

## **University of Central Lancashire**

### **Annual Remuneration Statement**

2019/20 initially continued at a high level of activity for the Remuneration Committee, with the establishment of a new senior team structure under the incoming Vice-Chancellor.

Once the new structure became fully established, the benefits of a more stable senior team were apparent as the University managed the simultaneous demands of performance improvement, reductions in people costs and the disruption generated by Covid-19.

Throughout the year, the Committee were supported by external remuneration consultants (FIT), who validated the external market data and advised on the appropriateness of proposed salaries and severance arrangements. The market data compares our academic staff arrangements with other universities (distinguishing between pre- and post-'92 institutions), whilst professional services staff are benchmarked against both universities and the wider market for the various skill groups. In both cases, data is laid out at a detailed level so that the impact of regional variations in market rates can be properly understood.

#### **Policy Framework**

In October 2019, the Committee formally adopted the Guidance on Senior Pay issued by the Committee of University Chairs (CUC) and amended its Terms of Reference accordingly. The Guidance had in fact been used to inform decision-making during the previous year but is now embedded in the Committee's processes. In summary, adopting the Guidance confirms the commitment to ensure that:

- Reward levels for senior staff are fair and appropriate;
- Decision and approval processes are fair and transparent;
- Any severance payments are justified and reasonable.

The Committee also took the opportunity to approve an updated severance policy for senior staff, which more closely follows the Guidance and formalises the input of external legal and financial advice as an important safeguard in the process.

Finally, the Committee approved an amendment to the University's policy on appeals against dismissal, which are heard by a Panel of the Board. Prior to the change, this Panel could include a member of the University's senior team – in order to avoid perceived conflicts of interest, the new policy stipulates that all of the Panel members must be independent members of the Governing Body.

#### **Remuneration**

The Committee approved a 1.8% uplift in senior staff salaries effective from 1 August 2019, following the established practice of mirroring the annual award for graded and management staff in the University. The revised salaries were benchmarked against external market data to ensure that the new amounts are fair and justifiable.

In line with the CUC good practice guidance, the Committee monitor the salary and total reward of the Vice-Chancellor against the median for the overall staffing base. It will be noted that the figures for UCLan have remained relatively stable, except for a one-year reduction during the instability in 2018/19:

	19/20	18/19	17/18	16/17
Salary	<b>7.6</b>	<b>7.0</b>	<b>7.4</b>	<b>7.4</b>
Total Reward	<b>6.4</b>	<b>6.2</b>	<b>6.4</b>	<b>6.4</b>

(The figures for Total Reward are proportionately lower as neither Professor Baldwin nor Professor Thomas were in an occupational pension scheme, and therefore no employer contributions were payable).

The Committee's position is that the demands of a senior role at the University are not compatible with undertaking significant external commitments, and that senior staff are not therefore expected to take on remunerated external activities. Any exceptions to this would require prior approval by the Committee.

### **Senior Team Structure**

The Committee approved a new senior team structure, effective from 1 November 2019.

The post holders within the senior team are now as follows:

- a single Deputy Vice-Chancellor (Dr Livesey);
- three Pro Vice-Chancellors (Professor Crean, Dr Adia and Dr Ireland);
- five Chief Officers (Mr Ahern, Mr Charles, Mrs Connor, Mr Fisher and Mr Lee).

It was noted that the structure represented a significant cost saving via the non-replacement of a Deputy Vice-Chancellor and two Pro Vice-Chancellors, all of whom had left during the previous year. The structure also reduced the number of incumbent Pro Vice Chancellors by one, resulting in a selection process for one of the new roles and the subsequent exit of the unsuccessful candidate.

### **Senior Staff Recruitment and Exit Arrangements**

The Committee approved the appointment of Mr Charles as Interim Director of Finance, following the departure of the previous interim post holder. The job description and person specification for the permanent role (retitled Chief Finance Officer) were confirmed and, following a competitive selection process involving external candidates, the Committee approved the appointment of Mr Charles on a permanent basis. This appointment completed the population of the new Senior Team structure.

Following the selection process for the new PVC role, the Committee approved the exit arrangements for the unsuccessful candidate, who was in a redundancy situation and whose employment terminated in January 2020.