

**REMUNERATION COMMITTEE
MEETING HELD ON 24th OCTOBER 2018**

UNAPPROVED MINUTES

Members		Meeting 1 24.10.18	Meeting 2 07.03.19	Meeting 3 20.06.19
Independent Members of Council	Sir John Low (Chair)	✓		
	Sir Brendan Barber	A		
	Ms Philippa Hird	✓		
	Ms Janet Legrand	✓		
	Ms Julia Palca	✓		
Co-opted	Mr Peter Blausten	✓		

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 Zoe Radnor	VP (Strategy & Planning) (item 7)
Dr Emma Taylor-Steeds	Equality & Diversity Manager (item 7)
Mr Tim Longden	Director of Marketing & Communication (item 10.2)

MINUTES SECTION A – OPEN FOR PUBLICATION

Part One – Preliminary Items

Apologies were received from Sir Brendan Barber.

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 7th June 2018.

3. Matters Arising

Noted.

4. Conflicts of Interest

Members of the executive in attendance declared interests for items 16 and 17; they left the meeting for these items, as noted in the minutes.

5. Items Specially Brought Forward by the Chair

The Committee noted its Terms of Reference.

6. Remuneration Committee Calendar 2018/19

The Committee noted the list of future items.

Part Two – Equality and Diversity

The VP (S&P) and the Equality & Diversity Manager joined the meeting for the following item.

7. Equality and Diversity

7.1 Annual Disability Report

RemCo considered the Annual Disability Report summarising the range and level of activity and support for both staff and students with disabilities from July 2017 to July 2018. In discussion the following points were noted:

- The percentage of staff with a declared disability at City was in line with the sectoral average, but lower than the percentage of the working age population with a disability in the UK. City's disability networks were keen to encourage a higher disclosure rate and to this end would focus on hard to reach groups. It appeared in particular that people were reluctant to disclose mental health issues.
- City operated the *Two Ticks* scheme however it appeared that applicants who declared a disability later in the process were more likely to be successful than those who used the scheme; this issue would be explored as part of the *Disability Confident* initiative.
- For students the percentage of UK HE students who declared a disability was 12%; at City this was 6.4%. One explanation for this could be the high number of students domiciled at their parental home which might mean that students had alternative support networks, but this would be further explored.
- City was to adopt the #stepchange framework, a UUK initiative which aimed to provide coordinated support for student mental health.
- RemCo suggested that future iterations of the report could include feedback data from those who had used services.
- The VP (S&P) would take forward with colleagues the development of strategies and priorities for the Equality, Diversity & Inclusion Strategy, building on the work on gender equality.
- One approach could be to celebrate the benefits of diversity in relation to the vision and strategy of City, although this would require careful messaging.
- RemCo welcomed the report and thanked those involved.

7.2 Athena SWAN Implementation Update

The VP (Strategy & Planning) and the Equality & Diversity Manager provided a verbal update on the Athena SWAN Implementation Plan. The Athena SWAN Implementation Group (ASIG) continued its work and, via a sub-committee, had recently reviewed parental leave arrangements at City, leading to an updated policy with increased provisions from 1st January 2019. The Group would now look at other areas for support, for example, providing support for research active staff who were returning to work so that teaching commitments were limited for a time. City had also now installed baby change units in toilets. Schools were progressing with their applications for Athena SWAN bronze awards; SMCSE and Cass would be submitting applications in April 2019, then SASS and CLS would submit theirs in November 2019. City was seeking a new Chair for ASIG as Professor Iori was stepping down. In discussion the following points were made:

- ASIG had established a sub-group to investigate career progression for women. Guidance was being reviewed and pre-promotion workshops established to support women seeking promotion. ASIG received outcomes from Athena SWAN School surveys and were considering responses from SASS at the moment. Schools would use feedback from surveys to inform action plans.

- Whilst City was performing well against the sector, the EDI team would also look outside HE for innovative ideas.
- The Cass Remuneration Framework report was a reminder of the importance of this work.

Part Three – Strategic Items – Issues for Discussion and Decision

8. Sectoral Developments Update

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

- Many universities were reviewing their governance arrangements for remuneration following the publication of the CUC Remuneration Code and the OfS Accounts Direction.
- City had been one of very few universities to publish a remuneration report with its annual report and financial statements last year.
- The OfS Accounts Direction had not been easy to interpret, even when supplemented through the issue of a set of FAQs. This was leading to variations in interpretation of the reporting requirements.
- Media coverage of vice-chancellor remuneration continued. While this had led to downward pressure on salaries for new appointments in some cases, it was not clear that this would be a universal trend when vacancies arose.

9. Remuneration Matters

9.1 City's Remuneration Strategy

RemCo considered the Institutional Remuneration Strategy which had been updated following the publication of the CUC Senior Staff Remuneration Code and subsequent discussion at the June meeting. The committee was now asked to consider whether the Strategy should be published and in what form, to accompany the remuneration statement [item 10.1] which would form part of the Financial Statements. In addition, RemCo was asked to note the areas for review and development in 2018/19 and into the following academic year. In discussion the following points were noted:

- In relation to the potential publication of the strategy, there was existing guidance on the publication of Directors Remuneration Reports (DRRs) which could provide a useful steer. On the whole, DRRs tended to describe a general approach without operational detail. Against that background, publication of a summary of the strategy might offer a good way forward.
- In relation to possible areas of development for the strategy, RemCo suggested it would be timely to review the Strategy in relation to the lowest paid members of staff, but noted that consideration of the remuneration of the lowest paid members of staff fell outside its own Terms of Reference.

Decision

RemCo **agreed** that a summary of the Remuneration Strategy should be to be developed for publication and agreed by circulation. **[Action]**

9.2 Introduction of Job Evaluation at City

RemCo received a progress report on the introduction of a job evaluation scheme at City. Since the approval of the scheme a working group had been established to agree a set of principles and to oversee implementation, which had commenced with staff with Grade 9 roles. It was anticipated that outcomes for this would be communicated in February 2019 after which the process would move to staff on Grade 8. All grades would have been evaluated by June 2020. In discussion the following points were noted:

- The Working Group was reconsidering the application of the Scheme for posts on grades 8 to 1 as it might be preferable to take a 'lighter touch' approach and group some roles to lessen the extent of disruption.

- Training sufficient numbers of staff in the Hay approach could be very beneficial to organisations as it brought better understanding of structures and ‘job sizing’.
- RemCo would receive further updates as the exercise progressed.

10. Annual Remuneration Report

10.1 Draft Remuneration Report

RemCo received a draft remuneration report which would be included in the Financial Statements 2017/18, preceded by the Corporate Governance Statement. The draft reflected the new requirements of the CUC Senior Staff Remuneration Code and the OfS Accounts Direction and FAQs for 2017/18. There were three areas for consideration: publication of City’s Remuneration Strategy [covered in item 9.1], whether to publish tables to show the ratio between the remuneration of the President and other staff at City on the same basis as last year, and what information to publish regarding staff expenses. In discussion the following points were made:

- To comply fully with the CUC Remuneration Code the remuneration report should contain a list of comparator institutions used for remuneration purposes. This year, many institutions were proposing to review comparator institutions used with a view to full publication next year. RemCo agreed that it would be helpful for City to follow what was likely to be the sectoral norm on this issue; and asked the College Secretary to develop appropriate wording for this. **[Action]**
- There was a case for including in the remuneration report a continuation, for 2017/18, of the tables published in last year’s remuneration report setting out the ratio of the President’s remuneration to that of academic staff and all staff, on the basis recommended by UCEA. This would supplement the information required to be published by OfS in Note 7 to the accounts, which was to be calculated on a different basis. The College Secretary would develop such tables for inclusion in the report. **[Action]**
- A new publication regime for the publication of expenses at City would be developed once the outcome of the Cabinet Office consultation on a new FOI Code of Practice was known. In the meantime, the remuneration report should make reference to City’s current practice in relation to the publication of expenses by the President and by members of Council. The College Secretary would adjust the wording in the report accordingly. **[Action]**
- On the basis that the report would be amended to reflect the discussion at RemCo, RemCo endorsed the remuneration report for approval by ARC and Council.

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

10.2 Reactive Q&A to accompany the Remuneration Report

RemCo considered the proposed set of Q&As which would accompany the publication of the Financial Statements 2017/18 and would be used by the Media Team to respond to enquiries. In discussion the following points were made:

- The Q&As would be finalised to align with the revised Remuneration Statement.
- The key issue for media comment could be the publication of details for the house for the use of the President and how this compared to the sector.
- There was likely to be considerable variation across the sector in reporting practice on this issue and considerable variation in the non-taxable benefits declared.

11. Cass Remuneration Framework

RemCo received a progress report on the development of the Cass Remuneration Framework.

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

12. Academic Staffing Plans and Identification of Institution Builders

RemCo received a brief update on discussions with Schools regarding academic staffing plans and the identification of 'Institution Builders'. Termly meetings were taking place with the President, the Vice-President (Strategy & Planning), the Vice-President (Research & Enterprise), the HR Director and each Dean to review Academic Staffing Plans in conjunction with City's preparations for the Research Excellence Framework (REF), the Teaching Excellence Framework (TEF) at Subject Level and the development of Workload Allocation Models.

13. Annual Salary Review / Biennial Professorial Rebanding Review

13.1 Annual Salary Review

RemCo **noted** that the Annual Salary Review had taken place in July. Reward Group had not endorsed any cases for staff with salaries over £100k per annum.

13.2 Biennial Professorial Rebanding Review

RemCo **noted** that the Professorial Rebanding Committee would meet on 28th November and that the committee would be asked by circulation in December to approve any recommendations relating to staff with salaries over £100k per annum. In discussion RemCo noted:

- There could be a requirement for an additional meeting of RemCo if there was a large number of cases requiring its approval.
- The proportion of women applying for progression was being monitored by the Rebanding Committee and Deans had been reminded to consider if there were staff, particularly women, who were eligible but had not put themselves forward.

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

RemCo received an update on the recruitment process for the position of Dean of the School of Mathematics, Computer Science and Engineering.

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

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

15.1 Report of all City Staff whose contractual pay was over £100k per annum and all City Staff whose earnings were over £100k per annum in 2017/18

RemCo noted the analysis of all City staff whose contractual pay was over £100k per annum and all City Staff whose earnings were over £100k per annum in 2017/18. In discussion the following points were noted.

- It would be timely to invite the Dean of Cass to attend RemCo to discuss usage of additional payments in the School, in advance of the likely publication of the salaries of higher paid staff.
- Some of the additional payments did include consultancy which was paid via City's payroll, although some members of staff managed their consultancy activities independently.

15.2 New Appointments and Departures

RemCo noted the appointment of two members of senior or higher paid staff and the departure of six members of senior or higher paid staff.

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

15.3 Approvals since the previous meeting

RemCo noted the approval of the remuneration for the incoming Dean of CLS and the Interim Dean of SMCSE.

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

15.4 Requests for RemCo Approval

RemCo **approved** one request for a retention payment for a member of higher paid staff, and three requests for promotion, two promotions to Band 1 Professor and one promotion to Reader. The latter proposals aligned with the agreed provisions for salary increases on promotion which formed part of the short-term recommendations arising from the Cass Remuneration Framework project.

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

15.5 Exceptional Requests before the next meeting of RemCo

RemCo **noted** that there could be exceptional requests before the next meeting following the meeting of the Professorial Rebanding Committee, as noted in item 13.2, and that it might be necessary to schedule an additional meeting to approve these.

16 Performance Related Remuneration Review

16.1 Performance Related Remuneration Policy for publication

RemCo **approved** the revised Performance Related Remuneration Policy subject to minor amendment to include the revised indicators for sustainability and staff engagement.

16.2 Agreement by Circulation of Indicators to be used for the PRRS in 2018/19

RemCo **noted** its agreement by circulation in July 2018, to include in the PRRS the sustainability performance indicator (PI) of operating surplus disregarding pension adjustments.

16.3 To note the outcomes for 2017/18 of the KPIs included in the Scheme (where known)

RemCo **noted** outcomes of five of seven KPIs included in the 2017/18 PRRS. Milestones were not met for three KPIs; NSS, employability, and proportion of professorial and grade 9 staff that are female. Milestones were met for staff engagement and percentage of academic staff with 3/4* outputs. Outcomes for undergraduate progression and net liquidity would be confirmed before the end of the calendar year, after which payments would be implemented.

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

16.4 To approve in principle recommendations from the President

RemCo **approved in principle** the schedule of recommendations for the payment of non-consolidated payments to staff reporting to the President and included in the Performance Related Remuneration Scheme for 2017/18. Sixteen members of staff had a received a rating of 'met' and three had received an 'exceeded' rating. In discussion the following points were made:

- Some members of staff were not full-time, or had joined the Scheme during the year and therefore payments would be prorated.
- Some members of staff in the PRRS were not within the RemCo remit of being either Senior Staff or earning over £100k, although RemCo did approve the Scheme. It would be useful to clarify whether they should be included. **[Action]**

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

16.5 To approve in principle recommendations from the Chair of Council

RemCo **approved in principle** the schedule of recommendations for the payment of non-consolidated payments to staff reporting to the Chair and included in the

Performance Related Remuneration Scheme for 2017/18. Two members of staff had a received a rating of 'met' and one had received an 'exceeded' rating.

The College Secretary rejoined the meeting.

17. Senior Staff Reporting to the Chair of Council

17.1 Remuneration Policy for the President

RemCo considered the Remuneration Policy for the President, which had been updated to align with the CUC Senior Staff Remuneration Code and guidance from the OfS. In discussion it was noted:

- It would be timely to review the list of comparator institutions used to support discussion of the remuneration of the President for 2019/20. It would be helpful if the list could reflect City's membership of UoL and seek to include institutions of similar size. The HR Director and the College Secretary would develop a proposed list for RemCo's consideration. **[Action]**

Decision

RemCo **approved** the Remuneration Policy for the President for 2018/19 and **agreed** to review the comparator list for 2019/20.

17.2 CUC Comparator Data on Head of Institution Remuneration

The Committee considered comparative pay data, provided by CUC as part of its annual review of the President's remuneration. In discussion the following points were noted:

- There was some downward pressure on remuneration for new VC appointments in the sector.
- This treatment of the use of an official residence by the VC was a new question for potential consideration by RemCo in the determination of HoI remuneration. (The OfS accounts direction had determined that the use of an official residence, if official residences were not made available to all members of staff, should be declared as a non-taxable benefit of the HoI in the annual accounts.)
- It was noted that property prices in Islington fluctuated considerably from year to year and could well fall substantially next year, following Brexit; and that it would be very challenging for RemCo to factor this into a discussion of the President's remuneration at City.

17.3 To consider any recommendation from the Chair of Council

RemCo **noted** that there was no recommendation from the Chair of Council for an increase in base pay for the President for 2018/19. This reflected the Chair's consideration of performance in 2017/18, evaluation of comparator data from CUC, and market conditions.

18. Annual Performance Reports

Senior Staff reporting to the Chair of Council

RemCo **noted** the report on the Director of Internal Audit's achievement of objectives for 2017/18 and new objectives set for 2018/19, which had not been available at the June meeting of RemCo.

Part Five – Items for Information

19. Date of Next Meeting

7th March 2019 at 9 am.

Sir John Low

Remuneration Committee Chair

October 2018