

# **KING'S COLLEGE LONDON REMUNERATION POLICY FOR SENIOR POST HOLDERS**

## **1.0 Introduction and Scope**

King's College London Council ("the Council") has approved the following Remuneration Policy ("Policy") which will be applied by its Remuneration Committee ("the Committee") in order to determine the pay and conditions of all Senior Post Holders of King's College London ("King's" or "the university"). Senior Post Holder is defined in the Committee's Terms of Reference ("TOR") but will include for these purposes the President and Principal, Senior Vice Presidents/Principals ("SVPs") and Vice Presidents/Vice Principals ("VPs") and any other senior staff that meet the definition. A copy of the TOR is available on the [university website](#) or can be obtained from the College Secretary.

This Policy is intended to cover all Senior Post Holders but recognises there are different types of Senior Posts with very different responsibilities as well as external market conditions. Any difference in the approach taken is clarified where relevant.

The Policy is intended to help the Committee make decisions around remuneration. It does not have contractual status and may be reviewed and amended or withdrawn by the Council, on the recommendation of the Committee at the Council's discretion.

As at the commencement of the financial year 2018/19, King's has adopted the Higher Education Senior Staff Remuneration Code ("the Code") developed by the Committee of University Chairs (CUC) and this Policy has been drafted in accordance with the Code as well as relevant guidance released by the Office for Students ("OfS"). In the event that the university does not apply the guidelines as outlined in the Code or as set out by the OfS, the reasons for this will be explained fully as part of an Annual Remuneration Report to the Council.

## **2.0 Remuneration Principles**

King's is a world-class institution that aspires to the very highest standards of education and research. The university is a member of the Russell Group and is one of the world's leading research-intensive universities with a global reputation for excellence. Its remuneration policy should reflect this.

The Committee is responsible for the development and implementation of the Policy at a senior level. It is guided by the following principles:

Senior Post remuneration and the associated policy at King's should:

- Facilitate the recruitment, motivation and retention of the highest quality of academic and professional service leaders in order to deliver the university's strategy;
- Enable exceptional performance to be recognised;
- Ensure that individuals are paid fairly in a way that reflects their accountabilities, job size and scope, performance, and overall contribution to King's;
- Ensure that there is internal relativity in respect of the size and scope of jobs within the Senior Post Holder group and across the university;
- Represent good value for money for King's and be publicly defensible;
- Enable the Committee to recruit from appropriate global talent pools where necessary; and
- Be cognisant of the wider organisational, economic, political and social context within which decisions are made.

### **3.0 Summary of Remuneration Policy Elements and their Purpose**

**Base Salary:** Provides a core reward for the role which is market related. For academic staff, this would reflect their academic discipline and for professional service staff, their function. Base salary recognises the market value of the role and an individual's skills, contribution, leadership and experience. Base salaries may be reviewed on an annual basis or following a significant change in role or responsibility. Base salary is positioned with reference to an agreed peer group as outlined in 4.3 below. It is paid in cash and is pensionable.

**London Weighting Allowance:** The prevailing pensionable London Weighting Allowance also paid to other employees is paid to this group

**Office Responsibility Allowance:** This is used in addition to base salary where necessary to reflect the additional dimensions and leadership accountabilities. This allowance is temporary in nature and will only be paid to an individual while they are in a Senior Post for which it has been established. It is pensionable and would form part of the calculation for any bonus payment if applicable and is deployed to recognise the leadership dimensions of the role. It is designed to be flexible to ensure that an individual's pay is consistent with others forming part of the senior leader cohort while in that role. The Office Responsibility Allowance will be removed and not consolidated into fixed pay at the point when an individual is no longer a Senior Post Holder

**Fixed Pay:** Base salary plus London Weighting Allowance plus Office Responsibility Allowance (where applicable)

**Pension and Other Benefits:** Senior Post holders are eligible to participate in the Universities Superannuation Scheme (USS) and other benefit plans on the same basis as other King's employees. These ensure both that total remuneration is competitive in the markets in which the university operates and that individuals are supported in the event of defined life events (including retirement).

**Variable pay:** This Policy allows for the use of variable pay where there is clarity on objectives and measurement that allows the Committee to measure performance and determine outcomes in a clear and transparent way. In the event that variable pay is to be adopted for any role, the Committee will ensure that clear and measurable performance objectives are developed and agreed at the beginning of the year and it should be designed and aligned with the following principles:

- Variable pay must be subject to pre-determined performance criteria, strongly aligned with both personal and university performance.
- Any individual element will be linked to the achievement of robust objectives with specified Key Performance Indicators.
- No variable pay payments can be made to Senior Post Holders without the prior agreement of the Committee at the commencement of the performance period.
- Variable pay will normally not exceed 20% of the base pay for the Senior Post Holder concerned.

The Vice-Chancellor will make a recommendation to the Committee informed by documented performance against pre-determined objectives. The Committee will have overall discretion on the payment of the bonus which will be non-contractual and non-pensionable.

Any provision for a variable pay element for the Vice-Chancellor will be set in order to deliver appropriate levels of total remuneration to attract and retain critical talent.

## **4.0 How the Remuneration Committee Sets Pay**

In setting pay and other aspects of the Policy, the Committee considers the external competitive market, the organisational context, the not-for-profit nature of the College, and the value, complexity and contribution of the individual role, recognising that these factors will not be applied equally for all roles.

The Committee considers relativities within and across the senior post holder population as well as the context of wider pay and conditions across the university, including, for the Vice-Chancellor, having regard to the pay ratio between that role and median pay at the university.

The Committee will consider trends in the sector and any updated regulations or official guidance.

### **4.1 Scope of the policy**

The Committee operates principles to ensure that fixed pay is positioned appropriately across roles and by reference to the relevant external market. To aid transparency and decision making there are types of Senior Post Holders.

Vice-Chancellor. This role will normally receive a market-related base salary. This appointment is usually for a fixed term (5 years with a possible extension of a further 5 years).

SVP (DVC) appointments will normally receive a market-related base salary. The appointment is normally for a period of 5 years with a possible extension of a further 3 years.

Academic appointments to VP roles. These roles are usually for a fixed term (five years with a possible extension of a further three years) and as such will receive a base salary plus an Office Responsibility Allowance with a clearly defined range.

VP functional leads. These roles receive base pay based on individual pay ranges drawn from relevant market information. These roles are usually for a fixed term (five years with a possible extension of a further three years).

### **4.2 Performance Objectives**

The Vice Chancellor will have specified and documented measurable performance objectives which reflect the key objectives of the university. All senior posts will also have specified and documented individual objectives reflecting key initiatives for which they are responsible. The Committee will set the collective objectives for this group and also the individual objectives for the Vice-Chancellor. The individual objectives and key performance indicators for the other Senior Post holders will be formulated by the Vice-Chancellor and provided to the Committee for information (the Principal will be accountable to the Committee for the successful formulation of Senior Post KPIs as part of his/her performance measurement). The objectives for Senior Post holders, both collective and individual, will form the basis of the annual performance review for each individual and will be used to inform any decisions on pay. Decisions on pay for the Vice-Chancellor are formulated and approved by the Committee. Decisions on pay for other Senior Post Holders are formulated by the Vice-Chancellor and approved by the Committee on his/her recommendation.

### **4.3 Market Comparators and benchmarking**

The Committee considers pay from an internal and external perspective, recognising that the markets for specified academic and professional service roles are different and therefore external data is distinct for these two groups and roles.

All salary and reward benchmark data is used to help ensure the remuneration for the

universities senior roles reflect the responsibility and skills required to maintain the reputation of a world-class institution such as King's and the leadership strengths required to guide the university through the many current challenges facing the UK Higher Education sector.

**Vice-Chancellor pay:** There is recognition that, especially (though not exclusively) for the Vice-Chancellor, King's may need to recruit from a global talent pool for a future Vice-Chancellor. The policy recognises that different pay models operate across universities in countries from which King's may seek to recruit. While the core market benchmark is the UK, secondary reference groups may be used specifically for the Vice-Chancellor which the Committee should consider along with the UK benchmarks as appropriate when attracting talent internationally.

The Higher Education sector is the most appropriate market reference point for the Vice-Chancellor and the other specified Academic Roles. This reflects the talent market for these roles from the perspective of both attraction and retention.

The Russell Group salary data was identified as the most appropriate primary pay benchmarking peer group for all university Academic Senior Posts and the Vice-Chancellor.

In addition, when considering the remuneration of the Vice-Chancellor, SVP's and VP's benchmark data should be taken from RG and post '92 universities over £400m. The benchmark for SVP Operations (COO), may also be drawn from commercial benchmark data if appropriate.

When recruiting for Vice-Chancellor, benchmark salary data and comparisons may be drawn from Russell Group London based universities and international comparators where appropriate (sourced from countries where academic models and markets are most relevant).

For specific functional leadership roles, (CFO and CPO) Ts UK general industry (i.e., private sector) market reference and specific university sector peers, will be used to provide salary benchmarks and comparator data. The sources should provide data from organisations of the comparable size and complexity of the university (including consideration of university income and employee numbers).

## 5.1 Benefits

### VC accommodation

The university provides accommodation for the Vice-Chancellor on the university campus for the better performance of the duties of the office. As well as being a private residence, a number of rooms within the official accommodation may be regularly used to host university events involving staff, students, alumni and supporters.

### Relocation

King's offers relocation support where applicable and in accordance with approved university relocation policy.

For further details on these benefits, please refer to King's Finance Regulations (a copy can be obtained from the university's website or from the College Secretary).

### Allowances

Other benefits and allowances may be offered if considered appropriate by the Committee and within the context of the benefits package offered more widely across the university.

## 5.2 Pension

Senior Post Holders are eligible for membership of the Universities Superannuation Scheme with the employer contribution being determined by the rules of the scheme.

Where appropriate the university may offer a consolidated allowance in lieu of pension to individuals who are above their Lifetime Allowance. This should be no more than the prevailing contribution rate for the USS scheme and be subject to NI deduction before payment.

### 5.3 Other Allowances

The university may provide other allowances to Senior Post staff, where appropriate and required as a result of their wider (e.g. clinical, board) responsibilities.

The university does not reimburse individuals for any allowances subsequently withdrawn by other bodies following promotion to a Senior Post, including but not limited to Clinical Excellence Awards.

### 5.4 Expenses

The Expenses Policy is operated by the Finance department and a copy can be obtained from the university's website or from the College Secretary.

The Committee shall receive written assurance annually from the Director of Finance that the Expenses Policy has been operated efficiently and appropriately for the Senior Post Holders.

## 6.0 General Terms

### 6.1 Remuneration Committee Discretion

The Committee will apply discretion, where necessary and by exception, to ensure that there are no unintended consequences from the operation of the Policy, that poor performance is not rewarded and that there are consequences where this is the case. The Committee has a robust set of principles that it applies to ensure that (variable and fixed) pay outcomes are aligned with the performance of the university, and with wider stakeholder interests, and that:

- Outcomes reflect the underlying performance of the university, team or individual;
- Individuals are not rewarded where their actions and behaviours do not align with King's Principles in Action;
- Consideration is given to the wider university context; and
- Any other factor at the Committee's absolute discretion.

Any material exercises of discretion by the Committee will be fully disclosed and explained in the Annual Remuneration Report.

### 6.2 Recruitment Arrangements for Senior Post Holders

In instances of recruitment, the Committee will determine an appropriate range of the remuneration package (in consultation with the Vice-Chancellor for positions directly reporting to them) before the post is offered. When a preferred candidate for a post, other than that of Vice-Chancellor, is identified, the Vice-Chancellor is authorised to negotiate a contract within the agreed range. Remuneration that will be outside the upper point of the agreed range will require the approval of the Committee.

The Committee will endeavour to ensure that the university pays no more than is necessary to attract and retain candidates of the appropriate calibre and experience needed for the role and should consider the benchmark range in this context.

King's does not normally offer "sign on" awards or any "buy-out" of an existing package for any potential new recruits. Any relocation benefit or participation in the shared equity scheme may be considered by the Committee and a copy of these policies is available from

the College Secretary.

### 6.3 Recruitment Arrangements for the Vice-Chancellor

In instances of recruitment of a future Vice-Chancellor, the Committee will determine an appropriate range of the remuneration package before the post is offered, drawing from the benchmark data outlined above. When a preferred candidate is identified, the Chair of Council will, in discussion with the Chair of the Remuneration Committee, be authorised to negotiate a contract within these ranges and an appropriate amount of variable pay as set within this policy.

### 6.4 Service Contracts and Termination Arrangements for Senior Post Holders

When the university is entering into employment contracts with Senior Post Holders, the Committee will ensure that any severance terms therein are fair, reasonable and justifiable and do not expose the university to significant potential liabilities, including notice periods which are currently specified as three months.

In the event of termination for reasons other than resignation or dismissal with cause, Senior Post Holders' contractual entitlements will be honoured, but the Committee should be assured that poor performance is not rewarded and that costs are minimised. The Committee will seek legal advice and will consider any other available guidance from external bodies as it deems necessary.

### 6.5 Remuneration Policy for Members of the Council or its Standing Committees

Membership of the Council or its committees is an unpaid role. Members will be reimbursed for reasonable expenses incurred in the course of carrying out their responsibilities in accordance with the university's policy on expenses.

### 6.6 External Appointments

Senior Post Holders may, (with the consent of the Chair of the Council for Vice-Chancellor, and the Vice-Chancellor for other Senior Post Holders), serve as Committee members, Trustees, or Non-Executive Directors of an external body, where this is considered important for self-development and/or in the interests of representing the university. Any such external membership must be reported to the Committee with assurance that there are no conflicts of interest or issues with confidentiality and that the membership will not unduly detract from their university role. A Senior Post Holder must disclose all income retained from any external bodies and this income should not be excessive.

### 6.7 Equity and Inclusion

The approach to Senior Post Holders' remuneration is considered in the context of the university's wider strategic aims for diversity and inclusion (ensuring that there are no biases pertaining to gender or other protected characteristics within the pay structure) and any concerns shall be addressed by the Committee and relevant actions outlined.

### 6.8 Employment Conditions elsewhere in the Organisation

The Committee shall be provided annually by the VP People and Talent and/or University Secretary with a summary report on the pay and conditions applying generally across the organisation, including any significant changes that are proposed to employment conditions. This should include the base pay review budget and any changes to the National Living Wage and the National Minimum Wage.

Under normal circumstances it would not be expected that Senior Post Holder pay would increase at a faster rate than the average of all university staff. However, the Committee is permitted to approve a higher rate of increase, such as recognising exceptional performance by an individual or growth in contribution or to address market inequities (for further details,

please see Annex 2).

The ratio of the earnings of the Vice-Chancellor to the median earnings of the university's whole workforce will be kept under review from year to year. For the purposes of this calculation, the multiple is based on the methodology as required by either the OfS or the Code.

#### 6.9 Wider Stakeholder Views

The Committee at their sole discretion may seek the views of staff and employees of the university on specific issues it deems relevant.

#### Policy status

Dates	Reviewed by	Status
July 22	Unknown	Adopted by RemCo: published on RemCo pages
July 24	Fiona Roberts	Approved by RemCo: October 2024