

Annual Report of Remuneration Committee for 2021/22

Introduction

The Remuneration Committee is responsible for setting the remuneration of the Vice-Chancellor and other members of the University Executive Board.

The [terms of reference of the Committee](#), which include a list of post holders within the remit of the Committee, were reviewed and updated by the Committee during the year.

Membership 2021/22

The membership of the Committee comprises entirely of independent members of Council. The Committee is chaired by a Pro-Chancellor and the Chair of Council is also a member. The Vice-Chancellor is not a member of the Committee. No member of staff is present for the discussion of their own remuneration or when the Committee makes decisions on the reward of members of the University Executive Board.

Meetings 2021/22

The Committee met five times during 2021/22. The attendance of members at meetings was as follows.

	Eligible to attend	Actually attended
Sir Richard Atkins	5	5
Sarah Turvill	5	5
Sarah Buck OBE	5	4
Salam Katbi	5	2
Graham Cole CBE	5	5

Key issues considered by the Committee in 2021/22

At the beginning of the year, the Committee agreed annual institutional targets for 2021/22, its annual report for 2020/21, and its schedule of work for 2021/22.

The Committee also reviewed the achievement of the institutional targets and personal objectives for members of the University Executive Board which had been agreed for 2020/21. Taking account of these assessments, and the earlier decision to reduce the maximum award in 2020/21 under the Executive Performance Reward Scheme by 50%, the Committee made decisions on the performance rewards which should be paid under the Executive Performance Reward Scheme to recognise the achievement of these institutional and personal objectives.

During the year, the Committee agreed changes to the Executive Reward Policy and the Executive Performance Reward Scheme, taking account of the outcome of the external review of the reward arrangements for members of the University Executive Board which it has commissioned in the previous University year. The Committee also reviewed and updated its terms of reference.

The Committee reviewed the annual reports made by the Remuneration Committees of other Russell Group institutions and considered the amendments to the Committee for University Chairs' HE Senior Staff Remuneration Code and assessed the University's practices against the recommendations in the Code. Taking account of the revised Code, the Committee considered the composition of the Committee and its future engagement with staff and student representatives on Council.

A special meeting of the Committee approved the reward arrangements, informed by external benchmarking advice, for revised leadership roles on the University Executive Board arising from the Future Structures Programme.

At its final meeting of the year, the Committee reviewed the base salaries of members of the

University Executive Board, taking account of market data, affordability, performance and parity and equity, and the Committee's Executive Reward Policy, and reviewed the proposed institutional targets for 2022/23. The Committee also received a report on external work undertaken by senior executives in 2021/22.

At its first meeting in the 2022/23 University year, the Committee reviewed the achievement of the institutional targets and personal objectives for members of the University Executive Board which had been agreed for 2021/22. Taking account of these assessments, the Committee made decisions on the performance rewards which should be paid under the Executive Performance Reward Scheme to recognise the achievement of these institutional and personal objectives.

In December 2022, the Committee reported in detail to Council in line with its commitment to accountability, governance and transparency.

Approach to Remuneration

The [University's Reward Strategy](#) is designed to motivate our key talent to achieve the University's strategic objectives; to deliver an outstanding experience for our students, to drive forward our internationally focused research and to lead and inspire our academic and Professional Services employees. Taking account of the requirements of the Office for Students, the revised Committee of University Chairs' Remuneration Code and the outcomes of the external review of the Committee, the Committee reviewed and updated its [Executive Reward Policy](#) during the year.

Remuneration Decisions

The University's achievements in 2021/22 are detailed in the "How we performed" section of the [Annual Report and Financial Statement](#).

Taking account of the Committee's Executive Reward Policy, the Committee reviewed the base salaries of members of the University Executive Board. After consideration of market data, affordability and performance and parity and equity, and the amended responsibilities of some executive roles under the Future Structures Programme, the Committee agreed increases, effective from August 2022, for a number of members of the University Executive Board, including the Vice-Chancellor (see below). These decisions increased the pay bill of UEB by 2.2%.

The Executive Performance Reward Scheme recognises both institutional performance and personal performance. Under the Executive Performance Reward Scheme members of VCEG are eligible for a performance related payment of up to 20% each year. To recognise institutional performance – since all senior managers have a shared responsibility in the success of the University - half of the potential performance related payment is subject to the University achieving a range of institutional targets. The other half is subject to the achievement of personal performance objectives, including how these are achieved, as well as what is achieved. 17 members of the University Executive Board were eligible for payments in 2020/21.

The Committee agreed an average payment of 16.3% (of the potential 20%) for the achievement of personal and institutional objectives in 2021/22.

Vice-Chancellor and Chief Executive

Professor Lisa Roberts took up her appointment as Vice-Chancellor and Chief Executive of the University of Exeter on 1 September 2020. In setting Professor Roberts' starting salary, the University's Remuneration Committee took account of the level of responsibility and market data for the remuneration of Vice-Chancellors at competitor institutions.

In recognition of her performance in her first two years in office, during which she has led the development and launch of the new University Strategy, the development and implementation of changes to University structures and ways of working to facilitate the achievement of our strategic goals, successfully steered the University through the significant challenges of the Coronavirus pandemic, and delivered an improvement in the University's national and international league table performances and in the National Student Survey, the Remuneration Committee has agreed to increase Professor Roberts' salary by 5.45% to £290,000 from 1 August 2022. This is the first salary increase for Professor Roberts since she joined the University of Exeter in September 2020.

Full details of the remuneration received by Professor Roberts in the year ended 31 July 2022 is set out in Note 7 of the [Annual Report and Financial Statement](#). In summary, Professor Roberts received:

- a base salary of £275,000 per annum.
- a performance award (under the Executive Performance Reward Scheme) of £48,125 (17.5% out of a potential 20%), recognising the achievement of institutional and personal performance targets agreed at the commencement of the year.

The University paid pension contributions to the Universities Superannuation Scheme (USS) at the same level paid for other members of USS.

Professor Roberts received no other benefits in the 2021/22 financial year.

The figures in the table below reflect the fact that (a) Professor Roberts was employed by the University for 11 months in 2020/21, and (b) due to the Covid pandemic, all members of the University Executive Board reduced their eligibility for performance reward payments by 50% in that year.

	2020/21 (01/09/2020 – 31/08/2021) (£000)	2021/22 (£000)
Salary	252	275
Performance related remuneration	24	48
Total pay made to Vice-Chancellor	276	323
Pension contributions	53	59
Other taxable benefits	10	
Other non-taxable benefits	8	
Total Emoluments	347	382

External appointments

The Committee has agreed a policy on [External Work for senior executives](#).

During 2021/22, the Vice-Chancellor served on the following external bodies with the approval of the University Council.

- Board Member, Russell Group
- Board Member, Heart of the South West Local Enterprise Partnership
- Board Member, Liveable Exeter Place Board
- Co-opted Director, Cornwall and Isles of Scilly Local Enterprise Partnership
- Trustee and Non-Executive Director, Jisc
- Board Member, Universities UK
- Board Member, Exeter City Futures

The Vice-Chancellor did not receive any remuneration for this external work.

Expenses

All expenses paid to members of the Vice-Chancellor's are in furtherance of the business of the University and comply with the University's Expenses Policy and Entertainment, Hospitality and Gifts Policy.

Sir Richard Atkins
Chair of the Remuneration Committee

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