

1. Introduction

The report below is the Annual Remuneration Report to the University Council in respect of financial year 1st August 2023 to 31st July 2024.

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 University has used the [Office for Students \(OfS\) Regulatory Advice 9: Accounts Direction](#) as a basis for this report and the [Committee of University Chairs \(CUC\) Higher Education Remuneration Code 2021](#).

The University is reporting on the remuneration of senior colleagues 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 the University Leadership Team. This report will focus on the Vice-Chancellor and the University Leadership Team (ULT) but will also reference remuneration approaches for the wider colleague population as required.

2. Remuneration Committee

The Terms of Reference for Remuneration Committee are shown on [our website](#) and are reviewed on an annual basis. The annual Terms of Reference review took place by Remuneration Committee in October 2023.

The following points of good practice within the HE sector are embedded within the Terms of Reference:

- The requirements of the [CUC Higher Education Code of Governance \(revised September 2020\)](#) for the consideration of pay for the Vice-Chancellor.
- The requirements of the [CUC Higher Education Senior Staff Remuneration Code 2021](#) for the consideration of reward and recognition of senior staff.
- Inclusivity and diversity, with consideration of the annual [Gender Pay Gap](#) and the [Annual Equity, Diversity and Inclusion](#) report
- 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.

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.

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.

For the avoidance of doubt, no University colleagues are 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.

The Remuneration Committee members for the period covered by this report are as follows:

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	Membership ended 31 July 2024
Merlyn Lowther	Deputy Chair of Council and ex-officio Committee Member	
Claire Sproston	Committee Member	

The schedule of meetings and attendees for the 2023-24 year were as follows:

Name	5 Oct 23	7 Dec 23	29 Feb 24	23 May 24*	13 Jun 24	Total (scheduled)	Total (all)
H Taylor (C)	√	√	√	√	√	4/4	5/5
Lord K Bradley	√	√	√	√	√	4/4	5/5
P Cusack	√	√	Apologies	√	√	3/4	4/5
M Lowther	√	√	√	√	√	4/4	5/5
C Sproston	√	√	√	√	√	4/4	5/5

(* - special meeting)

3. Approach to Remuneration

3.1 Remuneration approach principles

In August 2023, the Remuneration Committee approved the implementation of the Remuneration Committee Remuneration Policy. The Policy compliments the Remuneration Committee Terms of Reference and aims to demonstrate leadership and governance in relation to senior colleague remuneration and to provide assurances to key stakeholders and partners, including the student community and wider society, on the implementation of The CUC Higher Education Senior Staff Remuneration Code.

The Remuneration Committee takes into consideration the following when setting remuneration for senior colleagues: 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),
- National Students Survey (NSS).

- The wider pay environment including pay increases for other colleagues in the University- see appendix A.
- Regional and national market conditions
- The size and complexity of the University
- Individual performance measured against predetermined objectives.
- 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.

Salary benchmarking data is used to support decision making from the following sources:

- Pay benchmarking for senior colleagues is aligned to data provided by Hay 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. Benchmarking against appropriate and comparable institutions and determinants including the pre-92 group, institutional income and regional variation
- The annual Committee of University Chairs' Vice-Chancellor's Salary Survey is also used as a benchmarking source.

In addition, the [Vice-Chancellor Reward and Recognition framework](#) explicitly requires the Remuneration Committee to act in accordance with the [Nolan principles](#) and clearly sets out the rationale and justification for the determination of the remuneration and associated costs of the office of the Vice- Chancellor

3.2 2023/2024 remuneration considerations

The University has a total group income of £284.4m and employs over 2,900 people. The Council has outlined our strategy and operational review in the [Integrated Report](#) which is published annually.

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](#). 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.

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. The Vice-Chancellor's performance and remuneration 2023/2024

During the reporting period two different Vice Chancellors were employed at the university. For the purposes of clarity in this report the following terms will be used:

Term	Relevant period
Former Vice-Chancellor	Ceased employment on 31 st August 2023
Current Vice-Chancellor	Started employment on 1 st October 2023

From the 1st September to 30th September 2023 the Executive Director of Finance and Deputy Chief Executive picked up the responsibilities of the role of Vice-Chancellor alongside their existing role and received no additional remuneration.

4.1 Former Vice-Chancellor

The 2023 nationally negotiated pay settlement of 5%* was awarded to the former Vice-Chancellor as agreed by the Remuneration Committee.

* The 2023 settlement for the wider pay spine was an overall 5% - paid as 2% at 1st February 2023 and a remainder of 3% at 1st August 2023. The first payment falls outside of this reporting period for the Annual Remuneration Report.

During the 2023-2024 financial year, the Vice-Chancellor did not receive any non-consolidated, performance-related payment.

The former Vice-Chancellor did not have a company car, accommodation or loans of any description, including mortgage subsidies.

The salary of the former Vice-Chancellor was 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.

4.2 Current Vice-Chancellor

The current Vice-Chancellor started employment on 1st October 2023 during the reporting period. In making the appointment, the Remuneration Committee referred to the requirements of the Vice-Chancellors Reward & Recognition framework. Salary arrangements relating to the appointment were approved by the Remuneration Committee.

The current Vice-Chancellor does not have a company car, accommodation or loans of any description, including mortgage subsidies. The current Vice-Chancellors salary includes a 10% addition in lieu of employer pension contributions.

During the 2023-2024 financial year the current Vice-Chancellor did not receive any further salary increases and did not receive any non-consolidated, performance-related payment.*

The salary of the current Vice-Chancellor is above the Median, but below the Upper Quartile, 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.

4.3 Vice-Chancellor remuneration table 2023/2024

Financial year	2022/23	2023/24 – former VC*	2023/24 – current VC**
	£'000	£'000	£'000
Salary***	233	27	247.5*****
Performance related pay bonus relating to previous academic year	-	-	-
Benefits in Kind****	5	3	-
Pension contribution	-	-	-
Total	238	30	247.5

Notes:

* Former Vice-Chancellor employed until 31st August 2023

** Current Vice-Chancellor employed from 1st October 2023

*** Salary recorded is the amount paid in respect of the period employed during the financial year

**** The former VC's Benefit in Kind is in respect of private medical care

***** Current VC salary includes a 10% addition in lieu of pension contributions.

5. University Leadership Team (ULT) performance and remuneration 2023/2024

The 2023 nationally negotiated pay settlement of 5% was awarded to ULT members agreed by the Remuneration Committee. The 2023 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 first payment falls outside of this reporting period for the Annual Remuneration Report.

The Remuneration Committee Remuneration Policy makes provision for an annual review of base salary. During the reporting period the Remuneration Committee considered and approved four recommendations from the Vice-Chancellor for salary increases for ULT members under the remit of the Committee due to changes in responsibility. In addition, four new ULT members were recruited during the reporting period. Their salary arrangements comply with the requirements of the Remuneration Committee Remuneration Policy.

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%. ULT members under the remit of the Remuneration Committee did not receive any non-consolidated, performance-related payment during the reporting period.

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

Appendix B provides an overview of the methodology in relation to the pay multiples calculation.

In the Integrated Report 2023-2024, Financial Statements for the year ended 31st July 2024, the University reported the following pay multiples:

- The Vice-Chancellor's basic salary is **8.2** [2022-23; 6.6] 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-Chancellors basic salary is 6.8 times the median salary of the University but excluding the subsidiaries
- The Vice-Chancellor’s total remuneration is **8.2** [2022-23; 6.0] 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.
 - The Vice-Chancellors remuneration is 6.3 times the median total remuneration of staff for the university but excluding the subsidiaries.

The change in pay multiple is mainly attributable to the recruitment of the current Vice-Chancellor with a salary above the median salary benchmark. The former Vice-Chancellor had a salary below the lower quartile salary benchmark – see section 4 for more details.

7. External appointments and expenses

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 [Management of the Conflicts of Interest Policy](#). 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.

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

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.

8. Severance Payments

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.

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. 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.

1. During the 2023-2024 financial year, a limited number of severance payments were made to senior level colleagues under the remit of the Remuneration Committee.
2. During the 2023-2024 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 A: The wider university pay environment

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

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)

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.

New JNCHES pay spine

The majority of our colleagues are employed on the New JNCHES 51 point pay spine, which is nationally negotiated each year by the University and Colleges Employer Association (UCEA). 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

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 £12 Real Living Wage rate with effect from 1st November 2023; this resulted in an increase for 165 colleagues.

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.

Colleagues above the New JNCHES pay spine

For colleagues above point 51 of the pay spine, we have a 15 point Professorial/Senior Support MNGT pay band. Colleagues in this group are subject to either the Professorial Review process or the Senior Pay Review process.

Korn Ferry Hay is used to evaluate roles above 51 of the pay spine.

The University considers benchmarking data using three main sources for this group:

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

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, institutional income and regional variation.

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.

Appendix B – Pay multiples methodology

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. We have used the OfS methodology to allow us to use the same figures in our financial accounts as well as this report

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 colleagues. Total remuneration includes basic pay plus employer pension contributions, non-consolidated bonus/merit awards and redundancy and retirement benefits.

As above, the University has adopted the OfS 2019-20 guidance in respect of calculating the median salary so has excluded agency staff and staff paid under the IR35 legislation from the respective calculations. The calculations also do not include some one-off staff payments where colleagues are paid for a specific piece of work which were not paid for on an hourly basis, and colleagues 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 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.