

Remuneration Committee Annual Report

Introduction

1. The Remuneration Committee met in July 2024 and November 2024 to receive information on the University's remuneration strategy, pay and benefits. The Committee also reviewed and approved the salaries for members of the University Management Board (UMB).
2. Details of the main issues that were reviewed by the Remuneration Committee in 2024 are set out in this paper.
3. In 2024, 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, Imperial College Business School
 - The Vice-Provost (Research and Enterprise)
 - The Vice-Provost (Education and Student Experience)
 - The Vice-President (Advancement)
 - Associate Provost (Societal Engagement)
 - The Chief Financial Officer
 - Registrar and University Secretary
 - The Director of HR
 - The Director of Communications
 - The Director of Public Affairs and Chief of Staff to the President

Remuneration Policy

4. A new Remuneration Committee Senior Pay Review procedure was agreed at the July meeting and piloted for the November senior pay review, the criteria for senior staff is the same policy that is applied to all Imperial staff, with senior level measures outlined. Pay is set at median to upper quartile against appropriate external benchmarks and is only adjusted when one of the below criteria is met:

For equity pay review awards:

- 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.

For pay review achievement awards:

- 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-Chancellors' remuneration benchmark report.
 - b. The Korn Ferry Russell Group salary survey.
 - c. UCEA Senior Staff salary survey.
6. All staff within the remit of the Committee are required to disclose any income generated from an external activity and retained by the individual. Five of the sixteen staff members within the Remuneration Committee scope sought approval for retained income.
7. All arrangements were approved as being appropriately retained in line with the University policy.

Pay Ratios and Comparator Increases

8. The President's remuneration, as a multiple of the median pay for all other employees (on an FTE basis), was 8.2 on basic salary for the year ending 31 July 2024 and 8.8 based on total remuneration.
9. 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.
10. For 2024, the average increase in total salary compared to the previous year for those earning over £100k was 7.8%, and for all employees, it was 7.0%, this reflects the exceptional clinical increases outlined in paragraph 11. The recalculation of the figures removing the clinical increases for those earning over £100k was 6.4%, and for all employees, it was 6.9%

11. The Committee also reviewed the salary increases for every member of staff earning over £150k (333 in total, including 126 clinical academic staff, whose pay is funded by both the University and the NHS). Of these, the Committee was provided with justification (clinical/NHS backdated salary increases agreed by the new Labour Government promotion, additional responsibility, change of hours or external benchmark adjustment) for 167 members of staff, where the increase for that individual exceeded the average for all employees.
12. The one hundred and sixty-seven members of staff consisted of:
 - Thirty-two academic members of the Business School, six academic members from the Faculty of Engineering, four academic members from the Faculty of Natural Sciences, six academic members from the Faculty of Medicine and two from Administration.
 - One Hundred and three clinical academics in the Faculty of Medicine
 - Fourteen senior staff members within Teaching and Professional Services

Pay and Benefits Issues Reviewed by the Committee

13. **Local Pay Bargaining** – It was confirmed that Imperial's Local Pay Bargaining for 2024/25 had concluded. The pay offer accepted by the Joint Trade Unions which was effectively 1% above the national pay offer. As part of the agreement, the PTO&L Framework will also be reviewed.
14. It was shared that UMB had agreed to positive changes around the family leave policies, including making enhanced occupational pay a day one right. The Remuneration Committee was informed that a review of Imperial's annual leave provisions was being undertaken.
15. Members discussed and supported the new Attraction and Retention approach, which broadened the approach from pay to benefits, career development and culture.
16. **PTO&L Framework Review** – The settlement of the long ongoing strike action meant Imperial was now in a position to commence a review of the Professional, Technical, Operational, and Learning (PTO&L) Framework, which would be led by the Registrar and University Secretary. The Review will look at Imperial's approach to pay, job family descriptors, and inform the approach to career progression.
17. **Pension Developments** – The outcome of the USS and SAUL valuations were discussed, with the employer contributions reducing for both schemes whilst the NHS has increased employer contributions. Concerns were shared that the reduction in inflation and its impact on the pension schemes would need to be kept under review, as this could lead to an increase in USS and SAUL contributions at the next valuation. Assurance was provided that the move of USS governance from UUK to UCEA did not weaken Imperial's input into influencing the scheme operations.

18. **Gender and Ethnicity Pay Gaps** – The discussion highlighted efforts and challenges in addressing pay gaps, diversity, and inclusion across various university faculties and divisions and the disappointment that the gender and ethnicity pay gaps had increased. Imperial's disability pay gap was also reviewed for the first time.

Pay and Performance Reviews for those within the Remit of the Committee

19. All members of staff whose pay is considered by the Remuneration Committee received the College 2024 local pay award.
20. In the Provost's absence, the HR Director presented his annual review of the remuneration of his direct reports, which included six recommendations based on exceptional achievement and contribution and one to reflect the change in the scope of the role. The Committee approved these.
21. The President presented his annual review of the remuneration of his direct reports and University Management Board members. There were seven recommendations for exceptional contribution, a new role which has reduced the number of University Management Board members. The Committee approved these.

Approved by Council
12 May 2025