

Remuneration annual report and statement 2018/19

Introduction

This is the University's remuneration annual report and statement covering decisions made in 2018/19 with respect to the senior staff falling within the University's [Senior Staff Remuneration Framework](#). The report is presented to the Governing Body and published in compliance with the Committee of University Chairs (CUC) *Higher Education Senior Staff Remuneration Code*, which the University has adopted.

Operating context and institutional performance

The University's operating context and performance in 2018/19 are described in detail in the University's [2018/19 financial statements](#). Senior staff remuneration is set in the context of an institution which is one of the largest higher education providers in London, with an annual turnover of £209m, around 36,000 students (including students in UK and international partnerships) and over 2000 staff, with activities across three campuses in London and Kent. Like other 'post 92' universities, the University operates in an increasingly competitive student recruitment environment, linked to demographic factors and changes in government policy. Major risks include Brexit, increasing competition for student numbers, international partnerships, and increasing pension costs. Significant achievements during the year included an improvement in the University's performance in the National Student Survey; continued improvement in income from research and enterprise activities; the achievement of student recruitment targets in autumn 2018, with home and overseas registrations up on 2017; the acquisition of the interest in Devonport House, adjacent to the Greenwich campus, as a strategic investment; the opening of the refurbished Dreadnought building as a student hub for the Greenwich campus; and a surplus of £9.4m (4.5% of total income) for the year, which will be reinvested to support the University's activities in pursuit of its objectives as a charity.

The University's approach to senior staff remuneration

On 15 October 2018 the University's Governing Body approved a [Senior Staff Remuneration Framework](#) to guide remuneration decisions by the Nominations, Staffing and Remuneration Committee sitting as the University's Remuneration Committee. The Framework for 2018/19 is published on the University's website. It guides the Remuneration Committee's oversight of the University's remuneration policy as it applies to all staff and the Committee's decisions on senior staff whose individual remuneration is determined by the Committee. In 2018/19, the senior staff whose remuneration was subject to the Framework were the Vice-Chancellor, the two Deputy Vice-Chancellors¹, the four Pro Vice-

¹ As part of the transitional arrangements in advance of the Vice-Chancellor's retirement at the end of December 2019, the temporary role of Interim Provost was created in November 2018, to be held in succession by one of the two Deputy Vice-Chancellors. The role was held by the Deputy Vice-Chancellor (Academic) from 7 November 2018 to 31 May 2019 and by the Deputy Vice-Chancellor (Research and Enterprise) from 1 June 2019 to 31 December 2019.

Chancellors, the Director of Finance, the Chief Operating Officer and the University Secretary.

The Senior Staff Remuneration Framework for 2018/19 sets out:

- The governance arrangements for remuneration decisions at the University of Greenwich, including the role of the Remuneration Committee;
- The information which the Committee should receive to enable it (1) to effectively monitor pay-related decision making for all staff, and (2) to make decisions on the remuneration of senior staff which reflect the context in which the University operates, the market for roles, the value delivered by individuals in their roles, and the University's approach to rewarding all of its staff;
- The scheme which the Remuneration Committee should follow when agreeing the component of an individual's remuneration which is linked to performance;
- The University's policy with respect to external appointments held by senior staff and income from external appointments;
- The Remuneration Committee's role with respect to severance payments for senior staff;
- The University's policy with respect to staff 'opting out' of pension schemes (the Remuneration Committee has agreed that the University will not enter into special arrangements for senior staff or other staff who wish to withdraw from pension schemes);
- How the Committee will report on its activities to the Governing Body and ensure transparency in remuneration decisions.

The Framework is reviewed annually by the Remuneration Committee and the Governing Body.

The wider context of pay and reward at the University of Greenwich

The Senior Staff Remuneration Framework is the University's pay and reward scheme for senior staff falling within the scope of the Framework. These staff are appointed on spot salaries, within future pay progression determined by the Remuneration Committee on the basis of performance in the previous year in accordance with the Framework. As specified in the Framework, pay awards are not consolidated into a senior staff member's basic pay, with the exception of the component of the award which reflects the annual cost of living pay increase paid to all staff.

The University's pay structures for other staff are based on a nationally agreed framework for higher education institutions. The University is a member of the University and Colleges Employers Association (UCEA), a membership organisation whose mission is to represent, negotiate for and promote the interests of UK HEIs as employers to all stakeholders. Cost of living awards applied to the relevant salary scales are negotiated and agreed nationally between UCEA and the following trade unions: GMB, EIS, UCU, Unison and Unite. For staff who are appointed on support and academic grades, pay progression is incremental up the relevant pay scale annually.

While the University does not operate a University-wide performance-related pay scheme, there are number of mechanisms whereby the pay and rewards of staff can be reviewed. The mechanisms described below do not apply to senior staff covered by the Senior Staff Remuneration Framework:

- Academic staff can apply for promotion through the various grades of the academic structure. The Academic Promotions Process is aligned with the University's Academic Career Pathways framework, allowing academic staff to specialise (e.g. research only pathway) or diversify (e.g. teaching and enterprise) in their academic career at the University. The promotions process for academic staff is held annually, with the invitation for applications made in the autumn and promotion panels sitting in early spring. Implementation of awards are made in September;
- Existing Professors may apply for an incremental increase through the Professorial Pay Award Process. Application forms are submitted once a year to a panel consisting of the Vice Chancellor, the two Deputy Vice Chancellors and the Director of Human Resources. Applications are assessed to see if work completed exceeds the professorial criteria as defined in the University's Academic Framework. Merit points are awarded in addition to substantive salary and become a permanent part of total remuneration;
- Academic and professional services staff on senior management contracts (other than Professors) may apply for a senior management pay award. A statement is required evidencing achievements since starting in post. Statements are reviewed once a year by a panel consisting of the Vice Chancellor, Chief Operating Officer, the two Deputy Vice Chancellors and the Director of HR. Pay increments awarded become a permanent part of total remuneration;
- Grading Review Assessment Panels (GRAP) allow an employee in a professional services role, with the support of their line manager, to request that their job be re-evaluated if they believe the role may have changed substantially since inception. Changes to the job description must be significant and must relate to the continuing demands of the role rather than the role-holder's performance. The GRAP panel, chaired by the Head of HR Services, reviews applications and concludes whether a change in salary grade is justified based on the information provided.

The role of the Remuneration Committee

The Nominations, Staffing and Remuneration (NSR) Committee acts as the University's Remuneration Committee. The terms of reference of the Committee which applied in 2018/19 are appended to this report². The Committee reviews its terms of reference annually.

The membership of the Committee when sitting as the Remuneration Committee and members' attendance in 2018/19 are set out below:

- Mr Peter Hazell, Independent Governor, chair of the NSR Committee (chair): attended 3/3 meetings;
- Ms Bronwyn Hill, Independent Governor: attended 3/3 meetings;

² The current terms of reference are available at <https://www.gre.ac.uk/about-us/governance/university-court/nominations-staffing-and-remuneration-committee>

- Ms Marianne Ismail, Chair of the Governing Body: attended 2/3 meetings.
- Professor Simeon Keates, Staff Governor (until 31.12.18): attended 1/3 meetings;
- Ms Denise Larnder, chair of the Audit and Risk Committee: attended 3/3 meetings;
- Mr Murray Orr, chair of the Finance Committee: attended 3/3 meetings
- Ms Sara Ragab, Staff Governor: attended 1/3 meetings.

Ms Elizabeth Sideris, Independent Governor was added to the NSR Committee on 25.02.19; there were no meetings of the Remuneration Committee during the remaining period in 2018/19 after she joined the Committee.

The chairs of the Audit and Risk and Finance Committees are only members of the NSR Committee when it sits as the Remuneration Committee. Staff Governors on the NSR Committee receive the reports relating to pay mechanisms and a note of the senior staff pay increase outcomes, but do not attend for the discussion about individual senior staff.

Meetings were attended by the University Secretary and the Director of Human Resources. The University Secretary did not attend for discussion relating to their own performance and remuneration.

The Vice-Chancellor is not a member of the Remuneration Committee. As permitted by the Senior Staff Remuneration Framework and the Committee's terms of reference, at the meeting of the Committee on 8 November 2018, the Vice-Chancellor attended solely for the item relating to the performance and remuneration of senior staff other than the Vice-Chancellor to contribute to the discussion. The Vice-Chancellor did not otherwise attend meetings of the Remuneration Committee and was not involved in decisions relating to their own remuneration.

Meetings of the Remuneration Committee in 2018/19

The NSR Committee met three times as the Remuneration Committee in 2018/19:

12 September 2018

- The Committee considered a draft of the Senior Staff Remuneration Framework and agreed that it should be recommended to the Governing Body for approval, subject to amendments;
- The Committee considered the issue of staff reaching their lifetime allowance in pension schemes, and agreed that the University's position would be that it would not enter into any special arrangements for individuals who wished to withdraw from pension schemes;
- The Committee considered the draft information on senior staff remuneration in 2017/18 for inclusion in the financial statements, and approved the justification of the Vice-Chancellor's remuneration in 2017/18 which would be included in the financial statements.

8 November 2018

- In accordance with the process set out in the Senior Staff Remuneration Framework, the Committee reviewed the performance in 2017/18 of senior staff and determined their remuneration for 2018/19 (see 'Implementing the Senior Staff Remuneration Framework', below). The Committee also reviewed the objectives for 2018/19 of senior staff which had been agreed as part of the annual appraisal process.

4 February 2019

- In connection with the recruitment of a new Vice-Chancellor, the Committee agreed the range of basic pay, other components of remuneration, and terms and conditions of service for the new Vice-Chancellor so that this could inform discussions between the University's recruitment consultants and potential candidates (see 'Implementing the Senior Staff Remuneration Framework', below);
- The Committee considered a discussion paper on whether to introduce a University-wide performance-related pay scheme. Taking the factors for and against a scheme into account, the Committee agreed that it was not the right time to introduce such a scheme but that the Committee should revisit the issue in 2019/20;
- The Committee received a report for information outlining the University's current pay and reward structures for all staff.

Implementing the Senior Staff Remuneration Framework in 2018/19

This section describes how the Senior Staff Remuneration Framework was implemented by the Remuneration Committee in 2018/19 with respect to: (1) senior staff other than the Vice-Chancellor; (2) the Vice-Chancellor; and (3) the incoming Vice-Chancellor.

Senior staff other than the Vice-Chancellor

In accordance with the Senior Staff Remuneration Framework, the meeting of the Committee on 8 November 2018 received the following information:

- Information to enable the Committee to monitor pay-related decision making for all staff, including: information on the outcome of GRAP panels (it was noted that no grading review panels had been held in 2017/18 due to the University-wide restructuring, and that it was intended to resume the process in 2018/19); the University's 2017/18 gender pay gap annual report; the outcomes of Academic Promotions, Professorial Pay Review and Senior Manager Pay Review processes in 2017/18; and the draft remuneration disclosure to be included in the University's 2017/18 financial statements in accordance with the Office for Students' (OfS) Accounts Direction, including the pay multiples which the OfS required to be published (the Vice-Chancellor's basic salary to the median basic pay of all staff, and the Vice-Chancellor's total remuneration to the median total remuneration of all staff);
- Background information on institutional performance, including: the most recent report to the Governing Body of the University's performance against institutional KPIs aligned to the University's [Strategic Plan 2017-2022](#); data on performance in the 2018 National

Student Survey by faculty; and data on 2018 student recruitment performance by faculty;

- Information on the market for individual roles and the value delivered by individuals in their role, including for each individual: (1) their salary history over the preceding three years (including any increases in salary), and a breakdown of their remuneration in 2017/18; (2) details of pension scheme membership and the University's contributions, and whether the individual was a member of the University's Healthcare Scheme; (3) an analysis of comparative salary data taken from the 2017 UCEA Senior Staff Remuneration Survey (the most recent available), reflecting how the individual's salary compared to comparable posts in institutions in the same income range as the University (the UCEA salary data was appended); (4) the line manager's assessment of the individual's performance in 2017/18, taken from the appraisal system or from probation reports for staff who were on a probationary period.

The Committee also received individuals' agreed objectives for 2018/19, taken from the University's appraisal system or the University's probation process where the individual was on a probation period.

As the Chief Operating Officer (COO) had resigned and would leave shortly to commence a post at another institution, only a breakdown of the COO's remuneration in 2017/18 was provided. The Committee agreed that no decision would be made concerning the outgoing COO's remuneration.

The Committee discussed the performance in 2017/18 of individual senior staff other than the Vice-Chancellor, with the Vice Chancellor contributing to the discussion and assessment of performance. The Committee noted that any performance awards would be determined according to the scheme set in the Senior Staff Remuneration Framework. Where an individual was on a probationary period and had not been employed for all of 2017/18, it was agreed that the length of time the individual had been in post was also a factor, along with their performance, to be considered in determining whether an award was appropriate.

The following table summarises the performance awards for 2018/19 made by the Committee in accordance with the criteria set in the Senior Staff Remuneration Framework, for senior staff other than the Vice-Chancellor and COO:

	Pay increase	Criteria	Number of senior staff	Total funds distributed in performance pay
1	0%	Capability discussions are being held and a performance improvement plan is in place	0	NA

	Pay increase	Criteria	Number of senior staff	Total funds distributed in performance pay
2	The cost of living pay increase awarded to all staff subject to national pay bargaining	Objectives set in appraisal have been met and the role holder has demonstrated behaviour consistent with the University's values	4	£9,362
3	The cost of living pay increase awarded to all staff (see 2) plus 1%	Objectives set in appraisal have been exceeded and the role holder has exceeded expectations regarding behaviour consistent with the University's values	4	£15,892
4	The cost of living pay increase awarded to all staff (see 2) plus 2%	Objectives set in appraisal have been significantly exceeded and the role holder has made a demonstrable contribution to building a collegiate, collaborative and inclusive environment	0	NA

In accordance with the CUC Code and the Senior Staff Remuneration Framework, awards linked to the previous year's performance have not been consolidated into a senior staff member's basic pay, with the exception of the component of any award under 2-4 which reflects the annual cost of living pay increase paid to all staff.

Remuneration of the Vice-Chancellor and its justification

The meeting of the Remuneration Committee on 8 November 2018 noted that the Vice-Chancellor had recently announced that he intended to retire at the end of 2019. The Committee did not consider a pay award for the Vice-Chancellor and agreed that the Vice-Chancellor's pay in 2018/19 should remain the same as in 2017/18. The Vice-Chancellor's remuneration in 2018/19 is disclosed in the University's financial statements in accordance with the OfS's Accounts Direction.

The Committee considers the Vice-Chancellor's remuneration for 2018/19 to be fair, appropriate and justifiable, given the University's operating context and performance in 2018/19 outlined earlier in this annual report and statement.

Remuneration of the incoming Vice-Chancellor

The Remuneration Committee's meeting on 4 February 2019 considered and approved recommendations for the range of basic pay to be offered to an incoming Vice-Chancellor, to inform discussions with potential candidates during the recruitment process. In support of the recommendations, the Committee received: (1) comparative data on basic pay levels for heads of institutions from the 2017 UCEA Senior Staff Remuneration Survey; (2) details of the current Vice-Chancellor's basic pay and the pay multiple of the Vice-Chancellor's basic pay to the median basic pay of the University's staff in 2017/18; and (3) pay multiples and data on the head of the institution's basic pay for some of the University's competitor institutions³, taken from their 2018/19 financial statements. The Committee noted that the recommendations regarding the incoming Vice-Chancellor's basic pay had been discussed with the University's recruitment consultants, who had confirmed that the salary range proposed would be sufficient to attract good quality candidates.

The Committee also agreed other components of the remuneration and the terms and conditions to be offered to an incoming Vice-Chancellor, summarised below:

Other components of remuneration:

- The Vice-Chancellor would be eligible to join either of the two principal pension schemes for academic staff, the Teachers' Pension Scheme (TPS) or the Universities Superannuation Scheme (USS). The Committee noted its previous decision that special arrangements would not be made for individuals who wished to withdraw from pension schemes;
- Performance pay to be in accordance with the Senior Staff Remuneration Framework;
- Relocation expenses to be paid in accordance with the University's policy for newly appointed staff, with any payment beyond the usual £8k limit to be subject to approval by the Remuneration Committee.

Terms and conditions of service:

- The standard 12 month probation period for senior staff would apply;
- A six month notice period, in line with the CUC's guidance on senior staff severance payments;
- A permanent contract, reflecting trends in the sector and what was considered to be attractive to candidates;
- Provisions relating to the suspension and dismissal of the Vice-Chancellor would be included in the new Vice-Chancellor's contract of employment.

In June 2019 the Committee approved by circulation the basic pay to be offered to the University's preferred candidate for the Vice-Chancellor role. The starting salary which was

³ The institutions considered were Canterbury Christ Church University, City University of London, the University of East London, Kingston University, London Metropolitan University and London South Bank University.

subsequently agreed was within the range approved by the Committee in February 2019 and reflected the candidate's background and experience.

Changes in the Vice-Chancellor's remuneration over time

The University's is required by the OfS's Accounts Direction to publish the components of the Vice-Chancellor's remuneration in its [financial statements](#), and has done so for many years. The table below tracks changes in the Vice-Chancellor's basic pay and total remuneration over time in comparison with the data for the higher education sector published by the OfS⁴:

	University of Greenwich: 2016/17 (£)	University of Greenwich: 2017/18 (£)	University of Greenwich: 2018/19 (£)	Sector average: 2017/18 (OfS) (£)
Salary	236,655	246,467	245,984	253,000
Taxable benefit	472	-	-	
Subtotal	237,127	246,467	245,984	
Employer's pension contributions	37,904	25,269	-	
Total remuneration	275,031	271,736	245,984	299,000

As indicated, the Vice-Chancellor's basic salary and total remuneration in 2017/18 from the University of Greenwich were below the sector average.

The relationship between the Vice-Chancellor's remuneration and that of other staff

Starting with its 2017/18 financial statements, the University has been required by the OfS to publish the relationship between the Vice-Chancellor's remuneration and that of all other staff, expressed as two pay multiples: the ratio of the Vice-Chancellor's basic pay to the basic pay of all staff, and the ratio of the Vice-Chancellor's total remuneration to the total remuneration of all staff. The table below tracks changes in the University's pay multiples over time and how the University's pay multiples relate to data for the higher education sector published by the OfS:

Pay multiple	University of Greenwich: 2017/18	University of Greenwich: 2018/19	Sector median: 2017/18 (OfS)	Sector range: 2017/18 (OfS)
VC's basic salary to median basic pay of all staff	5.31	5.87	7.2	3.0 to 13.4
VC's total remuneration	5.16	5.20	7.7	2.9 to 12.8

⁴ <https://www.officeforstudents.org.uk/advice-and-guidance/student-wellbeing-and-protection/value-for-money/senior-staff-pay/>

Pay multiple	University of Greenwich: 2017/18	University of Greenwich: 2018/19	Sector median: 2017/18 (OfS)	Sector range: 2017/18 (OfS)
to median total remuneration of all staff				

As indicated, the University's pay multiples in 2017/18 were below the sector median and towards the lower end of the sector range.

Income from external appointments

The [Senior Staff Remuneration Framework](#) sets out the University's policy on the retention of income from external appointments by senior staff and how this should be overseen by the Remuneration Committee.

In 2018/19, the Vice-Chancellor received a payment of £12,000 from Jisc for serving as chair of the Jisc's board of trustees. Jisc is a charity which provides digital infrastructure to UK education and research through the secure National Research and Education Network (Janet) and associated technology services, through Jisc Collections and other library activities, and through key shared services and tools to support research, learning, teaching and the student experience and the management of universities and colleges. The Vice-Chancellor's salary from the University of Greenwich was reduced to reflect the remuneration received from Jisc for his work for Jisc. The basic salary disclosed above and in the University's financial statements is the Vice-Chancellor's salary after the deduction of the amount from Jisc.

Senior staff expenses

Senior staff and other staff are subject to the University's [Financial Regulations](#) with respect to expenses, which must be wholly, exclusively and necessarily for business purposes. All claims for the re-imbursment of allowable business expenses incurred by staff in the course of their duties must be submitted for payment using the appropriate form from the Finance Directorate and be supported by original receipts. The Vice-Chancellor's expenses are published on the University's website.

Approved by the Remuneration Committee: 28 October 2019

Approved by the Governing Body: 25 November 2019

Appendix: Nominations, Staffing and Remuneration Committee terms of reference, 2018/19

NOMINATIONS, STAFFING AND REMUNERATION COMMITTEE⁵

Terms of Reference

1. Purpose:

The purpose of the Committee is:

- To keep under review the composition of the Governing Body and its committees and to make recommendations for Governing Body appointments;
- To advise the Governing Body on a range of independent membership issues, including recruitment, committee membership, performance review and terms of office;
- To provide governance oversight for strategic staffing matters;
- To determine policy on staff remuneration and oversee the remuneration of the Executive.

2. Terms of reference:

2.1 Nominations

Selection and Appointment:

- To review criteria for appointments from time to time, having regard to Governing Body policy.
- To formulate the recruitment process for Members.
- To consider candidates and make recommendations to the Governing Body for the appointment of new Members.
- To keep under continuous review the overall profile of the independent membership of the Governing Body with particular regard to skills and competences, and to promote equality and diversity through the selection of nominations to Governing Body.

Induction and Committee Membership:

- To review the composition of the Governing Body and committees to ensure they contain Members of the highest calibre with the appropriate skills, competences and experience necessary for good governance.
- To consider the filling of vacancies for independent Members on Governing Body committees and to keep under review the length of service on committees.
- To review the induction arrangements for new Governing Body and committee Members and check their efficacy.

Performance Review and Terms of Office:

- To consider whether to recommend to Governing Body that Members should be offered a second term of office subject to performance review, or where the Governing Body considers there is a continuing requirement for the particular experience or expertise of an independent Member, a third three year term.
- To make recommendations to the Governing Body on the most appropriate methods to be used for the performance review of Members.
- To advise on the succession arrangements for the Chairs of committees and the Governing Body.

⁵ References to the 'Court' have been replaced with 'Governing Body' and 'Audit Committee' with 'Audit and Risk Committee' to reflect name changes which came into effect in 2018/19.

2.2 Staffing and Remuneration:

- To approve and monitor the implementation of the University's People Strategy.
- To determine and review the salaries, terms and conditions (and where appropriate severance payments) of the Vice-Chancellor and other senior officers of the University as determined by the University Governing Body.
- To consider and note matters of strategic significance concerning remuneration and other employment matters.
- To monitor compliance with employment legislation and policy.
- To provide Governing Body with an annual report which meets the requirements of good governance.

The Committee will consider and report to the Governing Body annually on compliance with the CUC *Code of Higher Education Governance*.

Constitution:

Membership: The Committee shall comprise the Chair of the Committee and Chair of Governing Body, the Vice-Chancellor and five Members of Governing Body, two of whom are staff members.

Remuneration Committee Membership: When the Committee sits to consider the remuneration of senior staff the Chairs of the Finance and Audit and Risk Committees will also be present. The Vice-Chancellor will not be a member of the committee but may be asked to attend part of the meeting to share information about senior staff but will not be part of the decision making process nor will s/he be present during discussion of his/her own salary. The staff members of the Committee will not attend for the discussion of the performance of senior staff.

Term of office: Members of the Committee shall serve for a period of three years and are eligible for re-appointment. Membership shall cease on expiry of the Member's term of office on the University Governing Body.

Quorum: One half of those Members eligible to attend (4 Members)

Frequency of meetings: The Committee will normally meet twice a year.

Reports to: The Committee reports to the Governing Body as its parent committee and submits its minutes to that body. Decisions relating to the nomination of new Members and renewal of terms of office are referred to the Governing Body as recommendations for approval.

Review: the Terms of Reference of the Committee will be reviewed annually.

Approved by the Court on 27 November 2017