



Remuneration Framework

July 2018

1 Introduction

- 1.1 This document outlines the remuneration framework at Arts University Bournemouth (AUB) for all its employees, both those aligned to the Higher Education (HE) Sector's Framework Agreement which sets the salary structure for HE staff, and those Senior Postholders who are not (see section 1.3). The Framework Agreement has been in place since 2006 and at AUB is comprised of 52 salary points.
- 1.2 The University and Colleges Employers' Association (UCEA) works with the sector trade unions as part of the Joint Negotiating Committee for Higher Education Staff (JNCHES) which negotiates the annual cost of living increase applicable to the salary points within the Framework Agreement.
- 1.3 Senior Postholders are AUB staff who are remunerated outside of the national Framework Agreement and JNCHES process.
- 1.4 AUB recognises that it requires a competitive remuneration approach to attract and retain the most talented employees within our disciplines and to lead and deliver the University's strategic plan to ensure the best outcomes for students, society and the economy. Our approach to remuneration is designed so that employees' contributions are recognised, valued and fairly rewarded. We are committed to the principle of equal pay between women and men as well as to the equitable and fair treatment of our employees, based on capability and merit.
- 1.5 The principles within this Framework are intended to reflect the provisions of the Committee of University Chair's (CUC) HE Remuneration Code, which stipulates fair, appropriate and justifiable levels of remuneration; procedural fairness; and transparency and accountability.

2 Key Remuneration Principles

- 2.1 AUB recognises that it requires individuals who are highly talented and competent, as well as committed and motivated, to deliver its strategic plan. AUB must reward and recognise employees competitively, appropriately and fairly.



2.2 The University's Remuneration Framework has the following principles:

- 2.2.1 Remuneration must be competitive and take account of the commercial pressures of the HE marketplace through relevant benchmarking, where required and necessary. Benchmarking against the HE sector will take into account the performance of the University within its peer group which we define as Post-92 Institutions with a turnover of £24-£70 million income;
- 2.2.2 Remuneration will be determined fairly and objectively with due consideration of remuneration throughout the University;
- 2.2.3 Reward will be linked to the imperatives of the Strategic Plan, including those who demonstrate enterprise initiatives and those who add strategic value to the organisation;
- 2.2.4 Remuneration is viewed as a total remuneration package which includes pay and non-pay benefits;
- 2.2.5 Remuneration decisions for Senior Postholders are approved by the University's Remuneration Committee and will be commensurate with the individual's role and level of performance as delivered against their individual annual objectives.

2.3 The HR Committee oversees the application of the University's Remuneration Framework for staff aligned to AUB's Framework Agreement and the Remuneration Committee provides structured governance for the framework of remuneration decisions of Senior Postholders.

3 Job Evaluation

- 3.1 Each job role, including Senior Postholders', has a job description. All new job roles are evaluated under the Hay Guide Chart - Profile Method, a widely used and recognised job evaluation framework that assesses job roles against a points-based range of criteria, to ensure job descriptions are remunerated fairly and equally. This method also provides an evaluated way of aligning jobs to the University's salary scale or its 'spot salary' approach.
- 3.2 Changes to a job role may result in required changes to the job description, which can involve updated job descriptions being resubmitted for a further job evaluation. The process of job evaluation is managed by Human Resources.

4. Annual Pay Review

- 4.1 As part of the JNCHES process the salary points for the following year are decided in the form of an annual cost of living increase. If applicable a new salary scale takes effect on 1 August each year.



- 4.2 In addition, for those staff aligned to the salary scale, incremental progression is available which is subject to satisfactory performance as evaluated by the line manager. Incremental progression to the top of the individual's job grade point is applicable once a year and effective from 1 August.
- 4.3 The salaries of Senior Postholders are approved by the University's Remuneration Committee. In considering any recommendation for salary increase for Senior Postholders the Remuneration Committee will take into account the line manager reports on individual performance against objectives for the relevant review year. Section 5.6 provides further details as to how Senior Postholder remuneration is considered.
- 4.4 All employees, including Senior Postholders, are required to deliver satisfactory performance in their roles. Where performance does not meet the required standard the individual will be subject to the University's Performance Procedure to support them in achieving the required improvements and consistency of performance. At the annual appraisal the line manager will inform the individual whether their performance has met the required standards and therefore whether they are eligible to receive a salary increase, up to the top salary point of the grade. If line managers are considering withholding an incremental payment they should discuss the circumstances with their HR Partner before meeting with the employee.
- 4.5 Should postholders wish to dispute the decision made to withhold their incremental progression due to not meeting the required performance standards, they are required to follow the process detailed within AUB's Grievance Procedure¹.

5 Remuneration Committee

- 5.1 The University's Remuneration Committee provides structured governance for the framework of remuneration decisions of Senior Postholders.
- 5.2 The Remuneration Committee's terms of reference, membership and minutes are located on the University's intranet and website. The decisions made by the Committee are reported within an annual Remuneration Report for the Board of Governors, which is also located on the University's intranet and website.
- 5.3 The Committee is chaired by an independent member of the Board who is not Chair of the Board. It meets twice a year but may also meet at other times as deemed necessary by the Chair.

¹ AUB's Grievance Procedure is located on the [University's Intranet](#)



- 5.4 No postholders are involved in deciding their own remuneration.
- 5.5 The Committee notes the remuneration and annual uplift position of all other employees outside of its scope to inform remuneration decision making of the individuals within its remit. Furthermore it also notes the relationship between the salaries of Senior Postholders and those of other employees. A pay ratio of the Vice Chancellor to the median AUB salary point is published within the annual Remuneration Report.
- 5.6 The salary and benefits of Senior Postholders are determined by taking into account the line manager reports on individual performance against objectives for the relevant review year, any changes in job responsibilities, internal equity and external benchmarking of compensation. Benchmarking information for comparable roles both within and outside the higher education sector will be considered as deemed appropriate by the Head of HR and Chair of the Remuneration Committee.
- 5.7 The Chair of the Remuneration Committee may from time to time deem it appropriate for external advice to be sought in regards to the setting of senior remuneration.

6 Salary and Benefits

- 6.1 Salary for employees whose jobs are aligned to the HE Framework agreement is set according to the grade their job aligns to. New employees are normally recruited at the bottom point of the grade point for the job, however this may not be the position if a more competitive approach is required e.g. the individual is receiving a higher salary with a current employer and/or has the skills, experience, knowledge and qualifications to warrant entry to the salary scale at a higher point. If a requirement is identified for a higher salary than the bottom point of the grade, the Dean/Director will gain explicit consent from the Vice Chancellor, the Deputy Vice Chancellor or the Chief Operating Officer and approval from the Head of HR.
- 6.2 Benefits for all employees are published on the University's website.
- 6.3 AUB will conduct an annual salary benchmarking exercise and provide a statement to the Remuneration Committee as to how salaries benchmark against the sector, including for Senior Postholders. This will enable the University to demonstrate the competitiveness of its remuneration position for all staff to and enable AUB management and the Remuneration Committee to justify the positioning of its salaries, as well as any different position being taken.



- 6.4 The University will recruit Senior Postholders at a salary level commensurate with the individual's experience, skills, qualifications and value to the University over the longer term, taking account of the HE benchmarking data for the role. The starting salary decision will be taken by the Chair of the Interview Panel and representative Governor, in liaison with the Head of HR. Normally the University will place such salaries in the median to mean range of the UCEA benchmarking data.
- 6.5 The University considers the mid-point of a salary range for a Senior Postholder to be that applicable to an individual who is meeting all of the requirements of their role well. Salary movement above this mid-point would be approved for a postholder who was delivering exceptional performance.
- 6.6 Should a Senior Postholder's salary become situated above the top point of the pay scale for the position, the University will advise the Remuneration Committee of the proposed action to gain approval prior to action being implemented.
- 6.7 The relevant benchmarking data from the annual UCEA Senior Salary Survey will be against Post 92 institutions with income £24-70million. The information provided to the Remuneration Committee on an annual basis will make it clear, for each Senior Postholder, what the current salary against benchmark is and the reasons for any difference.

7 Remuneration Package

- 7.1 The value of a total remuneration package will be greater than the base pay element and may include the following benefits:

Non-Cash Benefits:

- 7.1.1 Employer and employee contributions to a pension scheme. The University supports the Teachers' Pensions Scheme (TPS) for academic staff, and the Local Government Pensions Scheme (LGPS) for professional services staff. These pension schemes meet the University's auto-enrolment responsibilities. Employees have the right to opt-out of the relevant pension scheme at their own discretion;
- 7.1.2 Annual leave entitlement;
- 7.1.3 Occupational sick pay scheme;
- 7.1.4 Occupational health scheme and employee assistance programme support;
- 7.1.5 Annual savings scheme;
- 7.1.6 CPD and Research support;
- 7.1.7 Family friendly policies and emergency leave provision;
- 7.1.8 Wellbeing classes, eye care scheme and discounted gym membership;



7.1.9 Salary sacrifice schemes such as the cycle2work scheme.

Cash Benefits:

7.1.10 The University may agree an alternative to the payment of employer pension contribution only in the event that an employee has reached the maximum tax efficient pension allowance(s). In such circumstances the employee would submit a request to the Head of HR and the matter would be considered in line with the University's Policy. Any agreement made in this regard is not a contractual right in the same way that AUB is obliged to make pension payments to either the TPS or LGPS. Such an agreement is required to be cost neutral for the University and would be subject to normal tax and national insurance deductions for the employee;

7.1.11 Private Medical Insurance (PMI) can be offered to Senior Postholders and is a benefit approved by the Remuneration Committee; this is a taxable benefit for the employee.

8 Market rates supplement

8.1 If the standard pay grade is not sufficient to attract and/or retain suitable applicants for specific job roles because of market factors which cause higher than expected pay expectations, it may be appropriate to agree a supplement which increases basic salary to take account of market pressures. In such cases the line manager will liaise with their HR Partner to establish the position and following this the Dean/Director will gain explicit consent from the Vice Chancellor, the Deputy Vice Chancellor or the Chief Operating Officer and approval from the Head of HR.

9. Special Payments

9.1 The University recognises that there are times when special payments may be required to reflect an employee's outstanding performance or significant additional responsibility. This would be recognised in the following ways:

9.1.1 Non-consolidated bonus. Outstanding performance may be rewarded by the award of a one off payment. Where it is used, the payment will be directly linked to outstanding performance in the achievement of strategic, financial and non-financial objectives which are linked to the achievement of the Strategic Plan, and which is outside of the normal day-to-day responsibilities of the individual.

9.1.2 Temporary Responsibility Allowance. A payment for additional responsibilities paid as an honorarium where the additional responsibility is being undertaken for a period of no less than three months.



9.2 Special payments for Senior Postholders will be approved by the Remuneration Committee. Requests for special payments for staff aligned to the salary scale will be submitted by the line manager to the Dean/Director and considered by the University's monthly strategic HR resourcing meeting.

10 Payments from External Bodies

10.1 Staff may represent the University on various bodies and boards and carry out academic, professional and civic responsibilities at other organisations. Where such appointments occur the University requires that the employee follows University Policy, in the first instance obtaining authorisation from the line manager for the activity.

10.2 The University Secretary must make the Remuneration Committee aware of such payments made to Senior Postholders so these can be noted in terms of an individual's total compensation.

10.3 The University's Principal and Vice-Chancellor is not expected to retain benefits and/or payments for such activities.

11 Severance

11.1 The University's Redundancy Policy and Procedure details the provisions available to all employees in the unfortunate event that there is no alternative to redundancy. All employees will receive statutory redundancy at the rate published by the government at the time.

11.2 The University does not usually offer enhanced redundancy pay, but may at its entire discretion consider doing so.

11.3 In the event of an employee leaving the University, by mutual agreement and for reasons other than redundancy, the statutory payment will be utilised as a basis for calculating appropriate 'exit payments', with actual amounts agreed on a case by case basis by the Head of HR, or Head of HR and the Chair of the Remuneration Committee in respect of Senior Postholders.

12 Equal Pay Reviews

12.1 Equal pay reviews will be undertaken every two years and presented to the Remuneration Committee, including for Senior Postholders, along with comparable pay benchmarking data. Action plans will be put in place to address any identified areas of concern.



13 Gender Pay Gap Reporting

- 13.1 Gender pay reporting commenced in March 2018 and the University will review the data from this on a regular basis in order to ensure that gap between the average earnings of men and women progresses in a positive way. Action plans will be put in place to address any identified areas of concern.