

Russell Group response to the CUC proposed Higher Education Remuneration Code

- 1.1 Universities bring significant social, economic and cultural benefits to the United Kingdom. This is particularly the case for research-intensive universities such as those in the Russell Group, which are anchor institutions for economic growth in their cities, regions and for the UK as a whole. Our universities are major assets for the UK, providing significant social benefit through their research and innovation work, through links with the NHS, charities and other organisations, and through educating the next generation of talent. In an increasingly competitive market, it is essential that they can attract and retain the right people to run these large, complex and increasingly global operations to deliver the best outcomes for their students and to society at large.
- 1.2 It is important for senior remuneration in universities to be set at appropriate levels, and this should be done through a fair process that is transparent and accountable. Russell Group universities are committed to taking a lead in acting responsibly on this issue and helping rebuild public confidence in the process of setting senior pay. We therefore welcome the CUC consultation on guidelines for senior remuneration in higher education, which covers each of these areas.
- 1.3 **We support the overall approach in the guidance and the three elements within the code.** Our universities operate effective and robust governance structures and many of the principles in the draft code are already in place at our universities or will be soon. The 'apply or explain' requirement of the code will allow for public scrutiny of senior remuneration, while also recognising that universities are autonomous institutions and that some approaches may need to vary in different circumstances.

Element 1: A fair, appropriate and justifiable level of remuneration

- 1.4 We agree that remuneration needs to be set at a fair, appropriate and justifiable level. The senior leadership position at a research-intensive university is highly challenging and increasingly complex so we believe it is right that the range of skills and experience needed to succeed in the role are reflected in the code. Russell Group universities operate in a global market for talent, and we welcome the code's recognition of this context.

Element 2: Procedural fairness

- 1.5 It is important to ensure there is procedural fairness in setting remuneration. All Russell Group universities have expert remuneration committees which use appropriate evidence to assess individuals' performance. Terms of reference of remuneration committees are publicly available and no member of staff has any part in deciding their own remuneration. We support the principle of the Head of Institution not being a formal member of the committee where possible, and the flexibility for them to be invited to attend to inform certain discussions (excluding any discussion relating to their own pay) is welcome.

Element 3: Transparency and accountability

- 1.6 Ensuring the process for deciding senior pay is rigorous and transparent is important to restore the confidence of staff, students and the wider public and we will support our universities to provide more information and context on remuneration setting. Remuneration Committees are accountable to the governing body and we support the steps in the code to ensure this.