

THE UNIVERSITY OF LEEDS

THE COUNCIL

Annual Report from Remuneration Committee – 2014-15

This is the Annual Report from the Remuneration Committee (“the Committee”) to the Council. The Council is invited to approve some minor modifications to the Committee’s terms of reference, but otherwise no decisions are required of the Council. Comments are, of course, welcome.

Introduction

1. The intention of this Report is to ensure that Council members are briefed on the overall approach to senior staff remuneration and the nature of the decisions that the Committee makes.
2. The members of the Committee as at 1 July 2015 were:
 - Mr David Gray (Chair)
 - Mr John Stoddart-Scott
 - Mr Ed Anderson
 - Mrs Amanda Mellor

 - In attendance: Sir Alan Langlands, Vice-Chancellor
Linda Mortimer Pine, Acting Director of HR (Secretary to the Committee).

Framework for senior pay

3. The Terms of Reference for the Committee, with amendments agreed by the Committee at their meeting on 30 July 2015, are shown in the Annex. *The Council is invited to approve these changes.*
4. Senior staff salaries (i.e. salaries for academic and non-academic staff at Grade 10¹) are determined either by the Remuneration Committee or by the Professorial and Senior Staff Salary Review Committee:
 - a. The Remuneration Committee directly determines salary levels for the Vice-Chancellor and University Executive Group members.
 - b. The Professorial and Senior Staff Salary Review Committee, which is chaired by the Pro-Chancellor and in addition comprises the Vice-Chancellor, Deputy Vice-Chancellor and a Pro-Vice Chancellor, determines salaries for the remainder of Grade 10 staff.
5. In determining the salaries of senior staff who fall directly in its remit, the Remuneration Committee adopts the following principles:
 - To consider performance in year supported by written statements from the Vice-Chancellor and the Deputy Vice-Chancellor;
 - To consider internal salary relativity;
 - To consider external market issues and benchmarking data, normally with a focus on upper quartile data.

¹ Members of staff whose salaries are above point 50 on the University of Leeds single pay spine, grade 10, or on the professorial salary scale.

6. In future, the Committee will also consider information on the approach taken by the Professorial and Senior Staff Salary Review Committee, in particular on summary information regarding the percentage uplift, and similar summary information on salary uplift for members of staff on grades 2 to 9.
7. The Committee receives reports giving details of salary increases and retention decisions which take a member of staff's total remuneration package over £100,000. It also receives a report on staff recruited in the year with a total remuneration package over £100,000.
8. At its meeting on 30 July 2015, the Committee agreed to adopt the principle within HEFCE guidelines limiting severance payments to "up to 12 months' pay". Authority to approve severance payments for University Executive Group members will rest with the Committee, for the Vice-Chancellor with Council, and for any other member of staff whose total remuneration package is over £100,000 with the Chair of the Committee.

2015 salary increases

9. Through the Professorial and Senior Staff Salary Review Committee, payments were awarded to 92 Grade 10 staff as a result of the 2015 review, from an eligible total population of 488 (ie 19%). Of the professorial awards, 26 resulted in a move to a higher zone. The increase to the pay bill of this group as a result of the Grade 10 increases was 1.28%. In addition, Grade 10 staff will receive the nationally negotiated 'cost of living' increase (proposed at 1% but not yet agreed).
10. Through the Remuneration Committee, payments were awarded to 8 University Executive Group members; the increase to the pay bill for this group was 2.47%. In addition, University Executive Group members will receive the nationally negotiated 'cost of living' increase (proposed at 1% but not yet agreed) with the exception of the Vice-Chancellor (who will receive no increase).

The Council is invited to note this Annual Report from the Remuneration Committee; and to approve the changes to the Committee's terms of reference set out in the Annex.

THE UNIVERSITY OF LEEDS

Remuneration Committee

Terms of reference

- 1) In the light of comparative information on salaries and other benefits and conditions of service in the sector, to review annually and to determine the remuneration of the Vice-Chancellor and other members of the University Executive Group.
- 2) To receive appropriate information on additional income accruing to the Vice-Chancellor and other members of the University Executive Group.
- 3) To note annually any salary increases which take a member of staff's total remuneration package above £100,000, whether as an explicit retention decision or otherwise.
- 4) To note annually recruitment involving total remuneration packages above £100,000.
- 5) Taking into account both the University's interests and the public interest, to advise the Council on any proposed severance settlement for the Vice-Chancellor; to approve any proposed severance settlements for other members of the University Executive Group; and to note severance settlements for other members of staff whose total remuneration package is over £100,000.
- 6) To report annually to the Council².
- 7) To review its terms of reference annually.

Membership

The Chair, appointed by the Council

Three nominees of the Council, currently:

- Mr Ed Anderson
- Mrs Amanda Mellor
- Mr John Stoddart-Scott

In attendance (except for consideration of their own remuneration)

The Vice-Chancellor

The Director of Human Resources

² The annual report will cover the general approach to setting salaries, highlighting issues of principle but, consistent with the University's general policy, will not cover individual salaries