The University of Chichester

**Governors’ Remuneration Committee**

**Guiding Principles on Determining Senior Pay**

**1. Introduction**

The Committee of University Chairs’ introduced the Higher Education Senior Staff Remuneration Code (The Remuneration Code) in June 2018. The Remuneration Code provides guidance for governing bodies on how to determine fair and appropriate remuneration for Vice-Chancellor’s and other senior University staff.

This document draws on the principles set out in The Remuneration Code and applies to all remuneration decisions affecting the Vice-Chancellor and other senior post holders as prescribed in the Articles of Association.

**2. Scope**

The Remuneration Committee has been established by the Governing Body to make recommendations to the Board on the total emoluments and conditions of service of staff referred to in the Articles of Association, namely:

* Vice-Chancellor
* University Secretary
* University Chaplain

and staff comprising the Vice-Chancellor’s Group:

* Deputy Vice-Chancellor
* Deputy Vice-Chancellor (Student Experience)
* Chief Operating Officer
* Chief Marketing and Communications Officer
* Chief Human Resources Officer

The Constitution and Terms of Reference of the Governors’ Remuneration Committee is attached as Appendix A.

**3. Independence**

The Vice-Chancellor may be invited to attend Governors’ Remuneration Committee meetings. The Vice-Chancellor cannot be present during discussions about their own pay.

**4. Approach to remuneration**

Decisions on remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure.

The Governors’ Remuneration Committee will carry out an annual review of senior staff salaries and conditions ensuring that there is:

I. a fair, appropriate and justifiable level of remuneration;

II. procedural fairness; and

III. transparency and accountability.

The type of factors used in considering the remuneration for senior post holders include, but are not limited to, performance in support of the University’s strategic objectives in areas such as:

* Teaching
* Management and administration
* Leadership of staff
* Partnerships and external relations internationally, nationally and locally
* Major initiatives and projects
* The nature of the Higher Education market and issues of recruitment and retention

The University’s PRDP (Performance, Review, Development, Plan) process will be utilised to ensure a robust and consistent process for setting objectives and assessing an individual’s contribution.

**5. Guiding Principles on determining senior pay:**

a) Remuneration must be linked to the value, based on a number of components, delivered by an individual acting within a role, which would include:

* Complexity (scale and range of decision making, collaboration and contact, time-critical activity)
* Impact (on students, research, finances and people, including employees, partners and stakeholders)
* Discretion (level of accountability, degree of autonomy and decision-making authority)
* Levels of experience
* Knowledge and skills (including specialist skills) required
* Reputation and academic/professional credibility needed for the role
* An ability to recruit and retain key staff
* External comparisons

 From time-to-time the value of a role may need to be reviewed in light of changing conditions, sustained performance or experience.

b) Remuneration should be determined in the context of the University’s approach to rewarding all of its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.

c) While the Universities and Colleges Employers Association has no role in setting senior pay in HE institutions, national pay negotiations will be taken into consideration when determining remuneration for senior post holders.

d) Remuneration should take account of the context in which the University operates. A balance should be achieved between the achievement of the University’s long and short-term objectives.

e) There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity.

f) Reference will be made to pension schemes that are applicable to the post holders.

g) No individual can be involved in deciding his or her own remuneration.

**6. Internal and external comparators**

In determining appropriate salaries for senior staff, reference will be made to data drawn from the Universities and Colleges Employers Association Senior Staff Remuneration Survey. This confidential report collates senior staff salaries across 145 UK Higher Education institutions using data gathered as at 1 November annually. The Committee will seek comparative information from the Committee of University Chairs’ Vice-Chancellor Salary Survey and an internal analysis of senior salary distributions.

**7. Pay multiples**

The Remuneration Code stipulates that every Higher Education Institution should set out clearly the salary of its Vice-Chancellor and the pay multiple showing how their remuneration compares with the median earnings of the Institution’s whole workforce.

The diversity of the Higher Education sector means that multiple ranges will differ between institutions. In order to ensure consistency and comparison, the definition for the multiple will be based on the methodology used by the Universities and Colleges Employers Association. The Chief Human Resources Officer will provide to the Governors’ Remuneration Committee the pay multiple. The multiple will be published every year in the Annual Report.

**8. Annual Reporting**

The production of a Remuneration Annual Report to the governing body is a requirement of The Remuneration Code. The Annual Report will contain a list of post holders within the Remuneration Committee’s remit along with the Guiding Principles on Determining Senior Pay. The University Secretary will prepare the Annual Report for the Board of Governors in liaison with the Chair of the Remuneration Committee.

**9. External requirements**

The University is required to provide the Office for Students (OfS) full details of the total remuneration of their Vice-Chancellor. As part of this, the OfS will be looking at the ratio between the head of institution’s pay and the pay of other staff within the University. It is a requirement for the University to disclose the number of staff (anonymised) with a basic salary of over £100,000 per annum (broken down into bands of £5,000).

**10. Transparency**

The University’s Guiding Principles on Determining Senior Pay will be published on the University website. Any questions relating to the Guiding Principles should be directed to the University Secretary: h.lynch@chi.ac.uk.

The Guiding Principles on Determining Senior Pay will be reviewed on an annual basis by the Governors’ Remuneration Committee.

The University of Chichester

# Governors’ Remuneration Committee

## Constitution and Terms of Reference 2021-22

1. **Constitution**

 The Governing Body has established a committee of the governing body known as the Remuneration Committee.

2. **Membership**

 The Committee and its chair shall be appointed by the governing body. The Committee shall include the Chair of the Governing Body, the Chair of the Finance and Resources Committee and at least two other independent or co-opted members. ‘The Chair of the Committee should be an independent Governor, but not the Chair of Governors’. A quorum shall be three members. The Committee may co-opt an additional member with knowledge of the salaries, terms and conditions of service of senior staff in Higher Education.

3. **Attendance at Meetings**

 The Committee has the discretion to invite relevant officers to the meeting for specified items, including the Vice-Chancellor, who will be an officer of the Committee. Any member of staff should withdraw from the Committee when his/her own salary, terms and conditions or severance payments are under consideration. The Committee may meet without any officers present.

4. **Frequency of Meetings**

 The Committee shall normally meet twice a year to carry out the annual review of senior staff salaries and conditions; a special meeting will be convened if required arising from the recruitment, resignation or retirement of one of the senior staff within its remit. Additional meetings will be convened as required.

5. **Authority**

 The Committee is authorised by the governing body to take decisions on issues within its terms of reference. It is not authorised to make decisions on those issues which are properly the responsibility of the full Board of Governors, as set out in the Board’s own terms.

6. **Duties**

 The duties of the Committee shall be:

6.1 To consider and approve the structure of senior staff including members of the Vice-Chancellor’s Group.

6.2 To consider, review at least annually and make recommendations to the Board on the total emoluments and conditions of service of staff referred to in the Articles of Association, namely:

 the Vice-Chancellor

 the University Secretary

 the Principal Chaplain

 and such other staff as comprise the Vice Chancellor’s Group or the Committee may determine, namely but not exhaustively:

 the Deputy Vice-Chancellor

 the Deputy Vice-Chancellor (Student Experience)

 the Chief Operating Officer

 the Chief Marketing and Communications Officer

 the Chief Human Resources Officer

6.3 To consider and approve the arrangements for individual performance review of the staff determined by paragraph 6.2.

6.4 To ensure that all conditions of service comply with the requirements of employment law, including equal opportunity legislation.

The Committee shall conduct its business in accordance with the Articles of Association and the Financial Memorandum between the Office for Students (OfS) and the University. The Committee will seek comparative information on salaries and other emoluments and conditions in the sector from the Universities and Colleges Employers’ Association (UCEA) and the Committee of University Chairs.

The Committee recommends that the appointment process for all members of the Vice-Chancellor’s Group involves the Chair or Vice-Chair of the Board of Governors.

The Committee will be guided by the CUC Remuneration Code in reaching its decisions.

7. **Reporting Procedures**

The Committee’s papers and minutes are confidential to members of the Committee and authorised officers only and will not be released under the University’s Freedom of Information Publication Scheme. Minutes will be made available on request to other Independent Governors and to the Internal and External Auditors and the Auditor of the OfS’s Assurance Service. Staff or Student Governors and officers are not authorised to receive the Committee’s papers, minutes or any reports presented to the Independent members of the Board.

The University’s Guiding Principles on Determining Senior Pay and the Remuneration Committee’s Terms of Reference will be published on the University website.

8. **Clerking Arrangements**

 The Clerk to the Remuneration Committee will be the University Secretary.

 The Chief Human Resources Officer will minute the items in relation to the University Secretary and Vice-Chancellor.

Agreed by the Board of Governors: 16 November 2021

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