

## **Remuneration Policy for employees outside the JNCHES Framework Agreement**

### **1. Scope and Introduction**

- 1.1. The Remuneration Policy outlines the key guiding remuneration principles and practice at the University of Northampton. The University's approach to remuneration is an integral part of the current Strategic Plan; to ensure that employees' contributions are recognised, valued and fairly rewarded.
- 1.2. The majority of University employees are covered by the Joint Negotiating Committee for Higher Education Staff (JNCHES) Framework which details the pay structures for employees on JNCHES grades. This policy covers a small number of employees paid outside the grading structure, including designated Senior Post Holders of the University.
- 1.3. The policy details the arrangements for the determination of remuneration, the review of fixed pay and other reward/benefit mechanisms.

### **2. Key Remuneration Principles**

- 2.1. The University recognises that to deliver the aims of the Strategic Plan it needs to reward and recognise its employees appropriately and fairly. The recruitment and retention of excellent employees who are highly competent and committed to the organisation achieving its goals is essential to providing high quality services to students, partners and key stakeholders.
- 2.2. The University is committed to an approach which recognises and rewards the contribution that individuals make and which incorporates the following principles:
  - a) The University values the contribution its employees make toward its success. In order to remunerate its employees appropriately and fairly the University will operate a reward and recognition system which is transparent, based on objective criteria and free from unlawful bias.
  - b) The reward and recognition system will also support the strategic objectives of the University, enabling the University to recruit, retain and reward a high calibre of employees and enhance its reputation

as an employer.

- c) This policy incorporates all aspects of remuneration, not just pay.
- d) The University is committed to the principle of equal opportunities in employment and believes that pay and conditions of employment should be awarded fairly and equitably for doing like work or work rated as equivalent, irrespective of gender, race, disability, age, nationality, religion, creed, political beliefs, sexual orientation, trade union membership, full or part-time working or other irrelevant distinction that may cause disadvantage or unfair discrimination.
- e) Reward mechanisms will be clear and up-to-date with the market to ensure the University is able to attract and retain key talent.
- f) Remuneration packages will be competitive and recognise the relative remuneration in comparable markets through relevant benchmarking. The benchmarking will take into account the performance of the University within its peer group.
- g) Remuneration will be determined fairly and objectively throughout the University
- h) Remuneration may include base pay and some variable elements which will be commensurate with the role and level in the University. Where there are variable elements the value of the remuneration package, in its entirety, will vary with business performance and will only be paid where financial results allow, which will be at the discretion of the Remuneration Committee (for designated Senior Post Holders) or Vice Chancellor (all other employees in scope)

### **3. Pay Determination**

3.1. The Remuneration Committee considers benchmarking information from within the higher education sector and from the public sector and charity sectors as appropriate when considering salary, bonuses or other benefits. Such benchmarking exercises are normally conducted every three years. The Performance Related Pay system is approved for a specific period and the criteria defined then applied. In the past this has used the successful achievement of targets from the Strategic Plan and the achievement of individually set performance objectives.

### **4. Remuneration Package**

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

- a) Membership of a pension scheme – the University offers the Teachers' Pension Scheme (TPS), University Superannuation Scheme (USS) and the Local Government Pensions Scheme (LGPS) depending on whether

an employee is an academic or professional service employee. Relevant details will be included in the contract of employment and included as part of the remuneration package.

- b) Generous annual leave entitlement.
- c) A wide range of flexible working policies including maternity/adoption/paternity leave and emergency leave provision.
- d) Excellent occupational sick pay scheme providing up to six months full pay and six months half pay, depending on length of service.
- e) An Employee Assistance Programme
- f) Voluntary benefits including salary sacrifice schemes such as childcare voucher scheme and cycle2work scheme, occupational healthcare provision including employee assistance telephone line.
- g) Access to discounted services such as gym membership.
- h) Access to learning and development and education opportunities and support of continuous professional development.
- i) Private health care and death in service insurance

## **5. Performance Related Pay**

5.1. Exceptional performance may be rewarded for individuals in a senior role by the award of a one-off payment. Where it is used, the payment should be directly linked to exceptional performance and the achievement of strategic, financial and non-financial objectives which are detailed and measured using the University Performance and Development Review (PDR) process and linked to the achievement of KPIs of the Strategic Plan.

**Normal performance** is recognised as the high standards of performance expected of the role and its constituent responsibilities.

**Exceptional performance** is recognised as the achievement of objectives set through the PDR process which add value beyond the performance expected of the role and its constituent responsibilities.

5.2. The eligibility of an individual for consideration for performance related pay will be determined at appointment and will be reviewed from time to time.

5.3. Individuals will not become eligible for PRP until successful completion of their probation period

5.4. Payment of PRP is subject to its affordability to the University

5.5. The details of any performance related pay will be agreed with the individual based on the following principles:

- a) The threshold to pay PRP should be determined by the successful

achievement of financial performance across the University at the discretion of the Remuneration Committee with advice from the Vice Chancellor and the Executive Director of Finance.

- b) The performance related payment should be determined by the Vice Chancellor and reported to Remuneration Committee on an annual basis in autumn with recommendations by the individual's line manager following an annual performance and development review. Where the individual is a designated Senior Post Holder the payment should be determined by the Remuneration Committee on an annual basis in autumn, with a recommendation by the Vice Chancellor or by the Chair of Board in the case of the Vice Chancellor and Clerk
- c) PRP would be paid on exceptional performance and achievement of objectives agreed in the Personal Development Review. Performance Related Pay would be no more than 15% of annual salary and will include recognition of individual/personal and corporate objectives.

## **6. Remuneration Approval Process**

### **6.1. Role of the Remuneration Committee**

The University Remuneration Committee provides structured governance for decisions affecting designated Senior Post Holders' remuneration on an annual basis. The Committee meets three times a year and its terms of reference are on the University's website. The posts designated as Senior Post Holders are defined in the terms of reference of the Committee. The decisions reached by the Committee are noted, retained, and reported to the Board of Governors.

### **6.2. Remuneration for employees in scope who are not designated Senior Post Holders**

Recommendations to the Vice Chancellor for the remuneration of all other employees outside the JNCHES grading is delegated to the relevant member of the University Management Team, advised by the Executive Director of HR and agreed in line with relevant benchmarking data. The Executive Director of HR and COO will meet annually to monitor remuneration decisions and ensure that the relevant internal monitoring controls are in place and salaries have been determined based on benchmarking comparators in the sector and market forces.

## **7. Equal Pay Reviews and Gender Pay Gap Reporting**

Equal pay reviews and gender pay gap reporting will be undertaken regularly, normally every three years and will include Senior Staff. The reports will be shared with the Board of Governors and actions taken where areas of concern or inequalities are identified.

## 8. Pay Reviews

Employees' fixed rates of pay will normally be reviewed annually in June and any changes will be implemented in September. Any annual pay increases will consider the nationally agreed pay awards as part of the JNCHES machinery and as adopted by the University, although any increases will be at the absolute discretion of the University. Pay reviews may take place at other times of the year to reflect a change in role and any changes to pay must be agreed by the Executive Director of HR and Vice Chancellor.

## 9. Relevant Policies

The following policies are relevant for reference:

- UON Pay Framework Agreement
- UON Recruitment and Selection Guidance
- UON Recruitment and Retention Supplements Policy
- UON Maternity Policy and Procedure
- UON Adoption Leave Policy and Procedure
- UON Paternity Leave Policy and Procedure
- UON Shared Parental Leave and Pay Policy and Procedure
- UON Absence Management Policy and Procedure
- UON Flexible Working Policy and Procedure
- UON Pay and Reward Policy

## 10. Approval Process

This policy is subject to the approval of the Remuneration Committee and will be reviewed by the Committee every three years.

## 11. Version Control

Version Control		Approval record	
Author:	Director of HR, Marketing and International Relations	Approval:	Approved by Remuneration Committee on 18/07/2018
Date written:	04/07/2018	Updates:	
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Record of Amendments			
Date	Details of Change	Approval	
20/05/2021	Revised to provide clarity for PRP. Documents in Appendix updated	Approved by Remuneration Committee on 14/06/2021	

## Appendix 1 – Criteria and Calculation for PRP

### Performance

**Normal performance** - Achieve the high standards of performance expected of the role and its constituent responsibilities.

**Exceptional performance** - Achieve personal objectives set through the PDR process which add value beyond the performance expected of the role and its constituent responsibilities.

### Calculation

#### Senior Post Holders

- PRP is up to 15% of salary
  - Of the 15%:
    - 5% is based on personal objectives
    - 10% is based on corporate objectives
- Corporate objectives for PRP are agreed by the Board
- Each objective is equally weighted
- There is no payment for partial achievement of objectives
- For example
  - An individual has five personal objectives, therefore each is worth 1% of salary. The individual achieves three of the five objectives. The individual therefore receives a payment of 3% of their salary
  - Five corporate objectives are chosen, therefore each objective is worth 2% of an individual's salary. Two of the five are achieved. Therefore each individual in the PRP scheme receives 4% of salary
  - Therefore, PRP to the individual in this example is 7% of salary
- It is possible to receive payment for personal objectives when no corporate objectives have been achieved
  
- Payment is based on the achievement of the objectives set.

## Clerk

PRP for the Clerk is calculated on:

- 10% for personal objectives
- 5% for corporate objectives