

**REMUNERATION COMMITTEE
MEETING HELD ON 7th JUNE 2018**

APPROVED MINUTES

Members		Meeting 1 11.10.17	Meeting extra 17.11.17	Meeting 2 15.03.18	Meeting extra 08.05.18	Meeting 3 07.06.18
Independent Members of Council	Sir John Low (Chair from 15.03.18)	NM	NM	✓	✓	✓
	Sir Brendan Barber	A	✓	✓	✓	A
	Ms Philippa Hird (Chair to 31.12.17)	✓	✓	✓	P	✓ by 'phone
	Ms Janet Legrand	✓	✓	✓	✓	A
	Ms Julia Palca	NM	NM	✓	✓	✓ by 'phone
	Mr Rob Woodward	✓ by 'phone	✓	NM	NM	NM
Co-opted	Mr Peter Blausten	✓	A	✓	✓	✓

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	Reward Manager, HR
Professor Sir Paul Curran	President
Dr William Jordan	College Secretary
Ms Mary Luckiram	HR Director
Mr Peter Smith	Director, Public Sector Practice, Korn Ferry Hay Group (Adviser)
Professor Richard Verrall	VP (Strategy & Planning) (item 8)
Professor Marianne Lewis	Dean of Cass Business School (item 13)
Dr Duncan Brown	IES Consulting (item 13)

MINUTES SECTION A – OPEN FOR PUBLICATION

Part One – Preliminary Items

1. Apologies were received from Sir Brendan Barber and Janet Legrand.
2. **Items for Starring**
The Committee agreed the starring of all items on the agenda.
3. **Minutes**
The Committee **approved** the minutes of the meeting held on 8th May 2018.
4. **Matters Arising**
Noted.
5. **Conflicts of Interest**
Members of the executive in attendance declared interests for items 11, 12, 16, 17 and 18; they left the meeting for these items, as noted in the minutes.

6. Items Specially Brought Forward by the Chair

The Chair expressed the thanks of the Committee to Professor Verrall for his attendance at meetings of RemCo and for his contributions to the Equality & Diversity agenda at City as it was his final meeting.

7. Remuneration Committee Calendar 2018/19

The Committee noted the list of future items.

The President's Remuneration Framework would be considered at the meeting in October as it was likely to need to be made public under the provisions of the CUC Remuneration Code. **[Action]**

Part Two – Equality and Diversity

8. Equality and Diversity

8.1 Annual Equality and Diversity Report

RemCo considered the Annual Equality, Diversity and Inclusion Report covering activity from July 2016 to July 2018, for both staff and students, and which built upon the Public Sector Equality Duty report considered by RemCo in March. The report highlighted the Staff Equality, Diversity and Inclusion Performance Indicators (PIs). Currently 22.6% of professorial staff were women against a 2020/21 target of 30%, whilst 46% of Grade Nine Professional Staff were women. City was aiming for all executive/institutional committees to have at least 30% women members; currently 93.3% of committees had met this target. The Equality Committee had recommended a 'refresh' of the Equality, Diversity and Inclusion Strategy to strengthen its objectives. In discussion the following points were noted:

- RemCo noted and commended the progress made so far, and encouraged City to maintain this momentum.
- RemCo welcomed the breadth of areas covered, particularly mental health.
- Council had recently received a report on student mental health and asked to receive a report on staff mental health, which would address many of the issues raised in the report by Lord Stevenson and Paul Farmer, *Thriving at Work: a review of mental health and employers*.
- Schools were considering succession planning and pipelines for promotion to support their Athena SWAN objectives and supporting activities including coaching and shadowing secondments.
- One useful mechanism to support the creation of a more diverse talent pipeline and potential recruitment to City was Schools' seminar series for visiting speakers who might then be considered for a post at City.
- There was a new interim chair of Equality Committee and the membership had also been refreshed; the Committee would take forward the recommendations arising from the Internal Audit Report considered by ARC in February.

8.2 Equality and Diversity Summary Data

RemCo received a report on Equality and Diversity Summary Data derived from the Academic Promotions cycle for 2016/17. Promotions were considered for Lecturer to Senior Lecturer, Senior Lecturer to Associate Professor or Reader, and Associate Professor or Reader to Professor. In discussion the following points were noted:

- The report provided details of success rates by gender. The data indicated that men who had applied for promotion had been more successful on this occasion than women.
- RemCo suggested that City could consider how to work with unsuccessful candidates to support them with subsequent applications. An aspect of the Athena SWAN Implementation Plan was to emphasise the importance of prompt feedback and clarity of expectations for consideration for future progression. An additional element of this feedback might be a personal development plan for

each unsuccessful candidate for promotion/progression. The flexible working policy appeared to be working well.

- It would be helpful for RemCo to receive at its next meeting an update on the actions mentioned in the paper that were being developed, aligned to the Athena SWAN implementation plan, to increase the emphasis on career development for women and other under-presented groups. **[Action]**

8.3 Athena SWAN Implementation Update

The VP (Strategy & Planning) provided a verbal update on the Athena SWAN Implementation Plan. Implementation was generally progressing well. The School of Health Sciences had been awarded the Bronze Award in April and other Schools were progressing with their applications – the next School application would be submitted in November 2018. City would reapply for a Bronze Award in November 2021. In discussion the following points were made:

- City would only be able to apply for a Silver Award once a department had also achieved Silver. This could be possible following the next round of applications as it was anticipated that SHS would apply for a Silver Award in 2022.
- Advance HE was reviewing the methodology for the Athena SWAN Award and application processes.
- The process had been very useful for City and many processes were now embedded; it was felt that Athena SWAN was the embodiment of good management but it had been helpful to make gender equality explicit. The biggest challenge for City was increasing the number of female professors.
- The incoming VP (Strategy & Planning) would lead on Equality, Diversity and Inclusion, and Athena SWAN in particular.

Part Three – Strategic Items – Issues for Discussion and Decision

9. Sectoral Developments Update

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

- In light of the CUC Senior Staff Remuneration Code, which had now been published, many universities were reviewing their governance arrangements, particularly with regard to inviting HR experts to join Remuneration Committees.
- There was a perception that the published guidance was not as rigorous as originally mooted so there could be pressure to revise it. The Office for Students (OfS) had welcomed the publication of the Code.
- The OfS Accounts Direction would be issued shortly; it was likely that this would apply to this year's financial statements, although the sector had not been consulted in advance, as had been the practice with HEFCE.
- Staff and Student representation on remuneration committees continued to be discussed in the sector, and was advocated in the Scottish Code of Good Higher Education Governance.

10. CUC Senior Staff Remuneration Code

10.1 Current Text of the CUC Senior Staff Remuneration Code

RemCo **noted** the final draft of the CUC Senior Staff Remuneration Code, discussed at the CUC Plenary in April. *[Secretary's note: the final version of the Code has now been published and the final version will come to the next meeting]*

10.2 City's Remuneration Strategy and City's Senior Staff Remuneration Strategy

RemCo considered City's Remuneration Strategy, which applied to all City staff, and was asked to approve a revised version of the Senior Staff Remuneration Policy. Both documents had been revised in light of the publication of the CUC Senior Staff Remuneration Code and new requirements for increased transparency in the sector regarding decision making and pay levels.

10.2(i) City's Remuneration Strategy

RemCo **considered** a revised version of City's Remuneration Strategy which took account of the latest iteration of the CUC Remuneration Code. In discussion the following points were made:

- City was aiming to refresh the Remuneration Strategy in 2018/19.
- RemCo suggested a minor amendment to the text of section 5.6 regarding pension arrangements.
- In relation to section 5.4, Gender Pay Gap, the HR Director observed that there had been little interest expressed by staff regarding the published data for City and that discussion tended to focus on equal pay, rather than the gender pay gap.

10.2(ii) City's Remuneration Policy for Senior Staff

RemCo considered a revised version of City's Remuneration Policy for Senior Staff which took account of the latest iteration of the CUC Remuneration Code.

- The Policy had been reviewed and a number of revisions were now proposed including reference to the proposed Job Evaluation Scheme (see item 12) and the Performance Related Remuneration Scheme now that more staff were eligible for the scheme.
- Sections had been added to cover retention payments and retention of income from external bodies, however the latter may be subject to further clarification, once more guidance was available, in which case RemCo would be asked to approve a revised policy.
- It might also be necessary to further clarify section 7, Severance Payments, once further guidance was published.

Decision

RemCo **approved** (i) the Remuneration Strategy and (ii) the Remuneration Policy for Senior Staff, noting further revision may be required.

10.3 Membership of RemCo Options

RemCo considered a discussion paper setting out the pros and cons of the inclusion of staff and student members on City's RemCo, which would also be considered by CGNC on 14th June. An initial version of the CUC Code had mentioned that some HEIs included staff and student representatives on remuneration committees, but this was not mentioned in the current version of the Code. Council members at City, however, had asked for the issues to be further explored. In discussion the following points were made:

- City's RemCo was considered to function well in relation to the requirements of the new Code.
- RemCo already had a co-opted member who was independent of both Council and Staff.
- Any proposals for changing the current composition of RemCo should add either to the quality of debate at the Committee, or to perceived transparency or objectivity.
- It was not common practice in the UK to have worker representation on boards but this was common in other European countries.
- If City did opt to have a staff member of RemCo, this should not be a staff member of Council or a member of staff whose remuneration was determined by RemCo.
- Student representation would also be challenging as sabbatical officers were normally only in post for a year. This was, however, a similar challenge for student members of Council which was successfully managed.

- Should City opt for staff or student members of RemCo, time should be taken to clarify expectations of the role; and sufficient induction should be provided to make such a member or members fully effective members of the committee.
- An alternative could be to have staff or student observers, perhaps present for only some meetings or some items of business.
- The University of Bath had been recommended to include staff and student members in the composition of its Remuneration Committee for a trial period, following a governance review, although the review team had noted that this was a local solution for issues at Bath and not a recommendation for the sector.
- Both Glasgow and Glasgow Caledonian had opted to trial wider membership of their RemCos and it might be beneficial to seek comments from those institutions on how this initiative was working.
- Exeter had also trialled for a year the SU President as observer to RemCo, but had opted not to continue this.
- It was a requirement in Sweden for University RemCos to have staff representation but anecdotal evidence suggested that this was found to be a challenging role by the staff representatives.
- The College Secretary would relay the outcome of discussion at RemCo to CGNC on 14th June; and develop a revised draft of the paper which reflected discussion at both committees. **[Action]**

10.4 Second Draft Annual Remuneration Statement

RemCo **noted** a further draft of the Corporate Governance and Remuneration Statements which reflected the current CUC guidance but also the requirements likely to arise from the Office for Students Accounts Direction, and the possible outcome of a Freedom of Information Code of Practice which was currently under consultation. In discussion the following points were made:

- The final version of the Statement would come to the next meeting of RemCo for approval.
- The Director of Marketing & Communications would develop a communications strategy to accompany the Statement which would come the next meeting of RemCo. **[Action]**
- The College Secretary would discuss design elements of the Remuneration Statement with the Director of Marketing & Communications. **[Action]**

11. Performance Related Remuneration Review

11.1 Current Performance Related Remuneration Scheme

RemCo **noted** the current Performance Related Remuneration Scheme (PRRS) which would be published later in the year. The HR Director would circulate an updated paper with an illustration of the scheme. *[Secretary's note: this was circulated after the meeting]*

The College Secretary, the HR Director and the President left the meeting for decisions taken for the following item. They were present for initial discussion of the paper.

11.2 Targets and Milestones for the two new indicators to be introduced in the PRRS in 2018/19

At its March meeting, RemCo had approved the introduction of new Finance and Staff Engagement PIs into the PRRS suite of indicators in 2018/19, and was now asked to agree the targets and milestones for these. In discussion the following points were noted:

- RemCo was content with the proposed changes to the Staff Engagement PI.

- The Chairs of RemCo and SIPCo had discussed the new Finance PI but some questions remained to be resolved. It was important that the suite of PIs contained an element which measured financial sustainability.
- The Chair of RemCo would discuss the issues further with the College Secretary and RemCo would be asked to approve a recommendation by circulation.
[Action]

Decisions

RemCo **approved** the targets and miles for the new Staff Engagement PI to be included in the PRRS suite of indicators for 2018/19 and **requested** further work on the Sustainability PI, which would be agreed by circulation.

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

12. Job Evaluation

RemCo received a paper on initial outline proposals and recommended approaches to the planned introduction on job evaluation at City for professional service staff. The proposals included the formation of a Working Group to consider arrangements including provision for personal protection / red circling and the appeals process, which would report to the Reward Group. The intention was to use the Hay Evaluation methodology. The first group to be evaluated would be those on Grade Nine. RemCo was asked to note that four members of senior staff within its remit would be included in the first tranche to be evaluated.

In discussion it was noted that the Trade Unions would assist with the development of guidelines and principles and attend Job Evaluation Panels as observers. They would attend joint training.

Decision

RemCo **endorsed** the approach to job evaluation.

Dr Duncan Brown of IES Consulting and Professor Marianne Lewis, Dean of Cass, joined the meeting for the following item. The College Secretary and the HR Director rejoined the meeting.

13. Cass Remuneration Framework

RemCo considered principles and proposals to develop a revised Cass Remuneration Framework, following discussion at an Extraordinary Meeting of RemCo on 8th May and further discussions in Cass. The key issues for consideration were a revised set of remuneration principles and proposals which had been categorised as short and medium term changes, including the introduction of a new grade and salary range for Associate Professor / Reader. RemCo was asked to approve the short term changes; the medium term changes would be further developed with costings attached. In discussion the following points were made:

- The Dean of Cass noted that the work of the review team had been well received by the senior team at Cass. The next steps would be to develop a communications strategy for wider dissemination in the School.
- The new salary range for Associate Professor / Reader had been costed for Cass and was considered affordable. The introduction of this range was felt to be particularly useful to improve promotional pathways into professorial roles and would support broader equality objectives.
- If the new band was introduced more widely at City, this would need to be costed.
- RemCo offered the assistance of some of its members with the development of the next steps as they could bring valuable expertise and experience to the project.

- It was worthwhile to remember the purpose of the proposals which were to enable Cass to remain competitive in the market while developing proposals for remuneration that were fair and appropriate. The work should also help to address perceptions of over- and under- payment of academic staff in the Business School and the practice of using external job offers to gain increases in base pay.
- RemCo thanked the Reward Manager and Dr Brown for their work to date.

Decision

RemCo **endorsed** the strategic remuneration principles, the short term objectives, including the introduction of a new grade and salary range for Associate Professor / Reader, revised guidance for salary progression and revised salary review guidelines.

14. Committee Effectiveness – Corporate Governance Internal Audit Report

RemCo **considered** the draft Internal Audit Report Committee Effectiveness of Remuneration Committee and **agreed** the management response to the recommendations. A substantial level of assurance had been given with two priority two recommendations. In discussion the following points were made:

- The recommendation with regard to the recording of decisions on changes to salaries for those members of staff with the remit of RemCo would be implemented for the minutes of this meeting.
- It was likely that City would be required to publish the minutes of RemCo meetings in future.

Part Three – Higher Paid and Senior Staff – Issues for Discussion and Decision

15. Higher Paid Staff i.e. staff earning more than £100k pa

15.1 New Appointments and Departures

RemCo **noted** the departure of one member of Higher Paid Staff.

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

15.2 Requests for RemCo Approval [tabled]

RemCo **approved** three business cases for three members of staff in Cass, for additional responsibility allowances upon promotions into leadership roles following a restructuring of the leadership team. The cases are detailed in the closed section of the Minutes. RemCo received information on: current salary (and spine point), proposed adjustment to remuneration, effective date, reason for proposal, the Dean's recommendation and the President's recommendation.

In discussion, it was noted that that it would be helpful to see an overview of the (re)structure of the Cass Leadership Team when considering any future business cases. **[Action]**

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

15.3 Exceptional Requests before the next meeting of RemCo

None to note.

16. Senior Staff Reporting to the President / Deputy Vice-President

16.1 Update on Recruitment

Pay Range for VP (Strategy & Planning)

RemCo **considered** a proposal to revise the salary range for the post of VP (Strategy & Planning, previously agreed in 2017. Following a lengthy search process the

Appointments Panel had agreed a preferred candidate and as their substantive post would be that of a Professor in Cass Faculty of Management the revised recommendation reflected the professorial pay range for this subject area. In discussion the following points were made:

- The proposed range represented a significant increase from the remuneration of the current post-holder but this reflected the candidate's market value as a Professor in the Faculty of Management at Cass.
- While there was a case for City to reconsider its recruiting policy for such posts as the sector increasingly moved into a more corporate operating model, an alternative approach would potentially limit the field for senior academic management posts to Professors in disciplines which attracted lower market rates of remuneration.
- Peter Smith noted that the practice in pre-92 universities still tended towards substantive Professorial posts with an allowance to reflect the responsibilities of also being a Vice-President. He could, however, explore whether this practice was becoming less wide-spread. **[Action]**

Decision

RemCo **approved** the proposal for a revised salary range for the VP (Strategy & Planning).

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

Dean of City Law School

The HR Director provided a brief update on the search for a new Dean of City Law School. There would be a shortlisting meeting on 12th June.

The HR Director was not present for the following item.

16.2 Appraisal Reports for Members of Staff Reporting to the President / Deputy Vice-President

The Committee **noted** reports on each member of staff's achievement of objectives for 2017/18 and new objectives set for 2018/19. In discussion it was suggested that it might be helpful if future iterations of the appraisal form contained an indication of the relative weight of individual objectives for those being appraised.

17. Senior Staff Reporting to the Chair of Council

The President was not present for the following item.

17.1 Appraisal Report for the President

The Committee **noted** a report on the President's achievement of objectives for 2017/18 and new objectives set for 2018/19.

The College Secretary was not present for the following item.

17.2 Appraisal Report for other members of senior staff reporting to the Chair of Council

The Committee **noted** a report on the College Secretary's achievement of objectives for 2017/18 and new objectives set for 2018/19. The appraisal report for the Director of Internal Audit would come to the next meeting.

18. Base Pay Review for Senior Staff

The President was not present for items 18.1 and 18.2.

18.1 Comparator Data on Vice-Chancellor Remuneration

RemCo **noted** that Vice-Chancellor comparator pay data had not yet been issued by CUC and therefore it would come to the next meeting. **[Action]**

18.2 Recommendations from the Chair of Council

As there was no comparator data available [item 18.1] RemCo deferred consideration of the President's remuneration to the next meeting. The Chair would inform the President of that should any increase be agreed at that point this would be backdated to 1st August. **[Action]** The Chair had no further recommendations.

18.3 Recommendations from the President

RemCo considered recommendations from the President for additional spine points for two members of the Senior Team and noted that the Job Evaluation exercise, discussed in item 12, would commence with the role of Chief Financial Officer (CFO). Should an adjustment to salary be then recommended for the CFO, RemCo would be asked to approve this by circulation.

Decisions

RemCo **approved** the recommendations from the President for two additional spine points each for two members of Senior Staff, and **agreed** that, following the job evaluation exercise, any proposed revision to salary for the Chief Financial Officer be agreed by circulation in the summer. In discussion it was noted that the recommendations placed both members of staff in the UCEA Senior Staff Salary Survey Upper Quartile for their disciplines.

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

Part Five – Items for Information

19. Date of Next Meeting

To be confirmed.

Sir John Low
Remuneration Committee Chair
June 2018