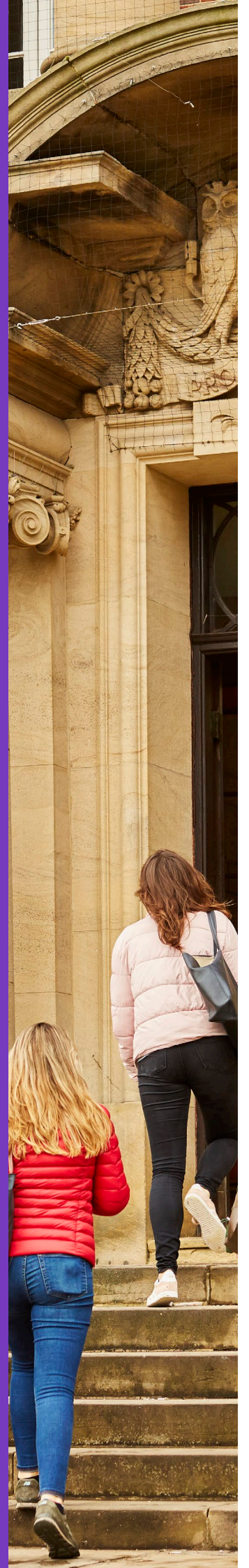




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Annual Report from Senior Staff Remuneration Committee

April 2019



Introduction

This report provides a summary of the decisions made by the Senior Staff Remuneration Committee at its meeting on 23 November 2018 as part of 2017/18 annual pay and performance review of individual Senior Postholders. These decisions were taken within the Operating Framework for Senior Pay which was approved by the Board of Governors on 13 July 2018.

1. The Senior Staff Remuneration Committee (SSRC) conducted its review of the pay and performance of Senior Postholders (the University's Vice Chancellor, Deputy Vice Chancellors and the University Secretary) at its meeting on 23 November 2018 in accordance with the Operating Framework which had been approved by the Board of Governors in July 2018.
2. The Operating Framework, which is attached at Appendix 1, was produced following a review of SSRC's purpose, function and effectiveness in order to ensure transparency, best practice and alignment with the HE Sector's regulatory framework.
3. Membership of the Committee over the reporting period was as follows:
 - Ann Bishop, Independent Governor and Chair of the Committee
 - Jean Dent, Independent Governor
 - Andy Brown, Independent Governor
 - David Lowen, Independent Governor and Chair of the Board
 - Nick Whitaker, Independent Governor and Chair of Audit Committee (wef the beginning of the 2018/19 academic year)

 - In attendance: Peter Slee, Vice Chancellor*
 - In attendance: Natalie Saunders, HR Director acting as Secretary to the Committee

*The VC attended for short sections of the meetings to provide insights regarding the performance of his direct reports but was not in attendance for the Committee's discussions across the wider agenda, review of the benchmarking data and discussions relating to his own remuneration.

4. The Committee met on the following dates during the reporting period:
 - 5 June 2018
 - 23 November 2018
5. The Committee's terms of reference and membership were updated and approved by the Board of Governors on 4 May 2018. The revised terms of reference are attached at Appendix 2.

Approach to Remuneration

6. When determining appropriate levels of remuneration for Senior Postholders, SSRC takes a range of factors in to consideration including individual and organisational performance, market pay rates across the sector for comparable roles and current economic conditions.
7. The Committee received the following information at its meeting on 23 November 2018:
 - a. External benchmarking data provided by the 2017 UCEA Senior Staff Remuneration

Survey. In particular the following comparators were used to supply relevant context:

- Pre-92 institutions with income between £106m and £202m
 - Pre-92 institutions with income between £202m and £400m
 - Post-92 institutions with income between £160m and £202m
 - Post-92 institutions with income between £202m and £400m
 - All institutions in England excluding London/SE with income between £70m and £202m
 - All institutions in England excluding London/SE with income over £202m
- b. Further external reward data including the Times Higher listing of Vice Chancellors' Remuneration and an analysis of the CUC Salary Survey.
- c. Current remuneration and salary history of Senior Postholders.
- d. External positions held by Senior Postholders.
- e. Current remuneration and salary history of senior staff earning over £100k.
- f. A report from the Vice Chancellor in relation to the performance of the 4 DVCs and the University Secretary.
- g. A report from the Chair of the Board of Governors in relation to the Vice Chancellor's performance.
8. Indicators of organisational performance which were taken in to consideration when assessing the performance of Senior Post Holders included the following:
- Confirmation from the Office for Students of the University's successful entry on to the Register of Higher Education Providers without any additional conditions;
 - Achievement of a silver award overall in the TEF subject level pilot exercise;
 - Significant progress across the research and enterprise agenda including a continued increase in the University's research and enterprise income, which was over £20m in 2018 combined with a growth in our research active academic community to its highest level to date;
 - Key progress in terms of the student experience as indicated by the University's NSS scores which rose by 3% in 2018 placing Leeds Beckett higher than the national average for the first time since the NSS began in 2005;
 - Continued confidence in the University's financial management with the University meeting its financial sustainability KPI in 2018;
 - Early achievement of the University's Customer Service Excellence KPI – with the 2021 target being delivered by 2018 indicating an embedded culture of high quality service delivery to our staff, students and partners;
 - The University featured in The Times Higher Education Supplement Top 200 European Universities, in which performance was based on learning, teaching, research, engagement with employers and perception in Europe;
 - The successful development and ongoing delivery of an integrated programme of activities in partnership with schools, colleges and other agencies to promote attainment and access to higher education for individuals from disadvantaged or under-represented backgrounds. For example, our Junior Leadership Scheme was awarded the Educate North Award for Social Mobility in 2018.

Remuneration of the Vice Chancellor

9. The Committee reviewed the Vice Chancellor's performance in relation to the objectives agreed with the Chair of the Board of Governors and noted his significant contribution to the University's performance in 2017/18. The Committee also noted that the Vice Chancellor is paid substantially less than the median benchmark. However, in the light of continued economic and market uncertainty for the sector, SSRC agreed that it would be appropriate to exercise continued pay restraint in the reward for senior postholders and concluded that a 3% pay increase to the Vice Chancellor was merited.
10. Subsequently, members of the Committee decided to reduce this pay increase with the support of the Vice Chancellor (who expressed concern over receiving an increase that was more than the nationally agreed 2% being received by many other colleagues). It was agreed that the proposed 3% increase be revised down to 2% and this outcome was agreed by SSRC by correspondence after the meeting. This increase generated a revised salary of £230,725 with effect from 1 September 2018.
11. The Vice Chancellor's basic salary is 6.2 times the median pay of basic salary of staff where the median pay is calculated on a full-time equivalent basis (not including a typical and agency workers due to a lack of the necessary data being available in an accessible format). In terms of total remuneration the VC's total remuneration is 6.4 times the median total remuneration of staff where the median is calculated on a full-time equivalent basis. The recently published report from the Office for Students on Pay Ratios in Higher Education Institutions in England 2017-2018 places the VC below the lowest quartile of the range which measures VCs salaries as a multiple of the median salary of their HEI which is a further indicator of continued senior level pay restraint in a period of continued economic and market uncertainty.
12. The Vice Chancellor does not receive any additional remuneration or non standard benefits in addition to base salary and standard employer pension contributions.

Remuneration of other Senior Postholders

13. The Committee also considered the performance of the 4 Deputy Vice Chancellors and University Secretary in conjunction with the benchmark pay data. The DVCs are paid at an equivalent level to comparable roles across the sector when considering the median salaries in the UCEA datasets. The Secretary, recently appointed, is paid below the benchmark. All these Senior Postholders were assessed as performing effectively in their roles. In considering all of these factors, the Committee agreed a pay increase of 3% for them with effect from 1 September 2018.

Other Payments and External Positions

14. The Committee did not receive any recommendations or make any awards for non-consolidated honoraria to Senior Postholders.
15. SSRC were not asked to consider any severance arrangements for Senior Postholders during the period of this report.

Operating Framework - Remuneration Reviews 2017/18

Context

1. The Senior Staff Remuneration Committee is charged with the oversight of remuneration matters for senior post-holders¹ in the University. In particular, the Committee's terms of reference, approved by the Board in March 2017, include the following areas of delegated authority:
 - a) Agree the policy and framework for the remuneration of holders of senior posts;
 - b) Review and determine the salaries, terms and conditions of holders of senior posts within the agreed policy and framework;
 - c) Consider a report from the Chair of the Board and review the assessment of the performance of the Vice Chancellor against the agreed objectives;
 - d) Receive a summary report from the Vice Chancellor outlining his self-assessment of performance against objectives and any other information of importance to the Committee as background information;
 - e) Consider a summary report from the Vice Chancellor outlining an assessment of the performance of other Holders of Senior Posts against the agreed objectives;
 - f) Receive a summary report from each senior post holder outlining a self-assessment of performance against objectives and any other information of importance to the Committee as background information;
 - g) Consider annually the range of external unpaid appointments held (with the prior consent of the Vice Chancellor) by holders of senior posts;
 - h) Consider and approve requests by holders of senior posts to hold or undertake any paid external appointments and to determine any conditions to be attached, including all financial arrangements and conditions.
2. Points b) to f) above are considered in November each year by the Committee as part of the annual Review of Remuneration for Holders of Senior Posts.

Framework

3. The Committee will consider a suite of policy documents consisting of the following:
 - a) Terms of Reference of the Committee;
 - b) Performance & Development Review Guidelines for holders of senior posts;
 - c) Principles and Procedure for Annual Review of Remuneration for holders of senior posts; including 3 schedules:
 - Schedule I: Guidance on Senior post holders Holding Roles Outside the University
 - Schedule II: Policy on Honorarium Payments for Senior post holders
 - Schedule III Policy on Pension Scheme Membership Opt Out for Senior post holders
4. The Committee will consider a review of performance of each of the senior post holders, which will include the following information:
 - Date of appointment

¹ Senior Postholders; Vice Chancellor, Deputy Vice Chancellors, University Secretary

- Starting salary
 - Outcomes of each subsequent pay review and details of any pay awards
 - Full list of objectives for the performance year
 - A summary, or copy of, the self-assessment made against each objective submitted to the individual's line manager/reviewer
 - A summary report of the reviewer's assessment of performance against each objective and an overall recommendation to SSRC in relation to performance to inform the review of pay.
5. The Committee will consider comparative and supplementary data as follows :
- a) UCEA Benchmark data;
 - b) Times Higher Listing of Vice Chancellors' Remuneration;
 - c) Senior Management Group Salaries;
 - d) Summary of any other emoluments for senior post holders;
 - e) External Positions of senior post holders.
6. In relation to the UCEA benchmark data, the Committee also benchmarks senior post holder salaries against the following three datasets on an annual basis:
- a) post-92 institutions with similar turnover;
 - b) pre-92 institutions with similar turnover;
 - c) all institutions across the sector outside London.
7. The Committee will determine remuneration levels for senior post holders, taking into account local and market conditions and individual performance, endeavouring to ensure that the resultant salaries are broadly comparable with the median salary of similar roles in the relevant sector groups.

Approved by the Board of Governors on 13 July 2018



Senior Staff Remuneration Committee Terms of Reference

Senior Staff Remuneration Committee Terms of Reference

Terms of reference

The Committee has delegated authority to:

1. Agree the policy and framework for the remuneration of Holders of Senior Posts;
2. Review and determine the salaries, terms and conditions of Holders of Senior Posts within the agreed policy and framework;
3. Receive reports from the Chair and review the performance of the Vice Chancellor and of the Clerk;
4. Receive reports from the Vice Chancellor and review the performance of other Holders of Senior Posts;
5. Receive an oral report from the Vice Chancellor on the performance of Senior Staff;
6. Exercise oversight of the salaries, terms and conditions of Senior Staff;
7. Consider and approve severance arrangements for Senior Post Holders and Senior Staff in accordance with the University's policy on severance payments for Senior Staff;
8. Consider annually the range of external unpaid appointments held (with the prior consent of the Vice Chancellor) by Holders of Senior Posts;
9. Consider and approve requests by Holders of Senior Posts to hold or undertake any paid external appointments and to determine any conditions to be attached, including all financial arrangements and conditions;
10. Ensure appropriate succession planning arrangements are in place for Holders of Senior Posts;
11. Ensure that, in discharging its responsibilities, the Committee's decisions are not in conflict with the University's charitable status.

For these purposes:

- “Holders of Senior Posts” has the meaning attributed to it in the University’s Instrument and Articles of Governance from time to time amended.
- “Senior Staff” are those other employees who are members of the Corporate Management Team.

Following each meeting the Committee shall make a report to the Board of Governors on the exercise of its delegated authority, subject to considerations of confidentiality and data protection.

Risk

In discharging its responsibilities the committee will, in each case, have due regard to considerations of risk.

Membership profile [6]

The members of the Committee shall comprise the Chair of the Board, and up to five lay Governors. The Vice-Chancellor shall be required to withdraw from a meeting, or part of a meeting, when her or his remuneration is under discussion.

Approved by the Board of Governors on 20/07/2012

Revised and approved by the Board of Governors on 25/09/2014

Membership approved by the Board of Governors on 04/05/2018