

Annual Remuneration Report 2022-23

Dated 17th October 2023

1.0 Introduction

- 1.1 In November 2021, the Committee of University Chairs reissued “The Higher Education Senior Staff Remuneration Code” which requires Universities to publish a remuneration annual statement. The report below is the Annual Remuneration Report to the University Council in respect of financial year 2022-23
- 1.2 The University has used as a basis for this report the Office for Students (OfS) Regulatory Advice 9: Accounts Direction <https://www.officeforstudents.org.uk/media/789df506-4be6-48a1-8482-9c6af0c4459a/accounts-direction-from-1august2019.pdf> and <https://www.officeforstudents.org.uk/publications/regulatory-advice-9-accounts-direction-accounting-periods-beginning-on-or-after-1-august-2019/> and the Committee of University Chairs (CUC) Higher Education Remuneration Code 2021 <https://www.universitychairs.ac.uk/wp-content/files/2021/11/Remuneration-Code-Revised-November-2021-final-1.pdf>.
- 1.3 The University is reporting on the senior post holders prescribed in the remit of the Remuneration Committee, where they are either decision makers on behalf of Council or are required to ratify decisions on behalf of University Leadership Team (ULT) formerly known as Vice-Chancellor’s Executive Team (VCET). This report will focus on the Vice-Chancellor and the senior post holders but will also reference remuneration approaches for the wider colleague population as required.
- 1.4 References to the Vice-Chancellor in this report pertain to the former Vice-Chancellor, Professor Helen Marshall, who was in post for the relevant reporting period and who retired from the University on 31st August 2023.
- 1.5 The new Vice-Chancellor, Professor Nic Beech, started with the University on 1st October 2023 which is outside of the reporting period.

2.0 The Overview of the Remuneration Committee

- 2.1 The Terms of Reference for Remuneration Committee are detailed in Appendix 1 and are reviewed on an annual basis. The annual review took place by Remuneration Committee in October 2022 and the current version was approved by Council in July 2023.
- 2.2 The following points of good practice within the HE sector are embedded within the Terms of Reference;
- 2.2.1 The requirements of the CUC Higher Education Code of Governance (revised September 2020) <https://www.universitychairs.ac.uk/wp-content/uploads/2020/09/CUC-HE-Code-of-Governance->

- [publication-final.pdf](#)) for the consideration of pay for the Vice-Chancellor.
- 2.2.2 The requirements of the CUC Higher Education Senior Staff Remuneration Code 2021 for the consideration of reward and recognition of senior staff.
<https://www.universitychairs.ac.uk/wp-content/files/2021/11/Remuneration-Code-Revised-November-2021-final-1.pdf>
- 2.2.3 Inclusivity and diversity, with consideration of the annual Gender Pay Gap and the Equal Pay Audits
<https://www.salford.ac.uk/sites/default/files/2023-02/uos-gender-pay-gap-report-2022.pdf>
- 2.2.4 Responsibility for the oversight of settlement agreements in line with the HEFCE letter of 15 June 2017, including the requirement for the Chair of Council’s approval for all severance payments made to colleagues earning more than £100,000.
- 2.3 The [Vice-Chancellor Reward and Recognition framework](#) explicitly requires the Remuneration Committee to act in accordance with the Nolan principles (<https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>) and clearly sets out the rationale and justification for the determination of the remuneration and associated costs of the office of the Vice-Chancellor;
- 2.3.1 The framework is a matter of public record and can be openly accessed using the following [link](#) and selecting the dropdown menu under the Remuneration Committee heading:
<https://www.salford.ac.uk/governance-and-management/council>
- 2.3.2 The framework uses relevant benchmarking data for the purpose of comparative analysis in the determination of the Vice-Chancellor’s remuneration.
- 2.4 The Remuneration Committee members are as follows, for the period covered by this report:

Name	Role	Notes
Helen Taylor	Chair of the Remuneration Committee	
Lord Keith Bradley	Chair of Council and ex officio Committee Member	
Phil Cusack	Committee Member	
Sean O’Hara	Deputy Chair of Council and ex officio Committee Member	Membership ended 31 July 2023
Merlyn Lowther	Deputy Chair of Council and ex-officio Committee Member	
Claire Sproston	Co-opted Committee Member	
Natalie Walker	Co-opted Committee Member	Resigned 8 June 2023

2.5 The appointment of the Remuneration Committee lies with Council as stated in Statute 5.2.3 and upon the advice of the Governance, Nominations and Ethics Committee (GNEC) who advise Council on the establishment, terms of reference, composition, membership and disestablishment of its standing committees.

2.6 The schedule of meetings and attendees for the 2022-23 year were as follows:

NAME	25 Oct 22	17 Nov 22*	8 Dec 22	27 Jan 23*	2 Mar 23	16 May 23*	15 Jun 23	TOTAL (scheduled)	TOTAL (all)
K Bradley	√	√	√	√	√	√	√	4/4	7/7
P Cusack	Apologies	√	√	Apologies	Apologies	Apologies	√	2/4	3/7
M Lowther	√	√	√	√	√	√	√	4/4	7/7
S O'Hara	√	√	√	√	√	√	√	4/4	7/7
C Sproston	√	√	√	√	√	Apologies	√	4/4	6/7
H Taylor (C)	√	√	√	√	√	√	√	4/4	7/7
N Walker	Apologies	√	Apologies	√	Apologies	Apologies	Apologies	0/4	2/7

(* - special meeting)

The quorum for this committee shall be one-third of the current actual membership rounded up to the nearest whole number, or three, whichever is the greater. Council standing committees also require that at least two of those in attendance must be independent Council members of the committee in order to be quorate.

2.7 To ensure that there is no potential for a conflict of interest the Remuneration Committee contains no University colleagues. University colleagues are only in attendance as deemed appropriate by the Chair of the Remuneration Committee.

2.8 For the avoidance of doubt, no member of University staff is present for the discussion or determination of their own remuneration and as such there is no conflict of interest. Similar provision is in place for the Chair of Council, however, it should be noted that although there is the potential for this post to be remunerated, the current incumbent has relinquished their right to remuneration, therefore removing any requirement to implement this approach.

3.0 The competitive environment and market that the University operates within

3.1 The University operates within Greater Manchester, which has over 20 Higher Education (HE) providers (some of which are colleges), and a base for the private provider BPP. Slightly further afield, there are over 30 HE providers in the North West ([A geography of English higher education: Technical document \(officeforstudents.org.uk\)](http://officeforstudents.org.uk)). Specialist HE colleagues have a wide choice of places to work within easy reach. As a region, the density of providers is only surpassed by Greater London and the South East.

3.2 Within this competitive environment, we are not only competing for colleagues, but crucially we are competing for students, therefore ensuring we are able to attract, retain and develop the best talent is essential. The University is mindful of developing approaches to remuneration that enable us to deliver the expected student experience along with the strategic priorities of the University.

4.0 The overall approach to setting remuneration

4.1 The Remuneration Committee takes into consideration the following when setting remuneration:

- The overall performance of the University of Salford as measured by the institutional KPIs and taking into consideration organisational benchmarking against recognised measures including Research Excellence Framework (REF), Teaching Excellence Framework (TEF), and the National Students Survey (NSS).
- Pay increases for other colleagues in the University
- Regional and national market conditions
- The size and complexity of the University
- Individual performance measured against predetermined objectives.
- Benchmarking against appropriate and comparable institutions and determinants including the pre-92 group, institutional income and regional variation.
- The business context in which the University is operating and any associated trends.
- The recommendations made in the annual Gender Pay Gap and Equal Pay Audit Report.
- Pay benchmarking for senior colleagues is aligned to data provided by Korn Ferry as a primary source following senior-level job evaluation exercises to determine the job size. This ensures pay is commensurate with the level of responsibility and the broader external market.
- The UCEA Senior Staff Remuneration Survey data acts as a secondary source for pay benchmarking specific to the HE Sector, giving increased assurance and validation of decisions relating to pay.
- The annual Committee of University Chairs' Vice-Chancellor's Salary Survey is also used as a benchmarking source.

5.0 The factors used in considering reward proposals for senior post holders

5.1 The University has a total group income of £268.4m and employs over 2,500 people. The Council has outlined our strategy and operational review in the Integrated Report (published annually and available here: <http://www.salford.ac.uk/about-us/corporate-information>).

5.2 In setting salary and other considerations, the Remuneration Committee has taken into consideration the depth, breadth and complexity of the roles. The Remuneration Committee has undertaken benchmarking across the Higher

Education sector, including comparative information relating to the relevant contribution and income groups. The Remuneration Committee also takes into consideration the challenges faced for attraction and retention in a competitive market as set out in Section 2 of this report.

5.3 Other elements of the total remuneration package for the Vice-Chancellor and senior post holders, including members of VCET, have been reviewed by the Remuneration Committee alongside the annual individual performance review process.

5.4 The Remuneration Committee has delegated authority to make decisions, under the current senior pay framework, on annual non-consolidated pay bonuses between 0% and 5%:

5.5 During the 2022-2023 financial year:

- The Vice-Chancellor did not receive any non-consolidated, performance-related payment.
- Other senior post holders under the remit of the Remuneration Committee did not receive any non-consolidated, performance-related payment.

5.6 The terms and conditions of senior post holders make provision for an annual review of base salary. The Remuneration Committee considered and approved three recommendations from the Vice-Chancellor for salary increases for senior post holders under the remit of the Committee. These recommendations were made using the considerations set out in section 5.2.

6.0 The approach to benchmarking, job evaluation, pay awards and pension schemes applicable to the rest of the workforce.

6.1 The University considers benchmarking data using three main sources:

- Korn Ferry Hay
- University and Colleges Employer Association (UCEA) Annual Senior Staff Remuneration Survey
- UCEA/XpertHR Salary Survey of Higher Education Staff (Cendex).

6.2 For colleagues above point 51 of the pay spine, the benchmarking data from Korn Ferry Hay is used alongside the UCEA Annual Senior Staff Remuneration Survey and UCEA/XpertHR Salary Survey of Higher Education Staff (Cendex). Benchmarking data is provided based on appropriate and comparable institutions and determinants including the pre-92 group, post-92 group, institutional income and regional variation.

6.3 For colleagues on the 51 point pay spine, the benchmarking data from Korn Ferry Hay is used alongside the UCEA/XpertHR Salary Survey of Higher Education Staff (Cendex). Benchmarking data is provided based on appropriate and comparable institutions and determinants including the pre-92 group, post-92 group, institutional income and regional variation.

- 6.4 All this data is used to provide primary benchmarking as it represents the most comprehensive and reliable source of data both internal and external to the sector, enabling cross institutional and sectoral comparisons to be made.
- 6.5 The University uses the Higher Education Role Analysis Scheme (HERA) to assess all posts that are part of the national pay bargaining (New JNCHES) pay scales. This process identifies the relevant grade which then identifies the appropriate pay scale for the post. Korn Ferry Hay is used to evaluate roles above 51 of the pay spine.
- 6.6 For all those covered by New JNCHES, pay agreements are negotiated nationally and are then implemented at a local level. The University is an accredited Real Living Wage Employer and, therefore, where the nationally agreed pay scales are below the Real Living Wage the University implements the Real Living Wage rates. We implemented the new £10.90 Real Living Wage rate with effect from 1st November 2022; this resulted in an increase for 176 colleagues. Further changes were made positively impacting 53 colleagues to maintain differentials at the lower end of the pay spine.
- 6.7 The University sees pension provision as an important and integral part of the total remuneration package for all colleagues and has five schemes available for different groups to access, these are:
- Universities Superannuation Scheme (USS)
 - Teachers' Pension Scheme (TPS)
 - Greater Manchester Pension Fund (GMPF)
 - University of Salford Pension Plan (USPP)
 - National Employment Savings Trust (NEST)

7.0 Approaches for pay progression and pay for performance applicable to the rest of the workforce

- 7.1 There are processes in place at the University whereby colleagues can receive an uplift on base pay or one-off payments.
- 7.2 The University currently has a Merit Award process in place which is predicated upon a business case being made that identifies exceptional performance or behaviours, for an award to be made for up to a maximum of £1,000 net payment.
- 7.3 There is also currently incremental progression through the pay scales on an annual basis for colleagues on Grades 1 – 10 (Spine Point 51) of the HERA evaluated scheme. Where an increment acceleration is recommended, a business case would be required to demonstrate exceptional performance.

8.0 Assessing the Vice-Chancellor's performance and remuneration

- 8.1 The 2022 nationally negotiated pay settlement of 3% was awarded to the Vice-Chancellor from **1st August 2022** as agreed by the Remuneration Committee.
- 8.2 The Vice-Chancellor received an additional salary increase of £5,550 per annum on **September 1st 2022**. This increase had been agreed by the Remuneration Committee on 24th February 2022 and communicated to the Vice-Chancellor on 4th March 2022. It was confirmed that the agreed increase was exclusive of any nationally agreed pay award that may be applied to their salary
- 8.3 The early payment of the 2023 nationally negotiated pay settlement of 2% was awarded to the Vice-Chancellor from **1st February 2023** as agreed by the Remuneration Committee.
- 8.4 For information, the 2023 nationally negotiated pay settlement for the wider payspine was an overall 5% - paid as 2% at 1st February 2023 and a remainder of 3% at 1st August 2023. The second payment falls outside of this reporting period for the Annual Remuneration Report.
- 8.5 The Vice-Chancellor's salary is below the lower quartile salary for Heads of Provider within the HE sector when using UCEA data for institutions who have been deemed relevant comparators due to the constitution of the institution and the total income generated. Additional benchmarking has been undertaken using Korn Ferry Hay data from outside the HE sector for roles that have parity in responsibility; the Vice-Chancellor's salary is below the median within this population.
- 8.6 During the 2022-2023 financial year, the Vice-Chancellor did not receive any non-consolidated, performance-related payment.
- 8.7 The Vice-Chancellor does not have a company car, accommodation or loans of any description, including mortgage subsidies.
- 8.8 The year on year change of the Vice-Chancellor's emoluments are noted below:

Financial Year		2021-22	2022-23
		£'000	£'000
Salary of Vice-Chancellor (VC)*		219	233
Performance related pay bonus relating to previous academic year		1	-
Benefits in kind**		4	5
Total		224	238
Pension Contributions		-	-
Total Emoluments		224	238

Pay Multiple of the VC's basic pay against the median pay of all colleagues***			6.2		6.6
Pay Multiple of the VC's total pay against the median pay of all colleagues**			5.5		6.0
<p>*salary recorded is both the amount paid and the full-time equivalent basis ** The VC's Benefit in Kind is in respect of private medical care. *** The median pay for all colleagues is calculated on a full-time equivalent basis for the salaries paid by the University and its subsidiaries to staff (see Section 9.5 for details in relation to 2022-2023)</p>					

9.0 The pay multiple of the Vice-Chancellor's earnings against the median of all colleagues

- 9.1 There is an Office for Students (OfS) requirement to externally report the Vice-Chancellor's earnings against the median for all colleagues; therefore, the intention is to provide detail of the ratio, narrative around how this is calculated and year on year trends with HE sector comparisons.
- 9.2 The University publishes data which demonstrates the Vice-Chancellor's basic salary and total salary as a pay multiple of the median pay of colleagues, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University and its subsidiaries to its staff. Total remuneration includes basic pay plus employer pension contributions, non-consolidated bonus/merit awards and redundancy and retirement benefits.
- 9.3 Both the OfS and the Committee of University Chairs (CUC) provide a methodology for calculating a pay multiple (the latter based on UCEA methodology); these are significantly different. To enable consistency across reporting, we have used the OfS methodology to allow us to use the same figures in our financial accounts as well as this report.
- 9.4 In line with the [OfS Guidance](#), agency staff and staff paid under the IR35 legislation are excluded from the respective calculations. The calculations also do not include some one-off staff payments where staff are paid for a specific piece of work which were not paid for on an hourly basis and staff on long term sick where they are no longer on full pay. The reasons for non inclusion of these groups in the median calculation are that the University had not required the recording of the number of hours taken for individuals who are paid in accordance with the delivery of a piece of work and the University considers that inclusion of staff on long term sick who receive reduced pay would distort the calculation.
- 9.5 In the Integrated Report 2022-2023, Financial Statements for the year ended 31st July 2023, the University reported the following pay multiples:

- The Vice-Chancellor's basic salary is 6.6 [2021-22; 6.2] times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University and its subsidiaries to its staff.
- The Vice-Chancellor's total remuneration is 6.0 [2021-22; 5.5] times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University and its subsidiaries to its staff.

9.6 HE providers were asked to provide this data for the first time in 2018 and OfS reported a limit in comparability between providers due to the variations in the treatment of contract and agency workers in the ratio calculations.

9.7 In November 2021, the OfS published, as official statistics, the data about senior staff pay for heads of higher education providers which receive funds from the OfS and the data is available here:

<https://www.officeforstudents.org.uk/media/357ec4eb-b97b-4841-8e05-9aad1c281aa9/the-2021-senior-pay-report-final-for-web.pdf>

10.0 External appointments and expenses

10.1 A register of interests is kept by the University Secretary in which any third party pecuniary or non-pecuniary interests may be registered if the member of Council or senior post holder considers that a conflict of interest could arise or be perceived to arise. The full procedure is set out in the [Register of Interests, Gifts and Hospital Policy \(Declaration and Management of Conflicts of Interest\)](#).

10.2 It is the individual responsibility of all colleagues to ensure their personal entries on the Register of Conflicts of Interest is kept up to date. This is reviewed by the Registrar and Council on an annual basis.

10.3 Currently, any additional external roles held by the Vice-Chancellor require the agreement of the Chair of Council. The Vice-Chancellor does not receive income from any external bodies.

10.4 The University has a framework to enable all colleagues to undertake consultancy and provide professional services to Industry. The University's Consultancy Policy governs the types of activity and provides guidance on the processes for all University colleagues.

10.5 The University has a Travel and Expenses Policy in place, which is applicable to all colleagues.

11.0 Severance Payments

11.1 The Committee of University Chairs (CUC) [Higher Education Remuneration Code 2021](#) requires that 'any severance payments must be reasonable and justifiable', noting that in making severance payments, institutions must meet

their contractual obligations and be able to explain the reasons for any payments made.

- 11.2 In order to achieve this, the Remuneration Committee has oversight of, and ensures, the appropriate operation of the University Guidance on Settlement Agreements, including settlement payments and the augmentation of pensions benefits.
- 11.3 Controls are in place to ensure that any use of a settlement agreement has been approved by an appropriate level of authority and any associated settlement quantum is justifiable and proportionate based on the circumstances of the case.
- 11.4 Any severance payments for VCET members, including the Vice-Chancellor, would require the authorisation of the Chair of Council.
- 11.5 During the 2022-2023 financial year, the controls in place were adhered to and there was one occasion where approval was required based either on the level of quantum being agreed or the level of seniority of staff member involved.
- 11.6 During the 2022-2023 financial year, no severance payments were made to the Vice-Chancellor as Head of Provider, neither was compensation paid in the form of benefits other than cash. This includes payments for loss of office.

Appendix 1- Remuneration Committee Terms of Reference

Regulations relating to the quorum and frequency of meetings for this committee are determined by the University's Standing Orders.

Purpose

To ensure that the University has clear policies and procedures in place, approved by the governing body, to ensure that the University can demonstrate the highest levels of integrity, probity and transparency in the reward and recognition of staff.

To determine and review the remuneration of the Vice-Chancellor in accordance with the Vice-Chancellor Reward and Recognition Framework that is predicated upon The Higher Education Code of Governance 2014 and the Committee of University Chairs' Remuneration Code.

To determine and review the remuneration of the Vice-Chancellor's Executive Team¹.

To establish the principles that underpin the determination of remuneration of all staff

Terms of Reference

1 Policy and strategy

- I. To ensure that the University has a clear policy on senior staff remuneration, which aligns to the University and associated strategies.
- II. To ensure that the policy and strategies are underpinned by a firm commitment to equality, inclusion and diversity and that the effectiveness of this is kept under regular review in accordance with section 5 below.
- III. To oversee the University's framework in relation to termination in accordance with section 4 below.
- IV. To oversee the University's framework for reward and recognition for all staff for the purposes of demonstrating the highest levels of integrity, probity and transparency.
- V. To delegate decisions regarding reward for exceptional contribution to the Vice-Chancellor and the Executive for all staff, except those for whom Remuneration Committee retains direct responsibility as detailed in section 2 below.

2 Executive pay determination

2.1. To determine and review, on behalf of Council, the salary and payments associated with the holding of the office of the Vice-Chancellor including; performance pay, pension and any other emoluments.*

2.2 To determine and review, on behalf of Council, the salary and payments associated with all other members of the Vice-Chancellor's Executive Team.

¹ The constitution of VCET is reviewed and confirmed by VCET on an annual basis.

2.3 To determine whether the nationally agreed annual pay settlement will apply to members of the University Executive.

2.4 To determine and review on behalf of Council any salary and associated payments made to the Chair of Council.

3 Monitoring and Benchmarking

3.1 To consider the following factors in determining all matters detailed in sections 1 and 2 above:

- I. The overall performance of the University of Salford as measured by the institutional KPI's and taking into consideration organisational benchmarking against recognised corporate, financial and academic measures.
- II. Individual performance measured against predetermined objectives.
- III. Benchmarking against appropriate and comparable institutions and determinants including; the pre 92 group of universities, institutional income, regional variation.
- IV. The business context in which the University is operating and any associated trends.
- V. The recommendations made in the annual Gender Pay Gap Report and the Equal Pay Audit.
- VI. Benchmarking against the UCEA annual Senior Staff Remuneration Survey. The Chair of University Council annual Vice-Chancellor's Salary Survey and other relevant data sources.

4. Termination

4.1 To oversee and ensure the appropriate operation of the University's Guidance on Settlement agreements including settlement payments and the augmentation of pension benefits.

4.2 To oversee the implementation of the aforementioned guidance and review all settlement agreements on an annual basis.

5 Governance

5.1 To report on its activities to University Council on at least an annual basis, to ensure that it is providing the necessary level of assurance that all processes and associated decisions have been rigorous, equitable and fair and as transparent as reasonably practicable.

5.2 To review its own performance and effectiveness on a regular basis.

6 Risk Management

6.1 To review on a regular basis the risks associated with those matters considered to be the responsibility of the Committee.

6.2 To consider the public interest and the safeguarding of the use of public funds alongside the sustainability and interests of the University when reviewing all forms of payment, reward and recognition and severance within its remit.

Constitution

2 Ex-officio members

Chair of Council

Deputy Chair of Council

3+ Appointed Independent Council members, one of whom will be appointed as Chair

2 Co-opted members

(The Vice-Chancellor, University Secretary and Director of HR will be in attendance by invitation of the Committee.

Any member of the Committee, or University staff member, whose pay or associated payments, or terms and conditions are to be discussed is excluded from those discussion and this will be clearly indicated on the respective agenda prior to the meeting taking place.)

*to be done via a separate meeting of the Committee