

# FRAMEWORK FOR SETTING THE PAY OF SENIOR POSTHOLDERS

## 1. Overarching Principles

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 reflects recognised good practice for the consideration and setting of pay for senior postholders.

## 2. Pay Ranges and Initial Salaries of Senior Staff

Each senior post will have a market-related pay range set, within which the postholder's base level pay will be managed and adjusted. When setting the pay range, the University will take account of:

- 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 £202m to £400m.
  - All post-92 higher education institutions with a turnover of £202m to £400m
  - All higher education institutions in London and the South East of England with a turnover of £202m to £400m
- The relative performance of the University in comparison with other institutions and the salaries offered for comparable posts at similarly performing institutions.
- 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:

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

Pay ranges will be formally reviewed every three years to ensure their continued fitness for purpose, taking account of market intelligence and benchmarking data. However, adjustments

to pay ranges may be made within this three year timescale if exceptional changes in the market rates paid for particular roles become apparent.

### 3. Annual Review of Salaries of Senior Staff

When making changes to the salaries of senior staff the University will take account of:

- 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 would not receive any pay increase in the relevant year.
- Any material changes in roles and responsibilities since the previous review period.
- The percentage increase in salary awarded to staff on national paycales as a consequence of national negotiations.
- The average percentage increase in salary received by staff on national paycales to reflect incremental pay progression.
- 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 £202m to £400m.
  - All post-92 higher education institutions with a turnover of £202m to £400m
  - All higher education institutions in London and the South East of England with a turnover of £202m to £400m
- 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.
- The University will review and moderate the pattern of increases across all senior postholders in order to ensure fairness and consistency.

### 4. Pay Range Ceilings

Pay range ceilings will be formally reviewed every three years to ensure that they continue to reflect market rates. In addition, the pay range ceilings will be reviewed annually to reflect, where appropriate, national pay awards in the sector to mitigate the impact of inflation

A ceiling will be set at the top of the pay range for each senior post. This will set a maximum pay level for each post.

For a senior post holder who has reached their pay range ceiling, a single non-consolidated payment could be made to reflect their sustained performance and contribution during the preceding year. Their base pay would be capped at their pay range ceiling.

## **5. Recognition Awards**

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, in recognition of their achievement.

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.

## **6. Attraction and Retention Payments (Market Supplements)**

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.

## **7. Probationary Periods**

Senior postholders will receive no increase in salary until the successful completion of their probationary year.

## **8. Pay Relativities within the institution**

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.

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.

## **9. Application of this Framework**

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.