

6. Remuneration Committee Calendar 2022/23

The Committee noted the list of future items.

Part Two – Strategic Items – President and executives in attendance

7. Sectoral Developments Update

Peter Smith provided an update on emerging trends in the sector, making the following points:

- Recruitment activity continued to be volatile in the sector.
- Information on Head of Institution (HoI) remuneration would be published in the upcoming financial statements. There was a possibility that OfS would publish some analysis of HoI pay trends however this did not occur following the publication of 2021 statements.
- Annual remuneration surveys would be undertaken in the spring including the survey conducted by KornFerry.
- There was tension in the markets for grades 7 and 8 for both academic and professional service staff. This was the point at which professional staff in particular could receive higher remuneration outside the sector. This had resulted in a number of requests for whole system pay reviews in some HEIs.
- There was some concern that uncontrolled use of market supplements in pre-92 institutions was leading to poorer equality outcomes. Conversely the use of market supplements enabled institutions to remain competitive. Peter Smith would circulate a commentary on the use of market supplements in the sector generally. **[Action]**.
- The London Living Wage was rising, leading to diminishing differentials for lower paid staff.
- Employers were trying to help staff with the increased cost of living without increasing their fixed costs, but Trade Unions were pressing for higher annual settlements.
- KornFerry surveys indicated that average salary increases had remained below 5% in the past year.
- University staff tended not to move employer as often as in other sectors, but more attractive hybrid working arrangements elsewhere could affect City's retention rates, although this was not in evidence yet.
- The President noted that the Trade Unions had made a formal claim for London Weighting but City had absorbed this into pay spines sometime ago. City's pay scales remained high in comparison with other HEIs.
- The dominant dialogue with UCU was around workload and pensions.

Tax liabilities arising from staff living and working abroad

The Chair of ARC had requested that RemCo consider the implications for remuneration of the work currently underway at City to address tax liabilities for staff currently working at City but living abroad, given the provision made for this in City's annual report and financial statements. In discussion, the following points were made:

- The Terms and Conditions for all staff would be revised to clarify that staff employed at City were required to be domiciled in the UK, other than in very exceptional circumstances.
- It was important that City work to resolve the situation with staff currently living abroad.
- As part of the agreed process for addressing the issue, the HR Director had written to Deans to request business cases for staff currently living and working abroad in order to determine the very small number for whom City was prepared to assume the costs and liabilities of their continued presence overseas, this would include staff engaged on research projects overseas.

8. Equal Pay Audit

RemCo received a report on the Ethnicity Pay Gap at City and an update on actions arising from the Equal Pay Audit. The report provided analysis of data obtained in the Audit which had been conducted in spring 2022, along with an intersectional focus on gender and ethnicity and a disaggregated analysis of ethnicity groups. The Office for Institutional Equity and Inclusion had been established, led by Dr Jessica Jones-Nielsen. City was awaiting the outcome of its application for the Race Equality Charter, due later in November. In discussion the following points were made:

- Since the census date there had been further movement in the Grade 9 professional service staff group via change in personnel which would result in a lower pay gap of 8.3% for 2022/23, down from 14.5%.
- RemCo had requested that City should ensure that equal pay anomalies were addressed. A salary review was underway for grades 1-8 with a sole focus on obvious and unjustifiable base salary differentials within grade/Band; all Deans and Professional Service Directors had received the full Audit report so could use it to identify equal pay issues in their areas.
- There were several areas where the pay gap was more pronounced, Grade 3 professional services staff, Grade 9 professional staff and Band 4 professors. All three groups were relatively small.
- City was also reviewing the promotions process, with a focus on the average length of time for people to be promoted; it was notable that this was longer for people of colour.
- The HR team had undertaken some modelling of equality data to identify where changes, if made, could have the biggest impact on the publicly reported Gender Pay Gap. At City these two areas were (i) Band 3/4 professors where there was a male bias, and (ii) Unitemps workers where the bias was female.
- It would be useful to monitor the actions arising from the audit and an update on progress should be provided at the June meeting. **[Action]**

9. Annual Remuneration Statement

RemCo considered the second draft of the Remuneration Statement and Note 8 for publication in the Financial Statements 2021/22. In discussion the following points were noted:

- The External Auditors had highlighted that the President's expenses were yet to be published. *[note: President's expenses have now been published on the website]*
- Forty-nine HEIs were disclosing pay in lieu of pension; and there was a case for restructuring the remuneration of the President in such a way that total remuneration was not changed, but an element of total remuneration comprised pay in lieu of pension.

Decision

Remco **endorsed** the second draft of the Remuneration Statement for 2022/23 with some minor amendments.

This item is continued in Section B of the minutes, Closed Business.

10. Bayes Remuneration Matters

RemCo received a verbal update on Bayes Remuneration matters. Work on responsibility allowances and additional pay continued. There were still a large number of anomalies although steady progress was being made now that the Dean was in post; the majority of changes were effected as people changed role. The VP (D & SE) was leading work on the role of Associate Deans in all Schools and would be reflecting on this with Deans. In discussion the following points were made:

- RemCo noted that the review of responsibility allowances had been ongoing for at least two years so it would be good to bring it to a conclusion.

- The President would provide an update to the March meeting which the Dean of Bayes would also attend. **[Action]**
- RemCo noted an update on a case arising from the Job Evaluation Exercise.

This item is continued in Section B of the minutes, Closed Business.

Part Three – Higher Paid and Senior Staff – issues requiring attendance of President

11. Update on appointments to the Senior Leadership Team

RemCo received an update on appointments to the Senior Leadership Team along with an analysis of final costs of the team. Recruitment to the Team was now complete, although there were some changes to roles at the level below SLT. In discussion the following points were made:

- RemCo noted the increased recurrent cost of the SLT and that it was exclusive of pension and other employer costs.
- It was hoped that the increased size of the team would enable City to achieve the objectives set out in the Strategy and improve overall student experience

This item is continued in Section B of the minutes, Closed Business.

12. Recognition Award Scheme

RemCo **noted** that whilst City was developing its response to the impact of the national cost of living crisis on City and its staff the President felt it would be inappropriate to propose any awards under the scheme and had informed colleagues of this decision,

Paul Long joined the meeting for the following item.

13. Bayes Executive Education Variable Pay Proposal

RemCo considered a proposal for a variable pay policy plan for the Director and Client Director Roles within Bayes Executive Education (ExecEd), Bayes Business School. The policy updated a previous variable pay policy agreed in 2015/16 for both roles, though the policy had lapsed as the market for executive education during the pandemic had contracted and there had been a number of personnel changes within the Bayes Exec Ed team. But the market had recovered and was forecast to continue to grow, and with new academic leadership for the team the School now wished to recruit two new members of staff to maximise potential. These roles were primarily specialised sales roles so they would benefit from an incentivisation scheme to maximise revenue growth and contribution to the School. Target revenues would be set by the Dean and COO, with an overall 50% contribution target. In discussion the following points were made:

- Bayes' ExecEd competitors, such as Warwick and Imperial, provided variable pay supplements for comparable roles, although it was unusual for roles in HE in general.
 - The scheme would be overseen by the Dean of Bayes and by the Bayes COO on a day-to-day basis, neither of whom would benefit directly from the scheme.
 - Further consideration should be given to the wording in order to remove any ambiguity which could result in future difficulties in the operation of the scheme.
- [Action]**

Decisions

RemCo **supported** in principle the introduction of a variable pay scheme for the two roles in Bayes Executive Education but asked for the proposal to be redrafted and for the scheme to be capped. The committee would approve the revised proposal via circulation. **[Action]**

The President left the meeting at this point and was not present for discussion of the following items.

Part Five – Higher Paid and Senior Staff – issues not requiring attendance of President

14. Higher Paid Staff ie staff earning more than £100k per annum

14.1 Report of Higher Paid Staff 2021/22

RemCo welcomed the report which detailed the members of staff in receipt of remuneration over £100,000 per annum, with additional analyses of gender and ethnicity. 146 members of staff were listed, the majority of whom were employed in Bayes or the Senior Leadership Team. Given the size of the Business School it was inevitable that City would be identified as an HEI with a large number of Higher Paid Staff. RemCo welcomed in particular the analysis of additional pay in the report.

14.2 Appointments and Departures

RemCo noted four new appointments and the departure of five members of staff within its remit.

This item is continued in Section B of the minutes, Closed Business.

14.3 Approvals by Circulation

RemCo noted its approvals by circulation, for the period between 7th June and 1st November, for 15 members of staff.

This item is continued in Section B of the minutes, Closed Business.

14.4 Business Case for Request for Salary Range

RemCo considered a business case for a proposed salary range for the role of Director of Executive Education, Bayes Business School, Grade 9 and evaluated as Hay Level 19. In discussion the following points were made:

- The post had been held in abeyance during the Pandemic as the market for executive education had contracted, but activity had now resumed.
- The position would be eligible for the variable pay scheme proposed in item 13.
- City would be engaging a recruitment consultant to assist with the search for this role. It was possible that they would advise that a higher salary range would be more appropriate in order to engage the right individual to maximise the growth potential, at which point RemCo would be asked to approve a revised salary range.

Decisions

RemCo **approved** the recommendations for a salary range for the proposed role of Director of Executive Education, Bayes Business School.

This item is continued in Section B of the minutes, Closed Business.

14.5 Exceptional Requests

RemCo noted cases that it might be asked to approve via circulation.

15. Senior Staff Reporting to the Chair of Council

RemCo noted that due to the impact of the cost of living crisis on City and its staff the Chair of Council was in agreement that it would be inappropriate to propose any awards under the scheme.

Part Five – Items for Information

15. AOB and Date of Next Meeting

The next meeting would take place on 22nd March 2023 at 9 am.

Jen Tippin
Remuneration Committee Chair
November 2022