

## **Harper Adams University**

### **Board of Governors**

#### **Remuneration Policy Statement**

##### **1. Definition of Senior Staff**

The University defines “Senior Staff” as The Vice-Chancellor, Deputy Vice-Chancellor, University Secretary, Director of Finance, Academic Registrar and Director of Student Services; Director of Learning and Teaching, Director of Marketing and Communications.

##### **2. Background information-the Framework for setting remuneration for Staff and role of Staffing Committee of the Board of Governors**

As recommended by the CUC HE Senior Staff Remuneration Code, this policy document also references, by way of background information, the University’s arrangements for setting the remuneration for staff other than those whose roles are designated as “senior staff”.

The framework for remuneration and terms and conditions of employment for staff (other than Senior Staff) is overseen by the Staffing Committee of the Board. The framework for staff uses the single pay scale common to many UK HEIs. Roles are assigned to a grade on the single salary scale using the HERA job evaluation system. Each grade has a salary range associated with it, which includes an annual incremental uplift (each annual increment ranges from 2%- 3% uplift per annum) so that staff may progress to the top of the grade in due course. As approximately one third of staff are normally eligible for incremental pay uplifts each year this equates to an average of 1% uplift when an average is calculated across all staff. Salary points on the scale area also subject to uplift by the nationally negotiated pay award managed on behalf of HEI members by UCEA.

Overall, the average current uplift for all staff is anticipated to be 3% on average for 2018/19, subject to the final national pay award outcomes.<sup>1</sup>

The University operates a promotion process for academic staff to seek progression to Principal Lecturer, Reader or Professor. Support staff roles may be subject to review using the HERA system in circumstances where the nature of the role has changed significantly. Subject to the rules of the schemes, staff at the University are eligible to join either Teachers Pension Scheme or the Local Government Pension Scheme.

##### **3. The Framework for setting remuneration senior staff and role of Remuneration Committee of the Board of Governors**

The framework for remuneration and terms and conditions of employment for senior staff pay at the University is overseen by the Remuneration Committee of the Board of Governors. The framework for senior staff is informed by the principles below and the Remuneration Committee is responsible for determining the remuneration of a new member of senior staff on appointment drawing on these principles.

Senior staff pay is subject to uplift by the national pay award, but roles are not part of an incremental scale. Senior staff roles are also not included in the University wide Staff Bonus Scheme. Subject to the rules of the schemes, senior staff at the University are eligible to join either Teachers Pension Scheme or the Local Government Pension Scheme. Senior staff are able to join a Universities BUPA healthcare scheme if they wish to do so and are required to meet the necessary personal taxation costs associated with the scheme.

Senior staff are subject to an annual performance review process which informs the decisions made by the Remuneration Committee about senior staff remuneration. The Committee is authorised by the Board to make decisions in line with the arrangements set out in summary this document. The detailed arrangements that govern the work of the Remuneration Committee are set out in the

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<sup>1</sup> NB this element of the Policy will need to be reviewed and re-stated each year depending on anticipated national pay award levels.

document “Senior Staff Salary Reviews” (SSR) (link). This document includes the terms of reference of the Committee.

### 3. Overarching principles agreed by the Board for setting the Remuneration of Senior Staff

The Board has agreed that when Remuneration Committee is considering the remuneration package for a new Senior Staff role; when filling a vacancy for an existing Senior Staff role, and when conducting the annual review of Remuneration of Senior Staff, the same principles must underpin all decisions. The principles are as follows:

Taking into account the context in which the University operates:

- Equal Pay for work of equal value;
- Ensuring that principles of equality, diversity and inclusion are considered to ensure that there are no biases relating to any protected characteristics within the pay decisions made for senior staff pay;
- The value of the role will be assessed by considering level of responsibility, size and complexity of the role, specific expertise and experience required and any other key components specific to any particular senior staff role. Should a senior staff role change significantly, re-evaluation may be required which may result in decisions to reduce or increase core salary;
- The importance of recruiting and retaining senior staff with the necessary skills and expertise to deliver the University’s strategic plan sustainably and within budgetary limits;
- The importance of ensuring that the University has a leadership team who are set clear objectives annually to ensure that they effectively manage and lead the University in its work to provide public benefit, meet its charitable objects <sup>2</sup> and maintain its reputation and performance as a leading small specialist institution;
- Evidence of performance measured against individual objectives and overall contribution to the work of the University each year is independently reviewed and judged annually by the Remuneration Committee as set out in the SSR document referred to above. Submissions made to the Remuneration Committee need to demonstrate exceptional performance in a senior staff role and need to include justification about why such elements are exceptional either in terms of success or major increases in responsibilities during the previous year. Workload alone is not a sufficient criterion for a performance payment and there is no guarantee of any performance award. Where performance is judged to be below expectations and objectives have not been sufficiently met, the Remuneration Committee may decide to recommend to the Board that formal action to address underperformance should be taken;
- Where an non-consolidated one-off award is made for exceptional performance against annual objectives in a limited number of areas in any particular year, such awards are not consolidated;
- Evidence of market factors such as remuneration for similar senior roles at cognate Universities in the UK. The Committee uses the UCEA Survey of Senior Staff Pay and OfS/HESA published data on Vice-Chancellor’s remuneration to inform its understanding of market conditions. The chosen comparators in the UCEA Survey are: all post 1992 HEIs, all post 1992 HEIs (income up to £70M), post 1992 HEIs in England (income up to £70M); GuildHE members;
- Consideration of the Gender Pay Gap;
- UCEA pay multiple data for the Vice-Chancellor as Head of Institution compared to median pay of all staff;
- Consideration of the justification (or otherwise) of the retention of any externally generated income generated by a member of senior staff where he/she is acting in a personal capacity;
- The University’s arrangements for permitting senior staff to undertake paid or unpaid work outside the institution (see below);
- Consideration of the University’s expenses arrangements and the level of expenses claimed in any one financial year (see below)

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<sup>2</sup> The University’s charitable objects are: the provision, conduct and development of the University to provide higher education for the industries, professions and communities associated with rural land. Details of the public benefits delivered by the University can be found in the Annual Reports and Financial Statements published on the University’s web site.

All of the above principles need to be carefully weighed when the Remuneration Committee is determining senior staff pay such that a balance is struck between recruiting, retaining and rewarding the best staff possible, to deliver the best outcomes for students, society and the economy while demonstrating effective and efficient use of resources.

#### **4. External appointments for senior staff (paid and unpaid)**

The University's service agreements for senior staff require exclusivity of service and do not permit senior staff to undertake any form of paid or unpaid employment outside of their role at the University without the explicit permission of the Vice-Chancellor (or Chair of the Board in the case of the Vice-Chancellor).

Permission to undertake external work whether paid or unpaid is considered in the context of whether the proposed work will be of benefit to the University's interests and whether or not the external work can be accommodated alongside the senior staff member's substantive role such that the latter is not compromised in any way.

The University may also request that senior staff take up external work such as that of membership of national bodies or advisory work for national bodies such as the Quality Assurance Agency, Advance HE or Research Excellence Framework Panels. Such work enables the University to play its role in engaging with the wider HE sector for the good of students and all stakeholders. Such work also enables good practice to be brought back to the University and ensures its senior staff are actively aware of, and engaged with current policy making and other key activities across the HE sector.

Where external work is paid, the University has adopted the following approach:

- When seeking permission to undertake external work, any payment must be discussed and agreed with the Vice-Chancellor. Senior staff will only be able to retain all or part of such payments if they complete all or the majority of the external work in their own time (i.e. out of normal working hours and at weekends) and or take leave to complete the work. Where work occurs during the normal working week, the senior staff member must make up the time in full.
- If the Vice-Chancellor wishes to undertake paid external work, this must be formally considered by the Remuneration Committee which shall recommend to the Board whether or not all or part of any payment can be retained. The Committee shall seek Board approval of its recommendations before any final agreement is reached.
- All senior staff are required to formally declare in writing every year to the Remuneration Committee whether or not they have received any payment for external work. The amount of payment received for any external work must also be declared annually to the Remuneration Committee along with an indication of any anticipated income for the forthcoming academic year. Remuneration Committee will determine on an annual basis whether or not it remains content with such payment arrangements

#### **5. Expenses for senior staff**

Senior staff are required to adhere to the University's expenses policy published in its Financial Regulations. The same regulations apply to all staff. A report from the Finance Office on senior staff expenses is provided annually to the Remuneration Committee.

Remuneration Committee

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