

ANNUAL REMUNERATION REPORT TO UNIVERSITY COURT

FOR THE FINANCIAL YEARS 2021/22 and 2022/23

1. Background

1.1 The University of Strathclyde Remuneration Committee presents an annual remuneration report to its Court Governors to provide assurance on the conditions of service and remuneration of key University senior postholders and to comply with 'The Higher Education Senior Staff Remuneration Code November 2021' published by the Committee of University Chairs (CUC). Whilst compliance with this CUC Code is not compulsory for Scottish Higher Education Institutions, Remuneration Committee agreed during 2021/22 that the production of an annual remuneration report on its work would enhance governance, increase transparency and be in line with best practice within the Higher Education Sector in other parts of the UK. In addition to this annual report on Remuneration Committee activity, Court receives Minutes of Remuneration Committee meetings as they occur during the year.

As well as recognising the importance of the CUC Code, Remuneration Committee continues to comply with the 'Scottish Code of Good Higher Education Governance', with an annual check to ensure such compliance being a standard Remuneration Committee Agenda item.

1.2 'The Higher Education Senior Staff Remuneration Code' ('the CUC Code') suggests that the Annual Report on Remuneration Committee business should be shared with Court then published in a readily accessible place on a University's website. It is intended that this Report, once noted by Court, will be placed in the Court Section of the University's website. Since this is the first formal Annual Report to Court on Remuneration Committee business, it is an extended version covering Financial Years 2021/22 and 2022/23. In future, each Annual Report will cover only one University Financial Year.

1.3 The CUC Code suggests that the annual Remuneration Committee report should contain the following information:-

- a list of post holders within the remit of Remuneration Committee
- membership of the Remuneration Committee (or an explicit statement that the Head of Institution is not a member of Remuneration Committee)
- its policy on the remuneration for post holders within the remit of Remuneration Committee
- its choice of comparator institutions/organisations
- its policy on income derived from external activities
- the pay multiple of the Head of Institution 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 plus an explanation of any significant changes.

2. Postholders within the remit of Remuneration Committee

The University's 'Contribution Related Pay Policy: Remuneration Committee', agreed by Court in 2018 and updated in 2022, confirms that the following postholders fall within the remit of Remuneration Committee:-

- The Principal and Vice-Chancellor*
- The Vice-Principal*
- The Associate Principals and Executive Deans*
- The University Secretary*

- The University Compliance Officer*
- The Chief Commercial Officer*
- The Chief Financial Officer*
- The Chief Digital & Information Officer*
- The Chief People Officer*
- The Associate Principals*
- The Directors of Professional Services
- The Deputy Associate Principals

*Posts formally designated as University Senior Officers

3. Remuneration Committee Terms of Reference and Membership

The Remuneration Committee's Terms of Reference were agreed by University Court in 2018 and updated in 2022. The Terms of Reference and composition of the Remuneration Committee can be found [here](#). The Committee Membership is comprised entirely of lay members (i.e. of individuals who are not on the University's payroll):

- (a) The Convener of Court *ex officio* (in line with the 'Scottish Code of Good Higher Education Governance', the Convener does not Chair Remuneration Committee)
- (b) The Treasurer *ex officio*
- (c) Up to five other members, appointed based on their skills and experience.

The Principal is NOT a member of Remuneration Committee but attends Remuneration Committee at the invitation of the Chair to inform discussions on the remuneration and conditions of service of other senior postholders. The Principal is never present when his own remuneration and/or conditions of service are discussed.

The Chief People Officer acts as Secretary to the Committee and withdraws from the meeting if his own remuneration is discussed.

4. Remuneration Policy

"The Contribution Related Pay Policy: Remuneration Committee", guides the work of the Committee and mirrors the Policy for other University staff. The Remuneration Policy can be found <here>.

5. Choice of Comparator Institutions

To ensure a balanced approach to Remuneration whereby senior salaries remain competitive but with due regard to affordability and acceptability, on an annual basis Remuneration Committee receives comparative information on salaries and other benefits of those in equivalent positions in the Higher Education sector and elsewhere. This includes benchmark salary information from the annual Universities and Colleges Employers' Association (UCEA) Remuneration Survey and from a survey run by the Committee of University Chairs (CUC). In addition, information on the nationally negotiated general increase for Higher Education staff, which is applied annually to the salaries of University staff other than the Principal, helps inform Remuneration Committee decision making, as does a paper summarising pay increases in the wider economy for the previous year.

In using the UCEA Remuneration Survey, the Committee has previously considered a range of benchmark institutions across the UK which have been deemed to be appropriate comparators with Strathclyde. During 2022, Remuneration Committee carried out a review of this benchmark group and chose a revised comparator list from across the UK and Europe. The appropriateness of this list,

which comprises research intensive technological universities with turnover similar to Strathclyde, is reviewed on an annual basis as part of Remuneration Committee’s standing agenda items. At all times, Remuneration Committee takes account of the context in which Strathclyde operates and the need to ensure fair pay for all.

6. University Policy on external activities and expenses

The University’s “[Procedure in relation to Work for Outside Bodies including Consultancies](#)” applies to all University staff, including those considered by Remuneration Committee.

The University has a single scheme for payment of expenses for all employees, including Senior Postholders. The policy and procedures for claiming expenses incurred in the course of University business can be found [here](#). The University [publishes an annual list of expenses](#) occurred by its Senior Officers.

7. Pay Multiples

In advance of its decision making on the Principal’s pay, Remuneration Committee considers information provided by UCEA on pay ratios between Vice-Chancellor pay and median staff pay across the UK. According to the UCEA data, the University is situated in the top quartile of the distribution, with this ratio being affected by the University’s Values-led decision to retain our operational support staff, including catering and cleaning staff, as employees of Strathclyde. This decision to maintain in-house services results in the median pay ratio being higher than will be the case in other organisations where such key services are outsourced.

The University publishes details of the pay multiple of the Principal and the median earnings of the Strathclyde workforce in its Annual Accounts. The Annual Accounts for 2021/22 confirm that the Principal’s remuneration is 8.56 times the median pay of University employees (2021:8.56; 2020:8.81). This pay ratio calculation excludes payments made in lieu of employer’s pension contributions and agency/temporary staff employed by the University. Full details of the Principal’s remuneration are included in the [University’s Annual Accounts](#). The University’s Annual Accounts for 2022/23 will be published towards the end of calendar year 2023 and will include pay ratio information for this most recent financial year.

8. Summary of Remuneration Committee Meetings and business conducted during the report period

The Remuneration Committee met on 31st January 2022 to consider the remuneration of the Principal and other stakeholders within its remit. In advance of its decision making, Remuneration Committee heard feedback from key stakeholder consultation held prior to the Committee and considered a range of benchmarked sector data on senior remuneration. The Committee noted the outcomes of pay awards for other employees from the national pay negotiations and received a range of performance related information on postholders falling within its remit. This included information on the Principal’s Accountability and Development Review (ADR) discussion with the Convener of Court and outcomes of performance consultation with all members of Court.

Remuneration Committee awarded the Principal a consolidated pay increase of 1.5% in line with the national pay award applied to the salaries of other University staff. Additionally, a £15k lump sum was allocated to an internal good cause of the Principal’s choice and the Principal was encouraged to take time during the summer period to research best practice internationally in order to inform the strategic development of Strathclyde.

The Committee recognised that the Principal's Executive Team had declined to be considered for any remuneration award in the 2020/21 year and had agreed that only non-consolidated awards would be made for 2021/22 due to the continuing financial implications of the Covid pandemic. Accordingly, and in line with the 'Contribution Pay Policy: Remuneration Committee', non-consolidated awards were made to recognise exceptional performance for six Senior Officers, three Deputy Associate Principals and six Professional Services Directors.

Remuneration Committee met again on 13th October 2022. No awards of contribution pay were made at this meeting however Remuneration Committee reviewed its compliance with a range of governance codes and made suggested changes to a number of key documents including its Contribution Pay Policy, Terms of Reference, Voluntary Severance Approval Arrangements, Policy on Principal's Remuneration and Discretionary Policy on Salary Supplements. Court approval of the suggested changes to each of these policies was subsequently given. The 13th October meeting also made changes to the list of benchmark universities to be used by Remuneration Committee in future and a summary of Mutually Agreed Severance Cases for calendar year 2021 was received.

Remuneration Committee met again on 1st December 2022 to consider the remuneration of the Principal and other stakeholders within its remit. In advance of its decision making, Remuneration Committee heard feedback from key stakeholder consultation held prior to the meeting and considered updated benchmarking data on senior remuneration at comparator universities. The Committee noted the outcomes from the national pay negotiations and received performance related information on postholders falling within its remit. This included information on the Principal's ADR meeting with the Convener of Court and feedback received on Principal's performance following consultation with all Court members.

Remuneration Committee noted that, in light of the ongoing cost of living crisis, the Executive Team had previously determined to award each member of University staff a one-off non-consolidated bonus payment ranging from £750 for colleagues on lower salary grades to £400 for more senior staff (This payment excluded Executive Team members). Given the cost of these payments, no contribution pay would be awarded this year, including for staff falling within the remit of the Remuneration Committee.

Remuneration Committee, noting that, unlike the other staff falling within its remit, the Principal did not receive the nationally negotiated increase, chose to award the Principal a consolidated pay increase of 3% in line with that national pay award. Additionally, a £15k lump sum was allocated to a good cause of the Principal's choice related to the University and the Principal was again encouraged to take time during the summer period to research best practice internationally in order to inform the strategic development of Strathclyde.

No other meetings of the Remuneration Committee were held within the 2021/22 and 2022/23 review periods.

GS/SH