

## Remuneration annual report and statement 2020/21

### 1. Introduction

- 1.1 This is the University's remuneration annual report and statement covering decisions made in 2020/21 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.

### 2. Operating context and institutional performance

- 2.1 The University's operating context and performance in 2020/21 are reported in the University's 2020/21 financial statements. The University is one of the largest higher education providers in London, with an annual turnover of £231m, over 24,500 UK campus based students and 15,000 students in international partnerships, and over 2000 staff, with activities across three campuses in London and Kent. Like other modern universities, the University operates in a highly competitive student recruitment environment. Major risks include uncertainty over the future government funding model for higher education, risks to international student recruitment, inflationary pressures (including on staff pay) and pension scheme deficits. Significant achievements during the year included meeting and exceeding student recruitment targets, resulting in a higher than forecast operating surplus of £9.3m (4.0% of total income) available to support future investment; the approval of [This Is Our Time](#), the University's 2021-2030 strategic plan, following extensive engagement with students, staff and Governors; the resumption of on-campus teaching in a Covid Safe manner when permitted to do so by government guidance, with no significant Covid-19 outbreaks among students or staff; the opening of a new library at Avery Hill, the conclusion of the sale of the Mansion Site, and the termination of the management agreement for the Devonport House hotel and conference centre, enabling the building to be used for teaching purposes.

### 3. The University's approach to senior staff remuneration and pay and reward

- 3.1 The [Senior Staff Remuneration Framework](#) guides remuneration decisions by the Nominations, Staffing and Remuneration Committee (NSR) sitting as the University's Remuneration Committee. No changes were made in 2020/21 to the version of the Framework approved in 2019/20, which continued to apply. In 2020/21, the senior staff whose remuneration was subject to the Framework were the Vice-Chancellor, the two Deputy Vice-Chancellors, the four Pro Vice-Chancellors, the Chief Financial Officer, the Chief Operating Officer and the University Secretary. These staff are appointed on fixed salaries, with future pay progression determined by the Remuneration Committee on the basis of performance in the previous year in accordance with the Framework. The University's pay and reward structures for other staff are set out in the [Remuneration Annual Report and Statement](#) for 2018/19.

#### **4. The role of the Remuneration Committee and meetings in 2020/21**

- 4.1 The terms of reference of the NSR Committee which applied in 2020/21 are appended to this report<sup>1</sup>. The Committee reviews its terms of reference annually.
- 4.2 The University's Remuneration Annual Report and Statement for 2019/20 was approved by the Committee by circulation in November 2020 and subsequently by the Governing Body on 24 November 2020.
- 4.3 The Committee met once in 2020/21 as the Remuneration Committee, on 9 December 2020, with the meeting attended by the following members: Ms Elizabeth Sideris (Independent Governor, chair of the NSR Committee); Ms Bronwyn Hill (Independent Governor, Chair of the Governing Body); Ms Tricia King (Independent Governor) and Mr Murray Orr (Independent Governor, chair of the Finance Committee). Apologies were received from Mr Richard Hicks (Independent Governor) and Ms Denise Larnder (Independent Governor, chair of the Audit and Risk Committee). The meeting was attended by the University Secretary, the Director of Human Resources and the Vice-Chancellor, who are not members of the Remuneration Committee. The Vice-Chancellor and the University Secretary did not attend for the discussion relating to their own performance and objectives.

##### *Decisions relating to the remuneration of senior staff*

The meeting on 9 December 2020 endorsed a proposal not to offer any pay awards for 2020/21 to senior staff who were subject to the Senior Staff Remuneration Framework. The Committee noted that the Universities and Colleges Employers Association (UCEA), which represented HE employers in national negotiations with the HE sector trade unions, had offered no uplift in pay in the negotiations on the 2020/21 pay round in light of the financial impact of the Covid-19 pandemic on the sector and the continuing uncertainty caused by the pandemic. This had been reflected in the University. No annual increase in pay had been offered to staff whose pay was subject to collective bargaining (salary increments were unaffected), and the Professorial Pay Award and Senior Management Pay Award processes had been suspended. In light of this, it was not proposed to offer any increase in pay for 2020/21 to senior staff whose remuneration was determined by the Senior Staff Remuneration Framework.

The remuneration of the Vice-Chancellor in 2020/21 is disclosed in the University's financial statements in accordance with the Office for Students (OfS) Accounts Direction. The Committee considers the Vice-Chancellor's remuneration in 2020/21 to be fair, appropriate and justifiable, given the University's operating context and performance outlined earlier.

##### *Senior staff performance and objectives*

The meeting on 9 December 2020 discussed the performance in 2019/20 and the objectives for 2020/21 of senior staff. The information provided to the Committee included the individual's objectives in 2019/20, the appraiser's comments on their performance, the overall assessment of their performance according to the University's Appraisal Policy and Procedure, and their agreed objectives for 2020/21.

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<sup>1</sup> The current terms of reference are available at <https://www.gre.ac.uk/about-us/governance/university-court/nominations-staffing-and-remuneration-committee>

## 5. Changes in the Vice-Chancellor's remuneration over time

5.1 The University 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 OfS:

|                                  | University of Greenwich: 2016/17 (£) | University of Greenwich: 2017/18 (£) | University of Greenwich: 2018/19 (£) | University of Greenwich: 2019/20 (£): outgoing Vice-Chancellor <sup>2</sup> (01.08.19 – 31.12.19) | University of Greenwich: 2019/20 (£): incoming Vice-Chancellor <sup>3</sup> (01.12.19 – 31.07.20) | University of Greenwich: 2020/21 (£) | HE providers previously funded by HEFCE, 2019/20 mean (OfS) (£) <sup>4</sup> |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|---|---|--------------------------------------|--|
| Salary                           | 236,655                              | 246,467                              | 245,984                              | 102,000<br><br>(annual equivalent: £246k)   | 159,000<br><br>(annual equivalent: £240k)   | 240,000                              | 248,182  |
| Taxable benefit                  | 472                                  | -                                    | -                                    | -   | 1,000   | 2,000                                |  |
| Subtotal                         | 237,127                              | 246,467                              | 245,984                              | 102,000   | 160,000   | 242,000                              |  |
| Employer's pension contributions | 37,904                               | 25,269                               | - <sup>5</sup>                       | - <sup>6</sup>  | 38,000  | 57,000                               |  |
| Total remuneration               | 275,031                              | 271,736                              | 245,984                              | 102,000   | 198,000   | 299,000                              | 301,258  |

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

6.1 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:

<sup>2</sup> Professor David Maguire.

<sup>3</sup> Professor Jane Harrington.

<sup>4</sup> <https://www.officeforstudents.org.uk/publications/senior-staff-remuneration-analysis-of-the-2019-20-disclosures/>

<sup>5</sup> No employer's pension contributions were paid for Professor David Maguire in 2018/19 or 2019/20 (up to the end of his appointment) as the Vice-Chancellor opted out of the University's pension scheme. Professor Maguire received no additional payment in lieu of pension contributions.

| Pay multiple  | Range for all HE providers, 2019/20 (Ofs) <sup>6</sup> | OfS funded HE providers, 2017/18 median (Ofs) <sup>7</sup> | University of Greenwich: 2017/18 financial statements | University of Greenwich: 2018/19 financial statements | University of Greenwich: 2018/19 (restated) | University of Greenwich: 2019/20 financial statements  | University of Greenwich: 2020/21 financial statements |
|---|--|--|---|---|---|--|---|
| Head of provider's basic salary to median basic pay of all staff                | 1.0< to 12.5   | 7.2  | 5.31  | 5.87  | 6.35  | 6.28 (outgoing Vice-Chancellor <sup>8</sup> )<br>6.16 (incoming Vice-Chancellor <sup>9</sup> ) | 6.59  |
| Head of provider's total remuneration to median total remuneration of all staff | 1.0 to 17.0  | 7.7  | 5.16  | 5.20  | 5.57  | 5.46 (outgoing Vice-Chancellor <sup>8</sup> )<br>6.65 (incoming Vice-Chancellor <sup>9</sup> ) | 6.96  |

6.2 The OfS's Accounts Direction for accounting periods beginning on or after 1 August 2019 requires that all staff should be included in the calculation of pay multiples who are required to be in real-time reporting to HMRC. The new method removes the requirement to include agency staff. Consequently, the pay multiples for 2019/20 onwards are not directly comparable to those published in the University's financial statements for earlier years or to the comparative data for 2017/18 published by the OfS. The pay multiples for 2018/19 have been restated according to the methodology used for 2019/20 onwards for comparison.

6.3 The differences between the incoming and outgoing Vice-Chancellors in the pay multiples related to total remuneration in 2019/20 and subsequently reflect the fact that outgoing Vice-Chancellor (Professor David Maguire) was not in receipt of pension contributions, explaining the lower total remuneration.

## 7. Income from external appointments

7.1 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. No senior staff member received income from external appointments in 2020/21.

## 8. Senior staff expenses

8.1 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-imbursement of allowable business expenses incurred by staff in the course

<sup>6</sup> <https://www.officeforstudents.org.uk/publications/senior-staff-remuneration-analysis-of-the-2019-20-disclosures/>

<sup>7</sup> <https://www.officeforstudents.org.uk/advice-and-guidance/regulation/senior-staff-pay/>. The OfS's analysis of 2019/20 remuneration disclosures does not include average pay multiples for the sector.

<sup>8</sup> Professor David Maguire.

<sup>9</sup> Professor Jane Harrington.

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 Governing Body on 24 November 2021

## **Appendix: Nominations, Staffing and Remuneration Committee terms of reference, 2020/21**

### **NOMINATIONS, STAFFING AND REMUNERATION COMMITTEE**

#### **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 to the Governing Body for 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 Governors;
- To consider candidates and make recommendations to the Governing Body for the appointment of new Governors;
- To keep under continuous review the overall profile of the membership of the Governing Body with particular regard to skills and competences and the diversity of the Governing Body;
- To ensure that considerations of skills and competencies and diversity are reflected in recommended appointments to the Governing Body.

###### **Induction and Committee Membership:**

- To review the composition of the Governing Body and committees to ensure they contain Governors of the highest calibre with the appropriate skills, competences and experience necessary for good governance;
- To make recommendations to the Governing Body regarding the filling of vacancies on Governing Body committees and to keep under review the length of service on committees;
- To make recommendations to the Governing Body regarding the appointments of chairs of committees and the Vice-Chair;
- To make recommendations to the Governing Body on the process for appointing the Chair and Vice-Chair;
- 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 the Governing Body that Governors should be offered a further term of office subject to satisfactory performance and the requirements of the University's Articles of Association;
- To make recommendations to the Governing Body on the most appropriate methods to be used for the performance review of Governors;
- To advise on the succession arrangements for the chairs of committees, the Vice-Chair and the Chair of the Governing Body.

**2.2 Staffing and Remuneration:**

- To approve and monitor the implementation of the University's People Strategy;
- On behalf of the Governing Body, to determine and review the salaries and terms and conditions (and where appropriate severance payments) of the Vice-Chancellor and other senior officers of the University as determined by the Governing Body, in accordance with the Senior Staff Remuneration Framework;
- To annually review the University's Senior Staff Remuneration Framework for recommendation to the Governing Body, ensuring its compliance with the Committee of University Chairs *Higher Education Senior Staff Remuneration Code*;
- To consider and note matters of strategic significance concerning remuneration and other employment matters;
- To monitor compliance with employment legislation and policy;
- To make recommendations to the Governing Body on the process for appointing the Vice-Chancellor;
- To provide the Governing Body with an annual remuneration report in accordance with the Senior Staff Remuneration Framework and the *Higher Education Senior Staff Remuneration Code*; to review the University's annual remuneration statement and any published statements on senior staff remuneration required by the Office for Students and other bodies.

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 the Governing Body, the Vice-Chancellor and five Members of the 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 & Risk Committees will also be present as members. 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. When sitting as the Remuneration Committee, the Committee must be chaired by an Independent Governor who is not the Chair of Governing Body.

**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 Governing Body.

**Quorum:** One half of those Members eligible to attend

**Frequency of meetings:** The Committee will normally meet four times 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 appointment of new Governors 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 Governing Body 29 June 2020