



Remuneration Annual Report

Introduction

The University believes that pay should be reasonable, proportionate to performance and the nature of roles, and managed through a robust and consistent framework. 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 managing any associated risks.

The University is one of the UK's leading universities and uses remuneration as one of the tools to attract and retain top academic and administrative staff. The University's People Strategy is currently under development and one of the priorities of the strategy will be to develop a more structured and innovative reward strategy for the institution.

Remuneration for senior staff at the University (i.e. those on grade 9) 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. A 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, although they will not be present for the final decisions. The Vice Chancellor and Deputy Vice Chancellor will never be asked to attend for any discussion or decision of their own remuneration. Further details including membership, terms of reference and meeting dates are available from: <http://www.lboro.ac.uk/committees/remuneration/>.

Approach to Remuneration

Rates of pay that are attractive and fair are vital to ensure that the University is able to attract and retain the highest quality candidates. 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) process helps all staff develop and advance within the institution. The University's strategy aims to

empower staff to operate at their highest levels and to achieve their full potential through development opportunities and PDR is a key way of achieving this. It also helps to inform reward decisions. Those individuals who are identified as having delivered excellent performance 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). Further details of the PDR arrangements are available from: <http://www.lboro.ac.uk/internal/pdr/>.

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 work closely by meeting prior to and following the Reward Committees to ensure that reward arrangements across all three Committees are applied consistently. Rewards can range from a lump sum worth 3% of salary to a 6% consolidated pay award with the majority of staff receiving a reward equivalent to 3% of their salary. Only in the most exceptional circumstances is an award of greater than 6% be awarded. Rewards are given in 3% intervals so that they align with the spinal column points on the pay-scale for grades 1 – 8. Remuneration Committee reserves the right to alter salaries for reasons of equity and retention as well as reward.

The Remuneration Committee is responsible for determining the most appropriate pay as well as addressing any 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 aspirations, taking into consideration the University's published gender pay gap
- 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:

- 1st in the Student Experience Survey, Times Higher Education, 2018
- 4th in the Guardian league table, 2019
- 7th in the Times and Sunday Times league table, 2018
- 7th in the Complete University Guide 2018
- Britain's Top University for Quality of Student Life, Lloyds Bank Survey, 2018
- Best Sporting University in the World, Global Q Higher Education League, 2018
- 6th in the Table of Tables, Times Higher Education, 2018

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

- Hugely successful staff recruitment campaign aiming to recruit the highest quality staff, in line with University strategy, Excellence 100. A total of 49 appointments have been made so far.
- An accelerated growth of student numbers at the London campus, achieving almost full capacity ahead of the business plan
- Recruited to the undergraduate target (no growth was planned)

- The recently completed STEMLab building has won an RICS award for Innovation in Design
- Successful building and refurbishment projects budget with over £100m of projects current on site
- Maintained financial headroom for investment, to manage risk or seize new opportunities. During 2017/18 the University achieved or exceeded budgeted financial performance agreed by Council, maintained a fully funded capital programme and secured new loan finance to underpin its strategic ambitions.
- Effective management of a sustained period of industrial action by the Trade Unions.

This year has been challenging given the prospective introduction of the freezing of tuition fees following the announcement of the fee review during the year, which has affected the forecast future income to the institution. The sector is experiencing great change at present and the University is operating in a very volatile environment. It is therefore absolutely vital to maintain stability at a senior level in order to continue the University's success.

Senior Reward

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

Rewards ranging from 3% to 9% were given and some salary adjustments were made to ensure equity and comparability with salaries in the sector so that Senior Officers are paid fairly and well. It should be noted that not all of the Senior Officers receive the cost of living award which is negotiated via UCEA each year. Whilst it noted that 9% was only awarded in exceptional circumstances, the Remuneration Committee felt that rewards at this level were appropriate on this occasion given the University's level of success.

Vice-Chancellor's Reward

The performance of the Vice-Chancellor was reviewed and his salary was compared with the sector, using the UCEA Senior Staff Salary Survey and also using some analysis of VC pay for other top 10 institutions. The following points were agreed:

- The Vice-Chancellor's performance over the past 12 months had been excellent.
- The Vice-Chancellor's current pay is close to the sector median and so his level of reward should reflect the rise in the University's performance.
- The cost of living rise should not apply to the Vice-Chancellor and his pay and any associated increases should be based solely on his performance.
- It is important to ensure that the Vice-Chancellor's pay remains competitive.

The Vice-Chancellor was therefore awarded a pay increase of 9%. Whilst it was noted that 9% was only awarded in exceptional circumstances, the Remuneration Committee felt that this was appropriate on this occasion.

	2017/18	2016/17	2015/16
Salary	268,618	240,000	220,667
Excellence reward	NIL	NIL	NIL
Benefits	NIL	NIL	NIL
Subtotal	268,618	240,000	220,667
Pension costs	36,052	43,200	39,113
Total	304,670	283,200	259,780

Payments Made to Lay Members of Council

No payments (other than receipted expenses) were made to lay members of Council during 2017/18.

External Appointments and Expenses

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

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

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 2017/18, the Vice Chancellor did not engage in any remunerated external work.