

4. Conflicts of Interest

Members of the Executive in attendance declared interests for items 13 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 2018/19

The Committee noted the list of future items.

Part Two – Equality and Diversity

7. Equality and Diversity

7.1 Staff and Student Equality Monitoring Report 2017-18

RemCo considered the Staff and Student Equality Monitoring Report 2017-18 for publication by 31st March 2019 in accordance with Public Sector Equality Duty legislation. The report would inform the refreshed Equality, Diversity & Inclusion Strategy, currently being developed by the Equality Committee and which would come to RemCo in October. School and Professional Service summaries were being provided to the relevant teams to assist planning activities and to consider where progress could be made; this work was being overseen by the Equality Committee and ExCo. In discussion the following points were noted:

- The gender balance at City was 50% but there were areas of variance in some subject areas and grades, with 'sticking points' for women at grade 8 in both professional services and academic staff, and an imbalance in the professoriat.
- Some of the current initiatives, such as the job evaluation exercise and the review of responsibility allowances, would help to address these issues.
- The new Dean of SMCSE was keen to address the low number of female academic staff in that School.
- The development of the application for the Race Equality Charter would help City understand areas for improvement on BAME issues.
- Future analysis would separate people classed as UK BAME from those classed as international BAME to further clarify areas requiring action.
- City had a low number of students with a declared disability compared to the sector.
- This report did not include the representation at City of students from a 'widening participation' background. This statistic was reported separately for students as part of City's Access Agreement submitted to the Office for Students (OfS).

Decision

RemCo **endorsed** the Staff and Student Equality Monitoring Report 2017-18 for publication under the Public Sector Equality Duty legislation.

7.2 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 2018. The median ordinary pay gap had decreased from 16.2% to 13.7%, but the median bonus gender pay gap had increased from 67.7% to 76.2%. In discussion the following points were made:

- Overall the trends were positive, particularly for 'ordinary pay', and progress had been made on City's commitments to address gender equality, such as the review of responsibility allowances and an enhanced salary review process.
- RemCo suggested that further text be developed to help explain the factors underlying the large difference in median bonus pay gap between men and women.

It was only made clear towards the end of the report, as the draft currently stood, that bonus payments were only made to a very small number of staff. **[Action]**

- The data highlighted vertical segregation at City; more women were employed on lower grades in the three lower quartiles but this was reversed in the upper quartile where more men were employed in higher pay bands.
- Peter Smith reported that City was in a good position compared to last year and was considered 'mid-range' in terms of headline data in terms of gender pay gap for the HE sector.

7.3 Equal Pay Audit

RemCo considered a report of pay differentials for staff at City in 2017-18, analysed by grade, gender, race, disability and contractual arrangements. The report was City's fourth equal pay audit since 2009 and aimed to examine where there were any pay inequities arising from equal pay protected characteristics, analyse in more detail where these were indicated, and make recommendations with regard to future actions.

- Overall the trends were positive, but there were fewer women and people from black and ethnic minorities in senior grades which impacted on overall pay gaps for gender and ethnicity.
- The ethnicity pay gap was above sector average, and there was a cluster effect in lower grades. This issue would be addressed in the refreshed Equality, Diversity and Inclusion Strategy.
- City, and other HEIs in London, had received a formal request from Unison to consider the in-sourcing of catering and cleaning contracts. Should this occur, there would be considerable impact at City on gender and ethnicity pay gaps due to increased numbers of female and BAME staff on lower grades.
- The pace of change at City was slow but was in a positive direction as more women came forward for promotion. This could have a temporary dampening effect on gender pay gaps initially as newly promoted staff were appointed at the lower end of their new pay scales. More women Readers were now becoming Professors.
- There was less discussion in the sector of BAME issues but there were examples of good practice which City could draw upon.
- The development of City's application to receive the Race Equality Charter Mark would include the formation of key objectives. This work would include consideration of interventions used in other industries such as blind recruitment.
- RemCo suggested it would be helpful to see some intersectionality analysis in future iterations of reporting.
- The Trade Unions attended Equality Committee so contributed to and participated in discussion of these issues.

7.4 Athena SWAN Implementation Update

The HR Director and the Reward Manager provided a verbal update on the Athena SWAN Implementation Plan. The Athena SWAN Implementation Group (ASIG) was overseeing the preparation of School applications for Athena SWAN awards; SMCSE were on track to make an application for a Bronze Award in April, with Cass, CLS and SASS making their applications in November 2019. SHS had already been awarded Bronze and would be eligible for renewal in 2022.

Part Three – Strategic Items – Issues for Discussion and Decision

8. Sectoral Developments Update

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

- The changes required by OfS and CUC continued to have an impact on the sector with many universities being required to revise their governance arrangements for remuneration committees.
- Many HEIs had yet to publish their policies on external earnings which was a CUC requirement.

- There were a number of instances where universities had not complied with OfS and CUC guidance, for example, with regard to the publication of remuneration policies.
 - KornFerry was undertaking a review of 50 Financial Statements and would share their findings with City colleagues. It was apparent that there was considerable variation in terms of how remuneration was reported by HEIs and that City was ahead of most of the sector in terms of its reporting on remuneration matters.
 - City was an outlier in terms of the number of staff earning over £100k and could attract media attention in future because of this.
 - It was unclear how far OfS would look to lead public debate on remuneration in the sector. The College Secretary would circulate to RemCo for information the OfS Report *Senior staff remuneration: analysis of the 2017-18 disclosures* which set out the current OfS analysis and presentation of the remuneration of senior staff.
- [Action]**

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

9. President / Senior Staff Remuneration – Communications Update

RemCo received an update from the Director of Marketing & External Relations concerning internal interest and external media coverage following the publication of the Financial Statements with the inclusion of more detail on the President's and senior staff remuneration. Media scrutiny of HEI senior pay had not focused on City, there had been a decrease in FOI requests and trade union enquiries had also been low. In discussion it was noted:

- The inclusion of contracted staff would have a significant impact on the published pay ratios and most HEIs had not included them in last year's reported pay ratios.
- There could be further changes to transparency requirements as OfS sought to provide greater clarity about their reporting requirements.
- In public statements, it would be important for City to be clear and consistent in the use of terms such as 'base salary', 'total remuneration' and 'bonus opportunity'.
- Peter Smith noted that four of the ten most highly remunerated Heads of Institution had left their posts this year and that the new postholders had been appointed at lower levels of remuneration. This might alter City's position in OfS leagues tables on remuneration next year.

10. Office for Students Data Senior Staff Remuneration Data Review

RemCo received an analysis of data published by the Office for Students (OfS) concerning senior staff remuneration, including summaries of comparator data for City. In discussion the following points were made:

- City had the third highest proportion of staff earning in excess of £100k pa, with 5.3% against the sector average of 1.5%. This could be attributed in part to the inclusion of a business school and its location in London. It was also relevant that Cass staff represented a higher proportion of total staff in comparison to other HEIs with business schools.
- Analysis had been undertaken by Wonkhe on the treatment of Hol accommodation in the financial statements. There was considerable variation of approach.
- It was possible that the OfS Accounts Direction would require HEIs to publish details on staff earning in excess of £150k.
- Private sector organisations with more than 250 staff were now required to publish pay ratios for the CEO compared to median, 25th and 75th percentile FTE remuneration of their UK employees.

11. Job Evaluation Update

RemCo noted an update on the progress of the Job Evaluation Exercise. The current focus was on members of professional service staff employed at Grade 9 level. These had been submitted for review and benchmarking. A modified approach had been

agreed for grades 1-8 following discussions; new roles created as part of organisational restructure would be job evaluated from the outset and the Annual Salary Review would include job evaluation as a component of the process. In discussion it was noted:

- It was anticipated that outcomes from the exercise for Grade 9 roles would be finalised in April or May.
- If necessary the Governance Team would arrange an extra-ordinary meeting of RemCo to agree any salary adjustment for staff within its remit. **[Action]**
- RemCo noted the proposed approach to salary protection for members of staff if their current remuneration was considered above that specified by the job evaluation exercise. This would be time-limited for two years following implementation.

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

12. Cass Remuneration Framework

RemCo considered an update report on the emerging Cass Remuneration Framework with recommendations for next steps.

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.

13. Performance Related Remuneration Scheme Review

RemCo received a report on the Performance Related Remuneration Scheme (PRRS) which outlined previous discussion of the scheme and made recommendations with regard to the performance indicator milestones for 2018/19 and an amendment the Terms of Reference outlined in Ordinance C.4, Remuneration Committee, to allow RemCo to take decisions on payments under the PRRS for all eligible members of staff.

In discussion it was noted that one performance indicator, for staff engagement, required that the performance on the indicator should always exceed actual performance the previous year; RemCo suggested that there should be further consideration of the remaining performance indicator milestones included in the Scheme, to review whether this principle could be applied to other performance indicators for the PRRS. This should come to the next meeting for decision. **[Action]**

Decision

RemCo **endorsed** the proposed revision to its Terms of Reference, Ordinance C.4, Remuneration Committee, for consideration at CGNC in May.

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

14. Annual Salary Review / Biennial Professorial Rebanding Review

RemCo **noted** that the Professorial Rebanding Committee met 28th November and the committee approved by circulation recommendations relating to seven staff with salaries over £100k per annum.

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

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

15.1 New Appointments and Departures

RemCo noted the appointment of three members of senior or higher paid staff and the departure of five members of senior or higher paid staff. In discussion the following point was noted:

- One case had not been circulated to RemCo as required. Details of the appointment were noted in the Closed Business section of the minutes.

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

15.2 Approvals since the previous meeting

RemCo noted the approval of the remuneration for the incoming Dean of SMCSE.

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

15.3 Exceptional Requests before the next meeting of RemCo

RemCo **noted** that it was unlikely that there would be any exceptional requests for approval before the next meeting.

16 Pension Protocol

RemCo considered the application of the pension protocol to a member of senior staff.

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

Part Five – Items for Information

17. Date of Next Meeting

20th June 2019 at 9 am.

Sir John Low
Remuneration Committee Chair
March 2019