

**REMUNERATION COMMITTEE
MEETING HELD ON 17th OCTOBER 2019**

UNAPPROVED 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)	✓		
	Ms Kru Desai	✓		
	Ms Philippa Hird	✓		
	Ms Janet Legrand QC (Hon)	✓		
	Ms Julia Palca	✓		
Co-opted	<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)
Professor Zoe Radnor	Vice-President (Strategy & Planning) (VP (S&P)) (Item 7 only)

MINUTES SECTION A – OPEN FOR PUBLICATION

Part One – Preliminary Items

RemCo welcomed Philippa Hird as a member.

1. Items for Starring

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

2. Minutes

The Committee approved the minutes of the meeting held on 20th June 2019. The open section would now be published on the City website.

3. Matters Arising

RemCo noted the matters arising.

Action 1, 20.06.19, minute 7.1, Annual Equality, Diversity and Inclusion Report

The President noted that Bristol is the only university to introduce arrangements to ask students to consent in advance for personal data to be shared with parents if there are concerns for their wellbeing. He would provide a note setting out City's reflections on this issue to the next meeting of RemCo. **[Action]**

Action 4, 20.06.19, Approval of a New Appointment

This item was tabled as Item 11.7.

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

4. Conflicts of Interest

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

5. Items Specially Brought Forward by the Chair

The Chair noted the current vacancy for a co-opted member and had asked Peter Smith to provide suggestions to the incoming Chair of RemCo.

The Committee noted its Terms of Reference and suggested a possible revision to widen RemCo's remit to include a clause permitting the Committee to seek assurance from the Executive on its succession planning. The College Secretary would take this forward with CGNC. **[Action]**

The College Secretary highlighted the requirements stated in the Terms of Reference regarding attendance of members of the Executive at meetings.

6. Remuneration Committee Calendar 2019/20

The Committee noted the list of future items.

The proposal for the introduction of a separate salary scale for Readers and Associate Professors would come to the March meeting.

An update on City's application for the Race Equality Charter would come to the June meeting.

Part Two – Equality and Diversity

The VP (S&P) was present for the following item.

7. Equality and Diversity

7.1 Draft Equality, Diversity & Inclusion Strategy

RemCo considered the Draft Equality, Diversity & Inclusion (EDI) Strategy and progress report. The draft Strategy had been circulated for comment, followed by a period of consultation extended to mid-October to allow for a range of views to be received. An implementation plan was being developed, supported by metrics to provide assurance on progress in the delivery of the Strategy. The governance structures for EDI were being refreshed at both Institutional and School level, including the introduction of a new All-Staff EDI forum to discuss key topics. In discussion the following points were made:

- The team felt that engagement had been representative and they had not identified differing attitudes in Schools, although fewer staff and students from Cass had provided feedback.
- Students had been involved in the development of the Strategy and would participate in sub-groups.
- The VP (S&P) would circulate to RemCo data on the numbers of members of staff and students engaging with the Strategy. **[Action]**
- The VP (S&P) had discussed with HE EDI networks measures to provide greater assurance that City's suppliers shared EDI values.
- It was important to demonstrate how EDI was ingrained in normal business, including encouraging a more diverse pool of applicants for appointments to senior academic roles.

- A communications strategy would be developed to accompany the Strategy. The HE networks had provided valuable advice on this.
- Once the Strategy and Implementation Plan was agreed, the team would consider resource required to support it.
- RemCo would review the EDI Strategy Implementation Plan and monitor progress towards targets going forward.

7.2 Athena SWAN Implementation Update

RemCo received an update on Athena SWAN implementation. City was commencing its preparations to apply for a renewal of the Athena SWAN Bronze Award and was awaiting revised guidance from Advance HE. There would be an Equality and Organisational Culture Survey for staff in November; this would be used to measure progress against the outcomes of the survey held in November 2015. In discussion the following points were noted:

- The recent staff survey had indicated that staff did have increased confidence that City was addressing equality, diversity and inclusion in its communities.
- SMCSE had been successful in its application to achieve a Bronze Award.
- SASS and Cass were preparing applications for Bronze Awards which would be submitted in November. Cass was finding the self-assessment process more challenging, and was considering how to reconcile Athena SWAN requirements with processes required for Business School accreditation.
- The Athena SWAN initiative had provided a useful framework for the development of the EDI Strategy and Race Equality Charter application.
- Over 80 attendees had registered for a Menopause Café in October. This was a new initiative to normalise an issue not often discussed.

RemCo also received an update from the VP (S&P) on the establishment of a Bullying and Harassment Steering Group to oversee a number of strands of work in this area, including the 'Empact' (Empower to Act) Project Implementation Steering Group formed to drive the implementation of recommendations approved in 2018 to prevent and respond effectively to any issues of sexual harassment and sexual misconduct at City. In discussion the following points were noted:

- AdvanceHE were currently auditing procedures and compliance with sexual harassment and misconduct legislation across the sector.
- Previously universities had complied with the 'Zellick Guidelines', published in 1994, however, these were now considered outdated in relation to current legislation and there was therefore a need to update institutional procedures.
- It was important that this work was consistent with staff and student disciplinary process and City was reviewing its grievance procedures; recommendations would come to RemCo in due course.

7.3 Race Equality Charter Application Update

RemCo received an update from the VP (S&P) on City's application for the Race Equality Charter. A Self-Assessment Team (RECSAT) had been established with two co-chairs, a member of staff from professional services and one from academic staff. Next steps would be to invite staff and students to participate in themed sub-groups. A student survey would be launched in November, followed by a staff survey in Spring 2020. A reciprocal mentoring scheme was being established for ExCo members and BAME staff at Grade 7 and above; training for scheme participants was currently underway. In discussion it was noted that there had been some discussion at a recent CUC meeting of the appropriateness of singling out only one part of the year as Black History Month (rather than a year round focus on the issue as part of increased EDI awareness) but that at City the Students' Union was keen to continue to celebrate it.

8. Sectoral Developments Update

Peter Smith provided an update on sectoral developments noting that:

- OfS had circulated two draft documents during August, a draft Accounts Direction and an analysis of compliance with the 2017-18 Accounts Direction. This included a suggestion that Financial Statements should in future contain a fuller and stronger justification for Vice-Chancellors' remuneration. City's Remuneration Report was, however, well regarded in the sector.
- There had been a campaign by the Tax Payers' Alliance, covered by the media, publishing data on annual remuneration over £100k for staff including employer pension contributions. It was possible that this campaign could continue.
- City did not currently publish its Pension Protocol but some HEIs did publish such documents as Policy statements.
- Peter Smith would bring to the next meeting an analysis of the potential impact on the HE sector of the current Consultation on NHS pensions. **[Action]**

9. Annual Remuneration Statement

RemCo considered the draft Remuneration Reports for inclusion in the Financial Statements 2018/19. Both reports would be formally approved by Council in November. The format adhered to the recommendations in the CUC Higher Education Senior Staff Remuneration Code. In discussion the following points were made:

- There was a possibility that City would be challenged on some aspects of the Remuneration Report as performance indicators were dipping.
- The Marketing & External Relations team would prepare detailed FAQs to respond to queries. RemCo requested that these be considered alongside future Remuneration Reports and that Note 7 to the Accounts would also add useful contextual information, even though this was a report formally considered by ARC. **[Action]**
- It would be useful to investigate whether the performance element of the President's remuneration was consistent with others in the sector. **[Action]**
- RemCo suggested that an additional line should be inserted into the table on President's pay against median and mean, to show his total remuneration including pension payments. **[Action]**

Decision

RemCo **approved** the Annual Remuneration Statement, subject to some minor amendments.

10. Job Evaluation Exercise Update

RemCo received an update on the progress of the Job Evaluation Exercise for Grade 9 staff. In discussion the following points were made:

- The role holder of one role was appealing both Job Evaluation Exercise and pay benchmarking outcome.
- A Hay Level had not yet been agreed for one role included in the Job Evaluation Exercise.
- Although not all post-holders at Grade 9 received remuneration above £100k per annum, RemCo had provided advice to the Executive and assurance on the methodology and potential impact of the Job Evaluation Exercise. Therefore, RemCo was asked to note the process for one role now confirmed as Grade 9 and one lower than Grade 9 where both post-holders' remuneration was not within its remit.
- Two further roles had been evaluated at a Hay Level lower than Hay Level 19 and were no longer considered Grade 9 roles, but were subject to further appeal.
- RemCo endorsed the recommendation that additional external benchmarking should be undertaken for the two roles subject to further appeal, and suggested that specific attention to be paid to comparable Schools in UK Universities and internal

relativities across City. Both cases would be circulated to RemCo for consideration once this work was concluded. **[Action]**

Decision

RemCo **noted** the outcome of the process two roles outside its remit, one role confirmed at Grade 9 and one role confirmed as lower than Grade 9.

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

The President left the meeting at this point.

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

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

11.1 Report of all City Staff whose contractual pay was above £100k per annum and a report of all staff whose earnings were above £100k per annum in 2018/19

RemCo noted the reports of all City staff whose contractual pay was above £100k in 2018/19 and all staff whose earnings were above £100k in 2018/19, along with analyses by employee type, gender, and ethnicity at institutional and School level. In discussion the following points were made:

- Responsibility allowances for staff and staff on pro-rata contracts were not included in the report for the Financial Statements 2018/19, therefore the total number published of Higher Paid Staff would be 105, however if these two categories were included the total was 123 Higher Paid Staff in the Institution.
- City was currently ranked third nationally for the number of higher paid staff in an HEI.
- Women represented 24.8% of the total number of higher paid staff, an increase of 0.9% from 2017/18. There was a tendency for more men to receive recurrent payments than women.
- The number of high earning staff from a declared BAME background had increased by 1.6%.
- 78 of the 123 members of higher paid staff were employed in Cass. Following the introduction of the Cass Remuneration Framework it was possible that there would be a change in the reported numbers from Cass next year.

11.2 Recommendations from the Reward Group

RemCo was asked to consider recommendations from the Reward Group for three members of staff whose remuneration was over £100k per annum. The 2019 Salary Review had incorporated the biennial review for Professors to progress in-Band and the Annual Salary review for Academic and Professional Services Staff Grades 1-9. The Group had considered 67 cases, of which seven were pending, resulting in three recommendations for members of higher paid staff. An equality assessment of the exercise would be undertaken and reported to Equality Committee and ExCo. In discussion it was noted that although the three staff subject to RemCo's remit were male nominations for women had increased from previous years and made up over 50% of applications. RemCo requested that an overview of the process should be included in future reports from the Reward Group. **[Action]**

Decision

RemCo **approved** the recommendations from the Reward Group

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

11.3 Recommendations from the President for Members of the Senior Staff

RemCo considered recommendations from the President for three members of the Senior Staff.

Decision

RemCo **approved** the recommendations for three members of the Senior Staff.

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

11.4 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.

11.5 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.

11.6 Exceptional Requests before the next meeting of RemCo

RemCo **noted** there could be a number of exceptional requests for approval before the next meeting as a result of cases outstanding from the Job Evaluation Exercise for Grade 9 Professional Service Staff.

11.7 Request for a new appointment [tabled]

RemCo **approved** a recommendation for a member of Higher Paid Staff which had previously been discussed at the June meeting and about which further information had been requested. [see item 3]

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

12. Senior Staff Reporting to the President / Deputy President and Provost

RemCo received an update on the recruitment process for the Dean of Cass. Shortlisting had taken place and five candidates selected for interview. Candidates were from the UK or the EU. The appointment panel consisted of a mixture of members of the Executive, the Chair of Council and two Professors from the School. The President, as Chair of the Appointment Panel, the VP (S&P) and the HR Director would consider the advice from RemCo members that candidates should be provided with a summary of the Howard Thomas Review Report. **[Action]** The Cass Remuneration Framework salary ranges would be used to set the base salary for the incoming Dean.

The College Secretary and the HR Director left the meeting at this point.

13 Performance Related Remuneration Scheme (PRRS) Review

13.1 Performance Related Remuneration Scheme Policy for Publication

RemCo considered the current Performance Related Remuneration Policy which would be published with the Financial Statements 2018/19, and revisions to the Policy for 2019/20. These included an update to appraisal rating definitions, clarification of the Sustainability Performance Indicator (PI) and a proposed approach to the Staff Engagement PI. In discussion the following points were made:

- City would not be conducting a Staff Survey in November 2019 pending a review of survey providers therefore it was recommended that for the 2019/20 scheme the Staff Engagement PI outcome should be the engagement index score from the Staff Survey 2018.
- The definition for 'exceeded overall' would be changed to clarify that staff being appraised should achieve 'exceeded' in the majority of their objectives in order to achieve 'exceeded overall'.

- The PI for Sustainability had been further clarified to state that the target for retained operating surplus did include changes to employer pension contributions but not changes to FRS102 balance sheet liabilities.

Decision

RemCo **approved** the Performance Related Remuneration Scheme for publication with the Financial Statements 2018/19 and revisions to the Scheme for 2019/20.

13.2

RemCo noted that five of seven key performance indicators were not met. Provisional results for two indicators were that these had been met; both would be confirmed in November once the Financial Statements and the HESA return had been submitted. Subject to the outcomes being confirmed in time for the payroll deadline the payments would be made with December salary payments.

- RemCo requested further clarification on the performance indicator for research staff, whether future performance on this indicator might be caused by movement in the market prior to the REF submission. **[Action]**
- RemCo suggested that the design of the PRRS for 2020/21 should be reviewed at the March meeting to ensure that there was an appropriate balance between personal and institutional achievement, to investigate possible calibration of performance indicators, or whether the institution should achieve a stated objective before consideration of disbursement of personal performance reward. **[Action]**

13.3 Recommendations from the President arising from the 2018/19 PRRS

RemCo **approved in principle** the schedule of recommendations for the payment of non-consolidated, non-pensionable payments to staff reporting to the President and included in the Performance Related Remuneration Scheme for 2018/19. Ten members of staff had a received a rating of 'met' and eight had received an 'exceeded' rating.

13.4 Recommendations from the Chair of Council arising from the 2018/19 PRRS

RemCo **approved in principle** the schedule of recommendations for the payment of non-consolidated, non-pensionable payments to staff reporting to the Chair and included in the Performance Related Remuneration Scheme for 2018/19. Two members of staff had a received a rating of 'met' and one had received an 'exceeded' rating.

Part Five – Items for Information

18. AOB and Date of Next Meeting

The Chair of Council thanked Sir John Low for chairing RemCo over the past year as he would be standing down from Council in January 2020.

The next meeting would take place on March 2020 at 9 am.

Sir John Low
Remuneration Committee Chair
October 2019