

## **ANNUAL REPORT OF THE REMUNERATION COMMITTEE FOR 2021**

### **1. Introduction**

This 2021 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 19 October 2021.

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);
- Mr Owen Woodley (Deputy Chair and 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);
- Sarah Gregory (Co-opted Member);
- Kelsey Francis (Student Representative); and
- Sara Murcott (Member of the Board of Governors, and Staff Representative).

The following members of the Remuneration Committee stepped down from the Remuneration Committee on 31 July 2021 following a review of committee memberships:

- Susannah Fish (Member of the Board of Governors); and
- Angela Brown (Staff Representative).

Meeting on 19 October 2021

All members of the Remuneration Committee noted above were present at the meeting held on 19 October 2021.

The Vice-Chancellor was invited to attend the Committee's meeting on 19 October 2021 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 19 October 2021 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; 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.

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 considers internal relativity (how salaries within a peer group/ grade align) 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;
- those employees with a salary of over £100,000;
- members of the University Leadership Team; and
- members of the Professoriate.

The Committee noted that in managing the impact of Covid-19 the University had elected not to implement in full its established approach to appraisals. This meant that ratings would not be given to colleagues and consequently individual bonuses would not be awarded. In this context the Committee noted and endorsed the collective decision taken by the University Executive Team not to award bonus or salary increases to its members, Executive Deans or the Professoriate. Likewise, the Vice-Chancellor had elected not to receive any salary increase or bonus this year. This decision had been supported by the Pro-Chancellor and Chair of the Board of Governors and endorsed by the Committee.

The Committee noted that the University had awarded a discretionary one-off payment of £750 to all employees (excepting UET members) who met the specified eligibility criteria, in order to recognise and thank them for their effort and contributions during the pandemic. This matter had been discussed and endorsed by the Employment Policy Committee at its meeting held on 28 June 2021. The approach adopted had also been supported by the Board of Governors at its meeting held on 6 July 2021.

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, particularly this year in its management of the impact of Covid-19;
- that internal equity across pay cohorts/grades is considered, and that the relative positioning of individual salaries along with skills, knowledge and experience against an agreed pay benchmark is taken into account;
- whether the responsibilities and remit of a role have significantly broadened so that they may be evaluated/ benchmarked against a different position;

- 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; and
- Committee of University Chairs' Vice-Chancellor 2021 Salary Survey.

### **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 9.3:1.

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

Academics	8.2:1
Professors	4.1:1
Professional Support	12.4:1

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 sits at just above the midpoint of the market and 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:

<b>Emoluments of the Vice-Chancellor</b>	<b>2021/22</b>	<b>2020/21</b>
<b>Basic Salary</b>	£276,659	£272,570
<b>Bonus</b>	£0.00	£0.00
<b>Pension Opt-Out Allowance</b>	£44,265*	£43,611
<b>Benefits in kind</b>	£1,558*	£1,412
<b>Subtotal</b>	£322,482*	£317,593
<b>Pension costs</b>	£15,442*	£5,451
<b>Total</b>	£337,924*	£323,044

\* Projected values for 2021/22

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 2020/21 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 2020/21 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