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 June 2018’ 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 2020-21, the Vice-Chancellor, the Pro-Vice-Chancellor Assurance and Director of Finance, the Pro-Vice-Chancellor Student Experience and Resources, the Pro-Vice-Chancellor Academic, 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 is Dr David Reid, who is an Independent Governor.

3. Meetings

3.1 The Remuneration Committee met on 11th November 2020, and 30th June 2021. The annual remuneration report and Senior Postholders’ salaries were considered at the November meeting and timings of committee meetings and policies and procedures were considered at the July meeting.

3.2 The Committee reviews the following Senior Postholder procedures: Remuneration; Absence Management; Absence Notification; Disciplinary; Grievance; Performance Capability; and Recruitment and Selection. The Committee reviews the following policies: the University's Policy on Income Derived from External Sources, as it applies to Senior Postholders; and the Discretionary Policy on Salary Supplements in Lieu of Pension Contributions for Senior Postholders. Senior Postholder policies are based, as appropriate, on those applicable to other staff.

3.3 The Committee reviews the Board of Governors’ compliance with the Committee of University’s Chairs (CUC) Remuneration Code and the Committee’s performance against the relevant sections of the CUC Higher Education Code of Governance annually, noting at its November 2020 meeting 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 New JNCHES 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 2020/21**

6.1 The Vice-Chancellor presented the following information on performance and context to the Committee:

- Given the exceptional conditions under which staff were working during the pandemic the formal Annual Performance Review (APR) process was not undertaken in 2020/21.
- The Universities and Colleges Employers’ Association (UCEA) had no mandate for a national pay award from the employers in relation to 2020/21 and there was therefore no agreed uplift to the staff pay spine.
- The majority of the University’s income is derived from Undergraduate tuition fees and it was not possible to be fully confident of the expected financial outturn for 2020/21 until Undergraduate students returned after the Easter break. Whilst recognising how hard all staff had worked in 2020, due to financial uncertainty, the
University did not consider that it was in a position to consider annual increments for 2020/21.

6.2 The Vice-Chancellor reported that following discussions with senior postholders, all had agreed that they did not wish to receive a salary increase in 2020/21.

6.3 The Committee’s terms of reference as approved by the Board of Governors, stated that the Committee’s responsibilities included the determination and review of senior postholder salaries on behalf of the Board of Governors and that the Senior Postholder Remuneration Procedure approved by the Board of Governors stated that the Remuneration Committee would meet at least annually to review and to consider for approval any increases in senior postholder salaries. As such this decision was reported to the Board of Governors by the Committee.

7. Performance and Remuneration of the Vice-Chancellor

7.1 The Chair of the Board confirmed that there were no issues relating to the Vice-Chancellor’s performance; though as with other staff no Annual Progress Review took place.

7.2 In light of the Remuneration Committee’s decision to agree with the request of the Vice-Chancellor and other Senior postholders not to consider any salary increases, the Vice-Chancellor’s remuneration remained unchanged, and this along with comparisons against the previous year, is shown in the table below.

<table>
<thead>
<tr>
<th>Emoluments of the Vice-Chancellor</th>
<th>2020-21</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>£186,384</td>
<td>£186,384</td>
</tr>
<tr>
<td>Performance related pay</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Benefits</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Subtotal</td>
<td>£186,384</td>
<td>£186,384</td>
</tr>
<tr>
<td>Employers Pension contributions</td>
<td>£29,821</td>
<td>£27,585</td>
</tr>
<tr>
<td>Total</td>
<td>£216,205</td>
<td>£213,969</td>
</tr>
</tbody>
</table>

8. Pay Multiples

8.1 In the table at 8.4 are the pay multiples of the Vice-Chancellor’s salary against the median salary of staff for 2020/21 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. It also includes agency staff. 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. They help provide contextual information, advice and guidance from the perspective of a current student. Student ambassadors are an important part of the University’s work in outreach, recruitment and internationalisation although their use in 2020/21 reduced due to the pandemic. During the year 516 staff were employed by the University on permanent, casual and atypical contracts, of which 106 were student ambassadors employed on an hourly basis working across various departments on a range of assignments. Student ambassadors represented 20.5% 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.

<table>
<thead>
<tr>
<th>Pay multiple of V-C pay to median salary based on the CUC Remuneration Code methodology.</th>
<th>2020-21</th>
<th>2019-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay multiple of V-C pay to median salary based on the OfS methodology including student ambassadors as per the Financial Statements.</td>
<td>6.39</td>
<td>7.93</td>
</tr>
</tbody>
</table>

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. This compares to the previous range published in 2017-18 which was 3.0 to 13.4.

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/](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 that could be 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/](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 can be found in the University’s Financial Regulations and Financial Procedures.