

BIRKBECK

University of London

MEETING OF THE GOVERNORS

30 November 2022

ANNUAL REPORT OF THE REMUNERATION COMMITTEE 2021-22

The annual report of the Remuneration Committee, drafted for publication as recommended by the CUC code on HE remuneration, is set out below:

I THE ROLE OF THE REMUNERATION COMMITTEE

- 1.1 The remit of the Remuneration Committee is to develop and have oversight of an overall framework to cover the remuneration, benefits and conditions of employment of the staff of the College, ensuring that there are clear and fair processes for setting objectives and assessing contribution;
- 1.2 The principles of remuneration are to recruit and retain the best staff possible, to deliver best outcomes for students, society and the economy and to demonstrate best use of resources.
- 1.3 The approach to setting remuneration takes economic factors, competition, skills, experience, the diversity of the workforce and individual and institutional performance into account.

2 THE SCOPE OF THE COMMITTEE

- 2.1 The Remuneration Committee considers:
 - The remuneration, benefits and conditions of employment of the College Academic Executive Team:
 - Vice-Chancellor
 - Deputy Vice-Chancellor
 - Pro Vice-Chancellors
 - College Secretary
 - Executive Deans
 - The remuneration, benefits and conditions of employment of other members of staff with senior management roles on salaries of more than £100K.
 - The strategy, policy and parameters for the review and determination of the remuneration and benefits of senior staff of the College within the remit of the Professorial and Senior Staff Salaries Committee (PSSSC). PSSSC considers the

remuneration of professorial academic staff and senior professional services staff at the equivalent level.

- 2.2 Remuneration Committee's Terms of Reference are available here[to be added on publication]

3 MEMBERSHIP

- 3.1 The members in 2021-22 were
- Chair of Governors (Sir Andrew Cahn)
 - Deputy Chair of Governors (Simon Davis)
 - Up to three other independent Governors (Nana Banton, Gillian Broadley, Andreas Utermann)

The members were appointed by the Nominations Committee.

4 MEETINGS

- 4.1 Three meetings were scheduled in 2021-22
- 25 November 2021 and 24 March 2022: These meetings did not take place given the approach to remuneration processes confirmed in June 2021.
 - 30 June 2022: attended by Sir Andrew Cahn, Nana Banton, Simon Davis, Gillian Broadley and Andreas Utermann. The minutes are available from this link (to be added for publication).

5 PRINCIPLES OF REMUNERATION

- 5.1 The principles of remuneration are in line with the Committee of University Chairs (CUC) guidance for Remuneration Committees and the requirements for the Office for Students.

6 GENERAL APPROACH TO SETTING REMUNERATION

- 6.1 The Remuneration Committee will take account of affordability, the value of each role, performance in the context of College strategic objectives and relevant performance indicators, the size and complexity of the College, the nature of the employment market and comparative information on the remuneration, benefits and conditions of employment in the Higher Education sector and elsewhere as appropriate.

7 SPECIFIC APPROACH TAKEN ON REMUNERATION IN 2021-22

- 7.1 The Remuneration Committee determines directly the remuneration, benefits and conditions of employment of the College Academic Executive Team: Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice Chancellors, College Secretary, and Executive Deans
- 7.2 The Remuneration Committee agreed that there would not be a pay review process to consider any additional remuneration for the above group of staff, continuing the approach taken in 2020-21.

- 7.3 The Committee noted that the view of the staff concerned was that a pay review process would not be appropriate in the current circumstances. As last year, the Committee recognised the ongoing contribution from the senior management team but equally welcomed the position taken given the financial position of the College.
- 7.4 The Remuneration Committee sets the strategy, policy and parameters for the review and determination of the remuneration and benefits of senior staff of the College within the remit of the Professorial and Senior Staff Salaries Committee (PSSSC). PSSSC considers the remuneration of professorial academic staff and senior professional services staff at the equivalent level.
- 7.5 The Committee agreed for this group of staff no pay review process would be run. Last year a limited process was run confined to the consideration of bonus payments rather than substantive ongoing pay awards, with the award of any bonuses focusing particularly on exceptional performance in terms of leadership, and co-ordination and delivery of the College's Covid 19 response. Again, the Committee recognised the contribution of staff in this group but were mindful of the financial situation.
- 7.6 In 2021-22 the College has run its annual promotion procedures for more junior academic staff; and contribution related pay processes for professional and support staff up to grade 9. The Committee as well as the College management has been clear that that this support for junior staff should be the priority in the current circumstances given the financial situation.
- 7.7 Given that the normal pay review processes have not now taken place for three years, there are a number of specific remuneration issues linked to underlying changes in roles, job size and responsibilities. These were considered by the Remuneration Committee at its meeting in June 2022. Following recommendations from PSSSC, three salary awards to staff in professional services management roles and two in academic management roles were made. A further one-off award in relation to an academic management role was also made.

8 JOB EVALUATION SCHEMES, PAY AWARDS AND PENSION SCHEMES

- 8.1 Birkbeck uses the Hay job evaluation scheme.
- 8.2 Birkbeck is one of 169 member organisations, who belong to a nationally negotiated pay awards and pensions schemes, via Universities and Colleges Employers Association (UCEA).
- 8.3 Birkbeck is also a member of Universities UK (UUK), which represents the collective voice of 140 universities in England, Scotland, Wales and Northern Ireland.
- 8.4 The pension schemes are Universities Superannuation Scheme (USS) for staff at Grade 7 / Lecturer and above, and Superannuation Arrangements of the University of London (SAUL) for staff at lower grades.

9 POLICY ON PERFORMANCE PAY AND STAFF ELIGIBILITY

- 9.1 Birkbeck operates appropriate and robust processes for Professors and senior staff in terms of independence, objectivity, and assessment of individual and overall institutional performance.
- 9.2 When a pay round for senior staff groups commences all eligible staff are invited to make an application for consideration and the process for doing so is outlined within the invitation. As part of the process, positive reviews are encouraged. In addition, equality data such as gender, ethnicity, age and disability are reviewed and potential trends identified. These trends are discussed and possible resolutions considered, which are then translated to our equality action plans, including those related to equal pay and gender pay.

10 BENCHMARKING

- 10.1 Sector remuneration benchmarking information provided by the CUC, UCEA and other sources for a range of relevant comparator institutions are used as part of the College's pay review processes.
- 10.2 The College is not in a HE sector "mission" group and by its nature not a close fit with many others. Instead, a list is chosen from organisations with similarities to Birkbeck who are considered competitors in certain areas. The current list is Brunel, City, East Anglia, East London, Essex, South Bank, Westminster, Goldsmiths' College, Royal Holloway and SOAS, Queen Mary, Open University, King's College London, Imperial College and University College London.

11 INDICATORS USED IN DECISIONS ABOUT REMUNERATION

- 11.1 Decisions are made in the context of sector remuneration benchmarking information as in 8 above, the outcome of performance appraisal, and the broader context of institutional Key Performance Indicators agreed by the Governors.
- 11.2 The UCEA Senior Staff Remuneration Survey report is based on confidential information provided by institutions and provides a pay analysis of senior and middle managers in universities and colleges of higher education. Salary tables are provided by responsibility level, function group, institution type, institution size, cost centre/income levels, discipline, region and mission/sector group. It also includes data on demographics, including gender and age pay gap.
- 11.3 The data includes external comparators such as the NHS, Local Government, FTSE 250 and Charities in addition to data on international remuneration to benchmark against, including the USA, Canada, Australia, New Zealand, South Africa and Asia, specifically Hong Kong and India.

12 VICE-CHANCELLOR'S REMUNERATION

- 12.1 The Vice Chancellor last received an increase in base salary, over and above the level of the national pay award, in 2012. He last received a bonus payment in 2016/17 and his salary is not subject to increase in relation to national HE pay awards. The Vice

Chancellor's historic salary reflects his contribution to the leadership and development of the College over a 19 year period which has had transformational impact over this time. In view of Birkbeck's current financial position, the Vice Chancellor has requested that his salary is reduced by £50,000 per annum until further notice. The Remuneration Committee have agreed to this reduction bringing the Vice-Chancellor's salary to £298,552. The impact of this change will appear in the 2022-23 Financial Statements.

12.2 The salary of the Vice-Chancellor for previous years was:

July 2018	July 2019	July 2020	July 2021	July 2022
335,675	342,389	348,552	348,552	348,552

12.3 The total emoluments of the Vice-Chancellor for previous years are :

July 2018	July 2019	July 2020	July 2021	July 2022
371,894	379,333	385,870	385,812	398,302

The increases in total emoluments from 2021 onwards are due to an increase in the Universities Superannuation Scheme's employer contribution rate from 30 September 2021.

13 PAY MULTIPLE: VC'S EARNINGS AGAINST THE MEDIAN OF ALL STAFF

Year to July	Basic Salary Comparison	Total Salary Comparison
2018	The VC's basic salary is 9.0 times the median pay of staff.	The VC's total remuneration is 8.3 times the median total remuneration of staff.
2019	The VC's basic salary is 9.0 times the median pay of staff.	The VC's total remuneration is 8.3 times the median total remuneration of staff.
2020	The VC's basic salary is 9.0 times the median pay of staff.	The VC's total remuneration is 8.3 times the median total remuneration of staff.
2021	The VC's basic salary is 9.0 times the median pay of staff.	The VC's total remuneration is 8.3 times the median total remuneration of staff.
2022	The VC's basic salary is 8.9 times the median pay of staff.	The VC's total remuneration is 8.1 times the median total remuneration of staff.

14 PAYMENTS TO MEMBERS OF THE GOVERNING BODY

- 14.1 Members of the Governing body are entitled to reimbursement of travel expenses incurred in attending meetings and events in their official capacity. No claims for reimbursement were made in the 2021-22 financial year.

15 EXPENSES AND INCOME GENERATION

- 15.1 Senior post holders' expenses are processed in accordance with the College's expenses policy. The expenses policy, and policy on income generated from consultancy and other income generating activities are part of the Financial Regulations available from this link [to be added on publication].