



## Remuneration Annual Report 2020

### Introduction

The University believes that pay should be attractive, competitive, and managed through a robust and consistent framework. In addition, it believes that the performance of staff may be enhanced through appropriate reward arrangements for outstanding performers. Governance of pay, terms and conditions and employee benefits is therefore vitally important to ensure that the University offers a compelling employment package, whilst ensuring equality, equity, consistency, fairness and risk management.

The University is a top 10 UK university and uses remuneration as one of the tools to attract and retain academic and professional services talent. The University's People Strategy sets out five priorities as follows:

- A high engagement with professional growth, talent management and leadership excellence
- A diverse, respectful and inclusive culture
- An engaging and sustainable reward and recognition programme
- Sustainable workloads, wellbeing and resilience
- An outstanding candidate and new employee experience

Remuneration for senior staff at the University (i.e. those on grade 9<sup>1</sup>) is governed by the Remuneration Committee, which reports to Council. The Committee comprises lay members of Council and is chaired by the Senior Pro Chancellor and Chair of Council. An alternative lay Pro Chancellor chairs the meeting while the Vice Chancellor's pay is being considered. The Chair may invite the Vice Chancellor and Deputy Vice Chancellor to attend to share information related to the remuneration of senior staff who report through them. The Vice Chancellor and Deputy Vice Chancellor will never be asked to attend for any discussion about or decision on their own remuneration. Further details about the Remuneration Committee including membership, terms of reference and meeting dates are available from:

<http://www.lboro.ac.uk/committees/remuneration/>.

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<sup>1</sup> Grade 9 includes all professorial staff and a small number of senior appointments within Professional Services.

## Approach to Remuneration

The University has a salary scale for grades 1 – 8 and the various policies and procedures associated with pay, including guidance on starting salaries, job evaluation and pension schemes, are available from the University's HR website: <http://www.lboro.ac.uk/services/hr/>.

The University also participates in the University and Colleges Employers Association (UCEA) national pay bargaining.

The University's Performance and Development Review (PDR) system provides a robust basis for managing performance, developing staff and informing remuneration decisions. Individuals identified as having *exceeded expectations* during the prior year are eligible to be considered for a financial reward (in addition to any automatic increment and any cost of living increase) depending on the financial status of the University in that particular year.

The University's Remuneration Committee is responsible for determining pay and reward for senior staff including adjusting pay for reasons of equity and retention as well as reward. In addition, the University has three Reward Committees which consider appropriate rewards for all eligible staff as follows:

- Senior Staff Reward Committee (staff on grade 9 and above) chaired by the Vice-Chancellor
- Academic Staff Reward Committee chaired by the Deputy Vice-Chancellor
- Professional Services Reward Committee chaired by the Chief Operating Officer

The Chairs of the Reward Committees co-ordinate their work to ensure that reward arrangements across all three Committees are applied consistently.

The PDR process was interrupted during 2020 as a result of the COVID-19 pandemic. The window for PDRs to be completed within was extended to take account of the additional workload placed on colleagues. Separately, due to the financial impact of Covid-19, PDR related reward was suspended. However, a small number of non-consolidated rewards were awarded to staff who had significantly and substantially contributed towards the University's response to the pandemic and the disruption caused.

The Remuneration Committee is responsible for determining the most appropriate pay as well as addressing any equity or retention issues for the University's most senior officers, namely:

- Vice-Chancellor
- Deputy Vice-Chancellor
- Chief Operating Officer

- Director of Finance
- Pro Vice-Chancellor (Research)
- Pro Vice-Chancellor (Teaching)
- Pro Vice-Chancellor (Enterprise)

In considering the appropriate reward for the senior officers, Remuneration Committee will ensure that the reward arrangements set out by the University are applied consistently and fairly to this group of staff. Remuneration Committee will also consider the following:

- The institution's performance against the University Strategy and its strategic ambitions
  - A distinctive international reputation for excellence
  - A life-shaping student experience
  - Outstanding partnerships to deliver social, economic and cultural prosperity
  - A culture of delivering excellence in all that we do
  - One outstanding university: two vibrant campuses
- The size and complexity of the organisation
- The external market and the University's performance against its competitors
- The University's success (or otherwise) in attracting and retaining the most talented people at the highest level
- The institution's equality and diversity strategy
- University and Colleges Employer Association's Senior Staff Remuneration Survey
- Committee of University Chairs' Vice-Chancellor Salary Survey

### Institution Performance

The University has had another very successful year and is consolidating its position as a top 10 institution in the UK. Achievements include:

- University of the Year - Whatuni Student Choice Awards, 2020<sup>7th</sup> in the Guardian league table, 2020
- 5<sup>th</sup> in the Times Higher Education 'Table of Tables'
- 6<sup>th</sup> in the Complete University Guide 2020
- 5<sup>th</sup> (out of 134 UK universities) in the Times and Sunday Times Good University Guide 2020

The University also has a number of internal achievements which are worthy of noting:

- Moved to online teaching in response to the COVID-19 pandemic, maintaining student experience and learning outcomes

- Continued to operate effectively on a remote basis during the lockdown period whilst providing accommodation and catering to students who remained on campus
- Recruited to the undergraduate target (no growth was planned)
- During 2019/20 the University achieved its budgeted financial performance agreed by Council, including the implementation of significant short term mitigation actions to offset the immediate impacts of Coronavirus.

The ongoing Brexit situation and the lack of any clarity in relation to fees and funding mean that the University is continuing to succeed in very challenging circumstances. The year has been very challenging and the pandemic has had an impact on the University's finances, which has exacerbated the more structural financial challenges that were emerging prior to the pandemic.

### Senior Reward

The performance of the University's six Senior Officers (excluding the Vice-Chancellor) was reviewed. In addition, their salary levels were compared with the sector using the UCEA Senior Staff Salary Survey.

In the current financial climate, it was decided that no pay awards or salary adjustments should be made this year and it was noted that the six Senior Officers had already indicated that they did not wish to receive a pay award this year. It should also be noted that none of the Senior Officers receive the cost of living award which is negotiated via UCEA each year.

### Vice-Chancellor's Reward

The performance of the Vice-Chancellor was reviewed. The following points were agreed:

- The Vice-Chancellor's performance over the past 12 months had again exceeded all expectations
- The current financial climate was extremely challenging and it was important that the Vice-Chancellor's pay reflected the current situation. It was noted that along with his six Senior Officers, the Vice-Chancellor had indicated that he did not wish to receive a pay award this year.
- It was noted that the Vice-Chancellor makes a substantial contribution to the University (and other charities) each year.

The Vice-Chancellor's pay was therefore not increased and remains at £297,570 per annum.

	2020/21	2019/20	2018/19	2017/18	2016/17
Salary	297,570	297,570	283,400	260,000	240,000

Excellence reward	NIL	NIL	NIL	NIL	NIL
Benefits	NIL	NIL	NIL	NIL	NIL
Subtotal	297,570	297,570	283,400	260,000	240,000
Additional for pension	30,342	30,427	28,780	8,618	NIL
Pension costs	17,333	17,090	15,414	36,052	43,200
Total	345,247*	345,087	327,594	304,670	283,200

\* this is a projected amount which will be confirmed at the year-end for pension calculations.

#### Payments Made to Lay Members of Council

No payments (other than receipted expenses) were made to lay members of Council during 2018/19.

#### External Appointments and Expenses

The University's expenses policy for all staff is available from:

<https://internal.lboro.ac.uk/info/finance/staff/forms/>

The University's policy in external work for all staff is available from:

<https://www.lboro.ac.uk/services/hr/conditions-of-service/external-work/>

The Vice-Chancellor receives no further benefits or benefits in kind. For example, the University does not own a car or employ a driver for the Vice-Chancellor's use. The University does not maintain a residence for the use of the Vice-Chancellor: he lives in his own property.

Any external remuneration offered to the Vice-Chancellor is always paid directly to the University and he receives no personal benefit. During 2019/20, the Vice Chancellor did not engage in any remunerated external work.