

CONFIDENTIAL

HARPER ADAMS UNIVERSITY

Remuneration Committee

Minutes of a Meeting of the Remuneration Committee held on 11th June at 8.30am attended via Microsoft Teams .

Present: Mr P Nixon Chairman (except for 19/05)
Mr D Wong (Chair for 19/05)
Mr S Vickers

In attendance: Mrs E Kelsall (Secretary)
Dr D G Llewellyn (by invitation for 19/04 only)

Members were reminded to update their entry in the register of interests as appropriate.

19/01 Terms of Reference

Received: the terms of reference of the Committee.

Noted: that the terms of reference had been updated to reflect Mr Wong's appointment as A Vice-Chair. No other changes had been suggested.

Agreed: that the terms of reference approved by the Board in April 2018, with updates to membership, remained appropriate.

19/02 Minutes

Approved: the minutes of the Remuneration Committee held on 20th May 2019 (18/04 –18/07).

19/03 Matters Arising

Received: a report from the Interim Head of Human Resources.

Noted: that all actions had been completed and no further follow-up was required.

19/04 Annual Review of Senior Staff (Members of the Vice- Chancellor's Team)

The Vice-Chancellor was invited to join the Committee for this item

Received: i) an oral report from the Vice-Chancellor summarising the outcome of Senior Staff Performance in 2019/20;
ii) an extract of the Minutes of the Board held in April 2020 setting out comments made by independent members on senior staff performance, including that of the Vice-Chancellor;

Noted: i) that all members of the Senior Management Team (SMT) had attended an Individual annual review meeting with the Vice-Chancellor to discuss their performance over the past year. Objectives had also been agreed for

Post 1992 HEI as one of the Top 20 HEI's in the Sunday Times University Guide;

- iii) that special acknowledgment was due in relation to how well the team had responded to the COVID-19 pandemic and the new circumstances that the University finds itself operating in;
- iv) that it was also important to note the wide range of challenges that lie ahead for the University. These included the ongoing management of the response to COVID-19 and the significant financial pressure that the organisation is under, as well as the departure of two of the senior management team, the Deputy Vice Chancellor and Director of Academic Services and Academic Registrar;
- v) that independent Governors were also extremely pleased with the performance of the Senior Management Team and the Committee members acknowledged the efforts made to manage the COVID-19 crisis;
- vi) that 2020/21 would be the second consecutive year, and the third year for some members of SMT, where either no discretionary performance related payments had been requested and/or no performance awards had been made by the Committee;

Agreed:

- i) that all members of the team had performed extremely well and demonstrated significant commitment to the institution, with special mention being made of their leadership and hard work to address COVID-19 related restrictions and changes;
- ii) that in line with the request from all members of the Senior Management Team, no consideration would be given to discretionary performance payments in 2020 due to the significant financial constraints facing the University;
- iii) that given the severe financial impact of COVID-19, any national pay award agreed by UCEA for 2020/21 that would usually apply to the remuneration of all members of the Senior Management Team will not apply, unless there was a significant change to the financial position. EK

The Vice-Chancellor left the meeting at this point.

19/05 Annual Review of the Vice -Chancellor

The Vice-Chairman, Mr Wong took the Chair during this item.

Received: an oral report from the Chairman on the performance of the Vice-Chancellor, reflecting his feedback to the Board at its April 2020 meeting, and incl 0.6 (f) 3.j8abS.ceetven

been very positive indeed as reflected in the Board minutes of April 2020 noted above.

Agreed: i) that in line with the request from the Vice-Chancellor, no consideration would be given to a performance award in 2020 due to financial constraints. In addition to this, given the severe financial impact of COVID-19, any national pay award agreed by UCEA that would usually apply to the remuneration of the Vice-Chancellor would not apply, unless there were a significant change to the financial position; EK

ii) that, if possible, it may be helpful in the future for the Committee to consider more than one detailed institutional level

- ii) that members had no issues to raise with respect to senior staff expenses and also noted that no senior staff, including the Vice-Chancellor, had received any remuneration from any other body or organisation during 2019/20 and had no expectation that this would change. There were therefore no other earnings to consider;
- iii) that the Vice-Chancellor's pay multiple ratio for 2018/19 (UCEA/CC Methodology) was confirmed as 6.48 compared to the median pay of all HAU staff and 3.8 compared to the median pay of all academic staff at HAU. This compared to the UK all staff median of 6.7 and UK all academic staff median of 5.6. The OfS method indicated a pay multiple of 5.79 (basic pay compared to all staff at HAU and 5.47 when compared to the total pay of all staff;
- iv) that the Committee had decided to annually review the decision to set a range of 5.5 – 7.0 for the VCs Pay Multiple (UCEA/CUC methodology) compared to all staff in English HEIs based on UCEA data noted above. In discussion, it was identified that this range may need to be reviewed dependent on the outcome of future discussions relating to the Vice Chancellor's on-campus accommodation, but that there remained a need to bear in mind the pay multiples for the HE sector and the University's position within the overall spread, should a decision be made that would significantly affected the pay multiple calculation. The 2018/19 UCEA data and charts showed that the University's current position remained appropriate when compared to pay multiples for all HAU staff and to HAU academic staff only; and when compared to all staff and all academic staff in the UK HE sector as a whole. The Vice-Chancellor's pay multiple as calculated by the OfS method had also not identified any issues for consideration. In light of this no adjustments to the agreed range were needed. Members noted that pay multiples continue to be based on salary only and excluded other pay such as an allowance in lieu of employer's pension contributions; PN/EK
- v) that the Committee had also agreed to annually review the decision to make an allowance to the Vice-Chancellor in lieu of employer's pension contributions in accordance with the University's published policy. The UCEA briefing on allowances paid in lieu of employer's pension contributions in NHS schemes was particularly noted in this regard and it was confirmed by members that the University's practice remained in line with arrangements in other HEIs as previously advised by UCEA;
- vi) that work was continuing to address the University's Gender Pay Gap. This continued to be an important item discussed and monitored by Staffing Committee and thereafter reported to the Board of Governors;

Agreed:

- i) that the acceptable pay multiple range should remain 5.5 – 7.0, subject to the outcome of future discussions relating to the Vice- Chancellor's accommodation as noted above;
- ii) that no changes should apply to the allowance in lieu of employer's pension contribution amount, subject to further discussion re: the Vice-Chancellor's accommodation arrangements and his overall emoluments. It was also agreed that the national pay award would not would apply to the payment in lieu of pension in 2020/21

actions by circulation to the Committee and by reporting the decision to the Board (or seeking its approval) as necessary. PN/EK

19/07 Draft Report of the Committee and Annual Review Work of the Committee

- Received:
- i) a draft Annual report on the work of the Committee, using the agreed template adopted in 2019 in light of the CUC HE Senior Staff Remuneration Code;
 - ii) a proposal from the Chair to undertake a formal Annual Review of the Committee's work.

- Noted:
- i) that members were content with the draft Annual Report, subject to inclusion of decisions made at the meeting; EK
 - ii) that following discussion reviewing the effectiveness of the Committee, members concluded that the Committee continued to work effectively. It was noted that for future agenda papers, if it wasn't a regulatory requirement, there was no need for the "any additional remuneration" declaration forms for each senior member of staff to be submitted to the Committee, but instead a simple statement summarising the position. It was also noted that any further comments from members would be welcomed. (Subsequently, following the meeting, the Chairman agreed with the Secretary that the formal questionnaire used in 2019 as part of the fou.6.1 (m)1.73se us Eo8he -h .:/146fepa ead 5