

SENIOR REMUNERATION – ANNUAL STATEMENT BY REMUNERATION COMMITTEE FOR BOARD OF GOVERNORS

2024

CONFIDENTIAL

Board - 28th NOVEMBER 2024

VIJAY SHARMA – CHAIR OF REMUNERATION COMMITTEE

Senior Remuneration at Leeds Trinity University

Executive Summary

Against a backdrop of greater scrutiny and focus, it is right that we report to the Board the Vice-Chancellor and Executive remuneration in line with the Higher Education Senior Staff Remuneration Code from the Committee of University Chairs (CUC) published in June 2018. The Code covers 'elements of fair and appropriate remuneration and includes three key elements: – namely that there is:

- i. a fair, appropriate, and justifiable level of remuneration.
- ii. procedural fairness; and
- iii. transparency and accountability.

The Code has been developed after wide consultation with CUC members and HE stakeholders and is reviewed every four years. In adopting the Code fully, LTU's Governing Body has demonstrated leadership and stewardship in relation to remuneration within the institution. In doing so we hope to protect institutional reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society. This Annual Statement by Remuneration Committee for the Board of Governors is part of the minimum requirements under principles outlined in element three – transparency and accountability.

1.0 The Basis and scope of this statement

1.1 The University has used as a basis for this statement, the Office for Students Guide, and the CUC's 'The Higher Education Senior Staff Remuneration Code June 2018'.

1.2 The University is reporting on the remuneration decisions of the following senior post holders in 2023-24, under the remit of the Remuneration Committee:

Vice-Chancellor	Professor C Egbu
Director Finance and University Secretary (to 12/24)	Mr D Butcher
Director of Finance and Strategic Planning (from 11/24)	Mr S Taylor
Interim Deputy Vice-Chancellor and Provost	Ms J Mitchell
Chief Operating Officer	Ms J Hynes
Pro Vice-Chancellor for Education and Experience	Prof Catherine O'Connor
Pro Vice-Chancellor for Enterprise and External Engagement	Prof Mohammed Arif
Interim Executive Director of Governance and University Secretary	Ms S Page

2.0 The Process for setting remuneration

The Remuneration committee is comprised of:

Membership Academic Year 2023-24

Mr V Sharma (Chair from 01.08.23)	Independent Governor
Mr J Hanley	Independent Governor and Chair of the Board of Governors
Mr B McCarthy	Independent Governor
Mr A Sumner	Co-opted Member
Ms A Wilson	Independent Governor

3.0 The comparator institutions/organisations

The last in-depth triennial pay review was undertaken in June 2023 having been brought forward at Remuneration Committee's request and was carried out by Korn Ferry.

The review informed the new Executive Pay Framework, approved in June 2024, which moved from the existing pay policy based on spot salary to a more flexible 'blended' pay ranges. The blended pay ranges recommended followed benchmarking of Executive pay across all markets (rather than exclusively Higher Education sector) and moderated/informed more widely by practice across the sector from an appropriate UCEA data source (Cathedrals/Post-92 £40m-£100m). Further detail can be found under Section 4.

4.0 The policy on remuneration for executive post holders

The Board of Governors approved the Senior Postholders Remuneration framework in Summer 2024.

In line with this framework, individual Senior Postholder's pay will next be reviewed in 2025, based on performance objectives set in early 2025. The Board of Governors and the Vice-Chancellor are in the process of finalising a restructure of the Executive and the portfolio of individual Executive members and it was agreed that the Senior Postholder's objectives would be set and approved by Remuneration Committee as soon as this structure was finalised.

In accordance with the agreed Policy for Senior Remuneration (ref Appendix A), an in-depth benchmarking exercise would be conducted on a tri-annual basis (next one due in 2026) to ensure the pay ranges remain competitive with the external market.

As part of the transition onto the new pay framework, Senior Postholders were assimilated onto the appropriate pay ranges in May 2024 with no adjustment to individual salary. It was agreed as part of the transition, that whilst there would be no review of individual salaries in 2024, a cost-of-living award that mirrors that national pay award agreement would be applied to mitigate against pay regression and the risk of an equal pay claim.

On 9 September 2024, UCEA advised employers participating in the 2024-25 New JNCHES pay round that the pay negotiations had concluded and that members should implement the pay uplifts offered with effect from 1 August 2024.

The pay award is equivalent to an overall sectoral pay bill uplift of 2.5% to be implemented in two phases during the 2024-25 academic year. For Executive colleagues, this means a £900 uplift from 1 August 2024 then a sum (variable by pay point) which results in a total uplift to the Executive pay bill of 2.5% from 1 March 2025.

5.0 The pay multiple of the Vice-Chancellor

The CUC produced the results of their annual survey of Vice-Chancellor's remuneration for 2024 which shows their position as of 1 January 2024 covering 139 higher education institutions (HEIs) in both public and private sectors.

In presenting the findings of their survey, CUC noted that public and press interest in the remuneration of Vice-Chancellors continues, and while the effects of the coronavirus pandemic have eased many institutions are experiencing acute financial pressures exacerbated by high inflation and a cost-of-living crisis. The responses to the 2024 survey showed significant changes

in Vice-Chancellor remuneration and this seemed to reflect a combination of turnover, high inflation and changes in the tax treatment of pensions.

The sector has exercised restraint, with a real terms reduction in the average total remuneration and a reduction in the average ratio of Vice-Chancellors' basic pay to the median basic pay of all other staff.

The key points from the 2024 survey are as follows:

The average increase in basic salary of Vice-Chancellors from 1 January 2023 to 1 January 2024 was 5.3%. This is 1% more than the previous year. For comparison purposes, over the same period, an average employee on academic pay scales would have received an increase in basic pay of about 5-7% (taking re-grading and incremental drift into account).

The average basic salary of a substantive Vice-Chancellor as of 1 January 2024 was £277,737 (£267,959 in January 2023), an increase of 3.7%.

During 2022-23, 83 out of 114 Vice-Chancellors already in post received an increase in basic salary between January 2023 and January 2024 of 5% or less, the most common inflation-linked award to academic staff during 2023. The average ratio of Vice-Chancellors' basic pay to the median basic pay of all other staff fell to 7.14 from 7.32 in the previous year.

The average total remuneration figure for the financial year 2022-23 was £317,439, an increase of 4.6% from the previous year.

As of 1 st January 2024, the pay of the Vice-Chancellor at Leeds Trinity University was £205,602.42 (£199,614 in January 2023).

The general trend over recent years by which a clear majority of universities do not apply the outcome of national settlements to the salaries of their Vice-Chancellors has continued; only 22 now do so (a slight decrease from 24 in 2023). However, most institutions continue to review basic salaries annually.

The Vice-Chancellor's salary at Leeds Trinity continues to sit significantly below the national average.

The report once again notes that, because of changes in taxation of pension savings, 79 (85) Vice-Chancellors have opted-out of their pension schemes in full or part and so in some institutions they have subsequently increased basic salaries by the amount of the employers' pension contributions (or a similar amount) so that the overall cost to the institution is unchanged.

A question in this year's survey sought to discover more precisely how institutions had responded to this development. The results were (previous year's figures in brackets): 24 (28) institutions pay the equivalent of the employers' pension contribution as a separate supplement to the Vice-Chancellor's salary. 9 (16) institutions regarded the decision to opt-out as a personal matter for the Vice-Chancellor and took no further action. 3 (3) institutions increased the Vice-Chancellor's basic salary by the amount of the usual employers' pension contribution. 25 (30) institutions took other action in response to the Vice-Chancellor's decision to leave a pension scheme. 52 institutions reported that the issue was not applicable to them.

At this time the Vice-Chancellor for Leeds Trinity has not opted out of the pension and is not in receipt of payment in lieu of pension contributions.

In response to the survey, 22 institutions reported that they had paid bonuses between 1 January 2023 and 31 December 2023 (21 last year). The average bonus payment for the period was £21,321 (£19,996 last year). The highest recorded was £64,292. Bonus schemes are not part of the pay framework at Leeds Trinity University.

The CUC have provided a measure of the Vice-Chancellor's basic pay to the median basic pay to all other staff in the institution. The average basic pay ratio in 2022-23 was 7.14:1 (7.32:1 previous year) with the range being 12.8:1 to 4.0:1 (previous year 12.7:1 to 3.7:1). At Leeds Trinity for year ended 31 July 2023 the ratio of the basic salary of the Vice Chancellor to the median for the whole workforce was 5.4:1 (previous year 5.6:1). The ratio in relation to total remuneration was 6.0:1 (previous 5.8:1). The ratios for both basic salary and total remuneration are below the guideline ratio of 8.5 (above which CUC guidance suggests that an institution should be prepared to justify why this is desirable).

6.0 Severance Payments

For severance payments made in 2023-24, the Remuneration Committee abided by its responsibilities under the HE Remuneration Code ensuring the principles of the Code were followed and there was a clear explanation for any payments made.

The Remuneration Committee also ensured that any contracts agreed with senior post holders were fair, reasonable, and justifiable, and that no payments exceeded the established norms set out in the University's voluntary severance scheme and notice periods were no more than the contractual 6 months.

The notice period for all Senior Postholders staff is 6 months.

7.0 Expenses Policy

The University has a single scheme. The expenses of the Vice-Chancellor are reviewed on a periodic basis by the Chair of the Board. The expenses of other senior post-holders are approved by the Vice-Chancellor as per normal line management arrangements.

8.0 The policy on income derived from external activities

It is often helpful to the University for its Staff to hold non-executive director roles. The following Executive (SPH) staff hold such roles as declared in their respective annual declaration of interest for 2023-24.

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| Professor C Egbu (Vice-Chancellor) | <ul style="list-style-type: none">▪ Yorkshire Universities Board: Director (2021 – Present)▪ Leeds Learning Alliance (LLA): - Trustee (2020 – Present)▪ MillionPlus (The Association for Modern Universities): - Executive Member (2022 Present)• - Leeds Academic Health Partnership (LAHP): - Board Member (2022 – Present) |
| Mr D Butcher (Director Finance and University Secretary) | <ul style="list-style-type: none">• Governor at Shipley College<ul style="list-style-type: none">• Trustee at MIND in Bradford• Member of the West Yorkshire Pension Fund Pension Board |

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| <p>Ms J Hynes (Chief Operating Officer & Head of Sustainability)</p> | <ul style="list-style-type: none"> ▪ Trustee at the Collaborative Learning Trust (a MAT), <ul style="list-style-type: none"> - Chair of the Standards Committee, - Chair of the Safeguarding Committee • AUDE (Association of University Directors of Estates) representative on the UUK Accommodation Bode advisory board (voluntary / nonpaid position) |
| <p>Professor C O'Connor (Pro Vice-Chancellor – Education and Experience)</p> | <ul style="list-style-type: none"> • None |
| <p>Mr M Mohammed (Pro Vice-Chancellor - Enterprise and External Engagement)</p> | <ul style="list-style-type: none"> • None declared |

The formal policy on income derived from external activities can be found in Appendix B; Leeds Trinity University – Consultancy, External and Civic Work Policy-Please click [here](#) to view on BoardEffect.



(Revised) Policy on Remuneration for Senior Post Holders

As a University, we recognise that in order to deliver our strategic objectives successfully it is vital that we recruit, retain and reward the very best leaders in a competitive market. Equally we recognise the need for fair, independent and transparent processes to determine appropriate remuneration of the Vice-Chancellor and other Executive post-holders. Our commitment to these principles is evidenced by the fact that we have adopted the CUC Higher Education Senior Staff Remuneration Code in full.

Principles for determining remuneration for senior post holders

1. The Remuneration Committee is responsible for the review and determination of the Vice-Chancellor's, Executive and Clerk's remuneration and terms of employment as outlined in items 1 & 2 of the Committee's Terms of Reference.
2. The remuneration of the Vice-Chancellor and Executive post-holders is reviewed on an annual basis with an in-depth benchmarking exercise conducted on a tri-annual basis.
3. The review process is conducted by the University's Remuneration Committee which is chaired by an independent governor who is not the Chair of the Board.
4. The review process is carried out with reference to benchmark salary data supplied by independent consultants and which comprises a blended market range of Higher Sector institutions and private sector organisations.
5. Remuneration also takes into consideration an annual assessment of Executive performance against objectives and the performance of the institution.
6. Remuneration also considers the annual cost of living recommendations in line with the University staff award
7. Remuneration also considers matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure.
8. The Vice-Chancellor can offer observations on the benchmark data as it applies to other senior post holders.
9. The Vice-Chancellor has no involvement in the determination of his/her own salary.
10. The Chair of the Remuneration Committee reports to Board on the determination of remuneration for Vice-Chancellor and other senior post holders for the Board's information only.

Last updated 3rd June 2024

