

REMUNERATION COMMITTEE ANNUAL REPORT 2020

A paper by the Director of Human Resources & Organisational Change

Introduction

1. The Remuneration Committee met in July 2019 and November 2019 to receive information on the College's remuneration strategy and information of the application of the strategy to pay and benefits. The Committee also reviewed and approved the salary and emoluments for members of the President's and Provost's Boards.
2. Details of the main issues that were reviewed by the Remuneration Committee in 2019 are set out in this paper.
3. In 2019, the roles within the scope of the Remuneration Committee were:
 - The President
 - The Provost
 - The Dean, Faculty of Natural Sciences
 - The Dean, Faculty of Medicine
 - The Dean, Faculty of Engineering
 - The Dean, Business School
 - The Vice-Provost (Research and Enterprise)
 - The Vice-Provost (Education)
 - The Vice-President (Communications and Public Affairs)
 - The Vice-President (Development and Innovation)
 - The Vice-President (Advancement)
 - The Vice-President (International) and Associate Provost (Academic Partnerships)
 - The Associate Provost (Academic Planning)
 - The Chief Financial Officer
 - The College Secretary
 - The Director of Enterprise
 - The Director of HR & Organisational Change

Remuneration policy

4. The remuneration policy for senior staff is the same remuneration policy applied to all College staff. Pay is set at mid to upper quartile against appropriate external benchmarks and only adjusted:
 - To address a significant misalignment of a member of staff's salary when compared to others who have a similar size role and profile;
 - To aid retention of staff, based on external benchmark data;
 - To address equal pay differentials;
 - To recognise substantial and sustained exceptional ongoing individual contribution beyond the expectations of excellent performance in the role;
 - To recognise substantial and exceptional one-off individual contribution beyond the expectations of excellent performance in the role.

Comparator benchmark institutions

5. The Remuneration Committee's review of salaries was informed by internal benchmarking information plus the following external benchmark information sources:
 - Committee for University Chairs Vice Chancellor salary and benefits benchmark report
 - The Russell Group salary survey
 - Xpert HR salary survey
 - UCEA Senior Staff salary survey
6. All staff within the remit of the Committee were required to disclose any income generated from an external activity that was retained by the individual. Eleven of the seventeen members of staff within the scope of the Remuneration Committee sought approval for retained income. All arrangements were approved as appropriately retained in line with the policy.

Pay ratios and comparator increases

7. The President's remuneration as a multiple of the median pay for all other employees (on an FTE basis) was 8.23 on basic salary for the year ending 31 July 2019 (8.56 for the year ending 31 July 2018) and 8.67 based on total remuneration (9.03 for 2018) excluding casual staff.
8. The Remuneration Committee reviewed comparator Russell Group information on pay ratios and the relationship between income and pay ratio and confirmed that Imperial College's position was in line with expectations.

9. The Committee reviewed information on the average increase in basic and total salary for each of the last five years for those earning over £100k per annum and compared this to the average increase of all employees. For 2019 the average increase in total salary compared to the previous year for those earning over £100k was 4.2% and for all employees was 4.5%.
10. The Committee also reviewed the salary increases for every member of staff earning over £150k (including 79 clinical academic staff whose pay is funded by both College NHS). The Committee was provided with justification (promotion, change of hours, backdated clinical pay awards or external benchmark adjustment) for 36 members of staff out of 180 where the increase for that individual exceeded the average for all employees. The 36 members of staff consisted of 13 academic members of the Business School, 21 clinical and non-clinical academics in the Faculty of Medicine and two College senior professional staff.

Pay and benefit issues reviewed by the Committee

11. **Local Pay Bargaining** – The Committee noted that the College's pay offer was not supported by all three unions and UCU had registered a dispute on the outcome. Constructive discussions were underway to review the approach and communication protocols for the 2020 pay negotiations.
12. **Benchmarking** – information was provided on the College's work to provide better benchmarking data to inform pay decisions. A working group chaired by the Dean of Engineering was reviewing international data and this would provide a useful context to the 2020 pay frameworks.
13. **Pension Developments** – Members discussed the ongoing issues in resolving the 2018 USS pension valuation and the financial and employee engagement complexities that needed to be managed. This issue continues to be reviewed by the Audit and Risk Committee with regular reports to Council.
14. **Equal pay and Gender Pay Audit** – Members reviewed the individual Faculty Equal Pay Audits and the published gender pay gap. Although members welcomed the detailed information provided, it was felt that a more strategic discussion on objectives was now needed. It was agreed that an exceptional meeting of the Remuneration Committee should be scheduled in early 2020 to focus on this issue. The Deans would be invited to attend the meeting.
15. **Benefits** – Members discussed the housing support and options available to staff. The Committee noted that some key competitors were building their own housing stock to enable them to offer subsidised accommodation to staff and this provision would need to be kept under review.

16. **Equality, Diversity and Inclusion Strategy** – Members welcomed the news that the College EDI strategy was launched October 2018 by Chi Onwurah, Labour MP an alumna of Imperial. It was noted that a working group was taking forward the recommendations of an external review that was conducted over the summer to revise College policies and procedures for dealing with incidents of sexual harassment to ensure that they were truly fit for purpose.

Pay and performance reviews for those within the remit of the Committee

17. All members of staff, including those who pay is considered by the Remuneration Committee, received the College 2019 local pay award which was a flat rate of £1,080. The President received the same award.
18. The Provost reported on the pay and performance review for the staff reporting to him. One member of staff was recommended for an additional pay increase based on increased responsibility and benchmark information. This was approved. The President reported on the pay and performance reviews for the staff reporting to her. No additional salary recommendations were made for her direct reports.
19. The President's objectives from 2018-19 were reviewed and her proposed objectives for 2019-20 discussed. Members endorsed the balanced and detailed self-assessment by the President on her successes and challenges throughout the year and agreed the proposed objectives aligned to the College strategy for the coming year.

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