

**REMUNERATION COMMITTEE
MEETING HELD ON 3RD NOVEMBER 2021**

APPROVED MINUTES – OPEN SECTION

Members		Meeting 1 03.11.21	Meeting 2 24.03.22	Meeting 3 15.06.22
Independent Members of Council	Ms Kru Desai	✓		
	Ms Julia Palca	✓ by MS Teams		
	Ms Jen Tippin (Chair)	✓		

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

In Attendance	Reason and Meeting Section
Dr William Jordan	College Secretary
Ms Katharyn Kingwill	Governance Officer
Ms Mary Luckiram	HR Director
Ms Maggie Reid	Reward Manager
Mr Peter Smith	Director, Public Sector Practice, Korn Ferry Hay Group
Professor Anthony Finkelstein	President (partial attendance for items 7, 10 -12)
Dr Emma Taylor-Steeds	Equality, Diversity & Inclusion (EDI) Manager for item 7
Dr Jessica Jones Nielsen	Assistant Vice-President (EDI) for item 7

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.

2. Minutes

The Committee approved the minutes of the meetings held on 24th June 2021. The open section of the meeting would be published on the City website in due course.

The HR Director, the Reward Manager and Peter Smith joined the meeting at this point.

3. Matters Arising

RemCo noted the matters arising.

4. Conflicts of Interest

Executives in attendance declared an interest in item 12.

The President declared an interest in Item 15 and was not present for that item.

5. Items Specially Brought Forward by the Chair

The Chair noted that there had been discussion at CGNC and with Committee Chairs with regard to Council's delegation to RemCo of the consideration of Equality, Diversity and Inclusion (EDI). RemCo's remit had been expanded some years ago to include EDI but it was now felt that this should move to SIPCo in line with its remit to monitor City's

performance. This change would allow RemCo to have a more rigorous focus on remuneration matters. EDI matters would therefore in future be considered by SIPCo. RemCo's revised Terms of Reference would come to the next meeting. **[Action]**

The Chair also noted two additional agenda items to be considered in item 14.5.

6. Remuneration Committee Calendar 2020/21

The Committee noted the list of future items and suggested that the report on the Equal Pay Audit be added to the March agenda.

Part Two – Equality, Diversity and Inclusion – President and Executives in attendance

The Assistant Vice-President (EDI) and the EDI Manager joined the meeting for item 7.

7. Equality, Diversity and Inclusion

7.1 Equality, Diversity and Inclusion Strategy and Reporting

RemCo considered an update on the implementation of the Equality, Diversity and Inclusion Strategy along with a proposed format for dashboard reporting. The Strategy workstreams had now been reviewed and it was now proposed to replace them with a City-wide Consultative Forum to review the Strategy implementation and to monitor associated metrics. To assist with EDI reporting a prototype dashboard had been developed with external consultants to create a central repository for interactive data reporting and to support nuanced implementation of the Strategy at local level. The prototype would now be progressed internally. In discussion the following points were noted:

- It would be useful to see analyses for talent and succession planning in the dashboard as these were important to support progress on EDI.
- The lack of engagement in the workstreams was surprising, as previous reports had indicated good engagement from staff. Inevitably, the pandemic had impacted on staff members' capacity to volunteer and also there had been clear feedback that the workstreams were too numerous to have impact and work had been undertaken to ensure that the work now being taken forward by a small number of groups was more coherent and focussed.

The President joined the meeting at this point.

7.2 Race Equality Charter Award Update

RemCo received an update on the work to apply for the Race Equality Charter Award and invited to comment on the recommendations. The report highlighted the thematic findings from the staff survey with regard to BAME representation, the reporting of racial harassment, and the importance of reflecting the diversity of City throughout the institution. A panel had taken place recently with both the President and the SU President participating in a discussion of decolonising the curriculum and there had been a number of other well-attended events, including presentations, workshops and training. Analysis of data was also ongoing to inform a five-year action plan. The proposals included the creation of an Advisory Board with external and internal members, as this format had worked well for the Athena SWAN initiative. In discussion the following points were noted:

- The Chair congratulated the team on their work to date and encouraged the team to think about how to persuade colleagues to engage with the process.
- The President noted that he would be taking forward the discussion of the recommendations in the report with the Senior Leadership Team. He highlighted the importance of training and accountability at all levels throughout the organisation.
- The President provided an update on the establishment of the Office for Inclusion. The proposal was agreed in principle and City had been awaiting the outcome of student enrolment for 2021/22 and confirmation of the budget before proceeding,

so the business plan would go to a future SPRB for resource approval. It was anticipated that structures would be in place by the end of the academic year.

- The Chair of Council noted the importance of continuing to appoint a diverse group to Senior Leadership Team and Council.
- RemCo welcomed the report and advised that City should go forward with the development of the action plan with clear metrics and goals.

7.3 Equality Charter Awards Briefing

RemCo noted a briefing on applications for other equality charters at City, namely *Athena SWAN*, *Stonewall* and *Disability Confident*. The preparations for the *Stonewall UK Workplace Equality Index* were underway with a submission planned for 2022 and with the outcome to be known by early 2023. New guidance had been issued for *Athena SWAN* awards and there had been an extension to City's current award to May 2022; it was planned to submit an application to renew the Institutional level Bronze Award at that point. There had been some challenges with staff engagement in sub-groups to oversee the renewal process; currently groups were not meeting gender equality targets. A new Chair of the Gender Equality Working Group had been appointed and it was hoped this would re-energise the process. There had also been revised timelines for current School award holders and the two Schools making an initial application, CLS and Bayes. Finally, City had achieved Level One for *Disability Confident* and aimed to apply for Level Two later in the academic year.

7.4 Equal Pay Audit

RemCo received a verbal update on the progress of the Equal Pay Audit. Data collection was underway and it was anticipated that a draft report would be considered by SLT in February, prior to discussion at RemCo in March. The report would provide intersectional analyses across gender and ethnicity. In discussion the following points were raised:

- City did not report on the voluntary Ethnicity Pay Gap but did publish the Gender Pay Gap as required by law.
- There was some concern in the sector regarding the cost of applications to Charter Marks, and onerous requirements for reporting which did not necessarily drive change.
- The revised Athena SWAN application process was an example where the burden of reporting had been considered.

RemCo thanked the Assistant Vice-President (EDI) and the Equality, Diversity and Inclusion (EDI) Manager for their contributions to the meeting, and wished the EDI Manager well in her new role.

Part Three – Strategic Items – President in attendance

The President was not in attendance for the following two items.

8. Sectoral Developments Update

Peter Smith provided an update on sectoral developments noting that:

- The sector remained generally quiet with regard to remuneration, which was reflected in the report provided for item 15.2, although behind the scenes it appeared that the market was quite competitive for professors and academic leaders.
- There had been a review of disclosures in accordance with the CUC HE Senior Staff Remuneration Code. City did meet the requirements but many institutions did not. OfS might contemplate taking action to address the sectoral position.
- Peter Smith would circulate a report from the Institute of Fiscal Studies *Gender differences in subject choice leads to gender pay gap immediately after graduation*. [Secretary's note: this was circulated.]
- There was some pressure from salary inflation, with the general market running at

- around 3.5%, so the expectation was that next year's uplift would be over 2%.
- Market supplements and the creation of additional grades were now common at the higher salary grades covered by national negotiation, as the sector endeavoured to be more flexible with staff at the maximum of the grade for their role and who worked in higher paid subject areas.
 - There was also difficulty in retaining professional service staff who were also at the top of their grades when these were constrained by national pay agreements.

9. Annual Remuneration Statement

RemCo considered a second draft of the Remuneration Report for inclusion in the Financial Statements 2020/21. In discussion, RemCo noted that it would be helpful to continue to publish the additional table used in previous years with regard to the ratio of Presidential pay to median salary. **[Action]**

Decision

RemCo **approved** the Remuneration Report for inclusion in the Financial Statements 2020/21.

Part Four – Higher Paid and Senior Staff – issues requiring attendance of President

10. Senior Staff Reporting to the President

RemCo received a verbal update from the President on objectives set for 2021/22 for members of the Senior Leadership Team (SLT). Discussion of objectives had taken place with all role holders. An initial discussion had also taken place with the Interim Dean of Bayes who would commence in post in December, and key objectives agreed. He noted that each member of SLT had been tasked with setting both a development and an EDI goal. In discussion the following points were noted:

- The Chair noted that as part of its Terms of Reference RemCo was responsible for the appraisal system for the performance of the Senior Leadership Team and therefore was required to formally review the objectives of each member of the team, so requested that the President provide a summary of objectives. **[Action]**
- In future years, the committee would expect to see the objectives for members of the Senior Staff in the June meeting in advance of the following year and after appraisal discussions with individuals. **[Action]**

11. Update on Recruitment to the new Senior Team

RemCo received an update on appointments to the Senior Leadership Team (SLT).

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

The College Secretary and the HR Director declared an interest for the following item. The Chair of RemCo invited them to remain in attendance.

12. Performance Related Remuneration Scheme (PRRS) Review

RemCo considered recommendations arising from a review of the PRRS by the President. The current Scheme had been in abeyance for two years, firstly due to the impact of the pandemic and then pending the arrival of the President. It was proposed to close the PRRS and introduce a Recognition Scheme in its place. Recognition payments would be agreed by RemCo annually on the recommendation of the President and would be awarded for exceptional performance against objectives. It was anticipated that this would be for around 20% of eligible staff. Members of SLT, Assistant Vice-Presidents and senior Professional Service staff at City would be eligible. In discussion the following points were noted:

- City would be an outlier in the sector if it continued to have a PRRS; many other institutions had withdrawn their schemes in recent years.

- As the PRRS had been paused for two years it was possible that closing the Scheme would not cause undue discontent among senior staff.
- RemCo noted its broad support for the introduction of the Recognition Scheme and formal closure of the PRRS, but wished to further understand what the new recognition scheme was trying to achieve, particularly as the Scheme would be reported in the Financial Statements.
- RemCo requested details of the proposed criteria for the Recognition Award and a clear definition of what constituted an outstanding contribution from a member of Senior Staff. **[Action]**
- The appraisal system was moving away from a rating system therefore more discussion was needed on how to express recommendations. Recognition Awards should still be linked to an individual's objectives and show clearly how these had been exceeded. **[Action]**
- The overall sum to be disbursed through the Scheme should be considered further; and proposals should be agreed by the Committee. **[Action]**

Decision

RemCo **endorsed in principle** the introduction of a Recognition Scheme, the removal of the PRSS and requested further information in order to formally approve the Scheme.

The President left the meeting at this point.

13. Review of Responsibility Allowances and Additional Pay

RemCo considered proposals for the review and reform of Responsibility Allowances at City. In discussion the following points were made:

- Current inconsistencies between Schools could be seen as inequitable and divisive; and the review would aim to bring about greater consistency between Schools in the incidence and scale of Responsibility Allowances.
- The President's view was that a level of leadership and other broader responsibilities should be considered part of a job role and therefore should not attract additional reward by way of a Responsibility Allowance. The review could thus be viewed as a signifier of broader changes with regard to expectations of academic staff.
- It would be important to ensure there was an impact assessment with regard to EDI; the data appeared to indicate that more women and people of colour were more likely to be undertaking responsibilities without additional remuneration in the organisation. Any proposal to remove or amend an existing Responsibility Allowance would need to be managed with regard to equality and inclusion.
- The proposed way forward would be challenging to implement. The next step would be to discuss the proposed review with Deans. There might be a particular challenge in Bayes given the number and higher sums involved in the Responsibility Allowances in the School. The Interim Dean of Bayes might be a factor in engagement with the review, given the short-term nature of this appointment.
- A further update would be provided to RemCo in March, following discussion with Deans and SLT. **[Action]**

Part Five – Higher Paid and Senior Staff – issues not requiring attendance of President

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

14.1 Reports of Staff whose contractual pay was above £100k and whose earnings were above £100k in 2020/21

RemCo considered a report of all City staff whose contractual pay was above £100k per annum and a report of staff whose total earnings were more than £100k per annum in the financial year 2020/21, including analyses of high earners by gender, ethnicity and

grade for each School and Service, and analyses of pay ranges by gender and ethnicity which showed some positive movement throughout the institution. In discussion the following points were noted:

- Recruitment to Bayes Business School did not appear to have been impacted by the decision to change its name. This could be the 'London' factor, lower movement due to the changes to the Research Excellence Framework and the portability of research outputs, but also because the Business School Remuneration Framework now reflected salary market conditions with key competitors in the UK.
- There were however some recruitment issues for the Faculty of Finance where staff at lecturer level were in demand and therefore attracted high salaries.
- City continued to press recruitment consultants for a diverse range of candidates for posts and maintain a focus on diversity with appointment panels.
- The format of the report would be reviewed as it was not clear that there was a need for so much personal data to be reported to RemCo. The HR Director would consider how best to present the information to provide RemCo with the assurance it required and bring a recommendation for change. **[Action]**

14.2 Appointments and Departures

RemCo noted two appointments and the departure of eight members of staff within its remit for the period between 12th June and 30th September 2021.

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

14.3 Approvals by Circulation

RemCo noted its approvals by circulation for the period between 12th June and 18th October 2021 for four members of staff plus a recognition payment for all staff within its remit which was paid in July 2021.

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

14.4 Recommendations for Approval

Bayes Business School

RemCo re-considered two proposals for adjustments to remuneration for two members of academic staff in Bayes Business School, first considered in June. In discussion the following points were noted:

- Further advice received from the External Advisor with regard to the re-zoning for one member of staff had provided objective commentary on the appropriate zone. Also, the proposal to pay a Responsibility Allowance to a member of staff constituted an exceptional case.
- Proposals should not, however, generally come back to the committee for further consideration; and the HR Director should advise senior colleagues accordingly. **[Action]**
- In future there was a case for RemCo approval of all cases for Responsibility Allowances to be time-limited and subject to the outcomes of the Review of Responsibility Allowances at institutional level, whichever is earlier.

Decisions

RemCo **approved** the business cases for an adjustment in base pay following a review of subject discipline zoning and the extension of the duration of a Responsibility Allowance on a time-limited basis, subject to the Review of Responsibility Allowances.

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

14.5 Additional Cases and Exceptional Requests

RemCo considered two additional business cases, firstly for a severance arrangement and secondly a business case for the appointment and salary for the preferred candidate for the position of Chief Operating Officer.

RemCo also noted exceptional requests for approval before the next meeting would include the outcomes from the Professorial Banding Review, a proposed role profile for the position of Executive Dean, business cases for the position of interim CFO, the role profile for an additional VP, Interim Dean of Sass and a possible case for CLS.

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

Decisions

RemCo **endorsed** the proposed severance arrangement and **approved** the appointment and salary for the position of Chief Operating Officer.

15 Senior Staff Reporting to the Chair of Council

15.1 The Chair of Council would discuss 2020/21 objectives with the President, for circulation to RemCo. **[Action]**

15.2 RemCo noted the report on the President's remuneration in the context of the recent CUC data on remuneration of Heads of Institution.

Part Five – Items for Information

17. AOB and Date of Next Meeting

The next meeting would take place on 24th March 2022 at 9 am.

Jen Tippin
Remuneration Committee Chair
November 2021