

**REMUNERATION COMMITTEE  
MEETING HELD ON 18<sup>th</sup> JUNE 2020 VIA MS TEAMS**

**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 to 30.01.20)	✓	NM	NM
	Ms Kru Desai	✓	✓	✓
	Ms Philippa Hird (Chair from 31.01.20)	✓	✓	✓
	Ms Janet Legrand QC (Hon)	✓	A	✓
	Ms Julia Palca	✓	✓	✓
Co-opted Member	<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	VP (Strategy & Planning, Equality, Diversity & Inclusion) for item 7
Ms Sandra Brown	Equality, Diversity & Inclusion Manager for item 7
Dr Kavita Powley	Race Equality Charter Manager 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 meeting held on 12<sup>th</sup> March 2020. The open section would be published on the City website in due course.
- 3. Matters Arising**  
RemCo noted the matters arising.
- 4. Conflicts of Interest**  
Members of the Executive in attendance declared interests for items 13, 14, 15 and 16.

## 5. Items Specially Brought Forward by the Chair

There were no items brought forward by the Chair.

## 6. Remuneration Committee Calendar 2020/21

The Committee noted the list of future items. The Chair would discuss the forward calendar with the Secretariat in September [Action]

### Part Two – Equality and Diversity

*The VP (Strategy & Planning), the Equality Diversity & Inclusion Manager and the Race Equality Charter Manager were in attendance for item 7.*

## 7. Equality and Diversity

### 7.1 Equality, Diversity & Inclusion Strategy

RemCo considered the final Equality, Diversity and Inclusion Strategy with a delivery plan and summary of the process to develop the Strategy. The Strategy set out City's aspirations to achieve real and lasting progress for diverse groups and individuals; its implementation via the Delivery Plan would be monitored by City's Equality, Diversity and Inclusion (EDI) Committee. The Strategy was focussed on four key characteristics, disability, gender, race and sexual orientation with due consideration to intersectionality. Eight work-streams would take forward the implementation of the Strategy, six would report to City's EDI committee, HR and Student & Academic Services would lead the remaining two respectively. In discussion the following points were made:

- The EDI Committee would issue a call to staff to join the work streams and it was hoped to involve as many members of City's community as possible.
- Societal expectations were evolving with regard to diversity and the work streams to implement the Strategy were designed to be dynamic in order to respond to change.
- The development in consultation with staff and students of the Strategy had led to agreement on the four main themes to provide focus for activities.
- RemCo suggested that although faith was not included as one of the four themes its importance to the equality agenda should not be disregarded, particularly as recent to Prevent issues at City had related to faith. The team would consider how to take this forward and noted that there had been some disappointment from the Chaplaincy Team that faith was not one of the themes.
- RemCo suggested that priorities should be kept under review in order to remain agile in response to institutional, sectoral and societal priorities.
- There was an opportunity to ensure targets set were relevant to City and that these reflected the demographics of the surrounding community.
- The team would consider how to develop qualitative and quantitative measures of the impact of activities. The response from students and staff had very positive to date with good attendance and the Equality Forum as an example. A second EDI Forum would take place today; 130 colleagues had registered to attend.
- A particular focus would be on the attainment gap for BAME students and staff, and for the latter how to encourage BAME staff to apply for senior roles.

#### **Decision**

RemCo **approved** the Equality, Diversity & Inclusion Strategy and recommended that Council should discuss these reports at its next meeting.

### 7.2 Annual Equality, Diversity and Inclusion Report

RemCo considered the Annual Equality, Diversity and Inclusion Report 2019/20. The report covered both staff and student activity, progress against objectives, and set out planned activity for 2020/2021. The major focus of activity for 2019 had been the development of the EDI Strategy and support for the Equality Charter Marks. New policies had been approved, namely the Student Harassment and Bullying Policy and a new Student Sexual Misconduct Policy. In discussion the following points were made:

- There had been changes to the governance structure for EDI, with a consolidation of the EDI Committee reporting to ExCo.
- Going forward the format of the report would change to reflect the activities of workstreams created to implement the EDI Strategy.
- An online tool for reporting bullying and harassment would be launched in the autumn term.
- City was fortunate to have a leading academic expert on bullying and harassment, Dr Carrie Myers, who had assisted with the development of the new policies.
- Resource remained a challenge as the number of dedicated staff was small and shared across two professional services directorates’.

### **7.3 Athena SWAN Implementation Update**

RemCo considered a report on Athena SWAN at City. Since achieving a Bronze award at institutional level in 2016, two Schools had also gained Bronze awards with the other three Schools preparing their applications. Advance HE had published revised guidance on the framework consequently City was preparing to renew its Bronze Award in November 2021, rather than in 2020. This additional year also provided an opportunity to prepare City for a Silver Award application. In discussion it was noted that some universities had indicated that it would be preferable not to divide race and gender equality; and that City had been asked to co-sign a letter to Advance HE to this effect.

### **7.4 Race Equality Charter Application Update**

RemCo received an update on City’s membership of the Race Equality Charter and preparations to seek accreditation at Bronze level. Recent events had highlighted the importance of the work underpinning the application for the Charter and City aimed to use this as a vehicle for change. City would now submit its application in February 2022, rather than February 2021, due to the impact of Covid-19. Good progress had been made so far with positive engagement from staff and students, particularly from the Students’ Union and with BAME and EDI networks. Initiatives included a reciprocal mentoring scheme and a *Diversify Your Mind* Book Club. In discussion the following points were noted:

- The BLM movement and Covid-19 had highlighted race equality during the last few months.
- Currently only 14 universities had achieved the award although 60 were members.
- The Appointment Committee for the new President was aware of the importance of equality, diversity and inclusion to the role of the President.
- City would take an institutional approach to race equality, which had proved effective in relation to Athena SWAN. There were challenges however, as different groups were responsible for specific activities. For example, student attainment was overseen by Schools and Student & Academic Services whilst staff recruitment and promotion processes were devised and managed by HR. The EDI Strategy implementation would draw these strands together.
- The work to foreground race equality should help improve City’s National Student Survey (NSS) outcomes as well as staff retention.
- The challenge to the executive, for example on lack of progress in increasing diverse representation, since the death of George Floyd had been considerable.
- Views were being sought on the name of Cass Business School now that Sir John Cass’ investment in the slave trade had become known. Cass had contacted its staff, students and alumni. The Sir John Cass Foundation had also announced that it would be changing its name. Given the strength of the Cass brand however, it would not be a straightforward decision to relinquish the name.
- The funding from the Foundation had helped many BAME students and it was important not to lose sight of this.
- A change of name needed to be accompanied by other meaningful actions to improve the lives and futures of people of colour.

## **8. Sectoral Developments Update**

Peter Smith (PS) provided an update on sectoral developments noting that:

- Current data indicated that globally, across all sectors in light of the financial challenges posed by Covid-19 a fifth of employers had imposed pay cuts to some staff, however this tended to be to members of the senior teams within these organisations. Data that KornFerry Hay (KFH) has received indicated that a quarter of organisations had made or planned to make redundancies.
- The HE sector was not responding at the same pace as other sectors, possibly due to lower immediate income and cash flow pressures. However there was evidence of a steady build-up of measures to achieve savings.
- Approximately 10-15% of Universities had announced cuts in Senior Staff pay and more institutions were considering such action, often on a voluntary basis, as it was considered to be an important motivational action for the rest of the workforce.
- Universities in Australia had been asked to vote for either universal pay reduction or staff redundancies; and many had opted for a redundancy programme. In the UK Essex was currently polling its staff on this issue.
- There was some evidence of universities considering voluntary redundancy schemes, however the private sector tended to avoid these as there was a risk that high quality staff left with a negative impact on the workforce.
- The Universities of Reading and Kent had already announced targeted compulsory redundancy schemes.
- For the HE sector the limited amount of variable pay and the high proportion of base pay against variable pay afforded employers limited flexibility to make remuneration changes. This combined with the ongoing challenge of the USS Pension Scheme would lead to difficult decisions in the coming months.
- It was early for university leaders to consider what activities to cease or the refocusing of teams whilst it was still unclear how student numbers, and therefore income, would be impacted next year.

RemCo also received an update on remuneration actions at City to address the impact of Covid-19.

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

## **9. Draft Annual Remuneration Statement**

RemCo considered the draft Corporate Governance and Annual Remuneration Statement to be published with the Financial Statements for 2019/20. The statements followed the same format as those published the previous year. The committee would send any drafting comments to the College Secretary. **[Action]**

## **10. Cass Remuneration Framework**

RemCo received an update on progress against the agreed short, medium, and long-term objectives of the Cass Remuneration Framework. An assessment of the impact of the introduction of the Framework against the original objectives would be provided when the further aspects of the Framework, including the introduction of a new salary range for Readers/Associate Professors had been introduced. Initial indications were that the introduction of revised Professorial bands had been positive in the School. In discussion the following points were noted:

- There had been discussions with Schools with regard to the introduction of a Reader / Associate Professor salary banding however this was now paused due to Covid-19. The cost of introduction of the new salary band would be modest in other Schools, but there would not be additional costs in Cass as the process would formalise the consolidation of current personal elements.

- The Chair requested an analysis of the market for staff employed at Reader / Associate Professor level. **[Action]**
- There would be a Promotions Committee on 21<sup>st</sup> July which would provide an opportunity to seek views from Deans on next steps.

## **11. Job Evaluation Update**

RemCo considered an update on the Job Evaluation Scheme for Grade 9 roles. The Committee in March had requested an update on the response of role holders to outcomes for three roles which had been subject to further benchmarking and evaluation. RemCo had also requested an analysis of the cost of the exercise. In discussion the following points were noted:

- One of the role holders had lodged a claim with ACAS. City would be represented by its legal advisors but had not yet received full details of the claim. There had been no response received from one other role holder and the third had expressed their thanks that issues had been resolved.
- RemCo noted the analysis of expenditure for the Job Evaluation Exercise.

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

### **12. Higher Paid Staff ie staff earning more than £100k per annum.**

#### **12.1 New Appointments and Departures**

RemCo noted the departure of two members of senior or higher paid staff since its last meeting.

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

#### **12.2 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.*

#### **12.3 Recommendations for an increase in base pay for a member of Higher Paid Staff**

RemCo **approved** a recommendation from the President for an increase in base pay for a member of higher paid staff, subject to one condition.

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

#### **12.4 Request to approve a Severance Agreement**

RemCo **approved** a Severance Agreement for a member of Higher Paid Staff.

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

#### **12.5 Exceptional Requests before the next meeting of RemCo**

RemCo noted there could be a number of exceptional requests for approval before the next meeting.

### **13. Senior Staff reporting to the President / Deputy President**

#### **13.1 Update on the Recruitment process for the Dean of Cass**

RemCo received an update on the recruitment process for the post of the Dean of Cass and noted benchmark data for this position. A broad salary range was proposed to reflect the disparity between Professorial Bands and disciplines for the School; RemCo would be asked for formal approval of the salary range in due course. It was anticipated that shortlisting would take place in September. The HR Director would discuss with the Recruitment Consultants the potential expansion of the candidate search beyond the HE sector, given recent changes in the market. **[Action]**.

### **13.2 Reports on each member of Senior Staff's achievement of objectives for 2019/20 and to note new objectives for 2020/21**

The Committee noted reports on each member of staff's achievement of objectives for 2019/20 and new objectives set for 2020/21 for Senior Staff reporting to the President and the Deputy President. In discussion the following points were made:

- The President noted particularly the tremendous efforts by the Deputy President, the Chief Financial Officer and the HR Director since the onset of the pandemic.
- RemCo suggested that it would be helpful in future to see each individual's performance outcomes for previous years to provide an indication of a consistent level of performance and whether objectives are sufficiently stretching. **[Action]**

### **13.3 Recommendations for increases to base pay**

RemCo noted that there were no recommendations for increases to base pay for any member of Senior Staff reporting to the President and the Deputy President.

*The President left the meeting at this point.*

## **14 Senior Staff Reporting to the Chair of Council**

### **14.1 Reports on the College Secretary's and the Director of Internal Audit's achievement of objectives for 2019/20 and to note new objectives for 2020/21**

The Committee noted reports on each member of staff's achievement of objectives for 2019/20 and new objectives set for 2020/21 for Senior Staff reporting to the Chair of Council.

### **14.2 Report on the President's achievement of objectives for 2019/20 and to note new objectives for 2020/21**

The Committee noted reports on each member of staff's achievement of objectives for 2019/20 and new objectives set for 2020/21 for the President.

### **14.3 To note no recommendations for increases to base pay**

RemCo noted that there were no recommendations for increases to base pay for any member of Senior Staff reporting to the Chair of Council.

### **14.4 To note changes to guidance on non-taxable benefits for Heads of Institution**

RemCo noted the changes to guidance on non-taxable benefits for Heads of Institution which would come into effect from April 2021.

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

## **15 Appointment of the President**

RemCo received a brief verbal update on the appointment of the new President. The Appointment Panel had agreed a short-list of five candidates and formal interviews would be taking place on 6<sup>th</sup> July.

### **15.2 Report on CUC Head of Institution Remuneration and Annual Benchmarking Analysis**

RemCo received an analysis of comparator data with regard to the President's remuneration and for the remuneration package proposed for the new President. This analysis indicated that the package proposed for the incoming President aligned well with City's comparators. In discussion the following points were made:

- Performance related remuneration schemes were not common and indications were that some existing schemes were being discontinued.
- The decision not to offer accommodation to the new President was in line with market trends.

- The Director of Marketing & External Relations would develop communications based on the comparator analysis for the remuneration of the incoming President. **[Action]**

## 16 Performance Related Remuneration Scheme (PRRS)

### 16.1 Recommendation from the President and Chair of Council

RemCo noted that the Chair of Council and the President were not bringing forward recommendations for payments to individuals in the PRRS for 2019/20, given the impact of financial challenges caused by Covid-19.

### 16.2 PRRS for publication with the Financial Statements for 2019/20

RemCo noted the PRRS for publication. The College Secretary was asked to consider whether it was necessary to publish the Scheme alongside the Financial Statements 2019/20 given that no payments would be made under the Scheme for that year. **[Action]. Secretary's Note: the decision by the Chair and the President not to recommend awards under the scheme for 2019/20 did not amount to a decision to discontinue the scheme for that year; and so does not impact on the application of the CUC guidance to the sector on the publication of such schemes.**

### 16.3 Performance Related Remuneration Scheme (PRRS) Review

RemCo considered a review of the current operation of City's PRRS with comparative analysis of schemes in other sectors, eligibility, and consideration of thresholds for payment under the scheme, in order to agree the approach to performance related pay going forward. RemCo was particularly asked to consider the approach to the PRRS for 2020/21, given that the financial impact of Covid-19 was very likely to have maximum impact at that point. In discussion the following points were made:

- Given the likely budget deficit in 2020/21 and in the light of the decisions by the Chair and the President not to recommend awards under the scheme in 2019/20, there was a strong case for discontinuing the PRRS for Senior Staff in the next academic year. It would also be helpful to pause the Scheme pending consideration of the future approach to the PRRS. This could take place once the new President was in post.
- Careful messaging was required to explain RemCo's decision for 2020/21. The College Secretary would draft a statement from RemCo to explain its decision regarding the PRRS for 2020/21, for consideration by the Chair and Chair of Council. **[Action]**
- RemCo would consider resumption of a performance related remuneration scheme for 2021/22 if the financial pressures then were less acute.
- RemCo was generally supportive of an incentive scheme with annually set targets in an Annual Incentive Plan (AIP), rather than a Long Term Incentive Plan (LTIP) as it offered increased agility to respond to change.
- The Committee had noted the evident and excellent teamwork of the Senior Team during recent months and suggested that a future PRRS might also include consideration of personal contribution to teamwork as well as overall objectives.
- The Higher Education sector differed from other sectors in that incentive schemes tended to be designed to encourage continued engagement.
- Informal discussions with some members of the Scheme had indicated that the Scheme was not a main driver for performance.
- Peter Smith noted that only 20% of HEIs offered incentive schemes to their senior staff, and that indications were that schemes were being discontinued. Many private sector schemes were in abeyance for this year already, in part, through difficulties around setting targets in such an uncertain environment.
- It was not proposed to reduce eligibility for the Scheme.
- The Recruitment Consultants for the appointment of the new President had been informed that there was a review of the Scheme underway.

- RemCo would continue discussion of key aspects for a possible incentive scheme at its next meeting in October. **[Action]**

### **Decisions**

RemCo **agreed** that City should not run any form of performance related remuneration scheme for academic year 2020/21 as part of the mitigations to address the financial challenges caused by Covid-19 and that there should be further consideration of a Scheme going forward.

## ***Part Five – Items for Information***

### **17. Date of Next Meeting**

The next meeting would take place on 15<sup>th</sup> October 2020 at 9 am.

Philippa Hird  
Remuneration Committee Chair  
June 2020