

ANNUAL REPORT OF THE REMUNERATION COMMITTEE FOR 2019

1. Introduction

This 2019 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 June 2018'.

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 available [here](#).

The Committee held its annual meeting on 29 October 2019.

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);
- Susannah Fish (Member of the Board of Governors);
- Lorna Holder (Member of the Board of Governors);
- Neil Goulden (Pro-Chancellor and Chair of the Board of Governors);
- Kathie Moore (Staff Representative); and
- Kelsey Francis (Student Representative).

Both the Staff Representative and the Student Representative on the Committee were appointed in 2018 via a process led by the Pro Chancellor and Chair of the Board of Governors and supported by the Deputy Pro-Chancellor and Chair of the Remuneration Committee. The appointments were approved by the Membership and Nomination Committee and reported to the Board of Governors thereafter.

Meeting on 29 October 2019

All members of the Remuneration Committee noted above were present at the meeting held on 29 October 2019.

The Vice-Chancellor was invited to attend the Committee's meeting on 29 October 2019 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 HR was invited to attend the Committee's meeting on 29 October 2019 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 in attendance:

- Sarah Bell, Head of Reward NTU;
- Rebecca Jenkyn, Clerk to the Board of Governors; and
- Timinjeet Sandhu, Governance Officer and Minute Secretary.

The Terms of Reference of the Remuneration Committee include provision for the appointment of external advisors to support the Committee should that be required. At its meeting on 29 October 2019, the Committee confirmed that the appointment of external advisors was not required as there was sufficient independent information provided to the Committee to allow fair and transparent decisions to be made. It was noted that a proposal was to be considered by the Membership and Nominations Committee at its meeting on 25 November 2019 for the appointment of a co-opted Committee member with HR expertise to the Employment Policy Committee. It was recommended that this individual also be co-opted to the Remuneration Committee in order to provide additional external expertise.

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.

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 for:

- those members of the University Executive Team who report directly to the Chief Operating Officer and Registrar;
- those employees with a salary of over £100,000;
- members of the University Leadership Team; and
- members of the Professoriate.

When considering reward proposals for the Vice-Chancellor and Senior Post Holders 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 extent of colleagues' experience;
- 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;
- The University's position on performance pay; 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 Salary Survey;
- Internal analysis of salary distributions, performance and contribution to the strategy of the University; and

- Nationally determined job evaluation schemes, nationally 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.

The **total pay** multiple of the Vice-Chancellor and the median earnings of the Institution's whole workforce is 9.7:1

The total pay multiple of the Vice-Chancellor to other staff groups (using the Office for Students methodology see Appendix 1) are:

Academics	7.9:1
Professors	3.8:1
Professional Support	12.7:1

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 sits firmly within the average range of the market. The Committee considered this to be important in ensuring that NTU remains market competitive and rewards exceptional, evidenced performance as well as 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	2019/20	2018/19
Basic Salary	£272,570	£267,750
Bonus	£20,081	£26,250
Pension Opt-Out Allowance	£43,611*	£42,840
Benefits in kind	Nil	Nil
Subtotal	£336,292*	£336,840
Pension costs	£5,497*	£5,623
Total	£341,759*	£342,463

*2019/20 Projected Values

The Vice-Chancellor's Basic Salary has increased by 1.8% from 2018/19 in accordance with the same percentage pay award provided to all staff at NTU.

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

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 2018-19 one 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 2018/19 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