

REMUNERATION COMMITTEE ANNUAL REPORT

A paper by the Director of HR

INTRODUCTION

1. The Remuneration Committee met in July 2021 and November 2021 to receive information on the College's remuneration strategy, pay and benefits. The Committee also reviewed and approved the salaries and emoluments for members of the President's and Provost's Boards.
2. Details of the main issues that were reviewed by the Remuneration Committee in 2021 are set out in this paper.
3. In 2021, the roles within the scope of the Remuneration Committee were:
 - The President
 - The Provost
 - The Dean, Faculty of Natural Sciences
 - The Dean, Faculty of Medicine
 - The Dean, Faculty of Engineering
 - The Dean, Business School
 - The Interim Vice-Provost (Research and Enterprise)
 - The Vice-Provost (Education and Student Experience)
 - The Vice-President (Advancement)
 - The Vice-President (International) and Associate Provost (Academic Partnerships)
 - The Associate Provost (Academic Planning)
 - The Associate Provost (Equality, Diversity and Inclusion)
 - The Chief Financial Officer
 - The Chief Information Officer
 - The College Secretary
 - The Director of Enterprise
 - The Director of HR
 - The Director of Finance
 - The Director of Campus Services
 - The Director of Communications

- The Director of Estates Operations

REMUNERATION POLICY

4. The remuneration policy for senior staff is the same policy that is applied to all College staff. Pay is set at median to upper quartile against appropriate external benchmarks and only adjusted:
 - a. To address a significant misalignment of a member of staff's salary when compared to others within the organisation who have a similar role size and profile
 - b. To address equal pay differentials
 - c. To recognise substantial and sustained exceptional ongoing individual achievement beyond the expectations of the role
 - d. To recognise substantial and exceptional one-off individual achievement beyond the expectations of the role

COMPARATOR BENCHMARK INSTITUTIONS

5. The Remuneration Committee's review of salaries was informed by benchmarking information from a review of senior staff salaries that are not within the remit of the Remuneration Committee, plus the following external benchmark information sources:
 - a. Committee of University Chairs' Vice Chancellor salary and benefits benchmark report
 - b. The Russell Group salary survey
 - c. XpertHR salary survey
 - d. UCEA Senior Staff salary survey
6. All staff within the remit of the Committee were required to disclose any income generated from an external activity and retained by the individual. Eight of the twenty-one members of staff within the scope of the Remuneration Committee sought approval for retained income. All arrangements were approved as being appropriately retained in line with the College policy.

PAY RATIOS AND COMPARATOR INCREASES

7. The President's remuneration, as a multiple of the median pay for all other employees (on an FTE basis), was 8.07 on basic salary for the year ending 31 July 2021 (8.52 for the year ending 31 July 2020) and 11.01 based on total remuneration (11.55 for 2020).
8. The Committee reviewed information on the average increase in basic salary for each of the last five years for those earning over £100k per annum and compared this to the average increase of all employees. For 2021 the average increase in basic salary compared to the previous year for those earning over £100k was 5.5% and for all employees it was 4.8%.

9. The Committee also reviewed the salary increases for every member of staff earning over £150k (193 in total, including 77 clinical academic staff, whose pay is funded by both the College and the NHS). Of these, the Committee was provided with justification (promotion, change of hours or external benchmark adjustment) for 49 members of staff, where the increase for that individual exceeded the average for all employees. The 49 members of staff consisted of:
- 26 academic members of the Business School, 5 academic members from the Faculty of Engineering, 4 academic members from the Faculty of Natural Sciences
 - 8 clinical academics in the Faculty of Medicine
 - 4 senior members of staff in professional services (including two from the Business School).

PAY AND BENEFITS ISSUES REVIEWED BY THE COMMITTEE

10. **Local Pay Bargaining** – The Committee noted the 2021-22 local pay award was agreed by Unison and rejected by Unite and UCU members. The award was a 1.8 per cent across-the-board increase that was implemented on 1 August 2021.
11. **Pension Developments** – Members were updated on the USS reforms and dispute, SAUL future employer contributions and defined contribution feeder scheme, and government consultation on how NHS member contribution tiers should look.
12. **Benchmarking** – The Committee noted the August publication of a new benchmarking booklet covering both national and international comparators.
13. **Gender and Ethnicity Pay Gaps** – Members discussed, with the President, Provost and Deans of faculties, the College's and individual faculty gender and ethnicity pay gaps. This included a reduction in the median gender pay gap since the introduction of reporting (2017) and the College's first published ethnicity pay gap report. The challenges to reduce the gaps further were discussed and potentially introducing a target to reduce the gender and ethnicity pay gaps following further pay gap modelling.
14. **Benefits** – Members were pleased to note that the College had increased investment in support for staff with caring responsibilities and enhanced the terms for Shared Parental Leave up to a maximum of 16 weeks' full pay when for individuals both employed by the College to support gender equality.

PAY AND PERFORMANCE REVIEWS FOR THOSE WITHIN THE REMIT OF THE COMMITTEE

15. All members of staff whose pay is considered by the Remuneration Committee received the College 2021 local pay award of a 1.8% increase.
16. The Provost reported on his pay and performance review for the staff reporting to him. Six members of staff were recommended for pay increases based on equity and achievement and benchmark information. These were approved. The President reported on her pay and performance reviews for the staff reporting to her. Two members of staff were recommended based on achievement. These were approved.
17. The President's objectives from 2020-21 were reviewed and her proposed objectives for 2021-22 were discussed.

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