

## **Annual Report of the Remuneration Committee: 2020-21**

### **1. Operating Environment**

Our staff at Queen's are our greatest asset and reward decisions play an instrumental part in ensuring we are a responsible, fair and equitable employer. We recognise fully the need to strike a balance between recruiting, retaining and rewarding the best staff possible, in order to deliver the best outcomes for our students, society and the economy, while demonstrating the effective use of resources and public funds. 2020-21 saw COVID-19 present many challenges to our students, but also our staff, and we fully recognise the efforts that they made in adverse circumstances.

### **2. Context**

The Remuneration Committee, at its meeting on 16 November 2018, adopted the Higher Education Senior Staff Remuneration Code (the Code), published in June 2018 by the Committee of University Chairs (CUC). By adopting the Code, and including reference to this within their audited Financial Statements, governing bodies demonstrate leadership and stewardship in relation to remuneration within their institutions and, in doing so, help to protect institutional reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.

Under the terms of the Code, Remuneration Committees within the Higher Education (HE) sector are each required to produce an annual report to provide their governing body with the requisite assurances that they have effectively discharged their responsibilities in this area.

This annual report to Senate covers, in the main, activity within the 2020-21 academic year.

### **3. Membership and Terms of Reference**

#### **3.1 Current Membership**

The current membership of the Remuneration Committee is set out below:

Dr Len O'Hagan (Chair)	-	Pro-Chancellor
Dr Stephen Kingon	-	Pro-Chancellor and Chair of Senate
Mrs Orla Corr	-	Honorary Treasurer
Ms Mairead Regan	-	Lay Member of Senate
Sir Gerry Loughran	-	Co-opted Member

All members of the Committee, with the exception of Sir Gerry Loughran, are lay members of Senate, appointed by Senate. As a co-opted member, Sir Gerry was appointed by Senate, on the recommendation of the Standing Committee.

In line with best practice, the Committee is not chaired by the Chair of Senate. This ensures that the Committee determining the remuneration of the Head of the Institution is not chaired by the individual responsible for the evaluation of that individual's performance.

Servicing arrangements for the Committee are undertaken by the Registrar's Office.

### 3.2 Changes during the Reporting Period

Dr Len O'Hagan joined the Remuneration Committee on 1 January 2021 as a member and Chair

### 3.3 Terms of Reference

The Remuneration Committee is responsible for the strategic approach to reward for the President and Vice-Chancellor, together with the other members of the Senior Management Group and the Senior Academic Managers.

The Senior Management Group includes:

- President and Vice-Chancellor;
- Registrar and Chief Operating Officer;
- Pro-Vice-Chancellors (PVCs);
- Professional Services Directors.

The Senior Academic Managers include:

- Heads of School;
- Directors of the Global Research Institutes;
- Associate PVC for Graduate Studies (Formerly Dean of the Graduate School);
- Such other senior officers as designated by Senate from time to time.

The Membership and Terms of Reference of the Remuneration Committee are publicly available on the University's website [here](#).

## **4. Meetings**

The Committee met on two occasions within the 2020-21 academic year, as detailed below:

### 2020-21

- 03 November 2020
- 09 March 2021

The attendance record for members, during this period, was as follows:

Dr L O'Hagan (1/2) Dr S Kingon (2/2), Mrs O Corr (2/2), Ms M Regan (2/2) and Sir G Loughran (2/2).

While the Vice-Chancellor, Registrar and Chief Operating Officer and the Director of People and Culture are "in attendance" at all meetings of the Committee, they have no involvement in, nor are they present for, any discussions or decisions with the potential to impact on their remuneration, terms and conditions.

## **5. Committee Meetings and Priorities**

The Committee met on two occasions during the reporting period. A summary of the key areas of focus, at each of these meetings, is provided below:

### 03 November 2020

At its 3 November 2020 meeting, the Committee considered the outcome of the 2019-20 Personal Development Review Process and the 2020-21 key objectives and major tasks for the Senior Management Group (including the President and Vice Chancellor) and the Senior Academic Managers. During this meeting, the Committee endorsed the University's position, that given the COVID-19 pandemic, no awards would be made under the Senior Salaries Scheme for 2019-20. However, they did commend the Vice-Chancellor, Registrar and Chief Operating Officer and the wider Senior Management Team for their ongoing management of the COVID-19 crisis.

### 09 March 2021

The Committee considered a progress report on the delivery of the key objectives and major tasks approved for the Vice-Chancellor and Senior Managers in 2020-21. The Committee confirmed they were content with the outcome of the Performance Review for the six months up to 31 January 2021, particularly in the context of the an extremely challenging backdrop as a result of the ongoing COVID-19 pandemic.

The Committee reviewed the Remuneration of Senior Staff policy and a series of proposed recommendations to bring the policy and associated framework fully into line with best practice across the Higher Education sector and beyond. Whilst this review had commenced in 2019, it was stayed due to the COVID-19 pandemic. The Committee agreed that it was now appropriate to recommence the consultation process with Senior Salary Scheme Members with a view to effecting the changes to the Policy and Scheme for the 2021-22 academic year.

Whilst the Committee had noted no awards had been made under the Senior Salary Scheme for the 2019-20 academic year, it was agreed that it should be operated for the 2020-21 academic year, but under the current Scheme, rather than the terms of the proposed new Scheme.

The Committee noted that HMRC were removing the current exemption relating to relating to "representative occupier status" with effect from 6 April 2021. The Committee considered the implications of this amendment for the University and approved to progress in parallel with two potential options for addressing the resultant tax liability.

## **6. Vice Chancellor's Remuneration**

Professor Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee considered relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £306,382 for 2020–21. The package reflects the complexity and demands of the role, and is comparable with the lower–range packages within the Russell Group. In the interests of openness and transparency, the Vice-Chancellor's remuneration package is routinely published and publicly available on the University website, in the spirit of the guidance issued by the CUC.

<b>Emoluments of the Vice-Chancellor</b> (as presented in the Financial Statements)	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Salary	295	306	306
Pension costs	6	6	6
<b>Total</b>	<b>301</b>	<b>312</b>	<b>312</b>

## **7. External Perspectives**

During the year, the Remuneration Committee received input from both the CUC and the Office for Students through the form of reports and circulars, as well as benchmark pay information relevant to the roles within its remit. Independent external pay benchmarking was achieved using external sources including the CUC Vice-Chancellor's Salary Survey, the Russell Group, the UCEA Senior Staff Remuneration Survey and independent analyses provided by Korn Ferry. The Committee considered externally sourced information as well as internal analysis of pay relativities.

This external perspective provides assurance that remuneration for key senior roles is in line with the market median for comparable institutions.

## **8. Pay Ratio**

In line with the guidance provided from the Office for Students/Department for the Economy, the University has calculated the ratio of the Vice-Chancellor's remuneration as a multiple of the median remuneration of all other staff. Two ratios have been provided below in line with the guidance – the first is base salary only and the second is total remuneration.

- The Vice Chancellor's basic salary is 8.1 times the median pay of staff (8.4 in 2019-20).
- The Vice Chancellor's total remuneration is 6.8 times the median total remuneration of staff (6.9 in 2019-20).

The pay median does not include workers who were not employed under contract by the University.

## **9. Staff Terms and Conditions**

Academic and Professional Services Grades 1-10 or equivalent are subject to national negotiation and are linked to the higher education pay spine. These staff receive incremental awards) until they have reached the top of the range relevant to their role. Staff demonstrating exceptional performance were also eligible for a merit award.

The University is committed to the principles of equal pay for work of equal value. It uses the Hay method of job evaluation as its sole evaluation process to ensure the relative value of all jobs in its pay and grading structures within an overall framework that is consistent, transparent and fair. Where employees have more experience, the approach is taken that it is reasonable to pay more.

Queen's offers two pension schemes - one for Grade 6 and above, with eligible staff offered membership of the Universities Superannuation Scheme (USS) and all other staff eligible for membership of the Retirement Benefits Plan (RBP).

## **10. Expenses Policy**

The expenses policy applying to all staff is available on the University's website. The amount of expenses incurred by the Senior Management Group and Senior Academic Managers in 2020-21 was £8,498.23.

## **11. Market Supplements**

The University strives to secure the best staff and, in doing so, recognises that there are times when the total remuneration package is not sufficient to attract and retain staff in post. On these occasions, it may be necessary to review the requirement for a market supplement in addition to the normal reward package. Market supplements are only awarded to members of staff where there is a clearly articulated and agreed business need and subject to annual review.

## **12. Monitoring**

The appointment and remuneration of members of the Senior Management Group and Senior Academic Managers will continue to be monitored in line with the Remuneration Committee Terms of Reference and in accordance with the terms of the Senior Salaries Scheme and the CUC Higher Education Senior Staff Remuneration Code 2018.

**2 November 2021**

**Dr Len O'Hagan  
Chair**