

Senior Salaries Committee Annual Report to the University Council for the year ending 31st July 2022 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 2022 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:

Pro Vice-Chancellor (Resources) and Chief Financial Officer/Bursar and Registrar and University Secretary ("Secretary")

The posts of Vice-Chancellor and Deputy Vice-Chancellor, the above 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 (Student Experience)
Pro Vice-Chancellor (Research and Innovation)
Executive Director of Estates Strategy
Executive Director of Human Resources

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)
Dr D. Briggs (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 J. Moores (Registrar and University Secretary). Meetings are also attended by Professor E.A. Simmons (Vice-Chancellor) (by invitation, when briefing the Committee on remuneration of holders of posts other than her own – though not in attendance at the June 2022 meeting). The Secretary withdraws 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 14th June 2022, 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 14th June 2022 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. 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).
12. The objectives used in considering reward proposals for the Vice-Chancellor are chosen from the following:

Strategic

Meet or demonstrate timely progress against all agreed KPIs.

Deliver the Citizen Student Strategic Plan for 2020-25 reporting regularly to the Council on performance against agreed KPI's.
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Deployment of human and physical resources

Complete appointments in the Strategic Executive Team and develop the Team to ensure it effectively delivers the agreed KPIs in line with the University's values and culture.

Review, develop and present to Council a campus and estate strategy moving towards the Estate Sustainability and Net Zero KPIs that delivers high quality staff and student facilities and resources for the current and future curriculum.

Implement the necessary changes at Thornton to move to a position where it is not a drain on the University's resources.

Ensure a successful transfer into Warrington Town Centre and produce appropriate plans for the sale of assets at Padgate for the Council to approve.

Development of Curriculum and its governance

Continue to improve and develop academic governance at institutional and Council level and consider, agree and implement necessary changes to the governance of this key area.

Continue the review of the UG and PG portfolio, ensuring recruitment targets are met and report to Council. Review the Business Planning Process and ensure the process is understood and implemented at all levels.

Continue the development of Chester Medical School achieving GMC registration and International/private recruitment commencing in 2022.

Institutional Performance

Maintain a focus on improving teaching quality using TEF or replacement Quality benchmarks.

Following REF 2021, reposition and improve the University's standing in research and innovation through a plan agreed with the incoming PVC Research and the Council.

Ensure a review of the effectiveness of having a Muslim chaplain is undertaken and the overall provision for chaplaincy across the University.

13. The Committee's decisions in relation to the Vice-Chancellor's remuneration for 2022/23 have been influenced by the following:

- Professor Simmons' recommendation to the Committee at its meeting on 14th June 2022 that the remuneration in respect of the posts within the remit of the Committee (except where in probationary period) should be increased by 3% in 2022/23 with the exception of the Registrar/University Secretary where it was agreed that an increase would be staged to ensure parity with PVCs with effect from 1st August 2024.
- In respect of the PVC Resources and Bursar/Chief Financial Officer it was proposed that the responsibility supplement be consolidated.

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

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

15. Severance payments were not made during the year.

16. 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 2018, 2019, 2020 and 2021 is shown in the following table:

	2022	2021	2020	2019	2018
Head of Institution median pay ratios:	£'000	£'000	£'000	£'000	£'000
Median basic salary ratio all staff	8.0	7.2	7.3	8.3	9.5
Median total remuneration ratio all staff	9.4	7.2	7.3	8.3	8.3

Institutional performance

17. 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.
18. The Committee's recommendation to the University Council for the remuneration of the Vice-Chancellor for the period from 1st August 2022 to 31st July 2023, with year-on-year comparator data, is as follows:

Emoluments of the Vice-Chancellor	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Salary (annual rate)	£257,500	£250,000	£250,000	£263,333 ¹	£282,000	£276,000
Performance related pay	None payable	None payable	None payable	None payable	None payable	None payable
Benefits ²	None	None	None	£1,977	£1,830	£1,690
Pension costs	£60,976	£59,200	£59,200	£34,533 ³	None	None
Total	£318,476	£299,333	£309,200	£299,843	£283,830	£277,690

The agreed base annual salary determined for the Vice-Chancellor would be at the rate of £257,500, a change of 3% from 2021/22.

Payments to members of the governing body

19. 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 2022 the amount paid was £943. Amounts paid in previous years were as follows:

Year	Amounts paid
2017/18	£925
2018/19	£756
2019/20	£299
2020/21	£80

In the current year to date there have been no payments made.

¹ In respect of Professor Wheeler, at the rate stated until 31.12.19 and in respect of Professor Simmons, at the rate stated from 1.1.20.

² Private healthcare

³ In respect of Professor Simmons, at the rate stated from 1.1.20.

External appointments and expenses

20. 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 2022 and in the year to date there has been no such income.
21. 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 [here](#). In the year ended 31st July 2022 and, in the year to date the amounts payable to the Vice-Chancellor by way of reimbursement of such expenses is £2,020 and £331 respectively (£104 in the year ended 31st July 2021).
22. The Vice-Chancellor made no overseas visits during 2021-22.

The Appraisal and Performance Review of Holders of Senior Posts

23. The Vice-Chancellor conducts a performance review of the Provost/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 2022/23 as a result of the Committee's decisions:

Band	Number	
	2022	2021
£100,000 to £104,999		-
£105,000 to £109,999		1
£110,000 to £114,999	1	-
£115,000 to £119,999		-
£120,000 to £124,999	2	1
£125,000 to £129,999		-
£130,000 to £134,999	3	3
£135,000 to £139,999		-
£140,000 to £144,999		-
£145,000 to £149,999		-
£150,000 to £154,999	1	1
	7	6

24. The forecast combined impact of the Committee's decisions on the total remuneration compared to 2021/22 (excluding employer's pension contributions) attributable to the posts which are considered by the Committee applying in the year ending 31st July 2023 is to be an increase of £38,855 (3.5%). This is a comparison based on all posts being filled, there is currently a vacancy which reduces the actual 2022/3 payments.

Outturns for previous years are as follows:

Year	Total senior pay outturn
2017/18	Reduction of 1.4%
2018/19	Increase of 3.7%
2019/20	Reduction of 3.5%
2020/21	Reduction of 11% (subject to exclusions to ensure like-for-like comparison)
2021/2	Increase of 3.5% (including vacant post)

Recommendation

25. 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 2022

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 the following senior posts and the holders of such other senior posts as the Council Members may from time to time determine:
 - Registrar and University Secretary
 - PVC Resources and Bursar/Chief Financial Officer

and

- (ii) the holders of the following senior academic or academic-related posts and the holders of such other similar posts as the Council Members may from time to time determine:
 - Pro Vice-Chancellor (Student Experience)
 - Pro Vice-Chancellor (Research and Innovation) and
- (iii) the holders of the following senior professional services posts and the holders of such other similar posts as the Council Members may from time to time determine:
 - Executive Director of Estates Strategy
 - Executive Director of Human Resources

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.

- 1.2 University Council shall be the appointing authority for posts falling within paragraph 1.1 and 1.1(i).
- 1.3 At least one member of University Council shall be involved in the appointment of posts falling within paragraph 1.1(ii).
- 1.4 Dismissal of the holder of a post falling within paragraph 1.1 and 1.1(i) shall be in accordance with the University's procedure relating to holders of senior posts.
- 1.5 Dismissal of the holder of a post falling within paragraph 1.1(ii) and (iii) shall be in accordance with the University's disciplinary procedure.
2. To determine grievances against the Vice-Chancellor and similar matters which relate to remuneration and conditions of service.
3. In discharging its terms of reference, the Senior Salaries Committee will:
 - (i) consider comparative information on the emoluments of employees within its remit when determining salaries, benefits and terms and conditions;
 - (ii) ensure that all arrangements are clearly recorded;

- (iii) 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 holders of other posts the remuneration of which is recommended by the Committee; and
 - (b) the agreed base salary for the Vice-Chancellor.

Voting

Decisions are to be decided by a simple majority vote following resolutions proposed and recorded by members of the Committee. The Chair will have the casting vote in the event of a tied vote, in addition to their own vote. Voting members are indicated by an asterisk in the membership below.

Meetings

The Committee will normally meet annually. The time and place of meetings will be arranged by the Secretary to the University Council in conjunction with the Chair of the Committee.

Withdrawal from Meetings

The Vice-Chancellor and any other holder of a post the remuneration of which is recommended by the Committee who is present at a meeting of the Senior Salaries Committee must withdraw from any part of the meeting which considers their remuneration and conditions of service or in which they have any other interest.

Clerking arrangements

1. The Secretary to the University Council will act as Secretary to the Senior Salaries Committee.
2. The Secretary shall ensure that an Agenda and relevant reports and documentation shall be circulated to all members at least one week prior to meetings.
3. The Secretary shall take minutes of all proceedings and copies provided to all the members.

Quorum

There shall be a quorum when 3 members are present at the start of the meeting.

Membership

1. Membership of the Committee is made up of the President of the University Council and at least four members of the University Council.
2. Members should declare any interest in the institution.
3. With the approval of the Chair, the Committee may resolve to invite to a meeting any person to give advice on a matter before the Committee.
4. The Chair shall be a member of the University Council.

Membership summary:

* = voting member

President of the University Council *

At least 4 University Council Members (excluding the Vice-Chancellor and Deputy Vice-Chancellor) * one of whom shall be Chair (viz. the President shall not be Chair)

In attendance: Secretary to the University Council (withdrawing for consideration of own remuneration and whenever required to do so by the Committee)

The Vice-Chancellor shall attend if requested to do so by the Committee to advise on the remuneration of holders of posts within the Committee's terms of reference, but shall not be present for consideration of own remuneration.