

SENIOR PAY POLICY



This document sets out the University's policy governing senior pay.

Version	1.1
Executive Sponsor	Executive Director of Human Resources and Organisation Development (EDHROD)
Officer Responsible for Policy/ Procedures	EDHROD
Date of Approval and Committee and/or Executive Officer	Remuneration and Workforce Strategy Committee (RWSC) (a sub-committee of the University's Council and is chaired by an independent Council member).
Effective Date	June 2021

INTRODUCTION AND CONTEXT

This Policy draws on guidance and recommendations to universities made in the Higher Education Senior Staff Remuneration Code, the Higher Education Code of Governance and aligns with the requirements laid out in the Office for Students Accounts Direction.

1. SCOPE OF THE POLICY

1.1 Who is covered by the Policy

This Policy applies to the Vice-Chancellor and Chief Executive and to the group of senior executives who comprise the University's Executive.

1.2 How senior remuneration is governed at the University

The Remuneration and Workforce Strategy Committee (RWSC) is a sub-committee of the University's Council and is chaired by an independent Council member. It comprises two additional independent members of Council and is supported by the Secretary to Council.

Meetings are attended by key members of HR staff in an advisory capacity, and by the Vice-Chancellor and Chief Executive when matters being discussed have no bearing on her or his personal remuneration.

On behalf of the University Council, the RWSC oversees the University senior remuneration strategy, policy and approvals processes to ensure that these arrangements are fit for purpose, and compliant with appropriate regulations and good practice.

In particular, the role of the RWSC at the University, in relation to senior remuneration, is as follows:

- To ensure there is a reward strategy and policy for the Vice-Chancellor and Chief Executive and other designated senior executives which supports the execution of the University's strategy and represents value for money.
- To approve any changes to reward strategy and policy affecting the Vice-Chancellor's and other senior executive's base pay, bonus plans, pension arrangements, severance payments and other taxable benefits.
- To pre-approve any individual changes to senior remuneration and to ensure that any such changes can be justified in terms of comparative benchmark data, individual performance, the University's ability to pay, relevant HEI guidelines, and internal consistency.
- To pre-approve recruitment, retention and severance arrangements for members of the Executive Team or, as appropriate, to endorse "after the fact" any such arrangements which the Vice-Chancellor and Chief Executive and the Pro Chancellor and Chair of Council have agreed between meetings to avoid unreasonable delay.
- To ensure that the University's Remuneration Policy to the extent that it is set out in the Financial and Contracting Policy is complied with.
- To monitor reward strategy and policy University-wide to monitor the relationship between the senior pay and that of pay elsewhere in the University and ensure coherence across the University as a whole.
- To undertake an annual review of this Policy to ensure it remains up to date and incorporates relevant sector guidance and regulation.

1.3 Policy Ownership

The RWSC has approved this Policy, the EDHROD is the Executive sponsor and the officer responsible for the Policy. Any questions about the operation of this Policy or any concerns that the Policy has not been followed should be referred to the Secretary to Council.

This Policy will be reviewed on an annual basis by the RWSC to ensure best practice and continuing alignment with the Higher Education Senior Staff Remuneration Code.

2. GUIDING PRINCIPLES

The University is committed to attracting and retaining professional, competent and skilled senior staff to deliver the organisation's strategy and key stakeholder outcomes. This Policy has been developed to support this aim and ensure fairness and transparency in senior remuneration decisions.

The principles that underpin this Policy include that the University will:

- Provide a competitive total reward offer (total pay, personal development, career progression, work-life balance, and culture) to attract, engage and retain senior post holders of the quality required to lead within the University.
- Ensure that the Vice-Chancellor's and senior executive's remuneration is proportionate and determined with reference to established independent benchmark reward data for roles in comparable organisations and with due regard to financial sustainability and value for money.
- Ensure that the performance of senior executives is reviewed and reported to the RWSC on an annual basis.
- Provide a clear and transparent framework for the annual review of senior staff pay awards including application of the nationally agreed annual pay award.
- Promote an equal pay agenda and actively work towards reducing any unjustified gender pay gaps.

On appointment to all Executive roles, the RWSC will generally set total reward at or towards the median point of the appropriate market benchmark for the role. The Committee will review all appropriate pay benchmarks on an annual basis to ensure that remuneration at senior levels remains competitive and in line with similar roles in comparable HEIs.

3. VICE-CHANCELLOR'S REMUNERATION

The Vice-Chancellor and Chief Executive reports to the Pro-Chancellor and Chair of Council who sets and agrees performance objectives annually and undertakes the annual performance review including taking, through informal consultation, the views of all members of Council. The outcome of the review is reported by the Chair of Council to the RWSC.

In considering the Vice-Chancellor's remuneration on an annual basis the RWSC will consider the performance review and also take into account:

- any guidance on Vice-Chancellor's pay issued by the Committee of University Chairs or the Office for Students;
- the current remuneration of Vice-Chancellors in universities of similar size and standing, as determined through the annual benchmarking review of remuneration of Vice-Chancellors undertaken by the Committee of University Chairs;
- the relationship between the Vice-Chancellor's salary and that of pay elsewhere in the University; and
- guidance from the Office for Students Accounts Direction, which requires the calculation of the pay multiple.

4. REMUNERATION OF OTHER EXECUTIVE ROLES

The RWSC will consider annually the performance review recommendations made by the Vice-Chancellor and Chief Executive in respect of those members of the Executive reporting directly to them and the recommendations made by the Deputy Vice-Chancellor (Engagement) in respect of those members of the Executive who report directly to them.

In reviewing remuneration for these roles, the Committee will take into account:

- performance against objectives;
- external benchmarks and comparators - for senior academic leaders this will, where appropriate, be sector benchmarks; for senior professional and commercial staff wider benchmarks from other sectors and other parts of the economy may also be used; and affordability.

5. NATIONAL PAY AWARD

The annual national pay uplift in Higher Education is not automatically applied to Executive roles. The RWSC will consider whether the award should be applied when reviewing annually the appropriate pay benchmarks for Executive roles.

6. BONUS PAYMENTS

The RWSC will not generally award one-off bonuses but may do so in very rare cases, for example:

- where it wishes to recognise an exceptional and outstanding achievement which has enhanced the reputation and standing of the university; or
- where bonus or other incentive arrangements are a core element of remuneration for direct comparator roles (e.g. for commercial or business development roles).

7. EQUALITY ADJUSTMENTS

In taking decisions about senior remuneration the RWSC will consider the impact of its decisions on pay equality. The University's gender pay gap will be reviewed annually and adjustments may be made to individual remuneration at the annual review of pay if deemed necessary and justifiable.

8. PUBLICATION OF SALARY INFORMATION

In line with the Office for Students Accounts Direction, the Vice-Chancellor's total reward and remuneration is published in our annual accounts along with details of the numbers of employees whose total pay is over £100,000pa.

To ensure that the process and outcomes of the RWSC's annual review of senior pay reviews are transparent and readily available, the outcome of the annual review will be published on the University's public website.



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