Introduction

The Higher Education Senior Staff Remuneration Code (the Code) was published by the Committee of University Chairs (CUC) in June 2018 and in response University Council subsequently approved a new Senior Staff Remuneration and Severance Policy and Procedure.

In reflecting the provisions of the Code, the University’s policy is designed to create a transparent and open system and improve the public’s understanding of and confidence in how the salaries of Vice-Chancellors and other senior university staff are determined. The commitment to transparency includes the University publishing a readily accessible annual report.

Context

The University of Hull employs almost 1,900 people and had a turnover of £190m in 2019/20. The University makes a valuable contribution to the social and cultural life of the city and region as lead partner in City of Culture, acting as an anchor institution in the region, working alongside public sector and commercial organisations in driving productivity and creating a sense of place.

The University inspires over 14,500 students from over 100 countries every year and conducts world-renowned research, operating as a global business, recruiting international students and providing teaching internationally, notably in Hong Kong and China, and partnering with a range of international organisations. In recruiting and retaining a Vice-Chancellor, the University is affected by the global market for talent, particularly since significantly higher levels of remuneration available in the US and Australia make it harder to recruit and retain key staff. It is critical the University of Hull is able to attract, recruit and retain the best possible academic and professional leadership.

Remuneration Committee

The University’s Remuneration Committee is a committee of the University Council and acts within the remit of Council, and within the delegations given to it by Council and the University Charter. It provides assurance to Council regarding senior staff remuneration.

The terms of reference of Remuneration Committee, including the names of members of the committee, who are appointed by Council, are available from the University’s Governance Team.

Remuneration Committee makes decisions affecting the emoluments (including severance payments) of members of the University Leadership Team. The role of Remuneration Committee also covers the oversight and monitoring of the remuneration and severance payments made to other senior staff earning over £100,000 per annum.

The Remuneration Committee is required to meet at least one time per academic year and ordinarily meets in October. Details of the meetings, including the dates of meetings, members’ attendance and minutes are published on the University’s website.
Key factors in considering reward

The University will ordinarily determine the market rate of a role with reference to the UCEA Senior Salary Remuneration Survey and a standard, local definition of the market within which the University operates. When considering reward the University primarily takes into account an individual’s performance and their impact on the achievement of University’s goals above. The University also takes into account changes in the market, measures necessary to effectively manage equality issues, the need to recognise developmental progression and retain staff and substantial changes to roles.

Vice-Chancellor Remuneration

The demands on the Vice-Chancellor are complex, operating within a highly competitive environment both nationally and internationally, where student demand for places both at subject and institutional level is increasingly volatile. The Vice-Chancellor’s performance is judged through an annual appraisal process of objective setting and monitoring performance against those objectives. Performance is reported to the University’s Remuneration Committee annually and this committee is responsible for ensuring the annual remuneration package is commensurate with the Vice-Chancellor’s performance and responsibilities.

The past year has been particularly challenging due to the impact of Covid-19 and the impact on University operations and students. The Vice-Chancellor has personally led the University’s response to Covid-19 whilst still delivering transformation objectives for the year.

The emoluments of the Vice-Chancellor were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Current Year (1 August 2019 – 31 July 2020)</th>
<th>Previous year (1 August 2018 – 31 July 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>£229,000</td>
<td>£251,000</td>
</tr>
<tr>
<td>Performance related pay</td>
<td>£0</td>
<td>£0</td>
</tr>
<tr>
<td>Benefits</td>
<td>£0</td>
<td>£4,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>£229,000</td>
<td>£255,000</td>
</tr>
<tr>
<td>Pension costs</td>
<td>£47,000</td>
<td>£4,000</td>
</tr>
<tr>
<td>Total</td>
<td>£276,000</td>
<td>£259,000</td>
</tr>
</tbody>
</table>

During the current reporting year the Vice-Chancellor joined the Universities Superannuation Scheme. The reduction in salary shown in the table is due to the associated removal of the payment in lieu of pension contributions previously paid under the University’s Pension Cash Supplement Policy.

The current value for the university of the pay multiple of Vice-Chancellor earnings against the median of all staff is 6.461.

1 This is calculated using the UCEA Pay Multiples in Higher Education Guidance
Severance payments (payments made to employees on the termination of employment)

For the period, the total amount of severance paid to staff earning over £100,000 per year was £175,926.

External appointments and expenses

University employees have a responsibility to respect and promote the financial and other interests of the University, with due regard to academic freedom. There is a general duty on all members of staff and lay members of the University to disclose at the earliest possible stage any financial or other interest they may have in any transaction, or proposed transaction, between the University and a third party. The University’s Register of Interests is available upon request.

The University operates a single expenses policy which applies to all employees including the Vice-Chancellor and members of the University Leadership Team. Details of the scheme are included in the University’s Financial Regulations which are available upon request.

In February 2020 the Office for Students published data and analysis around senior pay and identified “signs of pay restraint at some Universities”. Analysis across the most recent reporting period showed the following:

- The average (median) salary for the head of provider was £250,036 and the average total pay was £254,500. The University of Hull reports for 2019/2020 £229,000 basic salary (2018/19: £251,000) and £276,000 total pay (2018/19: £259,000).
- The average (median) total pay for the head of provider was 1.8% higher than the average salary. The University of Hull reports for 2019/20 that total pay was equal to basic pay.
- The University of Hull sits in the lower quartile for basic pay and total pay of the head of provider.