

## Annual Report from the Remuneration Committee 2023-24

### 1. Introduction

- 1.1 This report provides a summary of the Remuneration Committee activity in 2023/2024. The report is in accordance with the (Committee of University Chairs) CUC Senior Staff Remuneration code, by which UCL abides. The Remuneration Committee met five times in 2023/24 - on 26 October 2023, 15 December 2023, 15 March 2024, 3 June 2024 and 17 June 2024. The Constitution, Membership and Terms of Reference of the Committee can be found [online](#).

### 2. Approach to Remuneration

- 2.1 UCL is one of the world's leading universities and intends to reflect that standard in the quality of its staff. This requires the ability to recruit and retain capable and excellent people from any appropriate market – not just higher education – and to reward them for the work they do. UCL also expects to be a fair employer, providing pay which relates to individuals' responsibilities and contribution. UCL aims to be competitive in the market and provide a supportive working environment with access to professional development.
- 2.2 In terms of external market conditions, it is recognised that UCL is a world-leading university with a substantial number of staff and students and a high financial turnover. UCL is operating in a highly competitive global market, particularly in terms of academic talent. UCL's central London base and associated high cost of living is another factor to consider when determining the competitiveness of our reward offer. The Committee aims to strike a balance between recruiting, retaining and rewarding the best staff possible to serve students, while demonstrating effective use of resources.
- 2.3 In relation to the above, last year the overall reward strategy, was considered and adjusted. This was against a context of rising voluntary staff turnover, high inflation and an acknowledgement that at certain grades salaries were below our preferred benchmark position. In particular, when comparing our salaries to external benchmarks, salaries were lower in UCL Grades 8 and 9 and to a lesser extent for Grade 7. This applied to both academic roles (when benchmarked against the Russell Group) and professional services roles (when benchmarked against median professional services salaries in London and the Southeast).
- 2.4 A series of initiatives were announced in July 2023 and initial changes to the pay structure below the senior level were made in December 2023. This included raising the London allowance level for Grades 1-7 and increasing the minimum and maximum of the grading structure to be more competitive. While we cannot identify a causal link, turnover at UCL has decreased in the last year shortly after the announcement of the reward changes following three years of sustained increase. Furthermore, enhancements in the staff benefits, combined with a reduction to the employee (and employer) contributions required by the USS pension scheme were other important improvements in rewarding staff last year.

- 2.5 This year UCL has implemented further changes to its senior pay review policy to enable better recognition of high performance, which included increasing the minimum of its senior Professional Services and professorial salary ranges. Work is also nearly finalised on Heads of Department allowances. Increases to those allowances are in the process of being agreed and due to be implemented this calendar year. Beyond direct compensation matters, work was also completed to adjust the professorial banding criteria to allow Professors (Teaching) and Professorial Research Fellows to be assigned to the four professorial bands. That change in criteria was agreed (by People and Culture Committee, UMC and Academic Board) and all types of professors are now included in the professorial banding round.
- 2.6 When taking decisions about staff within its remit, committee members are provided with a range of external market data. Primarily this remains focused on other large Russell Group (RG) institutions. Data is received from a variety of sources including Universities & Colleges Employers Association (UCEA), KornFerry, Willis Towers Watson (WTW) and CUC amongst others. This sets out the average salaries paid to the University Management Committee (UMC) that the Remuneration Committee considers as well as professorial and other senior staff salaries. Considering UCL's size, academic ranking within the RG, central London location and financial turnover circa £1.8bn, the RG 75<sup>th</sup> percentile is considered an appropriate benchmark to aim for in terms of academic salaries, with reference to the 90<sup>th</sup> percentile for the upper end range.
- 2.7 Aside from Vice President positions which fall within Remuneration Committee's remit, other senior professional services roles are unlikely to be covered by the remit of Remuneration Committee, as these positions are typically paid below the salary threshold of £180,000. Professional services positions are benchmarked against the specific role type across broader sectors (private, excluding financial services, and public combined). A median reference point is used, with a range derived up/down from that.

### **3. UMC salary setting and institutional performance**

- 3.1 Normally, cases for performance-related adjustments will focus on contribution against objectives related to teaching, research, leadership, external enterprise, major projects or income generation as applicable to the specific role. Overall institutional performance and affordability are also factors in determining performance-related awards.
- 3.2 In normal years, consolidated rises may be considered where performance is high and the salary position of an individual is below the relevant benchmark. One-off payments are more regularly used for UMC, as the recurrent cost is less. The quantum of award will take account of wider salary movements among UCL staff and the wider economy. Market issues, typically related to recruitment and/or retention issues may also be considered where the role is strategically important to UCL.

3.3 This year Remuneration Committee received the outcome of performance reviews for UMC members and associated proposals for a limited number of salary adjustments. Alongside the proposals the committee received benchmarking data from the Russell Group (sourced from Korn Ferry) covering similar senior roles externally and benchmarking for Vice President roles (sourced from WTW) across all sectors (excluding financial services). The committee also noted the median salary increase for UCL staff which was projected to be over 9%. As in previous years, awards were made to a minority of UMC members. The median level of award among those UMC members within Remuneration Committee's remit who received an increase was 3%, with some being applied as ongoing awards and others as lump sum payments. The allowance paid to Deans was also increased to a consistent standard rate of £25k following a number of years without an increase, which had eroded its value. The discretionary awards and uplifted Dean allowance followed a consideration of salary positioning relative to benchmarks and any other relevant factors.

### Salary of the Provost

- 3.4 The Provost's emoluments are set out separately in the annual financial report, along with details of how the salary of Provost may be adjusted, as well as two ratios; the first one is between the Provost's base salary and the median base salary at UCL, and the second one is between the Provost's total remuneration and the median total remuneration at UCL. It can be noted, as in previous years, the second ratio (i.e. measuring total remuneration) is higher than the first. This is because the Provost receives a taxable benefit of accommodation (**£50,944** in 2023-24) in order to best support the performance of his duties, which is included within his total remuneration. This is set out in more detail within the published annual financial statement.
- 3.5 Contribution-related pay for the Provost was considered by the committee in its December 2023 meeting and an award of 5% was made- the same level as the national pay award applied to all other non-clinical staff (aside from the Provost). This means that the Provost's salary increased by 5% in total - lower than the median pay progression for staff in post across UCL for 2023/24 which, as noted above, was over 9% (including the national pay award, incremental progression and increased London allowance). This influenced a 0.1 reduction in the base salary ratio between Provost and the median UCL employee, following successive reductions in each of the previous years. The total remuneration ratio remains the same as last year. This comparison is shown below:

Annual 2023-24	Base salary	Total Remuneration
Median at UCL	<b>49,978</b>	<b>57,795</b>
Provost	<b>398,492</b>	<b>518,876</b>
<b>Ratio 2023-24</b>	<b>8.0</b>	<b>9.0</b>
Ratio 2022-23	8.1	9.0
Ratio 2021-22	8.4	9.5
Ratio 2020-21	8.4	9.9

## Salary proposals for other staff

- 3.6 The committee also received, considered and agreed a small number (eight) of other salary proposals for staff which falls within their remit within the period. All proposals agreed were successful in their intention - primarily to either recruit or retain senior staff. Proposals included the salaries of new Deans (Bartlett, Life Sciences, Engineering Sciences, Social Historical Sciences) on either a permanent or interim basis. The committee also considered a proposal for the strategic way to consider cases from the Department of Economics - an academic discipline where external academic salaries are higher and there has been significant recruitment and retention issues. This issue will be returned to the committee in the coming year.

## Pay gap reporting

- 3.7 A standing item of the committee is to consider UCL's gender, ethnicity and disability pay gap reporting. The committee notes that the gender gap had continued to reduce (following a trend since reporting started in 2017) the disability gap had reduced in its second year of reporting and that the ethnicity gap had marginally risen. Measures from the reward strategy (in particular the rise to London allowance) are anticipated to have a positive impact in reducing the ethnicity gap in the coming year.

## 4. External Appointments and Expenses

- 4.1 The policy for academic staff to engage in external consultancy is [available online](#). This sets out the parameters for any such activity. Following the approach in this policy, if the Provost is to retain income from external consultancy, the activity is discussed and agreed with the Chair of Council, with a record retained. In 2023-2024 the Provost received the sum of £9,180, for being on the board of the Office for Students.
- 4.2 The policy for expenses is [available online](#) (requires UCL login). This applies to all staff including UMC who operate inside it.