

ANNUAL REMUNERATION STATEMENT FOR YEAR ENDED 31 JULY 2023

Introduction

The Remuneration Committee is responsible for determining the Reward Strategy of the University and for setting the remuneration and the terms and conditions for the Vice-Chancellor and other senior members of staff. The Committee's [Terms of Reference](#) which define the purpose, structure and scope of the Committee are published on the University's website and are reviewed annually.

The Remuneration Committee comprises independent lay members of Council who possess relevant knowledge and expertise. Members of the Remuneration Committee are appointed by Council on the recommendation of the Governance and Nominations Committee. The Committee submits regular updates to the University Council which is the governing body of the University.

The Remuneration Committee ensures a fair process which reflects the performance of each individual in the context of the University's performance.

The Remuneration Committee takes account of affordability and comparative information on the remuneration, benefits and conditions of employment in the University 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 UCEA Senior Salary Survey.

The Remuneration Committee ensures that it complies with the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code.

In-line with the CUC Higher Education Senior Staff Remuneration Code, and to ensure a fair and transparent process, remuneration for members of the Senior Leadership Team (including the Vice-Chancellor), Grade 11 (including Professional Services Directors and Professors) and Grade 10A colleagues is reviewed annually, using a fair process that reflects the performance of each individual in the context of the University's performance.

The CUC Higher Education Senior Staff Remuneration Code is key to the success and development of the UK's HE sector, operating as it does in an intensively competitive global environment. This requires three key elements:

1. A fair, appropriate and justifiable level of remuneration

Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to their institution's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

2. Procedural fairness

Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision making using appropriate evidence and assessing the value of roles, the context and individuals' performance in them.

3. Transparency and accountability

The process for setting remuneration must be transparent. For senior post holders there must be an institutional level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the Head of Institution must be separately justified, published and related to the remuneration of all staff within the organisation.

The key principles of the University's approach to Remuneration are as follows:

- The University must be able to recruit and retain high quality academic and Professional Services leaders;
- Appropriate performance targets and incentives are set, and outcomes monitored for these leaders to develop the continued success of the University.

The Remuneration Committee makes decisions on salary awards which are merit and performance-related:

- The level of awards is decided by the Remuneration Committee, in the context of the overall performance of the University, and takes into account all relevant market data;
- All academics in scope are expected to make an annual submission for consideration to supplement performance data available within the performance development review (PDR) process. Professional Services senior leadership in scope are considered by the Registrar and Chief Operating Officer and discussed at moderation prior to recommendations being made to the Remuneration Committee;
- The Chair of the Remuneration Committee has the authority to determine awards outside of the normal cycle in exceptional circumstances;
- The salary and other benefits paid to the Vice-Chancellor, together with anonymised data on salaries above £100K is published in the Financial Statements;
- Decisions are subject to equality impact assessment.

REMUNERATION 2022

National Pay Awards

All Swansea University colleagues, including the Vice-Chancellor, received a cost-of-living salary increase of at least 3%, with higher percentage uplifts for staff on the lower salary scale points in August 2022, following 2022/23 collective pay negotiations conducted by UCEA on behalf of Higher Education Institutions.

Senior Staff Remuneration

In December 2022, the Committee reviewed and approved the approach, considerations and recommendations for remuneration for members of the Senior Leadership Team (including the Vice-Chancellor), Grade 11 (including Professional Services Directors and Professors) and Grade 10A colleagues in 2022/23, taking account of the following:

- i. University Professorial Performance Curves¹;
- ii. Financial Modelling (excluding the Vice-Chancellor);
- iii. Summary of the Senior Leadership Team, Directors and Associate Directors in scope for consideration for remuneration (excluding the Vice-Chancellor) and the impact of the recommended remuneration increases;
- iv. Detailed performance and remuneration recommendations for Professors, Academic Leaders, and Deputy Executive Deans.

¹ **Explanatory note:** When assessing the performance of Professors, a committee of senior Academic leaders agree a rating (on a 4-point scale) for each Professor's performance. Higher performance results in a higher rating, and potentially a higher pay award. Typically, for example, we would not expect the majority of Professors to receive the highest performance rating, which is reserved for truly exceptional performance. The Performance curve shows the distribution of performance ratings across the Professor community and allows us to identify and explore any instances where the level of ratings is higher or lower than expected.

As in previous years, the factors considered as part of the performance reward proposals included, but were not limited to:

- a) performance in support of the institution's strategic objectives in areas such as Research; Teaching; Innovation and Engagement; Leadership and Management; Partnerships and external relations internationally, nationally and locally; and Major initiatives and projects;
- b) the size and complexity of the institution;
- c) the nature of the HE markets and issues of recruitment and retention;
- d) the institution's objectives in relation to the diversity of the workforce; and
- e) that some staff are on NHS salaries not determined by the university.

Data to support these indicators was drawn from:

- a) the Universities and Colleges Employer Association's Senior Staff Remuneration Survey;
- b) analysis of salary distributions.

Recognising the University's vision as a principled, purposeful and resilient University that balances excellent teaching with world-leading research and innovation in an environment which enables our students and colleagues to excel, alongside being valued globally as a trusted partner who is deeply committed to our region and proud to be a University for Wales, it is essential that the University offers a competitive remuneration package for its Vice-Chancellor role. This also recognises the number of University staff and students, and the diverse and complex nature of the organisation.

The Remuneration Committee is responsible for setting the remuneration and the terms and conditions for the Vice-Chancellor, taking account of the breadth of leadership and financial responsibilities, and delivery against the University's strategic objectives. The Vice-Chancellor is not in attendance for, and does not play a part in, the discussions and decisions of his own remuneration

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 internal benchmark data and salary benchmarking information with comparator universities.

The University has a formal performance development review (PDR) process in place for all staff including the Vice-Chancellor. As part of this process each year the Chair of Council meets with the Vice-Chancellor to review achievement against previously agreed objectives and to set objectives for the coming year. The Vice-Chancellor shares these objectives with Council together with the University's Annual Plan and institutional Objectives. In advance of the review meeting, the Chair of Council invites comments and feedback on the Vice-Chancellor's performance from all members of Council including staff and student members. The Chair of Council reports the outcome of the review to the Remuneration Committee. This year, the Chair of Council reported that feedback from members of Council had been unanimously positive, that the Vice-Chancellor had demonstrated and provided strong strategic leadership, that while some objectives had been achieved in full, good progress had been made in relation to others, while others were longer term and could not be achieved in a single year. Members also welcomed the new approach to the Senior Leadership Team's (including the Vice-Chancellor) individual and team objectives, agreed by the Remuneration Committee, which set out six institutional and six personal objectives directly related to the University's Annual Plan and Objectives. Members also highlighted the Vice-Chancellor's wider involvement in key sector-wide issues which continues to raise the profile of the University, and which have a significant impact on the University.

On the basis of this performance and in line with the approach taken for professorial colleagues, the Remuneration Committee approved the Vice-Chancellor's Remuneration package set out below.

Emoluments of the Vice-Chancellor for years ended 31st July 2023 and 31st July 2022 (also see Note 7 of the financial statements section of the Annual Review 2022/23).

	2023	2022
	£000	£000
Salary	339	312
Employer pension contributions	20	17
	359	329

The Vice-Chancellor no longer receives any benefits in kind. In addition to his salary, the Vice-Chancellor receives an accommodation allowance of £16k (2022: £15k). The Vice-Chancellor's salary was £323k for the year to 31 July 2023 (2022: £297k).

The Vice-Chancellor, with the support of Council, took up the role of Chair of Jisc (formerly known as the Joint Information Systems Committee (JISC)) on 21st May 2021 and receives an annual remuneration of £15k in this capacity.

The Vice-Chancellor is enrolled in the enhanced opt out arrangement within the Universities' Superannuation Scheme (the USS).

Since 2020, the Vice-Chancellor's remuneration has been restructured as illustrated below. The effect of this is that his total remuneration has increased by 2.2% over four years. The increase in pension contributions reflects an increase in employer contributions to the enhanced opt-out section of the USS pension scheme. This does not enhance benefits but does have the effect of driving an increase in the pay ratio for total remuneration (see below)

	2020	2021	2022	2023
Salary	293	303	297	323
BIK	52	25		
Accommodation allowance			15	16
Subtotal	345	328	312	339
Pension Conts	6	6	17	20
Total	351	334	329	359

NB:- 2023 was the first year in which the Vice-Chancellor received a performance-based pay increase since joining the University in 2019

Pay Ratios

The Vice-Chancellor's basic salary is 9.2 times the median pay of staff (2022: 8.6 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor's total remuneration is 9.9 times the median total remuneration of staff (2022: 8.6 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.

The median calculations include salaries part funded by the NHS.

Staff with a basic salary over £100k per annum

In 2023 there were 60 members of staff with a basic salary over £100k per annum (2022: 52). The Remuneration Committee considers any proposal for severance payments for senior members of staff and for staff earning a basic full time equivalent salary of more than £100k per annum. In 2022/23 compensation of £86k was paid to one member of staff following this process.

Remuneration Committee Business in 2022/23

The Remuneration Committee met four times during the 2022/23 academic year, on 5 September 2022, 12 December 2022, 8 February 2023, and 5th July 2023. Matters addressed at these meetings included:

- Reviewing and determining the remuneration, benefits and conditions of employment of new members of the Senior Leadership Team and Director positions;
- The Remuneration process for 2022 and 2023;
- Approving the cost-of-living award for the Vice-Chancellor and noting the award for all other colleagues in accordance with the salary increases applied following 2022/23 pay negotiations conducted by UCEA on behalf of HEIs;
- Approving a Remuneration Statement which is transparent, aligned with the recommendations of the Higher Education Senior Staff Remuneration Code and meets the requirements of good governance;
- Noting Promotions via the Retention of Exceptional Talent procedure
- Actively involved in, and responsible for, the decision process for any severance arrangements for grade 11 employees and for payments greater than £60,000.