

Office for  
Students



# Senior staff remuneration

Analysis of the 2019-20 disclosures

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# Introduction

1. This document analyses how English higher education providers regulated by the Office for Students (OfS) pay their senior staff based on the financial information that providers must disclose in their published financial statements, and the data that providers are required to submit to the OfS within the Annual Financial Return.<sup>1</sup> This information is prepared in line with the guidance in our accounts direction.<sup>2</sup>
2. The OfS became the primary regulator for English higher education providers from 1 April 2018, and this is the second time we have published an analysis of senior staff remuneration.<sup>3</sup> This report covers trends from the longitudinal data over the past four years as well as the most recently available information.
3. We consider that there is strong public interest in publishing an overview of sector remuneration and we aim to publish this information annually to ensure transparency. We did not publish this report in 2020 due to the impact of the coronavirus pandemic on our resources and priorities.
4. Providers receive significant funding from the student support system and those registered in the Approved (fee cap) category also receive OfS public grant funding. There needs to be transparency about how this money is spent, particularly given current constraints on public funding and the impact of tuition fees on students and graduates, as well as the significant public interest in these issues.
5. In performing our functions, particularly in relation to ensuring that providers have adequate and effective management and governance arrangements for transparency about value for money for students and (where appropriate) taxpayers, we must have regard to the need to promote value for money in the provision of higher education by English higher education providers. Senior staff remuneration forms part of these considerations.
6. Of the 166 providers for which we have data for 2019-20, 151 are in the Approved (fee cap) category, as are most providers named in the ranked tables in the appendices of the report.
7. Three providers named in the report are in the Approved category and where they appear, we have marked them with this suffix '∞' to differentiate them from providers in the Approved (fee cap) category. The benefits that providers can access are set out in paragraph 60 of the regulatory framework and for providers in both categories this includes: access to the student support system; eligibility to apply for a tier 4 sponsorship (student support) licence; eligibility for degree awarding powers and university title. However, providers in the Approved category are not eligible for public grant funding provided by the OfS or UKRI. We consider that there is a strong public interest in transparency for all registered providers regardless of the category

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<sup>1</sup> See [www.officeforstudents.org.uk/publications/guidance-for-providers-for-financial-monitoring-returns/](http://www.officeforstudents.org.uk/publications/guidance-for-providers-for-financial-monitoring-returns/).

<sup>2</sup> See [www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-before-1-august-2019/](http://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-before-1-august-2019/).

<sup>3</sup> See [www.officeforstudents.org.uk/publications/senior-staff-remuneration-analysis-of-the-2017-18-disclosures/](http://www.officeforstudents.org.uk/publications/senior-staff-remuneration-analysis-of-the-2017-18-disclosures/).

in which they are registered, the nature of a provider's business within and beyond higher education, and the complexity of their governance arrangements.

8. A head of provider's total remuneration can comprise several elements and a provider's remuneration committee and governing body may agree these elements separately. These may include a performance-related element that could relate to annual bonuses or targets spread over many years. How a governing body chooses to remunerate the head of provider will depend on the provider's own context, and the governing body's expectations of the head of provider in the period covered by the remuneration arrangements.
9. The OfS is also the principal charity regulator for those higher education providers in England that are exempt charities.<sup>4</sup> In line with our legal duty, we focus on promoting compliance by a charity's trustees with their legal obligations in exercising control and management of the administration of the charity. As set out in our guidance for exempt charities,<sup>5</sup> we may request additional information to help us understand how charitable assets are being used to remunerate senior officers or to pay for senior officers' expenses. Providers are required to disclose their charitable status in their financial statements.
10. This report is based on information disclosed by providers for the audited financial year falling between 1 August 2019 and 31 July 2020. However, we note remuneration often results from decisions taken in previous years, including in the period before the coronavirus pandemic, and can reflect contractual agreements made before providers were regulated by the OfS. The data can also be complex. Individual circumstances at providers (such as changes in the head of provider and pre-existing contractual commitments) can affect the level of remuneration and the latitude available to governing bodies in setting remuneration.
11. We are also aware that in the light of the coronavirus pandemic, some heads of providers may have chosen to waive part of their remuneration over the past 18 months. Although we did not ask providers to report on this in the 2020 Annual Financial Return, we consider this relevant context for this report. It may have materially influenced senior staff pay in a way which is not immediately obvious without detailed review of individual providers' financial statements.
12. This report contains a summary of key findings and highlights, followed by a detailed appendix of data tables and rankings.

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<sup>4</sup> See [www.gov.uk/government/publications/exempt-charities-cc23](http://www.gov.uk/government/publications/exempt-charities-cc23).

<sup>5</sup> See [www.officeforstudents.org.uk/publications/regulatory-advice-5-exempt-charities](http://www.officeforstudents.org.uk/publications/regulatory-advice-5-exempt-charities).

## About the data

13. The OfS's accounts direction applies to all providers that have been registered for more than a full financial year, so not all providers on the OfS Register are yet required to make these senior staff pay disclosures in their published financial statements, although some have chosen to do so. This report only covers data for those providers which were required to make the disclosures and so were required to submit this data to the OfS in the Annual Financial Return.
14. Throughout this report we refer to two cohorts of providers. The first cohort is all 166 providers for which we have collected data in this analysis. For some of these providers we only hold this year's data, for others we hold data for more than one year, depending on how long a provider has been registered. For the purposes of this report, we refer to this cohort as 'all providers'. The second cohort is a subset of 132 providers for which we hold four years' data. These are providers previously funded by the Higher Education Funding Council for England (HEFCE). For the purposes of this report, we refer to this cohort as 'providers previously funded by HEFCE'.
15. When considering the data, it is important to recognise that it is time-lagged and does not include all the providers currently on the OfS Register. The 166 providers<sup>6</sup> included in the 2019-20 report, which had signed off their OfS Annual Financial Return data as at 31 August 2020, is an increase from the 133 providers which were in scope for the first report. For context, the total number of providers on the OfS Register at the time of publication is 418.
16. This report does not cover further education colleges or sixth form colleges as their primary financial regulator is the Education and Skills Funding Agency (ESFA).
17. The data analysed within this report was collected in the OfS's Annual Financial Return, and previously the Higher Education Statistics Agency (HESA) finance return. The years referenced reflect providers' audited financial statements with financial years ending in the academic year 1 August 2019 to 31 July 2020.
18. For ease of reading, throughout the report we use rounded figures to the nearest £'000.
19. The data supporting this report is published by HESA.<sup>7</sup>

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<sup>6</sup> 165 heads of provider

<sup>7</sup> See [www.hesa.ac.uk/data-and-analysis/finances/table-11](http://www.hesa.ac.uk/data-and-analysis/finances/table-11).

## Summary of key findings

20. The questions that this report addresses are:
- a. Are there signs of senior pay restraint compared with previous years?
  - b. Do providers in the Approved (fee cap) category, which means they are eligible to receive public funding, provide a transparent justification for their head of provider's remuneration?
21. To answer these questions the OfS has:
- a. Analysed the 2019-20 data on senior staff remuneration that was submitted to the OfS by providers in the OfS Annual Financial Return. This report covers 166 providers (excluding further education and sixth form colleges) with a financial year end from 1 August 2019 to 31 July 2020, which had signed off their Annual Financial Return as at 31 August 2021.
  - b. Reviewed the disclosures made in the audited financial statements for the named providers considered in this report.
21. Providers' financial statements are published on their websites, and we would strongly encourage the reader to refer to these for further information and context about senior staff remuneration.

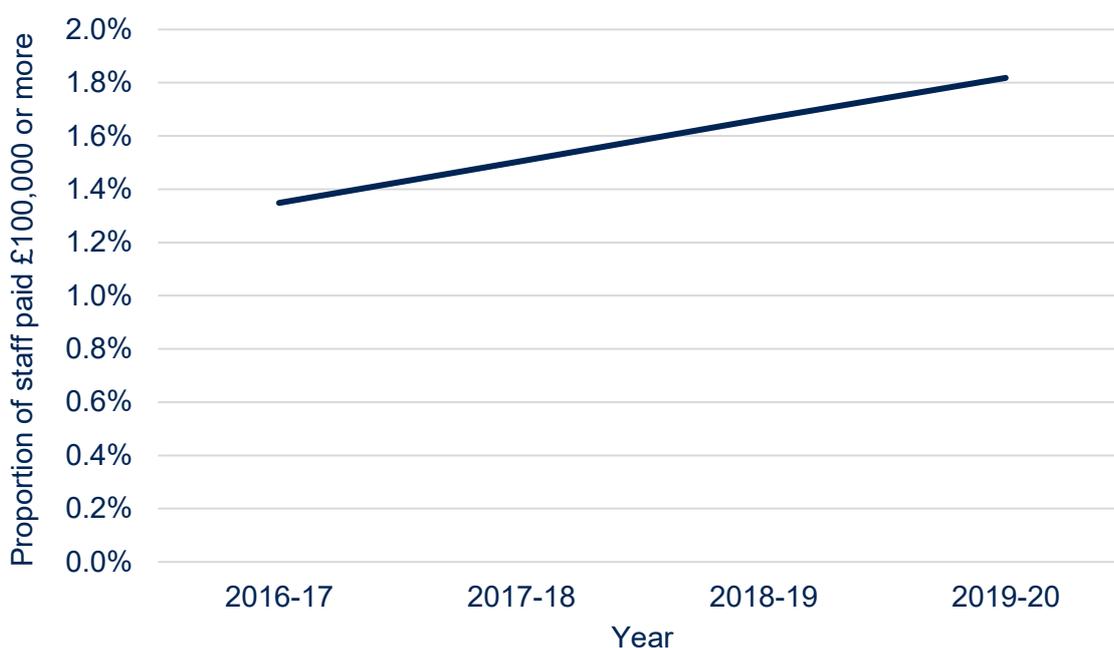
### Are there signs of senior pay restraint?

22. The OfS has considered whether there are signs of senior pay restraint. This could be evidenced by:
- proportionately fewer staff members on basic salaries of £100,000 or more
  - changes to the average remuneration for heads of providers
  - distribution of total remuneration for the head of provider across pay bands (i.e. number of posts in each banding)
  - the head of a provider being paid the same or less than in the previous year
  - a new head of provider being paid the same or less than their predecessor
  - lower pay ratios, which would show that the 'gap' between the head of provider and all other staff has reduced.
23. This summary focuses on longitudinal data now available. The tables in the appendices contain the ranked data with contextual information about individual providers. However, we would encourage the reader to refer to providers' published financial statements for detailed information and justifications for senior staff pay decisions.

## Proportion of staff paid £100,000 or more

24. Across all providers, the proportion of staff paid a basic salary of £100,000 or more in 2019-20 was 1.8 per cent (6,038 out of a total of 334,589 full-time equivalent staff) compared with 1.7 per cent in 2018-19 (5,436 out of a total 328,542 full-time equivalent staff). Although this is an increase, nearly half of all providers (48 per cent) have had a decrease or no change since 2018-19.
25. The data for the past four years for providers previously funded by HEFCE is set out in Figure 1 below.

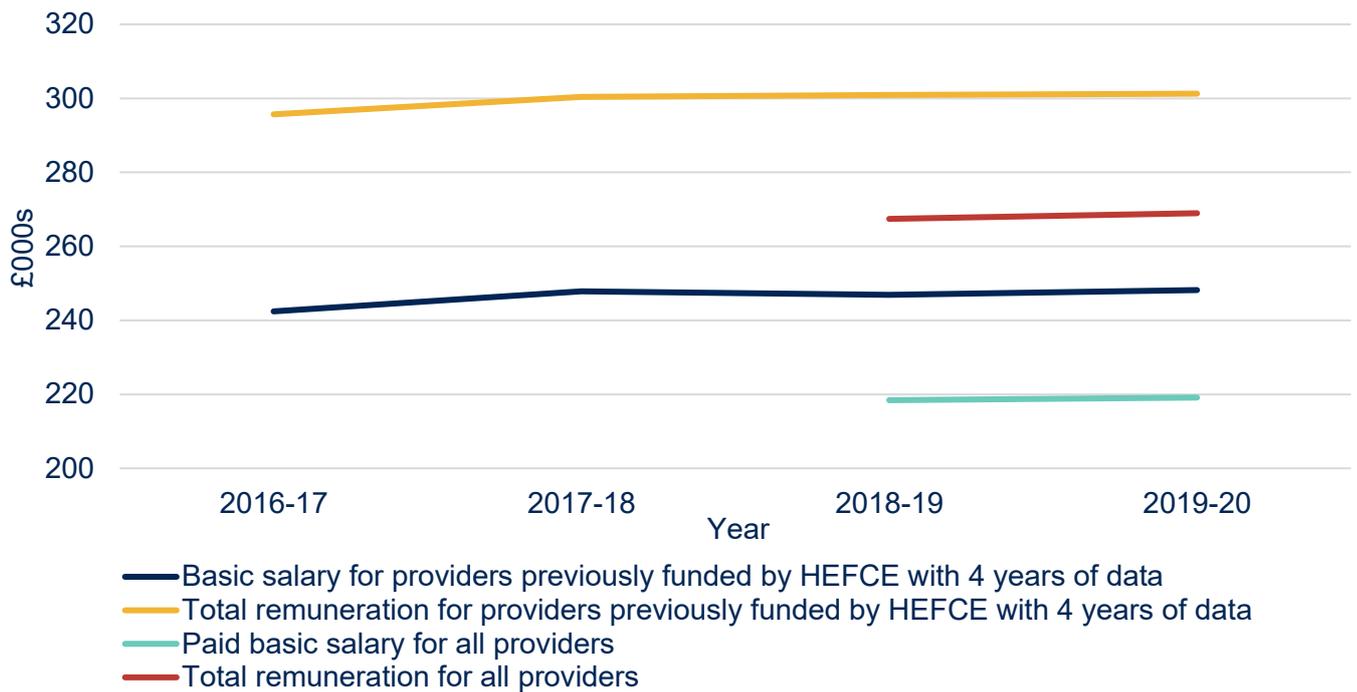
**Figure 1: Proportion of staff paid £100,000 or more for providers previously funded by HEFCE**



## Average remuneration for the head of provider

26. The mean paid basic salary for the heads of providers of all providers within the scope of this report was £219,000 for 2019-20 (£218,000 for 2018-19). The mean total remuneration for the same period was £269,000 (£267,000 for 2018-19).
27. Figure 2 shows average remuneration in 2018-19 and 2019-20 for all providers which are in scope. It also shows four years' data for the subset of providers previously funded by HEFCE. This shows that as the number of providers registered with the OfS has increased, the overall average remuneration for heads of providers has decreased, reflecting the diversity in size and type of provider on the OfS Register.
28. We are aware that on occasion some heads of provider may have chosen to waive part of their remuneration, more recently over the past 18 months as a result of the coronavirus pandemic. For providers named in this report we have indicated where there is evidence that the head of provider has waived any element of their remuneration. We did not specifically collect this data in 2020, so we have not calculated its impact across the average remuneration for the sector.

**Figure 2: Average (mean) head of provider remuneration for all providers in scope and subset of providers previously funded by HEFCE where we have four years' data**



29. When considering the changes in basic and total remuneration for all providers, there is a minimal change between 2019-20 and 2018-19, and for those providers previously funded by HEFCE for which we hold data for four years, we can see that the average remuneration has also plateaued over the past three years.

30. Figure 3 sets out the average head of provider pay data which we hold.

**Figure 3: Average (mean) head of provider remuneration**

	Basic salary for providers previously funded by HEFCE with 4 years of data (£000s)	Change from previous year	Total remuneration for providers previously funded by HEFCE with 4 years of data (£000s)	Change from previous year	Paid basic salary for all providers (£000s)	Change from previous year	Total remuneration for all providers (£000s)	Change from previous year
2016-17	242.432		295.689					
2017-18	247.879	2.2%	300.417	1.6%				
2018-19	246.924	-0.4%	300.894	0.2%	218.424		267.430	
2019-20	248.182	0.5%	301.258	0.1%	219.139	0.3%	268.958	0.6%

31. In 2019-20 the national pay offer for the sector advised by Universities and Colleges Employers Association (UCEA) was an increase of 1.8 per cent for staff, with higher increases for lower-paid staff.<sup>8</sup> This is higher than the increase in either basic or total remuneration for heads of provider when considering the average across the sector.
32. While this report does not cover senior staff remuneration for further education and sixth form colleges, for context ESFA data collected for 232 providers shows the average principal's basic salary was £139,000 in 2019-20 (£136,000 in 2018-19 based on 242 providers) and total remuneration was £166,000 (£158,000 in 2018-19).<sup>9</sup> It should be noted that not all further education and sixth form colleges provide higher education.

### **Change in total remuneration for the head of provider year-on-year**

33. For all providers in scope, regardless of whether there were one or more head of provider in post, during 2019-20 total remuneration for the head(s) of provider increased in 93 providers (56 per cent). It decreased in 60 providers (36 per cent) and remained the same in 12 providers (7 per cent).
34. Where the same head of provider was in post during 2018-19 and 2019-20 the total remuneration increased in 77 providers (62 per cent) between 2018-19 and 2019-20. Thirty five providers (28 per cent) reported paying less and 12 (10 per cent) paid no increase.

### **Distribution of total remuneration for the head of provider across pay bands**

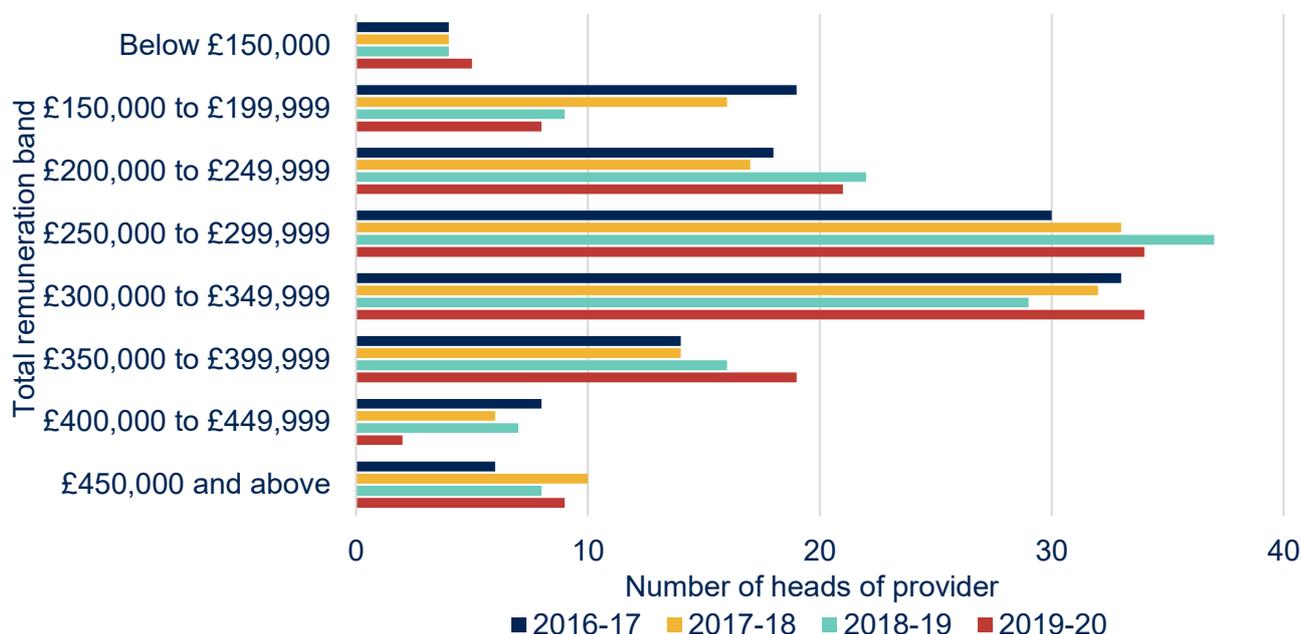
35. For those providers previously funded by HEFCE for which we have four years' data, we have considered the distribution of head of provider pay over this period across pay bands of £50,000 starting at £150,000. The data is set out in Figure 4 below. There is no evidence to suggest that the distribution of total remuneration for the providers previously funded by HEFCE has changed significantly over the past four years. Eleven providers paid their head(s) total remuneration of £400,000 or more in 2019-20 compared with 15 in 2018-19 (16 in 2017-18 and 14 in 2016-17).

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<sup>8</sup> See [www.ucea.ac.uk/our-work/collective-pay-negotiations-landing/Previous-Pay-Settlements/](http://www.ucea.ac.uk/our-work/collective-pay-negotiations-landing/Previous-Pay-Settlements/).

<sup>9</sup> See [www.gov.uk/government/publications/financial-benchmarking-tool-for-colleges](http://www.gov.uk/government/publications/financial-benchmarking-tool-for-colleges).

**Figure 4: Distribution of total remuneration for heads of provider across pay bands for providers previously funded by HEFCE**



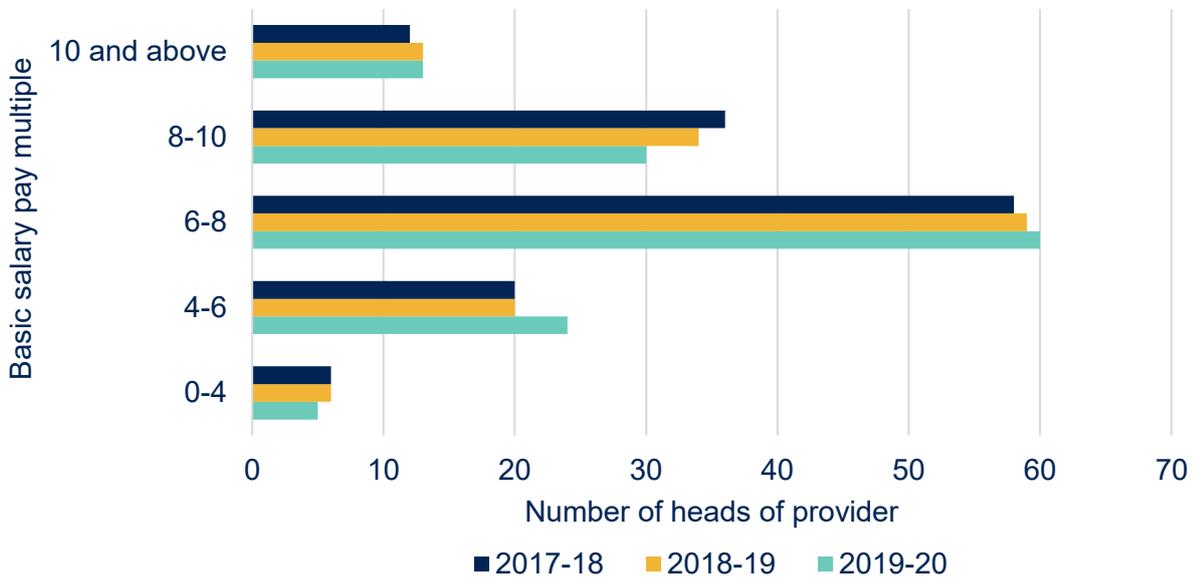
**Comparison of remuneration for the head of provider and other employees – (remuneration pay multiples)**

36. Since 2017-18, we have required providers to report pay ratios in line with guidance in the accounts direction<sup>10</sup> to compare remuneration for the head of provider with other employees. For the first two years the basis of the data varied because in 2017-18 not all of the providers subject to the accounts direction during this period had included contract and agency staff, and in 2018-19 some providers chose to follow the accounts direction before they were required to do so. However, from 2019-20 all providers, once they fall within the scope of the accounts direction, have been required to report the pay ratios and include all employees who are required to be included in real time reporting to HMRC in their calculations.<sup>11</sup>
37. For those providers for which we have three years data, Figures 5 and 6 below show heads of provider grouped by pay ratios for basic salary and total remuneration respectively.

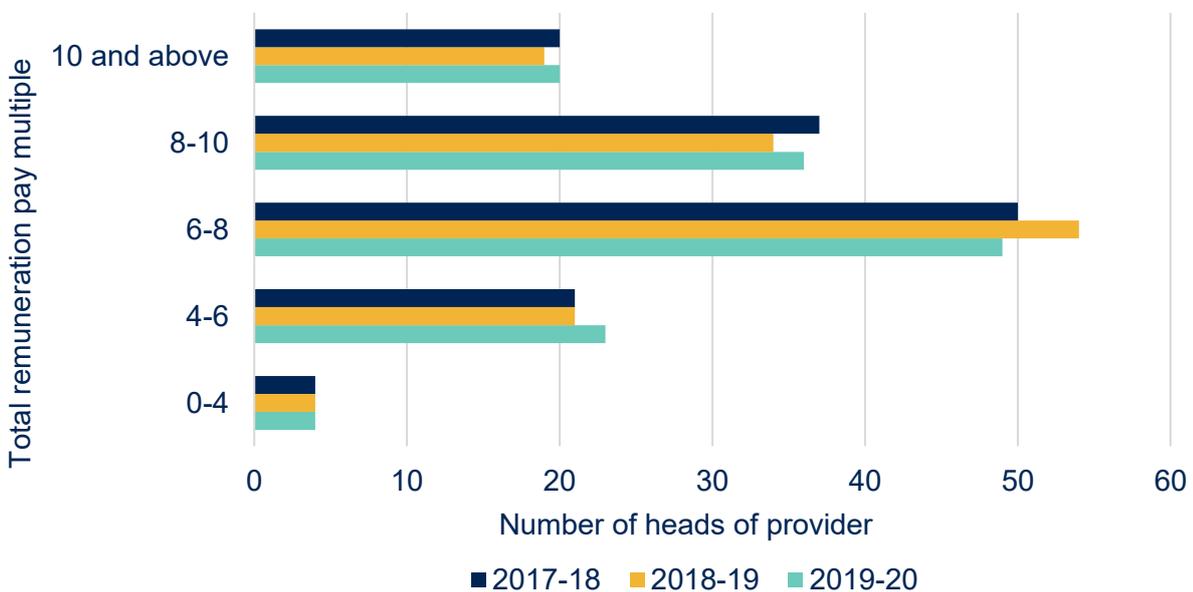
<sup>10</sup> See [www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-before-1-august-2019/](http://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-before-1-august-2019/).

<sup>11</sup> See [www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-on-or-after-1-august-2019/](http://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-on-or-after-1-august-2019/).

**Figure 5: Number of heads of provider by basic salary pay multiple (based on current head of provider in the year)**



**Figure 6: Number of heads of provider by total remuneration pay multiple (based on current head of provider in the year)**



38. The distribution of data for basic salary and total remuneration pay multiples over the past three years has remained broadly consistent.

## Is there evidence of transparency about senior staff pay arrangements and decisions for providers in the Approved (fee cap) category?

39. We have considered whether providers in the Approved (fee cap) category (which means they are eligible to receive public funding) are demonstrating a commitment to transparency about the justification for their head of provider's remuneration. We have determined this by considering two specific elements of the OfS accounts direction<sup>12</sup> relating to senior staff pay disclosures in the financial statements:

- Disclosure in the financial statements that a provider has had regard to the 'higher education senior staff remuneration code' published by the Committee of University Chairs (CUC), irrespective of whether the provider is a member of the CUC.<sup>13</sup>
- Justification for the total remuneration package for the head of the provider, including reference to the context in which the provider operates, and linked to the value and performance delivered by the head of provider, and an explanation of both the processes and oversight arrangements involved in making remuneration decisions.

40. We have reviewed a sample of the financial statements for providers in the Approved (fee cap) category. Our review indicates that most providers have included a justification for the total remuneration package for the head of provider, and in many but not all instances have stated how they have had regard to the higher education senior staff remuneration code.

41. Justifications that providers have given for the total remuneration package for the head of provider include:

- benchmarking remuneration against peer providers
- assessment of the head of provider's performance against personal and organisational performance targets and indicators
- self-assessment by the head of provider of their progress against objectives
- the need to compete internationally for the recruitment and retention of a head of provider and to recruit a head of provider with the ability to collaborate internationally
- the impact of national and international rankings
- regard to salary growth across the institution
- input from external advisers
- the need to attract and retain the best people.

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<sup>12</sup> See [www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-before-1-august-2019/](http://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-before-1-august-2019/).

<sup>13</sup> See <https://www.universitychairs.ac.uk/wp-content/uploads/2018/06/HE-Remuneration-Code.pdf> [PDF].

42. The explanations for the processes and oversight arrangements involved in making remuneration decisions include:

- reference to the CUC higher education senior staff remuneration code
- reference to pay benchmarking data in respect of Heads of Institutions provided annually by the University and Colleges Employers Association (UCEA)
- consideration of data from the CUC annual survey on vice-chancellor's pay
- consideration of the Association of Colleges Senior Pay Survey
- analysis of comparable salaries in the UK, North America and Australia
- oversight by committees reporting to governing bodies
- benchmarking remuneration package levels against similar institutions.

## Conclusion

43. There is evidence of pay restraint in the sector. In particular:
  - a. Average remuneration for heads of providers has plateaued over the past three years.
  - b. The four-year dataset for the distribution of head of provider basic salary across pay bands, and the data for the number of senior staff paid more than £100,000, show little change over this period.
44. There is evidence that providers which are eligible to receive public funding (in the Approved (fee cap) category) are providing an explanation of the governance arrangements in place for making remuneration decisions and giving a transparent justification for their head of provider's remuneration. Specifically:
  - a. We see good levels of compliance with the staff pay disclosure requirements set out in the accounts direction.
  - b. We see evidence that providers have had regard to the CUC higher education senior staff remuneration code, though this is not universal.
45. We also note that the full impact of the coronavirus pandemic on senior staff pay trends remains to be seen and more information will emerge as providers publish their remuneration information for 2020-21.
46. The requirements set out in the OfS accounts direction for providers to publish information about remuneration will continue to ensure that this is in the public domain. The information we hold now spans a period allowing for themes and direction of travel across the sector to be explored. Transparency will help providers' remuneration committees and governing bodies to benchmark more effectively. It will also help students and others to push for changes in a provider's approach to remuneration where they consider it to be out of step with their expectations.

# Appendices

The appendices are grouped into four sections for ease of reference:

- Appendix 1: Tables related to total remuneration paid to heads of provider including highest paid and biggest changes
- Appendix 2: Tables related to basic remuneration paid to heads of provider including highest paid and biggest changes
- Appendix 3: Tables related to taxable and non-taxable benefits paid to heads of provider
- Appendix 4: Tables related to pay multiples for heads of providers

## Appendix 1: Tables relating to total remuneration paid to heads of provider

Table 1: Providers paying the highest total remuneration to heads of provider in 2019-20

Rank	Provider	Total remuneration £000s		2018-19 rank	Notes
		2019-20	2018-19		
1	University of Exeter	584	432	9	Total remuneration for 2019-20 increased £152,000 (35.2%) and is comprised of the following, with the increase mainly due to the last item listed here: <ul style="list-style-type: none"> <li>• basic salary £315,000</li> <li>• pension arrangements £51,000</li> <li>• performance-related pay £28,000</li> <li>• accommodation £5,000</li> <li>• long-term retention and performance-incentive payment £185,000</li> </ul>
2	Imperial College of Science, Technology and Medicine	527	548	3	Total remuneration for 2019-20 decreased £21,000 (-3.8%) and consists of: <ul style="list-style-type: none"> <li>• basic salary after the first three months of a voluntary COVID-related 20% pay reduction for six months from May 2020 £341,000</li> <li>• pension arrangements £54,000</li> <li>• accommodation £109,000</li> <li>• accommodation expenses £23,000</li> </ul>
3	The London School of Economics and Political Science	507	491	4	Total remuneration for 2019-20 increased £16,000 (3.3%) and consists of: <ul style="list-style-type: none"> <li>• basic salary after a 20% COVID-related salary cut from June 2020 (-£13,000 reduction) £365,000</li> <li>• pension arrangements £79,000</li> <li>• accommodation £54,000</li> <li>• accommodation expenses £9,000</li> </ul>

Rank	Provider	Total remuneration £000s		2018-19 rank	Notes
		2019-20	2018-19		
4	London Business School	498	609	2	Total remuneration for 2019-20 decreased £111,000 (-18.2%) and consists of: <ul style="list-style-type: none"> <li>• £304,000 basic salary after a waiver of three months' salary related to COVID-19 of £120,000</li> <li>• pension arrangements £96,000</li> <li>• accommodation £95,000</li> <li>• accommodation expenses £3,000</li> </ul>
5	University of Cambridge	477	484	5	Total remuneration for 2019-20 decreased £7,000 (-1.4%) and consists of: <ul style="list-style-type: none"> <li>• basic salary £379,000</li> <li>• pension arrangements £62,000</li> <li>• private healthcare £5,000</li> <li>• accommodation £24,000</li> <li>• flights home £7,000</li> </ul> <p>The head of provider will waive 15% of their salary from October 2020 as part of a voluntary scheme for staff paid over £100,000. This is not reflected in the data for 2019-20.</p>
6	University College London	472	405	15	Total remuneration for 2019-20 increased £67,000 (16.5%) and consists of: <ul style="list-style-type: none"> <li>• basic salary £410,000 including an exceptional one-off payment of £25,000 relating to a change in HMRC's treatment of a specific tax charge, and a London allowance of £3,000</li> <li>• pension contributions £7,000</li> <li>• accommodation £29,000</li> <li>• health insurance £1,000</li> <li>• payment for deferring retirement to support the institution through COVID-19 £25,000</li> </ul>

Rank	Provider	Total remuneration £000s		2018-19 rank	Notes
		2019-20	2018-19		
7	King's College London	463	455	6	<p>Total remuneration for 2019-20 increased £8,000 (1.8%) and consists of:</p> <ul style="list-style-type: none"> <li>• basic salary £350,000</li> <li>• pension contributions £73,000</li> <li>• accommodation £40,000</li> </ul> <p>At the head of provider's request their salary has been frozen since 2014 and they have declined any bonus payment. From 1 August 2020 until they step down in January 2021, the head of provider's salary and pension will be reduced by 30% to reflect the impact of COVID-19. This is not reflected in the data for 2019-20.</p>
8	The University of Birmingham	460	450	8	<p>Total remuneration for 2019-20 increased £10,000 (2.2%) and consists of:</p> <ul style="list-style-type: none"> <li>• basic salary £348,000</li> <li>• pension arrangements £48,000</li> <li>• performance award for 2018-19 £61,000 (senior staff will not receive this for 2019-20 due to COVID-19; this will be reflected in next year's accounts)</li> <li>• accommodation £3,000</li> </ul>
9	University of Oxford	457	452	7	<p>Total remuneration for 2019-20 increased £5,000 (1.1%) and consists of:</p> <ul style="list-style-type: none"> <li>• basic salary £374,000</li> <li>• pension arrangements £53,000</li> <li>• accommodation £25,000</li> <li>• healthcare £5,000</li> </ul>

Rank	Provider	Total remuneration £000s		2018-19 rank	Notes
		2019-20	2018-19		
10	University of Bedfordshire	447	264	91	Total remuneration for 2019-20 was £183,000 (69.3%) higher than in 2018-19. The head of provider changed during the year and the outgoing head received £187,000 compensation for loss of office. The outgoing head was in post for the first five months of 2019-20. The new head was in post for the remaining seven months of 2019-20. Their benefits included £14,000 for pension arrangements and £3,000 travel allowance for the period served.

47. Table 1 shows the highest total remuneration paid to heads of providers in 2019-20. Total remuneration across all providers for this period ranged from a minimum of £24,000 to a maximum of £584,000.
48. Eight of the providers named in Table 1 have been included within the ten providers paying the highest total remuneration to their head of provider at least three times since this data has been collected. Where there are new providers in this table for 2019-20, this is related to payments for loss of office, continuation in office or other payments of a one-off nature.
49. Six of the providers named in Table 1 report an element of salary reduction or waiver attributed to the impact of the coronavirus pandemic on the provider. In most cases this relates to payments made during 2019-20. In some it will be reflected in the pay disclosures for 2020-21.

**Table 2: Changes in total remuneration paid to the head of provider in 2019-20 compared with 2018-19<sup>14</sup>**

Rank	Provider	Change in total remuneration (%)	Notes
1	London School of Academics Ltd ∞	155.7%	The head of provider received £70,000 total remuneration in 2018-19 increasing to £179,000 in 2019-20 consisting of: <ul style="list-style-type: none"> <li>• basic salary £8,000</li> <li>• dividends £160,000</li> <li>• pension arrangements £7,000</li> <li>• company car £4,000</li> </ul>
2	University of Bedfordshire	69.3%	As noted above in Table 1, the increase in 2019-20 is mostly due to payment of compensation for loss of office to an outgoing head of provider.
3	St Mary's University, Twickenham	57.1%	In 2018-19 the head of provider was paid £177,000 made up of basic salary £150,000, pension arrangements £24,000 and £3,000 medical insurance. There were three heads of provider during 2019-20: outgoing, interim and new. The new head was in post for the last three months of 2019-20 and received £57,000 basic salary, £13,000 pension arrangements, £2,000 medical insurance and £26,000 for relocation, total remuneration £98,000.
4	Leeds Conservatoire	47.9%	The increase is almost entirely due to £65,000 compensation for loss of office paid to the head of provider who left just after the year end. Total remuneration for 2018-19 was £140,000. For 2019-20 this was £142,000 before the compensation payment, an increase of £2,000 (1.4%).
5	Arts University Bournemouth	40.9%	An outgoing head of provider served for the first five months of 2019-20 and a new head for the remaining seven months.

<sup>14</sup> This excludes providers which paid their head of provider less than £100,000 in academic year 2019-20.

Rank	Provider	Change in total remuneration (%)	Notes
			Most of the increase in 2019-20 is due to a £61,000 sabbatical payment to the outgoing head.
6	University of Exeter	35.2%	See Table 1 above.
7	University of London	33.8%	In 2018-19 there were three part-time heads of provider: outgoing, interim and new, in post for one month, ten months and one month respectively. The new full-time head was in post throughout 2019-20 with total remuneration of £313,000, including £23,000 for pension.
8	University of York	24.3%	In 2018-19 an outgoing head of provider served for three months followed by an interim head paid at a lower rate for nine months. This lowered the 2018-19 total. The interim head was in post for the first month of 2019-20, then a new head for the remaining 11 months at a higher rate, producing the 24.3% comparative increase. The new head took a voluntary 20% salary reduction for six months from 1 August 2020 in light of COVID-19, which will be reflected in 2020-21.
9	University of Greenwich	22.0%	A new head of provider took up post from 1 December 2019, thus serving for eight months of 2019-20. The total increase of 22% in remuneration actually paid in 2019-20 was a result of the one month overlap in heads of provider, as well as the pension contributions paid for the incoming head which the outgoing head did not receive.
10	The Royal Central School of Speech and Drama	21.0%	The head of provider stood down on 8 June 2020 but was paid until 31 August 2020 when they retired. Two Co-Principals then shared head-of-provider duties until an interim head of provider started on 14 September 2020. The 21.0% total increase in 2019-20 is because the outgoing head plus the two Co-Principals were all in post for the last two months of 2019-20.

∞ Providers marked with this symbol are in the Approved category and not eligible for OfS public grant funding (see paragraph 60 of the regulatory framework)

50. Table 2 shows the greatest changes in total remuneration paid to the head of provider in 2019-20 compared with 2018-19. In most instances, it appears that the increase in total remuneration relates to more than one head of provider being in post during the year and related transition costs (including higher interim annualised salaries; compensation costs).
51. In all the tables relating to changes in remuneration, care should be taken to review the information and justifications included by providers in their financial statements, as some elements may have been included on a one-off basis for the period under review, rather than permanent changes to remuneration that would be translated through to future years.

**Table 3: Greatest increases in total remuneration paid to the head of provider in academic year 2019-20 compared with academic year 2018-19, for providers with no change in the head of provider in these years<sup>15</sup>**

Rank	Provider	Total remuneration paid to head of provider £000s			Notes
		2019-20	2018-19	% change	
1	London School of Academics Ltd <sup>∞</sup>	179	70	155.7%	See Table 2 above
2	Leeds Conservatoire	207	140	47.9%	See Table 2 above
3	University of Exeter	584	432	35.2%	See Tables 1 and 2 above
4	UCK Limited <sup>∞</sup>	298	253	17.8%	In 2018-19 total remuneration consisted entirely of basic salary. In 2019-20 total remuneration included £8,000 pension and £19,000 medical expenses.
5	University College London	472	405	16.5%	See Table 1 above
6	Royal Northern College of Music	194	167	16.2%	In 2018-19 total remuneration consisted of £142,000 basic salary, £23,000 pension and £2,000 private medical care. In 2019-20 it consisted of £156,000 basic salary, £36,000 pension and £2,000 private medical care.

<sup>15</sup> This excludes providers which paid their head of provider less than £100,000 in academic year 2019-20.

Rank	Provider	Total remuneration paid to head of provider £000s			Notes
		2019-20	2018-19	% change	
7	The University of West London	393	342	14.9%	In 2018-19 total remuneration consisted of £296,000 basic salary, £38,000 pension, £4,000 performance-related pay and other bonuses and £4,000 health insurance. In 2019-20 it consisted of £320,000 basic salary, £64,000 pension £5,000 performance-related pay and other bonuses and £4,000 health insurance.
8	University of St Mark & St John	229	203	12.8%	In 2018-19 total remuneration consisted of £166,000 basic salary, £27,000 pension and £10,000 performance related pay and other bonuses. In 2019-20 it consisted of £186,000 basic salary and £43,000 pension.
9	Hartpury University	231	206	12.1%	In 2018-19 total remuneration consisted of £153,000 basic salary, £29,000 pension, £20,000 accommodation and £4,000 health insurance. In 2019-20 it consisted of £164,000 basic salary, £43,000 pension, £20,000 accommodation and £4,000 health insurance.
10	Pearson College Limited*	315	285	10.5%	In 2018-19 total remuneration consisted of £199,000 basic salary, £31,000 pension, £53,000 performance bonus and £2,000 medical insurance. In 2019-20 it consisted of £202,000 basic salary, £27,000 pension, £44,000 performance bonus and £42,000 share-based incentive plan.

\*In relation to Pearson College Limited the provider has advised that the head of provider was also in receipt of share-based incentive plans amounting to £43,000 in 2018-19 (£44,000 in 2019-20). However, this charge was included in the accounts for a related group company for 2018-19. The change in accounting treatment to include this in the provider's accounts in 2019-20 has significantly influenced the increase in total remuneration between the two years.

∞ Providers marked with this symbol are in the Approved category and are not eligible for OfS public grant funding (see paragraph 60 of the regulatory framework).

52. Table 3 shows providers with the greatest increases in total remuneration paid to the head of provider, excluding providers that reported a change in the head of provider. However, in some instances the increase is related to remuneration for an outgoing head of provider at the end of 2019-20 rather than an increase in pay to a head of provider remaining in post year-on-year.

## Appendix 2: Tables relating to basic salary paid to heads of provider

**Table 4: Providers paying the highest basic salary to heads of provider in 2019-20**

Rank	Provider	Basic salary £000s		2018-19 rank	Notes
		2019-20	2018-19		
1	University College London	410	376	3	See Table 1
2	University of Cambridge	379	372	4	See Table 1
3	University of Oxford	374	367	5	See Table 1
4	The London School of Economics and Political Science	365	357	7	See Table 1
5	King's College London	350	350	8	See Table 1
6	Birkbeck College	349	342	10	Increase of 2%
7	The University of Birmingham	348	339	11	See Table 1
8	Imperial College of Science, Technology and Medicine	341	358	6	See Table 1
9	The University of Huddersfield	336	336	12	No increase
10	University of Worcester	325	325	13	No increase. The basic pay of the head of provider is also the total remuneration. The head of provider waived the agreed pay increase in 2019 for a third year.

53. Table 4 shows the highest basic salaries paid to heads of provider during 2019-20. Across all providers basic salary paid to heads of provider ranged from a minimum of £8,000 to a maximum of £410,000.

**Table 5: Changes in basic salary paid to the head of provider in 2019-20 compared with 2018-19<sup>16</sup>**

Rank	Provider	Change in basic salary paid (%)	Notes
1	University of Central Lancashire	78.5%	In 2018-19 an outgoing head of provider was paid basic salary for four months. Two deputies served for the remaining eight months however only their uplift in salary was disclosed, resulting in a total of £135,000 basic salary paid for the year.  In 2019-20 one deputy served for two months and a new head of provider for the remaining 10 months with a total of £241,000 basic salary paid.
2	St Mary's University, Twickenham	42.0%	There was a change of head of provider in 2019-20. See Table 2 above for more detail.
3	University of York	28.1%	There was a change of head of provider in 2018-19. See Table 2 above for more detail.
4	University of London	23.9%	There was a change of head of provider in 2018-19. See Table 2 above for more detail.
5	The Royal Central School of Speech and Drama	23.0%	There was a change of head of provider in 2019-20. See Table 2 above for more detail.
6	The Open University	20.0%	Basic salary was paid of £225,000 in 2018-19 and £270,000 in 2019-20. However, in 2018-19 the outgoing head of provider also received £45,000 acting allowance not included in her basic salary to align with the basic salary of the incoming postholder. This acting allowance was not paid to the new head as it was incorporated into the basic salary.
7	University of St Mark & St John	12.0%	See Table 3 above
8	University College of Estate Management	10.6%	Basic salary was paid of £189,000 in 2018-19 and £209,000 in 2019-20.
9	Royal Northern College of Music	9.9%	See Table 3 above

<sup>16</sup> This excludes providers which paid their head of provider less than £100,000 in academic year 2019-20.

Rank	Provider	Change in basic salary paid (%)	Notes
10	University of Hertfordshire	9.7%	Basic salary was paid of £268,000 in 2018-19 and £294,000 in 2019-20. The basic salary in 2019-20 includes a compensatory uplift to take into account the removal of performance-related variable pay which was awarded in 2018-19.

**Table 6: Greatest increases in basic salary paid to the head of provider in 2019-20 compared with 2018-19, for providers with no change in the head of provider in these years<sup>17</sup>**

Rank	Provider	Basic salary paid to head of provider £000s			Notes
		2019-20	2018-19	% change	
1	University of St Mark & St John	186	166	12.0%	See Tables 3 and 5 above
2	University College of Estate Management	209	189	10.6%	See Table 5 above
3	Royal Northern College of Music	156	142	9.9%	See Tables 3 and 5 above
4	University of Hertfordshire	294	268	9.7%	See Table 5 above
5	Queen Mary University of London	300	275	9.1%	A market supplement of £25,000 was paid in addition to basic salary in 2018-19, but in 2019-20 this market supplement was reported as part of basic salary.
6	University College London	410	376	9.0%	See Tables 1 and 3 above
7	The Liverpool Institute for Performing Arts	171	158	8.2%	N/A
8	The University of West London	320	296	8.1%	See Table 3 above
9	Hartpury University	164	153	7.2%	See Table 3 above
10=	Leeds Trinity University	195	182	7.1%	N/A
10=	UCK Limited <sup>∞</sup>	271	253	7.1%	See Table 3 above

<sup>∞</sup> Providers marked with this symbol are in the Approved category and not eligible for OfS public grant funding (see paragraph 60 of the regulatory framework)

<sup>17</sup> This excludes providers which paid their head of provider less than £100,000 in academic year 2019-20.

## Appendix 3: Tables relating to taxable and non-taxable benefits paid to heads of provider

54. The treatment of taxable and non-taxable benefits is a matter for a provider to agree with its auditors in line with the OfS accounts direction and any relevant HMRC guidance. We appreciate that as the latter is updated this may result in disclosures for items that previously appeared as non-taxable subsequently appearing as taxable, or vice-versa, and this may affect a provider's data for these two items for the period that the new treatment is applied.

**Table 7: Highest taxable benefits paid (excluding performance-related pay, other bonuses, and pension-related payments) by value in 2019-20**

Rank	Provider	Taxable benefits £000s
1	The Open University	59
2	The Royal Veterinary College	54
3	University of York	38
4	University College London	30
5=	Royal Holloway and Bedford New College	27
5=	The University of Surrey	27
7=	Hartpury University	24
7=	University of East London	24
9=	St Mary's University, Twickenham	22
9=	The Royal Academy of Music	22
9=	The University of Warwick	22

55. Table 7 shows taxable benefits which are typically available only to senior staff, and so excludes payments usually available to most staff, such as pensions and performance bonuses. In 2019-20, 86 providers (52%) disclosed benefits of this type against 82 providers (50%) in 2018-19.
56. The most common of these benefits disclosed in the 2019-20 financial data submitted to the OfS are accommodation and related services, private health schemes and health insurance, with relocation and travel costs reported by a minority of providers. This pattern has been similar in previous years.
57. A nil return for these benefits was made by 79 providers (48%) in 2019-20, compared with 83 (50%) in 2018-19. This shows little change from the previous year and the value of the reported benefits as a proportion of remuneration remains relatively low for most providers.

**Table 8: Highest non-taxable benefits paid by value in 2019-20**

Rank	Provider	Non-taxable benefits £000s
1	Imperial College of Science, Technology and Medicine	112
2	London Business School	95
3=	School of Oriental and African Studies	54
3=	The London School of Economics and Political Science	54
5	King's College London	40
6	City, University of London	39
7	University of Bristol	35
8	The University of East Anglia	33
9	University of Cambridge	27
10	University of Oxford	25

58. Table 8 shows the highest non-taxable benefits paid by value in 2019-20. A nil return for these benefits was made by 135 providers (82%) in 2019-20, compared with 120 providers (73%) in 2018-19.

59. This disclosure applies to benefits available to senior staff that are not available to all staff. Almost the entirety of non-taxable benefits disclosed for 2019-20 are for living accommodation. Some heads of provider are required or expected to occupy accommodation on campus and, particularly in London, these may carry large values. There was one disclosure of payment for flights. It is for the provider's governing body, rather than the OfS, to determine the appropriateness of these benefits – the OfS's interest is in ensuring transparency.

## Appendix 4: Tables relating to pay multiples for heads of provider

60. The guidance on calculating the pay multiples reflected in Tables 9 and 10 is set out in the OfS's accounts direction. The calculation includes all employees who are required to be included in real time reporting to HMRC, both academic and non-academic staff. Providers' operational arrangements can vary considerably, particularly in relation to the outsourcing or otherwise of operational areas such as catering or estates management which may include a cohort of lower paid staff. These operational decisions can have a material impact on the pay multiple calculations and make direct comparisons between providers more complex.

**Table 9: Highest pay multiples when taking the 2019-20 current head of provider's total remuneration compared with the median total remuneration at the provider**

Rank	Provider	Total remuneration multiple
1	University of Exeter	17
2	London Business School	13
3=	The University of Birmingham	12.8
3=	The University of Essex	12.8
5=	Study Group Limited <sup>∞</sup>	11.8
5=	The London School of Economics and Political Science	11.8
7=	Imperial College of Science, Technology and Medicine	11.6
7=	The University of Huddersfield*	11.6
9	University of York	11.3

\*The provider marked with an asterisk has advised that due to errors in its calculations it will need to restate the figure such that it is likely to be lower than currently stated.

<sup>∞</sup> Providers marked with this symbol are in the Approved category and not eligible for OfS public grant funding (see paragraph 60 of the regulatory framework).

61. Table 9 shows the highest pay ratios for total remuneration in 2019-20. Other than for Exeter, where the head of provider's total remuneration for 2019-20 included a one-off payment of £185,000 under a long-term retention and performance-incentive scheme which resulted in a pay multiple of 17.0, the highest pay ratios for 2019-20 are broadly similar to those for 2018-19.
62. Taking the spread of pay multiples across all providers, the lowest ratio is 1.0 and there are 25 providers with pay multiples below 4.0. These are small and specialist providers where the head of provider is less highly paid and with relatively small numbers of staff. There are 19 providers with a pay ratio higher than 10. This is the same number of providers as in 2018-19.

**Table 10: Highest pay multiples when taking the 2019-20 current head of provider's basic salary compared with the median pay (salary) at the provider**

Rank	Provider	Basic salary multiple
1	University of Worcester	12.5
2	The University of Huddersfield*	11.4
3	The University of Essex	11.2
4=	Royal Holloway and Bedford New College	10.9
4=	The University of Warwick	10.9
4=	University of Cambridge	10.9
4=	University of York	10.9
8	The University of Birmingham	10.7
9	University of Exeter	10.5
10	The University of Leeds	10.2

\*The provider marked with an asterisk has advised that due to errors in its calculations it will need to restate the figure such that it is likely to be lower than currently stated.

63. Table 10 shows the 10 highest pay ratios for basic salary in 2019-20. The spread of these is very similar to the previous two years. For the three years that we have collected this data, the spread in the highest pay multiple table has been broadly similar, between 9.7 – 13.4.
64. Taking the total spread of ratios, there are three with a ratio of 1.0 or less and there are 27 providers with ratios below 4.0. These are small and specialist providers where the head of provider is less highly paid and with relatively small numbers of staff.



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