
University of Bath

High earners report 2

The pay gap increases

June 2014

Why we care that our bosses' pay is going up so much

Two years ago we published the University of Bath High Earners Report. The report was our response to the growing gap between the pay of most people working at the university and the runaway salaries of top managers.

Excessive pay is not just a problem for universities. It is an even bigger problem in private businesses. It is a problem for two reasons. The more pay that is taken by a few at the top, the less there is for everybody else. Excessive pay also sends out a message that the work done by a few at the top - however competent they are and however hard they work - really is worth a lot more than the work done by everybody else. We reject that idea.

We focus on universities because that is where we work. We do not believe that our senior managers are worth the extra money they have been receiving in recent years while everybody else has seen the value of their pay fall. And we do not like the effect this growing pay gap is having on universities as public institutions working for the public good.

In this update of the 2012 report we want to make clear our reasons for demanding greater transparency and accountability in decisions about the pay of high earners at Bath and other universities. As Bath delegate Michael Carley told UCU Congress in 2012, 'this is not about cutting Vice Chancellors down to size - that's a happy side effect. It is about restoring some balance to universities'. We want to defend the public university, not undermine it.

This report is produced by UCU, UNISON and Unite, the trade unions representing people working at the University of Bath and in universities across the UK. Trade unions negotiate pay and conditions for their members, represent their members when they need individual advice and support and provide a range of other services.

Membership is open to anyone who works at the university.

For further details contact ucu-sec@bath.ac.uk



This report is free but we would appreciate a donation to the UCU Fighting Fund. This fund supports trade unionists taking action against casualization, pay cuts and attacks on their conditions of employment. You can support the fund at <http://www.ucu.org.uk/fightingfund>

Summary

- The gap between the pay of high earners and everybody else has continued to grow across the UK economy. The High Pay Centre estimates that executive pay has been accelerating at a rate of 10% or more a year while wages for everyone else have stagnated or failed to keep pace with inflation.
- Universities are no exception to this trend and Vice Chancellors have ignored repeated warnings from Government to stop taking big pay rises.
- Between 2002 and 2011 the Bath Vice Chancellor salary increased by two pounds for every extra pound awarded to everybody else. **In the last two years the salary of the Bath VC increased by 35%. Almost everyone else working at the university has seen the value of their pay fall.**
- Two years ago the Bath VC was 15th in the league table of VC salaries for the UK. **The Bath VC salary is now 6th in the national league table.**
- Bath is a relatively small university. In terms of total expenditure it is 30th of the 39 universities that belong to the elite Russell Group or former 1994 Group of universities. Bath is not currently a member of the Russell Group.
- **In relation to the size of a university, the Bath VC salary is still the largest in the land.**
- Between 2002 and 2011 the number of high earners (£100,000k+) at Bath increased from 4 to 34. Their share of total staff costs increased from 1% to 4%. **In the last two years the number of high earners has increased from 34 to 51 and the share of total staff costs went up from 4% to 6%.**
- Despite this increase in the share of staff costs going to high earners, total staff costs have continued to fall as a share of university expenditure as most people's pay has fallen in value.
- Strike action has forced Bath and other employers to pay the Living Wage (currently £7.65 per hour) to permanent employees from August 2014. This leaves over 1000 casual staff at Bath being paid below the Living Wage.
- Undergraduate tuition fees increased to £9000 a year in 2012. Tuition fees are the largest single item of university income. **The Bath VC salary includes a larger slice of tuition fee income than any comparable university except Surrey.**
- In the 2013 University of Bath staff survey, 42% of staff said they were not fairly paid for the job they do. This does not include the growing number of casual workers at the university, who were not asked for their views.
- The University Remuneration Committee is a subcommittee of University Council, the governing body of the university. It meets once a year to fix the salary of the Vice Chancellor and some other high earners at the university.
- The University Remuneration Committee does not answer questions about how it makes its decisions.
- UCU, UNISON and Unite have written to the five members of the University Remuneration Committee in each of the last three years calling for greater transparency and accountability in its decision making.

We ask you to support our campaign for transparency and accountability in the decision making of the University Remuneration Committee.

Why excessive pay at the top is a big problem

Excessive pay at the top of the university system is a recent development. It is the most visible symptom of deeper problems caused by changes to the funding and organization of higher education. These changes pose a serious threat to the future of universities as public institutions, and to the chances of a decent education for millions of students well into the future.

Public universities have become unbalanced by the twin threats of financialisation and marketization, which are paving the way for a privatization of public assets.

Financialisation is a change in the way that universities are paid for. The introduction of tuition fees in 1998, and their ninefold increase since then has shifted the balance of funding for higher education away from taxation and on to the shoulders of students taking out loans to be paid back in the future. But as Andrew McGettigan shows in *The Great University Gamble*, the chances of debts being repaid are slim and getting slimmer. Loan repayments are now expected to be so low that the new system will end up costing more public money than the old system. All that has happened is that public money flows through student loans rather than public investment. The real threat to students is that governments can change the terms of the loans and demand higher repayments. Governments can now make changes to the terms of loan repayments without asking Parliament.

Marketisation is the creation of a market in higher education in which public universities are forced to compete with each other and with private for-profit and other 'HE providers'. These private providers are after a share of the public money available through the student loans system. In the first two years of the Coalition Government private providers saw their share rise from £33 million to £100 million. Marketisation is shifting the balance of public funding away from public universities to private HE providers. The new providers are exempt from many of the obligations of public institutions. Competition between these new providers and public universities brings consequent risks to the terms and conditions of employment of those who work in public universities and to the quality of the education they provide.

How have Vice Chancellors responded to the threat to public universities ?

The people who run public universities such as Bath have responded to the twin threats of financialisation and marketization in different ways. Some recognize and resist the threats, but the more common response is to behave in ways similar to the private providers who are trying to take a share of public funds. Many Vice Chancellors have rebranded themselves as Chief Executive Officers of a business, and have secured the level of remuneration they think is appropriate for this new role. There has been a pantomime value to some aspects of this process as VCs display their personal and institutional trophies, including their remuneration packages, but the laughter soon dies away when people realize that the explosion of Vice Chancellor pay is a symptom of something more sinister. Financialisation

and marketisation are a move away from the idea of universities as centres of **public** learning towards being centres of **private** business activity.

Universities are still public assets: the assets are public property and contribute towards the public good. The people who run universities are not owners but stewards of these assets. If university Vice Chancellors and other senior managers continue to carve out roles for themselves which resemble not only the role of CEO but also replicate their pay cheques, it is clear that they are hitching their bandwagon firmly to the privatisation gravy train. The fact that most Vice Chancellors, with a few honourable exceptions, have kept their mouths shut and their pockets and purses wide open makes them a legitimate target for criticism.

In this update we

- review changes in the pay of high earners at the University of Bath since 2012.
- see how the growing gap between the pay of high earners and the rest fuelled a pay dispute that led to six separate strikes in Bath and across the country.
- set out our demands to bring the high earners back to earth. At the very least we want University Remuneration Committees - the closed shops that set the pay of high earners - to be more open, transparent and accountable.

As we were preparing this update on high earners at the University of Bath, we had news that academics at the [University of Alberta](#), Canada have found a novel way of demonstrating their opposition to the soaring pay cheques of university bosses.

Four academics have applied jointly to share the job of University President (and the \$400,000 minimum salary). Their application is, in part, tongue-in-cheek. The letter suggests that one of the applicants -- Renee Ward, an expert on medieval and science fiction literature at Ontario's Wilfrid Laurier University -- "with her research on monstrosity and hybridity, is eminently suited to interact effectively with various levels of government."

We say good luck to them.

**EDUCATION IS
NOT
FOR PROFIT**

University chief's salary 'is too much'

Questions have been raised about the University of Bath vice-chancellor's pay after it was revealed that her salary is increasing at more than twice the rate of those of the rest of her staff.

A report by the three local branches of the University and College Union, Unison and Unite shows that Professor Glynis Breakwell's basic salary of £284,000 is higher than the chief executives at Bath and North East Somerset Council, Wessex Water and the Royal United Hospital, despite them all managing bigger budgets than her.

The unions say it is wrong that at a time when the majority of higher education workers are coping with cut-backs and below-inflation pay increases, their boss should become one of the highest paid vice-chancellors in the country.

The report said: "Last year the Bath vice-chancellor re-

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PAY ROW: Glynis Breakwell

ceived a remuneration package that was worth just over £150 for every other person working at the university – the equivalent of the pay increase

for all but the university's high earners.

"This figure is higher than for any other vice-chancellors shown in the list of the country's self-styled top universities. It is higher than the equivalent figure for the vice-chancellor of Oxford (£46) and Cambridge (£34) universities, higher than the president of Harvard (£35)."

The unions also argue that Professor Breakwell's salary is disproportionately high when related to the size of the University of Bath.

The vice-chancellor's pay is decided annually by the remuneration committee, a sub-committee of the university's governing body, and the three unions say their requests to communicate with members about how that process works have been ignored.

This has been denied by the university, which said the committee did reply to a letter from the president of the Bath branch of the UCU and that the process which decides the pay is in line with standard practice across the sector.

A spokesman said it was the university's responsibility to make sure it had the very best people in the right jobs.

He said: "Remuneration packages for vice-chancellors reflect what is required to recruit and retain individuals able to run complex, multi-million pound organisations operating in a highly competitive, global market.

"The remuneration committee takes on board a wide range of factors in coming to its decisions, including many of those highlighted in the union's report."

2011	£284,000 per year
2013	£384,000 per year

What has happened since 2012 ?

By 2008, the VC's pay had already doubled since her appointment in 2001. By 2012/13 it had trebled, just like the undergraduate tuition fees for which she campaigned so vigorously.

Changes in pay since 2012

This table shows what has happened to pay since our report two years ago. Information about the pay of the high earners usually lags behind because of the secrecy surrounding the decisions about high earners' pay. The new information is in the shaded areas of the table.

	VC basic salary	% increase on previous year	Number of staff earning over £100k	Average pay award made to high earners by the Remuneration Committee	% pay increase for most staff	Rate of inflation (RPI)
2010-11	284000	2.2%	33	5.8%	0.4%	5.2%
2011-12	356000	25.4%	40	4.6%	0.5%	3.2%
2012-13	384000	7.9%	51	9.6%	1.0%	3.1%
2013-14					1.0%	2.5%
2014-15					2.0%	

What this table shows is:

- the value of pay for most people in HE has continued to fall as inflation has outstripped pay increases
- the pay of a few high earners has continued to increase at a rate well above inflation
- the gap between the pay of the few at the top and the rest has grown. In the two years since our first High Earners Report, the gap between the Vice Chancellor's salary and the pay of someone on the mid-point of the national pay scale (currently £27,318) has grown. In 2011 the ratio was 11:1. It is now over 14:1.

There is little wonder that Government Ministers David Willetts and Vince Cable did not mince their words when they wrote to HEFCE, the university funding body, in February 2014 to say:


"We are very concerned about the substantial upward drift of salaries of some top management. We want to see leaders in the sector exercise much greater restraint as part of continuing to hold down increases in pay generally."

A Living Wage ?

Since our last report we also learnt that in 2013 the University of Bath is one of the worst offenders for low pay as well as for high pay. UNISON served a freedom of information request on all universities in England and Wales. The University of Bath disclosed that 1,255 staff were paid below the living wage of £7.45 an hour and that over 1,200 of these staff are on casual contracts.

UNISON's regional head of higher education Judy Wilson said:

"The university is making a lot of noise about being number one in the country for student satisfaction, but they're very quiet about being the worst in the country when it comes to low pay. It's not as if Bath is a cheap place to live."



**A LIVING
WAGE IS
A MORAL
VALUE**

The University of Bath was refusing even to discuss the Living Wage with UNISON as late as January of this year. At that time over 250 permanent members of staff were being paid below the level of the Living Wage (£7.65 per hour). But as a result of strike action by UNISON, UCU and Unite, all universities, including Bath, have agreed to pay the Living Wage to these employees from August 2014. This leaves over 1000 casual staff at Bath who will still be paid below the Living Wage.

a million
voices
for
public
services

Education
Our Future

■ unison.org.uk/education

Moving up the VC pay league table

The latest survey by Times Higher Education shows the Bath Vice Chancellor at number 6 in the league table of VC pay for all universities in the UK. This is a rise from 15th position two years earlier.

TIDY SUMS: TOP 10 BY TOTAL REMUNERATION			
	Institution	Vice-chancellor/ chief executive	Total cost of office 2012-13 including salary, benefits and pension (£)
1	London School of Economics ¹	C. Calhoun	480,000
2	University of Oxford	A. Hamilton	434,000
3	The Open University	M. Bean	407,000
4	London Business School	A. Likierman	405,000
5	University of Birmingham	D. Eastwood	400,000
6	University of Bath	G. Breakwell	384,000
7	University of Surrey	C. Snowden	376,000
8	University of Sheffield	K. Burnett	374,000
9	Nottingham Trent University	N. Gorman	366,000
10	University College London	M. Grant	365,432

¹ V-c changed or left during period measured, which may affect figures.

Times Higher Education April 2014

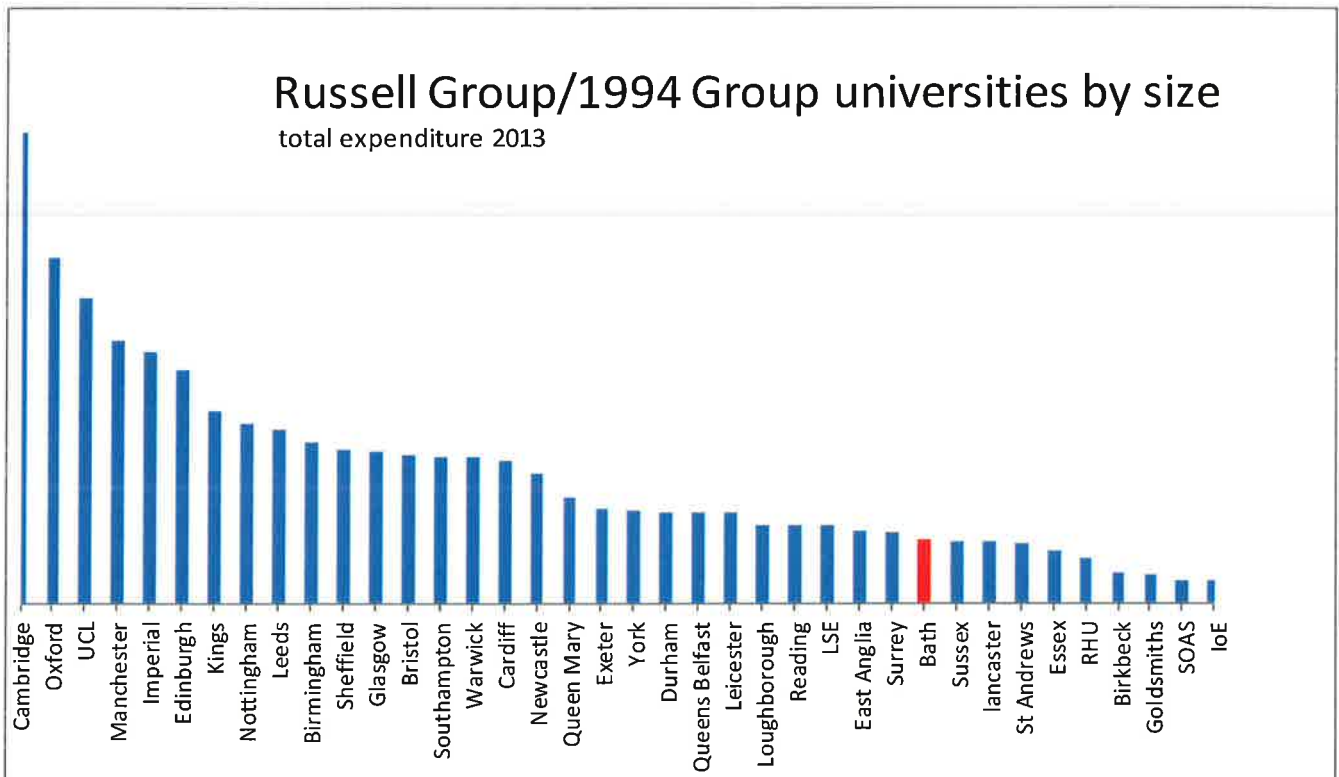
This list shows the total value of Vice Chancellors' remuneration packages. However, many Vice Chancellors have been hit by changes to the rules about how much tax free money can be put into a pension. In 2012 the Bath VC was receiving more in pension contributions (£65,000) than any other VC in the UK. When the new rules came into force, these contributions were transferred to salary by the Remuneration Committee. Nobody else had the option of doing this.

It is worth noting that at the same time as VCs were getting round the changes to pension fund rules by putting the employers' contributions into their pay packets, the vast majority of staff were being forced to pay more to stay in the pension fund, and were not given the choice of transferring their employers' contributions to their salary. The Bath VC is a director of the USS pension fund. Last year the payment for this work was £29,000.

University of Bath - still the highest paid VC in the land ?

In 2012 we showed that if the **size** of a university is taken into account, the Vice Chancellor of the University of Bath is the highest paid in the land. Is this still the case? Of the ten institutions with the biggest VC remuneration packages, only the London Business School is smaller in size than Bath.

We measure the size of the university by its total expenditure. On this measure Bath is a relatively small university



In 2012 we compared Bath with 38 other universities in the self-styled 'elite' Russell Group and 1994 Group of universities. These are the ones that tend to pay their VCs the most money. We excluded unusually large universities, such as Oxford and Cambridge, and unusually small ones that spend less than £100m a year. These 'outliers' can distort the underlying pattern, because there is, of course, a 'minimum wage' for Vice Chancellors- a going rate for the job, whatever the size of the university. This left us with 32 comparable universities for our attempt to discover the truth about Vice Chancellor pay.

Since 2012, however, there have been some big changes in the way that UK universities are financed and organised. These have had an effect on the way we have looked at the problem of excessive pay at the top.

We took these changes into account when we tried to find out who is the highest paid VC in the land.

The main changes we noted are:

- **more differences between English universities and others in the UK**

English universities charge higher fees than those in Scotland, Wales and Northern Ireland. The different finances and funding of universities in different parts of the UK make comparisons more complicated. We have excluded the five Scottish, Welsh and Northern Irish universities from our comparisons. The universities against which we now compare Bath are:

Bath	Leeds	Royal Holloway
Birmingham	Leicester	Sheffield
Bristol	Liverpool	Southampton
Durham	LSE	Surrey
East Anglia	Loughborough	Sussex
Essex	Manchester	UCL
Exeter	Newcastle	Warwick
Imperial	Nottingham	York
Kings	Queen Mary	
Lancaster	Reading	

- **more casual workers in higher education**

when universities publish the number of staff they employ this does not include people on casual and zero hours contracts. Because the number of people working on this type of contract is growing rapidly, the 'official' number published by universities is increasingly inaccurate as a measure of the size of a university. We have therefore not used staff numbers as a measure of the size of a university because it is an increasingly inaccurate measure. This is especially true of Bath, which uses more zero hours contracts for teaching and research work than any other English university.

- **undergraduate tuition fees have been trebled and public investment in teaching has been cut**

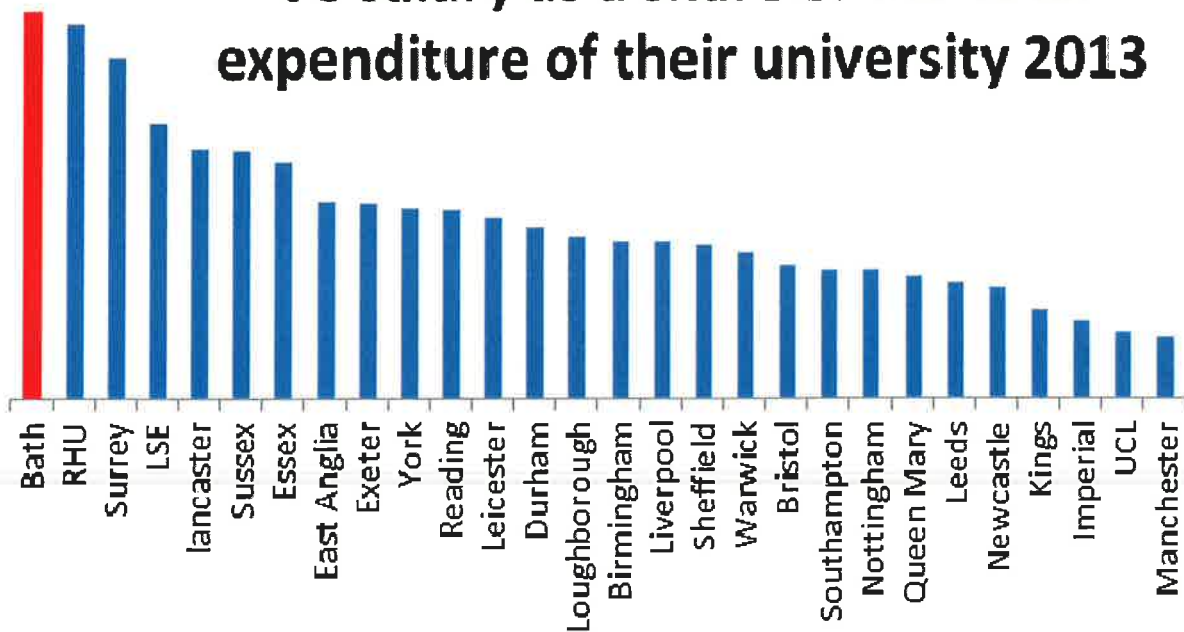
the biggest change in English universities since 2012 has been the introduction of the £9000 a year tuition fee. Some universities charge slightly below this, but most of the 27 English universities in our sample - including Bath - take it to the limit. We have therefore taken the fee income as a measure of the size of a university.

We call this measure the Fee Factor.



When these changes are taken into account it is clear that relative to the size of a university the Vice Chancellor of the University of Bath is **still the highest paid Vice Chancellor in the land**. The following charts show our findings.

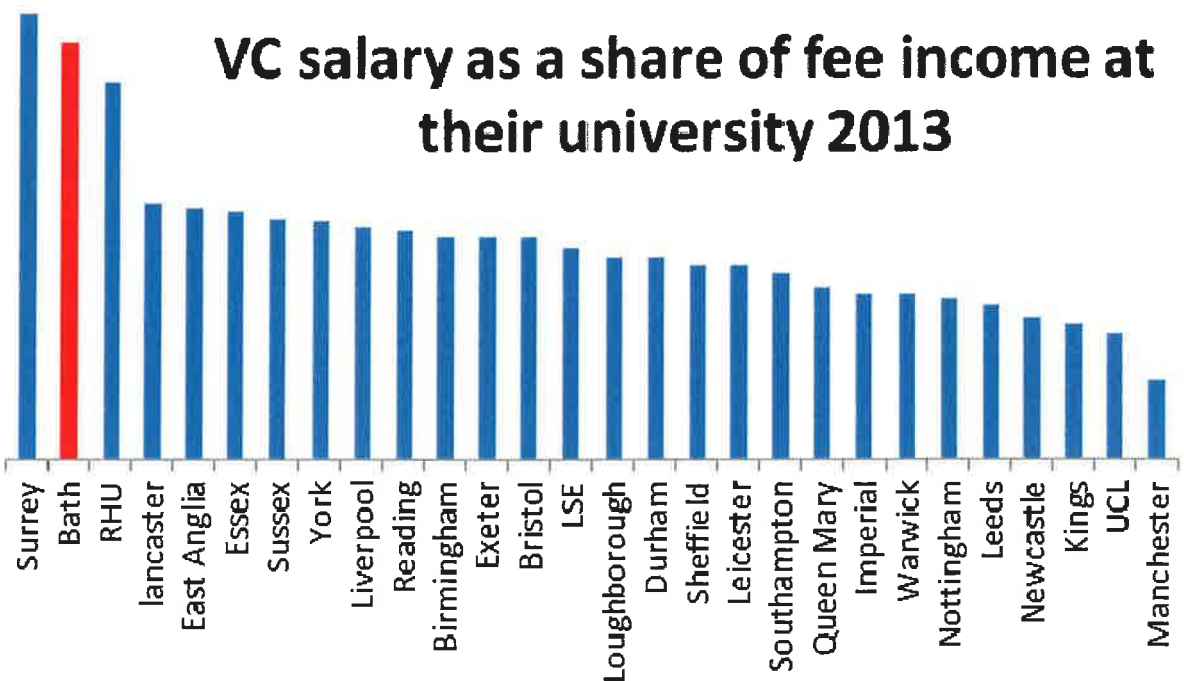
VC salary as a share of the total expenditure of their university 2013



The Fee Factor

When we calculated the share of a university's fee income taken by Vice Chancellors' pay, we found that only the Vice Chancellor of Surrey University takes a bigger share than is taken by the Vice Chancellor of Bath.

VC salary as a share of fee income at their university 2013



The Remuneration Committee correspondence

The rising tide of anger about excessive pay at the top of the university system has provided a background for our lengthy correspondence with the University of Bath Remuneration Committee. In each of the last three years we have written to its members before their annual meeting. The committee is described by the university as:

A sub committee of University Council, the governing body of the university.

Its terms of reference are

1. Under delegated authority from Council, to determine the remuneration of the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro-Vice-Chancellors, the Deans, the University Secretary, the Director of Finance, and the Director of Estates. The Committee will ensure that the performance of the named Officers is assessed.

2. To determine the severance payments to senior staff earning in excess of £100K per year in accordance with HEFCE Guidance.

Its members are:

Mr P Troughton Chair, Chair of Council	<i>ex-officio</i>
Mr P Wyman Treasurer	<i>ex-officio</i>
Professor Dame Glynis Breakwell * Vice-Chancellor	<i>ex-officio</i>
Mr T Sheppard Lay member of Council, elected by Council	
Mr M Hawkesworth Lay member of Council, elected by Council	

The minutes and summaries of meetings of the Remuneration Committee are not published because they contain information which the university has declared will not be routinely published under the Freedom of Information Act 2000. The minutes of meetings of the Remuneration Committee are submitted to Council.

According to the Times Higher Education, the main interests of the members of the Remuneration Committee are:

P Troughton (Deputy Chairman of Rothschild Asset Management, m-d WH Smith)

P Wyman (partner in PricewaterhouseCoopers LLP)

T Sheppard (Things commercial property firm)

M Hawkesworth (investment partner and director Lazard, Baring Private Equity Partners and latterly Nova Capital)

The full correspondence is contained in appendices to this report. Here we outline the main points and the context in which the letters were written.

2011 Sound finances but discontented staff

UCU wrote to Peter Troughton, Chair of the University Remuneration Committee shortly before its annual meeting in June 2011 (Appendix 1). University staff had just been awarded a 0.4% pay 'increase'. Because the rate of inflation was much higher than this, it was a cut in the real value of pay - the third year in succession that this had happened. The letter pointed this out, and also referred to changes to pension rules that had increased the amount of money staff have to pay and at the same time cut the benefits staff can expect when they retire. We acknowledged that the University was financially sound but we said that the Remuneration Committee should take into account the shocking results of the staff survey and high levels of work-related stress, alongside the financial indicators showing a large and growing surplus.

Troughton's response (Appendix 2) was curt, and the response of the Remuneration Committee was to increase the Vice Chancellor's pay by 2% - five times more than the rest of the staff. The rest of the senior staff under the Remuneration Committee's remit were awarded an average of 5.8%.


2012 A slap in the face for staff – VC gets 25% pay rise while others get a pay cut

The following year, 2012, we published the High Earners Report and again wrote to Peter Troughton (Appendix 3). This time the letter came from all three trade unions representing almost 1000 people working at the University. While we were being told to accept a 1% pay offer - another cut in the real value of pay - the Remuneration Committee pushed through a massive 25% increase in the Vice Chancellor's basic salary and awarded the other senior staff an average of 4.6%. Our call for greater openness in the decision making of the Remuneration Committee was dismissed as 'inappropriate' (Appendix 4). Our call for elected staff representation on the Committee, supported by letters to Peter Troughton from over 100 staff, was rejected.

2013 University Chancellor weighs in – 'take care not to lose your moral authority !'

In 2013 we wrote again (Appendix 5). We reminded Peter Troughton what the retiring University Chancellor Lord Tugendhat had said in his farewell lecture earlier that year. Speaking about those who run big, complex and successful organisations of all kinds he suggested that

"When their pay and pay increases so far outrun those of the people who work for them and the population at large, they lose moral authority, their words will be discounted."



**A LIVING
WAGE IS
A MORAL
VALUE**

400 sign petition calling for Remuneration Committee to stop applying double standards to staff pay

The latest staff survey showed that 42% of staff thought they were not fairly paid, and this did not include the hundreds working on casual and zero hours contracts as they excluded from the survey. Almost 400 members of staff signed a petition to the Remuneration Committee calling for an end to growing pay inequality.

We call on the University Remuneration Committee

- 1. Postpone its decision on the remuneration of the Vice Chancellor and others whose pay it controls until a settlement is reached in national HE pay negotiations between employers and unions*
- 2. Agree that the remuneration of the Vice Chancellor and others should be increased by no more than the pay settlement for all others working in HE*
- 3. Recommend to University Council that it calls on UCEA, the employers' body in HE pay negotiations to make an offer that restores some of the 13% lost in the value of HE pay since 2009.*

The truth: one set of rules for the high earners, another set of rules for everybody else

Peter Troughton's response (Appendix 6) was unambiguous. Decisions about the pay of the Vice Chancellor and other senior staff and the pay of everybody else are 'completely different and not directly comparable'. The response of the Remuneration Committee response was even more audacious: a 7.9% salary increase for the VC and an average of almost 10% for other senior staff.

Staff and students unite against unfair pay

There is no doubt that this fuelled the angry response to yet another 1% pay offer to the rest of the staff. By 2013 most staff had seen the value of their pay fall by 13% since 2009 while the pay of the high earners was racing ahead. The three trade unions embarked on a 9 month pay dispute involving six separate strike actions and working to contract. The dispute ended in May 2014 with unions reluctantly accepting a 2% pay offer for 2014-15.

One of the main reasons we were able to secure the Living Wage and our best pay deal for five years (though it was still a pay cut in real terms) was the support we received from students at the university.

When we told them what has been happening to their tuition fees they were incensed. Many students joined our picket lines, gave out leaflets and staged their own protests against excessive pay at the top given what that represents about the changing face of higher education.

We will continue to work with students to defend universities as **public** assets open to everybody and that are run in an open, transparent and accountable manner.

What has happened to student fees since they went up to £9000 ?



New buildings

But these are paid for mainly out of **loans**.
Student fees will be used to pay off the interest.



Surpluses

Universities have stashed away **over £ 1 billion**.
Bath is expecting a surplus of £13 million this year.



Pay increases for university bosses

Vice Chancellors earn on average £242,000 – more than the Prime Minister.
Bath's VC gets **£367,000**, and there are another 39 people at the University earning over £100,000.



Staff pay

Cut by **13% since 2009**.
More staff on the **minimum wage**, especially at Bath.
More staff on **zero hours contracts**, especially at Bath.

United for Education



What we mean by transparency and accountability.

In this update of our 2012 report we have shown that

- Vice Chancellors have continued to ignore warnings on excessive pay rises from unions and Government Ministers. Even the advice of critical friends, who can see that there is something not quite right about the explosion of VC pay, is ignored. We have focussed on Bath, because we work here and because the problem seems especially acute here. But it is a problem all across the university sector. Remuneration Committees do not appear to be accountable to anybody.
- When Remuneration Committees are asked about their decisions they either don't answer or the answers they provide are meaningless. Earlier in 2014 UCU wrote to all universities asking for copies of the minutes of their Remuneration Committee and details of how it makes decisions. This request was turned down (Appendix
- The Remuneration Committee at the University of Bath is a sub-committee of Council, the University's governing body. Council has given the Remuneration Committee full power to make decisions **without referring these back to Council for approval**. None of the 40 members of the Council governing body is allowed to ask questions about the decisions of the Remuneration Committee. When staff representatives on University Council do ask questions, they are not given answers.

The minimum demands we make for a more open, transparent and accountable process for deciding the pay of Vice Chancellors and other senior managers are:

- The pay of Vice Chancellors and other staff should be linked in some way to the nationally negotiated pay framework that covers everybody else in higher education. The pay of the high earners should be related to the pay of everybody. As a starting point, we suggest that the pay of the highest earner in a university should be no more than 10 times the pay of the lowest earner in that university.
- If universities are going to continue to have remuneration committees to fix the pay of their senior staff, they should include elected representatives of the rest of the staff in the university.
- If universities continue with their remuneration committees they should publish the criteria (Key Performance Indicators) they use to make decisions about the pay of the senior staff.

These are modest demands that would not look out of place in any large organisation. In an educational organisation they carry more weight, precisely because the reputation of universities and other educational organisations has been built on their attachment to non-monetary values. Nobody goes into teaching for the money. If universities want to continue to be seen as educational organisations rather than profit-hungry businesses, the acceptance of these modest demands would be a good place to start.

Appendix 1

Letter from UCU to Chair of University Council and University Remuneration Committee

27th June 2011

Dear Mr Troughton,

We note that you will be chairing a meeting of the Remuneration Committee this Thursday (30th June). When you are deliberating on and determining the remuneration of the senior officers of the University it may be pertinent to draw your attention to the following.

The 'ordinary' members of staff, both academic and other, received a pay rise of 0.4% this year. This equates to a real terms pay cut, irrespective of whatever measure of inflation you use. Of course we are all being urged to show restraint in terms of pay increases and I trust you will ensure that the same constraint is applied to the increases for the senior management team here.

There is also the question of the wholesale robbery that has taken place in terms of the proposed changes to OUR pension scheme (USS). Whilst most of the senior officers of the University will also suffer as a result of this, it must surely not have escaped your attention that the Vice-Chancellor is on the board of USS which has imposed the new, detrimental two-tier 'benefits' onto USS members. These changes go far further than Lord Hutton advocated in his report on Public Sector pensions and indeed contradict some of his principles. However, it may also be worth reminding you that USS isn't even a Public Sector scheme, it is a members' scheme. It is paid for by us and our employers and it is our deferred pay that they have stolen from us. This theft resulted in strike action earlier in the year and is likely to lead to more in the autumn.

It is also customary for Remuneration Committees to take into account metrics associated with organisational performance. Perhaps you can ask to see the results of the Staff Survey before considering how well the University appears to have done in the area of management of staff. Perhaps you can also ask for the metric associated with sickness absence, particularly due to work related stress. It may also be illuminating to ask for details of how many Employment Tribunal cases in which the University has been involved in the last two years. You may want to ask about the increase in grievances both formal and informal. Another telling measure is the numbers of redundancies, which because they often happen in ones and twos are often unreported. Furthermore you may perhaps like to ask how many people have left the University as a result of increased workload, stress, bullying and harassment and the ongoing restructuring of Faculty administration. We believe this reorganisation is being promulgated as a success story. From where we are sitting, looking at people whose lives have been quite literally shattered by this exercise, it seems anything but a success.

We are sure that the University has been well managed in other areas. For example, by all accounts our finances are strong. Whilst this is undoubtedly important we think you would be derelict in your duty not to take other factors into account. The academic and other staff of this University are vital. They ARE the University. Unfortunately many believe they are not seen as such by the senior officers of the university, despite their rhetoric to the contrary. The reality, as it is felt by our members and we understand others too, is quite different. This should be reflected in the awards of public money that you make this year.

Yours sincerely,



Marie Morley, President, University of Bath Local Association, University and College Union.

Peter Troughton
Chair of Council



UNIVERSITY OF
BATH

Address for Correspondence:
c/o Colette Milner
Head of Secretariat
University of Bath
Office of the University Secretary
Bath BA2 7AY
Tel: 01225 383075
Fax: 01225 386709
EMail:c.m.milner@bath.ac.uk

30th June 2011

Marie Morley
President
University of Bath Local Association
University and College Union

Dear Mrs Morley,

Thank you for your (undated) letter which was noted by the Remuneration Committee this morning and for the opportunity to read your views. I can reassure you that we do, as a Council, routinely receive and take account of the information which you refer to in your penultimate paragraph.

Yours sincerely,

Peter Troughton



Campus Trade Unions' Office
1W 2.4b
22 June 2012

Dear Mr Troughton,

I am once again writing to you on behalf of the University's Local Association of the University and College Union (UCU) in respect of your role as chair of the University's Remuneration Committee and with the full endorsement of our sister campus trade unions, UNISON and Unite.

Recent publicity about shareholder representation and influence on such committees cannot have escaped your attention. You may also like to note a motion, passed unanimously at our Union's annual Congress (appendix enclosed), which is now national policy. However, as a result of the lack of opportunity to engage with you and the committee on the question of the pay of the senior managers in this organisation, unfortunately we need to resort to paper correspondence.

Leaving aside important issues such as the complete lack of transparency and accountability of the committee, the purpose of us contacting you is to draw your attention to certain things we think you should be taking into account when deciding the pay awards this year.

The first is internal equity. Last year the committee awarded an aggregate pay increase of 5.76% to those whose pay you are responsible for. Other members of staff received a flat payment of £150, which as a percentage increase for someone on the lowest point of the payscale is 1.1% and for someone on the midpoint of the payscale is 0.56%. The average increase received by ordinary members of staff was 0.4% which is the same as we were 'awarded' the previous year. This year we are balloting members to confirm our national negotiators' rejection of the employers' current offer of a 1% increase because yet again it is in effect a real terms pay cut. So whilst the pay of the highest paid members of this University is growing, we have suffered a pay cut of more than 10% in the last three years. This is unfair.

The second concerns the metrics or key performance indicators you use when deciding on the pay award. The problem is we don't know what you are measuring. It is hidden from us. So whilst undoubtedly on some measures the University has performed well, this is unlikely to be as a result of individual endeavours but as a result of the combined efforts of a number of staff. A fact that the VC says she recognises. Additionally, there are likely to be other metrics that you are not aware of but which point to overall organisational health. For example, the findings of the staff survey, the number of compromise agreements which have been settled with staff who have a grievance against the University, the number of stress risk assessments that have been conducted on staff who are returning to work from work-related sickness absence. We could go on. Needless to say from our members' perspective the picture isn't always as rosy as it is sometimes painted.

We have written to every member of University Council about our concerns and hope this will stimulate proper debate and a full consideration of this year's pay award for the staff covered by your committee. Of course we hope that next year we, or another staff representative, will be involved in such discussions.

Yours sincerely,

Marie Morley, President, University of Bath Local Association, University and College Union.

Peter Troughton
Chair of Council



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EMail:c.m.milner@bath.ac.uk

28th June 2012

Marie Morley
President
University of Bath Local Association
University and College Union

Dear Marie,

Thank you for your letter of 22nd June 2012. This was considered at the meeting of the Remuneration Committee this afternoon.

I will firstly address the two substantive issues you raise of internal equity and key performance indicators/metrics.

(1) Internal Equity

Under delegated authority from Council, the Remuneration Committee determines the remuneration of twelve members of staff (the Vice-Chancellor, Deputy Vice-Chancellor, Pro-Vice-Chancellors, Deans, University Secretary, Director of Finance and the Director of Estates).

I appreciate your concerns about the pay of other members of staff. In determining remuneration for the twelve staff within its remit, the Committee routinely takes account of and is well aware of the national pay negotiations. However, the Committee balances the nationally agreed percentage with the requirement to remunerate the twelve senior members of staff on the basis of their individual performance.

(2) Key Performance Indicators/Metrics

The Remuneration Committee considers many elements in determining the remuneration of the staff within its remit. A key element is the outcome of the annual assessment of performance of the individuals concerned. You will understand that it would be inappropriate to disclose any details of those individual assessments outside of the Committee.

I note your assertion that the Remuneration Committee lacks transparency and accountability. I cannot accept this - the membership and terms of reference of the Committee are published and the minutes of our meetings are routinely submitted to Council. These minutes were also provided last year to the UCU University of Bath Local Association and I will ask the Secretary to forward them to you again this year.

You sincerely,

Peter Troughton

Letter to Chair of University of Bath Remuneration Committee

Dear Mr Troughton

20th June 2013

We wrote to you and other members of the University Remuneration Committee in June 2011 and June 2012. We wrote to express our concern about the decisions of the Remuneration Committee to award pay rises well above those negotiated for other employees of the university. In the last four years the value of our pay has declined by 13%, and our pensions contributions have also increased. Yet in 2011 and 2012 the Remuneration Committee has awarded real pay increases to the Vice Chancellor and other high earners at the university. In the last two years alone the Remuneration Committee has awarded an aggregate increase in salary and benefits of 28% to the Vice Chancellor. The gap between the pay of most university staff and the university's high earners has increased significantly.

In his farewell lecture in March this year the University Chancellor Lord Tugendhat was very clear about the implications of the growing gap between the pay of an organisation's leaders and the pay of everyone else. Speaking about those who run big, complex and successful organisations of all kinds he suggested that

"When their pay and pay increases so far outrun those of the people who work for them and the population at large, they lose moral authority, their words will be discounted."

We agree with Lord Tugendhat. We hope therefore that at its meeting on June 27th the University Remuneration Committee will take a different view to the one it has taken in the last two years.

As you know, UCU, UNISON and Unite represent the interests of university staff in national pay negotiations. The claim we have submitted on behalf of our members includes

- a pay offer that matches inflation and starts to address the four year erosion in our pay. This is modest and affordable: HEFCE reported in March that surpluses in UK universities were stronger than projected last year
- a national agreement on guidance to universities over workloads and working hours - to begin to rein in the long-hours culture in HE
- nationally agreed measures to avoid compulsory redundancy and all hourly paid staff to be put on the national pay spine and contracts that are fair for all our staff
- national measures to address the gender pay gap - active intervention by employers is the only way to close the gap
- an agreement on disability leave.

We reproduce the full claim here because we are concerned that members of University Council were not informed of the full details of our claim last year, and will want to know the details of the current claim.

The University of Bath is a member of UCEA, which negotiates for the employers on pay and conditions. UCEA have made an offer of a 1% pay increase for all staff and further negotiations on some of the other parts of the claim. While we welcome the prospect of further negotiations on the gender pay gap, workloads and the terms and conditions of hourly paid and casual staff, and we also welcome progress on a local policy for disability leave, we have rejected the 1% pay offer and are now consulting our members on what action they are prepared to take in support of the pay claim.

The decline in the value of our members' pay is an increasing source of grievance. Responses to the recent staff survey have not yet been published, but we would be very surprised if this does not register as one of the most important concerns of people working at the University.

We urge you to take these matters into consideration at the meeting of the Remuneration Committee on June 27th. Specifically we call on the Remuneration Committee to suspend any decision on the pay of the Vice Chancellor and others whose pay it decides, until the outcome of national negotiations for the sector are concluded. If the Remuneration Committee were to agree that the salary increases of the Vice Chancellor and others should be no more than the increases settled through national negotiations for the rest of us, there is no doubt that this would be seen as a practical way of responding to the Chancellor's concerns. We further call on the Remuneration Committee to recommend to Council that it should make representations to UCEA that they make a pay offer that recognises and repairs the damage done to higher education by the 13% decline in the value of our pay since 2009

yours sincerely

Marie Morley, University of Bath UCU

Paul Brooks, University of Bath UNISON

Chris Coy, University of Bath Unite

Peter Troughton
Chair of Council



31 July 2013

Paul Brooks
Branch Secretary
UNISON
Campus Trade Union Office
1 West 2.4b

Dear Paul,

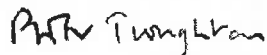
Thank you for your letter of 24 June 2013 addressed to the Chair of the Remuneration Committee and the petition delivered to the Vice-Chancellor's Office immediately prior to the Remuneration Committee meeting on Thursday 27 June 2013. Copies of both documents were circulated for consideration at the meeting of the Remuneration Committee.

As you will be aware, the terms of reference of the Remuneration Committee are to determine the remuneration of those staff within its remit having ensured that the performance of those staff is assessed. The role of the national negotiations is to determine those pay and related matters that are determined at a national level including a regular review of the national pay spine.

The role of the national negotiators in considering a general uplift to the national pay spine and the Remuneration Committee which considers remuneration based principally on performance are therefore completely different and not directly comparable.

The Remuneration Committee, therefore, concluded that it was not necessary to either wait for the outcome of the national negotiations or constrain the amount of any award to the level of any national increase when reaching a decision on the remuneration of staff within its remit. Nor was it the role of the Remuneration Committee to make recommendations to Council to call on UCEA to increase the national pay offer.

Yours sincerely,



Peter Troughton

Appendix 7

WHAT HAPPENED WHEN UCU ASKED TO SEE THE MINUTES OF THE UNIVERSITY REMUNERATION COMMITTEE

Vicky Wilks wrote:

Dear Ian Cheetham,

I am writing to request a copy of the most recent minutes for the Council's Remuneration Committee. I have tried to find these minutes on your website but have been unable to do so.

Best wishes,

Vicky Wilks
Press Officer
University and College Union

From: Ian Cheetham I.C.Cheetham@bath.ac.uk **Subject:** Re: Remuneration Committee minutes

Date: 10 February 2014 17:45
To: Vicky Wilks VWilks@UCU.ORG.UK

Dear Vicky,
Thank you for your email.

The minutes and summaries of meetings of the Remuneration Committee are not published because they contain information which the University has declared will not be routinely published under the Freedom of Information Act 2000. Other information about the Remuneration Committee is available on the website at: <http://www.bath.ac.uk/statutory-bodies-committees/bodies-and-committees-council/remuneration/index.html>

Ian.

Ian Cheetham
Director of Human Resources Department of Human Resources Wessex House
3.20
University of Bath

University of Bath UCU won overwhelming support from UCU National Congress for the following two motions

Representation on University Remuneration Committees (2012)

Congress believes that given recent disquiet about boardroom pay and the Prime Minister's suggestion that shareholders should have greater powers to enforce their views on the remuneration of directors and CEOs, it is time for the employee voice to be heard on University and College Remuneration Committees.

We therefore instruct the NEC to:

- a) negotiate with the employers through the national bargaining machinery for employee representatives to be included on all such committees;
- b) provide employee representatives with the appropriate negotiation skills training to enable them to fully participate in such committees; and
- c) agree a National UCU position and work with and empower those committees to ensure that the total pay package of Vice Chancellors and Principals is no more than ten times the multiple of the lowest paid worker in an institution.

Mandatory publication of senior management KPIs used for pay determination - University of Bath (2014)

Congress notes the eye-watering increases in pay that have been awarded to vice-chancellors, principals and other members of the senior management teams of universities and colleges. These increases have even been recently condemned by David Willets and Vince Cable in their BIS HEFCE grant allocation letter to universities. However when those (usually a Remuneration Committee) who decide the pay of people at the top are questioned as to the reasons for such largesse, we are told that pay rises are linked to performance.

In the absence of employee voice on remuneration committees, Congress instructs the NEC to demand through the national bargaining machinery that institutions publish exact details of the Key Performance Indicators (KPIs) used by such committees when measuring performance. Further, this information should explicitly explain the link between performance and reward in a way that is understandable to staff, students and the UK tax-payer.

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