



Remuneration Annual Report 2022

Outcome requested:	Council is asked to approve the Remuneration Annual Report for 2022.
Executive Summary:	The CUC Higher Education Remuneration Code requires governing bodies of universities to publish a Remuneration Annual Report following a standard template.
QMUL Strategy	Effective governance supports the achievement of all strategic aims.
Internal/External regulatory/statutory reference points:	QMUL Ordinances CUC Higher Education Remuneration Code OfS Regulatory Framework for Higher Education
Strategic Risks:	Reputational development.
Equality Impact Assessment:	The Report refers to work undertaken during the year under the university's equality duties.
Subject to prior and onward consideration by:	By Council only.
Confidential paper under FOIA/DPA	No, the Report will be published on the Queen Mary website.
Timing:	The publication of the Remuneration Annual Report is timed to coincide with the publication of the Financial Statements.
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Date:	10 November 2022
External sponsor:	Melissa Tatton CBE, Chair of Remuneration Committee

REMUNERATION ANNUAL REPORT 2022

Introduction

1. This is a report on senior staff remuneration at Queen Mary University of London in 2022. It is written to comply with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code and the Office for Students' Accounts Direction.
2. Remuneration Committee is a committee of Council, the University's governing body. It is responsible for determining and reviewing the salaries, terms and conditions of appointment and any severance payments for senior members of staff of the University. Information about Remuneration Committee and its work is published on the University's website.

www.arcs.qmul.ac.uk/governance/council/committees/remuneration-committee/

3. The full terms of reference of Remuneration Committee are as follows.
 - a) To make recommendations to Council on policies for the remuneration of members of staff where the level of remuneration is greater than £100,000 per year, having particular regard to the University's strategy, market position, equality duties and the need for transparency of process.
 - b) To determine and review at least annually the salaries and benefits, including retained external income, terms and conditions, and objectives in relation to the University's strategy of members of the senior executive, including the President and Principal and other senior members of staff identified by Council.
 - c) To consider the outcomes of annual reviews of professorial and Grade 8 Professional Services staff in relation to salary profiles, increases and other payments, having particular regard to retention and market factors, and the University's equality duties.
 - d) To consider and approve severance and other payments to members of staff where the level of remuneration before the payment(s) is greater than £100,000 per year or where the level of the payment(s) exceeds £100,000 (capped at £125,500).
 - e) To consider recommendations for salaries that result in remuneration exceeding £150,000 per year.
 - f) To publish information about its approach and decisions regarding the remuneration of senior members of staff in accordance with sectoral expectations.
 - g) To consider annual reports on gender and ethnicity pay gaps.
 - h) To review the Committee's effectiveness and the suitability of its membership and terms of reference annually.
4. Remuneration Committee met on four occasions in 2022. The main topics of discussion were:

- e) Sheila Gupta, Vice-Principal (People, Culture and Inclusion), attended one meeting to discuss reports and actions plans on gender and ethnic pay gaps. She did not attend the meeting at which her own performance, areas of focus and remuneration were discussed.
- 7. Copies of written reports from Remuneration Committee to Council can be obtained from the Council Secretariat at www.arcs.qmul.ac.uk/governance/council/.
 - 8. Remuneration Committee undertakes and reports on annual reviews of its own effectiveness. The review in 2022 included detailed consideration of the revised Higher Education Senior Staff Remuneration Code to ensure that the Committee's approach and practices comply. The outcomes of the review were to clarify the Committee's role in relation to retained external income by members of the senior executive team, and to provide additional information in the Remuneration Annual Report on the composition and role of the senior executive team. It is established practice for the Committee to invite the President of the Students' Union to participate when the President and Principal's performance, objectives and remuneration are discussed. In the academic year 2021–22, on a pilot basis, the President of the Students' Union also attended for other relevant items of business that did not address the performance or remuneration of individuals. This will continue on an established basis.

Approach to remuneration

- 9. The terms of reference of Remuneration Committee, which are agreed by Council, set out the fundamental principles that guide remuneration decisions in relation to senior members of staff; namely that they should have particular regard to Queen Mary's strategy, market position, equality duties and the need for transparency of process.
- 10. Queen Mary publishes policies and procedures on its website on staff recruitment, probation, appraisal, promotion, remuneration and termination of employment. The policies and procedures that guide the review and remuneration of senior members of staff are the executive pay review, the Professorial Review and the Grade 8 Professional Services Review. The University uses the Hay job evaluation scheme across all roles.

hr.qmul.ac.uk/procedures/

- 11. When recruiting senior members of staff, the following factors are considered:
 - a) the ability to attract and appoint candidates at an appropriate level;
 - b) evidence of the candidate's past and current record of achievement in strategically-relevant areas contributing to the success of the University;
 - c) evidence of staff and strategic leadership in relevant areas;
 - d) current earnings;
 - e) benchmark data on salary levels for similar roles internally and at comparable institutions;
 - f) for senior clinical roles, existing pay and conditions under the NHS, including Clinical Excellence Awards and Additional Programmed Activities.
- 12. When seeking to retain senior members of staff, the following factors are considered:

- a) an assessment, supported with evidence, of the impact that would result from the member of staff leaving the University and why it would be difficult to replace them with someone of similar standing and expertise;
 - b) exceptional contributions made by the member of staff in furtherance of the University's strategic aims;
 - c) impact on organisational performance, leadership and external relations;
 - d) evidence from an offer of alternative employment;
 - e) benchmark data on salary levels for similar roles internally and at comparable institutions.
13. The following factors are considered in annual pay reviews for senior members of staff:
- a) delivery of agreed objectives;
 - b) impact on organisational performance, leadership and external relations;
 - c) the contribution made by the member of staff in furtherance of the University's strategic aims;
 - d) benchmark data on salary levels for similar roles internally and at comparable institutions.
14. Remuneration Committee draws data from the following sources to support remuneration decisions for senior members of staff:
- a) the Universities and Colleges Employer Association's Senior Staff Remuneration Survey to benchmark pay with institutions which are similar in terms of their mission, size and location;
 - b) the Korn Ferry Hay salary survey, which compares approximately 700 public and private sector organisations in the UK;
 - c) the Committee of University Chairs' Vice-Chancellor Salary Survey to benchmark pay with institutions which are similar in terms of their mission, size and location;
 - d) internal analysis of salary distributions and equality impact assessments across professorial and Grade 8 Professional Services staff;
 - e) expert searches which may be commissioned to support recruitment to specific roles.

Institutional performance

15. Queen Mary is a member of the Russell Group of 24 leading UK universities, which are committed to maintaining the very best research, an outstanding teaching and learning experience and unrivalled links with business and the public sector. The University has five campuses in London and significant operations overseas, notably in China, France and Malta. In 2021–22, it had over 32,000 students registered on its programmes, close to 4,500 members of staff, research income of £122m and total income of £614m. Queen Mary

therefore competes with some of the best universities in the UK and internationally to recruit senior members of staff.

www.qmul.ac.uk/strategy-2030/

16. The Financial Statements contain a review of institutional performance over this period.

www.finance.qmul.ac.uk/statements/

Rationale for the total remuneration of the President and Principal

17. The President and Principal is the chief academic and executive officer of the University with ultimate responsibility for the development and delivery of the Strategy, as well as for ensuring that the University has the financial strength and sustainability to achieve its ambitions. The post-holder is responsible for maintaining and promoting the University's values and distinctive identity, for overseeing the achievement of high international standards in education and research across all disciplines, and for protecting and developing the University's reputation on a regional, national and international level.
18. Professor Colin Bailey CBE has been the University's President and Principal since September 2017. He was appointed following an international search, which was overseen by Council, and his salary at the time was set close to the median compared to other Russell Group universities. Professor Bailey made clear in advance his intention to waive any salary increase or bonus that Remuneration Committee may wish to award between 2017–18 and 2020–21.
19. Council re-appointed Professor Bailey in 2021 for a further five years considering his significant contribution in the role. In parallel, Remuneration Committee undertook a review of Professor Bailey's remuneration and terms and conditions of employment, based on a detailed internal and external benchmarking exercise drawing from the Universities and Colleges Employer Association's Senior Staff Remuneration Survey, the Korn Ferry Hay salary survey and the Committee of University Chairs' Vice-Chancellor Salary Survey, as well as additional research into a group of ten comparator institutions. This highlighted movements over a two-year period in vice-chancellor salaries and how they compared to salaries paid to other staff working in universities. Relevant contextual factors, such as geography and institutional mission, turnover and performance were also considered. On Remuneration Committee's recommendation, Council increased Professor Bailey's basic salary from £300,000 to £316,180 after four years in which his actual salary had remained constant. This corresponded to the national cost of living increases awarded to members of staff at the University between 2018–19 and 2021–22 and ensured that Professor Bailey's salary increased at the same rate, or less, compared to the salaries of other staff at the University in a context of financial austerity caused by the Coronavirus pandemic and after a year in which no cost of living increases were awarded across many sectors. Professor Bailey's salary remains close to the median compared to other Russell Group universities.
20. Professor Bailey's total emoluments in 2021–22 were as follows.

Basic salary	£316,180
Benefits in kind (taxable)	
Utilities, council tax, service charge, maintenance costs and furniture in provided accommodation	£10,708
Rating value of provided accommodation	£400

Total emoluments before pension contributions	£327,288
Pension contributions	£17,653
Total emoluments including pension contributions	£344,942

21. Council requires the President and Principal to reside in nearby accommodation, which it provides for the better performance of the duties and for official business. This is consistent with similar arrangements at other universities, especially in London. The University purchased the property outright in 1976 for £55,000. The gross rating value of the property used to calculate the cash equivalent of the accommodation benefit is £400. In 2017 the University purchased certain items of furniture for the provided accommodation at a total cost of £13,290. The financial benefit of the furniture to Professor Bailey is spread evenly over the five years of his initial term of employment.
22. Professor Bailey has elected for the enhanced opt-out section of the Universities Superannuation Scheme (the same employer pension scheme that is available to other academic and related staff) by which the University makes contributions at a reduced rate for Professor Bailey to retain in-service benefits. The enhanced opt-out contribution rate for employers in 2021–22 was 6.3%, compared to the full contribution rate of 21.6%.
23. The following table shows the relationship, expressed as a multiplier, between the President and Principal’s emoluments and the median value for all staff employed by the University for the past three years. The values for 2020–21 reflect the fact that certain operations at the University, such as catering and in-person events, were temporarily scaled back because of the Coronavirus pandemic, while several deliberate appointments were made into senior roles to support delivery of the Strategy. The values for 2021–22 remain in line with the those for 2019–20 as operations have returned to normal.

	2021–22	2020–21	2019–20
Basic salary (median calculated as full-time equivalent for the salaries of all staff)	8.6	8.3	8.8
Total remuneration (median calculated as full-time equivalent for the salaries of all staff)	7.9	7.3	8.0

24. The Chair of Council is responsible for conducting the President and Principal’s appraisals. Following the full-year appraisal, the Remuneration Committee held a dedicated meeting, which Professor Bailey did not attend, to review his performance. The Committee concluded that Professor Bailey’s contribution in 2021–22 had continued to be significant. The University performed well in the Research Excellence Framework and was recognised for its leading work in social mobility and public engagement. The financial position of the University was consistently improving in a challenging external context and, with few exceptions, the institutional KPIs were moving in the right direction.
25. At the same meeting, the Remuneration Committee also reviewed Professor Bailey’s salary, informed by a detailed internal and external benchmarking exercise drawing from the Universities and Colleges Employer Association’s Senior Staff Remuneration Survey, the Korn Ferry Hay salary survey and the Committee of University Chairs’ Vice-Chancellor Salary Survey. In consideration of Professor Bailey’s performance in the role, the Remuneration Committee agreed to award him a 3% pay uplift with effect from 1 August 2022, in line with the national pay award. This meant that Professor Bailey’s salary increased at the same rate, or less, compared to the salaries of other staff at the University and remains close to the median compared to other Russell Group universities.

26. Remuneration Committee has approved objectives for Professor Bailey for 2022–23 that are linked to the University Strategy. The objectives reflect the following priorities:
- to continue overseeing the delivery of the Strategy and ensure that the University remains financially and operationally resilient;
 - to ensure that, in all parts of the University, the educational experience, wellbeing and career prospects of students are continually enhanced;
 - to extend and align the University’s research excellence, knowledge exchange and entrepreneurial impact in line with the Strategy and national priorities;
 - to continue building the senior leadership of the University and broader staff engagement to deliver the Strategy;
 - to undertake activities to raise the profile of the University locally, nationally and internationally.

President and Principal’s external appointments and expenses

27. The President and Principal currently does not retain any external income.
28. The President and Principal held the following external appointments in 2021–22, none of which were remunerated.
- a) Trustee and Member of the Board, Universities UK (UUK).
 - b) Trustee and Member of the Board, Universities and Colleges Admissions Service (UCAS).
 - c) Trustee, Member of the Board and Member of the Honorary Degrees and Fellowships Committee, University of London.
 - d) Member of the Nominations Committee, The Royal Academy of Engineering.
 - e) Non-Executive Director and Member of the Board, The Russell Group of Universities.
 - f) Non-Executive Director, Member of the Board and Member of the Nominations and Remuneration Committees, UCL Partners.
 - g) Member of the UPP Foundation Student Futures Commission.
 - h) Director of Member of the Board, Universities and Colleges Employers Association (UCEA).
 - i) Member of the Independent Expert Advisory Panel on Building Safety, Department for Levelling Up, Housing and Communities.
29. The University has a Travel and Expenses Policy to secure a consistent approach to the reimbursement of expenses necessarily incurred by members of staff and members of the governing body in the course of their work. The current Travel and Expenses Policy is published on the University’s website. In 2021–22, the President and Principal incurred £9,469 in expenses.

www.arcs.qmul.ac.uk/policy/

Remuneration of other members of the senior executive team

30. The senior executive team is responsible for the leadership of the University across education, research, stakeholder engagement and the University's financial position, and takes major decisions on strategy, development and direction. The President and Principal manages the senior executive team and is responsible for conducting appraisals for the other team members. The membership of the senior executive team during 2021–22 was as follows.

Professor Colin Bailey, President and Principal
 Professor Sir Mark Caulfield, Vice-Principal (Health) from January 2022
 Dr Sharon Ellis, Chief Operations Officer from July 2022
 Professor Colin Grant, Vice-Principal (International)
 Sheila Gupta, Vice-Principal (People, Culture and Inclusion)
 Professor Matthew Hilton, Vice-Principal (Humanities and Social Sciences)
 Karen Kröger, Chief Financial Officer
 Professor Irene Leigh, Interim Vice-Principal (Health) to December 2021
 Professor Andrew Livingston, Vice-Principal (Research and Innovation)
 Dr Philippa Lloyd, Vice-Principal (Policy and Partnerships)
 Professor Stephanie Marshall, Vice-Principal (Education)
 Jonathan Morgan, Chief Governance Officer and University Secretary
 Dr Ghazwa Alwani Starr, Chief Operations Officer to July 2022
 Professor Wen Wang, Vice-Principal (Science and Engineering)

31. Members of the senior executive team have access to the same employer pension schemes as other employees. By contrast, they do not receive national cost of living increases agreed through the Joint Negotiating Committee for Higher Education Staff and are considered instead by Remuneration Committee for any pay uplifts based on their performance and on benchmark data on salary levels for similar roles internally and at comparable institutions. Members of staff who are on clinical contracts are entitled to receive national cost of living increases agreed through the Doctors and Dentists Review Body.
32. The combined emoluments of the senior executive team in 2020–21 and 2021–22, including the President and Principal, were as follows.

	2021–22	2020–21
Salary	£2,224,523	£2,116,174
Benefits in kind	£11,108	£10,352
Severance	£nil	£nil
Total remuneration before pension contributions	£2,235,631	£2,126,526
Pension Contributions to USS	£291,461	£231,437
Total remuneration including pension contributions	£2,527,092	£2,357,963

33. Following the President and Principal's appraisal meetings with the other members of the senior executive team, Remuneration Committee held a dedicated meeting with Professor Bailey to consider the performance, remuneration and areas of focus of the team. None of the team members under discussion attended the meeting. Remuneration Committee approved pay increases amounting to £51,961, taking effect in 2022–23, to reward the performance of individual members of the senior executive team, including £36,961 to align pay with market rates based on benchmark data. The maximum consolidated pay uplift awarded was 3%, in line with the national pay award. This compares to pay increases

awarded by the Committee in previous years as follows. The Committee also approved areas of focus in 2022–23 aligned to the Strategy KPIs and enabling plans for each member of the senior executive team.

	2022–23	2021–22	2020–21
Performance-related increases (consolidated) ¹	£nil	£13,578	£nil
Performance-related bonuses (unconsolidated) ²	£15,000	£nil	£nil
Increases to align pay with market rates	£36,961	£20,000	£20,000
Total pay increases	£51,961	£33,578	£20,000

¹ Given the wider financial situation brought about by the Coronavirus pandemic and the fact that the higher education sector did not apply a cost of living increase in 2020–21, Remuneration Committee was not asked to consider performance-related pay uplifts for members of the senior executive team that year.

² Remuneration Committee agreed to consider unconsolidated performance-related bonuses for members of the senior executive team from 2022.

To be considered by Council on 17 November 2022