PAY REVIEW POLICY FOR JOB FAMILIES

Administrative and Professional Services

Specialist, Technical and Professional Services

Operational Services

The Purpose of Pay Reviews

Pay reviews are the major means of implementing the University’s reward policies. It is important, therefore, that the way in which these reviews are conducted and the outcomes for our employees reflect University policy and values. The Framework Agreement for the Modernisation of Pay Structures states that “Arrangements for ……progression should be: designed to offer equal opportunities for all staff in each particular job level and to reward the acquisition of experience and contribution; and operated with demonstrable fairness, transparency and objectivity. Progression within each job level will depend in part on an individual’s length of service in job level and in part on an assessment of their contribution”.

The University’s Pay Review process aims to meet the following purposes.

- To enable employees to move to the main scale maximum (contribution threshold) of their job level in annual increments in order to reward their acquisition of knowledge, skills and experience.
- To award additional (accelerated) increments on the basis of contribution to enable highly effective performers who demonstrate greater than normal application of skill and experience to reach the main scale maximum more quickly when appropriate.
- To enable individuals who attain consistently excellent performance levels that are clearly above the target contribution level to move into the discretionary range of the job level in order to ensure their salary level reflects their contribution.
- To distinguish between continuous, sustainable performance (based on acquisition of knowledge, skills, experience) and one-off achievements such as completion of a specific project.
- To enable one-off bonus payments to be made for one-off achievements in order to maintain an appropriate position for an individual within a job level.
- To enable the award of one-off payments to high-performing teams of Operational staff.
- To monitor both the operation and outcomes of the Pay Review process in order to ensure fairness, objectivity and transparency.
To facilitate control of the University salary costs by providing progression processes that take account of affordability.

The Annual Pay Review process therefore aims to provide fair and equitable pay to staff in relation to the job that they perform and their contribution to the University. However, it must be recognised that this process is affected by:

- Nationally negotiated pay levels;
- University performance and its ability to pay.

**Pay Reviews**

In order to place the issue of pay progression in context it is important to consider all elements of the Pay Review process. This process is made up of various elements which are detailed separately below. However, they will be managed as one combined activity with the outcome normally being effective from 1st August each year.

1. **National Pay Award**

   The National Pay Negotiations normally take place each year on a national basis for the Higher Education sector. UCEA (the Employers Association for Universities and Colleges) undertakes collective bargaining with HE Unions and this results in a recommendation to Universities of an across the board increase which is applied to every point on the pay spine. This award, which stems from the National recommendations, is normally effective from 1st August each year; however it is sometimes implemented after that date and backdated.

   The end result of the National Pay Award is normally an uplift of each University job level in line with the negotiated settlement.

2. **Individual Review**

2.1. **Individual Annual Incremental Progression**

   The aim of Annual Incremental Progression is to reward the individual for the knowledge and skills that they will normally acquire as the length of time in the job increases.

   The policy of the University is that new appointments will normally be made within the lower quartile of the salary band (or the lower half for jobs in levels that have small scales). This will depend on experience, qualifications, and demonstrable ability to perform the job. The starting salary may also be affected by market factors; however this will never be the sole determining factor. For further details on starting salaries see the Management Guidance
Notes on Starting Salaries. [http://www.ncl.ac.uk/hr/pay/market-supplements.php](http://www.ncl.ac.uk/hr/pay/market-supplements.php)

An employee’s normal expectation will be to receive one additional increment each year (in addition to any National Pay Award). Annual increments will be continued until the individual reaches the maximum of the main scale of the level for their job. This is referred to in the Framework Agreement as “Contribution Threshold”. The monetary value of this increment is 3% in most cases.

### 2.2 Individual Contribution Related Progression

This type of progression aims to reward an individual who is contributing at a level that exceeds their current position in the range. It requires a nomination by their Line Manager and approval by a Pay Review Panel. Contribution Related Progression addresses two possible scenarios.

1. An individual paid below the main scale maximum of their job level demonstrates, through excellent performance, that s/he already possesses or has quickly acquired the skills and knowledge to perform the job. In this case the manager can award more than one increment to move the individual more quickly to the main scale maximum of their job level.

2. The second type of Contribution Related Progression is for the individual who is already at main scale maximum or in the discretionary range. There is no automatic progression into or through the discretionary range. The discretionary range is for individuals who may have developed their role to such a degree that they are contributing significantly more than the normal expectations for the post. Individuals who attain consistently excellent performance levels and who are clearly above the target contribution level, can, following the review by their Manager, move into or through the discretionary range of the job level in order to ensure their salary level reflects their contribution.

### 3. Team Review

#### 3.1 General

The Pay Review process also recognises that, in some cases, it is the collective contribution of a team that merits reward rather than an individual. This can be particularly relevant where teams comprise several generic roles and where performance is regularly assessed through the achievements of the team as well as individually.

Team awards take the form of a non-consolidated bonus for each member of the team – see s.5 below.
Accelerated and discretionary increments are not available on a team-based Pay Review.

Team Leaders and Supervisors will not be considered under a Team Award. Where appropriate, they should be considered within the process for an individual award.

4. Adjustments and Exclusions
It is important that awards are applied fairly and reflect, as far as possible, the circumstances surrounding the individual/team’s performance. Appropriate adjustments should therefore be made, as follows:

I. Bonus payments should be adjusted to recognise situations where the employee has been in post less than 1 year.
   - < 6 months: not eligible
   - 6 months – 1 year: 50% of award

II. Part-time employees should receive a pro-rata award.

III. Where, during the review period, an employee has received a sanction under the disciplinary procedure or where their performance has been identified as not meeting acceptable standards and is being managed under the Capability Procedure, they will not be eligible to receive an award.

In order to support Managers in the implementation of the Pay Review Policy and Process, the University will:

- Develop and maintain management guidelines to support the process.
- Provide Management Training to ensure that Managers understand the process and have the skills to carry it out.
- Monitor the process and provide feedback in order to support improvements.

5. Pay Review Process

The Pay Review process is an annual event that normally culminates in an August 1st implementation of salary changes. The full timetable is contained within the Management Guidance Notes and process documentation.

However, it may be necessary to review an individual’s salary mid year. This might occur when it is felt that a retention problem may be created by the individual remaining on the current pay level and where there is scope for progression up the pay band due to the individual’s level of contribution as compared to their current position in band.

This mid year review will however be an exception, and requires the authorisation of the Pay Review Panel.
6. Non Consolidated Bonus

Cash bonuses that are not consolidated into basic pay and are a one-off payment can be awarded in recognition of an exceptional specific contribution that is of a one-off nature. Examples include:

i) Completion of a project in addition to job role.
ii) Performing the job well in time limited circumstances that require extra ability and/or effort.

Alternatively, they can be used as the basis for a Team Award (see s.3 above).

These non-consolidated bonuses will be an amount up to a maximum of 5% of base pay. They can be made at any time of year, but must be within agreed budgets and be approved by the Pay Review Panel.

7. Communication to Staff

To promote transparency of the annual Pay Review process, any employee who is being nominated by his/her manager for contribution-related progression, will be informed of this by his/her manager before the process is complete.

Following the conclusion of each Pay Review process (or any mid year review), employees will be advised of the impact on their basic pay.

The Pay Structure showing the impact of the National Pay Award will be communicated on the HR Website. Employees who receive this National Award plus one automatic increment will not receive any additional notification. Employees who receive an award that differs from this (including a one-off bonus) will receive an individual letter identifying their personal salary increase and the reasons for this.

8. Fairness and Equity

Guidelines will be provided to managers on how they should arrive at pay decisions for their staff. The aim is to achieve consistency between all parts of the University: Professional Support Services, Faculties, Schools and Institutes. The award of one annual increment per annum up to main scale maximum will be the norm. Rewards in addition to this will be exceptional and they will be awarded only following a faculty/central services review to ensure consistency of application. A Pay Review Form will be used to record all decisions. A University Review Form will be used to review the application of the process. The process documentation gives further details of the monitoring and review within the process.
Staff Committee will determine the proportion of staff that would be expected to receive a contribution based award in any given year and guidelines detailing this will be issued at the start of each Pay Review exercise. However, these guidelines will not preclude Managers from proposing a greater percentage of staff from their area, or, in fact, a lower percentage. Proposals should be made on the basis of a quality review of the individual member of staff or team and the gathering of factual and objective evidence. It is at the University/Faculty/Service Section level that these percentages would be relevant.

The outcomes of the Pay Review Process in terms of the decisions being made about individual or team contribution and the resulting increments/bonuses awarded will be reviewed in order to ensure that the process is being conducted in a fair and equitable manner. This will be the responsibility of the HR Manager (Policy & Projects). Information showing the outcomes of the Pay Review Process will be communicated to Staff Committee, Union Representatives and will be posted on the HR Website. This will not detail any information at individual level but will outline the outcomes at a University and Faculty/Central Services level. It will also detail the results by a number of demographic profiles. This information will also be shared with the Equal Opportunities Advisor and Diversity Committee. This will form the basis of the University’s audits for equal pay.

Any employee who is dissatisfied with any part of their treatment within the Annual Pay Review process should speak in the first instance with their line manager. If this fails to resolve the issue then the employee should consider raising their concerns through the relevant University Grievance Procedure.

9. Responsibility for Pay Review Policy and Process

Staff Committee
will ensure that the Pay Review Policy meets the needs of the University and that the process is implemented in a fair, equitable and consistent manner. Staff Committee will undertake an Annual Review of the process; they will have oversight of the process via an annual report on the conduct and the outcomes of the exercise.

HR Manager (Policy & Projects)
The HR Manager (Policy & Projects) is responsible for the design, maintenance and review of the Pay Review Process. He/she will provide guidelines to managers, and review the operation of the process to ensure its fair and equitable implementation. He/she will provide an analysis of the exercise on an annual basis for Staff Committee.

Line Managers
Managers are responsible for the implementation of the process and for making the judgements necessary for the individual or team contribution element of the review.
**HR Managers**

Human Resources Managers are responsible for the provision of advice and support to managers in their implementation of the process and for the compilation of letters to confirm any changes in salary. They will also ensure the timely processing of awards.

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<tbody>
<tr>
<td>Approval</td>
<td>Staff Committee 18.03.13</td>
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<tr>
<td>Policy/Procedure Owner</td>
<td>Richard Boggie, Reward Manager</td>
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