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Higher Education Corporation



**Annual Report of the  
Remuneration Committee  
2023-24**

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# Annual Report of the Remuneration Committee for the year 1 August 2023 to 31 July 2024

## Introduction

This Remuneration Committee Annual Report to the University Board is presented in accordance with the requirements of the Committee of University Chairs' (CUC's) Higher Education Senior Staff Remuneration Code (November 2021) ("the Code") and the accompanying guidance.

This report covers the financial year 1st August 2023 to 31st July 2024 and any significant events up to the date of the circulation of the report to the Board.

## The responsibilities of the Remuneration Committee

The Remuneration Committee is responsible, on behalf of the University Board, for the grading and determination of the pay and conditions of service (and, where appropriate, severance payments) of the holders of senior posts.

Its detailed Terms of Reference as approved by the University Board are published here <https://intranetsp.bournemouth.ac.uk/Committees/rem/default.aspx> and its main responsibilities comprise:

- i. To approve matters set out above on behalf of the Board.
- ii. To review, at least every three years, the Operating Framework within which the Remuneration Committee carries out its responsibilities and sets out its general approach in relation to the available sources of data (including the comparator group of institutions) and to make recommendations to the Board regarding its approval.
- iii. To provide, annually, to the Vice-Chancellor guidelines in respect of remuneration recommendations for senior post holders in accordance with the process set out in the Operating Framework.

- iv. To approve annually the remuneration of the Vice-Chancellor and senior post holders in accordance with the process set out in the Operating Framework.
- v. To approve and have oversight of the policies relating to expenses and external work and income for the holders of senior posts.
- vi. To present an Annual Remuneration Report to the Board which will also be published on the University's website.
- vii. To present an Annual Report to the Audit, Risk and Governance Committee of the Board on Remuneration Committee processes.

The Committee's Operating Framework, referred to above, is reviewed regularly (at least every 3 years) and subject to the approval of the University Board. It was most recently reviewed by the Committee in October 2022 and minor amendments to reflect operational updates and clarifications were recommended and subsequently approved by the Board. The Committee reviews its Terms of Reference annually and did so in October 2024 (approved without amendment by the Board in November 2024). The Committee reports annually to the Board in addition to minutes being provided to a subsequent Board meeting. The Committee is also required by its Terms of Reference to present an Annual Report to the Audit, Risk and Governance Committee of the Board on Remuneration Committee processes, in particular, to cover compliance and any changes to process made in year. This report was duly presented in October 2024.

## Independent reviews of the Remuneration Committee and the Committee's approach to benchmarking

Outcomes from independent audit reviews of the Committee and its approach to benchmarking were detailed in the

annual report for 2018/19. All agreed actions arising from that work have been implemented.

To provide on-going assurance the Committee agreed that an external review of benchmarking should be repeated every 3 years with the most recent review being formally considered by the Committee at its meeting in October 2023. The report considered the current approach to pay benchmarking and setting pay ranges based on CUC and UCEA data alongside the external market data (including public data) to determine the appropriateness of these pay ranges and recommendations for the University Executive Team (UET) roles. The review concluded that 'Overall, the current pay benchmarking approach of BU is considered to be well thought through and reasonable for the roles under review'.

The Remuneration Committee is satisfied that it is compliant with all aspects of current regulatory requirements and specifically the CUC Higher Education Code of Governance, the CUC Higher Education Senior Staff Remuneration Code and the CUC Guidance on Decisions Taken about Severance Payments in HEIs.

## Senior Post-Holders

Senior post-holders are defined by the Board as the Vice-Chancellor, members of the UET and the Clerk to the Board.

The members of UET (other than the Vice-Chancellor) in the reporting period were:

- Chief Operating Officer (to 31st August 2024, with an interim COO taking on the role from 1st September 2024).
- Finance Director
- Pro Vice-Chancellor (Education and Quality)
- Pro Vice-Chancellor (Student Experience)

- Pro Vice-Chancellor (Research and Knowledge Exchange) (role currently **vacant**, with UET responsibility for RKE with the PVC (Education and Quality) as an interim measure)
- Director of Human Resources (introduced to the UET structure on an interim basis)

The Clerk to the Board also holds the role of Head of Legal Services and Corporate Governance.

## Transparency

The Committee's Operating Framework is published via the University's website, together with a document setting out the Principles for the remuneration of senior post-holders; a Frequently Asked Questions document about the work of the Committee and the non-confidential minutes of meetings. These can be viewed at: <https://newintranetsp.bournemouth.ac.uk/Committees/rem/default.aspx>

BU complies with the OfS Accounts Direction regarding the publication of senior staff remuneration. As required by the Accounts Direction details of the Vice-Chancellor's remuneration are published in the Financial Statements and available on the BU website here: [www.bournemouth.ac.uk/about/governance/financial-information](http://www.bournemouth.ac.uk/about/governance/financial-information)

For other UET members, salary information is published in bandings in the notes to the annual Financial Statements as required by the Accounts Direction.

## Membership of the Committee

The Committee comprises either independent members of the University Board or independent members co-opted to the Committee for their specialist expertise in remuneration. Neither the Vice-Chancellor nor any other senior post-holder is a member of the Committee. Members are appointed by the University

Board on the recommendation of its Nominations Committee. All independent Board Members, and any co-opted independent committee members, are appointed following a process of national advertising, application and interview. In making these appointments the Board is mindful of the need for diversity and an appropriate balance of skills, competencies and experience. In order to ensure good governance and independence, the Chair of the University Board is a member of the Remuneration Committee but does not chair the Committee. The Committee's Terms of Reference state that the Chair of the Remuneration Committee must be an independent member of the Board who is not the Chair of the Board.

## Membership for the reporting year and up to the date of this report was as follows:

<b>Deborah Ward</b>	Chair of the Committee (to 1 May 2024)	Independent Board Member
<b>David Furniss</b>		Independent Board Member and Chair of the University Board
<b>Karl Hoods</b>	(from 9 February 2024)	Independent Board Member of the Committee
<b>David Smith</b>		Independent Board Member of the Committee
<b>Deborah Warman</b>	Deputy Chair of the Committee, then Chair from 24 May 2024	Independent Board Member of the Committee
<b>Claire Jepras</b>	(from 12 July 2024)	Co-opted Independent Member of the Committee

If a holder of a senior post is in attendance at the Committee to provide information, they are excluded from the meeting when their own pay or conditions of service are being discussed and approved and the terms of reference prevent them from advising on their own remuneration. The Vice-Chancellor is not invited to the Autumn meeting of the Committee which considers the Vice-Chancellor's remuneration.





### Meetings

The Committee normally meets at least 3 times in each financial year and during the reporting period it met on 13 October 2023, 14 November 2023, 28 February 2024, 24 May 2024 (extraordinary meeting), 29 July 2024 (extraordinary meeting), 3 October 2024 and 23 October 2024. The quorum for meetings is three independent members (which may include the Chair) and all meetings were quorate. Minutes of the Remuneration Committee are routinely provided to the Board (with some individual personal data redacted if appropriate) and non-confidential minutes are published on the University's website (see above link).

### The use of consultants

The Committee periodically commissions independent expert consultants to advise on particular topics and two such reviews were previously undertaken as set out in the report for 2018/19. As described above, independent remuneration experts are commissioned to undertake a review of benchmarking every 3 years.

### Approach to remuneration

#### Fundamental Principles

The Committee's Operating Framework states that, "The University is a charity and all remuneration decisions taken must be in the best interests of the charity...Staff costs are the largest item of expenditure for all universities and institutional success is dependent on the staff they employ. The increasing competition between institutions, together with the expectation of more transparency and better accountability, make it even more important to ensure good decision making about pay at all levels. Robust governance processes for setting senior staff remuneration are necessary to:

- Ensure stakeholder confidence
- Sustain good employee relations and staff morale
- Ensure value for money and enhanced performance
- Ensure that the principles of equality and diversity are upheld
- Avoid the loss of key staff to other institutions or employers
- Avoid adverse publicity."

The Remuneration Committee takes the following factors into account when determining and reviewing the remuneration of all designated holders of senior posts:

- Objective determination of 'job size' through job evaluation;

- Individual and team performance against the objectives set out in the University's Strategic Plan as assessed through the approved appraisal procedure and any additional evidence through other appropriate sources;
- Recruitment, retention and market forces issues taking account of reliable comparative data;
- Total remuneration including pension contributions and other benefits such as private health insurance etc;
- Wider implications including affordability, employee relations, stakeholder confidence etc.

Additional factors may be taken into account at the discretion of the Committee and subject to being reported to the University Board.

Pension arrangements, travel and subsistence, expenses, annual leave and sickness entitlements, as well as the potential for honoraria, are the same as those for all other staff at BU.

BU does not provide housing, house-hold staff or costs, loans or motor vehicles, club memberships or travel enhancements to the Vice-Chancellor or any holders of senior posts.

### The use of comparative information

The Operating Framework also sets out the comparative information and data sources which will be used by the Committee to inform its decisions as follows:

The two principal sources of comparative information are the annual survey of vice-chancellors' remuneration prepared by the CUC and the UCEA annual remuneration survey of heads of institutions, senior and middle staff.

The CUC survey provides data about vice-chancellors' remuneration in all participating universities. In addition, Chairs participating in the CUC survey may seek detailed information on other universities (covering such matters as benefits in kind, any payments additional to base salary and pension arrangements).

The 10 comparator institutions for Bournemouth, which are linked to BU's strategy and approved by the Board, are: Brunel; Cardiff; City; Essex; Keele; Leicester; Oxford Brookes; Northumbria; Portsmouth; West of England.

The Remuneration Committee may review this list from time to time and did so in October 2022 when it agreed that they remained appropriate and to recommend

them unchanged to the November 2023 Board as the strategic plan and the competitor sets used to benchmark remained current at that time.

In relation to the Vice-Chancellor the CUC data is used:

- to indicate the most recent trends on both salaries, one-off payments (e.g. bonuses) and other benefits;
- to distinguish between the increases to vice-chancellors who automatically receive national salary awards for academic and related staff and those, as in the case of Bournemouth, who do not;
- to understand the nature of total remuneration packages; in the pre-92 institutions particularly, benefits in kind can play a significant part in overall remuneration and this has to be taken into account in making comparisons;
- to test trends in a chosen peer group by using the data from the 10 comparator HEIs and to take account of how long the vice-chancellors have been in post, and other special factors.

In addition, UCEA data is provided for the Vice-Chancellor.

In relation to other UET staff, and the Clerk to the University Board, the UCEA data is used to confirm national trends and, as far as it is possible to do so, salary rates for comparable jobs, specifically drawing on the quartile breakdown.

The detailed process by which the Committee reaches its decisions on senior remuneration and the information that it considers is set out in the **Principles for the remuneration of senior post-holders** published here <https://intranet.sp.bournemouth.ac.uk/Committees/rem/default.aspx>

### Assessment of individual performance

The Remuneration Committee has approved Procedures, including Performance Definitions, applicable to the Vice-Chancellor and to other members of the University Executive Team. The Clerk to the Board is subject to the same appraisal procedure and performance definitions as all other senior professional services staff at BU.



## Pay ratios

In line with guidance from OfS and CUC, pay ratios are provided to the Committee to inform its decisions. These ratios have been produced by the Human Resources Reward team to ensure that the methodology complies with the Accounts Direction from OfS and have been subject to review by the Finance team and additional verification by the University's external auditors for those ratios published in the Financial Statements.

The ratios are for the **former** Vice-Chancellor as they are calculated as at 31 July 2024.

### Basic salary ratios

Assuming full-time equivalent salaries as at 31st July 2024 (as stipulated by the accounts direction) the pay medians and ratios at BU are as follows (numbers in brackets are from 2022/23):

Ratio of Head of Institution (HoI) basic salary to whole established workforce median basic salary = <b>1:7.4</b> (1:7.2)
Ratio of HoI basic salary to Academic median basic salary = <b>1:5.5</b> (1:5.4)
Ratio of HoI basic salary to Professorial median basic salary = <b>1:3.8</b> (1:3.7)
Ratio of HoI basic salary to Professional & Support median basic salary = <b>1:9.3</b> (1:9.0)

### Total remuneration ratios

Assuming full-time equivalent salaries as at 31 July 2024 the total remuneration ratios at BU are as follows:

Ratio of HoI total remuneration to whole established workforce median total remuneration = <b>1:7.6</b> (1:7.5)
Ratio of HoI total remuneration to Academic median total remuneration = <b>1:5.4</b> (1:5.4)
Ratio of HoI total remuneration to Professorial median total remuneration = <b>1:3.6</b> (1:3.6)
Ratio of HoI total remuneration to Professional & Support median total remuneration = <b>1:9.5</b> (1:9.7)

## Institutional context and performance

The University operates in a highly competitive national and international market and recruitment and retention of effective and successful leadership is key to the University's continued success.

### Former Vice-Chancellor's emoluments

The emoluments of the Vice-Chancellor for the financial year 2023/24, as published in the Financial Statements, are set out below:

Emoluments of the Vice-Chancellor:	2023-24 £'000	2022-23 £'000
Salary	308	293
Performance Related Pay	–	–
Benefits in kind	4	4
<b>Subtotal</b>	<b>312</b>	<b>297</b>
Pension	–	–
Payments in lieu of pension contributions	60	57
<b>Total</b>	<b>372</b>	<b>354</b>

The remuneration of the other members of the University Executive Team (excluding the VC) for the financial year 2023/24 as published in the Financial Statements is set out below:

	2023/24 Number	2022/23 Number
£100,000 to £104,999	–	1
£105,000 to £109,999	1	–
£120,000 to £124,999	1	1
£135,000 to £139,999	1	–
£150,000 to £154,999	–	1
£165,000 to £169,999	1	–
£170,000 to £174,999	–	2
£180,000 to £184,999	1	–

The table includes basic salaries only and does not include additional responsibility allowances or performance bonuses or other taxable benefits in kind and also excludes employer's national insurance and pension contributions. Additional responsibility allowances of £21,000 each were paid to two members of UET in the reporting period and the amounts were approved by the Remuneration Committee having considered salary benchmarking.

## Performance-related pay and bonuses

There is currently no performance related pay or bonus scheme for the holders of senior posts. No performance bonuses were paid in the financial year.

## Severance

In accordance with the CUC's Guidance on, 'Decisions taken about Severance Payments in HEI's,' the Committee approved a severance payment. In considering the recommendation, the Committee were satisfied that the process aligned to usual practice across BU and that the key elements outlined in the guidance were considered, specifically, that the amount was reasonable, appropriate and justifiable, procedurally fair and that there was transparency and accountability.

## Pay awards and benefits for 2024/25

The decisions on the pay awards were taken at the October 2024 Remuneration Committee meetings to ensure that the Committee had access to both the detailed CUC data on Vice-Chancellors' pay and the verified BU pay ratios when making its decisions.

In accordance with the approved Principles, the Committee received reports of individual performance from the former Vice-Chancellor in respect of UET and from the Chair of the Board in

respect of the Clerk prior to considering pay awards. Detailed benchmarking data was also considered in line with the Operating Framework.

## Vice-Chancellor

Last year the Committee awarded the former Vice-Chancellor a basic salary of £307,650 with effect from 1 August 2023.

Professor Honour succeeded Professor Vinney as Vice-Chancellor and Chief Executive Officer on 26th August 2024 and became Accountable Officer with effect from 1st September 2024. The Remuneration Committee had approved a salary on appointment of £270,000 based on Professor Honour's experience and detailed benchmarking. The Committee confirmed at its meeting in October 2024 that the Vice-Chancellor's salary is £270,000 for 2024/25. In addition to basic salary the Vice-Chancellor is entitled to:

- Health Insurance (the VC has declined this benefit and has not accepted an allowance in lieu)
- Employer contributions to pension (TPS) of 28.68%
- 30 days annual leave (in line with other staff)
- Travel and subsistence (in line with other staff to cover incurred expenses)

This decision addressed the requirements of the CUC Code and was based on comparative data from both the CUC survey of VC's pay and the UCEA remuneration report. In making this

decision the Committee also had due regard to the pay ratio information and the cost of living award to all other staff.

## Clerk to the Board

The Clerk to the Board is entitled to incremental pay progression in accordance with the terms applicable to all senior professional services staff. The postholder is also appraised in accordance with the Senior Staff Appraisal Scheme. The Committee has previously approved the Chair's recommendation that the post-holder be offered the private medical cover offered to other senior post holders (but not an equivalent value payment). All senior post-holders are also entitled to an optional annual health assessment. In October 2024 the Committee approved the recommendation that the Clerk to the Board would receive the cost-of-living increase in line with other staff for 2024/25. The Committee also agreed that the contractual arrangements for the Clerk to the Board would be amended to place the role onto the senior management arrangements with 'spot salary' rather than the national pay scale from 2024/25 onwards.

The Clerk is entitled to participate in the Local Government Pension Scheme (LGPS) Dorset County Pension Fund and employer contributions are set by the scheme as for all other staff. The Clerk to the Board receives no further benefits other than those available to all staff at the University.

## Members of the University Executive Team (excluding the Vice-Chancellor)

### Numbers of senior staff (UET) by salary band

With effect from 1 August 2024 (excludes Vice-Chancellor)

Salary Band	No. of UET members
£125,000 to £129,999	2
£135,000 to £139,999	1
£150,000 to £154,999	1
£165,000 to £169,999	1



Members of the UET are entitled to participate in either the Local Government Pension Scheme (LGPS) Dorset County Pension Fund or the Teachers' Pension Scheme according to role and the employers' contributions are set by the scheme as for all other staff. Members of the UET are entitled to health insurance or the equivalent value payment (value at time of approval £4,430). All senior post-holders are also entitled to an optional annual health assessment. Members of the UET are not entitled to any further benefits other than those available to all staff at the University.

Where temporary allowances are paid in recognition of additional interim responsibilities these are **included** within the salary figures reported in the table above and were approved by the Remuneration Committee having considered salary benchmarking.

During the reporting period the University recruited an Interim Chief Operating Officer following the departure of the previous post holder (interim salary reported in the table above). Due to the interim nature of the appointment the salary agreed was plus reasonable expenses of up to a maximum of £150 per day (for the purpose of on site attendance and subject to authorisation) and membership of the Universities Superannuation Scheme. In approving this interim arrangement the Committee took into account the benchmarking data from UCEA and additional market intelligence provided by search agencies.

Given the wider financial context the Committee approved the new Vice-Chancellor's recommendation that no pay increases would be awarded to UET for 2024/25.

#### External appointments and expenses

The Remuneration Committee has approved a policy on the retention of income from external appointments by holders of senior posts. This is published on the University's website at <https://intranet.bournemouth.ac.uk/Committees/rem/default.aspx>. The Committee receives an annual report under that Policy and Procedures so that it has full visibility on current approved activity. The Committee granted approvals for external roles for the incoming VC and some changes to other UET external roles arising from changes in postholders. None of the current approved external activities by senior post-holders are remunerated and no fees have been retained by senior post-holders from external work activities in the reporting period. Retention would be exceptional and would require the approval of Remuneration Committee.

Senior post-holders are subject to the same expenses policy and levels as all other staff at BU. This policy restricts the use of business class travel and sets subsistence rates at an appropriate level for a charity. UET expenses are published quarterly on the BU website here [www.bournemouth.ac.uk/about/governance/transparency](http://www.bournemouth.ac.uk/about/governance/transparency). The Committee reviews the staff expenses policy annually to ensure that it remains appropriate for senior post-holders and receives an annual report on the expenses paid to all senior post-holders.





