

# MINUTES

<b>Remuneration Committee</b>	
<b>Date</b>	Friday, 05 July 2019
<b>Time</b>	10.30am – 12.30pm
<b>Venue</b>	S303, Boardroom, South Tower, Kedleston Road DE22 1GB

**Members**

Neil Calvert, Vice-Chair of Governing Council (Chair)  
 Olivia Dean, Chair of Further Education Governance Committee  
 James Eaglesfield, Staff Governor  
 Stephen Smith, Chair of Governing Council  
 Dr Ian Webster, Chair of Audit and Risk Committee  
 Abby Wilson, President Union of Students

**In Attendance**

June Hughes, University Secretary and Registrar  
 Professor Kathryn Mitchell, Vice-Chancellor (VC)  
 Sarah Setchell, Director Human Resources (HR)

**1. Introductions, apologies for absence & late arrivals**

The Chair welcomed Mrs Sarah Setchell, new Director HR to her first meeting of the Committee, Mrs Setchell had commenced in post on 17 June 2019.

Apologies for absence had been received from Stephen Taylor, Chair of the Strategy, Finance and Planning Committee.

**2. Declarations of interest**

There were no declarations of interest.

**3. Minutes of the previous meeting held on Thursday, 12 April 2019**

**3.1 Accuracy and approval of redactions**

**Rem/19/3/3.1**

The minutes of the previous meeting were approved without amendment and signed by the Chair. There were no items that required redaction.

**3.2 Matters Arising**

**Rem/19/3/3.2**

There were no matters arising.

The Committee was disappointed that the University's wider review of reward, retention and recognition had not been completed during 2018/19. It recognised the new HR Director's appointment was the first permanent one since March 2018 and the Committee had a greater degree of confidence this would be addressed in 2019/20.

**3.3 Any remaining business from the previous meeting****Rem/19/3/3.3**

The S&R confirmed that all items were in progress, had been actioned or were on the agenda for consideration. The only item of note was that VCE had recently discussed the leadership bonus. Based on performance against KPIs for 2018/19 it would not wish to support the payment of a bonus. The Chair received this feedback noting that it would be a decision for the October meeting of the Committee, reviewing performance against measures agreed.

**4. Recommendations for Senior Staff Salaries 2019/20****Rem/19/3/4**

The Chair invited the Director of HR to present her report. Mrs Setchell set the context for the discussion with reference to the CUC Code for Remuneration, the responsibility of members was to determine remuneration of senior post-holders and the equality of this with reference to appropriate benchmarks. Levels of remuneration should be fair and justifiable. She further noted that the Vice Chancellor's salary would be published in detail, including the pay multiple compared to the median salary of all staff pay. Salaries above £100k would be presented unnamed in £5k bands. The principal data used for reference was from UCEA and Hay for each of the roles under review by the Committee. Mrs Setchell confirmed that the University's move was towards being a median payer.

Professor Mitchell signalled her intention to restructure VCE ready for the 2019/20 academic year. The DCE/FD role was above benchmark in the sector, this would need to be addressed. She was considering moving the Provost role to DVC/Provost with a broader brief, **[Confidential Minute]**. Professor Mitchell also indicated her plan to include PVC Deans in VCE. It was common in the sector for PVC Deans to report directly to the Vice Chancellor, retention and expanding responsibilities were key factors. Some less experienced PVC Deans would grow their capability and gain more rounded experience.

**PVC Deans****[Confidential Minute]**.**[Confidential Minute]**.

The President of the Union of Students raised some concerns about the uplifts proposed, bearing in mind the University's financial position and value for money. The Chair acknowledged this point but noted that recruitment and retention of high quality leaders was important and the salaries proposed were within the median range of sector benchmarking for similar roles. Mrs Dean also recognised the drive for high performance and the leadership qualities this demanded, therefore the uplift was warranted. Dr Webster wished to avoid increasing the multiple between the highest and lowest paid but he too supported the uplift for the quality of leadership required for success.

Mr Smith noted that it was important to recalibrate to the median pay to catch up and protect recruitment and retention and to impact positively on the leadership of teaching quality and student experience.

In summary the Chair confirmed approval of the PVC Dean salary proposals and asked Professor Mitchell to confirm that objectives would be set for 2019/20 which would deliver high performance and value for money. Professor Mitchell assured members of this noting that currently their pay was behind the median but they were performing well. Her intention would be to assign institutional wide responsibilities to each of the PVCs as part of the role to ensure value for money.

**PVC External Affairs**  
**[Confidential Minute].**

Mr Eaglesfield raised a general point of parity of a 3% increase when professional support staff pay was likely to be set at 1.8%. Mrs Setchell stated her support for a differential to be applied to the senior roles as it was important to ensure the University was a median payer for leadership roles in a remuneration system which acknowledged good performance to underpin the culture and to protect fairness. Mrs Dean noted that FE staff salaries were out of synch, we should look to try and harmonise these as appropriate. Professor Mitchell noted a move toward more skills and apprenticeship work at levels 3 and 4 might enable a greater integration of FE and HE pay levels.

Mr Smith noted the importance of the total benefits package, including pension for example, when considering pay and calibration.

The Chair asked Mrs Setchell to prepare a broader piece of work on reward and recognition across the whole workforce that we can seek to apply from 2020/21.

**Provost**  
**[Confidential Minute].**

**Deputy CEO/FD**  
**[Confidential Minute].**

Mrs Hughes, University Secretary & Registrar left the meeting at this point.

**University Secretary & Registrar**  
**[Confidential Minute].**

Mrs Hughes re-joined the meeting whilst Mrs Setchell left the meeting.

**HR Director**  
**[Confidential Minute].**

Mrs Setchell re-joined the meeting, Professor Mitchell left the meeting.

**Vice Chancellor**

Mr Smith reported that his appraisal of Professor Mitchell's performance was that she had been outstanding. She continued to demonstrate huge commitment and energy and was involved most evenings in functions at a city or national level. Professor Mitchell represented a terrific asset to the University, she had placed Derby firmly on the map. Mr Smith recommended that her pay level matched this performance and the median. Mrs Dean drew attention to the role of Professor Mitchell as Chair of the Derby Opportunity Board, she is held in high regard by Schools in the city and has had a tangible impact on performance. She is a fantastic ambassador for the University and has students at the heart of everything she does.

Mrs Setchell noted that Professor Mitchell's salary was behind the median by a little distance. She was clearly an exceptional leader and as a female Vice Chancellor we needed to be mindful of equal pay.

**It was proposed to lift Professor Mitchell's salary to £250k, inclusive of the standard 3%. This was approved as it placed the salary in the median position and recognised work at the national level.**

Professor Mitchell re-joined the meeting.

(Post meeting note: Upon notification of the decision of the Committee Professor Mitchell wrote to the Chair of Remuneration and Chair of Council. Having contemplated the increase offered of 7%, whilst fully appreciating recognition of performance that this signalled, based upon the position of the University, the profile of reward offered to senior leaders she only felt able to accept a 4% increase. The Chairs of Remuneration and Council respected this decision, although they were very clear the increase recommended was unanimous and seen to reflect the value of Professor Mitchell to the University.)

The Chair concluded this item by reporting that the detail of the Committee's recommendations for each of the senior post-holders would be provided in its annual report to Governing Council's November meeting. A summary of the approvals are included in Appendix 1 [**Confidential Minute**].

5. **Senior Staff External Engagement Activity 2018/19 Q1 to Q3** **Rem/19/3/5**  
Mrs Hughes presented the latest register for external engagement across VCE/EVCE for quarters 1-3 2018/19. Members were pleased to receive this update and noted the content without further comment.
6. **Senior Staff Expenses and Governor Expenses 2018/19** **Rem/19/3/6**  
Mrs Hughes presented the latest detail on senior staff expenses which had been published on the website. The Chair thanked the team for compiling this information which it was important for the Committee to be able to review. It was noted that some late booking changes for overseas travel had incurred a greater cost than was necessary. This would be avoided in the future. Governing Council members expenses were also summarised and presented for information and transparency.
7. **Supporting a Sustained High Performance Culture** **Rem/19/3/7**  
Mrs Setchell noted the Committee's disappointment that greater progress had not been made on the development of a University wide reward and recognition strategy by predecessors in the HRD role. She was clear that one of her objectives was to develop a coherent People Strategy, although this was a significant development encompassing, pay, DPR, reward, pay scales, career progression and so on. She would be working with VCE in this development with an update on the review of reward expected at the October meeting of the Committee.
8. **Preparation of the Committee's Annual Report - 2018/19** **Rem/19/3/8**  
Mrs Hughes reported that a draft report would be available for review at the October meeting in order to be finalised in time for the Governing Council meeting on 8<sup>th</sup> November. The structure of the report would follow the same format as last year, which was in line with the CUC Remuneration Code guidance.
9. **Office for Students' (OfS) Regulatory Accounts Direction** **Rem/19/3/9**  
At the same time the previous year the Committee had considered the OfS Accounts Directive, which covered the period up to 31 July 2019 for the preparation of annual accounts. The relevant sections relating to senior staff pay would also be followed in preparing the annual accounts for this year, 2018/19. Disclosure on staff costs would include the number of staff with a basic salary of over £100k per annum broken down into bands of £5k. Full details of the remuneration package for the head of provider would be required, with a specific breakdown of components.

**10. Any other business**
**Rem/19/3/10**

The Committee had welcomed the University’s new permanent Director of Human Resources, Sarah Setchell. It had been pleased with the quality of the papers that had been provided for the Committee’s consideration, given the short time since she had started in post on 17 June 2019. Furthermore they looked forward to progress on the reward and recognition work at meetings during 2019/20.

**[Confidential Minute].**

**11. Date and time of next meeting**

Thursday 17<sup>th</sup> October 2019, S303, Kedleston Road, DE22 1GB

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Neil Calvert, Chair of Remuneration Committee**

## Appendix 1

Name	Role	Current Basic Salary 2018 - 19	Agreed Consolidated Increase	Agreed Non-consolidated one-off payment	New Basic salary w.e.f 01/08/2019
Kath Mitchell	Vice Chancellor	£234,650	£15,350	-	£250,000

**[Confidential Minute].**