE MEETING OF THE REMUNERATION COMMITTEE HELD ON 27 SEPTEMBER 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)
- Stephen Hocking (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. The Chair welcomed Mr Hocking to the Remuneration Committee's (RemCom) membership, for his first meeting as a member of RemCom, noting that Mr Hocking has replaced Mr McClatchey.

1.2 The Chair thanked the Director of People, Inclusion and Organisational Development (DPIOD), noted as being in attendance as Secretary to the Committee, for the work completed since the previous RemCom meeting on RemCom's Terms of Reference, which had been approved by the Board. The DPIOD was thanked for updating the RemCom Process document as well as the Remuneration Framework, noting all updated documentation were in the RemCom papers to note.

1.3 The Chair reminded the Committee of the confidential nature of the discussions to be held, noting that the CUC report and CUC VC benchmarking data are highly confidential documents, shared for the purpose of Committee business.

1.4 The Chair noted the exceptional times the University was operating within and the serious shortfall in student recruitment, most notably within the undergraduate courses, which would result in a significant deficit in AUB's budget for three years. The Chair further noted that, due to the deficit position, there is currently no agreed budget as this will be a matter for the Board at the November 2023 meeting. Accordingly, it was recognised that difficult decisions would need to be taken for the period ahead.

1.5 The Chair thanked the Chair of the Board of Governors for the continued rigour in relation to the performance review of the Principal and Vice-Chancellor which provided a strong evidential base for the decision to be taken later regarding his remuneration.

1.6 The Chair reminded RemCom that their main role is to decide the remuneration of the Principal and Vice-Chancellor (VC). 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.

1.7 Finally, the Chair confirmed that item 9 will be discussed before items 7 and 8 as this was a practicable approach given that the Secretary will be required to leave the room prior to any discussions about the remuneration of the Vice-Chancellor's Group (VCG) in general and will not be present when their own remuneration, as the DPIOD, is discussed.

2. Apologies for absence

2.1 There were no apologies for absence.

3. Minutes

3.1 The minutes of the meeting on 16 March 2023 were included in the papers and the Secretary was arranging for these, as well as the minutes of the RemCom meetings in 2020, 2021 and 2022 to be on the Governor's reading room.

4. Matters arising not otherwise covered on the agenda

4.1 There were no matters arising.

5. UCEA / Trade Unions: National Salary Negotiations

- 5.1 The DPIOD advised that UCEA (Universities and Colleges Association) had concluded the annual national salary negotiations with the five HE sector trade unions with a final pay offer position from UCEA, on behalf of the relevant HEIs, of between 5% and 8%. The DPIOD confirmed that AUB had complied with UCEA's recommendation to apply an interim pay uplift from 1 February 2023; an interim uplift of £1,000 on each pay point or 2 percent, whichever was greater, depending on the grade point. Further to the 1 February 2023 uplift, another uplift was applied with effect from 1 August 2023, to ensure the overall increase applied, depending on the position of the salary scale point, was between 5% and 8%.
- 5.2 The DPIOD referred to the revised pay spine within the papers and requested that RemCom noted the top salary point of AUB's pay spine, with effect from 1 August 2023, £70,916.00.
- 5.3 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 spot salary staff and for RemCom in making the salary decision for the (VC).

6. AUB Remuneration Committee Terms of Reference, Remuneration Framework and Remuneration Process

- 6.1 RemCom members noted the updated documents.

7. Performance and Remuneration of the Senior Postholders

7.1 Performance and remuneration of the Executive Director for Academic Innovation

In considering the VC's proposed remuneration recommendation for the Executive Director for Academic Innovation, RemCom noted:

- a. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- a. Internal compensation equity to other AUB Senior Postholders.
- b. Organisational and individual performance against objectives for the period in the role.

The Committee discussed evidence from other sources, such as presentations to the Board and Committees, of the postholder's very strong performance and of activities undertaken beyond initial job description. It also noted the intention for the postholder to take on additional responsibilities that had been relayed to them in a supplementary note provided to the Committee from the VC. It was agreed that the Committee would reserve its option to meet again in the current session once the outcomes of the Operational Effectiveness Review were known and to review this decision in the light of a) that Review, and b) closer to a full year of the postholder's performance against their objectives since at present the only

documentary evidence of performance related to the postholder's 22-week probation review. An additional meeting would also enable the Committee to consider any developments with other senior staff. The Committee noted the date of the commencement of the individual's employment being less than a full year and agreed that the salary should remain at the current appointment level.

Secretary's note: As referred to in minute 7.1, the Committee exercised its option to revisit the salary of the Executive Director of Academic Innovation in the light of the Operational Effectiveness Review and performance beyond the 22-week period covered in the evidence first provided to the meeting. It was noted that new executive responsibilities were being undertaken as result of the Review and that a new job description reflecting this was being prepared. It also favourably considered the VC's recommendation that the salary should embrace a motivational element, and additionally a rising market valuation on Teaching and Learning Executive postholder salaries. It was therefore agreed that the evidence provided warranted an increase of 7%. Payment of this salary uplift will be backdated to 1 September 2023.

7.2 Performance and remuneration of the Executive Director of Operations and Planning

In considering the VC's proposed remuneration recommendation for the Executive Director of Operations and Planning, RemCom noted:

- b. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- c. Internal compensation equity to other AUB Senior Postholders.
- d. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that as a member of the Vice-Chancellor's Executive with shared responsibility for AUB's performance, the evidence provided in a, b and c above warranted no increase to salary.

Secretary's note: As referred to in minute 7.1, the Committee exercised its option to revisit the salary of the Executive Director of Operations and Planning in the light of the Operational Effectiveness Review. It was noted that new executive responsibilities were being undertaken as result of the Review and that a new job description reflecting this was being prepared. It also favourably considered the VC's recommendations that the salary should embrace a motivational element. It was therefore agreed that the evidence provided warranted an increase of 1.5%. Payment of this salary uplift will be backdated to 1 September 2023.

7.3 Performance and remuneration of the University Secretary (includes role of Clerk to the Board of Governors)

In considering the VC's proposed remuneration recommendation for the University Secretary, RemCom noted:

- a. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- b. Internal compensation equity to other AUB Senior Postholders.
- c. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted an increase of 2%. Payment of this salary uplift will be backdated to 1 August 2023.

8. Senior Salary Benchmarking for Senior Postholders

8.1 Remuneration of the Director, Arts and Communications

In considering the VC's proposed remuneration recommendation for the Director, Arts and Communications, RemCom noted:

- d. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- a. Internal compensation equity to other AUB Senior Postholders.
- b. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted an increase of 5%. Payment of this salary uplift will be backdated to 1 August 2023. The Committee noted the crucial role the postholder has in leading the achievement of key student satisfaction indicators within their area of remit and requested that the achievement of these indicators is included in the postholder's objectives for the coming year. The Committee agreed that the postholder's performance against this objective(s) would be a major focus when they consider the VC's salary recommendations for the 2023-24 review period.

8.2 Remuneration of the Director, Design and Architecture

In considering the VC's proposed remuneration recommendation for the Director, Design and Architecture, RemCom noted:

- a. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- b. Internal compensation equity to other AUB Senior Postholders.
- c. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted an increase of 5%. Payment of this salary uplift will be backdated to 1 August 2023. The Committee noted the crucial role the postholder has in leading the achievement of key student satisfaction indicators within their area of remit and requested that the achievement of these indicators is included in the postholder's objectives for the coming year. The Committee agreed that the postholder's performance against this objective(s) would be a major focus when they consider the VC's salary recommendations for the 2023-24 review period.

8.3 Remuneration of the Director of the AUB BFS

In considering the VC's proposed remuneration recommendation for the Director of the AUB BFS, RemCom noted:

- a. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- b. Internal compensation equity to other AUB Senior Postholders.
- c. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted an increase of 5%. Payment of this salary uplift will be backdated to 1 August 2023. The Committee noted the crucial role the postholder has in leading the achievement of key student satisfaction indicators within their area of remit and requested that the achievement of these indicators is included in the postholder's objectives for the coming year. The Committee agreed that the postholder's performance against this objective(s) would be a major focus when they consider the VC's salary recommendations for the 2023-24 review period.

8.4 Remuneration of the Director of People, Inclusion and Organisational Development

In considering the VC's proposed remuneration recommendation for the Director of People, Inclusion and Organisational Development, RemCom noted:

- d. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- a. Internal compensation equity to other AUB Senior Postholders.
- b. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted an increase of 3%. Payment of this salary uplift will be backdated to 1 August 2023.

8.5 Remuneration of the Director of Student Experience and Employability

In considering the VC's proposed remuneration recommendation for the Director of Student Experience and Employability, RemCom noted:

- e. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- a. Internal compensation equity to other AUB Senior Postholders.
- b. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted an increase of 3%. Payment of this salary uplift will be backdated to 1 August 2023.

8.6 Remuneration of the Director of Finance

In considering the VC's proposed remuneration recommendation for the Director of Finance, RemCom noted:

- f. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million and within the GuildHE group.
- a. Internal compensation equity to other AUB Senior Postholders.
- b. Organisational and individual performance against objectives for the period in the role.

The Committee agreed that the evidence provided warranted the salary remaining at its current level.

9. Performance and remuneration of the Principal and Vice Chancellor

9.1 The Chair of the Board was thanked again for the comprehensive summary of the year's achievements prepared which provided a strong evidential base for the decision to be taken. It was noted again that the performance review process for the Principal and Vice-Chancellor included a comprehensive 360 review process, with Board members and direct reports contributing. Points of particular note were:

- Appointment to the new post of Executive Director for Academic Innovation and the achievements through the postholder in terms of the new products within AUB's undergraduate and postgraduate portfolio
- Initiation of AUB's first trans-national education offer with British University Vietnam.
- Serious shortfall in undergraduate students for October 2023 commencement
- Disappointing results from the 2023 National Student Survey
- Underperformance of AUB's commercial enterprises

- Lack of development of a comprehensive plan for Civic Engagement and a clear long-term plan for PCT

In deciding the remuneration recommendation for the Principal and Vice Chancellor, the Committee considered:

- a. Comparative data of equivalent role from the UCEA annual survey of compensation paid to senior staff, within post-92 institutions with income of £40 million - £100 million.
- b. Comparative data of equivalent role from the CUC annual survey of the remuneration of Vice-Chancellors/Principals.
- c. Internal compensation equity to other AUB Senior Postholders.
- d. Organisational and individual performance against objectives for the preceding 12 months as provided by the Chair of the Board.
- e. The elevated nature of the VC's starting salary on his appointment to AUB

Taking all factors into account, the Committee decided on a 0% salary increase, therefore salary will remain as £228,000.00. In making this decision the Committee recognised the Principal and Vice-Chancellor's commitment, immense hard work and contributions to the sector but agreed that as the leader of the institution, the Principal and Vice-Chancellor is ultimately responsible for AUB's performance, which from a key performance indicators perspective, had not delivered as expected.

It was noted that a pay in lieu of pension payment would continue to be applied, equal to the Teachers' Pension Scheme employer's contribution of 20.81%.

Additionally, the Principal and Vice-Chancellor would continue to receive private health cover.

The Chair of the Board confirmed that the Principal and Vice-Chancellor's objectives for 2023-24 had been agreed.

10. CUC Salary Benchmarking GuildHE Institutions

10.1 The CUC VC salary benchmarking data for GuildHE institutions was noted.

11. Remuneration Report 2021-22

11.1 The Committee noted the content of the draft Remuneration Report and agreed that the DPIOD would complete the Report prior to circulating to the RemCom for approval and being submitted to the November Board meeting.

Action: DPIOD

12. Any other business

12.1 The Committee reflected on the upcoming Governor's operational effectiveness review as the appropriate time to identify the responsibilities of the VCE members and to ensure job descriptions were accurate in the detailing of job level, purpose and responsibilities. It was AGREED that, following the operational effectiveness review, the Chair of RemCom would follow up as may be required with the VC and DIPIOD as may be appropriate.

Action: Chair

13. Date of next meeting.

13.1 The date for the next regular meeting, pending a second meeting of the 2023-24 academic year, will be in Autumn Term 2024.