



UNIVERSITY OF
LINCOLN

**BOARD REMUNERATION COMMITTEE
ANNUAL REPORT
(2017-2018)**

1. Executive Summary

The University's Board Remuneration Committee form a sub-committee of the University's Board of Governors with delegated authority to determine the remunerated terms of employment for the Vice Chancellor and the Vice Chancellor's senior direct reports.

During 2017/18, we welcomed new members to the Board which, alongside recently published guidance by the Committee of University Chairs (CUC) and Office for Students (OfS), provided the Board with a timely opportunity to revisit and review our operating principles and terms of reference.

The committee has reviewed its terms of reference in the light of the CUC Higher Education Senior Staff Remuneration Code, and these are set out at Annex A. The revised committee terms of reference refer to our commitment to provide greater transparency of our approach to senior remuneration and decision making, with the *Board Remuneration Committee annual report* forming the first annual publication of our commitment to these principles.

The report includes a pay multiple (pay ratio) of the Vice Chancellor and the median earnings of the University's establishment as well as university wide role evaluation, pay progression and, reward and recognition mechanisms.

As a committee we felt it important to adopt the spirit as well as the letter of the guidance and also set our philosophy within the overall context of the university's approach to reward, overseen by the Vice Chancellor and the Senior Leadership Team (SLT).

The committee has carefully reviewed the University's Senior Remuneration Policy to ensure close alignment with the CUC Remuneration Code, and has recommended changes to the Board of Governors. The revised policy is reproduced at Annex B.

Mr Neil Herbert
Chair of the Board Remuneration Committee

2. University and Sector Context

Throughout the 2017/18 year the University received recognition, including most notably;

The University was awarded Gold – the highest standard possible - in the national Teaching Excellence Framework, an independent assessment of teaching quality in UK higher education. The award reflects our exciting teaching, great support for students and excellent employment outcomes. Lincoln is ranked 22nd in The Guardian University Guide 2019 and 43rd in The Complete University Guide 2019. The institution is known for a pioneering approach to working with employers, which has been recognised with a Lord Stafford Award and Times Higher Education Award. In the National Student Survey 2018, students ranked Lincoln 8th in the UK for overall student satisfaction with several of our courses placed number one overall for their subject areas. Among our most recent graduates, 96 per cent were in work or further study six months after finishing their course, with more than 80 per cent in graduate level roles. More than half of our research is judged to be internationally excellent or world leading (Research Excellence Framework)

The University continues to be ambitious and in its strategy the University aims to be a 'global thought leader for 21st Century Higher Education' which looks to the future with 'dynamic engaged people'. We endeavour to be future focussed in our people engagement strategies, both for our existing establishment and to attract the most innovative and dynamic people to join our community; people who are engaged in the achievement of our shared ambitions and take pride in their place of work and wider community.

Current changes impacting Higher Education (HE) include the new sector governance in the form of the UK Research & Innovation (UKRI) and the Office for Students (OfS) as well continued

uncertainties surrounding Brexit. The impact of such changes will undoubtedly increase the already competitive sector environment and as such it is essential that the University's reward and recognition approach remains competitive to attract and retain staff locally, nationally and internationally in order to remain agile and responsive to opportunities such sector changes may bring.

3. Scope and Purpose of Report

The University of Lincoln is committed to fair, transparent and appropriate remuneration for all. As such the Board Remuneration Committee are committed to ensuring their approach to senior remuneration and decision making is transparent.

The report, intends to provide an annual update on proceedings and decisions on senior remuneration throughout the academic year. For context the report also incorporates a summary on the remuneration and reward related to the whole university establishment as managed by the Vice Chancellor and the SLT.

The Board Remuneration Committee report will be produced on an annual basis, in line with the financial year covering the period 1st August – 31st July, with this initial report covering the period 1st August 2017 – 31st July 2018. The report will be published alongside the University's financial statement on the University's external webpages.

4. Board Remuneration Committee

The members of the committee, as appointed by the Board of Governors, for the 2017/18 financial year (1st August 2017 – 31st July 2018) were:

Mr N Herbert (Chair)

Ms D Gilhespy

Ms M Jackson

Mr H Biddle

Ms D Lees

Clerk to the Board of Governors and Board Remuneration Committee: Mr P Walsh

The committee convened on three occasions during the reporting period:

1 February 2018

14 March 2018

25 July 2018

5. Board Remuneration Committee Principles

In the context of determining the remunerated terms of employment for the Vice Chancellor and the Vice Chancellor's senior direct reports, the principles overarching the Board Remuneration Committee can be considered in three key areas:

- I. fair and appropriate levels of remunerated terms of employment
- II. procedural fairness
- III. transparency and accountability in all its dealings

The principles and terms outlined are consistent with the *Higher Education Senior Staff Remuneration code*, as determined and published by the Committee of University Chairs (CUC) June 2018, and will be reviewed and revised annually as appropriate.

6.	Role Evaluation Schemes
6a	University Establishment Evaluation Schemes
<p>The framework for remuneration and terms and conditions of employment for staff (other than Senior Staff) is overseen by the SLT. The University is a member of the Joint Negotiating Committee for Higher Education (JNCHES) which nationally agree the single pay spine for all colleagues below the senior scales.</p> <p>The University evaluates roles onto the single pay spine using two recognised role evaluation frameworks. The Higher Education Role Analysis (HERA) methodology - a job evaluation scheme designed by the Education Competencies Consortium (ECC); together with institutions within the Higher Education Sector that use a competencies based questionnaire to systematically measure the size of a role compared to other roles in a fair and consistent manner.</p> <p>Associated references: Appendix A.9 Single Pay Spine</p>	
6b	Senior Evaluation Schemes, within the Remit of the Board Remuneration Committee
<p>Senior roles above the single pay spine, including those under the remit of the Board Remuneration Committee, as set out in the terms of reference, are mapped against the senior management group (SMG) pay scale using the Hay Job Evaluation which is a method used to evaluate roles in the context of the organisational structure against the aspects of knowhow, problem solving and accountability.</p> <p>Associated references: Appendix B.7 SMG Pay Scales</p>	

7.	Current Labour Markets and Influencing Factors
7a	University Establishment Labour Markets and Influencing Factors
<p>In instances whereby specific roles are entitled to pay scales determined by their professional status, for example partners connected to the NHS, then pay will be determined by the relevant scale. The University aligns the single pay spine rates of pay to the voluntary national living wage and this is reviewed as and when proposals are made. All hourly rates made at the University are above minimum wage rates set in respect of age and apprenticeships.</p> <p>Where evidence from market data shows that salaries within an identified market sector and level have increased significantly above the current pay, the relevant Remuneration Committee will consider paying a market premium in addition to the salary. Any such premiums will be agreed on the basis of independently-derived data, and used in exceptional circumstances only.</p>	
7b	Senior Role Influencing Factors, within the Remit of the Board Remuneration Committee
<p>All senior appointments, including those under the remit of the Board Remuneration Committee, are referenced to the University SMG pay scales and the specific portfolio reference levels within the UCEA Senior Staff Remuneration Survey.</p> <p>The University benchmarks the salary for the Vice Chancellor against annual sector salary data provided by the CUC and the UCEA (Universities and Colleges Employers Association) Senior Staff Remuneration Survey.</p> <p>All roles are benchmarked alongside broader labour market data.</p> <p>Associated references: Appendix B.8 Labour Market Data Sources</p>	

8.	Approaches to Pay Progression
8a	University Establishment Pay Progression
<p>Colleagues mapped against the single pay spine, incrementally progress through their evaluated grade annually, aligned to their experience in post and agreed performance objectives. The pay spine is reviewed as part of national negotiations on an annual basis with the University aligned to the JNCHES outcomes. Additional accelerated progression through the grade structure may be applied through the University appraisal process and subject to a line manager supporting business case to demonstrate experience and performance.</p>	
8b	Senior Role Pay Progression, within the Remit of the Board Remuneration Committee
<p>Annual salary reviews, within the pay banding, for those on the senior scales are based upon the value delivered by an individual within a role, determined and informed by the senior management performance review process (PRP) including:</p> <ul style="list-style-type: none"> ❖ Size/complexity of role ❖ Level of accountability ❖ Impact i.e. on staff/students/partners/research ❖ Knowledge and skills ❖ Reputation and credibility required ❖ Delivery/ contribution in role ❖ Equal pay/gender pay gap considerations ❖ Relativity to other roles within SMG banding ❖ Comparator data 	

9.	Reward and Recognition
9a	University Establishment Reward and Recognition
<p>The University operates an <i>Individual Merit and Team Achievement Awards</i>, available to all colleagues on the single pay spine, which forms the recognition route for outstanding activity/achievement, embedded as part of the University's reward agenda and presented in recognition of outstanding activity.</p> <p>The initiative forms an opportunity to acknowledge instances whereby employees have demonstrated exceptional performance as determined by line managers and approved by heads of area.</p> <p>The HR department annually monitor levels of engagement to ensure representation from all areas of the business and across all job families/grades.</p> <p>In addition the University recognises team achievement in response to the strategic aim of creating 'environments that focus on whole system approaches beyond immediate areas of responsibility where collaboration is regularly rewarded'. Engagement in this initiative has demonstrated opportunities for innovation and cross university working.</p> <p>Associated references: Appendix A.5 All Staff Award and Merit Achievement costs</p>	
9b	Senior Role Reward and Recognition, within the Remit of the Board Remuneration Committee
<p>For roles within the remit of the Board Remuneration Committee; the evaluation and assessment of individual performance against set objectives for the Vice Chancellors direct reports is undertaken by the Vice Chancellor. The Vice Chancellor's evaluation and assessment of performance against set objectives is reviewed by the Chair of the Board of Governors.</p>	

Recommendations are subsequently made to the Board Remuneration Committee by the Vice Chancellor for their direct reports and by the Chair of the Board of Governors in respect of the Vice Chancellor's achievements.

Following the annual review stage and receipt of recommendations, the Remuneration committee will determine whether the Vice Chancellor and the Vice Chancellor's direct reports should receive a performance related bonus award for exceptional performance, and if so, the level of this in line with the University Performance Related Pay scheme.

Associated references: Appendix B.4 Senior Management Group Performance Scheme - Vice Chancellor and Direct Reports

10.	External Relationships and Reports
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The University facilitates the use of external expertise where required in respect of compliance and/or specific reward focused reviews. Appropriate engagement is facilitated through the University procurement practices or through existing relationships. The current external governance and compliance auditors in place are:

External Auditor	BDO LLP
Internal Auditor	Pricewaterhouse Coopers LLP

11.	Review Process
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The Board Remuneration Committee report will be produced annually for the period 1st August – 31st July and published on the external governance pages prior to 31st December annually.

- Appendix A University of Lincoln Contextual Reward Data 2017/18
- Appendix B University of Lincoln Reward Data Relating to the Vice Chancellor and the Vice Chancellor's Direct Reports (under the remit of the Board Remuneration Committee) 2017/18
- Annex A Board Remuneration Committee Terms of Reference
- Annex B University's Senior Remuneration Policy

Appendix A

Board Remuneration Report – University of Lincoln Contextual Reward Data 2017/18

1. Senior Management Group (SMG) 1-5 by Pay Band and Headcount (as at 31st July)

SMG Pay Band	2017	2018
SMG 1	39	44
SMG 2	35	36
SMG 3	23	21
SMG 4	5	6
SMG 5	10	11
Total	112	118

Data Source: Daily Export - RL

2. Single Pay Spine Distribution (as at 31st July)

Post grade	2016-17		2017-18	
	Count of Employee no	FTE	Count of Employee no	FTE
Other*	39	37	46	41
Grade 2	24	17	21	15
Grade 3	54	44	56	47
Grade 4	195	162	201	162
Grade 5	172	148	167	148
Grade 6	204	191	217	200
Grade 7	306	293	334	318
Grade 8	445	419	468	444
Grade 9	103	100	122	119
Grade 10	26	25	25	25
Total	1686	1547	1759	1633

*Includes OSP, KTP, NMW, NhS

Data Source: Daily Export – RL

3. Senior Leadership Team (SLT) Reclaimed Expenses (1st Aug - 31st Jul)

Expenses	2016-17	2017-18
Consumables	£25	£0
Office Stationery	£20	£0
Photocopying	£5	£0
Toll Bridge	£0	£3
Meeting Refreshments Internal	£0	£9
Telephone Charges	£0	£10
Equipment Purchases - General	£0	£19
Conferences	£0	£25
Travel - Vehicle Hire Fuel	£85	£29
Travel - Mileage Inter Site	£65	£69
Sundries	£7	£82
Meeting Refreshments External	£11	£91
Published Materials (Books)	£0	£286
Subsistence	£453	£552
Non-Staff Entertaining	£239	£634
Subscriptions	£1,269	£1,078
Travel - Mileage	£1,377	£1,814
Travel - Fares	£1,881	£3,075
Accommodation	£2,166	£5,540
Travel - Air Travel	£3,947	£7,096
Relocation NT	£6,657	£12,902
Total	£18,207	£33,314

Data Source: Payroll Master Enquiry - RL

4. SMG Performance Review Scheme (1st Aug - 31st Jul)

SMG	2016-17		2017-18	
	Count of Employee no.	Sum of Payment	Count of Employee no.	Sum of Payment
SMG 1	19	£18,563	38	£35,322
SMG 2	31	£53,864	35	£56,338
SMG 3	19	£35,894	20	£36,126
SMG 4	5	£13,812	5	£12,201
SMG 5	7	£25,775	9	£25,209
Total	81	£147,908	107	£165,196

Data Source: Daily Export - RL

5. Staff Award and Merit Achievement Costs (1st Aug - 31st Jul)

Award	2016-17			2017-18		
	Cost	Number	Total	Cost	Number	Total
Individual Merit Awards	£500	82	£41,000	£400	93	£37,200
Individual Best Practice Award	£100	7	£700	£250	6	£1,500
Team Best Practice	£100	2	£200	£250	8	£2,000
Teaching Excellence	£500	10	£5,000	£500	14	£7,000
Team Achievement	£750	14	£10,500	£1,000	12	£12,000
Highly Commended Team Achievement	£500	7	£3,500	£500	2	£1,000
Vice Chancellor's Award - Teaching	£0	0	£0	£500	4	£2,000
Vice Chancellor's Award - Professional Services Excellence in Student Engagement	£0	0	£0	£500	2	£1,000
All Staff Award	£40	2304	£92,160	£0	0	£0
Total			£153,060			£63,700

Data Source: Daily Export - RL

6. University Attrition and Turnover (1st Aug - 31st Jul)

	2015-16	2016-17	2017-18
Attrition*	10%	8%	8%
Turnover**	13%	11%	12%

* includes all Voluntary Severance/Redundancy, Resignation and Retirement

**Includes all leaver reasons

Data Source: Master Data Source Power BI

7. Employer Contributions to Pension Schemes and Value (1st Aug - 31st Jul)

Scheme	2016/17	%	2017/18	%
USS	£1,246,185	18.00%	£1,189,895	18.00%
LGPS	£5,736,476	25.10%	£5,995,589	25.10%
UCRSS	£0	0%	£2,281	Up to 10%
TPS	£4,603,063	16.48%	£5,230,923	16.48%
Total	£11,585,723		£12,418,689	

Data Source: 2017-18 and 2018-19 Balancing Totals Workbooks

8. University Benefits take up by Headcount (1st Aug - 31st Jul)

Benefit	2017	2018
Car Park Deductions	890	901
Car Salary Sacrifice Scheme	11	13
Childcare Vouchers	144	164
Cycle To Work Scheme	41	34
Holiday + Purchase Scheme	8	19
Total	971	1000

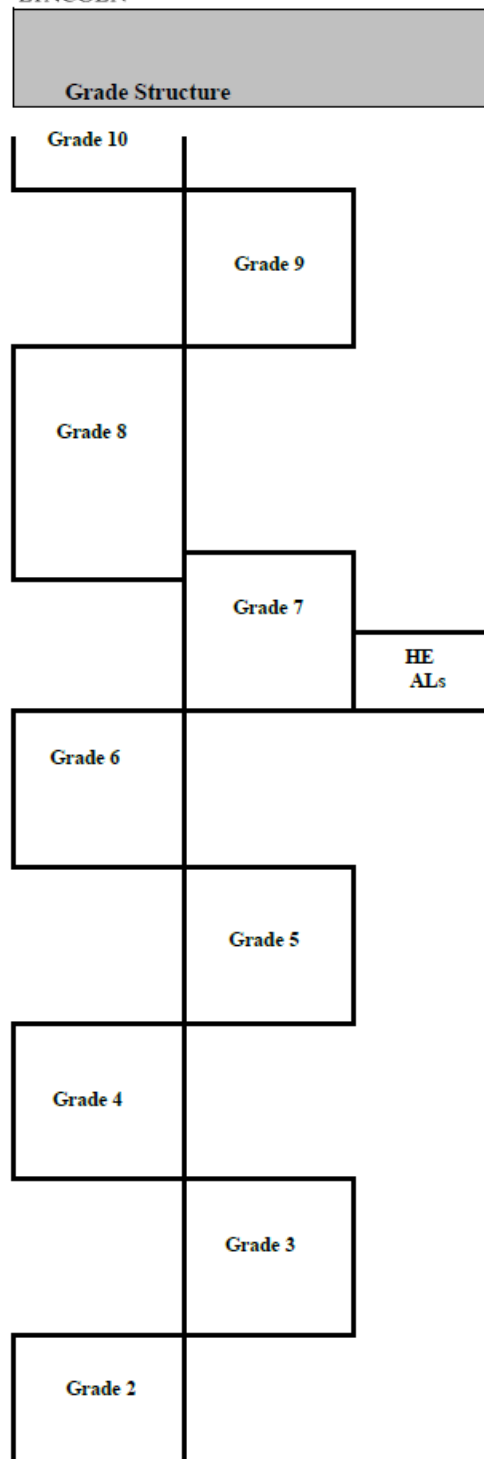
Data Source: Daily Export – RL

9. Single Pay Spine

University Of Lincoln Single Pay Spine As At 1st August 2018



Salary From August 2017	Local Allowance	Salary From August 2018	Local Allowance	Spine Point
1.7%		2.0%		
60,410	-	61,618	-	51
58,655	-	59,828	-	50
56,950	-	58,089	-	49
55,297	-	56,403	-	48
53,691	-	54,765	-	47
52,132	-	53,174	-	46
50,618	-	51,630	-	45
49,149	-	50,132	-	44
47,722	-	48,677	-	43
46,336	-	47,263	-	42
44,992	-	45,892	-	41
43,685	-	44,559	-	40
42,418	-	43,267	-	39
41,212	-	42,036	-	38
39,992	-	40,792	-	37
38,833	-	39,609	-	36
37,706	-	38,460	-	35
36,613	-	37,345	-	34
35,550	-	36,261	-	33
34,520	-	35,211	-	32
33,518	-	34,189	-	31
32,548	-	33,199	-	30
31,604	-	32,236	-	29
30,688	-	31,302	-	28
29,799	-	30,395	-	27
28,936	-	29,515	-	26
28,098	-	28,660	-	25
27,285	-	27,830	-	24
26,495	-	27,025	-	23
25,728	-	26,243	-	22
24,983	-	25,482	-	21
24,285	-	24,771	-	20
23,557	-	24,029	-	19
22,876	-	23,334	-	18
22,214	-	22,659	-	17
21,585	-	22,017	-	16
20,989	-	21,414	-	15
20,411	-	20,836	-	14
19,850	-	20,275	-	13
19,305	-	19,730	-	12
18,777	-	19,202	-	11
18,263	-	18,688	-	10
17,764	-	18,189	-	9
17,326	-	17,751	-	8
16,983	-	17,408	-	7
16,654	227	17,079	-	6
16,341	540	16,766	115	5
16,035	846	16,460	421	4
15,721	1,160	16,146	735	3
15,417	1,464	15,842	1,039	2
				1



10. Gender Pay Gap Report

11. Equal Pay Reports

Appendix B

Board Remuneration Report – University of Lincoln Reward Data Relating to the Vice Chancellor and the Vice Chancellor’s Direct Reports (under the remit of the Board Remuneration Committee) 2017/18

1. Post holders, within the remit of the Board Remuneration Committee (2017-18)

Professor M Stuart CBE Vice Chancellor
 Mr J Free CBE Deputy Vice Chancellor
 Professor A Hunter Deputy Vice Chancellor
 Professor E Mossop Deputy Vice Chancellor (part year)
 Mr S Parkes Deputy Vice Chancellor
 Professor S Rigby Deputy Vice Chancellor (part year)
 Professor T Wilkinson Deputy Vice Chancellor

2. Vice Chancellor and Vice Chancellor Direct Reports by Pay Band and Headcount (as at 31st July)

SMG Pay Band	2017	2018
SMG 6	5	5
SMG 7	1	1
Total	6	6

Data Source: Daily Export - RL

3. Vice Chancellor Remuneration (1st August -31st July)

Element	2016 / 2017	2017 / 2018
Basic salary	£239,169	£242,337
Payment of dividends	£0	£0
PRP & other bonuses	£12,000	£7,270
Pension contributions & payments in lieu of pension contributions	£37,994	£38,532
Salary Sacrifice arrangements	£0	£0
Compensation for loss of office	£0	£0
Sums paid under any pension scheme in relation to employment	£0	£0
Other taxable benefits	£2,355	£2,344
Non-taxable benefits	£5,023	£5,089
Other remuneration	£0	£0
Total	£296,541	£295,572

Data Source: University Financial Statement 2017-18

4. Senior Management Group Performance Scheme - Vice Chancellor and Direct Reports (1st Aug - 31st Jul)

Row Labels	2016-17		2017-18	
	Count of Employee no.	Sum of Payment	Count of Employee no.	Sum of Payment
SMG 6	1	£4,246	4	£13,989
SMG 7	1	£12,000	1	£7,270
Total	2	£16,246	5	£21,259

Data Source: Daily Export - RL

5. Ratio – Vice Chancellor to the Median of all Staff Salaries (as at 31st July)

Ratios*	2016-2017	2017-2018
Basic Salary Median – calculated on a full-time equivalent for the salaries paid by the provider to its staff	7.1 to 1	6.8 to 1
Total Remuneration Median – calculated on full time equivalent basis for the total remuneration by the provider of its staff	7.5 to 1	7.0 to 1

*Basic Salary Median includes basic salary only, total remuneration includes basic salary and performance bonus. Scope of the ratio is core workforce.

Data Source: University Financial Statement 2017-18

Ratio Movement
The University staff establishment received incremental pay increases (where applicable) and the nationally agreed cost of living awards during the reporting period contributing towards the movement in ratio along with staff recruitment activities.

6. Settlement Payments under the Remit of the Board Remuneration Committee (1st Aug - 31st Jul)

	2016-17	2017-18
Count of Payments	0	0

7. SMG pay scales

Level	Hay Ref	Academic Management	Professional / Support Management	Professors / Senior Academics	Approved Level 17/18
SMG Level 7	700	Vice Chancellor			205,000 - 260,000
SMG Level 6	600	Senior Leadership Team (SLT)			130,000 - 155,000
SMG Level 5	528	Senior Leadership Team (SLT)			100,000 - 130,000
SMG Level 4	460	Deans of large and / or complex areas	Professional Management Level 4	Professor level 4	76,600 - 97,000
SMG Level 3	400	Deans of small areas Heads of large and / or complex	Professional Management Level 3	Professor level 3	66,500 - 86,800
SMG Level 2	350	Heads of small / medium schools	Professional Management Level 2	Professor level 2	60,600 - 76,600
SMG Level 1	304		Professional Management Level 1	Professor level 1 / Senior Academic	59,828 - 68,175
Grade 10	304				59,828 - 61,618
Grade 9	296				50,132 - 58,089

8. Labour market data sources:

UCEA Senior Staff Remuneration Survey

Committee of University Chairs – Vice Chancellor Annual Remuneration Report

ASHE data (Annual survey of hours and earnings)

NHS pay review body agenda for change pay scales

IDR's Pay Benchmarker online tool

Indeed.com

Jobs.ac.uk

HAYS salary recruiting guide and Reed.com



**UNIVERSITY OF
LINCOLN**

**BOARD REMUNERATION COMMITTEE
TERMS OF REFERENCE**

The Board of Governors Remuneration Committee are responsible for, determining the remunerated terms of employment for the Vice Chancellor and the Vice Chancellor's direct reports in line with the University's policy to be fair and transparent. It will set:

- IV. fair and appropriate levels of remunerated terms of employment
- V. ensure procedural fairness and
- VI. ensure transparency and accountability in all its dealings.

Each element of the Committee's workings can be found below.

I. Fair and appropriate level of remuneration

The Remuneration Committee shall determine appropriate payments based upon:

- i. the context within which the University operates
- ii. the expected contribution of a role
- iii. the attributes required to undertake a role
- iv. the value, based on a number of elements, delivered by an individual acting within a role
- v. consideration for equality, diversity and inclusion with a view to ensuring no bias pertaining to any protected characteristic within the pay structure

Payment arrangements will demonstrate value for money whilst also being sufficient to recruit, retain and motivate colleagues in the context of the market for that role.

II. Procedural fairness

The Remuneration Committee shall be an independent body, whose members are drawn from the members of the Board of Governors, and who will determine and maintain consistency of approach whilst applying policy, process and procedure. The Remuneration Committee will determine policy within its remit set out above in line with the University's approach to remunerating all its staff and be able to evidence decisions as necessary.

III. Transparency and accountability

The Remuneration Committee shall ensure their approach to remuneration and decision making is transparent and annually publish remuneration details of its senior team with any significant changes to remuneration packages being detailed.

I. Scope and purpose

The Remuneration Committee forms a sub-committee of the Board of Governors with delegated authority to determine the remunerated terms of employment for the Vice Chancellor and the Vice Chancellor's senior direct reports.

II. Remit

- i. To determine the remuneration and reward packages, including but not limited to basic salary and pension arrangements and any other elements of reward as required, for the roles of Vice Chancellor and the Vice Chancellor's senior direct reports prior to appointment and subsequently throughout employment. Giving due consideration to a variety of components including such items as gender and other equal pay matters related to this group.
- ii. Review the performance of the Vice Chancellor and the Vice Chancellor's senior direct reports against set objectives determined by the Chair, for the Vice Chancellor and the Vice Chancellor for their direct reports and determine annual performance-related pay awards for these individuals.
- iii. Consider proposals for severance payments to all employees earning in excess of £100,000, or where the total cost to the University of the payment, including compensatory pension fund payments, exceeds £100,000; and, where satisfied of the appropriateness, approve payments to individuals.
- iv. Agree the expenses policy for the Vice Chancellor and the Vice Chancellor's senior direct reports; ensuring the policy is appropriate, fair and requiring expenses to be wholly associated with university business. The policy subsequently to be operationalised by the Vice Chancellor in respect of direct reports and the Chair of the Board of Governors in respect of the Vice Chancellor's expenses.
- v. Consider and keep updated on senior staff remuneration guidance issued by relevant bodies such as the Office for Students (OfS) and the Committee of University Chairs (CUC).
- vi. Maintain overall awareness of the significant general issues relating to the reward offering for all university staff, such as pensions. Reporting any recommendations to the Board of Governors as appropriate.
- vii. Ensure due regard, in the committees activities, to discharging the University's equality, diversity and inclusion duties.
- viii. To undertake other such duties as may be appropriate to assign to the committee by the Board.

III. Meetings

The committee shall meet at least twice annually and otherwise as required. The committee shall evaluate the performance, on the advice of the Chair of the Board of Governors, and any reward of the Vice Chancellor and on the advice of the Vice Chancellor the performance of and reward recommended of their direct reports at one of these meetings annually.

IV. Quorum

- i. The quorum necessary for the transaction of business shall be three members of the committee. In the absence of the Chairman of the Committee one of the remaining members of the committee, with the exception of the Chairman of the Board of Governors, may deputise.

V. Membership

- i. The Board of Governors shall appoint the committee Chairman. The Chairman of the Board may also serve on the committee as an additional independent member but shall not be Chairman of the committee.
- ii. The committee shall comprise a minimum of four members, all of whom shall be external members of the Board of Governors, who are independent of the institution, and represent a diversity of knowledge of sector remuneration governance.
- iii. Members of the committee shall be appointed by the Board of Governors, on the recommendation of the Nominations Committee and in consultation with the Chairman of the Remuneration Committee.
- iv. The Vice Chancellor will not be a member of the committee or involved in the discussions of the committee related to their performance or remuneration, however they may be invited to attend part of any meeting, as and when appropriate and necessary. Invitations to attend committee meetings may also be extended to other colleagues such as the Director of Human Resources or External Advisers as and when appropriate and necessary. No attendee from the University staff shall be involved in any discussions as to their own remuneration, reward or compensation.
- v. Appointments to the committee shall be for a period of up to three years extendable by no more than an additional three-year period, provided members continue to be external members of the Board of Governors.

VI. Secretary

- i. The University Secretary or his or her nominee shall act as the secretary to the committee to arrange meetings and ensure; the committee receives papers in advance for consideration; minute proceedings and circulate the minutes to committee members once approved.

VII. Reporting Responsibilities

- i. The HR department will provide university data and market intelligence as required for the committee to consider.
- ii. The Chairman of the committee shall provide an annual remuneration report to the Board of Governors on its proceedings, decisions and any recommendations beyond its remit.
- iii. In the interests of transparency the Remuneration Committee will also publish the annual remuneration report on the external University of Lincoln webpages.

VIII. Revision

The principles and terms outlined are consistent with the *Higher Education Senior Staff Remuneration code*, as determined and published by the CUC, Committee of University Chairs, June 2018.

The Committee's terms of reference will be reviewed and revised as appropriate, annually.



UNIVERSITY OF
LINCOLN

SENIOR REMUNERATION POLICY

1. Background and Scope

The University is committed to fair, transparent and appropriate remuneration for all. The *Senior Remuneration Policy* outlines the approach to remuneration and reward for the Vice Chancellor and the Vice Chancellor's senior direct reports.

The Board Remuneration Committee form a sub-committee of the Board of Governors with delegated authority to determine and apply the *Senior Remuneration Policy* to the roles listed above.

2. Evaluation of Roles

- 2.1 Roles will be evaluated prior to recruitment and thereafter on an annual basis to ensure equal pay for work of equal value, transparency and to reward exceptional contribution/ sustained excellence.
- 2.2 The value of a role will be based upon a number of components including those outlined in 3.2 below. Roles will be evaluated through the application of a recognised role evaluation methodology, benchmarked against local, sector, national and international data and scored through external role evaluation. Roles will then be allocated to bandings within the Senior Management Group (SMG) structure based on the evaluated scoring.
- 2.3 The UCEA Senior Remuneration Survey forms one of the benchmarking data tools for the University's senior structure.

3. Basic Salary

- 3.1 Upon evaluation of a role and allocation to SMG banding salary upon appointment will be determined based on the experience held by the individual, and benchmarked against that of colleagues. Market data will be sourced specific to the role to ensure that salary levels remain within the banding of the role.
- 3.2 Annual salary reviews within the pay banding will be based upon the value delivered by an individual within a role, determined and informed by the senior management performance review process (PRP) including:
 - ❖ Size/complexity of role
 - ❖ Level of accountability
 - ❖ Impact i.e. on staff/students/partners/research
 - ❖ Knowledge and skills
 - ❖ Reputation and credibility required
 - ❖ Delivery/ contribution in role
 - ❖ Equal pay/gender pay gap considerations
 - ❖ Relativity to other roles within SMG banding
 - ❖ Comparator data
- 3.3 Exceptional pay reviews may take place outside of the designated timescale, at the specific request of the Vice Chancellor or the Chair of the Board of Governors. These

recommendations will be assessed by the Committee on their own merit and supporting business case.

- 3.4 There will be no automatic entitlement to national pay awards, and their application at the time of national agreement will be the decision of the Remuneration Committee.

4. Market Rates

- 4.1 Where evidence from market data shows that salaries within an identified market sector and level have increased significantly above the current pay, the Remuneration Committee will consider paying a market premium in addition to the salary or consider the grading of the post. Any such premiums will be agreed on the basis of independently-derived data, and used in exceptional circumstances only.

5. Retention Premiums

- 5.1 Retention premiums are defined as additional payments for a post-holder to remain in post for a fixed period.
- 5.2 The University may exceptionally consider non-consolidated retention premiums in respect of a specific individual or role, where the purpose of the premium is to avoid critical impact or a high risk of the loss of continuity. Payment will be dependent upon meeting objectives within a specific period of time, and be subject to careful monitoring and equal pay criteria.

6. Remuneration Package

- 6.1 Car provision may be considered either through a lease arrangement or university ownership dependent upon the necessity of business travel to carry out the role.
- 6.2 Relocation allowance may in exceptional circumstances be increased to ensure continuous delivery of university activities and leadership.
- 6.3 Accommodation may in exceptional circumstances be subsidised, for a set period of time, to support the effective delivery of university leadership.
- 6.4 Employer supported Private Medical Insurance (PMI) is offered to post holders and one nominated partner. PMI may in exceptional circumstances be widened to include other family members at a cost to the employee.

7. Senior Management Performance Review Process (PRP)

- 7.1 The Chair of the Board of Governors will agree the Vice Chancellor's objectives annually, in line with the strategic direction of the University.
- 7.2 Objectives for the remaining members of the Senior Leadership team will be set by the Vice Chancellor against the strategic plan.
- 7.3 The evaluation and assessment of individual performance against set objectives for the Vice Chancellor's direct reports will be reviewed by the Vice Chancellor. The Vice Chancellor's evaluation and assessment of performance against set objectives will be reviewed by the Chair of the Board of Governors. Recommendations will be made to the Board Remuneration Committee by the Vice Chancellor for direct

reports and by the Chair of the Board of Governors in respect of the Vice Chancellor's achievements.

- 7.4 Following the annual review stage and receipt of recommendations, the Remuneration Committee will determine whether the Vice Chancellor and the Vice Chancellor's direct reports receive a performance related bonus award for exceptional performance, and if so, the level of this in line with the University scheme.
- 7.5 Where performance has been determined as not meeting expectations, consequences may result in; no uplift in basic pay, no performance related bonus award and performance management in line with the University's *Improving Performance Policy*.
- 7.6 Where payment is applicable, it will be based upon university affordability with the bonus being determined by assessment of the achievement of both corporate and personal objectives.
- 7.7 Individuals who join or leave the University part way through the year may receive payment on a pro-rata basis subject to the qualifying rules outlined in the scheme guidance.
- 7.8 Payment will not be consolidated into base salary but may be treated as a pensionable emolument dependent upon individual scheme rules.

8. Severance Agreements and Payments

- 8.1 The Remuneration Committee will determine the terms, as appropriate, of any severance arrangements applying in the event of an unplanned early termination of employment of the Vice Chancellor or a member of the Vice Chancellor's senior direct reports.
- 8.2 In considering severance arrangements, the Remuneration Committee will seek to represent the public interest in accordance with the University Financial Regulations and the Office for Students (OfS) Accounts Direction.
- 8.3 Any eligibility to severance arrangements will be aligned to contractual entitlements and all other applicable statutory employment entitlements.
- 8.4 The level of severance payment will reflect the business and contingency risk of an extended period of performance management.
- 8.5 Disclosure requirements in relation to compensation for the loss of office will be as per the annual OfS Accounts Direction.
- 8.6 The Remuneration Committee shall seek professional advice from the internal HR department and external legal representatives, where appropriate, prior to the commitment to any severance arrangement.

9. Consultancy/Externally Generated Income

- 9.1 Where a salary or honorarium is attributed to membership or contribution to an external Body/Board/Organisation the payment must be disclosed to the University.

- 9.2 The Remuneration Committee shall determine on an exceptional basis whether remuneration in the form of an honorarium paid to the University, should be passed to the individual. Determining factors will include; use of university resources, time and university representation.

10. Pensions

- 10.1 Should an individual within scope choose not to be a member of the relevant pension scheme, they may receive a compensatory pension allowance limited to 15% of salary, subject to annual review. This is not equivalent to the value of employer contribution for the relevant scheme. The allowance will be paid through the payroll as a taxable emolument and separately identified.

11. University Incurred Expenses

- 11.1 The University will reimburse expenditure to individuals which is wholly and necessarily incurred in relation to carrying out university business, in line with the University's expenses policy.

12. Commitment to Equality in Remuneration

- 12.1 The University is committed to equal opportunities for all, and the principle of male and female staff, regardless of any other protected characteristic, should receive equal remuneration whilst undertaking the same/similar role or work of equal value.
- 12.2 Furthermore, given the duties under the Equality Act (2010) (Gender Pay Gap Information) Regulations (2017) the institution is committed to continue to monitor and report annually specifically on gender pay gaps within the organisation.