



Annual Remuneration Report to the Board of Governors for the Financial Year To 31 July 2025

1. Introduction

- 1.1 The Remuneration Committee provides an annual remuneration report to the Board of Governors as part of its remit to provide assurance to the Board on the conditions of service and remuneration of the University's Senior Postholders and to comply with 'The Higher Education Senior Staff Remuneration Code 2021' published by the Committee of University Chairs (CUC).
- 1.2 Senior Postholders are defined as those staff who are remunerated outside of the national Framework Agreement and JNCHES process and who have been designated as Senior Postholders by the Board of Governors. In 2024-25, the Vice-Chancellor, the Pro-Vice-Chancellors and the Clerk to the Board of Governors were designated Senior Postholders.

2. Remuneration Committee Terms of Reference and Membership

The Terms of Reference and the membership for the Remuneration Committee can be found on the University's website. The Chair of the Committee was Richard Dawson (an independent governor) who was appointed as the Chair on 3 July 2024.

3. Meetings

- 3.1 The Remuneration Committee met on 16 October 2024. The annual remuneration report and Senior Postholders' salaries were considered at the meeting.
- 3.2 The Committee reviews the following policies: the University's Policy on Income Derived from External Sources, as it applies to Senior Postholders; the Discretionary Policy on Salary Supplements in Lieu of Pension Contributions for Senior Postholders; and the Disciplinary; Absence Management; Performance Capability and Grievance procedures as they apply to Senior Postholders. These reviews are on a 3-year cycle.
- 3.3 The Committee reviews the Board of Governors' compliance with 'The Higher Education Senior Staff Remuneration Code 2021' published by the Committee of University Chairs (CUC) and the Committee's performance against the relevant sections of the CUC *Higher Education Code of Governance* annually, noting that the Codes had been complied with.
- 3.4 The Board of Governors receives minutes from the Remuneration Committee, including attendance details.
- 3.5 Any conflicts of interest are noted at meetings, and executive members are not present when their own remuneration or that of any related party individually are considered.

4. Approach to Remuneration

- 4.1 Leeds Arts University is based in a vibrant, modern and fast-growing city with a number of higher education institutions nearby. This environment is competitive for employment and many of the University's employees are academics as well as practicing professionals who

work in the creative industries which contributes significantly to the local and national economy.

- 4.2 The approach to remuneration is that employees' contributions are recognised, valued and fairly rewarded. The University is committed to equal pay, as well as to the equitable and fair treatment of all of our employees, based on job size, contribution, capability and merit. For staff on the pay spine this is underpinned by the HERA job evaluation scheme.

5. Factors Considered for the Senior Postholders

- 5.1 The University recognises the need for highly talented, competent, committed and motivated employees, to lead and deliver its strategic plan; and that employees must be rewarded and recognised competitively, appropriately and fairly.
- 5.2 The Remuneration Framework is determined by the terms of reference of the Remuneration Committee and the Senior Post Holder Remuneration Procedure, which is approved by the Board of Governors.
- 5.3 The factors considered in the Remuneration Procedure include: the performance of the University; the context in which the University is operating; the performance of individual Senior Postholders including any changes in responsibilities; internal pay movement of University employees and external benchmarking of compensation.

6. Information used in determining Remuneration for 2024/25

- 6.1 The Head of Human Resources presented information on performance and context to the Committee which they considered and debated. This included:
- The ongoing economic context.
 - Information comparators from the UCEA salary survey.
 - The wider national context, including the Office for National Statistics (ONS) Labour Market overview and the Indication from the Low Pay Commission (LPC) that NMW rates could rise by a further 5.8% from April 2025
 - UCEA data for the sector, basic salaries rose by a median of 5.1% in the twelve months to 1 February 2024 for employees who stayed at the same HEI.
 - Details of the outcomes of UCEA National Pay Bargaining.
 - The internal context, the rest of the workforce received a 2% cost of living increase and in addition, 58.4% were eligible and received incremental salary progression on average of 2.5%.
 - The decision not to replace a fourth SMT member but to spread responsibilities amongst the three remaining SMT members on an ongoing basis.
 - External funding pressures and increasing costs that the University was facing that needed to be acknowledged.
- 6.2 The Committee's terms of reference as approved by the Board of Governors included the determination and review of senior postholder salaries.

7. Performance and Remuneration of the Vice-Chancellor

- 7.1 In assessing the Vice-Chancellor's performance, the Committee noted the institutional performance, the competitive environment which the University was operating in, the Vice Chancellor's objectives related to the achievement of the University's Strategic Objectives and KPIs and the remuneration and pay movement of all employees within the University. The Chair of the Board confirmed that there were no issues arising from the Vice Chancellor's Annual Progress Review that needed to be taken into consideration.
- 7.2 Taking all factors into account, the Remuneration Committee's decision for the Vice-Chancellor's remuneration, along with comparisons against the previous year, are shown in the table below.

Emoluments of the Vice-Chancellor	2023-24	2024-25
Salary	£211,150	£215,400
Non-pensionable bonus	N/A	N/A
Performance related pay	N/A	N/A
Benefits	N/A	N/A
Subtotal	£211,150	£215,400
Employers Pension contributions	£35,966	£36,833
Total	£247,166	£252,233

This equates to a 2% increase in line with the cost of living increase received by other staff.

8. Pay Multiples

- 8.1 The table at 8.4 sets out the pay multiples of the Vice-Chancellor's salary against the median salary of staff for 2024/25 and the previous year.
- 8.2 The first calculation in the table is that defined by the CUC Remuneration Code, which is the University and College Employers Association methodology and this differs from the Office for Students (OfS) Accounts Direction. The CUC Remuneration Code adopted methodology is based on Higher Education Statistics Agency data for non-atypical employees (i.e. those on permanent or long-term fixed term contracts and excludes atypical staff which in the case of the University includes a substantial number of student ambassador roles and other staff who are not in regular ongoing employment with the University such as Visiting Lecturers and models).
- 8.3 The OfS Accounts Direction calculation differs as it requires the inclusion of all atypical and casual staff (which at Leeds Arts University includes the student ambassador roles, models and visiting lecturers) excluded from the CUC calculation. The mid-point of the salary ranges is significantly affected by the University employing student ambassadors to assist with activities such as open days, UCAS fairs, progression and other events where it is important that participants are able to hear about experiences direct from existing students. Student ambassadors help provide contextual information, advice and guidance from the perspective of a current student. They are an important part of the University's work in outreach, recruitment and internationalisation. During the year 597 staff were employed by the University on permanent, casual and atypical contracts, of which 159 were student ambassadors employed on an hourly basis working across various departments on a range of assignments. Student ambassadors represented 26.6% of the total number of staff employed.
- 8.4 *Table of pay multiples based on the CUC Remuneration Code methodology and the OfS methodology for Total Pay (including pension contributions).*

	2023 - 24	2024 - 25
Pay multiple of V-C pay to median salary based on the CUC Remuneration Code methodology.	5.8	5.63
Pay multiple of V-C pay to median salary based on the OfS methodology including student ambassadors as per the Financial Statements.	7.56	6.84

The CUC noted in developing their code that the typical range of pay multiples for V-Cs to the median of employees using their methodology ranged between 4.5 and 8.9.

The OfS senior staff remuneration analysis of the 2019-20 disclosures noted that the range of pay ratios for V-Cs salary using their methodology was from 1.0 to 17.0. This compares to the previous range published in 2017-18 which was 3.0 to 13.4. No further analysis has since been published by the OfS.

A link to the University's Financial Statements, which show the OfS multiple is here:
<https://www.leeds-art.ac.uk/about-us/governance/charitable-status/>

9. External Appointments and Expenses

- 9.1 The University considers it important that employees are represented on various bodies and boards and undertake academic and civic responsibilities.
- 9.2 Any additional income generated for the individual derived from such positions is expected to be declared and agreed in line with the policy on external income which can be found here <https://www.leeds-art.ac.uk/about-us/governance/charitable-status/>. The Vice-Chancellor received no additional income from any external appointments.
- 9.3 The University has a single scheme for payment of expenses for all employees, including Senior Postholders. The policy and procedures for claiming expenses incurred in the course of University business are laid out in the University's Financial Regulations and Financial Procedures.