

## **Annual Remuneration Statement 2019**

### **1 Introduction**

This is the second annual Remuneration Statement, covering 2019. This Remuneration Statement provides the framework for decision making in respect of remuneration and in particular decision making on remuneration for senior staff.

### **2 Senior pay remuneration**

All senior staff, excluding the Vice-Chancellor, are covered by the University's Senior Pay Policy, which is published annually. This reviews performance on a biennial basis, and allows performance-based awards, as well as reviewing equity. Data drawn from the Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey and the Russell Reward Survey are used to provide evidence for any market adjustments.

The policy is set by the Remuneration Committee, whose terms of reference can be found within the University's Ordinances. The Remuneration Committee is the body that has overall responsibility for the University's approach to senior remuneration.

As part of this role, it takes decisions on the pay of the most senior individuals in the University, including the Vice-Chancellor.

The Remuneration Committee is appointed by and answerable to the University Council, which is the supreme authority of the University.

The committee directly reviews and determines the remuneration, benefits and conditions of employment of the;

- Vice-Chancellor
- Deputy Vice-Chancellor
- Pro Vice-Chancellors
- Chief Operating Officer
- Chief Finance Officer

It gives delegated authority to the Professorial and Senior Salaries Committee to make recommendations on the remuneration of Professors and senior staff not covered directly by the committee itself.

The numbers of all staff paid above £100k are published in the financial accounts, broken down into £10k pay bands. Directly reimbursed expenses for senior staff who are members of the University Executive Board are also published. All expense claims and payments made to senior members of the University are in accordance with the University's financial regulations. These apply to all staff and are reviewed and approved annually by the University Council.

### **3 Vice-Chancellor Remuneration**

The remuneration of the Vice-Chancellor is determined by the Remuneration Committee, through the Vice-Chancellor's Reward Scheme.

This scheme is designed as a long term incentive plan to reward and retain the Vice-Chancellor with a view to delivery of the Way Forward Strategy 2018-23. The scheme builds on the principles of the Senior Salary Review process as outlined in the Senior Staff Pay Policy.

The Vice-Chancellor's Reward Scheme involves:

- an annual review of base pay in relation to the market;
- a long-term lump sum non-pensionable performance-related bonus payment linked to the achievement of the Way Forward 2018-2023.

When the Remuneration Committee reviews the Vice-Chancellor's remuneration package, it takes into account comparative information on salaries, other benefits and conditions of service in the university sector and elsewhere.

#### **4 Remuneration for other staff groups**

The majority of other staff are on the National Framework Agreement (NFA) pay spine and covered by the University's Grading Structure which consist of 8 grades. These grades are supported by the Higher Education Role Analysis HERA role evaluation methodology.

Staff on NFA pay scales gain pay increases annually based on increased skill, knowledge and experience, until they reach the top of the grade's core range. They are also subject to any nationally agreed pay awards.

The Clinical Pay Scale covers clinical staff, and replicates the NHS pay ranges. Clinical staff gain increases annually based on increased skill, knowledge and experience, until they reach the top of the grade range. Clinical consultants also gain commitment awards above the top of the consultant grade range.

The Outstanding Contribution Award Scheme (OCAS) recognises exceptional performance and contribution, resulting in both one-off awards, and any accelerated incremental progression.

#### **5 Living Wage Employer**

The University is an accredited Living Wage employer and as a result all staff receive at least the Living Wage Foundation rate of pay.

#### **6 Pay Ratio**

The ratios between the VC salary and the median pay of staff and the VC total remuneration and the median total remuneration of staff are now disclosed in the Annual Report & Financial Statements, the first of which is for the financial year ended 31 July 2019.

#### **7 Exit policy**

All settlement agreements, including voluntary severance, for professorial, professional service directors and senior staff are reported biannually to the Remuneration Committee, with details of both the severance payment and the saving to the university. Any redundancies related to academic and senior staff are subject to University's redundancy processes.

#### **8 Matters arising from the 2019 Remuneration Committee meetings**

The following is an overview of matters arising during 2019.

#### **Update to Terms of Reference and Membership**

The Committee received and approved the update to Terms of Reference and Membership paper, which will now proceed to Governance Committee and then Council for final approval.

**2019 Limited Senior Salary Review**

The Vice-Chancellor presented the results of the Limited Staff Salary Review, which the Committee approved.

**2019 Limited Senior Salary Review for Vice-Chancellor's Direct Reports**

The Vice-Chancellor gave an oral update on the senior salary review process for his direct reports, which the Committee approved. It was noted that the Chief Operating Officer was not present for discussions on the Vice-Chancellor's direct reports.

**2019 Limited Senior Salary Review for Vice-Chancellor**

The committee received and considered the 2019 Limited SSR for Vice Chancellor paper, and approved the recommendation contained within it relating to the market review of his pay. It was noted that the Vice-Chancellor was not present for these discussions.