

Remuneration Annual Report 2022

Introduction

The University believes that pay should be attractive, competitive, and managed through a robust and consistent framework. In addition, it believes that the performance of staff may be enhanced through appropriate reward arrangements for outstanding performers. 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 risk management.

The University is a top 10 UK university and uses remuneration as one of the tools to attract and retain academic and professional services talent.

Remuneration for senior staff at the University (i.e. those on grade 9¹) is governed by the Remuneration Committee, which reports to Council. The Committee comprises three lay members of Council and is chaired by the Senior Pro Chancellor and Chair of Council. An alternative lay 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 part of the meeting to share information related to the remuneration of senior staff who report through them. The Vice-Chancellor and Deputy Vice-Chancellor will never be asked to attend for any discussion about, or decision on, their own remuneration. Further details about the Remuneration Committee including current and past membership, terms of reference and meeting dates are available from:

<http://www.lboro.ac.uk/committees/remuneration/>.

The University's Performance and Development Review (PDR) system provides a robust basis for managing performance, developing staff and helping to inform remuneration decisions. The ratings that were applied in PDRs in previous years were suspended last year, in part due to the impact of the pandemic and have been suspended this year also, after discussion with campus unions, pending a full review of performance management and reward activities through Project Expectations, one of the enabling projects for the new University strategy.

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 held a single Reward Committee during 2022 to consider consolidated rewards for staff. Non-consolidated rewards, e.g. small gifts and one off payments were devolved to schools and services.

The Remuneration Committee is responsible for determining the most appropriate pay as well as addressing any equity or retention issues for the University's most senior officers, namely:

- x Vice-Chancellor
- x Deputy Vice-Chancellor
- x Chief Operating Officer
- x Chief Financial Officer
- x Pro Vice-Chancellor (Research and Innovation)
- x Pro Vice-Chancellor (Education and Student Engagement)

- o We will develop meaningful partnerships locally, regionally, nationally and internationally

(Note that particular consideration to priority elements of the strategy are considered on a year by year basis.)

- x The size and complexity of the organisation
- x The external market and the University's performance against its competitors
- x The University's success (or otherwise) in attracting and retaining the most talented people at the highest level
- x University and Colleges Employer Association's Senior Staff Remuneration Survey with a particular focus on Russell Group institutions
- x Committee of University Chairs' Vice-Chancellor Salary Survey with a particular focus on Russell Group institutions

The University's Remuneration Committee has also made arrangements to enable staff who have reached or are close to reaching their pension lifetime tax allowance to receive a payment in partial lieu of employer's pension contributions if they choose to opt out of the pension scheme or to access certain options within the scheme. Remuneration Committee oversees this arrangement to ensure it is applied consistently and appropriately.

Institution Performance

The University has had another very successful year. Achievements include:

- x University of the Year for Sport in the Times and Sunday Times Good University Guide 2022
- x Top 10 in the Times Higher Education 'Table of Tables' 2022
- x 7th in the Complete University Guide 2023

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

- x Successfully developed and launched a new University strategy, called Creating Better Futures. Together
- x Strong student intake, particularly at undergraduate level
- x Continued robust financial management despite turbulent economic conditions means we continue to deliver a surplus which can be used for future investment
- x Hosted the GB preparation camp for the Commonwealth Games
- x Hosted the Commonwealth Games baton relay

Senior Reward

The performance of the University's six Senior Officers (excluding the Vice-Chancellor) was reviewed.

The Executive Team's pay was reviewed in relation to the data provided by the UCEA Senior Staff Salary Survey and an assessment of pay parity and equity was conducted.

- x Professor Allison was Vice-Chancellor until 30th September 2021 but took annual leave from 1st August 2021 until his retirement
- x Professor Chris Linton was Acting Vice-Chancellor between 1st August 2021 – 30th September 2021
- x Professor Nick Jennings commenced as Vice-Chancellor from 1st October 2021

Payments Made to Lay Members of Council

No payments (other than receipted expenses) were made to lay members of Council during 2020/21.

External Appointments and Expenses

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

<https://internal.lboro.ac.uk/info/finance/staff/forms/>

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

<https://www.lboro.ac.uk/services/hr/conditions-of-service/external-work/>

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 work undertaken by the Vice-Chancellor during 2021/22 has followed the required procedure and has been shared with the Remuneration Committee.

Pay Multiples

Loughborough University is a campus university, operating retail and catering outlets and maintaining significant university-owned student accommodation. The University retains many in-house support services that have been outsourced at other institutions, for example cleaning, catering, security or facilities management functions. The University has also included in its calculations a significant number of staff who will have received remuneration during the year on the basis of atypical claims contracts. These factors may adjust downwards the median salary of staff compared to other institutions and pay multiples should be considered carefully in that context.

The pay multiples of the three Vice-Chancellors in place during the year are as follows:

Basic Salary	2021/2022	2020/2021
Prof R J Allison	11.6	10.7
Prof C Linton	7.8	N/A
Prof N R Jennings	11.7	N/A

Total Remuneration	2021/2022	2020/2021
Prof R J Allison	10.7	10.1
Prof C Linton	7.4	N/A
Prof N R Jennings	11.7	