

Annual Remuneration Report for Council 2021/22

Introduction

1. Terms of Reference

The Committee's Terms of Reference (ToR) for Remuneration Committee are reviewed annually and were last reviewed May 2021 in line with OfS guidance, the CUC Remuneration Code and a survey undertaken of terms of reference for Remuneration Committees in other institutions and the examples of good governance shown. A copy of the ToR, Constitution and Membership of the Committee is attached as Appendix 1 and can also be accessed via <https://www.liverpool.ac.uk/governance/university-committees/remuneration-committee/>

2. Remuneration Committee Membership 2021/22

The Vice-President of the Council (Chair)	Dr P Johnson
The President of Council	C Booth
Two lay members of Council	H Miller (2011-24) Dr R Platt (2020-23)
Independent Member	To be appointed

In Attendance

The Vice-Chancellor	Professor Dame Janet Beer
University Secretary and the Director of Legal & Compliance	K Ryan
The Director of Human Resources	K Watkinson (Secretary)
HR Managements Services Co-ordinator	D Grainger
Governance Manager (Minute Secretary)	E Leonard

The Committee is chaired by the Vice-President of Council. The President of Council is a member of the Committee, but as she reports to the Committee on the Vice-Chancellor's performance and makes recommendations to the Committee on the Vice-Chancellor's remuneration, the University believes, and in line with CUC Guidance, it is appropriate that a different senior lay member, the Vice-President, chairs the Committee.

3. Meetings

The Committee met on three occasions during the academic year; 11 November 2021, 10 February 2022 (extraordinary meeting) and 25 June 2022 and a list of attendees are set out in Appendix 2. Reports of meetings presented to Council can be obtained through the Governance Team <https://www.liverpool.ac.uk/governance/>.

Approach to Remuneration

4. Operating Environment

There have been a great many external factors that have adversely impacted the University's longer-term sustainability and its operations over the course of the last 12 months.

The Covid-19 pandemic has continued to have a negative impact on the number of Chinese students being able and/or deciding to study at this University which has had a corresponding reduction in levels of income. The pandemic has, though to a lesser extent than previous years, impacted on the operations of the University but all restrictions were lifted during the course of the reporting year.

The impact of the war in Ukraine has had an impact on the UK economy and has been a major factor in the rising costs of living that were starting to be experienced at the end of the year. The rising living costs have continued and with a sector pay award that was below the rate of inflation the likelihood of industrial action by all three campus trade unions increases.

Reforms to the USS pension scheme are also a matter of national dispute with the potential for industrial action again in 2022/23.

Owing to a number of factors, including Brexit on the ability to hire overseas workers and parts of the economy returning from enforced Covid 'hibernation', the UK employment market became extremely competitive during the latter part of the year, particularly in respect of Professional Services roles. The University has increasingly used its existing policies on retention measures (e.g. Market Rate Supplements).

Institutions also continue to face both external and internal scrutiny about levels of senior pay from national and local media.

5. Guiding Principles Related to Remuneration

The University of Liverpool's Remuneration Committee has agreed and reviews on an annual basis the Strategic Reward for Senior Staff Policy ¹ which is the framework for managing senior staff remuneration and conditions (including non-pay benefits) at the University. The Committee does this to enable appropriate governance of the remuneration, promotion and reward for positions on Grade 10 and above, Professorial and equivalent Professional Services Staff and members of the Senior Leadership Team.

6. The Reward of Senior Staff

Key considerations and outcomes on senior pay this year included:

- A review of the most recent Universities and Colleges Employers Association (UCEA) Salary Survey, the Russell Group Survey and a comparator group from the Committee of University Chairs (CUC) survey of VC pay. The Committee considered a presentation by the President of Council on the VC's performance measured against the 2021/22 objectives. As a consequence of successfully steering the University through the pandemic, leading a strong Senior Leadership Team, growing the University's international brand and reputation, and positive feedback from the City region, the VC was considered to have successfully achieved her objectives. An increase of 3% on the base salary brought the salary more in line with the median of Russell Group VC salaries.

¹ <https://www.liverpool.ac.uk/intranet/hr/my-hr/information/policies/pay/strategicreward/>

- Following the decision by the Senior Leadership Team, it was agreed to reinstate the Annual Salary Review across all staff groups in 2021 following its cancellation in 2020 due to the pandemic.
- The Committee received and considered 5 out of 9 (Male 4 Female 5) recommendations for members of the **Senior Leadership Team** (not VC) under the 2021 Senior Management Salary Review and a summary of the Committee's decisions are set out below:

Submissions received for a Percentage Increase of between 1 – 3%				
5 cases received for a % increase		Total	M	F
	3% Increase	5	4	1
	Not Agreed	0	0	0
Male 4 Female 1				

- The Committee received a summary of the annual review awards for Non-clinical Professors and equivalent Professional Services senior staff made by the Vice-Chancellor and her team.

Non-Clinical Professorial Staff:

The Vice-Chancellor and her team considered submissions made by 77 (Male 58 Female 19) out of 375 (Male 274 Female 104) Non-clinical Professorial staff and a summary of their decisions are set out below:

Submissions received for a Percentage Increase of between 1 – 3%				
28 cases received for a % increase		Total	M	F
	% Increase	22	15	7
	Not Agreed	6	6	0
Male 21 Female 7				

Submissions received for an Increase in Professorial Level				
44 cases received for an increase in Professorial Level		Total	M	F
	Increase in Professorial Level	27	22	5
	% Increase	5	5	0
	Not Agreed	12	7	5
Male 34 Female 10				

Submissions received for a one-off non-consolidated payment of £1,500				
4 cases received for a one-off payment		Total	M	F
	£1,500 one-off payment	2	1	1
	Not Agreed	2	1	1
Male 2 Female 2				

Senior Management Staff:

The Vice-Chancellor and her team considered submissions made by 4 out of 39 (Male 24 Female 15) Senior Management staff (not SLT) and a summary of the outcomes are set out below:

Submissions received for a Percentage Increase of between 1 – 3%				
4 cases received for a % increase		Total	M	F
	% Increase	2	1	1
	£1,500 one-off payment *	2	1	1
Male 2 Female 2	Not Agreed	0	0	0

*Individuals were not eligible to receive a percentage increase as they are currently paid on the Grade 10 scale points and therefore received an increment at 01/08/2021 which equates to a 3% salary increase.

- The Senior Leadership Team agreed that the Annual Promotion and Reward processes (Annual Review) round, across all staff groups, should go ahead for 2022.

7. Pay Award

The Universities and Colleges Employers Association (UCEA) informed national trade union representatives that the nationally agreed Pay Award which would be effective from 1 August 2022, and which would be implemented across all staff groups, would be 3% but with tapering arrangements providing for a higher percentage for lower remunerated positions.

8. Performance Related Pay Payments

Performance related pay (PRP) payments are determined following an individual's Professional Development and Review (PDR) and are paid in addition to the normal annual system of rewarding exceptional contribution through the Professorial/Senior Management Review and will continue subject to continued high performance.

Following a rationalisation and removal of individual contractual entitlements to a performance bonus in 2020, only one position continues to attract a bonus. The role attracts an additional payment of up to 10% of annual salary which was awarded in full for 2021/22.

9. Benchmarking

The normal approach for the University in benchmarking jobs is to use the salary survey data available from UCEA (for similar sized/type) and the Russell Group.

10. Median Salary

Pay multiple of Vice-Chancellor pay to median salaries based on the CUC Remuneration Code methodology.

Year End	Median Salary	VC's Base Salary	Pay Multiple
31/07/2021	£36,900	£300,500	8.1
31/07/2020	£36,500	£300,500	8.2
31/07/2019	£35,200	£291,500	8.3

Appendix 1

REMUNERATION COMMITTEE

Minute Secretary: Emma Leonard - Governance Manager, Legal and Governance
(emma.leonard@liverpool.ac.uk)

Terms of Reference

<https://www.liverpool.ac.uk/governance/university-committees/remuneration-committee/>

- a) To approve and annually review the Strategic Reward for Senior Staff Policy (SRSS) which is the policy framework for managing senior staff remuneration and conditions (including non-pay benefits) at the University.
- b) To be responsible, on behalf of the Council, for setting the policy for and agreeing remuneration and reward for members of the Senior Leadership Team in accordance with the SRSS Policy.
- c) To consider and determine the overall remuneration and objectives of the Vice-Chancellor. The Chair of Council will:
 - i) report on their assessment of the VC's performance against the Professional Development Review (PDR) objectives that were agreed.
 - ii) propose to the Committee any increase in remuneration in accordance with the SRSS Policy.
 - iii) propose to the Committee any bonus payment in accordance with the VC's contract of employment.
 - iv) propose to the Committee PDR objectives for the coming year.The Committee's recommendations to then be presented to Council for consideration.
- d) To receive reports on the remuneration of staff above Grade 9 who are not members of SLT in accordance with the SRSS Policy.
- e) To consider and determine upon proposals for voluntary severance or the early retirement of members of the Senior Leadership Team. (The determination of such matters with regard to the Vice-Chancellor shall be restricted to the lay members of the Committee.)
- f) To approve policy on the outside earnings of senior staff (professorial and Grade 10).
- g) To review and note remuneration trends across the University sector using benchmarking data.
- h) To agree the policy for claims for expenses from the Vice-Chancellor and receive regular reports on expense payments made.

- i) To provide an annual remuneration report to Council on the business of the Committee that shall be produced in accordance with the CUC Higher Education Senior Staff Remuneration Code/Office for Students guidance.
- j) To ensure compliance with the CUC Higher Education Senior Staff Remuneration Code/Office for Students guidance in all relevant matters before the Committee.

Constitution and Membership for Session 2021/22

(Where a title is given, this indicates that the appointment is ex officio.)

The Vice-President of the Council (Chair)	Dr P Johnson
The President of Council	C Booth
Two lay members of Council	H Miller (2021-24) Dr R Platt (2020-23)
Independent Member	To be appointed

In Attendance

The Vice-Chancellor	Professor Dame Janet Beer
University Secretary and the Director of Legal & Compliance	K Ryan
The Director of Human Resources	K Watkinson (Secretary)
HR Management Services Co-ordinator	D Grainger

Frequency of Meetings

The Remuneration Committee usually meets on two occasions during the academic year.

Quorum

The quorum for meetings of the Remuneration Committee shall be three of its members.

Appendix 2

Dates of Meetings & Register of Attendance 2021/2022

	11/11/2021	Extraordinary Meeting 10/02/2022	22/06/2022
<i>Full members:</i>			
President of Council (Chair) Carmel Booth	✓	X	✓
Vice-President of Council Dr Paul Johnson	✓	✓	✓
Lay Member of Council Helen Miller	✓	✓	✓
Lay Member of Council Dr Roger Platt	✓	✓	✓
Independent Member To be appointed			
<i>In attendance:</i>			
Vice-Chancellor Professor Dame Janet Beer	✓	VC not invited to be in attendance	✓
University Secretary & Director of Legal & Governance Kevan Ryan	✓	✓	✓
Director of Human Resources (Secretary) Keith Watkinson	✓	✓	✓
HR Management Services Co-ordinator Debbie Grainger	✓	✓	✓
Governance Manager (Minute Secretary) Emma Leonard	✓	✓	✓