



Annual Remuneration Report for Council 2023/24

Introduction

1. Terms of Reference

The Committee's Terms of Reference (ToR) are reviewed annually and were last reviewed in November 2023. A copy of the ToR, Constitution and Membership of the Committee 2023/24 is attached as Appendix 1.

2. Meetings

The Committee met on two occasions during the academic year; on 10 November 2023 and 20 June 2024 and a list of attendees are set out in Appendix 2. Reports of meetings presented to Council can be obtained through the Governance Team.

<https://www.liverpool.ac.uk/governance/>.

Approach to Remuneration

3. Operating Environment

Like the rest of the sector, in 2023/24 the University experienced a shortfall in international student recruitment. This sector wide problem has been influenced by a range of factors, most notably policy changes made by the previous government in relation to student visas, geopolitical and economic challenges in key markets, and international rankings, which have a very significant influence on student choice and international funders of scholarships. This presented significant challenges for the financial year just ended.

The 2024/25 financial year is also expected to be challenging, again due to a significant shortfall in overseas tuition fee income, and the University is putting in place a range of cost control measures to ensure we are in a positive position at the end of the financial year.

There are, however, many signs of success especially in league tables where the University has seen rises in the THE World University rankings, the Times and The Sunday Times Good University Guide 2025, the Guardian, and Complete University Guide. We have also maintained our strong position in the Shanghai Academic Ranking of World Universities (ARWU).

Nevertheless, decisions around senior reward have been made with the sector context in mind.

4. Guiding Principles Related to Remuneration

The University of Liverpool's Remuneration Committee has agreed, and reviews on an annual basis, its Senior Staff Remuneration Policy ¹ which is the framework for managing senior staff remuneration and conditions (including non-pay benefits) at the University. The Committee does this to enable appropriate governance of the remuneration, promotion and reward for positions on Grade 10 and above, Professorial and equivalent Professional Services Staff and members of the Senior Leadership Team.

5. The Reward of Senior Staff

- The Vice-Chancellor's base salary is increased in line with the national pay award for universities' staff negotiated through the New JNCHES process. Accordingly, the Vice-Chancellor's base salary and allowance in lieu of employer's pension contributions were increased by 3% on 1 August 2023 in line with the national pay award for universities' staff (described in section 6).
- The Vice-Chancellor is eligible to be considered for an increase of between 0-3% of baseline salary in accordance with the Non-Clinical Professorial/Senior Management Staff Salary Review. The President of Council makes recommendations to the Remuneration Committee on any performance award that would be appropriate in this context. The Committee will then agree upon the level of any award and make a recommendation to University Council. Any performance award is effective from 1 October.
- Given the current financial and wider economic challenges faced across the HE sector, the President of Council recommended to the meeting of Remuneration Committee in June 2024 that the Vice-Chancellor should not be awarded an additional pay rise on 1 October 2024. This recommendation, however, was not in any way attributed to performance, which had been very strong.
- The VC agreed to adopt the same approach with SLT members as above and again this was in no way attributed to performance and reflected the current challenges facing the sector.
- Subsequently, it was also agreed that there would not be an additional salary review process in 2024 for Non-Clinical Professorial staff and equivalent Senior Management staff (Grade 10+). However, professors in Levels 1 to 3 inclusive still had the option of applying for promotion to a higher professorial level.

¹ <https://www.liverpool.ac.uk/intranet/hr/my-hr/information/policies/pay/strategicreward/>

Non-Clinical Professorial Staff:

Within the exercise which considered an increase to a higher professorial zone, the Vice-Chancellor and his team considered submissions made by 29 (Male 18 Female 11) out of 441 (Male 298 Female 143) eligible Non-Clinical Professorial staff (currently in Levels 1 – 3). A summary of their decisions are set out below:

Submissions Received for an Increase in Professorial Level				
29 cases received for an increase in Professorial Level		Total	M	F
	Agreed	20	13	7
	Not Agreed	9	5	4

6. Pay Award

2023/24 pay negotiations undertaken through the Joint Negotiating Committee for Higher Education Staff (JNCHES) led to an overall award of 5.0% (2% which took effect earlier than usual, on 1 February 2023, and 3% (as reported in section 5) effective from 1 August 2023). This was implemented across all staff groups. Tapered arrangements provided for a higher percentage for lower remunerated positions.

7. Performance Related Pay Payments

Any performance related pay (PRP) payments are determined following an individual's Professional Development and Review (PDR) and are paid in addition to the normal annual system of rewarding exceptional contribution through the Professorial/Senior Management Review. These would continue subject to sustained high performance.

8. Benchmarking

Each year, the Institution participates in the UCEA, Russell Group, Korn Ferry Hay Industry & Services and CUC salary surveys. The Institution's Remuneration Committee receives an analysis of this data to show how the Vice-Chancellor's remuneration package compares with that of a comparator group of organisations (those with over £400m turnover and the Russell Group) and the remuneration packages of jobs rated an equivalent size under the Hay job evaluation methodology (Korn Ferry Hay public, private and UK University clients).

Remuneration Committee also receives information on the potential impact of a range of percentage increases in accordance with the Senior Staff Remuneration Policy (formerly the Strategic Reward for Senior Staff Policy) and also considers internal benchmark data including the pay multiple of the Vice-Chancellor's salary to the median earnings of all staff.

The Remuneration Committee reviews the benchmark information from the surveys described above and considers whether the current level of remuneration for the Vice-Chancellor continues to be fair, appropriate and justifiable.

9. Median Salary

The University publishes the pay multiple of Vice-Chancellor pay to median salaries in line with the CUC Remuneration Code methodology. Council is reminded that during the year ended 31 July 2023 there was a change in personnel in the role of Vice-Chancellor. Professor Dame Janet Beer was in position from 1 August 2022 to 31 December 2022, and on 1 January 2023 Professor Tim Jones took up the position.

Year End	Median Salary	VC's Base Salary	Pay Multiple
31/07/2023	£39,700	£285,600	7.2
31/07/2022	£37,500	£309,500	8.3
31/07/2021	£36,900	£300,500	8.1
31/07/2020	£36,500	£300,500	8.2

Appendix 1

REMUNERATION COMMITTEE

Minute Secretary: Emma Leonard – Head of Governance and Deputy Secretary, Legal and Governance (e.leonard@liverpool.ac.uk)

Terms of Reference

- a) To approve and annually review the Senior Staff Remuneration Policy (SSRP) which is the policy framework for managing senior staff remuneration and conditions (including non-pay benefits) at the University.
- b) To be responsible, on behalf of the Council, for setting the policy for and agreeing remuneration and reward for members of the Senior Leadership Team (SLT) in accordance with the SSRP.
- c) To consider and determine the overall remuneration and objectives of the Vice-Chancellor. The President of Council will:
 - i) report on their assessment of the VC's performance against the Professional Development Review (PDR) objectives that were agreed
 - ii) propose to the Committee any increase in remuneration in accordance with the SSRP
 - iii) propose to the Committee PDR objectives for the coming year.

The Committee's recommendations to then be presented to Council for consideration.
- d) To receive reports on the remuneration of staff above Grade 9 who are not members of SLT in accordance with the SSRP.
- e) To consider and determine upon proposals for voluntary severance or the early retirement of members of the SLT. (The determination of such matters with regard to the Vice-Chancellor shall be restricted to the lay members of the Committee.)
- f) To approve policy on the outside earnings of members of the SLT.
- g) To review and note remuneration trends across the University sector using benchmarking data.
- h) To agree the policy for claims for expenses from the Vice-Chancellor and receive regular reports on expense payments made.
- i) To provide an annual remuneration report to Council on the business of the Committee that shall be produced in accordance with the CUC Higher Education Senior Staff Remuneration Code/Office for Students guidance.
- j) To ensure compliance with the CUC Higher Education Senior Staff Remuneration Code/Office for Students guidance in all relevant matters before the Committee.

Constitution and Membership for Session 2023/24

(Where a title is given, this indicates that the appointment is ex officio.)

The President of Council	Carmel Booth
The Vice-President of Council	Hans van Mourik Broekman
One lay member of Council	Helen Miller (2021-24) (Chair)
Independent Member	To be appointed

In Attendance

The Vice-Chancellor	Professor Tim Jones
The University Secretary and General Counsel	Kevan Ryan
The Director of Human Resources	Nov '23: Keith Watkinson
	June '24: Jo Squires (Secretary)
The HR Management Services Coordinator	Deborah Grainger

Frequency of Meetings

The Remuneration Committee usually meets on two occasions during the academic year.

Quorum

The quorum for meetings of the Remuneration Committee shall be three of its members.

Meeting Dates

- 10 November 2023
- 20 June 2024

Appendix 2

Dates of Meetings & Register of Attendance 2023/2024

	10/11/2023	20/06/2024
Full members:		
President of Council Carmel Booth	✓	✓
Vice-President of Council Hans van Mourik Broekman	✓	✓
Lay Member of Council (Chair) Helen Miller	✓	✓
Independent Member <i>To be appointed</i>		
In attendance:		
Vice-Chancellor Tim Jones	✓	✓
University Secretary & Director of Legal & Governance Kevan Ryan	✓	✓
Director of Human Resources (Secretary) Keith Watkinson	✓	Left the Committee
Interim Director of Human Resources (Secretary) Jo Squires	Not on the Committee	✓
HR Management Services Co-ordinator Debbie Grainger	✓	✓
Governance Manager (Minute Secretary) Emma Leonard	✓	X
Compliance and Regulatory Manager (Interim Minute Secretary) Mike Edge	Not on the Committee	✓