

**REMUNERATION COMMITTEE
MEETING HELD ON 12th MARCH 2020**

APPROVED MINUTES

Members		Meeting 1 17.10.19	Meeting 2 12.03.20	Meeting 3 18.06.20
Independent Members of Council	Sir John Low (Chair to 30.01.20)	✓	NM	
	Ms Kru Desai	✓	✓	
	Ms Philippa Hird (Chair from 31.01.20)	✓	✓	
	Ms Janet Legrand QC (Hon)	✓	A	
	Ms Julia Palca	✓	✓	
Co-opted Member	<i>vacancy</i>			

Key: ✓ In Attendance A Apologies given P Part Attendance
 NM Not a Member * Conflict of Interest

In Attendance	Reason and Meeting Section
Ms Alexandra Angus	HR Reward Manager
Professor Sir Paul Curran	President
Dr William Jordan	College Secretary
Ms Katharyn Kingwill	Governance Officer
Ms Mary Luckiram	HR Director
Mr Peter Smith	Director, Public Sector Practice, Korn Ferry Hay Group (Adviser)
Mr Tim Longden	Director, Marketing & External Relations (item 9)

MINUTES SECTION A – OPEN FOR PUBLICATION

Prior to the meeting, there was a short informal meeting of the Independent Members of the Committee which was not minuted.

Part One – Preliminary Items

1. Items for Starring

The Committee agreed the starring of all items on the agenda and agreed to defer items 7.1, 7.4, 7.5 and 7.6 to a future meeting.

2. Minutes

The Committee approved the minutes of the meeting held on 17th October 2019. The open section would be published on the City website in due course.

3. Matters Arising

3.1 RemCo noted the matters arising.

3.2 Matter arising: Student Mental Health

RemCo noted the response from the President with regard to the 'Bristol Opt-in'.

4. Conflicts of Interest

Members of the Executive in attendance declared interests for items 15.1 and 16; they left the meeting for these items, as noted in the minutes.

5. **Items Specially Brought Forward by the Chair**
There were no items brought forward by the Chair.

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 Draft Equality, Diversity & Inclusion Strategy

In the light of the absence of the VP Strategy and Planning for unavoidable reasons RemCo deferred discussion of this item to a future meeting.

7.2 Student and Staff Equality Monitoring Report

RemCo considered the Staff and Student Equality Monitoring Report 2018-19 for publication by 31st March 2020 in accordance with Public Sector Equality Duty legislation. The proportion of professorial staff who were female was now 26.2% against a target of 30% by 2021, and the proportion of Grade 9 professional service staff who were female was 42.4% against a target of 50% by 2021. The proportion of the Executive Team who were female was now 42.9%. City's performance with regard to BAME representation was still an issue although performance was on a par with national sector data. HR colleagues and working groups would be using the BAME data report to inform future initiatives on staff turnover, promotion and recruitment, particularly at professorial level. In discussion the following points were made:

- There would be further exploration of the data on student disability as the reported level was lower than expected.
- The EDI Strategy and Race Equality Charter (REC) working groups would be reflecting on the student demographic data in relation to the staff data.
- While there might be the possibility of encouraging City's BAME students to enter the academic profession, becoming an academic was not always a career aspiration of those studying at City who more often intended to enter business and the professions.
- A reciprocal mentoring scheme was now in place for ExCo members and BAME staff at senior levels.
- The Students' Union was very engaged in the work to prepare for the Race Equality Charter.

7.3 Mandatory Gender Pay Gap Reporting

RemCo considered the draft Mandatory Gender Pay Gap Report for publication on the website. The format was similar to the report published last year and was based on a census point of March 2019. This year workers employed through the Unitemps franchise were included for the first time, consequently the proportion of female lower paid workers in the total staff population had increased from 55.5% to 63.1%. The mean ordinary gender pay gap had therefore increased to 17.4%. It was noted, based on the staff population used in previous years, the mean ordinary gender pay gap would have decreased to 13.7%. Careful messaging would be used to explain this alteration in the expected trend.

Decision

RemCo **approved** for publication the report on the Mandatory Gender Pay Gap and congratulated City on its overall achievements to address the gender pay gap as underlying data indicated positive movement.

7.4 Athena SWAN Implementation Update

In the light of the absence of the VP Strategy and Planning for unavoidable reasons RemCo deferred discussion of this item to a future meeting.

7.5 Race Equality Charter Application Update

In the light of the absence of the VP Strategy and Planning for unavoidable reasons RemCo deferred discussion of this item to a future meeting.

7.6 Bullying and Harassment

In the light of the absence of the VP Strategy and Planning for unavoidable reasons RemCo deferred discussion of this item to a future meeting.

Part Three – Strategic Items – Issues for Discussion and Decision

8. Sectoral Developments Update

Peter Smith (PS) provided an update on sectoral developments noting that:

- The Office for Students (OfS) had yet to publish the analysis of senior staff remuneration for 2018-19.
- Head of Provider (HoP) remuneration and benefits over the last two years was trending downwards. Typically new appointees had been recruited on salaries lower than the previous incumbent. This trend echoed that of the Local Government sector ten years previously when similar downward pressure on senior executive pay had occurred. There were some exceptions to this trend for clinical academics as base pay tended to be higher for this group.
- Peter Smith and City's Reward Manager had undertaken a review of the remuneration and pension arrangements for Heads of Institution against City's agreed comparator group. There was a mixed approach, ranging from membership in the scheme, minimum contribution to maintain insurance and Death in Service payments, and adjustments to pay (in lieu of employer contributions). Changes in the annual pension allowance may affect these arrangements however.

The Director of Marketing and External Relations joined the meeting for the following item.

9. Stakeholder Analysis and RemCo Communications – Annual Review

RemCo received the annual report of internal interest and external media coverage relating to the remuneration of the President and senior staff in 2018/19. On the whole, media coverage of HoP pay had decreased. In discussion the following points were made:

- City's decision to provide greater transparency on HoP arrangements had resulted in fewer media enquiries and was felt to have been a positive move, particularly with regard to Freedom of Information (FOI) requests.
- There had not been adverse coverage for City as a result of the HoP survey in 2019 as City was outside the 'top ten'. This year's surveys by the OfS and *THE* had yet to be published however, and it was possible that City would feature in the top ten following lower pay arrangements on appointment for new Heads of Provider in some high profile institutions.
- There was continued media interest in other remuneration arrangements such as the provision of accommodation.
- There had been some media interest in staff earning over £100k per annum at City. This was an inevitable consequence of City having a business school.
- It was likely that there would be media and FOI interest in pay arrangements for the appointment of the new President. RemCo should consider a communications plan when an appointment was made. **[Action]**
- The Chair thanked the Director of Marketing & External Relations for his assistance in developing City's approach to the publication of remuneration arrangements over the past two years.

10. Job Evaluation Update

RemCo received an update on the progress of the Job Evaluation Exercise for Grade 9 staff. At its October meeting the Committee had agreed that a further independent

benchmarking exercise should be conducted for the outstanding cases in Cass. Subsequently the Institute of Employment Studies (IES) was engaged to undertake an independent benchmarking exercise. In addition, between October 2019 and February 2020 there had been some organisational and structural changes in Cass. In consequence two roles were re-evaluated by Korn Ferry Hay, who confirmed that these changes had altered the Hay Level for these roles.

RemCo also noted the job evaluation outcome of one role at Cass which had not been previously considered by the Committee.

RemCo was now asked to agree recommendations for three positions and to note the proposals for a further role which was not within RemCo's remit.

In discussion the following points were made:

- An update on the outcome of discussions would come to the next meeting of RemCo.
[Action]

Decision

RemCo **approved** the outcomes of the job evaluation process for three roles and in one case agreed that a retention allowance should also be paid to a postholder for a period of up to three years. RemCo noted the outcomes for one Grade 9 role outside its remit (held by three postholders).

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

11. Reader/Associate Professor Grade and Salary Range

RemCo considered a proposal to develop a discrete salary range for Readers/ Associate Professors, comparable to that already developed for Cass in 2018, and also mirroring movements in the sector. In discussion the following points were made:

- RemCo was comfortable with the process and timeline proposed.
- HR colleagues would now take the proposals forward in discussion with UCU.

Decision

RemCo **approved** in principle the development of a new Reader/ Associate Professor band and salary range for four Schools.

12. Overview of the 2019 Reward Group and Salary Review

RemCo considered an overview report on the 2019 Salary Review which this year incorporated nominations for Professors to progress within band and the annual salary review for academic and professional service staff grades 1-9. The Reward Group had endorsed 58 recommendations and rejected 11. In discussion the following points were made:

- RemCo supported the proposal to review and streamline supporting documentation for the process in future years.
- The process was managerially led; Deans and Professional Services Directors were required to nominate members of staff for the process. Any nominations initiated by the individual were sent to the Dean or Professional Services Director to confirm their level of support.
- There were mechanisms in place to encourage more women to be considered in the review.
- In managing the annual academic promotion round, several universities were moving away from the traditional application process and it would be helpful to monitor whether this more comprehensive approach to reviewing the progression of staff influenced the proportions of women and other underrepresented groups progressing to higher grades.

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

13.1 New Appointments and Departures

RemCo the departure of three members of senior or higher paid staff.

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

13.2 Approvals by circulation since the last meeting

RemCo noted its approvals by circulation since the last meeting.

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

13.3 Recommendations from the Dean of Cass

Item deferred. The proposed paper had not been completed in time to enable RemCo to discuss proposals at the meeting. In discussion the following point was noted:

- RemCo suggested that it would be helpful to remind colleagues of the schedule of RemCo meetings to avoid the need for approvals between meetings. **[Action]**
- The Chair of RemCo would discuss with the Dean of Cass at their next meeting RemCo's wish to consider business cases in formal meetings. **[Action]**

13.4 Exceptional Requests before the next meeting of RemCo

RemCo noted there could be a number of exceptional requests for approval before the next meeting.

14. Senior Staff within RemCo's Remit, i.e. reporting to the President / Deputy President or Staff Earning over £100k

14.1 Salary Ranges

RemCo **approved** salary ranges for the positions of Dean of SASS and for the Deputy Dean of SMCSE.

RemCo noted that the search process for the position of Dean of Cass was continuing with shortlisting and interviews planned for the autumn. It was hoped that the President-elect would be able to participate in the selection process at this point. A proposed salary range would be considered at the next meeting of RemCo. The appointment of the Interim Dean of Cass had been extended until 31st December.

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

14.2 Request for payment under the Pension Protocol

RemCo considered a request for payment under the Pension Protocol.

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

14.3 Recommendation for an Increase in Base Pay

RemCo **approved** a recommendation from the President for an increase in base pay for a member of higher paid staff.

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

The President left the meeting for the following item.

15 Performance Related Remuneration Scheme (PRRS)

15.1 Performance Related Remuneration Scheme (PRRS) Review

RemCo considered the current operation of City's PRRS and how the Scheme might affect remuneration arrangements for the new President. The Committee was asked to comment on areas of focus for a further review. In discussion the following points were made:

- The PRRS arrangements should remain unchanged for the academic year 2019/20.
- For the 2020/21 academic year RemCo requested that HR conduct an effectiveness review. This should include;
 - The PRRS should be reviewed over the few months to enable the outcome to form part of discussions with an incoming President about their remuneration.
 - Discussion of whether the PRRS should continue to be offered to other staff, or whether coverage of the scheme should be widened would be considered at a later date.
 - The Review should consider compensation and benefits arrangements within the higher education sector but also that of other comparable SME organisations dominated by high knowledge workers. It should review and benchmark City against their approach to remuneration and benefits and arrive at a view on best practice. One area of interest would be how other organisations approached pension arrangements for higher paid staff.
 - The review could helpfully investigate whether incentive payments were generally intended to further the strategic aims of the institution.
 - An opportunity to receive 10% of base pay through a performance related remuneration scheme was fairly modest, when compared with private sector practice, but still carried a cost for the institution.
 - Any future scheme should set objectives on an annual basis, rather than longer term milestones; and objectives should reflect City's strategic aims.
 - The Chair would provide to the Director of HR and the Reward Manager suggested areas of scope for the research aspect of the review. **[Action]**
 - The Director of HR would inform the Recruitment Consultants working on the appointment of the new President that the scheme may change or be discontinued. **[Action]**
 - The Committee would receive a further report at its next meeting in June.

Decisions

RemCo **approved** the continuation of the PRRS in the same format for the academic year 2019/20 and a wider review of performance related reward schemes to inform a decision on the future of the Scheme.

- 15.2 RemCo noted the addition of three members of staff to the ExCo Group who would now be eligible for inclusion in the PRRS.

The President was not in attendance for the following item

16. Remuneration Arrangements for a New President

RemCo considered an analysis of Head of Provider remuneration to inform decisions to be taken on remuneration arrangements for the new President. The data for 2018/19 was not yet available therefore analysis was based on 2017/18 data. The median base pay for Heads of Institution was £250,000 per annum with 32% of institutions providing an element of performance related pay with a median value of 8%. Market information indicated that there was a trend downwards for new appointments which was attributed to financial challenges in the sector and external scrutiny. Taxable benefits were fairly consistent, however only 33% of institutions provided non-taxable benefits, for example, accommodation. In discussion the following points were made:

- RemCo remained comfortable that the comparator set City used for benchmarking purposes remained appropriate and representative of City's operations, current rankings and aspirational rankings. The comparator group did not contain many institutions within central London however it was acknowledged that the 'London' factor had a limited impact at this level as remuneration was primarily driven by institutional income and the mix of academic disciplines.
- Outsourcing some services had an impact on median pay multiples and this was reflected in analysis of Head of Institution pay as a multiple of median pay.
- RemCo would consider a relocation allowance if that seemed appropriate when a new President was appointed, in accordance with the provisions available to other staff.
- Candidates would be invited to join the USS Pension Scheme.
- Candidates would be advised that there was a PRRS which was currently up to 10% of base pay, but that this would be under review and if it continued, it would be operated in a different format to the current Scheme.
- Accommodation in London would not be provided for a new President.

Decision

RemCo provided recommendations for the remuneration arrangements for the appointment of the new President.

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

Part Five – Items for Information

17. UCEA Communications Briefing: Senior Staff Remuneration 2018-19 – January 2020

RemCo noted the report for information.

18. AOB and Date of Next Meeting

RemCo briefly discussed the appointment of a co-opted member of the committee and the current search for two independent members of Council, one of whom should be an HR expert who could take on the position of Chair of RemCo when the current Chair stepped down in 2021.

The next meeting would take place on 18th June 2020 at 9 am.

Philippa Hird
Remuneration Committee Chair
March 2020