

MANCHESTER METROPOLITAN UNIVERSITY

BOARD OF GOVERNORS

REMUNERATION 2023 ANNUAL REPORT

1 Remuneration Committee

1.1 Responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for agreeing the pay and conditions for the Vice-Chancellor, the Clerk to the Board of Governors, and other members of the University Executive Group. The University Executive Group comprises:

- Vice-Chancellor
- Provost and Deputy Vice-Chancellor
- Chief Operating Officer and Clerk to the Board of Governors
- Chief Financial Officer
- Pro-Vice-Chancellor Culture and Community
- Pro-Vice-Chancellor Education
- Pro-Vice-Chancellor International
- Pro-Vice-Chancellor Research
- Faculty Pro-Vice-Chancellor, Arts and Humanities
- Faculty Pro-Vice-Chancellor, Business and Law
- Faculty Pro-Vice-Chancellor, Health and Education
- Faculty Pro-Vice-Chancellor, Science and Engineering
- Chief Information Officer
- Chief People Officer
- Director of Strategic Planning and Operations

The Committee's terms of reference, which have been approved by the Board of Governors, are attached.

1.2 Membership of the Remuneration Committee

The Remuneration Committee comprised five Independent Governors and for the majority of the reporting period was chaired by the Deputy Chair of the Board. The membership of the Remuneration Committee was as follows:

Name	Role
Philippa Anderson	Independent Governor
Janet Dawson	Remuneration Committee Chair Deputy Chair of the Board of Governors Independent Governor (until 31 July 2023)
Simon Duffy	Chair of the Board of Governors Independent Governor

Kate Green	Co-opted Governor
Andrew Heyn	Independent Governor (Chair from 1 August 2023)
Catherine Ward	Co-opted Member of the Remuneration Committee (from 1 September 2023)

All appointments to the Committee, other than the Chair of the Board, who is an ex-officio member, are approved by the Board of Governors.

The Remuneration Committee is always chaired by an Independent Governor, and steps are taken to ensure the person with responsibility for appraising the performance of the Vice-Chancellor does not chair the Committee for consideration of this item. The Vice-Chancellor is not a member of the Committee.

1.3 Operation of the Remuneration Committee

The University complies with the *CUC Higher Education Senior Staff Remuneration Code* and operates in accordance with best practice as recommended in the *Higher Education Code of Governance* and other relevant guidance, focusing on:

- A fair, appropriate and justifiable level of remuneration.
- Procedural fairness.
- Transparency and accountability

The governance arrangements and the processes that underpin the determination of Vice-Chancellor and senior staff pay are kept under review to ensure that the Committee operates in line with best practice.

1.4 Frequency of Remuneration Committee Meetings

The Remuneration Committee usually meets approximately twice in each academic year and attendance at meetings since the start of the 2022/23 academic year has been as follows:

Name	22 Sept 2022	24 May 2023	22 Sept 2023
Philippa Anderson	✓	x	✓
Janet Dawson	✓	✓	
Simon Duffy	✓	x	✓
Kate Green	✓	✓	✓
Andrew Heyn	✓	✓	✓
Catherine Ward			✓

2 Approach to Remuneration

In relation to the remuneration of the Vice-Chancellor and other members of the University Executive Group, the Remuneration Committee considers:

- The need to balance the current challenging external environment, the external perception of senior salaries in higher education, the University's financial position and the need to recruit, recognise and reward the contribution and performance of individuals and retain excellent staff.
- The size and complexity of the role – Manchester Metropolitan University is a large complex organisation with 5,100 staff and in the region of 41,000 students, and a total income of £422m (projected 2023 figure).
- Performance against agreed objectives.
- Benchmark data, such as that provided by the Universities and Colleges Employer Association (UCEA) and the Committee of University Chairs' (CUC) Vice-Chancellors' Salary Survey. To help to inform its decision-making, the Remuneration Committee uses data from the following 27 comparator institutions:
 - Cardiff University
 - Coventry University
 - Durham University
 - Imperial College London
 - King's College London
 - London School of Economics and Political Science
 - Newcastle University
 - Nottingham Trent University
 - Open University
 - Queen Mary University of London
 - Queen's University Belfast
 - University College London
 - University of Birmingham
 - University of Bristol
 - University of Edinburgh
 - University of Exeter
 - University of Glasgow
 - University of Hertfordshire
 - University of Huddersfield
 - University of Leeds
 - University of Liverpool
 - University of Manchester
 - University of Nottingham
 - University of Sheffield
 - University of Southampton
 - University of Warwick
 - University of York
- The comparator group comprises a number of institutions that generate over £400m of income, and includes two institutions with a total income of between £200m and £400m, reflecting institutions with a similar profile to Manchester Met.
- Pay increases for other staff in the institution.
- Regional, national and international market conditions.

2.1 Approach to Vice-Chancellor Remuneration

The Vice-Chancellor has an annual Performance Development Review meeting with the Chair of the Board of Governors to review performance against objectives and to discuss objectives for the next academic year. The Vice-Chancellor's objectives are recommended by the Chair of the Board, approved by the Remuneration Committee and shared with the Board of Governors. A report on the Vice-Chancellor's performance against agreed objectives is completed by the Chair of the Board and then considered by the Remuneration Committee. The size of any possible bonus is based on performance against objectives and is approved by the Remuneration Committee. Bonus payments are not consolidated. An annual remuneration report is produced for consideration by the Board of Governors.

2.2 Approach to UEG Remuneration

Members of the University Executive Group have a Performance Development Review meeting with their line manager to review performance against objectives and to agree objectives for the next academic year. A recommendation on base pay and bonus, based on benchmark data and evidenced achievement against objectives, is made to the Remuneration Committee by the Vice-Chancellor. The national pay award is discretionary and not automatically awarded for members of the University Executive Group and bonus payments are not consolidated.

3 Vice-Chancellor Remuneration

The current Vice-Chancellor, Professor Malcolm Press, took up the post at Manchester Metropolitan University on 1 June 2015. The Vice-Chancellor's salary reflects the following:

- The University is one of the largest in the country.
- The scale and complexity of the job.
- Comparisons with benchmark.
- Performance as measured against robust objectives set by the Chair of the Board of Governors.

The Vice-Chancellor's remuneration includes the following elements:

- Salary.
- Performance-related pay.
- Benefits.
- Pension opt-out payment.

A summary of the Vice-Chancellor's remuneration over recent years is shown below:

Emoluments of the Vice-Chancellor	2018-19	2019-20	2020-21	2021-22	2022-23
Salary	£268,199	£268,199	£268,199	£272,222	280,500
Payment in lieu of Pension Contribution	£34,866	£34,866	£34,866	£35,389	£36,465

Emoluments of the Vice-Chancellor	2018-19	2019-20	2020-21	2021-22	2022-23
Death in Service and Incapacity Cover (USS Enhanced Opt-Out)	£6,364	£6,137	£6,061	£17,175***	£8,320 (the VC retired from the pension scheme on 31.12.22)
Corporate Health Insurance	£1,000	£1,000	£1,000	£1,000	£1,106
Performance Related Pay	£38,000	£28,000	£30,000	£30,000	£32,000
Total	£348,429	£338,202	£340,126	£355,786	£358,391
Pay Multiple of the VC's Basic Pay and the Median Earnings of the University's Whole Workforce*	7.7	7.5**	7.7	7.7	7.5****
Pay Multiple of the VC's Total Remuneration and the Median Earnings of the University's Whole Workforce*	8.9	8.0**	8.1	8.3***	8.2****

Vice-Chancellor's remuneration divided by the median pay at the University (on a full-time equivalent basis). Pay multiples are shown for basic pay and for total remuneration.

** Restated following the external audit of the Financial Statements.

The Vice-Chancellor had previously elected for a USS Enhanced Opt Out to retain death in service and incapacity cover in USS. This ended in December 2022 when the Vice-Chancellor retired from the pension scheme.

***The USS Enhanced Opt-Out employer contribution rate increased from 2.1% to 6.3% in October 2021 as a result of changes to the USS pension scheme, hence the increase in cost from £6k to £17k and increase in the total remuneration multiple from 8.1 to 8.3. If the increase to the USS contribution rate had not occurred, then the pay multiple would have been the same as the prior year.

****These figures are currently unaudited and will be reviewed by the External Auditors during September 2023, with the final figures included in the 2022/23 financial statements, which are scheduled to be signed off by the Board of Governors on 24 November 2023.

The Vice-Chancellor does not have a company car, loans of any description, including mortgage subsidies, or accommodation. As part of the University's commitment to environmental sustainability, the Vice-Chancellor shares a fully electric pool car with other members of the senior team.

4 External Appointments

The Vice-Chancellor and senior staff contracts include a requirement for exclusivity of service which means that staff are not permitted to take on work with or for any organisation other than the University without permission.

To ensure transparency, any external appointments are recorded on the University's Register of Interests.

The Vice-Chancellor currently receives £15k per annum for a Non-Executive Director role on the Board for the Institute of Apprenticeships and Technical Education.

The University also has a Consultancy Policy, which provides a framework for staff who engage in approved consultancy work and confirms the University's position in regard to any income generated by an individual from external bodies in a personal capacity.

5 Expenses

Details of expenditure associated with the Vice-Chancellor's role are published on the University website: [Vice-Chancellor's Pay | Manchester Metropolitan University \(mmu.ac.uk\)](#). This includes details of travel, accommodation and hospitality costs incurred by and on behalf of the Vice-Chancellor in the course of performing his duties for the University.

BOARD OF GOVERNORS

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Purpose

The Board of Governors has delegated responsibility to the Remuneration Committee to agree the pay and conditions for the Vice-Chancellor, the Clerk to the Board of Governors, and other members of the University Executive Group, and to approve severance arrangements for those staff.

Duties

The duties of the Committee are as follows:

1. To have responsibility for setting the remuneration policy for the Vice-Chancellor, the Chief Operating Officer (whose role encompasses the Clerk to the Board), and other members of the University Executive Group, ensuring adherence to regulatory requirements and best practice. Remuneration shall include pay, pension and any other terms and conditions of employment.
2. To review the on-going appropriateness and relevance of the remuneration policy in relation to the Vice-Chancellor, the Chief Operating Officer and other members of the University Executive Group.
3. To approve the individual remuneration package of each member of the University Executive Group.
4. To approve the design of, and determine targets for, any performance related pay schemes for University Executive Group members, and approve the total annual payments under such schemes.
5. To ensure that severance terms on exit for any member of the University Executive Group comply with best practice, are fair to the individual, fair to the University, do not reward failure and fully recognise the duty to mitigate loss.
6. In respect of those duties laid out in these terms, pay particular attention to equality and diversity, making sure that reward policy and practice reflect the University's commitment to ensuring equal treatment.

Membership

1. The Committee shall comprise at least 3 independent Governors (one of whom shall be the Chair of the Board of Governors).
2. The Vice-Chancellor shall not be a member of the Committee.
3. At least one member of the Committee shall also be a member of the People, Finance and Resources Committee.
4. Appointments to the Committee are made by the Board, other than the Chair of the Board of Governors, who is a member ex officio.

5. The Board shall appoint a Committee Chair who shall be a senior Independent Governor on the Board. The Chair of the Board shall not be chair.

Attendance

No member of staff may be present at a meeting during discussion about their own remuneration.

Quorum

50% of the Committee membership, rounded up if necessary, of which the majority must be independent members.

Reporting

Provide sufficiently detailed reports to the Board, (not less than once per year) to provide the necessary assurance to other Governors, not involved in Remuneration Committee, that appropriate governance is being deployed.