**Remuneration Committee Annual Report for 2022/23**

**Introduction**

The Remuneration Committee is responsible for determining the Reward strategy of the University and for setting the remuneration and the terms and conditions of the Vice-Chancellor and other senior members of staff.

The Remuneration Committee comprises independent lay members of the Board of Governors who possess relevant knowledge and expertise.  The Vice-Chancellor and Director of People Services are in attendance at Remuneration Committee meetings, but the Vice-Chancellor is not in attendance for and does not play a part in the discussions and decisions of their own remuneration. Furthermore, no member of staff is present for the discussion of their own remuneration.

The Remuneration Committee takes account of affordability and comparative information on the remuneration, benefits, and conditions of employment of the Higher Education sector, and wider where appropriate.

In determining the remuneration awarded, the Remuneration Committee considers the University’s approach taken to recognising performance for all roles in scope and refers to sector benchmarking information provided from the Universities and Colleges Employers Association (UCEA) Senior Salary Survey.

The Remuneration Committee ensures that it complies with its terms of reference and the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code, focusing on the three key elements: a) a fair, appropriate and justifiable level of remuneration; b) procedural fairness and c) transparency and accountability.

In line with its terms of reference and the CUC Higher Education Senior Staff Renumeration Code, to ensure a fair and transparent process, the remuneration for the Vice-Chancellor and the senior Leadership team are reviewed annually using a fair process that reflects the performance of each individual in the context of the University’s performance.

**Approach to Remuneration**

The University’s approach to the remuneration of senior post holders is detailed in a [Senior Staff Remuneration Policy Framework](https://www.bing.com/ck/a?!&&p=87f7375228add5d4JmltdHM9MTY5MzM1MzYwMCZpZ3VpZD0zMDI1MTQxMS0wZTY3LTYwYzYtMjc5ZS0wNzRlMGY4NzYxZmQmaW5zaWQ9NTE5NA&ptn=3&hsh=3&fclid=30251411-0e67-60c6-279e-074e0f8761fd&psq=cardiff+metropolitan+university+senior+staff+remuneration+framework+2223&u=a1aHR0cHM6Ly93d3cuY2FyZGlmZm1ldC5hYy51ay9hYm91dC9zdHJ1Y3R1cmVhbmRnb3Zlcm5hbmNlL0RvY3VtZW50cy9LZXklMjBEb2N1bWVudHMvc2VuaW9yLXN0YWZmLXJlbXVuZXJhdGlvbi1wb2xpY3ktZnJhbWV3b3JrLTIyMjMuZG9jeA&ntb=1).  The Framework is reviewed annually by the Remuneration Committee and was reviewed in October 2022.

**Remuneration 2022-2023**

Each year the Director of People Services prepares for the Remuneration Committee a paper benchmarking the base salary of the Vice-Chancellor and other senior postholders against the annual salary of institutions of comparable size and scope.  This data is drawn from the annual Universities and colleges Employer Association (UCEA) Senior Staff Remuneration Survey, and the annual CUC Vice-Chancellor Salary Survey.

The Remuneration Committee considers a number of factors when considering performance reward proposals.  These include but are not limited to:

* Performance in support of the University’s strategic objectives in the areas of teaching; research; innovation and engagement; leadership and management; leadership of staff; partnerships and external relations internationally, nationally and locally; major initiatives and projects.
* The size and complexity of the University.
* The nature of the HE markets and issues of recruitment and retention.
* The University’s objectives in relation to the diversity of the workforce; and
* Salary benchmarking data.

The senior postholder jobs are supported by the Hay Job evaluation methodology and the posts were last reviewed in 2022. The Hay job evaluation methodology is a widely used job evaluation scheme.

During the year 2022-23 the Remuneration Committee awarded a 3% cost of living salary increase to the Vice-Chancellor and the Senior staff and a further 2% cost of living salary increase in February 2023.  This was in line with the nationally agreed HE sector pay award for staff who are on the national pay spine and covered by the University’s Grading structure which consists of 9 grades.  These grades are supported by the Higher Education Role Analysis (HERA) job evaluation methodology.

A £750 ‘Cost of Living’ one off payment was made to all University employees in 2022-23 to help with the high cost of fuel and high inflation situation being experienced in the UK.  The Remuneration Committee also awarded this payment to the Vice-Chancellor and senior leadership team.

**Vice-Chancellor Remuneration**

The Remuneration Committee decides the remuneration package of the Vice-Chancellor, taking account of the breadth of leadership and financial responsibilities and delivery against the University’s strategic objectives.

In meeting the University’s vision as a progressive university, working with purpose, impact and compassion to make economies more prosperous, societies fairer, cultures richer, environment greener and communities healthier, it is essential that the university offers a competitive remuneration package for the Vice-Chancellor role.  This also recognises the diverse and complex nature of the organisation with over 25,000 student enrolments, over 1,500 paid staff and an income of over £150m.

In considering the Vice-Chancellor’s remuneration package, the Remuneration Committee considers the organisational context, alongside the Vice-Chancellor’s performance, general pay movement for all University staff, retention, and any relevant market considerations, and is informed by salary benchmarking information with comparator universities.

The Vice-Chancellor’s performance is assessed by the Chair of the Board of Governors after taking soundings and feedback from all members of the Board of Governors.  It is based on leadership, the achievement of key strategic objectives, measurement against agreed targets, the overall performance of the University and the external context in which the university operates. Each year the Remuneration committee receives a report by the Chair of the Board of Governors on the Vice-Chancellor’s Performance and Development Review and agreed objectives for the following year.

The Vice-Chancellor’s base salary is reviewed in line with national pay awards for the Higher Education sector. Where supported by evidence, the Remuneration Committee may, at its discretion, agree a consolidated increase to the Vice-Chancellor’s base pay.  Any such increase would be reported through the financial accounts in the following year.

The University does not operate a performance related bonus scheme.

The Vice-Chancellor's Reward package is detailed below.

|  |  |  |
| --- | --- | --- |
|   | Year Ended 31 July 2023  | Year Ended 31 July 2022  |
| Emoluments of the Vice-Chancellor  | £  | £  |
|  |  |  |
|   |   |   |
| Salary  | 268,476  | 257,500  |
| Payments in lieu of pension contributions  | 49,719  | 47,346  |
|   | 318,195  | 304,846  |

The Vice-Chancellor's basic salary in 2022-23 is 6.4 times the median pay of staff, compared to 6.5 times in 2021-22.  The staff median salary in 2022-23 is £41,931.

The Vice-Chancellor's total remuneration is 7.5 times the median pay of staff, which is the same as in 2021-22. The staff median total remuneration in 2022-23 is £42,647.

The Vice-Chancellor is under opt out arrangements within the Universities Superannuation Scheme (the USS).

**Senior Staff Remuneration**

The performance of Senior members of staff is assessed by the Vice-Chancellor, after taking soundings and feedback from the Chair and members of the Board of Governors.  It is based on leadership, the achievement of key strategic objectives, measurement against agreed targets, the overall performance of the University and the external context in which the university operates. Each year the Remuneration Committee receives a report by the Vice-Chancellor on the Senior Staff Performance and Development Reviews and agreed objectives for the following year.

The base salary for Senior staff is reviewed in line with national pay awards for the Higher Education sector. Where supported by evidence, the Remuneration Committee may, at its discretion, agree a consolidated increase to the Senior Staff’s base pay.

In 2022-23 the Remuneration Committee considered the pay of four members of Senior staff; the Deputy Vice-Chancellor; the Pro Vice-Chancellor (Research and Innovation); the Pro Vice-Chancellor (Student Engagement); and the Chief Officer Resources.  All were awarded a base pay increase of 3%.  In addition, some senior staff members received a 2% non-consolidated award in recognition of the delivery of key strategy initiatives.

The numbers of staff paid above £100k per annum are published in the financial statements (note 7), broken down into £5k pay bands.  The relevant information on higher paid staff is shown below. In 2022-23 there were 12 members of staff with a basic salary over £100k per annum, compared with nine in 2021-22.

|  |  |  |
| --- | --- | --- |
| Higher Paid Staff  | Year Ended 31 July 2023  | Year Ended 31 July 2022  |
|   |   |   |
|   | No.  | No.  |
| £100,000 to £104,999  | 4  | 1  |
| £105,000 to £109,999  | -  | 2  |
| £110,000 to £114,999  | 2  | 2  |
| £120,000 to £124,999  | 1  | -  |
| £130,000 to £134,999  | -  | 1  |
| £140,000 to £144,999  | 2  | 1  |
| £145,000 to £149,999  | -  | 1  |
| £160,000 to £164,999  | 1  | 1  |
| £165,000 to £169,999  | 1  | -  |
| £170,000 to £174,999  | 1  | -  |
|   |   |   |
|   | 12  | 9  |

**Remuneration for other staff groups**

The majority of other staff are on the national pay spine and covered by the University’s Grading Structure which consists of nine grades.  These grades are supported by the Higher Education Role Analysis (HERA) role evaluation methodology.

Staff on the University’s 9 grade pay structure gain pay increases annually based on incremental growth, until they reach the top of the grade’s range.  They are also subject to any nationally agreed pay awards.

The University offers a comprehensive range of both financial and non-financial workplace benefits.

**Living Wage Employer**

The University is an accredited Living Wage employer and as a result all staff receive at least the Living Wage foundation rate of pay.

**Exit Policy**

All settlement agreements, including voluntary severance, for senior staff are agreed by the Remuneration Committee. Any redundancies related to academic and senior staff are subject to the University’s redundancy processes.

**Remuneration Committee Business During 2022/23**

During the year 2022/23 the Committee met on four occasions: 19 October 2022, 28 November 2022, 15 March 2023 and 14 June 2023. The following business was considered:

* Review of the Committee’s Terms of Reference
* Approval of Pay Related Reports for 2021/22 including Annual Pay Report and Annual Pay Policy Statement and the Senior Staff Remuneration Policy Framework for 2022/23
* Review/Approval of Senior Staff Severance Policy
* Review/Approval of Senor Staff Severance Process and Procedures
* Approval of the University’s Annual Pay Gap Report for 2022
* Updates on Level 3 Pay Review Proposals
* Review/Determination of Level 1 Performance and Salary (Vice Chancellor)
* Review/Determination of Level 2 Performance and Salaries (Vice Chancellor’s Executive Group Members)
* Consideration of Benchmarking Information relating to Senior Salaries across the wider UK Higher Education sector