



BIRMINGHAM CITY
University

REMUNERATION ANNUAL REPORT

2017-18

INTRODUCTION

Birmingham City University is committed to compliance with the Higher Education Senior Staff Remuneration Code that was published in June 2018. This report therefore outlines the University's approach to matters relating to the remuneration of its Senior Staff and decisions taken during the year. The report was approved at the Board of Governors meeting on 27 November 2018 and is now available on the University's website.

TERMS OF REFERENCE FOR REMUNERATION COMMITTEE

In line with the advice provided in the CUC Senior Staff Remuneration Code, the Board of Governors has established two committees to deal with Remuneration matters:

- The HR Committee considers and determines matters in respect of the University's human resources, including determination of the overall framework for pay and conditions for staff.
- The Remuneration Committee, within the overall framework for the pay and conditions of staff set by the Human Resources Committee, has particular responsibility for reviewing the pay and conditions of senior staff (including the Vice-Chancellor).

Please follow ['RemCom TOR'](#) to view the full terms of reference for the Remuneration Committee. Prior to the establishment of the HR Committee and Remuneration Committee (in July 2018), all matters relating to staff remuneration were considered by the Personnel and Remuneration Committee.

REMUNERATION COMMITTEE MEMBERSHIP

The Remuneration Committee membership is determined by the Board of Governors consisting of:

- Two ex-officio members (the Chair and Deputy Chair of the Board of Governors)
- At least three lay Governors appointed by the Board of Governors

At least one member of the Committee will have experience and expertise in Remuneration as a professional discipline. The Chair of the Committee has the option to access independent external expertise and professional advice whenever required, including review and establishment of the remuneration arrangements for the Vice-Chancellor.

The Chair of the Remuneration Committee will not be the Chair of the Board of Governors.

CURRENT MEMBERS

Ex-Officio Members:

- Mark Hopton (Chair of the Board of Governors)
- Joe Kelly (Deputy Chair – Board of Governors)

Appointed Members (term of office ending on 31 July 2019)

- Ms Jenny Ladbrooke (Chair of the Remuneration Committee)
- Dr Louise Brooke-Smith
- Ms Tracy Westall

University officers are invited to attend the Remuneration Committee as required. The following officers have attended the Remuneration Committee during 2017/18:

- Ms Karen Stephenson (University Secretary)
- Mr Mark O'Dwyer (Director of Human Resources)
- Professor Philip Plowden (Vice Chancellor)
- Ms Heather Brannan (Committee Secretary)

DEFINITION OF SENIOR POST HOLDERS

The University has implemented the Office for Students definition of 'senior post holders' and therefore include all employees earning a substantive salary of £100k and above in this category.

During the financial year 2017/18, 15 employees met the definition of senior staff employed in the following posts:

- Vice-Chancellor
- Deputy Vice-Chancellor (2 post holders)
- Pro-Vice-Chancellor Executive Dean (5 post holders during the year)
- Chief Finance Officer
- Director of HR (part year to March 2018)
- University Secretary
- Finance Director
- Chief Technology Officer
- Director of Estates and Facilities
- Principal – Royal Birmingham Conservatoire

APPROACH TO REMUNERATION FOR ALL STAFF

Birmingham as a city is both vibrant and growing. There are a number of other Higher Education Institutes on our doorstep and many more within an hour's commute. The University is therefore operating in an increasingly competitive employment market and our positioning as a practice based University means that not only do we compete within the higher education sector but also within a broader employment market as we seek to attract employees with strong academic credentials and experience across all market sectors and disciplines.

A modern university is seeking to attract not just the best teachers or professional services staff. We are seeking fully rounded-academics who appreciate the strength of research-informed teaching and engaging with the modern world to bring that world into the classroom. We also seek professional services staff who have seen what best practice looks like and who aspire to work in partnership with our academics to deliver the best outcomes possible for all stakeholders in the university.

The University sits outside of the national negotiating pay framework and therefore has an opportunity to differentiate itself from other Universities and provide a unique reward offering to employees which, whilst maintaining market comparability, directly rewards contribution in terms of the outcomes, values and behaviours defined in the prevailing University Strategic Plan. The intent behind the pay system is to position the University attractively as an employer and to have a pay system which is clear, transparent and easily understood. The University Pay System and Policy incorporates all relevant employment legislation and is underpinned by the University's core values and commitment to equality and diversity. Please follow ['Pay System and Policy'](#) to view the policy.

The principles underlying the pay system are:

- The total reward package will be comparable to market median for good, competent performance.
- All employees will receive at least the living wage.
- The University does not participate in the national pay structure and negotiating framework but will ensure recognised Trade Unions and the Staff Forum are involved in the reward determination process.
- The University will commit to an annual review of pay which will be informed by market conditions and the University performance against Strategic Plan targets.
- The Individual Performance Review process (appraisal system) is at the heart of our assessment of an individual's performance

- Individual pay progression will be within the annual framework agreed by the University and determined by individual performance and contribution assessed against individual, team and University objectives and targets.
- There is no contractual right to a general pay increase or to progression payments.

APPROACH TO SENIOR STAFF REMUNERATION

The approach to senior staff remuneration follows the University wide pay system and policy with the addition of the following principles:

- Senior Staff will be defined as those earning over £100k per annum (or as otherwise defined in relevant regulations/guidance).
- The University's positioning of senior staff pay will mirror that for the general staff group – currently defined as a 'median' market payer.
- The University accepts that, as for the general staff population, it will on occasions be necessary to take an individualised approach to remuneration to reflect the nature of specialist roles or external market conditions.
- Senior staff pay increases and annual pay awards will be expected to mirror those of the general staff group but this will be kept under review with particular regard to the merits of performance related pay provision.
- The University has an Individual Performance Review process (appraisal system) which includes all staff and where performance feedback is shared and development plans created.

EXTERNAL PERSPECTIVES RECEIVED BY THE COMMITTEE

During the year the Committee received input from both the Council of University Chairs (CUC) and HEFCE through the form of reports and circulars, as well as benchmark pay information relevant to the roles within its remit from external sources including CUC, the Universities and Colleges Employers Association (UCEA) and the Hay Group. The Committee is also aware of the financial context in which the University operates and is aware of the University's financial position as it makes its decisions.

SENIOR STAFF REMUNERATION DATA 2017 – 2018

PAY BAND TABLE – SENIOR STAFF – 2017/18

The table excludes the Vice-Chancellor's remuneration which is disclosed in full below. No unconsolidated performance related payments have been made to senior staff in respect of the 2017 – 18 financial year.

Senior staff received the general increase of 1.7% paid to all staff effective from 1 August 2017.

Pay Band	Number of Employees
£100,000 - £105,000	2
£105,001 - £110,000	2
£110,001 - £115,000	5
£115,001 - £120,000	1
£120,001 - £125,000	0
£125,001 - £130,000	1
£130,001 - £135,000	0
£135,001 - £140,000	1
£140,001 - £145,000	1
£145,001 - £150,000	1

VICE CHANCELLOR REMUNERATION

The Vice-Chancellor commenced employment with the University on 14 August 2017. No pay increases have been awarded during the 2017 – 18 financial year, with the University's annual pay review date being 1 August.

	2017 - 18
Salary	£212,311.79
Performance Related Pay	£0
Non Cash Benefits (part year figure)	£272.83*
subtotal	£212,584.62
Pension costs	£34,988.95
Relocation costs	£8,000
Total	£255,573.57

*At his own request, Professor Plowden withdrew from membership of the medical benefit scheme (open to all staff during the year 2017/18) in April.

During the year in question, the Vice-Chancellor claimed £647.82 in terms of reimbursed expenses consisting of £165.71 in terms of taxi fares and claimed £482.11 on hospitality for visitors.

The median basic annual salary for all employees (including academic and non-academic members of staff during the 2017 – 18 financial year) equates to £36,225. The median total annual salary for all employees (including academic and non-academic members of staff during the 2017 – 18 financial year) equates to £36,861.

To calculate the pay multiples below, the definition for the multiple is based on the methodology used by UCEA, which includes pay expressed as a full-time annual equivalent annual salary and excludes employer pension contributions.

The pay multiple of the VC salary in comparison to the median basic annual employee salary is 1:6.07.

The pay multiple of the VC salary in comparison to the median employee total remuneration is 1:6.19.

The Committee will continue to review the ratio on an annual basis to ensure it stays within an acceptable range.

SEVERANCE ARRANGEMENTS

During the period of the report one senior post holder exited the university. Contractual entitlements (notice period) plus payment in line with the university voluntary severance scheme were made. The Committee were notified of the payments.

EXTERNAL APPOINTMENTS AND EXPENSES

The University's approach to the retention of income generated from external bodies is currently under revision.

During the year in question, the Vice-Chancellor received no external income.