

Annual Remuneration Report for Council 2020-21

Introduction

1. Terms of Reference

The 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 latest version 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 2020-21

The President of Council (Chair)	Mrs C Booth
The Vice-President of the Council	Dr P Johnson
Two lay members of Council	Mrs H Miller
	Dr R Platt
Independent Member	Ms C Robertson

In Attendance

The Vice-Chancellor	Professor Dame Janet Beer
University Secretary and the Director of Legal & Governance	Mr K Ryan
The Director of Human Resources	Mr K Watkinson (Secretary)

During the reporting period the Committee was chaired by the President of Council, although the Vice-President took over the Chair during consideration of the Vice-Chancellor's remuneration. From the beginning of 2021-22, the Vice-President will act as Chair of the Committee in accordance with CUC guidance.

3. Meetings

The Committee met on two occasions during the academic year; 3 November 2020 and 25 May 2021 and a list of attendees are set out in Appendix 2.

Approach to Remuneration

4. Operating Environment

Factors concerning the sustainability and the operations of the University during this period included challenges facing the sector because of the Covid-19 pandemic and the resulting changed financial circumstances of the institution.

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 Policy¹ 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:

- The Committee previously considered the Vice-Chancellor's 2019-20 remuneration at its meeting on 20 May 2020. At that meeting, the Committee agreed, and this was subsequently agreed by Council at its meeting on 7 July 2020, that whilst respecting the VC's request not to receive a bonus payment, it should be reconsidered at the next meeting in November 2020. The bonus was reconsidered at that meeting and it was agreed to accept and honour the VC's decision not to receive a bonus payment for 2019-20.

The Committee considered a presentation by the President of Council on the Vice-Chancellor's performance measured against the 2020-21 objectives which indicated a successful year and that a recommendation for bonus would be made. However, in the VC's PDR discussion with the President of Council, the VC specifically requested that no bonus payment should be made to her again this year owing to the prevailing financial circumstances. The Committee recommended to Council not to award a bonus payment or percentage increase in baseline salary in the light of the ongoing pandemic and the consequent impact on the University's finances and this was agreed by Council at its meeting on 13 July 2021.

A review of the most recent Universities and Colleges Employers Association (UCEA) Salary Survey and the Russell Group Survey of Pay for Vice-Chancellors would usually be consulted when considering the VC's remuneration, however, at the time of the Committee, the UCEA and Russell Group Survey data had not yet been published.

- The Senior Leadership Team agreed that the 2021 Annual Promotion and Reward processes (Annual Review) across all staff groups should return in 2021 after being cancelled in 2020 in the light of the COVID-19 pandemic and the consequent impact on the University's finances.

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 2021, and which would be implemented across all staff groups, would be 1.5% but with tapering arrangements providing for a slightly higher percentage for lower remunerated positions.

¹ <https://www.liverpool.ac.uk/working/whyworkhere/salaryscales/reward-senior-staff/>

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, the only position that continues to attract a bonus is the role of Director of Development and Alumni. The role attracts an additional payment of up to 10% of annual salary. As the current role holder only commenced employment in June 2021, she was not eligible for a PRP payment for 2020-21.

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
31/07/2020	£36,500	£300,500	8.2
31/07/2019	£35,200	£291,500	8.3
31/07/2018	£34,500	£278,200	8.1

REMUNERATION COMMITTEE

Minute Secretary: Emma Leonard, email: e.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 her/his 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.

Frequency of Meetings

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

Reporting Relationship

The Remuneration Committee reports directly to the Council.

Quorum

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

Constitution and Membership

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

The Vice-President of the Council (Chair)

The President of Council

Two lay members of Council

Independent Member

Dr P Johnson

Mrs C Booth

Mrs H Miller (2021-24)

Dr R Platt (2020-23)

To be appointed

In Attendance

The Vice-Chancellor

The University Secretary and the Director of Legal & Governance

The Director of Human Resources

The HR Management Services Coordinator

Professor Dame Janet Beer

Mr K Ryan

Mr K Watkinson (Secretary)

Mrs D Grainger

Appendix 2

Dates of Meetings & Register of Attendance 2020/2021

	3 November 2020	25 May 2021
Full members:		
President of Council (Chair) Mrs Carmel Booth	✓	✓
Vice-President of Council Dr Paul Johnson	✓	✓
Lay Member of Council Mrs Helen Miller	✓	X
Lay Member of Council Dr Roger Platt	Not appointed to the Committee	X
Independent Member Ms Claire Snell now Robertson	✓	✓
In attendance:		
Vice-Chancellor Professor Dame Janet Beer	✓	✓
Director of People & Services Dr Carol Costello	✓	No longer member of the Committee
University Secretary & Director of Legal & Governance Mr Kevan Ryan	✓	✓
Director of Human Resources (Secretary) Mr Keith Watkinson	✓	✓
Committee Minute Secretary Mrs Debbie Grainger	✓	✓