

ANNUAL REPORT OF THE REMUNERATION COMMITTEE FOR 2022

1. Introduction

This 2022 Annual Report has been prepared by the Clerk to the Board of Governors on behalf of the Remuneration Committee. The University has used as a basis the Office for Students Guide and Committee of University Chairs (CUC) 'The Higher Education Senior Staff Remuneration Code November 2021'.

The University's Remuneration Committee determines the remuneration and conditions of service of the Vice-Chancellor and Senior Post Holders (those members of the University Executive Team who report directly to the Vice-Chancellor). The Committee also oversees the general approach to remuneration for: those members of the University Executive Team who report directly to the Chief Operating Officer and Registrar; members of the University Leadership Team; and members of the Professoriate. The Committee's full [Terms of Reference](#) are published on the University's website.

The Committee held its annual meeting on 16 November 2022.

Remuneration Committee membership is as follows:

- Baroness Diana Warwick (Deputy Pro-Chancellor and Deputy Chair of the Board of Governors, and Chair of the Committee);
- Owen Woodley (Deputy Chair and Member of the Board of Governors);
- Sarah Gregory (Member of the Board of Governors);
- Neil Goulden (Pro-Chancellor and Chair of the Board of Governors, Ex-Officio Member of the Remuneration Committee);
- Lorna Holder (Member of the Board of Governors);
- Kelsey Francis (Student Representative); and
- Sara Murcott (Member of the Board of Governors, and Staff Representative).

Meeting on 16 November 2022

All members of the Remuneration Committee noted above were present at the meeting held on 16 November 2022.

The Vice-Chancellor was invited to attend the Committee's meeting on 16 November 2022 to advise the Committee on agenda items that did not relate to his own salary or other potential benefits. He was not present for agenda items related to his own remuneration, benefits and pension arrangements.

The Director of Human Resources was invited to attend the Committee's meeting on 16 November 2022 to advise the Committee on agenda items that did not relate to her own salary or other potential benefits. She was not present for agenda items related to her own remuneration, benefits and pension arrangements.

The following individuals were also in attendance:

- Sarah Bell, Head of Reward NTU; and
- Rebecca Jenkyn, Head of Governance and Legal Services, Clerk to the Board of Governors.

The Terms of Reference of the Remuneration Committee include provision for the appointment of external advisors to support the Committee should that be required.

2. Approach to Remuneration

The Board of Governors at Nottingham Trent University has adopted the CUC Higher Education Senior Staff Remuneration Code published in June 2018. An amended Code was published in November 2021 and will be reviewed and adopted.

The Remuneration Committee ensures procedural fairness by the application of a consistent framework using appropriate evidence and considers economic factors, competition, market rates, roles, skills, experience and individual performance when setting the remuneration of the Vice-Chancellor and the University's Senior Post Holders.

The same framework noted above was also applied when considering the overall context of remuneration and performance of:

- those members of the University Executive Team who report directly to the Chief Operating Officer and Registrar and the member of the University Executive Team who reports directly to the Deputy Vice-Chancellor (Academic Development and Performance);
- Executive Deans of School;
- those employees with a salary of over £100,000; and
- members of the Professoriate.

When reviewing the performance of the Vice-Chancellor and Senior Post Holders and considering existing salary levels the Committee considered the following indicators:

- Performance in support of the University's strategic objectives and KPIs in the areas of teaching, research, management and administration, leadership of staff, partnerships and external relations internationally, nationally and locally and major initiatives and projects;
- the size and complexity of the University;
- the breadth, degree of complexity and level of challenge of the Vice-Chancellor and respective Senior Post Holders' roles;
- the nature of the HE markets and general issues of pay restraint, recruitment and retention challenges within the HE sector along with the University's position on senior pay i.e. match, lead or lag the market; and
- Benchmarking data in respect of comparator institutions, geographical location and specialism.

The data that supported these indicators were drawn from the following areas:

- University and Colleges Employer Associations Senior Staff Remuneration Survey;
- Committee of University Chairs' Vice-Chancellor 2021 Salary Survey;
- Internal analysis of salary distributions, performance and contribution to the strategy of the University; and
- Nationally determined job evaluation schemes, nationally and locally negotiated pay awards and nationally recognised higher education pension schemes are all considered by the Committee.

3. Policy on Income Derived from External Activities

The University considers it important that its colleagues are represented on various bodies and boards and undertake academic and civic responsibilities at other organisations. Any additional income that could be generated for the individual derived from such positions is disclosed within the annual process of collating and updating the University's Register of Interests. Any income that can be retained by the University as a result of such positions is disclosed within its Financial Statements.

4. The Pay Multiple of the Vice-Chancellor

There is a requirement to externally report on the relationship between the remuneration of the Head of Institute and that for all other employees, therefore the intention behind disclosure of pay ratios is to provide detail of the ratio, narrative around how this is calculated and moving forward, year on year trends and HE sector comparison. Further information is provided at Appendix 1.

The **total pay** multiple of the Vice-Chancellor and the median earnings of the Institution's whole workforce is 8.9:1.

The total pay multiple of the Vice-Chancellor to other staff groups (using the Office for Students methodology) are:

Academics	6.7:1
Professors	3.5:1
Professional Support	11.4:1

The concentration of lower paid employees in the professional support group - cleaning services, catering, security officers - significantly impacts the total pay multiple of the Vice-Chancellor to the whole workforce. It is important to note that this cohort of employees are outsourced in some other institutions, again making a true comparison difficult.

The **basic pay** multiple of the Vice-Chancellor and the median earnings of the Institution's whole workforce is 8.1:1.

The Vice-Chancellor's basic salary is determined by a number of factors including the demands of the role, organisational size, environment and income as well as the performance of the individual. The Committee noted the importance of ensuring that NTU remained competitive and rewarded exceptional, evidenced performance as well as being able to retain and motivate to ensure the future success of the University.

5. Total Remuneration for the Vice-Chancellor

The total remuneration for the Vice-Chancellor, with year-on-year comparator data is set out in the table below:

Emoluments of the Vice-Chancellor	2022/23	2021/22
Basic Salary	£294,642**	£276,659
Bonus	xx	£27,666
Pension Opt-Out Allowance	£47,142	£44,265

Benefits in kind	xx	£623
Subtotal	xx	£349,213
Pension costs	xx	£15,447
Total	xx	£364,660*

* In addition a non-consolidated payment of 3% of salary was awarded in line with that provided to all colleagues at NTU during the 2021/22 financial year.

** Inclusive of benchmarked salary increase of 3.5%, reflective of NTU's income exceeding £400m for the first time in 2021/22 and thus the comparator group changing. It includes also the award of the increase in basic pay agreed for all NTU employees of 3.5%.

xx Values cannot be confirmed until November 2023.

Further information regarding the [Vice-Chancellor's salary and expenses](#) is published on the University website.

6. Statement on Expenses

All expenses are paid in accordance with the University's policy.

Governors' personal expenses and additional expenditure paid directly by the University on their behalf are published on the University website each year and are available [here](#).

7. Severance Payments

Severance payments for senior staff are made in accordance with the University's position on severance related payments. During 2021/22, no such payment was made.

Appendix 1

Assumptions for calculation of pay multiples (based on OfS methodology)

- Includes all staff including atypical staff and agency workers.
- All staff employed during the 2021/22 year.
- **V-C and staff Basic Pay Calculation** excludes any additional payments and employer's pension.
- **V-C Total Pay Calculation** is the FTE total pay including bonus, employer's pension, any allowance in substitution for employer's pension and benefits in kind.
- **Staff Total Pay Calculation** is the FTE total pay including any additional pay such as bonus, overtime, allowances etc. employer's pension and any allowance in substitution for employer's pension.