

University of Central Lancashire

Annual Remuneration Statement

The academic year 2020/21 saw a period of stability within the Vice-Chancellor's Group, following a number of appointments and departures during the previous year.

Accordingly, the Remuneration Committee was not required to approve any exit arrangements for senior staff and nor did it approve any reward packages for newly-appointed colleagues.

Throughout the year, the Committee continued to have access to external remuneration consultants (FIT), who validate the external market data and advise on the appropriateness of proposed salaries and severance arrangements, where required. 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. This Guidance remains embedded in the Committee's processes and, in summary, 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.

Remuneration

The uncertainties created by the Covid-19 pandemic markedly increased the risks to financial stability across the Higher Education sector. In consequence, the employers' association (UCEA) applied a 0% salary increase to graded staff, and the University was part of this process.

As a result, the Committee approved a zero uplift in senior staff salaries. This followed the established practice of mirroring the annual award for graded and management staff in the University. External comparator data showed that the University was very much in line with the sector in taking that approach for its senior staff.

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 20/21 show an increase in the Vice-Chancellor's figures versus the overall median, even though there was no uplift to senior pay during the year (see above). This change is attributable to the cost reduction work undertaken during the year, under which a disproportionate number of higher-paid staff exited the University and our recruitment was focussed on cost-effective roles, which added value to the University without placing undue pressure on our people costs.

	20/21	19/20	18/19	17/18	16/17
Salary	7.8	7.6	7.0	7.4	7.4
Total Reward	6.5	6.4	6.2	6.4	6.4

(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).

Despite the pressures associated with the pandemic, the University's finances improved during the year and, as a result, a one-off recognition of payment of £250 was granted to each member of staff at graded and management levels. The Committee approved the application of this scheme to the senior staff, in recognition of their contribution and in the context of a 0% pay award at the beginning of the year.

The Committee's position remains 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.