

UNIVERSITY OF WARWICK

For the meeting of the Council to be held on the 26 November 2025

Annual Report of the Remuneration Committee 2024/25

1. Introduction

This report covers the period from 1 August 2024 to 31 July 2025 and outlines the approach and decisions reached in relation to the Remuneration Framework during the 2024/25 financial year. The Framework for University Senior Remuneration 2024/25 was approved by Council in their meeting on 10 July 2024 meeting and is contained in Appendix 1.

2. Remit and Membership

The Committee has responsibility for all matters relating to the remuneration of the Vice-Chancellor, Professor Stuart Croft, the University Executive Board and a number of other senior roles. In addition, the Committee approves any payment made on the departure from the University of a member of staff where the payment is equal to or above £100,000 and all senior members of staff whose remuneration is determined by the Committee. The Committee also receives reports on the work of the University Executive Board and People Committee on matters relating to remuneration and pay gap reports.

The Remuneration Committee consists of the Chair of the Remuneration Committee (who will be an independent member of Council), Chair of Council, Treasurer and three external members appointed by the Council, with expertise in leadership and/or senior remuneration in other sectors, of whom a minimum of one will be a serving independent member of the Council.

Name	Role (in 2024-25)	Independent Member of Council
James Furse	Chair of the Remuneration Committee	Yes
Sir David Normington	Chair of Council	Yes
Neil Sachdev	Treasurer	Yes
Louise Ainsworth	Independent Member	Yes
Anne-Marie Headley	Independent Member	No
Lea Paterson	Independent Member	No

The Chair of the Remuneration Committee oversaw all meetings and discussions. The members, as outlined above, were in attendance during the review period with the Secretary to Council as the Committee Secretary.

The Remuneration Committee meetings were also attended by the University's Director for Strategic People Partners, Director of People Strategy and Insights, Head of Reward and Benefits and Reward Specialist who provide information and analysis. The Vice-Chancellor, University Secretary and Registrar were also in attendance; they were excluded from meetings or agenda items where discussions and decisions were made where there would be a conflict of interest.

The Committee held three meetings during the review period September 2024, October 2024 and June 2025, with ad hoc items being circulated by correspondence.

3. Terms of Reference

For the 2024/25 period under consideration the terms of reference were as follows:

To report to the Council:

1. The Remuneration Policy Framework and to work within this Framework on behalf of the Council.

2. Any remuneration or severance pay matters that fall outside of the approved Remuneration Policy Framework or the delegated authority of the Committee.
3. Annually on the work of the Committee, including decisions taken under delegated authority, and to propose amendments to the Remuneration Policy Framework.

To approve:

4. And review the remuneration of the Vice-Chancellor and President, members of the University Executive Board and other members of senior staff who are involved in setting and moderating the pay for senior staff.
5. The level of severance pay to be awarded to members of staff outside of any agreed policy in place from time to time or where the payment is equal to or above £100,000 and all senior members of staff whose remuneration is determined by the Committee.

To receive:

6. An annual report on the work of the University Executive Board on Remuneration.
7. An annual report on the Framework for Succession Planning.
8. Monitor and oversee the work of the People Committee on the University's Pay Gap reports for Gender, Ethnicity, Disability and LGBTQIA+.

To adhere to:

7. The approved Remuneration Policy Framework and operate within it, on behalf of the Council, when determining and reviewing remuneration.

4. Remuneration Framework

A copy of the Remuneration Framework, within which the committee operated during the period is available in Appendix 1. The Framework was designed to ensure that the University is able to sustain its place in a highly competitive environment and is in the best place to be able to recruit and retain talented senior staff, capable of delivering its strategic goals and to deliver exceptionally high performance against national and international benchmarks. The University is a large research-intensive institution; in many aspects of the University's work, it needs to remain competitive with institutions in, for example, the US, Canada and Australia where the salaries offered to academic leaders are considerably higher than in the UK.

The Remuneration Framework makes reference to the National Pay Framework applied to remuneration more widely in the University. Salaries for staff in jobs other than Professorial and Senior Professional Services roles are subject to national negotiation and are linked to the higher education pay spine. All roles are evaluated using Korn Ferry Hay methodology as the basis for determining job size.

The two determinants of remuneration for the Remuneration Committee population are job size and individual performance. The Remuneration Framework articulates the overall objectives for remuneration in relation to institutional performance. Individual objectives and priorities for the Vice-Chancellor are agreed annually with the Chair of Council. For the remaining Remuneration Committee population, objectives reflect the focus for individual roles alongside the institutional priorities.

Notably, the Remuneration Framework ensures that any performance-related pay takes the form of a non-consolidated cash payment. The move to non-consolidated cash payments was introduced by the Remuneration Committee in 2018. The exception to this approach is when competitor benchmarking information reveals that the salary paid to a senior member of staff under the remit of the Committee has fallen behind the desired comparator.

5. National Pay Award

There is no contractual entitlement for the population covered by the Remuneration Committee to receive the general pay uplift negotiated annually between Higher Education employers and the Trades Unions. When such an agreement is reached the Remuneration Committee considers whether to apply the general uplift to the salaries of the population covered by the Remuneration Committee. The Remuneration Committee approved the payment of the National Pay Award to members of the Remuneration Committee with part effective August 2024 with the remainder applied from 1 March 2025. The award was in line with the percentage award applied to the wider population.

The University is committed to paying the Real Living Wage rate, which is higher than the National Living Wage rate, to any member of staff whose pay for the financial year falls short of that recommended by the Living Wage Foundation. This was applied in April 2025.

6. External Perspectives received by the Committee

During the year, the Remuneration Committee received input from both the Council of University Chairs (CUC) and the Office for Students through the form of reports and circulars, as well as benchmark pay information relevant to the roles within its remit. Independent external pay benchmarking was achieved using external sources including the CUC Vice-Chancellor Salary Survey, the Russell Group, the Universities and Colleges Employers Association (UCEA) Senior Staff Remuneration Survey and independent analyses provided by Hay/Korn Ferry and Willis Towers Watson. The Committee considered externally sourced information as well as internal analysis of pay relativities, including gender pay.

This external perspective provides assurance that remuneration for key senior roles is in line with the market for comparable institutions and assisted the Committee in its decision-making when approving the remuneration for new hires to the University Executive Board and other roles falling within the Committee's remit.

7. Performance Pay

The performance of members of the Executive Board and those whose remuneration falls within the Remuneration Committee was reviewed as part of the usual annual process and considered by the Remuneration Committee. A small number of adjustments were made to salary considering performance with reference to relative market position. [Exempt information not included].

8. Remuneration of the Vice-Chancellor

The Committee reviewed the performance of the Vice-Chancellor, Professor Croft, against a broad range of objectives agreed by the Chair of Council. The following summary of the Vice-Chancellor and President's performance relating to 2024/25 financial year is contained in the 2024/25 financial statements.

The Chair of Council conducts an annual review of the performance of the Vice-Chancellor and President against objectives, which are agreed at the start of the year. In advance of the review, the Chair seeks comments on the Vice-Chancellor's performance from all members of the University's Council, including the student representatives. The outcome is discussed at the Remuneration Committee and subsequently reported to the University Council. The Vice-Chancellor is not present at the Committee nor Council during the discussions regarding his performance.

This has been a strong year of leadership for the Vice-Chancellor in a very challenging climate. He has delivered a £30m surplus, protected key strategic investments, maintained Warwick's lead in student experience, and significantly lifted our external profile — through the 60th Anniversary, the brand refresh, and a strengthened international presence. The University has retained and improved its top 10 position in all the key UK rankings, and remains a top 100 institution in the

global rankings. Council recognises the Vice-Chancellor's resilience and influence in keeping Warwick on course amidst sector pressures. The foundations are solid.

The Remuneration Committee agree that the Vice-Chancellor's leadership of the University remains very strong. It regularly reviews the Vice Chancellor's pay against remuneration in other Russell Group Universities, taking into consideration league table performance, the scale of the University's operations with an annual turnover in excess of £850m and using the latest findings from the 2025 survey of Vice-Chancellor's remuneration survey conducted by the Committee of University Chairs. The Vice Chancellor's salary was broadly at the median when compared to the salaries of other Vice-Chancellor's at Russell Group Universities. The University of Warwick's Vice-Chancellor has been in post since 2016 and is one of the longest serving Russell Group Vice-Chancellors. Since August 2017, his base salary has been increased in line with the percentage awarded nationally to university staff (there was no such award in August 2020) and he has accepted no performance awards since 2017. The Vice-Chancellor does not undertake any paid work outside the University.

Emolument	Year Ended 31st July 2025	Year Ended 31st July 2024	Year Ended 31st July 2023
Salary	£342,702	£338,650	£325,749
Other Remuneration	£0	£0	£1,000
Taxable Benefits	£4,695	£4,332	£7,846
Pension Costs	£41,124	£40,638	£39,359
Total	£388,521	£383,620	£373,954

Table 1

9. Pay Relativities

For some time, the Committee's Remuneration Framework has made explicit reference to proportionality and the guidance from the Office for Students Accounts Direction requires the calculation of the Pay Multiple. The Pay Multiple must be expressed as the full-time equivalent Vice-Chancellors' remuneration divided by the median pay of all employees at the institution (also calculated on a full-time equivalent basis).

Relativity to Median Salary	31st July 2025	31st July 2024
Basic salary as a multiple of median basic salary of staff - excluding atypicals	8.1	8.1
Total remuneration as a multiple of median total remuneration of staff - excluding atypicals	7.8	8.0
Basic salary as a multiple of median basic salary of staff - including atypicals	10.8	10.9
Total remuneration as a multiple of median total remuneration of staff - including atypicals	10.6	10.7
Basic salary as a multiple of median basic salary of staff - including atypicals but excluding Unitemps	8.3	8.9
Total remuneration as a multiple of median total remuneration of staff - including atypicals but excluding Unitemps	8.2	8.3

Table 2

NB: The Total remuneration ratio excludes (in both years) the University's deficit contributions to the USS in respect of the Vice-Chancellor and President, as he is opted-out of the USS and does not benefit from those payments.

10. Equality considerations

There were no instances within the Remuneration Committee population where there was a gender-related difference in salary for roles of the same type. The Remuneration Committee reviewed the population under the remit of the Remuneration Committee, as well as receiving gender, ethnicity, disability and LGBTQ+ pay data for the University as a whole. The Committee considered the work of the People Committee in addressing the findings from the data, and the work underway, noting the work that remains to be done. The University published a full gender pay report in March 2025 and will do so again in March 2026.

11. Severance arrangements

There were no severance payments requiring approval where the payment was equal to or above £100,000 during 2024/25.

External appointments and expenses

Professor Croft's contract allows him to take external appointments with the permission of the Chair of Council. There is no contractual restriction on retention of external income, but Professor Croft has chosen not to take any paid appointments.

His current external Board appointments are as follows:

Universities West Midlands (Board Member)

Midlands Innovation Board (Board Member)

Lord Bhattacharyya Family Trust Fund (Trustee)*

University of Warwick Foundation Trust (Trustee)*

Russell Group of Universities (Board member)

RSIS Board of Governors (Board member)

The Guild of European Research-Intensive Universities (General Assembly member)

Eutopia (Vice-Chair)

Hong Kong PolyU International Advisory Board (Board member)

*Note this is an endowment within the University and specifies the Vice-Chancellor must be a trustee.

Kate Holden
Chair of the Remuneration Committee

University of Warwick
October 2025

Appendix 1 – 2024/25 Remuneration Framework

Remuneration Committee

Framework for University Senior Remuneration, 2024/25

This framework covers the period from August 2024 to July 2024/25.

1. Remuneration Committee composition and remit

The Remuneration Committee is a subcommittee of the University's Council and is chaired by an independent member of Council. It comprises three independent members appointed by the Council, with expertise in leadership and/or senior remuneration in other sectors, of whom a minimum of one will be a serving independent member of the Council and is supported by the Secretary to Council and an Assistant Secretary. Meetings are attended by key members of HR Staff in an advisory capacity, and by the Vice-Chancellor when matters being discussed have no bearing on personal remuneration. The current membership of the Remuneration Committee is available online.

Within the Remuneration Framework approved by the Council, the Committee reviews and approves pay recommendations for the following:

- The Vice-Chancellor and President;
- All senior roles that report directly to the Vice-Chancellor:
 - Provost
 - Registrar
 - Pro-Vice-Chancellors
 - Vice-Presidents
 - Group Finance Director
 - Commercial Director
 - Secretary to Council
 - Chief Information and Transformation Officer
 - Chief Marketing and Communications Officer
- Holders of significant faculty or departmental executive roles which report to the Provost, currently:
 - Executive Dean, WBS
 - Executive Dean, WMS
- Any other senior role which has a significant influence over reward policy i.e. Chief People Officer.
- Initial appointment of staff where proposed salary is above £200,000.

2. Vice-Chancellor's remuneration

The Remuneration Committee agrees annually the performance criteria against which the performance of the Vice-Chancellor will be reviewed. These criteria will typically include a series of objectives related to the strategic performance of the University. It may also include a number of personal objectives. The Remuneration Committee may attach differential weightings to objectives at a later meeting, dependent on views about relative priorities.

The Vice-Chancellor reports to the Chair of Council who assesses how these criteria have been met (taking into account the available evidence and the views of all Council members) and makes a recommendation annually to the Remuneration Committee.

In considering the Chair's recommendation the Remuneration Committee will also take into account:

- any guidance on Vice-Chancellor's pay issued by the Committee of University Chairs or /the Office for Students;
- through informal consultation, the views of all members of Council, including student members, about the Vice-Chancellor's performance and pay.
- the current remuneration of the Vice-Chancellor in universities of similar size and standing, as determined through the annual benchmarking review of remuneration of Vice-Chancellors undertaken by the Committee of University Chairs;
- the relationship between the Vice-Chancellor's salary and that of pay elsewhere in the University; including the recommendation in the Hutton report that senior pay in an institution should be a multiple of no more than twenty times the pay of the lowest paid employee;
- guidance from the Office for Students Accounts Direction, which requires the calculation of the pay multiple. The pay multiple must be expressed as the full-time equivalent of the Vice-Chancellor's remuneration divided by the median pay of all employees of the University (also calculated on a full-time equivalent basis).

Having received and approved a recommendation from the Chair of Council about overall performance, the Committee will recommend how that should be rewarded. Any performance-related award will be recognised through payment of a cash lump sum rather than through consolidation into base salary. The only exception to this approach will be when competitor benchmarking information reveals that the salary paid to the Vice-Chancellor at the University of Warwick has fallen behind the desired comparator.

3. Remuneration of other senior staff covered by the Remuneration Committee

In deciding the remuneration of those senior staff within its remit, the quantum available for performance related reward will, as far as practicable and appropriate, mirror the University's arrangements for those senior professorial and senior administrative staff below the Remuneration Committee level who are covered by the University Executive Board - Remuneration.

The Committee will consider annually the performance review recommendations made by the Vice-Chancellor in respect of those members of the Remuneration Committee population reporting directly to them and the recommendations made by other leaders in respect of those who report to other members of the Executive team. In reaching its final decisions, the Committee will take into account:

- performance against objectives (those objectives will generally be linked to those approved by the Remuneration Committee for the Vice-Chancellor);
- external benchmarks and comparators (for senior academic leaders this will, where appropriate, be external Russell Group benchmarks; for senior professional and commercial staff wider benchmarks from other sectors and other parts of the economy may also be used);
- and affordability.

The Remuneration Committee will review and approve the salary range for vacancies within the Remuneration Committee population prior to recruitment. Where the proposed salary falls outside the approved salary range for new hires the Remuneration Committee will be required to approve the recommended overall remuneration package taking into consideration any market benchmarks. Thereafter, any performance related award will be paid as a cash lump sum. The only exception to this approach will be when competitor benchmarking information reveals that the salary paid to a senior member of staff under the remit of the Committee has fallen behind the desired comparator. The Committee will review all appropriate pay benchmarks regularly to ensure that remuneration at senior levels remains competitive.

4. National Pay Award

There is no contractual entitlement for any member of staff covered by the Remuneration Committee to receive the national pay uplift in Higher Education, but the Remuneration Committee has in the past normally applied the general salary uplift to the group. This decision will remain subject to annual review.

5. Bonus Payments

The Remuneration Committee will not generally award one-off bonuses other than the performance-related cash lump sums outlined above, but may do so in very rare cases, for example:

- where it wishes to recognise an exceptional and outstanding achievement which has enhanced the reputation and standing of the university and in such a case this will be no greater than 10% of base salary; or
- where bonus or other incentive arrangements are a core element of remuneration for direct comparator roles (e.g. for commercial or project management roles).

6. Equality Adjustments

In taking decisions about senior remuneration the Remuneration Committee will consider the impact of its decisions on pay equality. Given that there are very few similar roles within the group overseen by the Remuneration Committee, this is by definition a limited exercise, but the figures will nevertheless be reviewed annually and adjustments will be made if necessary.

The Remuneration Committee will also receive an annual review of pay equality in the University generally and, more specifically in the population of senior staff. The University has an annual budget for making equality adjustments where there is a demonstrable gap in pay between males and females undertaking similar roles at professorial level which cannot be explained by other factors.

The University is legally bound to publish gender pay reports under the rules being applied to public sector bodies. The University has chosen to additionally consider pay gaps in relation to ethnicity, disability and sexual orientation. The Remuneration Committee will receive these reports from the People Committee for subsequent review and presentation to Council before final publication.

**Remuneration Committee
June 2024**