

## REMUNERATION COMMITTEE ANNUAL REPORT

**A paper prepared by the Deputy HR Director (Strategic Support and Reward)**

### INTRODUCTION

1. The Remuneration Committee met in September 2022 and November 2022 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 2022 are set out in this paper.
3. In 2022, 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 Vice-Provost (Research and Enterprise)
  - The Interim Vice-Provost (Education and Student Experience)
  - The Vice-President (Advancement)
  - The Vice-President (International) and Associate Provost (Academic Partnerships)
  - The Associate Provost (Estates Planning)
  - The Associate Provost (Equality, Diversity and Inclusion)
  - The Interim Chief Financial Officer
  - The Chief Information Officer
  - The College Secretary and General Counsel
  - The Director of Enterprise
  - The Director of HR
  - The Director of Academic Services
  - The Director of Campus Services
  - The Director of Communications

- The Director of Estates Operations
- The Director of Public Affairs and Chief of Staff to the President
- The Director of Financial Strategy
- The Director of Strategic Planning

## **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-Chancellors' remuneration benchmark report
  - b. The Korn Ferry Russell Group salary survey
  - c. XpertHR Higher Education 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-two members of staff within the scope of the Remuneration Committee sought approval for retained income.
7. All arrangements were approved as being appropriately retained in line with the College 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 10.56 on basic salary for the year ending 31 July 2022 and 9.23 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 2022 the average increase in basic salary compared to the previous year for those earning over £100k was 4.1% and for all employees it was 6.3%.
11. The Committee also reviewed the salary increases for every member of staff earning over £150k (234 in total, including 91 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 40 members of staff, where the increase for that individual exceeded the average for all employees.
12. The 40 members of staff consisted of:
  - 8 academic members of the Business School, 2 academic members from the Faculty of Engineering, 42 academic members from the Faculty of Natural Sciences, 3 academic members from the Faculty of Medicine and one academic member in HQ & Academic Services
  - 21 clinical academics in the Faculty of Medicine
  - 3 senior members of staff in professional services (including one from the Business School).

### **PAY AND BENEFITS ISSUES REVIEWED BY THE COMMITTEE**

13. **Local Pay Bargaining** – The Committee noted the 2022-23 local pay base pay award was rejected by the three recognised unions. The award was a 3.3% per cent across-the-board, subject to a £1,500 minimum and £3,300 maximum payment which was implemented on 1 August 2022.
14. **Pension Developments** – Members were updated on the USS 2020 valuation which concluded with a change to future benefits including a SAUL defined contribution element of the scheme and planned member contributions for the NHS scheme.
15. **Benchmarking** – The Committee noted the October publication of the updated benchmarking booklet.
16. **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 an increase in the median gender pay gap and the unchanged median ethnicity pay gap. The challenges to reduce the gaps were discussed and potentially introducing a target to reduce the gender and ethnicity pay gaps following further pay gap modelling.

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

17. All members of staff whose pay is considered by the Remuneration Committee received the College 2022 local pay award.
18. The President however requested that the award not be applied to his salary and instead be donated to the Student Hardship Fund.
19. The Provost reported on his pay and performance review for the staff reporting to him. Nine members of staff were recommended for pay increases, one based on exceptional achievement and benchmark information. These were approved.
20. The President reported on his pay and performance reviews for the staff reporting to him. Five members of staff were recommended pay increases based on achievement. These were approved.

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