

### 1.0 Introduction

Fair and appropriate remuneration is key to the success and development of the UK's Higher Education sector, operating as it does in an intensively competitive global environment. To support members of governing bodies, this Higher Education Senior Staff Remuneration Code (the Remuneration Code) has been developed after wide consultation with Committee of University Chairs (CUC) members and Higher Education stakeholders. This Code underpins this policy.

By visibly adopting the Remuneration Code, the Board of Governors demonstrates leadership and stewardship in relation to remuneration within their institutions, and in doing so helps to protect institutional reputation and provide greater assurances to key stakeholders and partners, including the student community and wider society.

### 2.0 The Role of Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration and reward arrangements for the Vice Chancellor and holders of senior posts as determined by the Instruments and Articles of Government ("Senior Postholders" / "holder/s of senior post/s"). These are the Executive posts.

The terms of reference for the Remuneration Committee can be found at <http://www.staffs.ac.uk/about/governance/committees>.

Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision-making using appropriate evidence and assessing the value of roles, the context and individuals' performance in them.

### 3.0 Elements of fair and appropriate remuneration

Fair and appropriate remuneration requires three key elements – namely that there is:

- a fair, appropriate and justifiable level of remuneration;
- procedural fairness; and
- transparency and accountability.

Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively.

Fair and appropriate remuneration then recognises an individual's contribution to their institution's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

Remuneration should take account of the context in which the institution operates.

Remuneration must be linked to the value delivered by an individual acting within a role.

Remuneration must consider matters of equality, diversity and inclusion with a view to ensuring that there are no biases pertaining to gender or other protected characteristics within the remuneration discussions.

#### **4.0 The elements of Remuneration and Reward**

Remuneration includes the following:

- The annual review of the salary of the role
- Additional Benefits
- Additional external Income
- Expenses

Each of these will now be addressed below.

#### **4.1 The annual review of the salary of the role**

The annual review of the salary of the Vice Chancellor and other Senior Postholders will be considered on the following basis:

- Cost of Living Pay Award for all other staff – the annual cost of living award for all other staff is determined nationally, between the University and Colleges Employers Association (UCEA) and the recognised trade unions. The annual review of Senior Postholder remuneration should be determined in the context of each institution’s approach to rewarding all of its staff, and in particular, consideration should be given annually to the rate of increase of the average remuneration of all other staff. This outcome will therefore be reflected in the considerations of the Remuneration Committee
- Competitive Position to attract and retain talent - To retain staff, the Remuneration Committee will need to consider market position – typically by looking at a set of comparator institutions/organisations. The choice of these comparators will be linked to institutional strategy and will reflect the standard suite of competitor institutions. For the Vice Chancellor these are as follows:
  - Birmingham City University
  - University of Derby
  - Wolverhampton University
  - UCLAN
  - Huddersfield University
  - Liverpool John Moores
  - Coventry
  - Keele
  - Leicester De Montfort
  - Sunderland

For these purposes the Remuneration Committee utilises the CUC Annual Survey of Vice Chancellors’ Remuneration. For the Vice Chancellor’s role and the other senior postholders, the Remuneration Committee considers the UCEA Annual Survey of Senior Postholders. In particular, focus is upon post-92 institutions within the same income category as Staffordshire University. The University aspires to pay the following for its Senior Postholders, noting that for some roles the direct comparison with the survey results is not exact:

Deputy Vice Chancellor	median of total pay for Deputy Vice Chancellor roles
Chief Financial Officer & Deputy Chief Executive	upper quartile of total pay for Chief Operating Officer roles
Chief Operating Officer	median of total pay for Chief Operating Officer roles
Pro Vice Chancellor - Student Experience	upper decile of total pay for Pro Vice Chancellor roles
Pro Vice Chancellor - Partnerships & Region	upper decile of total pay for Pro Vice Chancellor roles

In exceptional circumstances, comparator selection may also be broader depending upon the nature of the role – for example private and public sector comparisons are often used for professional services staff, whereas NHS and international Higher Education Institution comparisons may be more appropriate for certain academic staff.

- Change of Role Composition or Growth in Responsibilities - From time to time the value of a role may need to be reviewed. The value of a role is based on a number of components and criteria for assessing the value of roles, which could include:
  - complexity (scale and range of decision making, collaboration and contact, time-critical activity);
  - impact (on students, research, finances and people, including employees, partners and citizens);
  - discretion (level of accountability, degree of autonomy and decision-making authority);
  - development of levels of knowledge, skills and experience, normally as a consequence of one of the above bullet points.
- Financial Performance and Sustainability of the University – the financial position of the University should provide the context for any proposed increases to the levels of salary of the Vice Chancellor and Senior Postholders.

#### 4.2 Additional Benefits

In addition to the base pay for the role and Performance Related Pay, the Vice Chancellor and Senior Postholders also receive the following benefits:

- Death in service payment of 1 x salary in addition to any pension provisions
- Private medical provision for the role holder

Together with other contractual benefits such as annual leave, sickness payments and notice period.

#### 4.3 Additional External Income

It is important for institutions that senior postholders represent the University on various bodies and boards and carry out academic and civic responsibilities at other organisations, e.g. non-executive director roles. Additional income for such activities will only be permitted by approval of the Vice Chancellor for Senior Postholders. Additional income for such activities will only be permitted for the Vice Chancellor by approval of the Chair of the Board of Governors.

#### **4.4 Expenses**

Within the Financial Regulations are the detailed guidance for the claiming of expenses incurred with fulfilling the requirements of the role. The authorisation of such expenses is as follows:

- Vice Chancellor to be authorised by the Chair of the Board of Governors;
- other Senior Postholders authorised by the Vice Chancellor.

On an annual basis the Remuneration Committee, at its autumn meeting, should receive a report detailing the Vice Chancellor and Senior Postholder claimed expenses, together with a comparison to the previous year's expenditure.

#### **5.0 Failure to Perform**

The University will also need to reflect on what the consequences will be in instances where individuals do not deliver the expected contribution. Consequences for individuals will depend on the nature of the remuneration package offered, but might mean no uplift of basic pay, or some form of performance management.

#### **6.0 Transparency and Accountability**

The Remuneration Committee will produce an 'Annual Statement of Senior Postholders Remuneration' to the Board of Governors of the outcomes of the Autumn meeting of the Remuneration Committee, where remuneration is considered. This report will need to provide sufficient assurance to the Board of Governors that the Remuneration Committee has effectively discharged its responsibilities This will include:

- a list of postholders within the remit of Remuneration Committee;
- reference to the policy on the remuneration for post holders within the remit of Remuneration Committee;
- its choice of comparator institutions/organisations;
- its policy on income derived from external activities;
- the pay multiple of the Vice Chancellor and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above average, an explanation of why. (This should be accompanied by sufficient explanation and context to enable useful comparison. To assist with consistency and comparison, the definition for the multiple should be based on the methodology used by UCEA which is available from its website.);
- an explanation of any significant changes;
- any severance payments made during the academic year to senior postholders or the Vice Chancellor.

This information will also be reflected in the Financial Statements for the University. Ideally, the published information within the Financial Statements will be the same as the 'Annual Statement of senior Postholders Remuneration' to the Board of Governors. However, modifications may be necessary to preserve commercial confidentiality.

*Approved by the Remuneration Committee on 06 November 2018 and the Board of Governors on 21 November 2018. This policy will be reviewed every three years, or earlier if appropriate.*