Introduction

1. This is a report on senior staff remuneration at Queen Mary University of London. It is written to comply with the CUC Higher Education Senior Staff Remuneration Code and relates to the academic year 2017–18.

2. The Remuneration Committee is a committee of Council, Queen Mary’s governing body. It is responsible for determining and reviewing the salaries, terms and conditions, and any severance payments, for senior members of staff of the university. Information about Remuneration Committee and its work is published on the Queen Mary website.

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

3. The full terms of reference of Remuneration Committee are:
   
   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, 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 payment exceeds £100,000 (capped at £125,500);
   
   e) to consider recommendations for salaries that result in remuneration exceeding £125,000 per year;
   
   f) to publish information about its approach and decisions regarding the remuneration of senior members of staff in accordance with sectoral expectations.

4. During the past year, Remuneration Committee undertook a self-assessment in reference to the CUC Higher Education Senior Staff Remuneration Code. This resulted in the following changes to the Committee’s membership:
   
   a) the Chair of Council stepped down as the Chair of Remuneration Committee and was succeeded by the Vice-Chair of Council, in order to provide more independent
governance of the President and Principal’s appraisal, as this is conducted by the Chair of Council;

b) the President and Principal was removed from the membership in order to safeguard the Remuneration Committee’s independence from the executive team;

c) an elected academic staff member of Council was added to the membership in order to broaden Remuneration Committee’s perspectives on staff perceptions within Queen Mary;

d) it was decided to invite the President of the Students’ Union to attend and participate in the discussions at the annual meeting of Remuneration Committee to review the performance and remuneration of the President and Principal, in order to broaden the Committee’s perspectives on student perceptions within Queen Mary;

e) Remuneration Committee co-opted an external tax and reward specialist in order to strengthen its expertise in these areas.

5. The current membership of Remuneration Committee is as follows.

*Chair*
The Vice-Chair of Council     Monica Chadha

*Ex officio members*
The Chair of Council     Lord Clement-Jones
The Treasurer      Luke Savage

*Other members, nominated by Governance Committee*
One external member of Council   Celia Gough
One elected academic staff member of Council Professor Mangala Patel
One co-opted tax and reward specialist  Karen Willcox (from October 2018)

6. The Academic Registrar and Council Secretary is the secretary to Remuneration Committee and the Director of Human Resources attends meetings on a regular basis. The President and Principal attends when invited to discuss the performance and remuneration of other senior members of staff. The President of the Students’ Union is invited to attend and participate in the discussions at the annual meeting of Remuneration Committee to review the performance and remuneration of the President and Principal. No member of staff is permitted to attend or participate in discussions or decisions regarding their own performance and remuneration.

7. Copies of written reports from Remuneration Committee to Council can be obtained from the Council Secretariat. Remuneration Committee met on the following dates in relation to the academic year 2017–18:

a) on 31 May 2018 to consider the outcomes of annual reviews of professorial and Grade 8 Professional Services staff;

b) on 12 October 2018 to review the performance and remuneration of the President and Principal;

c) on 22 October 2018 to review the performance and remuneration of other members of the executive team.
Approach to remuneration

8. 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. It has five campuses in London and significant operations overseas, notably in China, France and Malta. In the academic year 2017–18, it had over 25,000 students registered on its programmes, approximately 4,500 members of staff and a consolidated turnover of £462m. Queen Mary therefore competes with some of the best universities in the UK and internationally to recruit senior members of staff.

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 has policies and procedures on staff recruitment, probation, appraisal, promotion and remuneration that are published on the website. 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.

hr.qmul.ac.uk/procedures/

11. When recruiting senior members of staff, the following factors are taken into account:
   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;
   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 taken into account:
   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.
13. The following factors are taken into account 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.

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;
   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;
   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.

15. The university uses the Hay job evaluation scheme across all roles. Queen Mary is a member of the Universities and Colleges Employer Association and as such participates in national pay negotiations. Our policy, however, is to not implement the outcomes of national pay negotiations for members of the senior executive. Senior members of staff have access to the same employer pension schemes as other employees, such as the Universities Superannuation Scheme and the NHS Pension.

16. Queen Mary does not have a policy on linking pre-agreed pay increases to the achievement of pre-agreed objectives. The annual Professorial Review and Grade 8 Professional Services Review are used to identify members of staff at senior grades who merit pay uplifts or one-off bonuses on top of any automatic cost of living increase based on their performance. Members of the senior executive are assessed in a similar way by the President and Principal, but do not receive automatic cost of living increases.

17. The Committee uses 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.

18. The following table shows the relationship between the President and Principal’s emoluments and the median value for all staff employed by Queen Mary. The median calculations differ from the Office for Students Accounts Direction, because the information that would be required in order to include agency staff and atypical workers is not readily available. Agency staff represented only 1.9% of Queen Mary’s total staff costs in the academic year 2017–18 and 2.2% in 2016–17. Many atypical staff are paid for one-off or short term tasks.
Institutional performance

19. Queen Mary is in the process of revising its strategy, which will establish the context in which specific objectives for senior members of staff are set over the coming year. The university’s strategic aims during the academic year 2017–18 were as follows:

[a] to recruit students and staff of the highest intrinsic talent and potential, and to nurture their careers;

[b] to achieve the highest standards in research, using disciplinary strengths and multidisciplinary approaches to tackle the most challenging and pressing research problems;

[c] to provide all our students, wherever based, an education that is judged internationally to be of the highest quality, and which exploits innovations in teaching, learning and assessment;

[d] to embed an international dimension in all Queen Mary activities and further enhance our stature as a leading global university;

[e] to achieve maximum impact from our academic work through public engagement and partnerships with businesses, government, charities, cultural organisations, and others in the wider community;

[f] to achieve and sustain financial strength to enable our academic ambitions, through a balanced portfolio of activities.

20. Remuneration Committee approved pay increases and one-off bonuses amounting to £15,000 to reward the performance of individual members of the executive team in the academic year 2017–18. The Committee also agreed that Professor Bailey merited a pay uplift of £5,500 in line with the cost of living, but this was waived by Professor Bailey. The cost of living increase across the executive team, had it been awarded, would have amounted to £24,085.

Rationale for the total remuneration of the President and Principal

21. The President and Principal is the chief academic and executive officer of the university and has ultimate responsibility for the development and delivery of the Queen Mary strategy, as well as for ensuring that it has the financial strength and sustainability to achieve its ambitions. The post-holder is responsible for maintaining and promoting Queen Mary’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.
22. Professor Colin Bailey was appointed as Queen Mary’s President and Principal with effect from 1 September 2017 following an international search overseen by Council. A dedicated benchmarking exercise was undertaken as part of the recruitment process to determine the appropriate level of remuneration for the role. Professor Bailey’s total pay (basic pay and market supplement) was set close to the median compared to other Russell Group universities, as well as to pre-92 universities with income over £400m and institutions in London with income over £202m.

23. Queen Mary 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 in what was then a modest area of East London. Since that time, property values in the area have increased significantly. During the past year, the university undertook necessary maintenance on some basic services in the property which had not been updated in over 40 years. Professor Bailey was provided with rented accommodation while the work was undertaken. Prior to this, the commercial rental value of the property was £48,750 per annum. Following completion of the work, the commercial rental value of the property increased to £65,000 per annum.

24. The Chair of Council is responsible for conducting the President and Principal’s mid- and full-year appraisals. Following the full-year appraisal, the Remuneration Committee held a dedicated meeting, which Professor Bailey did not attend, to review Professor Bailey’s performance and remuneration. Remuneration Committee agreed on the basis of the full-year appraisal that Professor Bailey merited a pay uplift in line with the cost of living, but this was waived by Professor Bailey and the uplift was therefore put on hold.

25. The salary associated with the role of President and Principal in the academic year 2017–18 was £275,000 basic salary and a £25,000 market supplement. Professor Bailey’s actual emoluments during the year, as set out below, reflect the fact that he started the role on 1 September 2017.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic salary</td>
<td>£252,083</td>
</tr>
<tr>
<td>Market supplement</td>
<td>£22,917</td>
</tr>
<tr>
<td>Benefits in kind (taxable)</td>
<td></td>
</tr>
<tr>
<td>Utilities and furniture</td>
<td>£2,799</td>
</tr>
<tr>
<td>Benefits in kind (non-taxable)</td>
<td></td>
</tr>
<tr>
<td>Rent paid on accommodation</td>
<td>£12,458</td>
</tr>
<tr>
<td>Commercial rentable value of accommodation</td>
<td>£28,244</td>
</tr>
<tr>
<td><strong>Total emoluments before pension contributions</strong></td>
<td><strong>£318,501</strong></td>
</tr>
<tr>
<td>Pension contributions</td>
<td>£5,775</td>
</tr>
<tr>
<td><strong>Total emoluments including pension contributions</strong></td>
<td><strong>£324,276</strong></td>
</tr>
</tbody>
</table>

**External appointments and expenses**

26. Queen Mary is in the process of defining a more explicit policy on retention of income generated from external bodies. The President and Principal currently does not retain any external income.
27. The President and Principal held the following external appointments during the academic year 2017–18, none of which were remunerated.

Member of the Board of Trustees, The Royal Academy of Engineering  
Director of the Board, The Russell Group of Universities  
Director of the Board, UCL Partners

28. Queen Mary has a Travel and Expenses Policy in order 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. During the 2017–18 academic year, the President and Principal claimed £14,327 in expenses, including £13,132 for international flights. The current Travel and Expenses Policy is published on the Queen Mary website.

[www.arcs.qmul.ac.uk/policy/](http://www.arcs.qmul.ac.uk/policy/)

Academic Registrar and Council Secretary  
26 November 2018