

Remuneration Committee: Framework for Decision Making

Contents

1. Governance.....	1
2. Policy.....	2
3. Principles.....	2
4. The Remuneration of the Principal and Vice-Chancellor.....	3
5. The Remuneration of the Senior Management Team.....	3
6. The Remuneration of Professorial Staff.....	3
6.1. Professorial Staff Salaries - Appointment.....	3
6.6. Professorial Staff Salaries – Contribution.....	4
7. The Remuneration of Grade 10 Professional Staff.....	5
7.1. Grade 10 Professional Staff Salaries - Appointment.....	5
7.2. Grade 10 Professional Staff Salaries – Contribution.....	5
8. Document History.....	6

1. Governance

- 1.1. Main Principal 15 of the Scottish code of Good HE Governance¹ provides the following guidance on the role of the Remuneration Committee:

The governing body shall establish a remuneration committee to determine and review the salaries, terms and conditions (and, where appropriate, severance payments) of the Principal and such other members of staff as the governing body deems appropriate. The policies and processes used by the remuneration committee shall be determined by the governing body, and the committee’s reports to the governing body shall provide sufficient detail to enable the governing body to satisfy itself that the decisions made have been compliant with its policies.

¹ <http://www.scottishuniversitygovernance.ac.uk/2017-code/>

- 1.2. The terms of reference ² for the University of Edinburgh Remuneration Committee define the committee's purpose as follows:

To advise Court and oversee the preparation of policies and procedures in respect of salaries, emoluments and conditions of service including severance arrangements for the University's senior management including the Principal and those at professorial or equivalent level and to keep these under review. To approve, in line with these Court approved policies and procedures, the total remuneration package for the Principal, those senior staff reporting directly to the Principal, and, as appropriate, Professorial and equivalent staff.

2. Policy

- 2.1. The policy relating to senior pay, i.e. staff in Grade 10 and equivalent, is the responsibility of the Remuneration Committee. The Remuneration Committee's remit is one of governance, i.e. ensuring that the University has appropriate policies in place, which meet legal responsibilities which are consistent with, and supportive of, the institution's strategic plan, and that these policies are properly implemented.
- 2.2. When considering pay policy for Grade 10 staff (professorial and non-professorial) the Remuneration Committee has the benefit of an independent observer, with particular expertise in equal pay matters, who prepares an annual report for the Court, for the HR Director, and for the Combined Joint Consultative and Negotiating Committee (CJCNC).
- 2.3. This paper describes the framework by which the Remuneration Committee makes decisions on the remuneration of the senior staff of the University. Through which they ensure the reward of senior staff is fair, equitable and responsive in a highly competitive market.

3. Principles

- 3.1. The principles underpinning the framework for senior pay decision making are:
 - To ensure a transparent process.
 - To ensure that the process reflects robust equality practice.
 - To ensure that the process takes account of the quality and standing of the University of Edinburgh and to acknowledge that this quality and standing sets normal expectations of sustained high impact contribution from its senior staff.
 - To describe and review the kinds of indicators that are used to identify sustained excellence beyond this expected level.
 - To make use of appropriate comparative information on employee remuneration from established independent sources.

² <https://www.ed.ac.uk/human-resources/pay-reward/remuneration-committee>

4. The Remuneration of the Principal and Vice-Chancellor

- 4.1. Remuneration Committee are responsible for the review and approval of the remuneration of the University Principal.
- 4.2. In determining the remuneration of the Principal consideration should be made of established independent sources of benchmark reward data for roles in comparable organisations.
- 4.3. The performance of the Principal is considered as part of his/her Annual Review completed by the Vice-Convenor of Court and based on a commentary of the work plan for the previous year and the plan for the next year. In preparation for the annual review process the Vice-Convenor should take into account the views of Court Members. The review of the Principal's performance may also draw on 360 degree feedback.
- 4.4. Following these discussions and the annual review meeting the Vice-Convenor will discuss the outcomes with Remuneration Committee. The Principal will not be present for this discussion and Remuneration Committee will then take cognisance of the outcome of the annual review when making a recommendation on salary.

5. The Remuneration of the Senior Management Team

- 5.1. The Senior Management Team is for these purposes defined as those senior staff who report directly to the Principal or Senior Vice Principal and any other senior staff who may from time to time be agreed by the Committee to be included in its considerations.
- 5.2. Remuneration Committee are responsible for the review and approval of the remuneration of the University Senior Management Team. Cases for review are normally proposed by the Principal or the Senior Vice Principal for their direct reports.
- 5.3. The performance of Senior Team members is considered as part of their Annual Review. The outcomes of this review will inform any proposal to Remuneration Committee from the Principal or Senior Vice Principal.
- 5.4. In reviewing the remuneration of the Senior Management Team consideration should be made of established independent sources of benchmark remuneration data for roles in comparable organisations.

6. The Remuneration of Professorial Staff

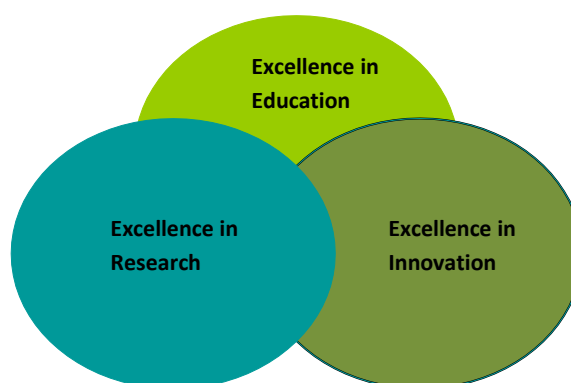
6.1. Professorial Staff Salaries - Appointment

- 6.2. To be appointed as professors, individuals must have an established international reputation and be major contributors to the institution. This is reflected in appointment criteria and embodied in the generic grade profile which sets out the role expectations for the grade.
- 6.3. Starting salaries for individuals appointed as professors must be considered with reference to robust independent external benchmark data on salaries in comparable institutions and should consider internal salary relativities. Care must be taken to ensure pay decisions are fair and equitable and consideration should be given to the impact of any salary decisions on gender pay.
- 6.4. Salaries for Professors of less than £125,000 per annum can be authorized by the Principal or, in his/her absence by an agreed deputy, but must be reported to Remuneration Committee.

6.5. Salaries for Professors of £125,000 per annum or more can only be authorized by the Remuneration Committee.

6.6. Professorial Staff Salaries – Contribution

6.7. It is expected that all professors will sustain a contribution at a level commensurate with their role and that this contribution will support the University's strategic goals. The nature of the impact of professors on their discipline and the institution will vary, depending on three overlapping areas (see diagram below). Success in any of these areas would bring reputational and/or commercial advantage to the University, whether directly or indirectly, and each also reflects the University's core strategic goals.



6.8. Exceptional contribution is assessed by reviewing the impact of individual contribution within the 'Parameters of Excellence' identified in the Grade 10 review guide.³

6.9. Professorial staff will have their salary level reviewed every year. The assessment of their excellence will be evidence based and will draw on the outcome of the last recorded Annual Review, supplemented by other relevant evidence of performance. Professors will also be expected to provide an up to date curriculum vitae and a brief note highlighting changes and particular achievements.

6.10. A full guide to the annual review of Grade 10 Professorial Staff is published on the University Website⁴.

6.11. When reviewing contribution of professorial staff Heads of School are also asked to review internal and external comparator salary data and to give appropriate consideration to the equality impact of their decisions.

6.12. Outcomes of the annual Grade 10 review process are reported to Remuneration Committee.

³ [Grade 10 Staff Guide](#)

⁴ [Grade 10 Professorial Guide](#)

7. The Remuneration of Grade 10 Professional Staff

7.1. Grade 10 Professional Staff Salaries - Appointment

- 7.1.1. To be appointed to posts at this level, individuals must have an established track record in their area of responsibility and are expected to be major contributors to the institution. This is reflected in appointment criteria and embodied in the generic grade profile for Grade 10 which sets out the role expectations for the grade.
- 7.1.2. Starting salaries must be considered with reference to robust independent external benchmark data on salaries in comparable institutions and should consider internal salary relativities. Care must be taken to ensure pay decisions are fair and equitable and consideration should be given to the impact of the salary decisions on gender pay.
- 7.1.3. Salaries for professional staff of less than £125,000 per annum can be authorized by the Principal or, in his/her absence by an agreed deputy, but must be reported to Remuneration Committee.
- 7.1.4. Salaries for professional staff of £125,000 per annum or more can only be authorized by the Remuneration Committee.

7.2. Grade 10 Professional Staff Salaries – Contribution

- 7.2.1. Once appointed, the impact of these staff on the success of the institution will vary, depending on their own performance and that of those they lead, in particular in relation to relevant goals and priorities for the University. It is expected that all staff in Grade 10 roles will sustain their contribution at a level commensurate with the role
- 7.2.2. In senior roles such as these, the key success factors will most likely be those which impact, directly or indirectly, on the University Strategic Goals and/or Strategic Themes. College and Support Group plans are also relevant and contain more detail; the key point is that, for posts at this level, it should be possible to demonstrate the links with organisational goals and objectives with some ease.
- 7.2.3. Grade 10 professional staff will have their salary level reviewed every year. The assessment of their excellence will be evidence based and will draw on the outcome of the last recorded Annual Review, supplemented by other relevant evidence of performance. Grade 10 Professionals will also be expected to provide an up to date curriculum vitae and a brief note highlighting changes and particular achievements.
- 7.2.4. A full guide to the annual review of Grade 10 Professional Staff is published on the University Website⁵.
- 7.2.5. Outcomes of the annual Grade 10 review process are reported to Remuneration Committee.

⁵ [Grade 10 Professorial Guide](#)

8. Document History

- Originally published August 2014
- Updated November 2014: Addition of Statement on the Management of Pensions
- Updated March 2017: Removal of Statement on the Management of Pensions
- Updated October 2018: Increase in salary threshold for consideration at Remuneration Committee
- Updated December 2018: amendments to refer to revised version of Governance Code and consultation with all Court members on remuneration package of Principal and senior team.