##

## CARDIFF METROPOLITAN UNIVERSITY

**SENIOR STAFF REMUNERATION POLICY**

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh

**Introduction**

1. This Remuneration Policy Framework sets out Cardiff Metropolitan University’s approach to the remuneration of its senior post holders.
2. To comply with the Committee of University Chairs (CUC) Higher Education (HE) Code of Governance, a governing body is required to establish a Remuneration Committee.
3. Operating under the delegated authority of the Cardiff Metropolitan University Board of Governors, the Remuneration Committee’s terms of reference include determining the remuneration of the Vice-Chancellor and other designated senior post holders. The Committee’s remit includes all forms of remuneration and severance payments.
4. The Remuneration Committee undertakes a detailed scrutiny of pay and reward proposals for senior post holders; makes decisions regarding the pay and reward for senior post holders; and presents recommendations, as appropriate, to the Board of Governors, to approve changes to senior post holders’ remuneration.
5. This Remuneration Policy Framework should be reviewed by the Remuneration Committee every two years and be presented to the Board of Governors for approval.

**The principles that underpin fair and appropriate remuneration**

1. The Higher Education Senior Staff Remuneration Code sets out the key principles that underpin fair and appropriate remuneration:
* **A fair, appropriate and justifiable level of remuneration**
* **Procedural fairness**
* **Transparency and accountability**
1. Through adopting the Remuneration Code, Cardiff Metropolitan University Remuneration Committee is able to demonstrate leadership and stewardship in relation to remuneration within the University, and in doing so is helping to protect the University’s reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.

**Posts covered by this framework**

1. The senior posts at Cardiff Metropolitan University, are the posts for which the Board is responsible for the appointment, remuneration and the dismissal of the post holder. These designated posts are:
* President and Vice-Chancellor;
* Deputy Vice-Chancellor;
* Pro Vice-Chancellors;
* Chief Officer (Resources); and
* University Secretary and Clerk to the Board of Governors;
1. This Remuneration Policy Framework does not apply to all other Cardiff Metropolitan University employees, as their terms and conditions of employment are the responsibility of the President and Vice-Chancellor. Furthermore, national and local pay structure agreements are in place for this cohort of employees.

**Determining Remuneration**

1. When making a decision on remuneration, a range of factors should be considered, including the context in which the University operates; an individual’s contribution; and comparative salary data.
2. The Remuneration Committee will be provided with equality, diversity and inclusion information, as well as other relevant data, in order to assist them in decision making. This includes the UCEA Senior Staff Remuneration Survey Data published annually, the University’s Annual Pay Policy Statement and Gender Pay Gap Report, and Vice-Chancellor’s salary as a multiple of the median salary of the total staffing body, as well as any other relevant data available.

**Assessing individual contribution**

1. Linking performance to pay requires a transparent and robust approach to assessing performance. The Cardiff Metropolitan UniversityPerformance and Development Review (P&DR) Framework for seniorpost holders, clearly explains how individual performance is assessed.
2. It aims to provide the Remuneration Committee with the assurance that a robust performance assessment process has been applied, to underpin any pay decisions made.
3. At the start of each pay remit year, performance objectives, which will include measures of success, will be set and agreed for all senior post holders. The setting of objectives should be completed by the end of October, at the latest, for the period from the preceding September to the following August.
4. At the end of the Performance year (31 August), an Annual Performance Review discussion will take place. These should be completed by the end of September.
5. The Remuneration Committee will receive a summary report of the Vice-Chancellor’s overall performance against personal objectives for the past year. This report shall be presented to the Committee by the Chair of the Board of Governors.
6. The Vice-Chancellor will provide the Remuneration Committee with a summary

report of the other senior post holders’ performance against their personal

objectives for the past year.

**Sources and use of comparative salary benchmark data**

1. The Remuneration Committee will use as its primary sources of comparative salary data:
* the Survey of Vice-Chancellor’s salaries undertaken by CUC
* and data collected by the Universities and Colleges Employers’ Association (UCEA)
1. The sources of data are updated annually, although the UCEA data is based on the preceding year rather than the current year.
2. The UCEA reference data that will be used by the Remuneration Committee

 when agreeing the remuneration of senior post holders is the benchmarking

data for ‘Total Pay’ in ‘All Universities’ in the £100m - £160m turnover category.

1. Benchmarking data should help inform the level of remuneration for senior post

holders but should not be the only basis on which the Committee makes it decision. Other contextual information should also be considered such as: knowledge, skills and experience; current salary; equality and diversity data; size and scope of the role; impact; academic and professional credibility needed for the role; and the ability to maintain stability through recruitment and retention of key post holders.

1. Higher salaries may be justified for exceptional performance which is fully evidenced through the agreed performance framework.

**Cost of living**

1. The senior post holder pay remit year runs from 1 August to 31 July**.** Any nationally negotiated cost of living salary uplift, which is being applied at the University to the nationally agreed pay structure shall also be awarded to all senior post holders.

**Annual Pay Awards**

1. Following the Annual Performance and Development Review process, the Remuneration Committee will consider annual pay awards for all senior post holders.
2. The Remuneration Committee will consider the annual pay award for the Vice-Chancellor and present a recommendation to the Board of Governors for their approval.
3. In addition to any cost of living pay awards, for exceptional performance, which

is fully evidenced, a further salary increase may be recommended. This will be made with due reference to the benchmarking data but should not be the only basis on which the Committee makes it decision.

1. In addition, the Remuneration Committee will consider:
2. the overall package provided, including any allowances and the taxable value of any benefits in kind provided;
3. in line with the Remuneration Code, the pay multiple of the Vice-Chancellor against the median earnings of the University’s whole workforce; and
4. any pay anomalies which should be addressed.
5. Regardless of any increase based on performance, where there is clear justification for doing so, the Remuneration Committee may recommend an increase to the Vice-Chancellor’s salary as appropriate.
6. The Vice-Chancellor will present the pay award proposals for Level 2 postholders to the Remuneration Committee for their consideration and endorsement. In doing so they will use a range of data and information and provide appropriate justification and rationale for their proposals.
7. The Remuneration Committee will consider matters of equality, diversity and

inclusion, with a view to ensuring that there are no biases related to gender or

other protected characteristics within the senior post holders’ pay structure, and

in the decision-making process.

1. The University does not operate a performance bonus related pay scheme.

**Reporting back to the Board of Governors**

1. The Remuneration Committee will report back to the Board of Governors and seek endorsement for the pay recommendations that it has made.
2. In line with the Remuneration Code, a Remuneration Annual Report will be

presented to the Board of Governors. The report will contain sufficient detail to

provide assurances that the Committee has effectively discharged its

responsibilities and will allow Governors to assess that any recommendations

they are asked to approve are appropriate, fair and justifiable.

**Salaries on appointment**

1. For the appointment of the Vice-Chancellor, the Remuneration Committee shall determine a remuneration remit within which the Chair of the Board of Governors may negotiate with the successful candidate. This will take all elements of the salary and benefits package into account.
2. This remuneration remit will make reference to the ‘Total Pay’ for ‘All Universities £100m - £160m’ category UCEA benchmark data but should not be the only basis on which the Committee makes it decision.
3. Other contextual information should also be considered such as knowledge, skills and experience; current salary; equality and diversity data; size and scope of the role; impact; academic and professional credibility needed for the role

and the ability to retain key post holders. Higher salaries may be justified for

exceptional performance which is fully evidenced.

1. The Vice-Chancellor shall determine the starting salaries for all other senior post holder appointments. The ‘Total Pay’ for ‘All Universities £100m - £160m’ benchmark data should be referenced, however, as above, it should not be the only basis on which the decision is made.
2. Any proposed salaries in excess of the median as defined by the UCEA data (e.g. upper quartile) requires the approval of the Remuneration Committee. This will be through correspondence where a decision is required before the next scheduled meeting of the Committee. Any decision taken will formally be reported to the next meeting.

**Severance Payments**

1. In line with the Higher Education Senior Staff Remuneration Code, any severance payments must be fair, reasonable and justifiable and not expose the University to significant risk or potential liabilities regarding notice periods of more than six months. The Remuneration Committee must be able to explain the reasons for any payments made.
2. The University has a Senior Staff Severance Policy, which should be considered.
3. Any contractual entitlements, and any applicable statutory employment

entitlements will be taken into account and appropriate legal advice sought.

1. Enhancements to severance payments should not be provided out of public funds.
2. When a severance follows poor performance, payment should be appropriate and there should be no perception that poor performance is being rewarded.
3. Where applicable, final-year salaries should not be inflated to boost pension benefits.

**Other Principles**

1. In determining the salary or total benefits package of senior staff, the following principles shall be of particular relevance.

Under performance

1. While decisions on the remuneration of senior post holders will reference performance against objectives, underperformance shall be managed in accordance with the University’s Capability Policy and Procedure.

Expenses

1. The repayment of any reasonable expenses incurred in the performance of official business duties for Cardiff Metropolitan University are reimbursed in accordance with the University’s Financial Rules and Regulations, and Travel Policy.

Income from External Commitments

1. Consultancy and other outside services undertaken by staff of the University shall be managed in accordance with the Cardiff Metropolitan External Appointments policy.

Employer Pension Contributions

1. Cardiff Metropolitan has a policy of considering an offer to top up a salary for senior post holders in lieu of employer pension contributions in circumstances where the size of their existing pension pot exceeds their lifetime allowance. The top up allowance should be increased in line with employer pension contributions.