



## Senior Remuneration Framework

**Approving Body:** Council

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## Senior Remuneration Framework

This Framework sets out the institution's approach to the remuneration of senior post holders.

In accordance with the terms of reference of the Remuneration Committee, this Framework is approved by Council on the recommendation of the Remuneration Committee and is reviewed every two years.

### 1. Applicability

This Senior Remuneration Framework will apply to the Vice-Chancellor, the Pro Vice-Chancellors; Professors; and senior Professional Service staff, defined as employees remunerated at a rate which is above the nationally-agreed HERA 51 point pay spine (the University's "senior post holders").

### 2. Delegated Authorities

1. Responsibility for agreeing matters relating to the remuneration of the following post holders is delegated by Council to the Remuneration Committee: Vice-Chancellor; Pro Vice-Chancellors; and Director of Finance and Corporate Services. All decisions shall be taken within this Framework.
2. Matters relating the remuneration of all other senior post holders (primarily Professors and senior Professional Service staff) is delegated to the Vice-Chancellor, who shall take decisions within this Framework.
3. A retrospective report of all decisions in relation to the remuneration of senior post holders shall be made:
  1. to the Council, for decisions taken by the Remuneration Committee;
  2. to the Remuneration Committee, for decisions taken by the Vice-Chancellor.

### 3. Salary Scales

1. The Remuneration Committee will approve, on the recommendation of the Vice-Chancellor, any salary scales which are to be used by the University for the remuneration of senior post holders and the award of any salary to an individual employee which falls outwith of these scales.
2. Progression by senior post holders through any salary scales shall be determined by the Vice-Chancellor.

### 4. Benchmark Data

1. In agreeing the remuneration of senior post holders, reference shall be made to benchmark data for all Universities with comparable income, as provided by the Universities and Colleges Employers Association (UCEA); or to comparable institutions in data collected by the Committee of University Chairs (CUC) in relation to the Vice-Chancellor's remuneration.
2. The remuneration and any other emolument agreed shall not normally exceed the median of the benchmark data, although higher salaries may be justified for exceptional performance which is fully evidenced.

### 5. Salaries upon appointment

1. For the appointment of the Vice-Chancellor, the Remuneration Committee shall determine a remuneration envelope within which the Chair of Council may negotiate with the successful candidate, considering all elements of the emolument to be offered. This remuneration

envelope shall normally be around the median of the benchmark data, with the possibility of offering a package in excess of this threshold to an exceptional candidate.

2. The Vice-Chancellor shall determine the starting salaries for all other senior post holder appointments, as long as the salary agreed does not exceed the median of the benchmark data. Any proposed salaries in excess of the median (e.g. upper quartile, upper decile, or any other point above the median, including to account for any market supplements) shall require the approval of the Remuneration Committee. Such approval shall be sought by correspondence where a decision is required before the next scheduled meeting of the Committee, with any decision taken formally reported to the next meeting.

#### 6. Annual Review of the Vice-Chancellor's emoluments

1. The Remuneration Committee shall receive an annual report outlining institutional performance over the previous year against the Key Performance Indicators agreed by Council to monitor the implementation of the Strategic Plan. Decisions on any changes to the Vice-Chancellor's emoluments shall be taken in the context of the overall performance of the institution, and the leadership provided by the University Executive as a whole.
2. An annual summary of the Vice-Chancellor's overall performance against personal objectives for the past year shall be presented to the Committee by the Chair of Council.
3. For exceptional performance in both collective and personal objectives which is fully evidenced, a salary increase, in addition to the cost of living uplift, may be recommended, with due reference to the benchmark data.

Where the exceptional performance is specific to an academic year rather than evidence of sustained long-term improvement to the University (for example a one-off contribution or project over and above the agreed objectives), a one-off bonus may be awarded. The value of that bonus in percentage of salary terms should take account of the percentage of salary received by other recipients of reward schemes in the wider University.

Bonuses for two consecutive years should be rare. Bonuses should not become part of an expected part of a remuneration package and should not be used to address other salary related issues or considerations.

4. Any proposal with respect to the Vice-Chancellor's emoluments shall consider the overall package provided, including any allowances and the taxable value of any benefits in kind provided.
5. In determining the emolument package of the Vice-Chancellor, the Committee shall consider the pay multiple of the Vice-Chancellor against the median earnings of the institution's whole workforce in the context of average pay ratios for comparable institutions.

#### 7. Annual Review of the remuneration of other senior post holders within the purview of the Committee

1. On the recommendation of the Vice-Chancellor, the Remuneration Committee shall agree matters relating to the remuneration of the following senior post holders: Pro Vice-Chancellors; and Director of Finance and Corporate Services.
2. The Remuneration Committee shall receive an annual report outlining institutional performance over the previous year against the Key Performance Indicators agreed by Council to monitor the implementation of the Strategic Plan. Decisions on any changes to the remuneration of the senior post holders listed at 7.1 shall be taken in the context of the overall

performance of the institution, and the leadership provided by the University Executive as a whole.

3. An annual summary of the performance of the senior post holders against personal objectives for the past year shall be presented to the Committee by the Vice-Chancellor.
4. For exceptional performance in both collective and personal objectives which is fully evidenced, a salary increase, in addition to the cost of living uplift, may be recommended, with due reference to the benchmark data.

Where the exceptional performance is specific to an academic year rather than evidence of sustained long-term improvement to the University (for example a one-off contribution or project over and above the agreed objectives), a one-off bonus may be awarded. The value of that bonus in percentage of salary terms should take account of the percentage of salary received by other recipients of reward schemes in the wider University.

Bonuses for two consecutive years should be rare. Bonuses should not become part of an expected part of a remuneration package and should not be used to address other salary related issues or considerations.

5. In exceptional circumstances, and regardless of any recommendation to increase the senior post holder's remuneration based on performance, the Vice-Chancellor may review the senior post holder's overall emolument package against the latest benchmark data. Where there is clear justification for doing so, the Vice-Chancellor may recommend that the Committee considers a salary increase.

#### 8. Decisions taken by the Vice-Chancellor with respect to other senior post holders

The Vice-Chancellor shall present an annual report to the Committee outlining the decisions taken with respect to the remuneration of all other senior post holders within the University, including their starting remuneration on appointment, any changes since agreed and the rationale for such changes.

#### 9. Severance Packages

1. The values of any Severance Packages to senior staff shall normally be in line with the University's Voluntary Severance / Voluntary Early Retirement schemes.
2. For higher value Severance Packages, a recommendation shall be presented to the Remuneration Committee for approval. In considering a proposed higher value Severance Package, the Remuneration Committee shall have due regard to the Westminster Government's 'Reforms to Public Sector Exit Payments' (September 2016) publication, as well as the latest guidance issued on such matters by HEFCW, the CUC, or other relevant body.
3. The Severance Package being recommended shall be based on contractual entitlements, and any applicable statutory employment entitlements, with appropriate legal advice sought.
4. Final-year salaries shall not be inflated to boost pension benefits.
5. When a severance arises following poor performance on the part of an individual, payment should be proportionate, and there should be no perception that poor performance is being rewarded.
6. Enhancements to severance packages should not as a rule be provided out of any public funds received by the University. The Remuneration Committee shall also consider the requirements

of the University as a charity, and the requirements that charitable funds only to further the University's charitable purposes.

10. Other Principles

1. The University does not offer to senior staff the opportunity to structure their remuneration or emolument package in a way which is not available to all other members of staff (e.g. to minimise their tax liabilities).
2. In determining the remuneration or emolument package of senior staff, the following principles shall be of particular relevance.

1. Performance Management

While decisions on the remuneration of senior staff shall have reference to performance against objectives, underperformance shall be managed in accordance with the University's Capability Policy and Procedure.

2. Cost of living salary uplift

Any nationally-negotiated cost of living salary uplift which is being applied at the University to the HERA 51 point pay spine shall also be awarded to all senior staff, as defined at point 1.

3. Expenses

The repayment of any expenses "wholly, exclusively and necessarily incurred in the performance of an employee's duties" shall be reimbursed in accordance with the University's Financial Regulations and Procedures, and the Travel Policy.

4. Income from External Commitments

1. Consultancy and other outside services undertaken by staff of the University shall be managed in accordance with the Aberystwyth University and Bangor University Common Policy on Consultancy Services.
2. Staff members shall not accept any income for performing any other external commitments in a personal capacity or as a representative / nominee of the University, where they are also accepting remuneration from the University for the time in question or have not arranged to take annual leave.

5. Employer Pension Contributions

The University shall not pay to an individual a salary top-up equivalent to the value of the contribution which would normally be made as employer to a pension scheme.