



Remuneration Annual Report 2021

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:

- Enabling talent and high performance
- A diverse, respectful and inclusive culture
- Engaging and sustainable reward and recognition programmes
- Workload, wellbeing and resilience
- Outstanding recruitment practices leading to a high-quality candidate experience and new employee experience

Remuneration for senior staff at the University (i.e. those on grade 9¹) 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/>.

¹ 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 reward process was adjusted for 2021 to take account of the ongoing impact of COVID-19. A single Reward Committee was held and approximately 10% of staff received a lump sum payment of £1000 (or a pro rata payment if part time). Decisions on who should receive a reward were informed by PDR ratings and Deans and Directors were required to work with their HR Partners to ensure the diversity of staff put forward for reward.

A more comprehensive review of reward arrangements is underway and it is anticipated that it will be implemented during academic year 21/22. Discussions regarding the PDR process and the extent to which reward is linked to it are also underway.

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

Note that particular consideration to priority elements of the strategy are considered on a year by year basis.

- 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

The University's Remuneration Committee has also made arrangements to enable staff who have reached or are close to reaching their pension lifetime tax allowance to receive a payment in lieu of employer's pension contributions if they choose to opt out of the pension scheme or to access certain options within the scheme. Remuneration Committee oversees this arrangement to ensure it is applied consistently.

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
- 7th in the Guardian league table, 2021.²
- 5th in the Times Higher Education 'Table of Tables'
- 7th in the Complete University Guide 2020
- 7th (out of 134 UK universities) in the Times and Sunday Times Good University Guide 2020.³

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

- Provided an excellent student learning and teaching experience during a very disrupted year
- Successfully managed the impact of COVID-19 in its day to day operations, e.g. establishing a COVID-19 testing centre, setting up a logistics hub to cater for the needs of students who were self-isolating, furloughed up to 650 staff.
- Exceeded our undergraduate targets, in part due to the changes in A-Level assessment.
- During 2019/20 the University achieved its budgeted financial performance agreed by Council, including the continuation of significant short term mitigation actions to offset the immediate impacts of Coronavirus.

The ongoing Brexit consequences and the lack of any clarity in relation to fees and funding mean that the University is continuing to succeed in very challenging circumstances.

Senior Reward

The performance of the University's six Senior Officers (excluding the Vice-Chancellor) was reviewed.

The Executive Team's pay was reviewed in relation to the data provided by the UCEA Senior Staff Salary Survey and an assessment of pay parity and equity was conducted. The Committee APPROVED the Vice-Chancellor's recommendations which comprised both rewards for performance and for some, pay adjustments for parity or equity purposes. Rewards ranging from 3% non-consolidated (1 award) and salary adjustments (2 awards) of up to a maximum of £13,000 were awarded.. 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

² Note that since Remuneration Committee met in July 2021, the University's position has changed.

³ As above.

As the Vice-Chancellor was due to retire on 31st July 2021, a review of his salary was not carried out. It was noted that the new Vice-Chancellor was due to take up his position on 1st October 2021.

	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 2020/21.

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 2020/21, the Vice Chancellor did not engage in any remunerated external work.