

Pay Framework for Senior Postholders

APPROACH TO REMUNERATION

1. The University has established a framework that outlines a number of clear principles that will be followed to ensure that decisions on the levels of remuneration for senior postholders are evidence-based and are transparent, fair and equitable. The framework is set out below:

Determining Initial Salaries of Senior Staff

- (a) Each senior post has pay set at a spot rate on an individual basis. When setting starting pay, the University will take account of:
 - (i) Benchmarking data gathered via the annual independent UCEA survey of senior staff remuneration within the higher education sector, with a particular focus upon:
 - All higher education institutions with a turnover of £280m to £400m
 - A specific analysis of post-92 higher education institutions with a turnover of £280m to £400m
 - All higher education institutions in London and the South East of England with a turnover of over £200m
 - (ii) The relative performance of the University in comparison with other institutions and the salaries offered for comparable posts at similarly performing institutions.
 - (iii) Benchmarking data, where this is available, for comparable senior posts in other sectors.

When setting the initial salaries of senior staff within the pay range, the University will take account of:

- (iv) Comparison with the salaries of other senior postholders within the University, taking into consideration the relative responsibilities and accountabilities of each senior post.
- (v) The need to apply an inflationary adjustment to take account of time lags in the publication of benchmarking data.
- (vi) The need to offer a competitive reward package to attract and secure candidates with the necessary experience, taking account of relevant market intelligence.

Reviewing the Salaries of Senior Staff

- (b) When making changes to the salaries of senior staff the University will take account of:
 - (i) Their sustained performance and contribution during the preceding year(s). The performance of individual postholders will be formally reviewed each year, mirroring the University's PDR process that applies to all staff. Any senior postholder identified as requiring significant improvement in their performance will not receive any pay increase in the relevant year.
 - (ii) Any material changes in roles and responsibilities since the previous review period.
 - (iii) The percentage increase in salary awarded to staff on national pay scales as a consequence of national negotiations.
 - (iv) The average percentage increase in salary received by staff on national pay scales to reflect incremental pay progression.

- (v) Maintaining the relative value of salaries when compared with benchmarking data in the annual UCEA survey of senior staff remuneration within the higher education sector, with a particular focus upon:
- All higher education institutions with a turnover of £280m to £400m
 - All post-92 higher education institutions with a turnover of £280m to £400m
 - All higher education institutions in London and the South East of England with a turnover of over £200m
- (vi) The overall affordability of any proposed increases to senior salaries, taking account both of the University's financial performance and the need to offer salaries that compare favourably with competitor institutions.
- (vii) The University will review and moderate the pattern of increases across all senior postholders in order to ensure fairness and consistency.

Additional Awards

2. In occasional instances of truly exceptional performance in delivering on the strategic imperatives of the University, a senior postholder may be considered for a non-consolidated special payment, where in the considered view of the committee, such a payment is justified and a more appropriate means of acknowledgement than a consolidated increase to salary.
3. Such awards are not considered for actions which might normally be expected to fall within the senior postholder's remit, but for truly outstanding and exceptional performance.

Attraction and Retention Payments (Market Supplements)

4. The University may, for market pay reasons, decide to apply a market supplement to certain senior roles. The size of the market supplement to be applied will be determined by market data and evidence around the inability to recruit or retain senior postholders in certain roles. The University will review the appropriateness of market supplements on an annual basis. Senior postholders in receipt of a market supplement will be given three months' notice of the cessation of any market supplement payments.

Probationary Periods

5. Senior postholders will not routinely receive any increase in salary until the successful completion of their probationary year, save for cases where, in the Committee's judgement, exceptional circumstances justify an increase.

Pay Relativities within the institution

6. The University will monitor the ratio between the highest paid member of staff and the median pay level across the University. This ratio should reflect other comparable universities and the earnings multiple should not exceed 10:1.
7. The University will also ensure that its highest paid staff member will not earn more than 20 times the full-time equivalent salary of its lowest paid staff member. This is consistent with a proposal considered by the Hutton Review of Fair Pay in the Public Sector.

Application of this Framework

8. This framework applies to all staff designated as senior postholders by the Board of Governors. The Vice Chancellor will take account of its principles when setting the remuneration of other senior staff.

INSTITUTIONAL PERFORMANCE

9. The Remuneration Committees receive the following information to support their decision-making:
 - (i) Copies of the performance feedback letters received by senior postholders following their annual Personal Development Reviews. These letters detail both their achievement against personal objectives and their contribution to the achievement of corporate objectives, including the assistance they have given to supporting the attainment of colleagues' objectives.
 - (ii) A comprehensive report on the University's comparative performance when compared with similar universities and all other UK universities. This includes details of the University's overall performance in relation to:
 - Performance in key league tables: these draw primarily upon the University's position in the three key domestic league tables - Complete University Guide, The Times and The Guardian league tables. Note is also taken of the University's position in international league tables – primarily, the Times Higher World Ranking and the Times Higher Young University league tables.
 - Student satisfaction: National Student Survey (NSS) outcomes.
 - Student employability: performance in the Graduate Outcomes Survey.
 - Teaching excellence: performance in the Teaching Excellence Framework (TEF) and results derived from TEF-related pilot activity.
 - Research and Innovation performance: performance in the Research Excellence Framework (REF) and income from research and innovation activities.
 - Financial performance and sustainability: the total income of the University, its surplus/deficit position and overall financial health.

These measures are used because they reflect fundamental measures of strategic success but also represent higher-level output measures for which reliable benchmarking data is available. This list is not exhaustive.

ASSESSMENT OF SENIOR POSTHOLDERS' PERFORMANCE

10. Having discussed and taken account of all relevant factors and especially the requirements of the Framework for Setting the Pay of Senior Postholders, the Senior Postholders' Remuneration Committee agree the remuneration of senior postholders for the academic year and the changes to salary to be implemented with effect from 1 August.
11. The Senior Postholders' Remuneration Committee must take care to ensure that their decisions achieve a balance between achieving valid pay relativities for levels of relative seniority, rewarding performance, and ensuring compatibility with the salaries paid for comparable roles in comparable universities.

External Appointments and Expenses

12. Senior post holders must seek the written approval of the Vice Chancellor before accepting any remunerated external appointments. The application and approvals process and the protocols for the management and retention of income derived from any such roles shall be in accordance with the 'External Remuneration Policy for Senior Postholders (see Appendix 1 to this Framework).

Policy on Senior Postholders undertaking external activities in a personal capacity

1 Introduction and scope

- 1.1 The University recognises that it is often beneficial that staff members represent the University on various bodies and boards and carry out professional, academic and civic responsibilities at other organisations, e.g. non-executive director roles in a personal capacity.
- 1.2 This policy aims to guide the Vice-Chancellor, the Chair of the Board of Governors and the Vice-Chancellor's Remuneration Committee when considering requests from Senior Postholders to undertake external activities in a personal capacity. It also provides guidance on decisions on the retention of any payments or other benefits generated by the individual from such external activities.
- 1.3 This policy does not apply to income generated for the University in an official capacity as part of the Senior Postholder's employment.
- 1.4 This policy does not form part of any employee's contract of employment and the university may amend it at any time, at its sole discretion.

2 Exclusivity of service

- 2.1 Exclusivity of service is a contractual requirement for all Senior Postholders.

3 Declaration and approval

- 3.1 Senior Postholders must seek prior approval before agreeing to undertake all external activities either in a paid or an unpaid capacity to ensure that there is no conflict of interest (or a risk of the activity being perceived as a conflict of interest) in terms of the University's core business and the individual's position. Please refer to the University's Declarations of Interest Policy for further information.
- 3.2 The Vice-Chancellor should seek approval from the Chair of the Board of Governors, with the advice of the Vice-Chancellor's Remuneration Committee. All other Senior Postholders must seek approval from the Vice-Chancellor.
- 3.3 Failure to seek approval in accordance with University policy and/or the contract of employment may lead to disciplinary action.
- 3.4 Senior Postholders are under an ongoing obligation to notify the Vice-Chancellor/Chair of the Board of Governors (as applicable) of any change in circumstances or new information arising after initial consent is given, so that the initial consent can be reviewed in the context of any new information. This is particularly important where consent was given in relation to an activity that is ongoing or recurrent, as opposed to a 'one off'. In addition, where the activity is ongoing or recurrent, the Senior Postholder is required to re-seek consent annually to ensure it remains appropriate in view of any changing circumstances for the individual or the University.

4 Payments

- 4.1 The Vice-Chancellor (in respect of other Senior Postholders) or the Chair of the Board of Governor, with advice from the Vice-Chancellor's Remuneration Committee (in respect of the Vice-Chancellor) will determine to what extent any payments derived from that activity may be retained by the individual.
- 4.2 It is unlikely that Senior Postholders will be able to retain significant sums, but any payments they do retain must be disclosed and explained with a clear justification.
- 4.3 Typically Senior Postholders will be entitled to retain royalties from books authored as part of academic activity.

5 Transparency, accountability and disclosure

- 5.1 All such determinations made under this policy will be reported to the Remuneration Committees on an annual basis.