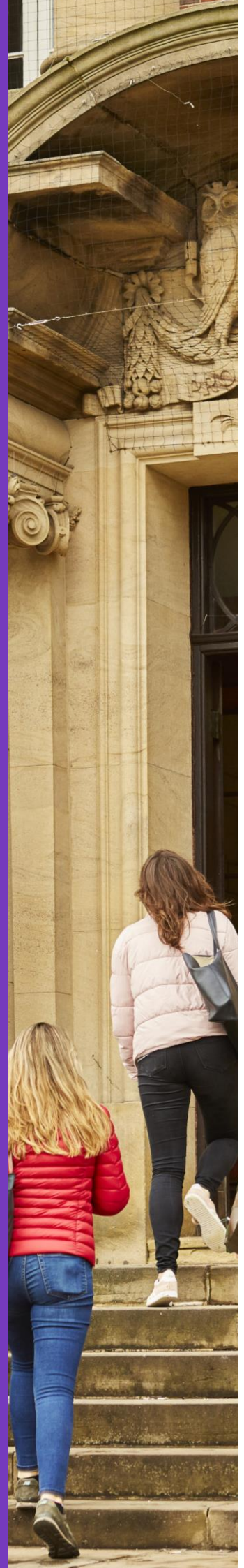




LEEDS
BECKETT
UNIVERSITY

Annual Report from Senior Staff Remuneration Committee

April 2023



Introduction

1. This statement is based on the report made to the Board to provide assurance on the work of the Senior Staff Remuneration Committee (SSRC) in accordance with the Committee of University Chairs (CUC) Revised Higher Education Senior Staff Remuneration Code (November 2021) and is included as Appendix 1.
2. By visibly adopting the CUC Code governing bodies demonstrate leadership and stewardship in relation to remuneration within their institutions. In doing so this helps protect institutional reputation and provides greater assurance to key stakeholders and partners, including the student community and wider society. The Code is voluntary, and Leeds Beckett University is pleased to comply wherever relevant and appropriate.
3. The Code states that fair and appropriate remuneration requires three key elements:
 - i. a fair, appropriate, and justifiable level of remuneration.
 - ii. procedural fairness; and
 - iii. transparency and accountability.
4. The Committee's work is split into separate meetings:
 - Meeting A is concerned with all remuneration issues covered by the Terms of Reference except for the Vice-Chancellor
 - Meeting B is concerned with the remuneration of the Vice-Chancellor only
5. Membership of the Committee over the reporting period was:

Nicki Latham, Independent Governor and Chair of SSRC
David Lowen, Independent Governor and Chair of the Board
Nick Whitaker, Independent Governor and Chair of Audit Committee
Andrew West, Independent Governor and Chair of Governance and Nominations Committee
Cielo Cartwright, Independent Governor

In attendance: Peter Slee, Vice Chancellor (for Meeting A only)
Heather Paver, Executive Director of HR
Sarah Swales, Deputy Director of HR and Secretary to SSRC

Approach to remuneration

6. The SSRC meets in accordance with the Operating Framework approved by the Board of Governors in July 2018. The Operating Framework ensures transparency, best practice, and alignment with the HE Sector's regulatory framework.
7. The SSRC meetings take place twice a year. On 29 April 2022 the policy and process for determining remuneration within the University was reviewed and the pay review process for the Vice-Chancellor and Senior Post-holders approved. Senior Post-holders are the two Deputy Vice-Chancellors and the University Secretary. The SSRC also has oversight of the remuneration of senior staff within the University.
8. The autumn meeting on 21 October 2022 was split into two parts; Meeting A reviewed the performance of the Senior Post-holders and was attended by the Vice-Chancellor.

Meeting B focused on the performance and pay of the Vice-Chancellor. The Vice-Chancellor does not attend Meeting B. Both meetings determine any pay award. Separate Terms of Reference have been created and are included at Appendix 2 along with the policy documents.

9. At the October meetings the SSRC received papers setting out the context for the performance and remuneration review including continued uncertainty, rising UK inflation and the lingering impact of the pandemic together with information about senior pay externally and within the Higher Education sector. The Committee gives due consideration to equality data in relation to pay. A pay award of 3.1% on average was made to colleagues on the National Pay Framework in 2022. In addition, incremental awards were made in line with our local terms and conditions, and this amounted to a further average increase of 1.2%.

Remuneration of Senior Postholders

10. During Meeting A held in October 2022 the SSRC received a report on the performance of the Senior Post-holders from the Vice-Chancellor. The Vice-Chancellor recommended that the Senior Post-holders should be treated in the same way as for all other colleagues at the University and receive a pay award of 3%. SSRC endorsed the Vice-Chancellor's recommendation; a pay award of 3% was enacted for Senior Post-holders.
11. SSRC also noted that the Senior Staff Pay Award process had taken place and that all senior staff at the University had received a pay award of 3%. A small number of senior staff received a discretionary award based on performance outcomes and some had their pay adjusted in line with internal and external benchmarks.

Remuneration of the Vice-Chancellor

12. During Part B the SSRC received a report on the performance of the Vice-Chancellor from the Chair of the Board of Governors. The Chair of the Board of Governors recommended that the Vice-Chancellor should be treated in the same way as for all other colleagues at the University and receive a pay award of 3%. SSRC endorsed the Chair of the Board of Governor's recommendation; a pay award of 3% was enacted for the Vice-Chancellor.
13. The Vice-Chancellor's basic salary is 6.7 times the median pay of basic salary of staff as of 31 July 2022 where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. In terms of total remuneration, the Vice-Chancellors' total remuneration is 7.4 times the median total remuneration of staff where the median is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.
14. The Vice-Chancellor does not receive any additional remuneration or non-standard benefits in addition to base salary and standard employer pension contributions.

Equal Pay

15. SSRC gives due consideration to the principle of equal pay for work of equal value and notes analysis of relative pay by gender, and detailed benchmarking data to provide assurance of the senior staff pay process.

Approved by Board of Governors 13.5.23

The Higher Education Senior Staff Remuneration Code

November 2021

Introduction

1. Fair and appropriate remuneration is key to the success and development of the UK's HE sector, operating as it does in an intensively competitive global environment¹. To support members of governing bodies, this Higher Education Senior Staff Remuneration Code (the Remuneration Code) has been developed after wide consultation with CUC members and HE stakeholders. This Code will be reviewed every four years, in consultation with the sector.
2. This Code is situated within the context of the overarching HE Code of Governance², which sets out the values good Governance is based on, namely Integrity, Sustainability, Inclusivity, Excellence, Innovation, and Community. These values, together with the 'Nolan Principles of Public Life' provide an ethical framework for the determination of the remuneration of all staff, including those at a senior level.
3. The different UK regulatory frameworks of the HE sector mean that governing bodies need to decide how best to use the Remuneration Code. Institutions are bound by the relevant accounts direction issued by their regulator. Welsh institutions have agreed to more extensive senior pay reporting and are working towards developing annual pay policy statements. In Scotland, institutions will use the Scottish Code of Good Higher Education Governance³, which indicates how institutions should meet the key principles of good practice in remuneration. They may choose to use the Remuneration Code as an additional source of accepted good practice. In England, in assessing compliance with conditions of registration, the Office for Students (OfS) may consider the provider's information about the pay of senior staff within its audited financial statements and whether the governing body publishes its written commitment to comply with this Code.
4. Setting senior staff pay still needs to be fair, independent, and transparent however, there are several changes in the context since the original Remuneration Code was published - the financial landscape in the sector has shifted significantly since 2018, with enormous pressure on public finances, the uncertainties of Brexit and increasing impact of climate change. In HE challenges related to pensions, wage freezes and pay gaps related to ethnicity, gender and other protected characteristics have highlighted differences between staff and those at the top of institutions. This is especially important given specific actions in some nations around living wages and reducing pay inequalities e.g., the Welsh Fair Work Commission (2019) and the Scottish Fair Work Convention developing the concept of fair pay for all (Annex 1 for definitions).
5. By visibly adopting the Remuneration Code, and considering the concept of fair pay for all, governing bodies demonstrate leadership and stewardship in relation to remuneration within their institutions, illustrate the values that underpin their operation and help to protect institutional reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.
6. The use of this Code is voluntary, and it can be used by all HE providers. Some elements may not be appropriate for all providers, for example, those with an owner-manager who may take a dividend from the business. The Remuneration Code is therefore to be used on an 'apply or explain' basis. This means that institutions should either publicly state that they have abided by the minimum requirements of this Code or should provide meaningful explanations for non-compliance and how their alternative arrangements meet its principles.
7. Throughout this Code, the word 'must' identifies the CUC's view of the minimum requirements for an institution wishing to comply with it. Governing bodies are free to meet 'must' statements by the means and mechanisms appropriate to their context. The Remuneration Code is supported by a set of explanatory notes which are designed to assist governing bodies in developing their responses. The use of the word 'should' identifies good practices which institutions are encouraged to adopt.
8. The principles outlined in this Code apply to all remuneration decisions affecting the emoluments of the Vice-Chancellor and other senior post holders as prescribed in constitutional documents or by the governing body as being within the remit of the Remuneration Committee. In England, they also apply to senior staff as defined in the OfS accounts direction⁴.

¹ The context the sector operates within is explored in greater detail at https://www.universitychairs.ac.uk/wp-content/uploads/2021/11/The-Context-for-the-Higher-Education-Senior-Staff-Remuneration-Code_Revised-November-2021.pdf

² <https://www.universitychairs.ac.uk/wp-content/uploads/2020/09/CUC-HE-Code-of-Governance-publication-final.pdf>

³ www.scottishuniversitygovernance.ac.uk

⁴ <https://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-on-or-after-1-august-2019/>

The Remuneration Code

Elements of fair and appropriate remuneration

Fair and appropriate remuneration⁵ requires three key elements – namely that there is:

- I. a fair, appropriate and justifiable level of remuneration;
- II. procedural fairness; and
- III. transparency and accountability.

Each of these elements is underpinned by several supporting principles.

Element I - A fair, appropriate and justifiable level of remuneration

Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to their institution's success in that role and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

Principles

- a) Remuneration should take account of the context in which the institution operates, including any consideration of the relevance of fair pay for all.
- b) Remuneration must be linked to the value, based on several components, delivered by an individual acting within a role.
- c) Remuneration must consider matters of equality, diversity, and inclusion to ensure that there are no biases pertaining to gender or other protected characteristics within the pay structure.
- d) Institutions should be clear about what they expect from staff, i.e., what is 'normal' and what is 'exceptional'. There should be a robust and consistent process for setting objectives and assessing an individual's contribution.
- e) Remuneration can vary according to individual performance.⁶
- f) Awards made in respect of annual bonus arrangements linked to the achievement of specific annual objectives should not be consolidated.
- g) From time to time the value of a role may need to be reviewed in light of changing conditions, sustained performance, experience etc.
- h) Non-achievement of an individual's expected contribution should have consequences.
- i) Any severance payments must be reasonable and justifiable.
- j) There should be a clear and justifiable rationale for the retention of any income generated by an individual from external bodies in a personal capacity.

⁵ Remuneration includes not only basic salary but also bonuses, expenses and other allowances, and the monetary value of benefits in kind including housing and cars, etc.

⁶ Remuneration includes not only basic salary but also bonuses, expenses and other allowances, and the monetary value of benefits in kind including housing and cars, etc.

The Remuneration Code

Element II – Procedural fairness

Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision making using appropriate evidence and assessing the value of roles, the context and individuals' performance in them.

Principles

- a) Senior post holder remuneration should be determined in the context of each institution's approach to rewarding all its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff.
- b) No individual can be involved in deciding his or her remuneration.
- c) Remuneration Committees must be independent and competent.
- d) The head of the institution (Hol) must not be a member of the Remuneration Committee.
- e) Remuneration Committees, when considering Hol remuneration, must be chaired by a lay governor who is not Chair of the governing body.

Element III - Transparency and accountability

The process for setting remuneration must be transparent. For senior post holders there must be an institutional-level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the Hol must be separately justified, published and related to the remuneration of all staff within the organisation.

Principles

Each institution must publish a readily accessible annual statement, based on an annual report to its governing body, containing:

- a) a list of post-holders within the remit of Remuneration Committee;
- b) membership of the Remuneration Committee⁷;
- c) its policy on the remuneration for post-holders within the remit of Remuneration Committee;
- d) its choice of comparator institutions/organisations;
- e) its policy on income derived from external activities;
- f) the pay multiple of the Hol and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above average, an explanation of why; and
- g) an explanation of any significant changes.

⁷ Alternatively, an explicit statement that the Head of Institution is not a member of Remuneration Committee

Explanatory notes

1. Institutions will be able to apply the above principles in a way that is appropriate to their circumstances. These notes do not expand the Remuneration Code but are intended to assist institutions' discussions as to their use of it.
2. Remuneration must be linked to the value delivered by an individual acting within a role. The value of a role is based on several components and criteria for assessing the value of roles, which could include:
 - complexity (scale and range of decision making, collaboration and contact, time-critical activity);
 - impact (on students, research, finances, and people, including employees, partners, and citizens);
 - discretion (level of accountability, degree of autonomy and decision-making authority);
 - levels of experience;
 - knowledge and skills (including specialist skills) required;
 - reputation and academic/professional credibility needed for the role;
 - an ability to recruit and retain key staff; and
 - external comparisons.
3. To retain staff, Remuneration Committees need to consider market position – typically by looking at a set of comparator institutions/organisations. The choice of these comparators will usually be linked to institutional strategy. Comparator selection may depend on the type of post being filled – for example, private and public sector comparisons are often used for professional services staff, whereas NHS and international HEI comparisons may be more appropriate for certain academic staff.
4. Institutions also need to reflect on what the consequences will be in instances where individuals do not deliver the expected contribution. Consequences for individuals will depend on the nature of the remuneration package offered but might mean no uplift of basic pay, no participation in bonus payments⁸, or some form of performance management.
5. For institutions that use metric-driven performance assessments, a balance should be achieved between the achievement of institutions' long and short-term objectives and, for those that use them, the impact of team-based assessments.
6. In making severance payments, institutions must meet their contractual obligations and be able to explain the reasons for any payments made. HEIs will need to carefully consider any advice that is available from regulators, together with detailed CUC advice. Remuneration Committees have specific responsibilities in this area – in particular, ensuring that contracts agreed with senior post holders are fair, reasonable, and justifiable and do not expose the institution to significant potential liabilities, for example by being able to explain notice periods of more than six months.
7. It is important for institutions that staff represent them on various bodies and boards and carry out academic and civic responsibilities at other organisations, e.g., non-executive director roles. There should be a clear and published policy on any such activity that generates additional income for the individual from the external body. Hols are generally unlikely to be able to retain significant sums, but any income they do retain needs to be disclosed and explained.
8. The approach to expenses can be a sensitive topic, and generally institutions should identify normal business costs separately and adopt a single published scheme that applies to all staff. Remuneration Committees should receive assurance that the scheme is operating effectively.

⁸ If available.

9. Remuneration Committees must be comprised of people who are independent of the institution's management - primarily lay members of the governing body.⁹ Membership must include the institution's Chair, but not the HoI.¹⁰ Remuneration Committees should be able to engage external independent expertise if required. Increasingly institutions are including student and staff members as an aid to transparency. In Scotland, the remuneration committee is expected to seek the views of representatives of students and staff of the Institution on the remuneration package of the Principal and the senior executive team.
10. Institutions must publish the multiple of the remuneration of the HoI and the median earnings of the institution's whole workforce annually. This should be accompanied by sufficient explanation and context to enable useful comparison. They may also wish to publish other multiples, such as the ratio of HoI salary to:
 - a) the median academic salary;
 - b) the median professorial salary; and
 - c) the median professional staff salary.

To assist with consistency and comparison, the definition for the multiple should be based on the methodology used by UCEA which is available from its website. Institutions will adopt a range for their chosen pay multiples that they regard as acceptable. The diversity of the sector means these ranges will differ between institutions. Institutions that position themselves in the highest quintile will need to be prepared to provide additional explanations to stakeholders and their regulators as to why this is desirable.

11. Each year, Remuneration Committees must produce an annual remuneration report to the governing body. That report will need to provide sufficient assurance to the governing body that the Remuneration Committee has effectively discharged its responsibilities.
12. The institution must also publish a readily available remuneration annual statement. This may be within the annual report and accounts (as an Annex or separate section), or it may be published as a standalone document. Ideally, the published annual statement will be the same as the annual remuneration report to the governing body. However, modifications may be necessary to preserve commercial confidentiality.

⁹ They may choose to co-opt additional external members with particular expertise.

¹⁰ The HoI may be invited to attend meetings but must not be present for discussions affecting him or her. Where the Remuneration Committee is responsible for all senior staff pay, including professors, it is important that the HoI is present at meetings to discuss these staff and ensure that the Committee's decisions are well informed.

Fair Work

In July 2018 the then First Minister, Carwyn Jones AM appointed Professor Linda Dickens to lead the independent Fair Work Commission. They reported in March 2019 with a set of recommendations to promote and encourage fair work in Wales.¹¹ As of 2020 all Welsh universities are accredited living wage employers.

In Scotland, the Fair Work Convention has been in place since April 2015 and acts as an independent advisory body to Scottish Ministers and has produced a Vision & Framework for Fair Work in Scotland.¹²

In England, this agenda has been pursued at a more local level. For example, several Metropolitan Mayors (e.g., Greater Manchester, Merseyside, London) and some local authorities and cities in England (e.g., Birmingham, Nottingham, Liverpool) are developing employment charters or standards.

Definition

Fair work is where workers are fairly rewarded, heard and represented, secure and able to progress in a healthy, inclusive environment where rights are respected. There are six characteristics within this definition. Tackling inequality and promoting equality and inclusion for all protected groups is integral to all six characteristics.

Fair Work Characteristics

1. Fair reward
2. Employee voice and collective representation
3. Security and flexibility
4. Opportunity for access, growth, and progression
5. Safe, healthy, and inclusive working environment
6. Legal rights respected and given substantive effect

The tackling of inequality and active promotion of equality and inclusion is seen as integral to the fair work agenda. On balance we felt that having it as a separate characteristic risked it not being regarded in this way and treated in practice as an 'add-on' or as tangential. In not having the promotion of equality as a separate fair work characteristic we have sought to emphasise the need for inclusion, equality, and human rights issues to be integrated and mainstreamed through all six characteristics

Fair reward

- Rates of pay and other terms and conditions are appropriate, commensurate with skill etc. Work is evaluated fairly, including revaluing of work generally performed by women.
- Relevant collective agreements are adhered to. Negotiated rates or industry, sector or occupational standards are followed where applicable.
- The Real Living Wage) provides the minimum wage floor for all working hours. The employer has achieved or is working towards accreditation as a Living Wage Employer.

¹¹ <https://gov.wales/sites/default/files/publications/2019-05/fair-work-wales.pdf>

¹² <https://www.fairworkconvention.scot/the-fair-work-framework/>

- Enhanced contractual rates above statutory minima are paid where possible (e.g., sick pay, maternity pay, paternity pay, holiday pay).
- There is transparency in pay calculation (including bonus, holiday pay, sick pay etc.) and the method of pay determination.
- Employer demonstrates non-discriminatory pay systems and that pay, and reward are equitable as between different groups (e.g., through transparent gender and ethnicity pay audits) and that there is an action plan to deliver this.
- There is transparency in pay distribution including reporting the ratio of senior pay to the median of their workers' pay, and an action plan to address pay gaps.
- Access to a good occupational pension.
- Benefit schemes that take account of the needs of lower-paid workers



SENIOR STAFF REMUNERATION COMMITTEE-A

Senior Staff Remuneration Committee Constitution and Membership – 2022/23	
Reporting to	Board of Governors
Receives minutes from	N/A
Approval	Revised and approved by the Board of Governors on 20/05/22
Due for Review	+1 year from last date of approval
Sensitivity	Open to the public
Log of reviews/edits	<ul style="list-style-type: none"> • Revised 28 April 2023 • Revised 29 April 2022 • Membership approved by the Board of Governors on 11 March 2022 • Revised and approved by the Board of Governors on 21/05/2021 • Revised 30 April 2021 • Revised 30 October 2020 • Membership and new Chair approved by Board of Governors on 10/07/20 • Revised and approved by the Board of Governors on 12/07/2019 • Membership approved by the Board of Governors on 04/05/2018 • Revised and approved by the Board of Governors on 25/09/2014

Purpose

The Senior Staff Remuneration Committee-A is responsible for:

- agreeing the policy and framework for the remuneration of senior post-holders, other than the Vice Chancellor,
- Having oversight of, and reviewing, the salaries of senior staff within the agreed policy and framework, and;
- monitoring the performance of the Deputy Vice Chancellors and the University Secretary as designated senior post holders.

It makes decisions in line with the Operating framework for Senior Pay which is approved annually by the Board of Governors.

Terms of reference – SSRC A

The Committee has delegated authority to:

1. Agree the policy and framework for the remuneration of Holders of Senior Posts, in line with the principle that the reward and recognition will be:
 - sufficient to attract, retain, and engage high performing staff;
 - aligned to the University’s Strategic Planning Framework and HR Strategy;
 - informed by gender and equality-related factors;
 - sufficiently flexible to compete effectively in the market (bearing in mind median salaries of similar roles in relevant sector groups);
 - robustly risk-assessed and financially sustainable;
 - internally equitable and consistently applied; and
 - appropriately transparent and clearly communicated.
2. Ensure that the framework has due regard to the Committee of University Chairs’ Higher Education Senior Staff Remuneration Code and any other applicable regulatory or legal requirements (as amended from time to time);
3. Review and determine the salaries and terms and conditions of Holders of Senior Posts both on appointment and thereafter, reviewing them within the agreed policy and framework;
4. Consider and approve severance arrangements for Senior Post Holders and Senior Staff in accordance with the University’s policy on severance payments for Senior Staff;
5. Consider annually the range of external unpaid appointments held (with the prior consent of the Vice Chancellor) by Holders of Senior Posts;
6. Consider and approve requests by Holders of Senior Posts to hold or undertake any paid external appointments and to determine any conditions to be attached, including all financial arrangements and conditions;
7. Ensure appropriate succession planning arrangements are in place for Holders of Senior Posts;
8. Have oversight of the salaries and terms and conditions of Senior Staff;
9. Ensure that, in discharging its responsibilities, the Committee’s decisions are not in conflict with the University’s charitable status.

For these purposes:

- “Holders of Senior Posts” means, as at the date of adoption of these Terms of Reference, the Deputy Vice Chancellors and University Secretary (or as otherwise defined from time to time in the University’s Instrument and Articles of Governance).
- “Senior Staff” are those other employees who are members of the Senior Management Group.

Following each meeting the Committee shall make a report to the Board of Governors on the exercise of its delegated authority, subject to considerations of confidentiality and data protection.

Membership profile

The members of the Committee shall comprise the Chair of the Board, and up to five lay Governors. The Vice-Chancellor is not be a member and attends to inform the business of the Committee.

Senior Staff Remuneration Committee A – 2022/23

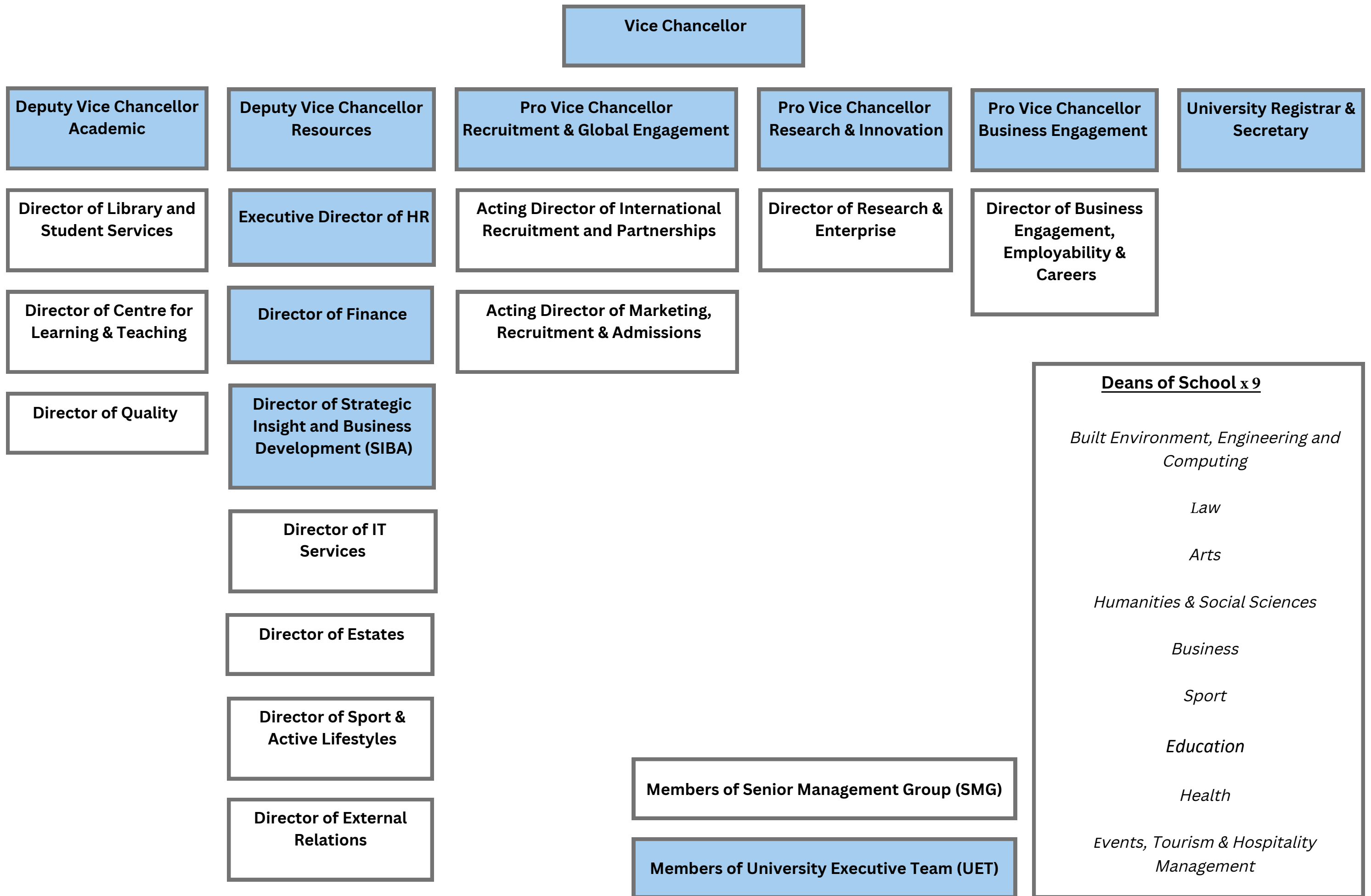
Membership [5]

Quorum [3]

<u>Position</u>	<u>Member</u>	<u>Expiry of term of office</u>
Independent Governor	Ms Nicki Latham (Chair)	31/08/2023
Independent Governor	Mr David Lowen	31/08/2023
Independent Governor	Mr Andrew West	31/08/2025
Independent Governor	Mr Nick Whitaker	31/08/2024
Independent Governor	Cielo Cartwright	31/08/2023

In attendance

Executive Director of HR	Mrs Heather Paver
Deputy Director of HR	Ms Sarah Swales (Secretary)
Vice Chancellor	Peter Slee



Carnegie School of Education
Dean of School
Director of Research
Director Centre for Race, Education and Decolonisation
Professor x 3
Head of Subject x 4

Carnegie School of Sport
Dean of School
Director of Research
Professor x 16
Head of Subject x 6

School of Humanities and Social Sciences
Dean of School
Director of Research x3
Professor x 5
Head of Subject x 7

Leeds Business School
Dean of School
Director of Research
Professor x 4
Head of Subject x 3

Leeds Law School
Dean of School
Head of Subject x 2

Leeds School of Arts
Dean of School
Director of Research x2
Professor x 4
Head of Subject x 4

School of Built Environment, Engineering and Computing
Dean of School
Director of Research
Director of the Leeds Sustainability Institute
Professor x 7
Head of Subject x 3

School of Health
Dean of School
Director of Research
National Adviser Public Mental Health Director of Health Partnerships and Practice Learning
Professor x 8
Head of Subject x 6

School of Events, Tourism and Hospitality Management
Dean of School
Professor x 5
Head of Subject x 2



Senior Staff Remuneration Committee Constitution and Membership – 2022/23

Reporting to	Board of Governors
Receives minutes from	N/A
Approval	Revised and approved by the Board of Governors on 20/05/2022
Due for Review	+1 year from last date of approval
Sensitivity	Open to the public
Log of reviews/edits	<ul style="list-style-type: none">• Revised 28 April 2023• Revised 29 April 2022• Membership approved by the Board of Governors on 11 March 2022• Revised and approved by the Board of Governors on 21/05/2021• Revised 30 April 2021• Revised 30 October 2020• Membership and new Chair approved by Board of Governors on 10/07/20• Revised and approved by the Board of Governors on 12/07/2019• Membership approved by the Board of Governors on 04/05/2018• Revised and approved by the Board of Governors on 25/09/2014

Purpose

The Senior Staff Remuneration Committee-B is responsible for:

- agreeing the policy and framework for the remuneration of the Vice Chancellor,
- reviewing and determining salary and terms and conditions of employment of the Vice Chancellor within the agreed policy and framework, and,
- monitoring the performance of the Vice Chancellor.

It makes decisions in line with the Operating framework for Senior Pay which is approved annually by the Board of Governors.

Terms of reference – SSRC B

The Committee has delegated authority to:

1. Agree the policy and framework for the remuneration of the Vice Chancellor, in line with the principle that the reward and recognition will be:
 - a. sufficient to attract, retain, and engage high performing staff;
 - b. aligned to the University's Strategic Planning Framework and HR Strategy;
 - c. informed by gender- and equality-related factors;
 - d. sufficiently flexible to compete effectively in the market (bearing in mind median salaries of similar roles in relevant sector groups);
 - e. robustly risk-assessed and financially sustainable;
 - f. internally equitable and consistently applied; and
 - g. appropriately transparent and clearly communicated.
2. Ensure that the framework has due regard to the Committee of University Chairs' Higher Education Senior Staff Remuneration Code and any other applicable regulatory or legal requirements (as amended from time to time);
3. Review and determine the salary and terms and conditions of the Vice Chancellor both on appointment and thereafter, reviewing them within the agreed policy and framework;
4. Consider and approve severance arrangements for the Vice Chancellor accordance with the University's policy on severance payments for Senior Staff;
5. Consider annually the range of external unpaid appointments held by the Vice Chancellor;
6. Consider and approve requests by the Vice Chancellor to hold or undertake any paid external appointments and to determine any conditions to be attached, including all financial arrangements and conditions;
7. Ensure appropriate succession planning arrangements are in place for the Vice Chancellor;
8. Ensure that, in discharging its responsibilities, the Committee's decisions are not in conflict with the University's charitable status.

Following each meeting the Committee shall make a report to the Board of Governors on the exercise of its delegated authority, subject to considerations of confidentiality and data protection.

Membership profile

The members of the Committee shall comprise the Chair of the Board, and up to five lay Governors.

Senior Staff Remuneration Committee B – 2022/23

Membership [5]

Quorum [3]

<u>Position</u>	<u>Member</u>	<u>Expiry of term of office</u>
Independent Governor	Ms Nicki Latham (Chair)	31/08/2023
Independent Governor	Mr David Lowen	31/08/2023
Independent Governor	Mr Andrew West	31/08/2025
Independent Governor	Mr Nick Whitaker	31/08/2024
Independent Governor	Cielo Cartwright	31/08/2023
<u>In attendance</u>		
Executive Director of HR	Mrs Heather Paver	
Deputy Director of HR	Ms Sarah Swales (Secretary)	



LEEDS
BECKETT
UNIVERSITY

SENIOR STAFF REMUNERATION COMMITTEE

POLICY DOCUMENTS

Performance & Development Review Guidelines for the Vice Chancellor (for use in Meeting B)

Introduction

1. Our Strategic Planning Framework can only be achieved through the effective performance and development of all our staff.
2. This document outlines the process to be followed in the review of the Vice Chancellor's performance and contribution which will follow, broadly, the University Performance & Development Review (PDR) process.
3. The Performance & Development Review process for the Vice Chancellor will take place every year normally during the period September – October.
4. The Performance & Development Review of the Vice Chancellor will be undertaken by the Chair of the Board of Governors.
5. A written report on the Vice-Chancellor's performance by the Chair of the Board of Governors is made to the autumn meeting of SSRC.

Documentation

6. The Performance & Development Review (PDR) document is made up of the following sections which will provide a focus for the review of the Vice Chancellor's performance:
 - Performance Review
 - Performance Objective Setting
 - Identifying Development Needs and Activities
 - Career Development and future potential (may include retirement planning).

Performance Review

7. The PDR meeting will include a review of the Vice Chancellor's performance against each objective. It may also be helpful to reflect on development that the Vice Chancellor has engaged in during the year and consider what impact that has had on performance.
8. Where appropriate, any areas that require improvement will be identified and fed into the development needs recorded on the PDR form.
9. The Chair of the Board should record a brief summary of the individual's overall performance.
10. The Vice Chancellor is also provided with the opportunity to record comments regarding his/her performance over the year.



Performance Objective Setting

11. Performance objectives for the next 12 months will be identified and agreed between the Vice Chancellor and the Chair of the Board. Progress towards these performance objectives should be discussed at regular intervals, including an interim meeting after 6 months, culminating in the final review of the year. During the review year, account should be taken of any objectives that have ceased to be relevant. Any additional objectives that are discussed and agreed during the review year should be added to the reviewer and reviewee copies of the PDR form.
12. Where possible, objectives should be SMART (Specific, Measurable, Achievable, Relevant and Time bound), with both the reviewer and the reviewee understanding what the objective means in practical terms and the type of evidence that will be required to assess whether it has been achieved.

Identifying Development Needs and Activities

13. Discussion of development needs should also take place between the Vice Chancellor and the Chair of the Board as part of the process. This may include short term and longer terms development areas.

Career Development and Future Potential/Plans

14. In this section a short summary of any discussion around career development or longer-term plans may be helpful. These may include future career aspirations or plans and retirement planning, where appropriate.

Completed Documentation

15. The PDR form contains sensitive personal information. A copy of the document should be kept by both the reviewer and the reviewee and sent to the Director of Human Resources on a strictly confidential basis and to be retained on file.

Approved by SSRC: 5 May 2017

Date for Review: 2019/20

Reviewed 2020/21: minor changes proposed to SSRC

Reviewed 2022/23: minor changes proposed – approved by SSRC 28 April 2023

Guidance on Senior Postholders holding Roles outside the University

Introduction

1. From time-to-time senior postholders may be invited to take on roles/deliver services outside our University. Examples of this activity might involve invitations to sit on Boards or Committees, become charity trustees, deliver consultancy or training or undertake mentoring activity. This is common practice in the HE sector as it is accepted that such activity can be of mutual benefit to the host organisation, the individual postholder and our University. This document sets out the arrangements by which consideration is given to requests from senior postholders to take on such roles and responsibilities.

Unpaid Roles

2. The responsibility for approving requests for senior postholders to take on unpaid roles outside our University lies with the Vice Chancellor (and with the Chair of the Board in respect of a request from the Vice Chancellor to take on an additional unpaid role his/herself). In considering such a request the following principles will be applied to the decision:
 - (a) The nature of the role should support the work and development of the individual postholder;
 - (b) The nature of the role, and any organisation involved, should support the work of our wider University or the HE sector;
 - (c) Undertaking the role should not prevent or inhibit the performance or capacity of the senior postholder to perform the duties of their substantive post, nor should it create a conflict of interest for the individual concerned;
 - (d) Undertaking the role should not bring the University into disrepute.

Once permission has been received, the senior postholder will inform the Director of Human Resources who will include the role in an annual report to the Senior Staff Remuneration Committee.

Paid Roles

Responsibility for Approval

3. The responsibility for approving requests for senior postholders to take on paid roles outside our University is delegated by the Board of Governors to the Senior Staff Remuneration Committee. When a request is received, Senior Staff Remuneration Committee members shall apply the following principles to their consideration:
 - (a) The nature of the role should support the work and development of the individual postholder;



- (b) The nature of the role, and any organisation involved, should support the work of our wider University or the HE sector;
- (c) Undertaking the role should not prevent or inhibit the performance or capacity of the senior postholder to perform the duties of their substantive post, nor should it create a conflict of interest for the individual concerned;
- (d) Undertaking the role should not bring the University into disrepute;
- (e) Any remuneration connected with the role would normally be retained by the senior postholder, but in each case this would be confirmed by the Senior Staff Remuneration Committee.

Process for Consideration

4. The process for seeking approval, and consideration, of requests is set out below:
 - (a) If the Vice Chancellor wishes to take on a paid role outside the University, he/she should discuss the matter with the Chair of the Board of Governors. If, taking into account the existing portfolio of additional roles held, the Chair of the Board of Governors is supportive of the request then the Vice Chancellor should submit a request to the Director of Human Resources for consideration by the Senior Staff Remuneration Committee giving details of the role, the expected time commitment and remuneration attached. The request should be submitted to the Director of Human Resources normally at least two weeks before the role/activity is due to begin.
 - (b) If a senior postholder other than the Vice Chancellor wishes to take on a paid role outside the University, he/she should discuss the matter with the Vice Chancellor. If, considering the existing portfolio of additional roles held, the Vice Chancellor is supportive of the request then the senior postholder should submit a request to the Director of Human Resources for consideration by the Senior Staff Remuneration Committee giving details of the role, the expected time commitment and remuneration attached. The request should be submitted to the Director of Human Resources normally at least two weeks before the role/activity is due to begin.
 - (c) On receipt of a request, the Director of Human Resources shall:
 - review this request alongside any additional paid or unpaid roles already held by the senior postholder in question (the “profile”)
 - forward the request, together with the profile of the senior postholder in question, to members of the Senior Staff Remuneration Committee by email and elicit comments, support or otherwise from members
 - forward a summary of comments of members to the Chair of Senior Staff Remuneration Committee who will make a final decision, after consulting further with members as necessary.
 - (d) On receipt of a decision from the Chair of the Senior Staff Remuneration Committee the Director of Human Resources shall:



- inform the senior postholder of the outcome of the Senior Staff Remuneration Committee consideration and obtain confirmation that the senior postholder is going ahead and taking up the role
- inform the Senior Staff Remuneration Committee of the Chair's decision
- ensure that the role is recorded on the individual's profile
- inform the University Secretary to update the relevant register of interests

Monitoring

5. In accordance with the Principles and Procedures for the Annual Review of Remuneration of Senior Postholders, the Director of Human Resources shall submit a record of roles (unpaid or paid) held by senior postholders to the Senior Staff Remuneration Committee each year as part of the annual review of remuneration.

Approved by SSRC: 21 November 2014

Reviewed and approved by SSRC: 5 May 2017

Date for Review: 2019/20

Reviewed 2020/21: no changes proposed to SSRC

Reviewed 2022/23: no changes proposed - approved by SSRC 28 April 2023

Policy on Honorarium Payments for Senior Postholders

Senior Postholder Pay Arrangements

1. Salaries for Senior Postholders are reviewed on an annual basis by the Senior Staff Remuneration Committee and, where deemed appropriate, are progressed within the market based salary range for their post. Consideration will be given to market pay levels, internal relativities, service and individual contribution in determining an appropriate salary within the stated range.

Criteria for Honorarium Payments

2. The Vice Chancellor (in respect of his Senior Postholder direct reports) or the Chair of the Board of Governors (in respect of the Vice Chancellor) may request that the Senior Staff Remuneration Committee consider an honorarium payment in accordance with this policy. Requests for such a payment should include a recommendation of quantum and supporting rationale for the request, reflecting and mapping against the criteria in this policy.
3. Where an adjustment to the pay of a Senior Postholder is agreed by the Senior Staff Remuneration Committee this will normally be an adjustment to the annual salary. However, there may be some circumstances in which the payment of an ex gratia honorarium is deemed more appropriate including the following:
 - a. the successful delivery of a specific institutional or sector level output which is over and above the individual's agreed annual performance objectives;
 - b. the individual has significantly exceeded a specific institutional level performance objective to an extent that would not be typically expected on an annual basis and therefore through consolidated pay progression;
 - c. a Senior Postholder is to assume responsibility for a significant aspect of organisational delivery on a temporary basis due to a senior vacancy or other institutional priority which is clearly outside of their core role for a minimum of 6 months. In this situation, the honorarium is in effect an "acting up" allowance and would be payable monthly for the duration of the stated responsibility. Any such proposal should be agreed by the Senior Staff Remuneration Committee in consultation with the Vice Chancellor or Chair of Board of Governors (as appropriate) in advance of being implemented rather than being awarded retrospectively.

Terms of Honorarium Payments

4. Honorarium payments will only be made when one or more of the criteria above apply and will not be used to replace consolidated salary progression.
5. In some circumstances it may be deemed appropriate to increase a Senior



Postholder's basic salary with respect to the factors outlined in paragraph 1 above and also award an honorarium in accordance with this policy.

6. Honorarium payments will be subject to pension contributions where required in line with the relevant pension scheme. In circumstances where the Senior Postholder has opted out of the relevant employer's scheme the honorarium payment will not be adjusted to reflect any pension benefits which would have accrued.
7. Honorarium payments up to the value of 10% of gross salary can be awarded by the Senior Staff Remuneration Committee.

Review of Policy

8. The Senior Staff Remuneration Committee will keep this policy under review on an annual basis and will make adjustments as required.
9. The policy will be formally reviewed every three years to ensure it is aligned with our University's overall approach to pay and reward and takes in to consideration any broader trends or developments around senior pay and reward across the sector.

Approved by SSRC:

Reviewed and approved by SSRC:

Date for Review: 2019/20

Reviewed 2020/21: no changes proposed

Reviewed 2022/23: no changes proposed - approved by SSRC 28 April 2023

Policy on Pension Scheme Membership Opt Out for Senior Post Holders

Introduction

1. From 2011, changes to the pension tax regime relating to both the Annual Allowance and the Lifetime Allowance have impacted on employees. In particular, the reduction in the Lifetime Allowance (the limit on total UK tax favourable pension savings from all “registered” sources at retirement) has created potential issues of remuneration and retention of senior post holders, as defined in the articles of government.
2. This paper sets out the University’s policy on pension scheme membership for senior post holders to enable the consideration of alternative remuneration in appropriate circumstances.

Policy

3. The main remuneration benefit after salary for all employees is the provision of an occupational pension scheme into which the employer and the employee each make a contribution. The University’s standard policy is that a relevant occupational pension scheme is provided to all employees. Employees may opt out, if they wish, but no alternative in lieu of pension is made available.
4. The University recognises the clear benefits of making financial provision for its employees’ retirements and encourages all staff to belong to whichever of the available pension schemes is appropriate. However, due to the taxation changes outlined in section 1, in certain circumstances the financial incentive for an employee to remain within a pension scheme may reduce or cease altogether, which will raise issues of total remuneration and retention of senior staff. Accordingly, the Senior Staff Remuneration Committee (SSRC) will consider alternative remuneration in lieu of employer’s pension contribution for senior post holders on the following basis:
 - i. Any senior post holder who wishes to apply for alternative remuneration in lieu of pension should apply in writing to the Director of Human Resources, who will, in turn, ensure that the University Secretary and Chair of the Board are informed. External advice will be sought by the University to confirm whether or not remaining within the relevant pension scheme is likely to be financially detrimental to the employee. The matter will be given formal consideration within the SSRC only when the advice confirms this is likely.
 - ii. The Committee will also give consideration to the retention of key personnel. Any consideration given will include whether or not it is in the interest of the University to provide the senior post holder with alternative remuneration in lieu of pension.
 - iii. The Committee’s decision will be final.

5. In a situation where the SSRC has determined that it would be appropriate to offer alternative remuneration in lieu of pension a salary supplement equivalent to the University's current cost will be considered on the following basis:
 - i. The supplement equivalent to the employer's pension contribution, net of employer's NI contribution, would be absorbed into basic pay. This would be a 'one time' adjustment; future fluctuations in employer's pension contribution or in employer's NI contribution rates would not be considered.
 - ii. If the senior post holder decided at some future date to re-join the pension scheme then the basic salary would be readjusted to take account of employer's pension contributions and employer's NI contribution from the effective date of re-entry.

Outcomes

6. All decisions of the SSRC relating to consideration of these matters will be communicated formally to the employee in writing. Where appropriate, an amended contract of employment will be issued to reflect the agreed change in remuneration.
7. Outcomes will comply with all requirements regarding financial reporting.

Approved by SSRC: 21 November 2014

Reviewed and approved by SSRC: 5 May 2017

Date for Review: 2019/20

Reviewed 2020/21

Reviewed 2022/23: no changes proposed - approved by SSRC 28 April 2023