



Senior Salaries Committee Annual Report to the University Council for the year ending 31st July 2020 on Remuneration of the Vice-Chancellor, Deputy Vice-Chancellor, Holders of Senior Posts and Holders of Other Posts to which the Committee's Terms of Reference apply

Introduction

1. This report summarises the business of the Senior Salaries Committee (the 'Committee') for the year ending 31st July 2020 and sets out how the Committee has discharged the responsibilities within its terms of reference.
2. The report is produced for members of the University Council but will be published on the University's website once received in final form and approved as the Annual Report on the work of the Committee.
3. The terms of reference of the Committee are specified in Appendix 1. The University Council has determined that the holders of senior posts in the University are:

the University Secretary and Director of Legal Services;
the Senior Pro Vice-Chancellor (Academic Quality and Institutional Performance);
and
the Pro Vice-Chancellor (Resources) and Chief Financial Officer/Bursar.

The posts of Vice-Chancellor and Deputy Vice-Chancellor, the above three senior posts and the following posts are those to which the responsibilities of consideration and determination of remuneration and conditions of service in paragraph 1 of the Committee's terms of reference apply:

Pro Vice-Chancellor (Research & Knowledge Transfer)
Pro Vice-Chancellor (Professional Services & Operations and Chief Information Officer)
Pro Vice-Chancellor (Enhancement)

Membership of the Committee

4. The members of the Committee at the date of adoption of this report by the University Council are:

Dr M. David (Chair, External Member of University Council)
Mr N. Jenkins (External Member of University Council) (Deputy Chair)
Canon Dr J. Turnbull (President and External Member of University Council)
Mr D. Briggs (External Member of University Council)
Mrs J. France-Hayhurst (External Member of University Council)
Mrs S. Verity (External Member of University Council)

All members of the Committee are members of, and are appointed by, the University Council.

5. The Secretary to the Committee is Mr A. Lee (University Secretary and Director of Legal Services). Meetings are also attended by Professor E. A. Simmons (Vice-Chancellor and Principal). The Vice-Chancellor and the University Secretary respectively withdraw from meetings when their own salary or conditions of service are discussed.

Committee meetings

6. This report was adopted at a meeting of the Committee held on 15th June 2020, subject to modifications occasioned by deliberation at the meeting. The meeting was quorate.
7. The Committee has determined that one meeting per year is normally sufficient to discharge the business it is required by the University Council to undertake.
8. Non-confidential minutes of the meeting held on 15th June 2020 are publicly available.

Approach to Remuneration

9. All decisions and recommendations made by the Committee are guided by the following principles:
 - commitment to comply with the higher education remuneration code published by the Committee of University Chairs ('CUC') and the principles of adequate and effective management, governance and accountability embodied in the conditions of registration of the Office for Students ('OfS');
 - consideration of remuneration in the context of charity law – namely the obligation on trustees to use charity funds and assets only to further their charitable purposes;
 - the need to recruit, retain and reward the best staff possible, in order to deliver the best outcomes for students, society, the University and the economy, balanced by the need to demonstrate effective use of resources.
10. The Committee is influenced by a wide range of factors in determining the Vice-Chancellor's remuneration and utilises evidence from the higher education sector to benchmark pay and normally agrees quantified performance targets that are aligned to the strategy of the University. Market rates for remuneration are considered, as evidenced by the comparative data referred to in paragraph 12, together with growing sector and institutional challenge and complexity, increasing competition and size of roles; skills, experience and individual performance.
11. Professor Simmons was appointed as Vice-Chancellor by resolution of the University Council passed on 11th July 2019. She took up post on 1st January 2020. The Committee advised the University Council that to secure the appointment of the Professor Simmons as the preferred candidate and to recruit, motivate and retain her, her remuneration should be at the annual rate of £250,000 and that she should, in addition, be eligible for membership of the Teachers' Pension Scheme and for private health insurance, if required. The Committee had been advised as to remuneration during the recruitment process by an external professional search organisation and by a serving Vice-Chancellor who sat as an external adviser on the University Council recruitment panel and took into account members' own knowledge and experience.
12. The data supporting decisions on the Vice-Chancellor's and other senior staff pay is drawn from the following:
 - data maintained by the Higher Education Statistics Agency and the Office for Students;
 - the UCEA Annual Senior Staff Remuneration Survey;
 - the Committee of University Chairs' Vice-Chancellor Salary Survey (when available).

13. The objectives used in considering reward proposals for the Vice-Chancellor will normally be chosen from the following:

Business Continuity

Appropriate strategies to overcome issues arising from the Covid-19 pandemic.

Plans for the replacement of the Thornton Science Park base for teaching.

Strategic

Develop with the University Council a Strategic Plan for 2020-25 that delivers within four years a break-even operating position and within five years a sustainable surplus that meets OFS TRAC sustainability criteria.

Deployment of human and physical resources

Review leadership and management structure and implement necessary changes at the start of 2021 to ensure it is fit for purpose and its cost base is aligned with sector norms.

Review, develop and present to Council a campus and estate strategy that addresses utilisation efficiency, campus contribution to overhead costs, delivers high quality staff and student facilities and resources for current and new curriculum.

Development of Curriculum

Deliver an undergraduate and postgraduate taught programme portfolio review and rationalised offer for 2021 intake in order to ensure provision attracts the necessary student enrolments to achieve the target growth agreed with the Council.

Lead the development of Chester Medical School through the line management of Executive Dean CMS and establishment of an internal Primary Medical Qualification Programmes Project Board. Aim for successful bid for publicly funded numbers by January 2021 and international/private enrolments during 2021/22.

Institutional Performance

As a minimum, maintain current institutional TEF silver and achieve subject-level TEF silver across the majority of taught subjects at next assessment. Demonstrate progress on metrics to move the institution to TEF Gold or successor benchmark in future assessments, particularly those which are included in the Access & Participation Plan.

Enhance the Research base, income generated and postgraduate satisfaction rates by 5% and 2% respectively per year for the period of the plan.

Ensure appropriate provision for students of all faiths.

Integrate the UN Sustainable Development Goals into the University's wider activities and in particular develop an environmental sustainability plan that reduces the environmental impact of the University's activities by 5% per year.

14. The Committee's decisions in relation to the Vice-Chancellor's remuneration for 2020/21 have been influenced by the following:

- the academic year 2020/21 will be the first full year in post for Professor Simmons, who will have served for seven months at the start of the year;
- Professor Simmons' recommendation to the Committee at its meeting on 15th June 2020 that the remuneration in respect of the posts within the remit of the Committee should not be increased in 2020/21.

The Committee accepted this recommendation in respect of Professor Simmons and all the posts within the remit of the Committee.

15. No holder of a senior post or any other post the remuneration of which is considered by the Committee is eligible for performance pay.

16. No severance payments were made to the holder of a senior post or any other post the remuneration of which is considered by the Committee during, or in respect of service during, the reporting year.
17. The relationship between the salary of the Head of the Institution (HoI) and the salary of all employees can be expressed as a ratio of the former to the median salary of all employees of the institution. The current value in respect of that relationship in respect of the reporting year and the years ended 31st July 2017, 2018 and 2019 is shown in the following table:

	2020	2019	2018	2017
Head of Institution median pay ratios:	£'000	£'000	£'000	£'000
Median basic salary ratio all staff	7.3	8.3	9.5	8.7
Median total remuneration ratio all staff	7.3	8.3	8.3	8.3

Institutional performance

18. The Vice-Chancellor's performance review is conducted by the President of the University Council, following consultation with the other external members of the Council. The objectives specified in paragraph 13 above were first set and considered in 2019/20.
19. The Committee's recommendation to the University Council for the remuneration of the Vice-Chancellor for the period from 1st August 2020 to 31st July 2021, with year-on-year comparator data, is as follows:

Emoluments of the Vice-Chancellor	2020/21	2019/20	2018/19	2017/18	2016/17
Salary (annual rate)	£250,000 ¹	£282,000 ²	£282,000	£276,000	£271,000
Performance related pay	None payable	None payable	None payable	None payable	None payable
Benefits ³	None	£1,977	£1,830	£1,690	£1,561
Pension costs	£34,533	None	None	None	None
Total	£284,533	£283,977	£283,830	£277,690	£272,561

The agreed base annual salary determined for the Vice-Chancellor would be at the rate of £250,000, no change from 2019/20.

Payments to members of the governing body

20. Members of the governing body are unpaid. Members may claim expenses incurred in travelling to meetings of the University Council and to training events. In the year ended 31st July 2020 the amount paid was £299.00. Amounts paid in previous years were as follows:

Year	Amounts paid
2016/17	£2,053
2017/18	£925
2018/19	£756

In the year to date the amount paid is £0.

¹ In respect of Professor Simmons, at the rate stated from 1.1.20.

² In respect of Professor Wheeler, at the rate stated until 31.12.19.

³ Private healthcare

External appointments and expenses

21. If the Vice-Chancellor is eligible to receive any income generated from external bodies it is paid to the University, unless agreed to the contrary with the University Council. In the year ended 31st July 2020 and in the year to date there has been no such income.
22. The expenses policy pursuant to which holders of senior posts are entitled to reimbursement of expenditure incurred on the business of the University is at [\[financial regulations\]](#). In the year ended 31st July 2020 and in the year to date the amounts payable to the Vice-Chancellor by way of reimbursement of such expenses is £104.10 and £0 respectively (£1,069 in the year ended 31st July 2019).
23. The Vice-Chancellor made no overseas visits during 2019-20.

The Appraisal and Performance Review of Holders of Senior Posts

24. The Vice-Chancellor conducts a performance review of the Deputy Vice-Chancellor, holders of senior posts and other posts whose remuneration is considered by the Committee, and reports her recommendations in respect of their salary, in accordance with the Articles of Government to the Committee. The remuneration over £100,000 in respect of the posts which are considered by the Committee shown in bands of £5,000 (excluding employer's pension contributions) will be as follows in 2020/21 as a result of the Committee's decisions:

Band	Number
£100,000 to £104,999	1
£105,000 to £109,999	2
£110,000 to £114,999	
£115,000 to £119,999	
£120,000 to £124,999	
£125,000 to £129,999	1
£130,000 to £134,999	
£135,000 to £139,999	
£140,000 to £144,999	2
£145,000 to £149,999	
£150,000 to £154,999	1
£155,000 to £159,999	1
Over £160,000	

25. The combined impact of the Committee's decisions on senior pay applying in the year ending 31st July 2021 is forecast to be a reduction of £125,799 (11.05%) in the total remuneration compared to 2019/20 (excluding employer's pension contributions and arrangements relating to Professor Wheeler in order to obtain a like-for-like comparison) attributable to the posts which are considered by the Committee. Outturns for previous years are as follows:

Year	Total senior pay outturn
2016/17	Reduction of 9.1%
2017/18	Reduction of 1.4%
2018/19	Increase of 3.7%
2019/20	Reduction of 3.5%

Recommendation

26. The Committee seeks to reward success in accordance with principles of good governance. The University Council is invited to receive the report and endorse the Committee's approach.

M. David
Chair,
Senior Salaries Committee, November 2020

APPENDIX 1 – SENIOR SALARIES COMMITTEE TERMS OF REFERENCE

1. To consider and make recommendations to the University Council on the remuneration and conditions of service of:
 - the Vice-Chancellor;
 - the Deputy Vice-Chancellor; and
 - (following the recommendation of the Vice-Chancellor):
 - (i) the holders of senior posts (defined as follows as at 15th June 2020):
 - University Secretary and Director of Legal Services
 - Senior PVC, Academic Quality and Institutional Performance
 - PVC Resources and Bursar/Chief Financial Officer
 - and
 - (ii) the holders of such other senior posts as the Council Members may from time to time determine and the following posts:
 - Pro Vice-Chancellor (Research & Knowledge Transfer)
 - Pro Vice-Chancellor (Professional Services & Operations and Chief Information Officer)
 - Pro Vice-Chancellor (Enhancement)

The University Council shall take the Senior Salaries Committee's recommendations into account in considering and determining the remuneration and conditions of service of the holders of the senior posts specified above.

2. To determine grievances against the Vice-Chancellor and similar matters which relate to remuneration and conditions of service.

In discharging its terms of reference the Senior Salaries Committee will:

1. consider comparative information on the emoluments of employees within its remit when determining salaries, benefits and terms and conditions;
2. ensure that all arrangements are clearly recorded;
3. report on its decisions and operation at least annually to the University Council. Such a report should not normally be withheld from any members of the University Council and will record, inter alia:
 - (a) the resulting overall levels of increase in the aggregate salary costs of the Vice-Chancellor, the Deputy Vice-Chancellor and the holders of other posts the remuneration of which is determined by the Committee; and
 - (b) the agreed base salary for the Vice-Chancellor.