

# Reward Scheme Policy

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## 1. Introduction

The University operates various methods of rewarding Academic, Research, Academic-Related and Support members of staff for their individual or team contribution. Professorial and Senior Academic and Related Staff are rewarded through the Senior Staff pay review mechanism. Some agency workers may be entitled to be considered for awards (see section 5 below).

This Reward Scheme Policy applies to eligible staff (i.e. Academic, Research, Academic-Related and Support Staff, up to Grade 9 and AC4).

Nominations can either be submitted by the line manager, or an individual member of staff may make a personal submission for any award (known as 'self-nomination').

In exceptional circumstances, peer-to-peer nominations can be made, but such nominations should first be discussed and agreed with a People Business Partner, who will raise them with the individual's line manager to discuss and agree whether it can form part of a line manager's nomination, or the individual can use it as part of a self-nomination case.

Heads of Unit make the final decision on any and all successful reward nominations.

## 2. Equity and fairness

Policies are inclusive of all Open University staff. At business unit and University levels, the distribution (in terms of team, equality and diversity, hierarchical, geographic, and part/full-time split), will be scrutinised by the People Business Partners who will work in partnership with Business Unit leaders to ensure decision making processes are fair, transparent, and equitable, with particular regard to the impact on under-represented groups.

The University will continue to implement an OU consistency panel for Merit Awards and additional/discretionary increments for the purpose of pro-active challenge to discrepancies between outcome and workforce profile at University and Unit level.

It is important that staff on long term absence from the University e.g. due to sickness or maternity leave or external secondment, are considered as part of this process in the same way as staff who are present. It is recognised that such consideration will relate to the period(s) where these individuals have been at work.

Guidance is provided to line managers on ways to avoid unconscious bias when considering which individuals to nominate for an [award](#). We recommend that all colleagues complete the [Understanding Unconscious Bias](#) module on My Learning Centre. In addition, the [Equality Essentials](#) module is a mandatory module that requires recertification every two years – please refer to the [Compliance Training Standard](#).

### 3. Aim

The purpose of the Reward Scheme is to recognise and reward excellence of contribution, both in terms of outcomes and behaviours consistent with the valued ways of working framework<sup>1</sup>, over and above the standards of performance, and behaviours, expected of everyone at the University.

### 4. Reward principles

For all categories of Academic, Research, Academic-Related and Support Staff, the evidence for contribution to the achievement of the University's Strategic objectives will consist of:

- outcomes and results (or **what** has been achieved)
- individuals' behaviours, skills, and knowledge (or **how** it has been achieved).

Decisions will be evidence-based, using a standard nomination form, providing information principally through CDSA processes, considering criteria such as:

- the achievement of objectives where these proved to be unexpectedly or particularly demanding
- outstanding individual contribution to a team
- successful adaptation to change
- undertaking additional responsibilities (other than substantial permanent changes that would justify re-grading)
- significant contribution beyond reasonable normal expectations for the role-holder.

Individuals whose roles make providing evidence of sustained excellence of contribution through measurable outcomes more challenging, may optionally draw on their sustained demonstration of the desired behaviours (based on the existing Valued Ways of Working Framework).

Additional increments and discretionary points will be awarded on the above measures of sustained excellence over a substantial period and anticipated to continue. Outstanding contribution in the short-term or a focused task/project is recognised through Merit<sup>2</sup> Awards.

### 5. Manager nominations and self-nominations

When a manager nominates an individual for an award they do not need to share this with the individual. If they choose to do so, they will be expected to manage the expectations of that individual in so far as the nomination may not be approved and it would not be unreasonable for an individual to request feedback as to why it was turned down.

An individual who chooses to self-nominate does not need to consult their line manager about doing so, although they may do so if they wish. At the point that that nomination is considered by the respective Business Unit, the Review Panel will be expected to invite the line manager to comment on the self-nomination.

Where both a manager and individual have each put forward a nomination, and there has not been any consultation between them about this, these nominations will each be considered together, but in the usual way by the respective Business Unit Review Panel.

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<sup>1</sup> For the 2023 iteration of this scheme, the valued ways of working framework is expected to be superseded by the behavioural framework.

<sup>2</sup> Merit Award is referred to as a Special Award within Terms and Conditions of Employment.

## 6. Full-time and part-time staff

Evidence from the 2020/21 reward scheme process highlighted the risk of part-time staff potentially being over-looked relative to their full-time colleagues, as demonstrated by part-time staff being under-represented when all nominations were analysed.

From the 2021/22 awards, line managers are asked to ensure they give equal consideration to part-time staff, as they would do to full-time staff, when determining which of their staff to nominate for an award.

## 7. Support and other types of staff

Evidence from the 2020/21 reward scheme process showed the risk of support staff being less well represented than other types of staff when nominations were made. Line managers are therefore asked to ensure they give equal consideration to support staff, as they would do to other staff categories, when determining which of their staff to nominate for an award.

## 8. Going the Extra Mile (GEM) Awards **\*suspended from 1 August 2023 until further notice**

GEM Awards are a one-off payment of £125 (gross) to an individual to recognise specific actions that go beyond normal day-to-day expectations and stand out, because they have made a real difference.

The payment is made as close to the event as possible and is therefore not linked to the CDSA process. Nominations must be agreed by the Head of Unit.

This award is designed to reward Valued Ways of Working behaviours<sup>3</sup>. Any member of staff can recommend another member of staff for a GEM Award, which should go through the nominee's line manager for approval. Once the Unit sign off has been agreed, the line manager can submit the nomination in SuccessFactors.

The GEM Award is non-contractual, and the University may, at its discretion, amend or withdraw it at any time. GEM Awards are suspended from 1 August 2023 until further notice.

The payment is subject to deductions for tax.

The payment is not pensionable.

## 9. Team Awards **\*suspended from 1 August 2023 until further notice**

An award may be made to groups of staff to celebrate significant work achievement, for example the successful completion of a project.

This can take the form of, for example, a meal, a social event (e.g. bowling, paint balling etc.), an activity day at an off-campus location. Line managers should consider what would be an appropriate award in the circumstances and ensure that any planned team activity does not exclude members of the team unintentionally.

Team awards should not be used for such things as gifts for leavers, long term sickness absences or maternity. Nor should they be used for Christmas parties/presents.

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<sup>3</sup> See footnote 1 above.

Team awards should be proposed by a line manager and authorised by the Head of Unit. For the avoidance of doubt, these awards do not need to be considered by the Business Unit Review Panel.

Team Awards are suspended from 1 August 2023 until further notice.

## **10. Merit Awards** \*suspended from 1 August 2023 until further notice

Prior to the submission of cases, all colleagues with at least six months' service in their current role as of 1 October, are automatically eligible for consideration for an award.

Merit<sup>4</sup> Awards are awarded principally on the basis of evidence gathered through the CDSA process, where individuals have made an outstanding contribution in the short-term on a focused task/project.

Suggested criteria for deciding whether to nominate for a Merit Award (as opposed to an incremental award) can be found in Appendix 1.

To achieve consistency between units on the amounts of awards across the University, one of the following amounts should be nominated:

- Achievement over and above - £500
- Exceptional achievement - £1,000
- Truly exceptional achievement - £2,000

The actual amount awarded will be linked to the FTE of the recipient. For example, if an individual's FTE is 0.5, they will receive 50% of the amount of the award.

Such cases will be rewarded through a non-recurring, one-off award and will not be consolidated into basic pay (so not pensionable). Units must consider equity in the distribution of awards.

Merit Awards are suspended from 1 August 2023 until further notice.

## **11. Additional increments and discretionary points** \*paused for contribution made in the academic years 2022/23 and 2023/24 (the pause will be reviewed in autumn 2024)

As part of the agreed pay and grading framework, each grade (up to Grade 9 and Academic Grade 4) has associated salary scales with spine points/incremental steps. Staff who have been in post for a minimum of six months will automatically advance to the next highest incremental point on 1 October each year. All eligible staff moving from one job to another on the same Terms and Conditions and the same grade will receive normal incrementation increases.

Normally one, but in exceptional circumstances, up to two additional increments may be awarded to accelerate progression towards the top of the pay scale in recognition of sustained excellent contribution.

Discretionary points are points above the top of the normal grade salary points, and progression to

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<sup>4</sup> See footnote 2 above.

these points is not automatic.

Prior to the submission of cases, all colleagues with at least six months' service in their current role as of 1 October, are automatically eligible for consideration for an award. This review is delegated to line managers who are expected to evidence that contribution of all eligible colleagues was considered. Nominations must evidence sustained excellence of contribution through measurable outcomes that are expected to continue. Cases should be based on the outcomes of the CDSA and/or Academic Promotions process.

An individual on the top spinal point for their grade, cannot be awarded an increment above that point. If they meet the criteria, they might instead be considered for a Merit Award. Merit Awards are suspended from 1 August 2023 until further notice.

Additional increments and discretionary points can only be effective from 1 October each year. Additional increments and discretionary points have been paused for the contribution made in the academic years 2022/23 and 2023/24. The pause will be reviewed in autumn 2024.

## 12. Agency workers and rewards

Under the Agency Workers regulations, agency workers will be eligible for consideration under the Scheme after 12 weeks in the same job<sup>5</sup>.

Agency workers must be provided with the opportunity to achieve Merit Awards, GEM Awards and Team Awards, subject to their personal performance. Merit, GEM and Team Awards are suspended from 1 August 2023 until further notice.

Line managers must consider such agency workers along with all other employees reporting to them. Personal submissions from agency workers for an award will be permitted, although managers will need to complete a separate form.

## 13. Staff on secondment

Staff who are seconded on the same grade as their substantive role shall not be given a permanent increase in salary (through the award of additional increments or discretionary points) during their secondment, without the agreement of the individual's substantive Head of Unit.

It may be appropriate to award staff on secondment a Merit Award, GEM Award or Team Award, provided any payment or associated costs are taken from the secondee's receiving unit. Merit, GEM and Team Awards are suspended from 1 August 2023 until further notice.

Where a member of staff is seconded to a higher graded role and awarded an additional/discretionary increment:

- (a) In relation to their **substantive role**, their secondment salary will not be adjusted. When the member of staff reverts to their substantive role, they will then receive the increased salary.
- (b) In relation to their **secondment role**, their secondment (but not their substantive) salary will be adjusted. When the member of staff reverts to their substantive role, they will revert to the same substantive salary they were receiving prior to starting their secondment (plus any automatic

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<sup>5</sup> The rules about continuity of service are complex so advice about whether an agency worker qualifies should be sought from People Services.

increment/national pay award increase to which they are entitled).

In any other circumstances, line managers should discuss individual cases with their People Business Partner.

#### **14. Staff receiving an allowance**

For staff receiving an allowance, their substantive role will continue to accrue any automatic increment/national pay award increase.

Staff will see an incremental increase in their substantive salary. The allowance will be recalculated using the new substantive salary, to the agreed spinal point of the grade the individual is acting-up into. When the allowance ends, staff will revert to the increased substantive salary amount (where applicable). Line managers are encouraged to discuss changes to pay with their staff member.

If the national pay award increase occurs within the allowance period, all salary scale points will be updated and the allowance will be recalculated using the updated figures.

#### **15. Local reward-based initiatives**

All payments/awards/gifts of appreciation to all staff groups known as “incentives” must be made in line with the agreed University framework and policies. Units must involve People Business Partners in any local reward-based initiatives.

People Business Partners must be involved prior to any decision relating to staff rewards to ensure consistency and fairness and that the University and staff are not placed in a position of liability with HMRC.

The guiding principle is that the use of casual incentives such as vouchers and gifts to staff are not appropriate, as these would be classed as equivalent to cash and therefore subject to PAYE.

#### **16. Evaluation and monitoring**

Evaluation of the Scheme is undertaken by People Services in several ways:

- Through review of any available trend data in relation to the distribution of awards (in terms of team, equality and diversity, hierarchical, geographic, and part/full-time split) at Unit and University level.
- Through proactive scrutiny of the distribution of award outcomes through the OU Consistency Panel.
- Management feedback.
- Staff feedback on perceptions of fairness and consistency, using exit interviews and staff engagement surveys.
- Annual reporting.

These steps help to mitigate inadvertently rewarding one category of staff more than any other.

#### **17. Exceptions**

In exceptional circumstances, additional increments and discretionary points may also be used for reasons of internal comparability, but always contingent on outstanding contribution. This is to ensure equitable pay is maintained, where over time, recruitment activity may have led to a salary anomaly between colleagues doing the same role.

Professorial and Senior Staff rewards are considered separately through the annual Senior Staff pay

review mechanism.

Rewards may not be awarded to any individual unless they have completed a recent CDSA (normally in the preceding 12 months). Similarly, managers will not receive awards unless they have undertaken, or have plans to undertake, CDSA for their staff.

## **18. Equality, diversity and inclusion**

Policies are inclusive of all Open University staff, regardless of age, care experience, caring status or dependency, civil status, disability, family status, gender, gender expression, gender identity, gender reassignment, marital status, marriage and civil partnership, membership of the Traveller community, political opinion, pregnancy and maternity, race, religion or belief, sex, sexual orientation, socio-economic background or trades union membership status.

## **19. Useful references**

[Reward Scheme Procedure](#)

[OU Consistency Panel Terms of Reference](#) (in Reward Scheme Procedure)

Valued Ways of Working Framework

Additional guidance '[Hints and tips](#)' for drafting successful award cases

[EDI Statement in relation to Reward Scheme](#)

## Appendix 1

### Proposed criteria for Merit Awards

#### Criteria

Doing a job well is expected of all Open University employees. The decision to nominate for a Merit Award assumes this. However, when an individual or team has gone beyond what might normally be expected for their role/s and this can be shown to have had a positive impact on any or all University stakeholders (including students, employees, alumni, donors and Council members), it will be appropriate to nominate for such an award.

#### Examples

- Achieving excellence in a specific task or project which has been included in a work plan or agreed objectives, or which was required unexpectedly
- Making a significant contribution to the team's work, where the absence of such a contribution would have jeopardised the achievement of an important task or objective
- Contributing to the maintenance of a high level service during an unplanned absence of colleague(s) or lack of implementation of an anticipated system
- Exceptional performance in handling or averting a crisis, emergency or one-off event
- Proposal and implementation of an innovative approach or solution for improvement of a working practice or process with short- to medium-term consequences
- Providing exceptional mentoring, coaching, training or other professional support to a colleague(s) or group/team
- Going above and beyond to fix an issue for a student/employee or group of students/employees and/or other stakeholders that would otherwise have had a significant negative impact
- Participation in a cross-unit or cross-University project, which has been regarded as highly successful
- Demonstrating how an individual or team has truly lived and breathed the University values in accordance with behavioural expectations