

Remuneration annual report and statement 2019/20

1. Introduction

1.1 This is the University's remuneration annual report and statement covering decisions made in 2019/20 with respect to the senior staff falling within the University's 2019/20 [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 2019/20 are reported in the University's [2019/20 financial statements](#). The University is one of the largest higher education providers in London, with an annual turnover of £214.9m, over 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 modern universities, the University operates in a highly competitive student recruitment environment. Major risks include the risks to revenue and health and safety presented by the Covid-19 pandemic, Brexit, increasing competition for student numbers, international partnerships and pension scheme deficits. Significant achievements during the year included meeting student recruitment targets in autumn 2019, the implementation of a major integrated facilities management (FM) contract, planning for and starting the redevelopment of the Avery Hill campus, the rapid and successful move of teaching and other services online in March 2020 in response to the Covid-19 pandemic, and planning for the resumption of on-campus teaching in a Covid-secure way in autumn 2020. Despite these challenges, the University achieved a group surplus of £6.6m (3.1% of total income) for the year, which will be reinvested to support the University's activities.

2.2 During the year Professor Jane Harrington (referred to in this report as the 'incoming Vice-Chancellor') commenced as Vice-Chancellor and accountable officer on 1 December 2019 following a recruitment process which included extensive engagement with staff and students. The outgoing Vice-Chancellor, Professor David Maguire, retired on 31 December 2019.

3. The University's approach to senior staff remuneration

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 and is reviewed annually. Updates to the Framework for 2019/20 were approved by the NSR Committee by circulation in October 2019 and by the Governing Body at its meeting on 14 October 2019. In 2019/20, the senior staff whose remuneration was subject to the Framework were the Vice-Chancellor, the two Deputy Vice-Chancellors¹,

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. Professor Karen Bryan's appointment as Deputy Vice-

the four Pro Vice-Chancellors, the Director of Finance/Chief Financial Officer², the Chief Operating Officer and the University Secretary.

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

- 3.1 The Senior Staff Remuneration Framework was the University's pay and reward scheme for senior staff falling within the scope of the Framework during 2019/20. 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.
- 3.2 The University's pay and reward structures for other staff are set out in our Remuneration Annual Report and Statement for 2018/19 and did not change in 2019/20.

4. The role of the Remuneration Committee

- 4.1 The Nominations, Staffing and Remuneration (NSR) Committee acts as the University's Remuneration Committee. The terms of reference of the Committee which applied in 2019/20 are appended to this report³. The Committee reviews its terms of reference annually.
- 4.2 The membership of the Committee when sitting as the Remuneration Committee and members' attendance in 2019/20 are set out below:
- Ms Elizabeth Sideris, Independent Governor, chair of the NSR Committee (chair): attended 1/1 meetings;
 - Ms Bronwyn Hill, Independent Governor: attended 1/1 meetings;
 - Ms Marianne Ismail, Chair of the Governing Body: attended 1/1 meetings.
 - Ms Denise Larnder, chair of the Audit and Risk Committee: attended 1/1 meetings;
 - Mr Murray Orr, chair of the Finance Committee: attended 1/1 meetings
- 4.3 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.
- 4.4 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 28 October 2019 the outgoing Vice-Chancellor attended solely

Chancellor (Academic) ceased on 31 March 2020 following her appointment as Vice-Chancellor of York St John University and the post was vacant for the remainder of 2019/20.

² Reginald Daly's appointment as Finance Director ceased on 20 September 2019. The role of Finance Director was held on an interim basis by Chris O'Reilly until Louise Watson commenced as Chief Financial Officer on 13 January 2020.

³ The current terms of reference are available at <https://www.gre.ac.uk/about-us/governance/university-court/nominations-staffing-and-remuneration-committee>

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 was not involved in decisions relating to their own remuneration.

5. Meetings of the Remuneration Committee in 2019/20

- 5.1 The NSR Committee met once during 2019/20 as the Remuneration Committee, on 28 October 2019. The Committee reviewed the performance in 2018/19 of senior staff and determined their remuneration for 2019/20. The Committee also reviewed the objectives for 2019/20 of senior staff which had been agreed as part of the annual appraisal process. The Committee approved the University's draft 2018/19 Remuneration Annual Report and Statement for recommendation to the Governing Body and received the draft remuneration disclosures which were proposed to be included in the University's 2018/19 financial statements in accordance with the Office for Students' (OfS) Accounts Direction.

6. Implementing the Senior Staff Remuneration Framework in 2019/20

- 6.1 This section describes how the Senior Staff Remuneration Framework was implemented by the Remuneration Committee in 2019/20 with respect to: (1) senior staff other than the Vice-Chancellor; (2) the incoming and outgoing Vice-Chancellors.

Senior staff other than the Vice-Chancellor

- 6.2 The meeting of the Committee on 28 October 2019 received the following information:

- 6.3 Information to enable the Committee to monitor pay-related decision making for all staff, including:

- The University's 2018/19 gender pay gap report;
- A report from the Director of HR on the outcomes of the two Grading Review and Assessment Panels for professional services staff which met in February and July 2019;
- A report from the Director of HR on the outcomes of the academic promotions, professorial pay review and senior manager pay review processes in 2018/19;
- An oral update from the Director of HR on the average remuneration of all staff and of senior staff. The median remuneration of senior staff covered by the Framework was £145,169 and the median remuneration of all other staff was £46,442, leading to a ratio of 3.13 between the two groups.

- 6.4 Background information on institutional performance, including: the most recent report on Strategic Plan KPIs; data on performance in the 2019 National Student Survey by faculty; a report on student recruitment and registration (including performance by faculty); and the University's latest financial forecasts.

- 6.5 Information on the market for individual roles and the value delivered by individuals in their role, including for each individual:

- Their salary history over the preceding three years;

- Details of pension scheme membership and the University's contributions in 2018/19, and whether the individual was a member of the University's Healthcare Scheme;
- Information on any performance award made by the Remuneration Committee in 2018/19;
- Any external appointments held by the individual and whether external appointments were remunerated;
- An analysis of comparative salary data taken from the 2018 UCEA Senior Staff Remuneration Survey, reflecting how the individual's salary compared to comparable posts in institutions in the same income range, region and mission group (University Alliance) as the University (the UCEA salary data was appended);
- The rate of inflation for September 2019 (CPI) and the pay increase for staff covered by national pay negotiations effective from 1 August 2019 (1.8% for the main body of staff, with a slightly higher increase for those on lower grades);
- The individual's objectives for 2018/19;
- The line manager's assessment of the individual's performance in 2018/19, taken from the appraisal system or from probation reports for staff on a probationary period, and the performance rating assigned to the individual under the University's Appraisal Policy and Procedure;
- The individual's agreed objectives for 2019/20.

6.6 As the former Finance Director had retired and the role was being covered on an interim basis until the new Chief Financial Officer commenced in January 2020, the Committee was provided with a summary of the former Finance Director's remuneration and the salary which had been agreed for the incoming Chief Financial Officer. No decision was required with respect to the incoming Chief Financial Officer as their remuneration had been agreed by the Committee as part of the recruitment process.

6.7 The Committee discussed the performance in 2018/19 of individual senior staff other than the Vice-Chancellor, with the outgoing Vice Chancellor contributing to the discussion and assessment of performance. The Committee noted that two Deputy Vice-Chancellors had performed well over the course of 2018/19 in the role of Interim Provost as part of the transitional arrangements following the announcement by the Vice-Chancellor of his intention to retire at the end of 2019. Professor Karen Bryan had served as Interim Provost from 7 November 2018 to 31 May 2019 and Professor Javier Bonet from 1 June 2019 to 31 December 2019. Neither had received any additional remuneration for performing the role of Interim Provost. In light of this and their performance in the Interim Provost role, the Committee agreed that each Deputy Vice-Chancellor should, exceptionally, receive a one-off payment (which would not be consolidated into basic pay), in addition to any performance award made by the Committee under the Senior Staff Remuneration Framework.

- 6.8 The role of Chief Operating Officer (COO) had been covered on an interim basis since the departure of the former Chief Operating Officer in December 2018. The Committee received comparative data on the Interim COO's salary in relation to other Chief Operating Officers in the University's income range. In light of this and the individual's performance in the role, the Committee agreed that the Interim COO should, exceptionally, receive a one-off payment (which would not be consolidated into basic pay), in addition to any performance award made by the Committee under the Senior Staff Remuneration Framework.
- 6.9 The following table summarises the performance awards for 2019/20 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 the Finance Director/Chief Financial Officer:

Summary of Senior Staff Performance Awards for Senior Staff other than the Vice-Chancellor

	Pay increase	Criteria	Equivalent rating in the University's Appraisal Policy and Procedure	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	<p>D: Performance at this level shows the jobholder clearly did not meet the objectives to a significant degree. This performance assessment should only be awarded where the formal stage of the Capability procedure has been commenced.</p> <p>C: Performance at this level shows the jobholder partially met but did not consistently meet the objectives, including one or more critical ones deemed fundamental to their role. Not having met objectives would have had an impact on their own area of work or impact on others. This performance assessment should only be awarded where the informal stage of the Capability procedure has been commenced.</p>	0	NA
2	The cost of living pay increase (1.8%) 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	B: Performance at this level indicated most appraisal objectives were met. This performance assessment allows flexibility to accommodate those instances where a member of staff is demonstrably deemed to be competent in their area of work, has met most of the objectives including the critical ones but may not have been able to achieve the most ambitious ones.	0	NA
3	The cost of living pay increase awarded to	Objectives set in appraisal have been exceeded and the role holder has exceeded expectations regarding behaviour consistent with the University's values	A: Performance at this level shows the jobholder has not only met the objectives but also exceeded expectations. The member of staff may have achieved outcomes beyond the scope of the original objectives. This assessment recognises a higher degree of effort in	3	£9,780

	Pay increase	Criteria	Equivalent rating in the University's Appraisal Policy and Procedure	Number of senior staff	Total funds distributed in performance pay
	all staff (see 2) plus 1%		meeting ambitious or developmental objectives. The Remuneration Committee shall come to a judgment on whether performance with this rating merits an award at level 3 or level 4.		
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	A: Performance at this level shows the jobholder has not only met the objectives but also exceeded expectations. The member of staff may have achieved outcomes beyond the scope of the original objectives. This assessment recognises a higher degree of effort in meeting ambitious or developmental objectives. The Remuneration Committee shall come to a judgment on whether performance with this rating merits an award at level 3 or level 4.	5	£24,713
	Exceptional one-off awards (see above), not consolidated			3	£12,000

- 6.10 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

- 6.11 The meeting of the Remuneration Committee considered a report on the remuneration of the outgoing Vice-Chancellor and the incoming Vice-Chancellor. No decision was required regarding the remuneration of the incoming Vice-Chancellor as their remuneration had been agreed as part of the appointment process. Information on the factors considered in setting the remuneration of the incoming Vice-Chancellor is provided in the University's Remuneration Annual Report and Statement for 2018/19.

- 6.12 With respect to the outgoing Vice-Chancellor, the Committee was provided with:

- The outgoing Vice-Chancellor's current remuneration from the University;
- Details of the remuneration received by the outgoing Vice-Chancellor from the Jisc relating to his role as chair of the Jisc's trustee board;
- The rate of inflation for September 2019 (CPI) and the pay increase for staff covered by national pay negotiations effective from 1 August 2019;
- Comparative data on the pay of heads of institutions drawn from the 2018 UCEA Senior Staff Remuneration Survey.

- 6.13 In November 2018 the Committee had noted the Vice-Chancellor's announcement that he intended to retire at the end of 2019 and had determined that the Vice-Chancellor's remuneration in 2018/19 should remain the same as in 2017/18. The Committee agreed that in light of his impending retirement, the outgoing Vice-Chancellor's pay for the remainder of his appointment until December 2019 should remain unchanged.

- 6.14 The remuneration of the incoming and outgoing Vice-Chancellors in 2019/20 is disclosed in the University's financial statements in accordance with the OfS's Accounts Direction.

- 6.15 The Committee considers the remuneration of the incoming and outgoing Vice-Chancellors for 2019/20 to be fair, appropriate and justifiable, given the University's operating context and performance in 2019/20 outlined earlier in this annual report and statement.

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

- 7.1 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 OfS (the most recent comparative data published by the OfS is for 2017/18)⁴:

⁴ <https://www.officeforstudents.org.uk/advice-and-guidance/regulation/senior-staff-pay/>.

	University of Greenwich: 2016/17 (£)	University of Greenwich: 2017/18 (£)	University of Greenwich: 2018/19 (£)	University of Greenwich: 2019/20 (£): outgoing Vice-Chancellor (01.08.19 – 31.12.19)	University of Greenwich: 2019/20 (£): incoming Vice-Chancellor (01.12.19 – 31.07.20)	Sector average: 2017/18 (OfS) (£)
Salary	236,655	246,467	245,984	102,000 (annual equivalent: £246k)	159,000 (annual equivalent: £240k)	253,000
Taxable benefit	472	-	-	-	1,000	
Subtotal	237,127	246,467	245,984	102,000	160,000	
Employer's pension contributions	37,904	25,269	-	-	38,000	
Total remuneration	275,031	271,736	245,984	102,000	198,000	299,000

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

8.1 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:

Pay multiple	Sector range: 2017/18 (OfS)	Sector median: 2017/18 (OfS)	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
VC's basic salary to median basic pay of all staff	3.0 to 13.4	7.2	5.31	5.87	6.35	6.28 (outgoing Vice-Chancellor) 6.16 (incoming Vice-Chancellor)

Pay multiple	Sector range: 2017/18 (OfS)	Sector median: 2017/18 (OfS)	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
VC's total remuneration to median total remuneration of all staff	2.9 to 12.8	7.7	5.16	5.20	5.57	5.46 (outgoing Vice-Chancellor) 6.65 (incoming Vice-Chancellor)

8.2 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 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 in 2019/20 for comparison.

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

9. Income from external appointments

9.1 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. In 2019/20, the outgoing Vice-Chancellor received a total 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 outgoing Vice-Chancellor's salary from the University of Greenwich until the end of his employment on 31 December 2019 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.

10. Senior staff expenses

10.1 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-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 Governing Body 24 November 2020

Appendix: Nominations, Staffing and Remuneration Committee terms of reference, 2019/20

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 consider 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 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 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. 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 (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 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 27 June 2019