

# Senior Staff Pay

## Universities in Wales



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## Senior Staff Pay – Universities in Wales

### About HEFCW

1. HEFCW is responsible for funding higher education (HE) in Wales. We distribute funds for education, research and related activities at higher education institutions, including the teaching activities of the Open University in Wales. We also fund higher education courses at further education colleges. As a Welsh Government Sponsored Body, we receive our funds from, and are accountable to, the Welsh Government.

### Purpose

2. This submission provides a response to the request for HEFCW to provide evidence to inform the Committee's inquiry into senior management pay across the Welsh public sectors. We have not had the opportunity to seek approval of HEFCW's Council for this submission which must therefore be regarded as a submission from HEFCW executive only.

### Responsibility for senior staff pay

3. Universities are not public sector organisations. They are autonomous bodies established by either Royal Charter or as Higher Education Corporations under the terms of the 1992 Further and Higher Education Act (the '1992 Act'). HEFCW has no powers under the terms of the 1992 Act to influence University employment terms and conditions, including the levels of senior staff salaries.
4. As autonomous bodies, the setting of senior staff salaries falls under the responsibilities of each University's Governing Body. The Committee of University Chairs (CUC) publishes a 'Guide for Members of Higher Education Governing Bodies in the UK'<sup>1</sup>, which covers staff remuneration amongst other matters. This CUC document notes that '*The governing body has responsibility for the institution's human resource and employment policy. This includes ensuring that pay and conditions of employment are properly determined and implemented for all categories of employee. The governing body is also responsible for appointing and setting the terms and conditions for the head of the institution and such other senior posts as it may from time to time determine*'.

### The mechanism by which senior staff salaries are set

5. In respect of the mechanism by which Universities set senior staff salaries, the CUC Guide states that '*Governing bodies should establish a remuneration committee to determine and review the salaries, terms and conditions (and, where appropriate, severance payments) of the head of institution and such other members of staff as the governing body deems appropriate*'. The CUC and Leadership Foundation for Higher Education

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<sup>1</sup> [www.hefce.ac.uk/media/hefce1/pubs/hefce/2009/0914/09\\_14.pdf](http://www.hefce.ac.uk/media/hefce1/pubs/hefce/2009/0914/09_14.pdf)

(LFHE) also publish a guide on 'Getting to Grips with Human Resource Management'<sup>2</sup> which provides more detailed guidance for University Governing Body members on HR matters including Senior Staff remuneration. This provides guidance on the composition and role of University Remuneration Committees.

6. In response to a request by HEFCW, all Universities in Wales have recently provided brief information on their arrangements for setting senior staff salaries, including confirmation of the use of a Remuneration Committee. Further detail on the arrangements by which individual Universities in Wales set their senior staff salaries are attached at **Annex A**. In general, senior staff roles are subject to role analysis (e.g. Higher Education Role Analysis - HERA), with market rates used to inform starting salaries. The Universities and Colleges Employers Association (UCEA) has also published information on effective practice in setting senior staff pay and grading structures in higher education<sup>3</sup>. Drawing on such information, the Remuneration Committee oversees the agreement and review of these senior staff salaries.
7. HEFCW's Assurance Service undertook a 'Review of the Remuneration and Severance Governance Processes for Senior Staff at Higher Education Institutions in Wales'<sup>4</sup> in 2005. The overall opinion of this review was that governance processes, in relation to senior staff salaries and severance, were broadly sound across the sector.

## Transparency

8. Universities publish information on senior staff salaries in their annual financial statements. The published HEFCW 'Accounts Direction to Higher Education Institutions' informs institutions of HEFCW's requirements relating to their annual financial statements and in particular the disclosure of remuneration and severance payments for higher paid employees (including the head of institution). Under the most recent Accounts Direction<sup>5</sup>, Universities were required to disclose the following:
  - The actual total remuneration of the head of institution including bonuses (but not details of bonuses earned).
  - The remuneration of higher paid staff in bands of £10,000 from a starting point of £100,000. External payments were to be included. Disclosure was also required for those staff who joined part way through a year but who would have received remuneration in these bands in a full year.

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<sup>2</sup>[www.lfhe.ac.uk/filemanager/root/site\\_assets/research\\_resources/g2g/G2G%20HR%20Management.pdf](http://www.lfhe.ac.uk/filemanager/root/site_assets/research_resources/g2g/G2G%20HR%20Management.pdf)

<sup>3</sup>[www.ucea.ac.uk/en/empres/paynegs/randr/sen-pay/](http://www.ucea.ac.uk/en/empres/paynegs/randr/sen-pay/)

<sup>4</sup>[www.hefcw.ac.uk/documents/working\\_with\\_he\\_providers/institutional\\_assurance/review%20of%20remuneration%20and%20severance%20governance%20processes%20heis%20\(2005\).pdf](http://www.hefcw.ac.uk/documents/working_with_he_providers/institutional_assurance/review%20of%20remuneration%20and%20severance%20governance%20processes%20heis%20(2005).pdf)

<sup>5</sup>[www.hefcw.ac.uk/documents/publications/circulars/circulars\\_2013/W13%2016HE%20Accounts%20Direction%20to%20Higher%20Education%20Institutions%20for%202012-13.pdf](http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2013/W13%2016HE%20Accounts%20Direction%20to%20Higher%20Education%20Institutions%20for%202012-13.pdf)

- Details of any compensation paid or payable to the head of institution or staff whose annual remuneration exceeds £100,000.

### Senior staff salaries at Universities in Wales

9. Detail on senior staff salaries has been provided by universities in Wales to HEFCW, in order to inform the Committee's inquiry. This is attached at **Annex A**. For the purposes of this submission, each individual institution has used its own definition of the 'senior staff' based on the make-up of its Senior Management Team. The information may differ from that reported in Annual Financial Statements as some Senior Management Team members may receive salaries below the £100,000 reporting threshold and some of the information is more recent than the 2012/13 published accounts. Additionally, the figures reported in Annual Financial Statements may in some instances include higher paid employees that are not Senior Management Team members. Please note that the institutional information has been collated in the form provided to us and may hence vary slightly in format.
10. A recent Times Higher Education (THE) pay survey based on 2012/13 data identified the average UK university Vice-Chancellor/Chief Executive salary as £226,789. By comparison, the Vice-Chancellor's salary (excluding benefits) for five Welsh universities was below the UK average, with only two slightly above the average<sup>6</sup>. When pension contributions and other benefits are factored in, the average total package for UK Vice-Chancellors/Chief Executives was £254,692. Based on the THE Survey, all Welsh Vice-Chancellors received a total package that was slightly below the UK average<sup>7</sup>.
11. Universities in Wales operate in a UK and international marketplace (e.g. in respect of student recruitment and research), with UK and international league tables now widely published. Welsh Universities contribute £3.6 billion to the Welsh economy annually, generating 3% of all Welsh GDP, and earning over £400 million in export earnings through overseas revenue and international students<sup>8</sup>. Consequently the pay of University Vice-Chancellors, and other senior staff, in Wales needs to be broadly comparable with that for other UK universities, if Welsh institutions are to be able to attract talented individuals to these key roles. The published information would seem to indicate that salaries in Wales are broadly comparable.

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<sup>6</sup> The Vice-Chancellor's salary for the University of Wales Trinity Saint David was not included in the Times Higher Education survey though information is provided in Annex A.

<sup>7</sup> [www.timeshighereducation.co.uk/features/times-higher-educations-annual-pay-survey/2012381.article](http://www.timeshighereducation.co.uk/features/times-higher-educations-annual-pay-survey/2012381.article)

<sup>8</sup> [www.hew.ac.uk/wp/media/2013-June-The-Economic-Impact-of-Higher-Education-in-Wales1.pdf](http://www.hew.ac.uk/wp/media/2013-June-The-Economic-Impact-of-Higher-Education-in-Wales1.pdf)

## University Senior Staff Pay Arrangements by Institution

### Aberystwyth University

#### *Senior staff pay arrangements*

Senior staff pay arrangements are handled by the University's Remuneration Committee. Each role is subject to a role analysis exercise (HERA is used here in Aberystwyth). For senior posts, market rates are also used to determine starting salaries. The University has recently introduced a Grade 10 band (incorporating the professorial pay band). Progression through this grade is subject to the approval of an internal board.

#### *Remuneration Committee*

The University operates a Remuneration Committee, which is chaired by the Chair of the Governing Body

#### *Senior staff salary data*

Senior staff salary data for the 2012/13 year, broken down by £10K salary bands, for staff earning £100K or above, is shown below:

<i>Salary range</i>	<i>Number of posts</i>
£110,000 - £119,000	1
£120,000 - £129,999	2
£130,000 - £139,999	1
£140,000 - £149,999	1
£250,000 - £259,999	1

Source: Audited financial statements 2012/13

### ***Senior staff pay arrangements***

'Senior staff' are defined in this paper as those serving on the University Executive, which is the approved senior management team for the University. At Bangor, the Executive is slightly larger and more inclusive than in some universities, and it totals 22 senior members of staff. Apart from two, they are all on grade 10 (professorial or professorial-equivalent), the salary level for this grade beginning at £57,031.

The University is currently reviewing salary bands for senior staff, but at the present time staff on grade 10 are not on a fixed pay scale and do not receive an increment or automatic annual pay increase. The University does, however, operate an annual 'Senior Staff Salary Review', which allows senior staff to apply to have their salary reviewed. There are published criteria for staff salary increases, and any application for a salary review is considered by the University's Remuneration Committee. The governing body of the University has agreed rigorous criteria (which are published) for salary increases, and the Committee assesses to what extent an applicant meets the criteria.

Importantly, the Committee has access to the outcomes of an annual survey of salaries of senior university staff across the UK (produced by UCEA), which allows the Committee to benchmark. This valuable data, for example, typically indicates the average and median salaries of staff across the UK in senior posts, and these can be broken down into salary information for pre-1992 and post-1992 institutions, institutions in different regions, and institutions of various sizes.

*In 2013/14, the University has decided on financial grounds not to operate a Senior Staff Salary Review, and therefore no senior member of staff will receive any pay increase this year (apart from the 1% annual inflation increase agreed nationally for all staff).*

With regard to starting salaries, the University appoints the best candidate for any given post, and the starting salary is determined with reference to the circumstances of the post. Normal market conditions will usually apply. When existing staff are promoted internally to the senior grade, it is the policy of the University to ensure that they receive a reasonable uplift in salary of £3,000.

### ***Remuneration Committee***

The Remuneration Committee is a standing committee of the governing body of the University (the Council), and its membership includes 4 senior lay members of the governing body, including the Chair of the governing body who Chairs the Remuneration Committee. The Remuneration Committee has delegated powers to agree salary levels for senior staff.

### ***Senior staff salary data***

The numbers of senior staff in the various salary bands are:

<i>Salary range</i>	<i>Number of posts</i>
60 - 64K	2
65 - 69K	3
75 - 79K	3
80 - 84K	2
85 - 89K	1
90 - 94K	3
95 - 99K	1
100 - 104K	1
105 - 109K	1
110 - 114K	1
120 - 124K	1
135 - 139K	1
150 - 154K	1
155K +	1

Total 22.

### ***Senior staff pay arrangements***

All Senior Staff Pay in Cardiff University is managed on a strategic basis by the University Remuneration Committee, and enacted by the University following core principles set down by this committee. The University publishes its Senior Staff Pay Policy on annual basis. There is a systematic and transparent process for consideration of the salary of any member of the senior staff.

Senior staff are appointed to a spot salary based on consideration of three elements: role responsibilities, market worth and relevant internal pay differentials. Pay is proportionate to the responsibilities of senior staff roles within a Russell Group University of around 6,000 staff, more than 28,000 students and an annual turnover of more than £400 million.

It is essential that the University is able to compete with other world-leading universities both in the UK and overseas, salaries at Cardiff University are therefore consistent with its standing as Wales' only member of the Russell Group of leading UK research Universities, which attracts a geographically diverse range of students; collaborates with worldwide institutions, governments and businesses; and conducts research that is proven to have global significance and impact. In doing so the University contributes significantly to Wales in terms of the economy, social equality and international profile.

The same principles apply in determining starting salaries for internal appointments/promotions as well as for external recruits. In common with other chartered Universities, a number of senior offices are held on a rotational basis for a fixed period of 3 or 5 years. Undertaking such Senior Management responsibilities attracts a standard non-pensionable Senior Management Allowance while holding the role. This allowance is temporary and is removed when the individual stands down from the Senior Management role.

The Remuneration Committee considers annually whether there should be a review of senior staff pay and if so how extensive that review should be. Remuneration for the University Executive Board is determined by the Remuneration Committee; other Senior Staff remuneration is based on recommendations by University Executive Board members on their respective areas of responsibility, and approved by the Remuneration Committee. Decisions are based on the performance and achievements of the Senior Staff over the year, and supported by comprehensive management information.

In exceptional circumstances only, the University may review pay for individual job-holders during the course of the year. The Remuneration Committee delegates to the Chair of the Remuneration Committee and/or the



Vice-Chancellor the ability to make decisions on such out-of-cycle reviews. All such awards are reported to the Committee's next meeting.

### **Remuneration Committee**

As highlighted the University operates a Remuneration Committee which is made up of the following members:

Chair: Chair of Council: Mr John Jeans  
 Vice-Chair of Council: Dr G Treharne  
 Two lay Council Representatives appointed by Council, Mrs G Williams and Mrs P Herbert  
 Vice-Chancellor: Professor C Riordan  
 Deputy Vice-Chancellor: Professor E Treasure

Biography details are available on the University Web should you wish further information on its members ([www.cardiff.ac.uk/govrn/governance/index.html](http://www.cardiff.ac.uk/govrn/governance/index.html))

The Committee operates a strict protocol which requires individuals to leave the meeting should their salary be discussed. In the case of the setting of the Vice-Chancellor, the Vice-Chair of Council chairs the meeting, with the Chair of Council reporting on performance of the Vice-Chancellor against his written objectives and of the University against its strategic objectives.

### **Senior staff salary data**

<b>Senior Management* Base Salary in 5k Bands</b>	
<b>Band</b>	<b>Number of Staff</b>
£65000 - £69999	1
£70000 - £74999	3
£75000 - £79999	7
£80000 - £84999	3
£85000 - £89999	6
£90000 - £94999	8
£95000 - £99999	3
£100000 - £104999	2
£105000 - £109999	2
£110000 - £114999	3
£115000 - £119999	2
£120000 - £124999	2
£125000 - £129999	4
£130000 - £134999	3
£140000 - £144999	1
£145000 - £149999	1
£150000 - £154999	1
£235000 - £239999	1

\* Senior Management includes UEB, Heads of School, Deans and Senior Management in Professional Services

***Senior staff pay arrangements***

It is understood that the information provided in this note is required for an inquiry being undertaken by the Public Accounts Committee of the National Assembly for Wales into senior management pay across the Welsh public sector.

For the purposes of this request the term 'senior staff' has been interpreted as members of staff formally designated by the Board of Governors as senior post-holders in accordance with the University's Articles of Government, as approved by the Privy Council, and thus falling within the remit of the Remuneration Committee for matters relating to salary and conditions of service.

In setting and reviewing salaries the Remuneration Committee takes independent advice from the Hay Group and takes account of comparative pay data produced by the Universities and Colleges Employers Association (UCEA), Universities UK (UUK) for the Vice-Chancellor, and any other relevant source.

**.1 Starting Pay**

Whenever a new senior post is established or a vacancy for such a post occurs, the post is advertised nationally and assessed by the Hay Group for matters of job size and responsibility to permit an accurate identification of appropriate salary. The starting salary will be the outcome of negotiations with the successful applicant, taking account of the Hay Score, Hay Group and sector comparative pay data, experience and any other relevant factor.

**.2 Salary Review**

Salary and terms of conditions for all senior posts are reviewed annually but it does not follow that salaries are increased annually. Any increase takes account of the market, the University's financial position and the individual's performance against agreed criteria and objectives; there is currently no provision for performance-related pay. In reviewing salaries the Remuneration Committee will have regard to base salary levels for jobs of similar size in the Industrial and Service sector throughout the UK, as shown in Hay Group surveys, and comparative UCEA and UUK data as appropriate. Such review will also take account of recent pay developments in the higher education sector, the need to maintain appropriate relativities with the rest of the University's pay structure, and trends in prices and earnings in the wider economy.

***Remuneration Committee***

As stated above, authority to determine salary and terms and conditions for designated senior post holders is delegated to the Remuneration Committee

subject to a requirement to report determinations to independent governors at the next following meeting of the Board of Governors and to the presentation of an open report summarising business annually. The Remuneration Committee is comprised of five independent governors and the Vice-Chancellor (who is not a member for any item dealing with his own salary and terms and conditions).

Until 31 July 2013 the Remuneration Committee was chaired by the Chair of the Board of Governors. Since 1 August 2013 the Remuneration Committee has been chaired by the Vice-Chair of the Board of Governors, the Chair of the Board of Governors remaining as a member of the Committee. The current Chair of the Remuneration Committee is Mr. Peter Williams CBE, former Chief Executive of the Quality Assurance Agency.

Neither the Vice-Chancellor nor the Secretary & Clerk to the Governors, who acts as Secretary to the Remuneration Committee, is present when the Committee determines matters relating to his salary or terms and conditions.

### ***Senior staff salary data***

Following organisational review, a new, smaller Level 2 structure came into effect on 1 August 2013. Including the Vice-Chancellor and the Secretary & Clerk, senior post holders from 1 August 2013 number eight including two fractional posts, giving seven full-time equivalent posts.

Current salary data are provided as requested in £10k salary bands:

<i>Salary range</i>	<i>Number of posts</i>
£75,000 - £80,000	1
£100,000 - £115,000	2 (1 at FTE 0.5)
£115,001 - £120,000	2 (1 at FTE 0.5)
£120,001 - £125,000	1
£125,001 - £130,000	1
£190,000 - £195,000	1

The University has six staff, including the Vice Chancellor, who are classed as 'holders of senior posts' [senior post-holders] as defined in the Instrument and Articles. The appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts are the responsibility of the Board of Governors.

The Board of Governors delegates responsibility for the determination of pay and conditions to the Human Resources Committee, meeting as the Remuneration Committee at least annually.

The Board has approved the following policies and procedures in respect of senior post-holders:

- *Procedure for determining the remuneration, contract and conditions of service of roles that will be held by senior post-holders*
- *Remuneration policy and procedure for senior post-holders.*

### **Senior staff pay arrangements**

#### *A. Starting Pay:*

##### *Vacancies relating to existing posts:*

i. Where a senior post-holder vacancy arises in respect of an existing senior post-holder role, and the Vice Chancellor and Chief Executive determines that there needs to be no substantial change to the approved senior post-holder role description, contractual arrangements or salary range, the Vice Chancellor is authorised to arrange recruitment in accordance with the University's recruitment and selection policy. The Chairman of the Board and the Chair of the HR Committee shall be notified by letter that arrangements have been made for information purposes.

ii. Where a senior post-holder vacancy arises, and the Vice Chancellor and Chief Executive determines that there is a need to amend the approved Senior Post-holder role description, contractual arrangements or salary range, he/she will take steps to discuss the proposed changes with the Chair of HR Committee and the Chairman of the Board. A formal note of the discussion shall be kept and agreed by all parties. The agreed role description, contractual arrangements and salary range will be provided to the Human Resources Department by the Vice-Chancellor's Office, to allow for recruitment to take place in line with the University's recruitment and selection policy;

iii. In circumstances where the interview panel wishes to make changes to an agreed role description, contractual arrangements or salary range, the Vice Chancellor and Chief Executive shall discuss the matter with the Chair of HR Committee and the Chairman of the Board. As a guide, considerations may include the prospective candidate's current remuneration package, contract and conditions of services; market rates for remuneration of the post in

question; budgetary considerations; and comparison with contracts and conditions of similar senior post-holders within Glyndŵr University. A formal note is kept of the discussions and the agreed outcome.

iv. The final details of all remuneration packages, contracts and conditions of service, (where the latter varies from the “standard” senior post-holder contract/conditions of service) once accepted by the senior post-holder, shall be reported to the HR Committee as a Chair’s action at the next scheduled meeting, as a confidential item.

*Filling vacancies relating to new posts:*

- i. Where the Vice Chancellor and Chief Executive determines that a new Senior post-holder position is required in line with the University’s needs at a particular time, discussion will take place between the Vice Chancellor and Chief Executive, the Chair of HR Committee and the Chairman of the Board to discuss an appropriate role description, contractual arrangements and salary range. A formal note of discussions shall be kept and an agreed role description will be provided to the Human Resources Department by Vice Chancellor’s Office, to allow for recruitment to take place in line with the University’s recruitment and selection policy.
- ii. In circumstances where the interview panel wishes to make changes to an agreed role description, contractual arrangements or salary range, the Vice Chancellor and Chief Executive shall discuss the matter with the Chair of HR Committee and the Chairman of the Board. As a guide, considerations may include the prospective candidate’s current remuneration package, contract and conditions of service; market rates for remuneration of the post in questions; budgetary considerations; an comparison with contracts and conditions of similar senior post-holders within Glyndŵr University. A formal note is kept of the discussions and the agreed outcome.
- iii. The final details of all remuneration packages, contracts and conditions of service, (where the latter varies from the “standard” senior post-holder contract/conditions of service) once accepted by the senior post-holder, shall be reported to the HR Committee as a Chair’s action at the next scheduled meeting, as a confidential item.

*B. Pay Increases*

The Human Resources Committee meets at least annually as the Remuneration Committee to review the remuneration of senior post-holders. A remuneration policy and a procedure are in place.

The Board of Governors has agreed that the HR Committee, following the approved procedural guidance, shall make decisions regarding the remuneration of Senior Post-holders.

Specifically, the Board of Governors has determined that in reaching its decisions on the remuneration of Senior Post-holders the HR Committee must, as a minimum, be able to demonstrate due regard to the following factors:

- Consideration of performance review data for every Senior Post-holder presented by the Vice Chancellor for all Senior Post-holders with the exception that the Chair of the Board of Governors shall present the report relating to the Vice Chancellor and Chief Executive.
- In considering such data the HR Committee shall, in accordance with national pay modernisation principles for HEIs in the UK, have due regard to the contribution and value to the University that is evidenced by the report on the performance of each Senior Post-holder and
  - Consideration of any changes in responsibilities.
  - Consideration of comparative data including UCEA data, remuneration trend analyses at local and national levels, relevant market data, relevant and recent published data on senior salaries at other UK HEIs, and such other relevant publicly available data as the HR Committee may determine. The HR Committee may also seek independent advice as it deems appropriate.
  - Consideration of affordability including the available pay budget, and relevant recruitment and retention factors.
  - Consideration of employee relations including wider perceptions of pay awards to Senior Post-holders, and possible impacts on staff morale and motivation.
  - Consideration of succession planning and Glyndŵr University's Human Resources Strategy.
  - Consideration shall be given to remuneration increases where they are put forward by the Vice Chancellor (in the case of Senior Post-holders) and in the case of the Vice Chancellor and Chief Executive, by the Chair of the Board of Governors. Careful consideration should be given to the recommendations made by the Vice Chancellor and Chief Executive and wherever the Committee agrees to make a change to a Senior Post-holder's Remuneration that is not supported by the Vice Chancellor and Chief Executive, the report of the meeting shall make explicit reference to the reasons for the Committee's decision.
  - Consideration may be given to a decrease in remuneration for any individual depending on the above factors.
  - Consideration may be given to proposals relating to job re-design as an alternative to changes to an individual's remuneration.

In its procedure the Board sets out the requirements of the Remuneration Committee meeting in order to inform its review of remuneration. The Committee requires comparative data in a formal background paper which

must be circulated in advance with the agenda papers and presented by the Clerk at Remuneration Committee meetings.

Details of salaries (where available) for senior post-holders, including the Vice Chancellor and Chief Executive, in similar posts at cognate HEIs, specified as a minimum benchmarking group.

Where these institutions have not recently advertised for senior post-holders, any additional data on recent advertisements for senior posts in other comparable UK HEIs. This paper may also where appropriate, provide information on salaries in cognate posts in other sectors including public sector organisations.

UCEA data relating to all Glyndŵr University's Senior Post-holders presented in visual form benchmarking against UCEA quartiles and deciles as appropriate drawing on previous periods. This data shall be provided by the Director of Finance working with the Human Resources team and updated each year.

Details of historical remuneration trends within Glyndŵr University including a record of decisions made at the previous two salary reviews in each case.

The Remuneration Committee is required to present a report of its deliberations and the outcomes to the next meeting of the Board of Governors as a reserved item.

### ***Remuneration Committee***

The University operates a Remuneration Committee and its role is as explained above in response 1.

The Committee is made up of four independent member of the Board of Governors, one of whom is the Chair of the Committee. The Vice Chancellor is also a member of the Committee, but withdraws during discussion of his own remuneration. The Chairman of the Board must also be present when remuneration of Senior Post-holders is being discussed, which is in line with CUC Guidance.

### ***Senior staff salary data***

<i>Salary range</i>		<i>Number of posts</i>
£75,000	- £80,000	2
£85,000	- £ 90,000	2
£100,000	- £105,000	1
£ 200,000	- £205,000	1

## Swansea University

Within the senior staff numbers given below we have a number of senior clinical academic staff. These are paid in accordance with national rates agreed for NHS consultants and the following comments do not apply to them.

### **Senior staff pay arrangements**

Starting salaries of senior staff are based on a number of considerations including job size, relating to the responsibility level of the post, skills, experience and (if academic) their academic profile and achievements, market factors including internal comparators.

Salary decisions on appointment are normally made by the Vice- Chancellor in conjunction with advice from senior officers including the Director of Human Resources, Registrar and Chief Operating Officer. In some cases, the Chair of Council is consulted.

Pay increases are awarded through two mechanisms:

- Senior staff are invited, and expected, to make a submission for a salary award based on their performance in their role over the past year. Decisions on whether to award a salary increase, and the level of any such award to be made in each individual case are made by the University's Remuneration Committee.
- In addition the University normally applies the nationally negotiated pay award as recommended by UCEA to senior staff.

### **Remuneration Committee**

The University operates a Remuneration Committee, which reviews senior staff salaries on an annual basis. The Committee is chaired by the Chair of Council.

### **Senior staff salary data**

Remuneration of higher paid staff, excluding employer's pension contributions but including payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment and which are reimbursed to the University by the NHS, was:

<i>Salary range</i>	<i>Number of posts</i>	
	<i>2013</i>	<i>2012</i>
£100,000 – £109,999	7	6
£110,000 – £119,999	4	6
£120,000 – £129,999	4	1
£130,000 – £139,999	4	2
£140,000 – £149,999	2	3
£150,000 – £159,999	3	2
£160,000 – £169,999	1	3
£170,000 – £179,999	1	0



£180,000 – £189,999	0	1
£190,000 – £199,999	0	0
£200,000 – £209,999	0	0
£210,000 – £219,999	0	1
£220,000 – £229,999	0	0
£230,000 – £239,999	1	0

The University of South Wales received a request on 17<sup>th</sup> January 2014 for information about its processes in regard to senior management pay. Specifically the University has been asked to respond to the following requests:

1. An explanation of how senior staff pay arrangements are managed within the University, both in terms of starting pay and pay increases. This should include an explanation of how salary decisions are reached for these staff.
2. Information on whether the University operates a Remuneration Committee (or equivalent) to handle senior staff pay issues, including details of the Committee Chair.
3. Senior staff salary data in the form of numbers of senior staff broken down by £10k salary bands (please do not provide the names of individuals).

The University's formal response is set out below:

### ***Senior staff pay arrangements***

In 2008 the University of Glamorgan implemented the National Framework Agreement, a sector wide agreement with the national Trade Unions relating to pay and grading and terms and conditions of employment. On implementation, the University of Glamorgan introduced a locally agreed pay and grading structure developed after an extensive process of role analysis and a 'best fit' assessment of existing posts. This pay and grading structure included all posts within the University of Glamorgan, up to and including the Vice Chancellor.

In 2013, after merger with the University of Wales, Newport local agreement was reached with the recognised Trade Unions for the University of South Wales to adopt the University of Glamorgan's pay and grading structure and associated terms and conditions of employment. The basic tenet of all posts, including senior posts, having a grade comprising between 1 and 6 spinal points continues unchanged. The pay and grading structure for the University of South Wales is attached at Appendix One.

On approval of a new post, the grade is established using the HERA role analysis system. Advertised vacancies include detail of the pay and grading structure and the statement that the University's normal practice is for new starters to commence at the minimum salary for the grade.

In the case of senior management posts, grades are likely to comprise only one spinal point and therefore do not allow for annual incremental progression.

The nationally negotiated annual cost of living pay award is paid to all staff, including senior staff subject to the prior approval of the Board of Governors. The University of South Wales does not operate a performance-related pay system or any form of bonus payment system for senior staff.

Employees of the University, including senior staff are eligible to be members of a pension scheme. All senior staff are members of the Local Government Pension Scheme, Teachers Pension Scheme or Universities Superannuation Scheme, depending on the nature of their post. The Regulators of all three pension schemes establish the level of Employer's contribution required, which the University of South Wales is liable to pay. No additional payments are made to pension schemes by the University on behalf of senior staff. The University of South Wales' Board of Governors has agreed that no additional salary payments will be made to senior staff that opt to leave a pension scheme due to reaching the Lifetime Allowance.

### ***Remuneration Committee***

The University of South Wales has, as a sub-committee of the Board of Governors, a Remuneration Committee. Its composition is:

Chair of the Board (ex officio)

Deputy Chair of the Board (ex officio)

Chair of the Human Resources Committee (ex officio)

Chair of the Finance and Resources Committee (ex officio)

One other Governor (other than Staff Student Governors)

Vice-Chancellor (except in respect of his/her own remuneration)

Its current Chair is: Mr Haydn Warman (Deputy Chair of Board ex officio). He is a retired executive director of Principality Building Society; formerly General Manager Norwich and Peterborough Building Society. Having qualified as a solicitor he spent several years in private practice and subsequently within the Legal Division of the Welsh Office. A non-executive member of the Audit and Risk Management Committee of the Wales Audit Office and a non-executive Director of the Monmouthshire Building Society and Monmouthshire Insurance Services Limited. He lives in the Vale of Glamorgan.

The Committee's terms of reference are:

- 1) to review the remuneration (grade and contribution pay) of the Executive and Vice-Chancellor, in accordance with the Framework set by the Board on the recommendation of the Human Resources Committee, and make recommendations to the Board using sector and institution wide data as necessary and appropriate;
- 2) to receive, not less than annually, a report from the Vice-Chancellor on the remuneration of Deans, corporate Heads of Department and equivalent level three posts reporting to Executive members, as recommended by the Executive in accordance with the Framework, and approve the Executive's recommendations;
- 3) to make recommendations to the Board on severance payments to the Vice-Chancellor and approve severance payments to members of the Executive and such other senior staff, as determined from time to time by the Board of Governors.

**Senior staff salary data**

Salary Band £		Grade	Job Title
105,001 110,000	–	O	Pro Vice Chancellor
115,001 120,000	–	O/P	Deputy Vice Chancellor (x3 posts)
125,001 130,000	–	P	College Principal
190,001 195,000	–	Q	Vice Chancellor

***Senior staff salary arrangements***

The appointment of senior officers - Vice Chancellor and Pro Vice Chancellors - are made by the University Council. In determining the level of salary the University utilises the UCEA Pay Survey. This Survey is also used for the annual review of Senior Salaries.

***Remuneration Committee***

A Senior Remuneration Committee meets at least once a year to review the salaries for the individuals appointed to the roles of Vice Chancellor and Pro Vice Chancellor. The current chair of the Senior Remuneration Committee is the Venerable Randolph Thomas who is one of the Co-Vice Chairmen of the University of Wales Trinity Saint David. The Senior Remuneration Committee includes an external member who has no involvement in any other facet of the University's functioning. The current external member has considerable knowledge of HE remuneration schemes.

When utilising the UCEA Pay Survey the Senior Remuneration Committee uses the figures relating to institutions of similar size and structure. Reference is also made to other Senior salary payment reviews which are made available for perusal by the panel. This may include non HEI reviews. The Senior Remuneration Committee carefully consider the use of independent advice and of its appropriateness to the institution.

The terms of reference of the Senior Remuneration Committee are reviewed annually so as to meet the changing circumstances and needs of the institution. The Senior Remuneration Committee submit an annual report to the University Council on its activity.

The Senior Remuneration Committee also has responsibility for appointing the Clerk of the University Council when this appointment is not an internal appointment. The salary for a non-internal appointment is reviewed annually at the meeting of the Senior Remuneration Committee.

Three University's policies direct the processes employed - 'Procedures for the Remuneration of Senior Staff', 'Severance Policy for Senior Staff', and Senior Management Succession Strategy'.

***Senior staff salary data***

Please see below information in relation to senior officer salaries:

<i>Salary range.</i>	<i>Number of posts</i>
£200K to £205K	1
£165K to 170K	1
£125K to £130K	2
£90K to £95K	3

The figures are for salary only and do not included employments costs.

One of the people in the lowest band is a 0.5, so has been included at the full time equivalent.