

FRAMEWORK FOR THE REMUNERATION OF DESIGNATED SENIOR STAFF

SECTION 1

CONTEXT

- 1.1. The UK Higher Education (“HE”) sector has a worldwide reputation for excellence and furthermore is a major contributor to the UK economy. Good governance is fundamental to this success. As a sector, HE strives to apply the highest standards of governance. It is important to demonstrate transparency around the policies and processes of governance in order to maintain HE as a world-class international enterprise.¹
- 1.2. Attracting and retaining quality staff is driven largely by the working environment and opportunities offered by the University. With a strong reputation and a track record of achievement, the University is an attractive employer, and it is important to ensure that the employee experience matches that. Financial remuneration is one element of the employment proposition, and for a select group of staff, this is governed through the Remuneration Committee.
- 1.3. The overall goal of our approach to senior staff remuneration is to offer pay levels appropriate to attract, retain and motivate senior staff who have the appropriate skills and qualifications to lead delivery of the University’s mission and strategic objectives. All decisions on senior staff remuneration are taken in line with this Framework for the Remuneration of Designated Senior Staff (hereafter referred to as “the Framework”). The Framework should be read in conjunction with the [Terms of Reference](#) for the University Remuneration Committee (“the Committee”) and relevant external guidance.
- 1.4. The University recognises that its status as a public body is a fundamental part of the decisions regarding pay for all employees, particularly senior staff. Students and staff are important stakeholders² in the University and we recognise that the reputation of the University as an education provider, and as an employer, can be influenced by expectations of value for money and the way in which senior pay is set and governed.
- 1.5. The Framework is operated on a ‘comply or explain’ approach. It is expected that everyone involved in operating the Framework will comply with its requirements. However, if circumstances require, a full explanation of the rationale and impact of divergence from the Framework will be recorded and made available to the appropriate authorising authority and within the Annual Remuneration Report.
- 1.6. The Framework will be reviewed annually by the Committee and published on the University web pages. Any proposed amendments will be submitted to Council for approval.
- 1.7. The Framework has been approved by the University Council at a meeting held on 25 February 2021 and supersedes all earlier versions of this document or similar documents.

¹ as reflected in the CUC guidance on HE governance

² as well as students and staff, this may also include, but is not limited to members of Court, the public, alumni, partners and the Office for Students

SECTION 2
REMUNERATION COMMITTEE
PRACTICE NOTE

REMIT

2.1 The Remuneration Committee has responsibility, delegated by Council, for determining the remuneration packages for the following, known as Designated Senior Staff:

- Vice-Chancellor
- Deputy Vice-Chancellor
- Pro-Vice-Chancellors
- Vice-Presidents
- Deans
- Chief Operating Officer
- Director of Finance
- Any role which is not purely an academic role and where remuneration is greater than £150k FTE.
- by virtue of the independence of the post, the Head of Strategic Governance.

The list of Designated Senior Staff will be subject to annual review by the Committee.

2.2 In addition, the Committee will receive annual updates from the Director of Human Resources on remuneration-related matters affecting other groups of staff at the University in order to enable the Committee to determine that the remuneration of Designated Senior Staff is proportionate, appropriate, and enables the attraction, incentivization and retention of talented individuals necessary to ensure the University meets its strategic ambition. The updates will include reports:

2.3 containing data on remuneration levels, broken down by diversity characteristics on:

- the Professoriate and ALC6 staff;
- staff on the nationally agreed pay scale;
- on the Gender Pay Gap and other equal pay issues;
- for contextual awareness, containing a list of all salaries above £100k, both within the University and held by employees of University subsidiary companies; and
- on remuneration trends within the sector.

PERFORMANCE

- 2.4 Performance management is the responsibility of the relevant line manager of the member of the Designated Senior Staff, not of the Committee. However, performance is a key factor in the determination of a remuneration package.
- 2.5 The line manager will annually agree objectives with the member of the Designated Senior Staff. These objectives will be shared with the Committee who will note them in the context of the University strategy.
- 2.6 The Committee shall receive, from the Vice-Chancellor or appropriate manager, a summary report on the achievement against objectives for each member of the Designated Senior Staff for the year past. Typically, these reports will be considered at the September meeting. The line manager should clearly indicate achievement against objectives, set within the context of the role and its challenges. The Committee will use this performance assessment in considering remuneration decisions.

FINANCIAL REMUNERATION

- 2.7 The University offers remuneration packages³ appropriate to a leading University, benchmarked against other UK HE institutions of comparable scale, status and complexity operating in a competitive market. All decisions are taken, with external advice when required, in accordance with:
- the University's commitment to equality, diversity and inclusion;
 - the University's financial position and value for money;
 - the nature of the role;
 - reward levels for other members of our University community;
 - guidance issued by OfS and CUC;
 - metrics and benchmarks from across the sector;
 - any other factors the Committee considers relevant.
- 2.8 Wherever possible, the Committee will be kept informed at an early stage of likely forthcoming vacancies, recruitment campaigns or remuneration decisions for posts within its remit, to support timely and strategic decision-making.

Remuneration and recruitment

- 2.9 When recruiting staff into a position within the remit of the Committee, a proposal will be developed by the University Director of Human Resources, in conjunction with the Vice-Chancellor, taking into account a range of factors including:
- the nature of the role and its responsibilities;

³ The term 'remuneration package' may include any combination of basic pay, other financial allowances, non-financial benefits in kind such as private healthcare or indeed other specific benefits or reward associated with the role.

- the attributes and skills of the candidate;
 - market information (this will include UCEA/CUC data for the HE Sector, and if appropriate, data from other sectors from recognised providers eg XpertHR);
 - relevant benchmark data (both internal and external);
 - the criticality of the role to the delivery of the University’s strategic objectives;
 - the current remuneration package of the individual;
 - any other factors the Committee considers relevant.
- 2.10 Wherever possible and to enable effective procedure, the Committee may approve an “envelope” for initial negotiations, pending approval of the final offer once agreement has been reached.
- 2.11 The Committee will approve, prior to offer, all recruitment packages for staff within its remit.

Remuneration and annual performance

- 2.12 Designated Senior Staff will receive the national pay award, negotiated by UCEA on behalf of participating Universities, with effect from 1 August each year.
- 2.13 For Designated Senior Staff, the Committee shall also determine, at the September meeting, whether the case made by the relevant line manager, and associated evidence, warrants in-year recognition. The University does not operate a formal bonus scheme, however exceptional performance regarding one specific objective, or overall achievement, may be recognised through a one-off, non-consolidated and non-pensionable bonus payment.
- 2.14 An individual has no right to a bonus payment

Remuneration and continuous contribution to the University

- 2.15 The Designated Senior Staff, with the exception of the Vice-Chancellor, will have their overall remuneration package reviewed every second year. In reviewing the overall remuneration package, Designated Senior Staff will be given the opportunity, by the line manager, to input to the biennial review, that will also include assessments of:
- individual performance over the preceding period;
 - organisational performance;
 - the complexity, size and impact of the role;
 - the level of knowledge, skills and experience the individual brings to the role;
 - relevant market information;
 - the criticality of retaining the individual to deliver the University’s mission.

In the case of the Vice-Chancellor, the Remuneration Committee will review the overall remuneration package after three years and again at any contract renewal.

- 2.16 The outcome of the review may include a recommendation from the line manager to increase elements of the remuneration package. Any such recommendation will be with reference to the staff member's objectives and performance review. This will be considered by the Committee and any changes to salary as a result of the review will normally be consolidated.
- 2.17 If an individual wishes to appeal against the decision of the Committee they should write to the Chair within 10 working days of receiving the decision. Appeals will only be considered on a failure of process, or if new evidence is available. The Remuneration Committee will consider the appeal in discussion with the line manager.
- 2.18 The Committee may operate this process outside the usual cycle if it considers it appropriate.
- 2.19 It would not be legal to reduce an individual's salary without their consent. If the role held by the individual is determined to have changed and reduced in the level of contribution, the committee may instigate a formal salary review, engaging the individual and line manager.

Remuneration and Academic Responsibility Allowances

- 2.20 It is recognised that an academic moving into a leadership role may be taking on more responsibility for a defined period. Individuals will take on such roles at different stages of their careers and the Framework recognises the need to reflect this timing in individual appointments. While the overall remuneration package will reflect a fair rate for the role, not all roles may attract a responsibility allowance as part of that remuneration package.
- 2.21 If such a period of leadership is expected to have an impact on the individual's ability to continue to deliver academic output, and the individual is expected to maintain such output as part of their career, it may be appropriate for the academic to receive a Responsibility Allowance (the 'allowance') to recognise this effect for the period in office. This will be agreed at the outset of the role. The allowance is non-pensionable and will continue for the term of office. At the end of the term, if the individual
- is selected for a further term in the same role, the allowance will continue;
 - is selected for a different role which attracts an allowance, the existing allowance will cease on transfer to the new role;
 - accepts a role which does not attract an allowance, then the allowance will cease. The salary in the new role will be determined in the usual manner.
- 2.22 If an individual is expected to step up to fill a more senior vacancy for an extended period of time, the Remuneration Committee may consider a case for a temporary salary enhancement to reflect the higher level of responsibility. This will take into account how much of the higher role the individual is expected to undertake. Any such allowance should be agreed by the Remuneration Committee in advance of the period of "acting up". For the avoidance of doubt, the Remuneration Committee would not see a case for a temporary salary enhancement for any other situation.

2.23 Allowances will be pro-rated if an individual undertakes a role on a part-time basis.

OTHER ELEMENTS OF THE REMUNERATION PACKAGE

2.24 Designated Senior Staff are eligible to participate in a pension scheme under the same conditions which apply to all University staff. Following a decision by the Remuneration Committee in January 2017, staff who can demonstrate that they will be adversely affected by the regulations of Life Time Allowance or Annual Allowance may request payment in lieu of pension contributions on a cost-neutral basis for the University. For the Vice-Chancellor, this request will be considered for approval by the Committee; for all other staff this decision has been delegated to the Vice-Chancellor who will notify the Committee accordingly.

2.25 The University does not offer other benefits such as car, private healthcare or housing payments as a standard element of the remuneration offer. On rare occasions, decisions relating to the need to offer any such benefits are considered on an individual case basis at the time of appointment, and are only made if it is considered essential to secure the appointment of the University's preferred candidate.

2.26 The University guidance, which applies to all staff, on [expenses](#) and on [income](#) generated by individuals from external bodies is published on the University web-pages.

2.27 The standard notice periods for Designated Senior Staff will be, from both the individual and the University:

- Vice-Chancellor 6 months
- Others 3 months

TRANSITIONAL ARRANGEMENTS

2.28 By introducing this Framework, the Committee does not intend to change the contractual rights of any member of the Designated Senior Staff. It recognises that a series of transitional arrangements will need to be agreed with individuals to ensure that the requirements of the Framework are met.