

# CARDIFF UNIVERSITY SENIOR STAFF PAY POLICY FROM 2017

## 1. Introduction

The Remuneration Committee is responsible for formulating University remuneration policy for senior staff, determining any performance-related awards. Whilst the University is committed to rewarding outstanding performance, value and practice varies from year to year influenced by budgetary and institutional performance considerations. This Senior Staff Pay policy and the principles outlined below have been agreed by the Remuneration Committee within this context.

## 2. Coverage

This policy sets out the remuneration policy for Cardiff University's senior staff (i.e. those not covered by collective bargaining under the National Framework Agreement). This policy does not cover clinical academic staff whose pay is determined under separate arrangements.

## 3. Reward principles

Cardiff University seeks to adhere to the following reward principles in determining pay for senior staff:

1. The process for remunerating senior staff will be clear, fair and transparent and play an important part in providing equal pay for work of equal value.
2. Support the University in the achievement of its aims and objectives.
3. Support the University in its ambition to attract, retain and motivate high calibre staff.
4. To allow the University flexibility to respond to market pay pressures, the University will monitor actively the external market with the aim of remaining fully competitive with UK-based research intensive institutions and the Russell Group. This includes consideration of salary levels in other institutions and whether there is a trend for senior salary reviews to be conducted, restricted or suspended.
5. Pay increases will be clearly differentiated according to performance and market. Performance in line with role expectations will be rewarded with a pay increase that maintains pay competitiveness within the sector by application of any nationally negotiated pay award.
6. The University will gear performance awards to those that are adding most value to the University against the relevant banding criteria.
7. The financial framework for determining senior staff remuneration will take into account the impact on total costs of employment, not just the cost of actual pay increases. This includes such considerations as the on costs of employment e.g. pension costs and national insurance contributions.

## 4. Pay structure

The University's Senior Staff pay scale is split into three bands and is published on the intranet (<https://intranet.cardiff.ac.uk/intranet/staff/documents/hr-general/human-resources/NEW-Senior-Staff-Pay-Scale.pdf>). The pay scale is normally adjusted annually by reference to the outcome of the national pay negotiations that apply to grades one to eight. All senior staff that meet the relevant

performance criteria will receive the annual pay increase that applies to the pay spine. This ensures that salaries remains competitive within the sector.

The University has a commitment to be a fair employer and aims to justify pay differentials using consistent criteria. The University will record and monitor pay differentials to inform pay decisions, together with the external market and performance information.

## **5. Pay on Appointment**

Recruitment to Senior Staff roles will be made against the relevant banding criteria for Professors or Hay evaluation for Professional Services Staff. Further detail is available via the intranet (<https://intranet.cardiff.ac.uk/staff/your-employment/your-performance/senior-reward-strategy>).

The allocation of band is not determined by the salary but by evidence of meeting the banding criteria. Newly promoted senior staff will normally be appointed to the first point of band 1<sup>1</sup>. For external appointments professors will be allocated a band against the published criteria, based on 'best fit' against the four headings. Placement within a band will be determined by assessment of the knowledge, skills and competencies, together with the external market data, and relevant internal pay differentials for the discipline. This process is critical in ensuring that consistent and robust standards are applied within and across Colleges in the recruitment and retention of Senior Staff.

## **6. Review of Senior Staff pay**

### **6.1 Full Senior Salary Review and Banding (biennial)**

At its April meeting, the Remuneration Committee considers whether there should be a review of Senior Staff pay. The outline financial envelope available for the review will be discussed and determined annually as an initial step in the review process.

The Remuneration Committee may give guidance on its expectations in relation to the approach to recommendations in any particular review round, depending on the particular environmental factors in that year. In times of financial constraint, awards may be restricted, for example, lump sum payments as opposed to incremental progression. Recommendations to the Review Panel will indicate the form of reward recommended within that guidance. An announcement of the process is made in July of the relevant year.

The review of performance and achievements will be for the full biennial period. Submissions are made after the end of the assessment period and recommendations are then made by Heads of Schools to PVC Heads of College or by the Chief Operating Officer. Outcomes are considered at the Remuneration Committee's November meeting. This timing enables the University to take account of up-to-date senior salary data from the UCEA and Russell Group surveys and is in line with the University's planning and budgetary cycle.

### **6.2 Criteria**

The performance of all senior staff is rated against a standard scale, taking into account banding criteria and all the sources of performance evidence that are available. The amount of base pay increase or lump sum award should correlate with the ratings, as indicated below, modified only where appropriate by any considerations relating to the external market or internal relativities. The ratings are:

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<sup>1</sup> For Professorial staff this is Point 2 of Band 1

1	<b>Under performance</b>	<p>The individual is not fulfilling many of their objectives as set out in their Performance Development Review and/or many of the expectations of the role as set out in the job description and generic role descriptors.</p> <p><b>Note:</b> It is likely that the individual has failed to do so over an extended period and that as a result a performance improvement plan has been put in place. In limited circumstances, there could be a more abrupt yet serious collapse of performance which requires formal action.</p>
2	<b>Performance which falls short of expectations</b>	<p>The individual is not meeting or fulfilling some of their objectives as set out in their Performance Development Review and/or some of the expectations of the role as set out in the job description and generic role descriptors.</p> <p><b>Note:</b> This reduction in performance is likely to have occurred or been identified in the last year. It has been raised with the individual and supportive measures have been suggested to assist improvement. The drop in performance has not merited a formal improvement plan.</p>
3	<b>Performance meets expectations</b>	<p>The individual is fully competent in the role, consistently achieving all or most objectives/ performance expectations (standard increase in line with the annual structural uplift).</p>
4	<b>Performance exceeds expectations</b>	<p>The individual fulfils roles and responsibilities, exceeds objectives/ performance expectations, is easily recognisable as a high performer (standard increase in line with the annual structural uplift, and either a one off payment or a consolidated award).</p>
5	<b>Outstanding/exceptional performance</b>	<p>The individual makes an exceptional contribution to the university; a role model and star performer (performance awards made at this level either in the form of a one off payment or a consolidated award).</p>

In rating performance, account will be taken of the relevant Band criteria and the extent to which individual performance contributes to the achievement of University objectives and strategy, with reference to the particular School/College/Professional Services in which the member of senior staff works.

Equity reviews to ensure transparency and equal pay for equal work will also be included as part of this exercise.

### 6.3 Banding movement

Professorial staff may apply and be considered for movement into the next band subject to satisfying the relevant band criteria at the next level. A University Banding Review Panel will consider cases through the respective Heads of Schools/College PVCs via the biennial Senior Salary Review Process. Full details of the banding movement process will be published post consideration at the April meeting of the Remuneration Committee in 2018.

### 6.4 Limited Senior Salary Review (equity and retention)

The Limited Senior Salary Review will be for those cases where an equity and/or retention concern has been identified following a review of the market and internal pay relativities for the relevant

discipline. All senior staff will be assessed by their Head of School/Department and will be reviewed by discipline and band, using School, College and sector market data alongside protected characteristics and experience.

Heads of School/Department will then meet with PVC/Chief Operating Officer, Reward Manager and College/Professional Service HR Business Partner to consider and make final recommendations for increases in pay, (whether through consolidated increases or non-consolidated market allowances) to the Senior Salary Review panel.

## 7. Early Career Professors

Points 2 to 4 of the Band 1 scale are for Early Career Professors who are eligible for automatic incrementation of one spinal point per year, subject to satisfactory performance. To award this increment Heads of School will be asked to confirm satisfactory performance as part of the Senior Salary Review process. This increment will take effect from the 1st August.

## 8. VC and Direct Reports

Remuneration for the Vice Chancellor and direct reports (Deputy Vice Chancellor, Pro Vice Chancellors and Chief Operating Officer) is determined by the Remuneration Committee.

The Vice Chancellor's remuneration is determined according to criteria set by the Remuneration Committee.

The Vice Chancellor will make recommendations in relation to his/her direct reports directly to the Remuneration Committee in accordance with the principles in this policy.

## 9. Assessors and Moderators for the Biennial and Limited Senior Salary Reviews

Staff group	Assessor	Moderator
Professors	Head of School	PVC Head of College
Heads of School	PVC Head of College	Senior Salary Review Panel
Deans	PVC Thematic with input from PVC Head of College  Head of School with input from Thematic PVC	PVC Head of College and Review Group
Professional Services Senior Staff (School-based)	Head of School	PVC Head of College
Professional Services Senior Staff (College-based)	PVC Head of College	Chief Operating Officer and Senior Salary Review Panel
Professional Services Senior Staff (Centrally-based)	Chief Operating Officer with input from relevant Director	Senior Salary Review Panel
Professional Services Directors (direct reports to Chief Operating Officer)	Chief Operating Officer	Senior Salary Review Panel

## **10. Moderation and verification**

As part of the Senior Salary Review process (both biennial and limited) the College Pro Vice-Chancellor,<sup>2</sup> supported by a HR Business Partner and the University's Reward Manager, will meet with each Head of Schools to discuss their recommendations. This will include equity and retention adjustments in the context of the overall pattern of recommendations across the College, the University, the external market evidence and internal pay differentials.

## **11. The Senior Salary Review Panel**

The Review Panel considers and approves cases on an individual basis and confirms the overall pay recommendations to be put to the Remuneration Committee. The Review Panel is made up of the Vice-Chancellor, the College Pro Vice-Chancellors, the Chief Operating Officer, and the Deputy Vice-Chancellor supported by the HR Director. The Remuneration Committee will review the remit of the Review Panel annually.

The role of the Review Panel is to:

- Consider the financial envelope for pay-bill increases in the light of the Remuneration Committee's preliminary determination and more recent financial information and make any recommendations for adjustment to the Remuneration Committee;
- Monitor and approve pay recommendations for all senior staff based on information provided about the distribution and pattern of awards within each College/the Professional Services;
- Ensure that the appropriate balance between base pay and lump sum awards is kept in accordance with the pay policy;
- Ensure that correct process has been followed;
- Monitor, and if appropriate adjust recommendations in relation to the overall impact on the pay bill;
- Consider a report detailing the effect of recommendations by gender and race in order to monitor, and if appropriate adjust recommendations for internal equity in accordance with the University's normal equalities and diversity monitoring criteria.
- The review panel provides the final moderation of the process and undertakes a detailed review of the recommendations made or endorsed by the PVCs and the Chief Operating Officer. It does not consider those relating to the VC and his direct reports.

## **12. Remuneration Committee decision**

The Remuneration Committee considers the assessment of the performance of senior staff and any recommendations for review at its November/December meeting. It also considers those relating to the VC and his direct reports. Following decision by the Remuneration Committee, the outcomes of the Review are communicated and implemented.

## **13. Review provision**

If an individual feels that due process has not been followed in the review process, or wants to query the outcome, they should in the first instance discuss the matter with their Head of School/Director of Professor Services responsible for the assessment. If this does not resolve the issue, the follow-up discussions should follow the same route as for dealing with grievances.

## **14. Out-of-cycle basic pay reviews**

In exceptional circumstances only, the University may review pay for individual job-holders during the course of the year. The Remuneration Committee has made specific levels of delegation to the

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<sup>2</sup> or such other person as the Vice-Chancellor may appoint

Chair of the Remuneration Committee and/or the Vice-Chancellor to make decisions on such out-of-cycle reviews. Conditions may be attached to any such award. All such awards are reported to the Remuneration Committee.

For such an adjustment to be authorised there must be evidence of a significant business or reputational risk to the University if no pay adjustment is made. Prior to consideration of an offer of a pay increase all other possible options must be explored, for example changing or enhancing job responsibilities.

A written proposal for any out-of-cycle adjustment should be submitted in writing, with a business case, by the Head of School to the College Pro Vice Chancellor or by the Director to the Chief Operating Officer. If endorsed by the College Pro Vice Chancellor or Chief Operating Officer, the case should be submitted to the Director of HR for Vice Chancellor approval in line with limits agreed by the Remuneration Committee. Increases above this level may be made following consultation with the Chair of the Committee.

### 15. Market Supplements

There will be occasions when the total reward package may not match equivalent remuneration levels offered for comparable posts in the wider labour market, which on occasion, lead to recruitment and retention difficulties. In such circumstances, where there is a clear business need supported by objective market data, the University will consider and apply as appropriate a market supplement payment, in addition to the normal reward package for such a post, in accordance with the University’s Senior Staff Market Supplement Policy.

### 16. Monitoring

Cardiff University has a strong commitment to being a fair employer and its reward policies and practices aim to reflect this.

The University will continue to monitor pay on appointment, pay recommendations and outcomes as part of the pay review process and out of cycle pay reviews. This information will be used to check out potential areas of inequalities or anomalies. Line management will be asked to take the outcomes of monitoring into account when making any pay decisions.

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