



#### 4. Conflicts of Interest

Members of the Executive in attendance declared interests for items 11, 12, 13, 15 and 16; they left the meeting for these items, as noted in the minutes.

#### 5. Items Specially Brought Forward by the Chair

Action from Council Meeting, 06.07.18, item 15.4, RemCo Composition

RemCo **agreed to recommend** to Council that this action be closed, but noted that RemCo would continue to monitor how the sector approached staff or student representation on remuneration committees.

Approval of Severance Arrangements for a member of Higher Paid Staff

RemCo **approved** severance arrangements for a member of Higher Paid Staff.

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

#### 6. Remuneration Committee Calendar 2019/20

The Committee noted the list of future items.

### **Part Two – Equality and Diversity**

#### 7. Equality and Diversity

##### 7.1 Annual Equality, Diversity and Inclusion Report

RemCo considered the Annual Equality, Diversity and Inclusion Report for 2018/19 covering activity for staff and students and including a schedule of activities for 2019/20. The report covered a wider range of activities this year, especially with regard to those which were student facing. In discussion the following points were made:

- There was evidence of efforts to change the gender balance of senior staff through recruitment and promotion; and good progress had been made in increasing the percentage of women in senior professional service roles. Increasing the number of women in the professoriat was still challenging.
- One of the main priorities for the coming year would be City's application to the Race Equality Charter and engagement with the broader community. With regard to students, the report summarised initiatives to increase awareness of equality across all activities.
- The Equality, Diversity and Inclusion Strategy was currently under review and would come to RemCo in the autumn for consideration.
- The BAME student attainment gap was a particular focus for City; action plans had been developed to address this.
- An Executive Summary should be prepared to accompany the report as it was developed for publication. **[Action]**
- Questions which might merit a future update to RemCo included: (i) how the actions and initiatives would be embedded into everyday activities for City; and (ii) whether City might adopt the Bristol University practice of asking students to give their consent in advance for personal data to be shared with their parents if there were concerns for well-being. **[Action]**

##### **Decision**

RemCo **endorsed** the Annual Equality, Diversity and Inclusion Report which would now be published on the City website.

##### 7.2 Athena SWAN Implementation Update

RemCo received a report on Athena SWAN activity for 2018/19 with an outline of activities for 2019/20. The Athena SWAN Implementation Group (ASIG) continued to oversee the Action Plan and would shortly commence preparations to renew the Bronze Award in 2020. In discussion the following points were made:

- ASIG had recommended that the action plan for the renewal of the Bronze Award should be shorter to allow greater focus on each action.
- Preparation of an application for an Athena SWAN Bronze award had now resumed in City Law School, delays had been due to some changes in key staff.
- An all-staff survey on gender, in preparation for the renewal of the Bronze Award, was planned for the autumn.
- City continued to work to improve the gender balance of the professoriat, in particular in supporting female academic staff to prepare for promotion.
- Recruitment was a useful tool to change improve gender balance but this was less effective if there was low staff turnover.

### **Part Three – Strategic Items – Issues for Discussion and Decision**

#### **8. Sectoral Developments Update**

Peter Smith provided an update on sectoral developments noting the following:

- UCU continued to campaign against Vice-Chancellor attendance at remuneration committees and for staff and student representation on these committees.
- The OfS proposal to include atypical workers in the calculation for the ratio of Vice-Chancellor pay to median pay would result in a significant change to the ratio, if this was widely adopted.
- The private sector was now required to publish CEO/employee pay ratios. For FTSE 250 companies there was huge variance in data published to date, but indications were that ratios of between 30 and 70 would be published.
- Many HEIs had been undertaking grade evaluations for their staff; it was noticeable that there was some uplift in professional services for staff employed at grade 8 (maximum grade of the nationally determined pay spine) to grade 9 (the locally determined scale for senior staff).

#### **9. Draft Corporate Governance and Remuneration Reports**

RemCo considered a first draft of the Corporate Governance and Remuneration Reports for inclusion in the Financial Statements 2018/19. Both reports would be formally approved by Council in the autumn and followed the format indicated by the CUC Remuneration Code. In discussion the following points were made:

- It would be helpful to add some further information about the work of RemCo, perhaps moving this from the Corporate Governance into the Remuneration Report, which would reflect practice in the private sector.
- RemCo on 17<sup>th</sup> October would consider a second draft of the reports, at which point further clarification on the requirements regarding the publication of senior staff expenses might be available.
- The President's out of pocket expenses were published already on the City website, and City provided information on Head of Institution expenses to the UCU *Transparency at the Top* survey.
- Most HEIs would only publish one version of the pay ratio tables, however, the alternative version published as part of City's Remuneration Report in 2018 did provide some continuity with City's Remuneration Report of 2017; and also reflected guidance from UCEA. City would continue to publish the additional data in separate tables within the Remuneration Report in 2019.

*The Interim Dean of Cass Business School joined the meeting for the following item.*

#### **10. Cass Remuneration Framework**

RemCo considered recommendations arising from the Review of the Cass Remuneration Framework. Further progress had been made since the RemCo meeting on 7<sup>th</sup> March and the committee was now asked to approve; a revised Professorial Banding Structure with associated pay ranges, the outcomes of the Professorial Banding Review, and changes to the remuneration of professors who were within its remit. In

addition, the Committee was asked to approve pay protection principles for affected staff (which mirrored those developed for the Grade 9 Job Evaluation Exercise), and to comment on the implementation of provisions for determining salary levels on appointment. Finally, RemCo was asked to note the progress of the Review's medium-term goals. In discussion the following points were made:

- One of the aims of the Review had been to develop competitive remuneration levels based on improved benchmark indicators. The School would no longer have faculty based professorial banding structures but would move to a 'zoned' three band structure with spot salaries for Band 4 professors. Academic discipline areas would be allocated to one of three zones determined by the School's strategic aims.
- Recommendations from the Professorial Pay Review, undertaken with an external independent advisor to address historical equal pay issues, had been incorporated into the Remuneration Framework.
- The Interim Dean was content with the recommendations of the Review as it addressed fairness and equality in the School. Individuals would receive demonstrably competitive remuneration going forward. Future pay decisions would be based on improved market information and it was hoped that the new Framework would lessen the practice of negotiated personal elements. The Framework would underpin the Cass Strategic Review currently underway.
- The high number of Band 4 professors was still above the norm for Russell Group universities. The independent review had provided some assurance with regard to individuals classified as Band 4, but further thought would be given to this. It was to be noted that a significant number of Band 4 professors were employed on a part-time basis; and that most Band 4 professors were male.
- Communication about the review would need to be sensitively handled; and would include the publication of the new banding structure on the Staff Hub.
- The cost of implementation would be £136k p.a. in recurrent costs.
- Any recommendations for pay adjustment would be backdated to 1<sup>st</sup> April 2019.

### **Decisions**

RemCo **approved**:

- i. A revised Professorial Banding Structure and associated salary ranges, namely a three-band salary structure for Bands 1 to 3, with salaries within Band 4 to be individually negotiated.
- ii. That salary ranges would henceforth be discipline-based, rather than by faculty.
- iii. The outcomes of the Professorial Banding Review.
- iv. Adjustments in remuneration to individuals as a result of the above, as noted in the paper, backdated to April 2019.
- v. The proposed pay protection principles for affected staff.
- vi. The implementation of new provisions for determining salary levels for professorial staff upon appointment.

RemCo also **noted** the progress of the Cass Remuneration Framework medium-term goals.

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

*The HR Director and the College Secretary were not present for the following item.*

## **11. Job Evaluation Update**

RemCo received a further update on the progress of the Job Evaluation Exercise. Following the last meeting of RemCo an assessment of risk for postholders had been developed; and benchmarking information now included Hay benchmark levels for London. Further discussion was ongoing with regard to those roles evaluated as being lower than Grade 9. Fewer postholders were now evaluated as being on salary levels above benchmarked levels. In discussion the following points were noted:

- Further discussions were being undertaken with the individuals with roles now evaluated below Grade 9. These cases would be reviewed at RemCo in October. **[Action]**
- As a result of further consideration the number of roles evaluated to be above the targeted salary range was now reduced. These individuals would be subject to pay protection, but cost of living increases would mitigate the personal impact for some individuals over the three-year period.
- Following RemCo, individuals would be advised of the outcomes of the Exercise.

### **Decisions**

#### **RemCo approved:**

- i. The principles for the implementation of Job Evaluation for Grade 9 Professional Staff, with revised benchmarking.
- ii. Changes to remuneration for those roles within RemCo's remit
- iii. The implementation of pay protection for those members of staff whose remuneration fell outside the targeted range.

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

*The President, the HR Director and the College Secretary were not present for the following item.*

## **12. Performance Related Remuneration Scheme Review**

The committee considered a review of the Performance Related Remuneration Scheme. At its last meeting RemCo had suggested a review of the selected performance indicators (PIs) to investigate whether any could be updated to include a 'maintain or improve' clause for milestones as was the case with the staff engagement PI which had been adjusted in this manner. In discussion the following points were made:

- The targets for the remaining six PIs were challenging in themselves, therefore change was not recommended.
- The Chair of Council and the Chair of SIPCo had discussed the milestones and PIs, particularly the Finance Liquidity PI; and recommended a clarification to the Finance Liquidity PI, to state that changes to pension contributions would be included in the calculation of operating surplus (and not excluded, as currently stated).
- The Staff Survey providers, ORC, were withdrawing from the sector so City had an opportunity to review arrangements for staff feedback including a proposal to postpone the planned Pulse Staff Survey until spring 2020. If a Survey did not take place in 2019/20, the PI would be measured using existing data from the 2018/19 Survey.

### **Decision**

RemCo **approved** the recommendation to retain unchanged the milestones for the PIs included in the PRRS, with a clarification on the Finance Liquidity PI.

*The President was not present for the following item.*

## **13. Pension Protocol**

RemCo considered a review of the Pension Protocol, a guidance note on remuneration for individuals who have withdrawn from the University's pension schemes for tax reasons. While City's 'rule of thumb' adjustment was below the median in a recent UCEA survey report on pension tax policies, there was considerable variance of practice in the sector. Revisions to the Policy had been made to clarify the requirement for those staff holding a Certificate of Individual Protection.

### **Decisions**

RemCo **approved** the revisions to the Pension Protocol and to keep the level of 'rule of thumb' percentage adjustment unchanged; the committee would review the Pension Protocol in October 2020. **[Action]**

## **Part Four – Higher Paid and Senior Staff – Issues for Discussion and Decision**

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

#### **14.1 New Appointments and Departures**

RemCo noted the appointment of one member of senior or higher paid staff and the departure of two members of senior or higher paid staff.

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

#### **14.2 Approval of a New Appointment**

RemCo requested further clarification of the remuneration of the individual. **[Action]**

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

#### **14.3 Approvals since the previous meeting**

RemCo noted the approval by circulation of the remuneration for the Interim Dean of Cass.

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

#### **14.4 Exceptional Requests before the next meeting of RemCo**

RemCo **noted** there could be exceptional requests for approval before the next meeting.

### **15. Senior Staff Reporting to the President / Deputy President and Provost**

#### **15.1 Recruitment**

RemCo received a verbal update on the recruitment process for the Dean of Cass Business School.

#### **15.2 Reports of Achievement of Objectives for 2018/19 and New Objectives for 2019/20 for Senior Staff Reporting to the President and Deputy President and Provost**

The Committee **noted** reports on each member of staff's achievement of objectives for 2018/19 and new objectives set for 2019/20. In discussion it was suggested that further consideration should be given to the approach to objectives set and the definitions of 'exceeded' and 'met', particularly in relation to the rating of overall performance. The HR Director and the President would bring recommendations to a future RemCo. **[Action]**

*The HR Director left the meeting for discussion of the following item.*

#### **15.3 Recommendations from the President for Increases in Base Pay for Senior Staff**

RemCo **approved** recommendations from the President for increases in base pay for three members of Senior Staff. Two of the cases had been prepared as part of the Job Evaluation Exercise for Grade 9 Professional Services Staff.

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

### **16 Senior Staff Reporting to the Chair of Council**

*The College Secretary left the meeting for discussion of the following item.*

#### **16.1 Reports of Achievement of Objectives for 2018/19 and New Objectives for 2019/20 for the College Secretary and Director of Internal Audit**

RemCo **noted** reports on the College Secretary's and Director of Internal Audit's achievement of objectives for 2018/19 and new objectives set for 2019/20.

*The President left the meeting at this point.*

## **16.2 Report of Achievement of Objectives for 2018/19 and New Objectives for 2019/20 for the President**

The Committee **noted** a report on the President's achievement of objectives for 2018/19 and new objectives set for 2019/20.

## **16.3 Remuneration Policy for the President**

RemCo noted the Remuneration Policy.

## **16.4 CUC Comparator Data on Head of Institution Remuneration**

RemCo noted the data from the current set of comparator institutions used for the Remuneration Policy for the President, based on a census date of 1<sup>st</sup> January 2019.

## **16.5 Revised Set of Comparator Institutions**

RemCo considered a proposal to refresh the comparator institutions used to inform the Remuneration Policy for the President. Universities had been considered in light of their size and discipline mix in order to arrive at a set of institutions which were broadly comparable. In discussion the following points were made:

- A list of comparator institutions would be published alongside this year's Remuneration Report and Annual Financial Statements in line with the CUC Remuneration Code.
- RemCo was in fact likely to wish to consider the full analysis provided by the OfS Report on the remuneration of Heads of Institution, alongside any list of comparator institutions, to provide the wider sector context, when considering the remuneration of the President. The text published in the Remuneration Report should reflect this.
- It was challenging to arrive at a satisfactory comparator list given City's unique disciplinary mix and central London location. Rather than include central London institutions in the list of comparators that were not comparable to City in terms of size and discipline, the 'London factor' could be taken into account separately. The text published in the Remuneration Report should explain the way in which the 'London factor' had been taken into account.

### **Decision**

RemCo **approved** the revised list of comparator institutions for inclusion in the Remuneration Policy for the President.

## **16.6 Recommendations from the Chair of Council for Increases to Base Pay for Senior Staff within Their Remit.**

RemCo **agreed** a proposal from the Chair of Council with regard to the President's base pay taking into account performance and market data.

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

## **Part Five – Items for Information**

### **17. The OfS Report on Senior Staff Remuneration**

Noted.

### **18. AOB and Date of Next Meeting**

The Chair thanked Mr Peter Blausten for his valuable contributions to RemCo as a co-opted member for the past eight years. The next meeting would take place on 17<sup>th</sup> October 2019 at 9 am.

Sir John Low  
Remuneration Committee Chair  
June 2019