

**REMUNERATION COMMITTEE  
MEETING HELD ON 22<sup>nd</sup> MARCH 2023**

**UNAPPROVED MINUTES**

<b>Members</b>		<b>Meeting 1 08.11.22</b>	<b>Meeting 2 22.03.23</b>	<b>Meeting 3 21.07.23</b>
Independent Members of Council	Kru Desai	A	✓	
	Catherine McGuinness	✓	✓	
	Julia Palca	✓	✓	
	Jen Tippin (Chair)	✓	✓	

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

<b>In Attendance</b>	<b>Reason and Meeting Section</b>
Dr William Jordan	College Secretary
Katharyn Kingwill	Governance Officer
Mary Luckiram	HR Director
Maggie Reid	Reward Manager
Peter Smith	Director, Public Sector Practice, KornFerry Hay Group
Professor Sir Anthony Finkelstein	President (partial attendance for items 3-12)
Tim Longden	Director, Marketing & External Relations (item 8)
Professor Andre Spicer	Executive Dean, Bayes Business School (items 9 & 10)

**MINUTES SECTION A – OPEN FOR PUBLICATION**

Prior to the meeting, there was a short informal meeting of the Independent Members of the Committee and the External Advisor, which was not minuted, with the exception of a discussion of the Pension Protocol; the HR Director attended for this part of the discussion.

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

**Part One – Preliminary Items**

**1. Items for Starring**

The Committee agreed the starring of all items on the agenda.

**2. Minutes**

The Committee approved the minutes of the meetings held on 8<sup>th</sup> November 2022. The open section of the meeting would be published on the City website in due course.

*The President, the HR Director and the Reward Manager joined the meeting at this point.*

**3. Matters Arising**

**3.1** RemCo noted the matters arising.

There would be an update on equal pay issues at the June meeting of RemCo.

RemCo received an update on staff living overseas. The Deans have been asked to provide business cases for review in the coming months and it was expected that most

cases would not meet the criteria of significant business need for living and working overseas.

- 3.2** RemCo noted an overview of the Salary Review 2022 which addressed *Action 1*, item 8, Equal Pay Audit, 15.06.22. The Salary Review had considered 64 cases with a focus on equal pay, 10 from professional services and 54 from academic staff. The majority of cases constituted an adjustment to spine point within grade to align with more recent appointment practices. In discussion the following points were made:
- The majority of cases related to female members of staff and/or staff of colour, but a broad approach to equality had been used.
  - The overview provided RemCo with reassurance that equality issues were being addressed.

**4. Conflicts of Interest**

There were no declared conflicts of interest from members.

The President declared an interest in any discussion of Head of Institution (HoI) remuneration and pension arrangements, and the President and executives in attendance left the meeting for 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 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:

- The UCEA pay survey had just been published with the KornFerry survey due in May.
- Peter Smith would circulate a sector summary on the Gender Pay Gap once others had published their data on 31<sup>st</sup> March, the deadline for publication.  
**[Action]**
- KornFerry had analysed gender pay reports for 48 Pre-92 institutions for 2022, of which 46% had improved data. A small number had reported a negative trajectory in the pay gap however so it was important to be alert to such reverses.
- The Office for Students (OfS) had not commented on Head of Institution (HoI) pay since 2021 so a report could be imminent, although there had been little media interest recently.
- KornFerry was working with Russell Group institutions on a review of pay structures, with a particular focus on the lack of competitiveness for remuneration equivalent to City's grades seven and eight, particularly in professional services. Current pay levels for these grades were 15 - 20% lower than the general market.
- The KornFerry review would run alongside UCEA's proposed review of the single pay spine which forms part of the settlement to the national pay dispute.
- Views had been expressed by some in the Russell Group that the UCEA grade structure was no longer fit for purpose, with questioning of increments, the number of grades, market pressures and whether it was possible to retain a unified pay system.
- City considered its senior professional services staff community to be settled and with a low turnover, but would be monitoring the UCEA review as any significant change would impact on its business and workload models.
- It was too early to judge the impact of the announcement on the lifting of the cap

on the Lifetime Allowance and the extent to which Hols and other high earners might wish to resume USS accrual as a consequence of the change to the pension tax provisions. Currently 32% Vice-Chancellors were in receipt of pay in lieu of pension contributions.

*The Director of M&ER joined the meeting.*

#### **8. Stakeholder analysis and RemCo communications – annual review**

RemCo received the annual review of stakeholder communications. In discussion the following points were made:

- Coverage in the media of remuneration issues had been muted, which was surprising given the focus on the cost of living and the period of industrial action currently underway.
- City's approach to publication of remuneration data had meant fewer FOI requests over recent years,
- City was 17<sup>th</sup> in the UK for the number of higher paid staff which might mean more media scrutiny in the future.
- City's remuneration tended to be higher than other institutions in most Schools; not just in the Business School.
- The Blind Castle project could increase the number of higher paid staff and might therefore increase the risk of negative media coverage. City would therefore model the potential impact of the project on City's national position in relation to the number of higher paid staff. **[Action]**
- Marketing & External Relations would develop a response to the changes in pension arrangements. **[Action]**
- RemCo would consider whether to publish expenses for the Senior Leadership Team at its June meeting. **[Action]**

*The Director of M&ER left the meeting.*

*The Executive Dean of Bayes joined the meeting.*

#### **9. Bayes Remuneration Matters: Update with Dean**

RemCo received an update on remuneration matters from the Executive Dean of Bayes Business School (BBS). The Dean highlighted work over recent months to address remuneration issues in the School; pay levels across the School, pay disparity against the sector for the Faculty of Finance, Band 4 professors in comparison to Band 3 peers, and responsibility allowances for additional tasks. In discussion the following points were made:

- The President noted that it was not the case that City should reward staff according to the financial return of programmes, nor that the league table position of Bayes should affect remuneration. Levels of pay should reflect market rates.
- The President supported the development of a defined set of roles across the university which would merit responsibility allowances, with some adjustment for the size of the School.
- The aim would be to move smaller responsibility allowances into base pay for existing staff whilst a new system was introduced. But for those currently in receipt of such allowances, there were equality concerns around integrating these into base pay, therefore it was proposed that this should be via salary protection instead which was time-limited and less likely to lead to long term inequity.
- Roles such as programme director were a core activity so needed to be integrated into roles and conceptualised as service was a fundamental part of academic staff responsibilities.
- The Faculty of Finance was a key area for the School and City so it was important to maintain investment in this subject.

- The School wished to address the decision to place Band 4 professors on spot salaries, rather than a salary range as for the other Bands in the School. This had led to inconsistent remuneration decisions in comparison with several Band 3 professors' salaries.
- Undergraduate programmes and the MScs were performing well and the School had the opportunity to become a key player in this market; this could necessitate some staffing restructure in order to do so.
- The School was appointing more Bayes Fellows, moving staff on the education contract and would like to appoint more staff on the practice track.
- Ideally the School would like to introduce an element of variable pay linked to performance and to be at the leading edge of business practice.
- Also under discussion were key developing areas where salary on appointment could be at lower levels, for example, business information systems.
- Modelling would need to be undertaken to ensure that revenue growth was sufficient to support staff investment and that the School should explore alternative revenue streams.

Summarising the discussion, the Chair noted that:

- The School should be encouraged to address immediately issues with the remuneration of staff working in Finance and adjustments to salary for Band 4 Professors. **[Action]**
- The principles around service related work were a wider University level discussion and should be standardised for all Schools with improved transparency for staff. City could also investigate whether some management responsibilities could be undertaken by professional services staff in order to avoid increasing the staff cost base.
- Assuming the changes to responsibility allowances are made, then there was a need for a review of pay structures and of base salaries and to consider further the possibility of introducing a small element of variable pay to reflect outstanding performance. The focus should remain on ensuring that total remuneration should reflect the pay market that Bayes competes in.
- The Dean of Bayes would report on progress on proposals for a revised pay structure and responsibility allowances to the October meeting of RemCo. **[Action]**

#### **10. Additional payments and Responsibility Allowances update and options for change**

RemCo considered an update and options for change for additional payments and responsibility allowances (RAs) to address inconsistencies throughout the institution and to decrease the number of responsibility allowances held by staff. Around 23% academic staff were in receipt of some form of RA which was a higher proportion than in other institutions. This was perhaps a feature of a transactional culture at City which was counter to the concept that some administrative tasks were an integral part of academic roles. The cost of RAs was approximately £2M per annum. Two options were proposed, to remove all responsibility allowances, either entirely or for tasks below Head of Department, or to review and rebase them. There would be an element of pay protection for affected staff. In discussion the following points were made:

- Peter Smith would check the Russell Group analysis to clarify if City was using RAs more extensively than its competitors. It appeared that in most institutions payments were only made at Head of Department level upwards. **[Action]**
- A review of responsibility allowances was necessary to modernise and remain competitive.
- It was proposed to model a preferred scheme to rebase allowances with agreed principles and taking a number of factors in consideration.
- In taking forward this work, City would need to keep a 'weather eye' on policy and practice at SGUL, with a view to considering what the way forward would be,

should Councils at City and SGUL agree that the two Universities should in future be combined.

*The Executive Dean of Bayes left the meeting at this point.*

#### **11. Mandatory Gender Pay Gap Reporting**

RemCo considered the draft Mandatory Gender Pay report which would be submitted to the Government GPG portal by the 31<sup>st</sup> March deadline and also published on the City website. The data was a snapshot for 31<sup>st</sup> March 2022. City's mean pay gap per hour was 17.5%, with a median pay gap of 11.3%. In discussion the following points were made:

- The data showed some improvement from last year, although the rate of change was slow.
- It was important to continue to ensure that City's trajectory was maintained to achieve the target of a 15% mean pay gap by 2026.
- RemCo was pleased to note that City aimed to provide an ethnicity pay gap report in 2023.

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

#### **12. Senior Leadership Team - Impact**

RemCo received a verbal update from the President on the Senior Leadership Team.

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

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

### **Part Four – Higher Paid and Senior Staff – issues not requiring attendance of President**

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

##### **13.1 Appointments and Departures**

RemCo noted three new appointments and the departure of two members of staff within its remit.

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

##### **13.2 Approvals by Circulation**

RemCo noted its approvals by circulation, for the period between 1<sup>st</sup> November and 13<sup>th</sup> March, for 11 members of staff.

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

##### **13.3 Business Case for Severance Agreement**

RemCo considered a business case for a proposed severance for a member of Higher Paid Staff.

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

##### **13.4 Exceptional Requests**

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

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

#### **14. UCEA Communications Briefing – February 2023**

Noted for information.

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

The next meeting would take place on 28<sup>th</sup> June 2023 at 3pm.

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

Jen Tippin

Remuneration Committee Chair, March 2023