

**REMUNERATION COMMITTEE
MEETING HELD ON 20TH NOVEMBER 2020 VIA MS TEAMS**

UNAPPROVED MINUTES

Members		Meeting 1 20.11.20	Meeting 2 03.03.21	Meeting 3 17.06.20
Independent Members of Council	Ms Kru Desai	✓		
	Ms Philippa Hird (Chair)	✓		
	Ms Julia Palca	✓		
	Ms Jen Tippin	✓		
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
Professor Sir Paul Curran	President for items 1-13 (partial attendance for item 10)
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

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 18th June 2020. The open section would be published on the City website in due course.

With reference to item 16.1, RemCo further noted that the decision not to bring forward a recommendation on the Performance Related Remuneration Scheme (PRRS) for 2019/20 had been informed by a recommendation from the Executive Team and President who had volunteered to take such an approach.

3. Matters Arising

RemCo noted the matters arising.

4. Conflicts of Interest

Members of the Executive in attendance declared interests for items 9, 10, 14 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.

Part Two – Equality and Diversity

The VP (Strategy & Planning, EDI), was in attendance for item 7 which was discussed as a single item. .

7. Equality and Diversity

7.1 Equality, Diversity & Inclusion

RemCo received an update on the delivery of the Equality, Diversity and Inclusion (EDI) Strategy. Activities were grouped into six workstreams overseen by colleagues from the EDI committee plus around 40 other staff who were allocated one day a month to progress this work. The launch of the Strategy had created positive momentum throughout the institution. All Schools now had a senior management lead for EDI and had created EDI committees; a Professional Services Committee and an EDI Forum were being established. A communications plan was in development, aiming to create proactive campaigns including a series of stories of lived experience.

7.2 Athena SWAN Implementation Update

RemCo noted an update on Athena SWAN at City. The Award would be relaunched in the New Year following the review and publication of revised Charter principles which now had a greater focus on gender equality. City's remaining Schools were proceeding their applications for Bronze Awards; SASS would submit their application this month, CLS in April 2021, and the Business School in November 2021 or April 2022.

In addition to the work with Athena SWAN, City colleagues met colleagues at Stonewall to discuss City's possible submission for the 2022 Stonewall Workplace Equality Index.

7.3 Race Equality Update

In response to the emphasis in 2020 on the Black Lives Matter movement, there had been a number of meetings between the Executive and the Network for Racial Justice (NRJ). Some actions had been implemented: it was aimed to have at least two people who are BAME on senior leadership teams and committees at City, a second tranche of reciprocal mentoring had been launched and podcasts created to share the experiences of the first tranche, a mentoring scheme was being piloted with London Metropolitan University, and an Anti-Racism Network was being established. Actions for students included the soft launch of the Bullying and Harassment online reporting tool, work on decolonising the curriculum, and the establishment of Black Student PhD studentships. Much of this work was being overseen by the Race Equality Charter Self-Assessment Team (RECSAT). Finally, the position of Assistant Vice-President Race Equality had been established and advertised.

The VP (S&P, EDI) also provided an update on the Bullying and Harassment Steering Group [tabled paper]. It was planned to launch the online reporting tool in the spring of 2021 and the Harassment Advisor Scheme was being relaunched with training provided.

In discussion the following points were noted:

- There was a wide spectrum of work being undertaken so RemCo was keen to learn which areas needed closer monitoring, what the level of participation was from staff and students across all protected characteristics, and whether this provided any insight into barriers.
- It would be useful for RemCo to reflect on how it would monitor progress.

- There were many indications that the staff community were keen to participate in EDI initiatives and the establishment of the EDI Forum aimed to provide an opportunity for dialogue and feedback so that the City community could see progress on actions taken.
- The VP (S&P, EDI) had discussed with the incoming President the importance of leadership on EDI issues at Executive Board level.
- The Chair of Council noted that it was appropriate to focus on four areas for the EDI Strategy but religion was also important for City, and the institution could also look at recent evidence on 'background' bullying at other universities to be assured that this did not occur within its community.
- The launch of the online reporting tool for bullying and harassment was anticipated to result in an increase in reported incidents, hence in preparation more Harassment Advisors were being trained.
- The Staff Survey, launched on 19th November, included sections on bullying, harassment and equality issues. RemCo would be interested to see the outcomes of the equality questions included in the Survey.
- The President noted that the Athena SWAN action plan had led to changes in behaviours resulting, for example, in more diversity in recruitment. It was hoped that Race Equality Charter actions would bring about a similar change.
- City was also keen to develop confidence around hidden disabilities.
- It was encouraging to see the momentum achieved by the equality initiatives at City, particularly with regard to the number of staff and students participating.
- It would be interesting for a future meeting to understand the tensions around gender and female networks at City.
- Council members might also be interested in participating in future reciprocal mentoring schemes.
- RemCo suggested consideration should be given to equality targets within leaders' performance targets.

Part Three – Strategic Items – Issues for Discussion and Decision

8. Sectoral Developments Update

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

- There had been no obvious movement in top team pay recently; and many universities had announced temporary pay reductions for their senior teams to help address the financial challenges of Covid-19. This was particularly marked in institutions where redundancy programmes were also in train.
- Bonus scheme payments appeared to be on hold in the sector as expected; with only 25% institutions having a scheme at senior level. It would be interesting to see whether the impact of Covid-19 meant that the number of existing schemes was further reduced.
- There had been some debate in the sector with regard to freezing incremental progression.
- In addition the HE sector had seen voluntary schemes to reduce hours but this was uncommon in other sectors.
- The process around an application for SURE (Sustaining University Research Expertise) Funding included new requirements around pay transparency. Participating universities would be required to disclose senior executive remuneration arrangements until 2031, which would be a new requirement. There were indications that there would also be a requirement to demonstrate measures to reduce staff costs as a condition for application. These requirements indicated the way in which the Government was approaching pay in the sector and the connection between executive pay and the total workforce. This mirrored actions taken in other parts of the public sector.
- The President would provide a further update on SURE funding to Council on 27th November.

- Pay ratios had only been calculated in relation to Vice-Chancellor remuneration to date. Most institutions were hoping to be mid-range and, as might be expected, outliers tended to be the larger institutions.
- It was early to judge whether the impact of Covid-19 was causing any rebasing of senior pay as the HE sector tended to move at a slower pace than other sectors. In the wider economy pay levels had fallen and had not yet recovered.
- Available data was not indicating any movement on pay in international markets.
- The UCEA survey was currently underway and outcomes would be published in February, the KornFerry Russell Group Survey would launch in January; these surveys might give a more accurate indication of any trends in remuneration following Covid-19.

9. Covid-19 Update

RemCo received an update on remuneration actions taken by City to address the financial impact of Covid-19:

- The Cost Reduction Group had worked to address a shortfall in income, which in June had been estimated to be approximately £40M, with a number of measures.
- There were no payments under the Performance Related Remuneration Scheme for 2019/20, and the Scheme was suspended for 2020/21.
- No requests for increases in base pay had been submitted for 2020/21 for any members of the Senior Team and in line with UCEA recommendations there had been no cost of living increase for staff in August 2020.
- The Executive Team had been asked to consider a voluntary reduction in base pay for a period of six months, in the form of a salary sacrifice of 20% for the President and 10% for Executive Team members. This action reflected actions taken by other institutions and the voluntary reductions came into effect in October.
- Two measures taken by the Cost Reduction Group had been re-instated due to the subsequent improvement in the financial position, namely the award of normal salary increments (due from 1st August) and salary increases upon promotion. Affected staff would receive back-dated payments in their November salary; indications were that this had been received well by the workforce.
- There was no indication that UCEA would amend the national mandate from employers not to pay a cost of living increase for 2020.
- RemCo commented that the impact of Covid-19 on City's students should be borne in mind when evaluating actions taken in relation to senior executive remuneration.

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

The M& E Director was in attendance for the following item.

10. Annual Remuneration Statement

RemCo noted the latest draft Annual Remuneration Statement which would be published as part of the Financial Statements 2019/20 in January 2021, along with a communications strategy and Note 7 to the Financial Statements which was received for information. The draft reflected disclosures made in previous year's reports, the requirements of the CUC Remuneration Code, and the OfS Accounts Direction, but also took the opportunity to provide details on remuneration measures taken to address the financial challenges of Covid-19 and to provide details on the remuneration arrangements for the new President. The communication strategy would therefore address FAQs regarding pay for higher paid staff but also address any questions pertaining to the remuneration for the incoming President (item 15). In discussion the following points were noted:

- Historically the communications strategy had been reactive but there were fewer enquiries now that City had opted for greater disclosure and with remuneration arrangements for the Head of Institution now being in the public domain.

- There had been very few enquiries to date with regard to the remuneration of the new President, and the additional section in the Statement should help to address any queries which might be expected from the unions and the media.
- The Media Team would alert RemCo if there were any challenging questions.
- There had been significant movement in the pay ratio data, therefore the FAQs would be updated to address this. **[Action]**
- The President noted that he had suggested some further revisions to the text of the remuneration statement.
- The Chair of RemCo suggested that the new President should be asked to agree the text relating to his remuneration. **[Action]**

11. Job Evaluation Update

RemCo received a brief verbal update on the Grade 9 Job Evaluation Exercise. The exercise was mainly concluded however one member of staff continued to have concerns and had engaged legal representation. City had received notification from ACAS that there was a potential case however activity was paused due to the pandemic. A further communication had now been received from the member of staff's legal advisors so it was hoped that further discussion would resolve outstanding issues.

Overall the exercise had been beneficial, particularly with regard to equal pay and setting appropriate salary levels for new appointments.

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 City Staff whose Pay was above £100k per annum

RemCo received two reports, of staff whose contractual pay was above £100k per annum and of staff whose total earnings were above £100k per annum in 2019/20, along with analyses of higher paid staff by gender, ethnicity and grade for each School or Service. In discussion the following points were noted:

- There was a modest improvement in the numbers of women earning over £100k pa in Schools.
- The EDI Strategy included targets for the percentage of women appointed to leadership roles at City.
- Equal pay data was an important factor for consideration, particularly in professorial re-banding assessments.
- The Chair of RemCo requested that RemCo track data on the proportion of staff in receipt of additional payments who were female or BAME. **[Action]**
- In 2019 OfS had analysed Head of Provider remuneration and the proportion of staff earning over £100k; those institutions with either medical or business schools were at the top of the ranking, including City.

12.2 Annual Salary Review

RemCo noted that due to the financial impact of Covid-19 City did not operate an annual salary review in 2020 and that the Reward Group did not meet.

12.3 New Appointments and Departures

RemCo noted the appointment of two members of higher paid staff, and the departure of two members of higher paid staff since its last meeting.

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

12.4 Approvals by circulation since the last meeting

RemCo noted its approvals by circulation since the last meeting. The Chair thanked members for their quick response to requests circulated. In discussion the following points were noted:

- RemCo continued to be assured that the executive had established careful processes to ensure due diligence had taken place for cases it was asked to approve.
- Two School Chief Operating Officers had departed from City. This allowed for some consideration of the future role in School management teams; one School was using this opportunity to recruit to a post with a wider remit, including digital learning.

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

12.5 Recommendations for adjustments to remuneration in the Business School

RemCo considered proposals for adjustments to remuneration for five members of academic staff in the Business School as a result of promotion to Professor or Reader, and a one year extension to retention payments for two members of staff pending the introduction of the Reader / Associate Professor salary range in the School, which had been agreed as part of the Business School Remuneration Framework. In discussion the following points were noted:

- It had not been possible to progress with the union discussion of the introduction of the new Reader / Associate Professor salary range, due to the pandemic.
- The proposed adjustments were in line with the proposed pay ranges for the Reader / Associate Professor role.
- The second group of staff had been in receipt of time-limited retention payments pending the introduction of the new ranges, but these had expired at the end of October and it was now proposed to extend the arrangement for one year pending the finalisation of the new range.
- Moving members of staff onto the new range should be cost neutral and the intention was that it would provide a progression route to professor.

Decision

RemCo **approved** the recommendations for remuneration adjustments for seven members of higher paid staff in the Business School.

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

12.6 Recommendation for revised remuneration for a member of higher paid staff

RemCo considered a recommendation for a revised time-limited remuneration arrangement for a member of Higher Paid Staff.

Decision

RemCo **approved** the proposed adjustment.

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

12.7 Exceptional Requests before the next meeting of RemCo

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

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

13. Senior Staff reporting to the President / Deputy President

13.1 Update on the Recruitment process for the Dean of Cass

The recruitment process for the post of the Dean of Cass was currently paused but would recommence following further discussion with the Recruitment Consultants with

the aim to make an appointment by the summer 2021. In the meantime, Professor Volpin's appointment was now as Dean of the Business School and would now run through to December 2021 (previously Professor Volpin had been appointed as Interim Dean).

13.2 Reports on each Dean of School'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 Deans of School reporting to the Deputy President. In discussion the following points were made:

- The President had discussed the achievements of the Deans of School with the incoming President.
- The final overall rating sometimes appeared at variance with ratings for individual measures but in the view of the President and Deputy President this permitted an assessment of achievements outside specific targets. The crucial issue for City during the latter part of 2019/20 had been to maintain the delivery of education and the leadership of the Deans had been critical to this.
- The HR Director would reflect on how to provide more clarity on ratings in the documentation. **[Action]**
- Given City's performance in the National Student Survey (NSS), RemCo commented that the absence of commentary on this was an issue that should be addressed and requested that the executive reflect on how NSS outcomes could be reflected in appraisal discussions with the Senior Team. **[Action]**
- The President noted challenges around forward indicators for student experience in the sector.

The President left the meeting at this point.

14 Senior Staff Reporting to the Chair of Council

RemCo received a verbal update on the tax position on accommodation for the Head of Institution. The Finance Team were working through questions with City's tax advisors. SIPCo would be asked to agree an approach to the property going forward.

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

15 Appointment of the President

RemCo noted the final remuneration arrangements for the incoming President, along with a communications strategy (discussed as part of item 10).

16 Performance Related Remuneration Scheme (PRRS)

RemCo noted that the PRRS was suspended for 2020/21 as agreed in its meeting on 18th June. In discussion the following points were made:

- RemCo requested that there should be an initial discussion of the shape of the PRRS for 2021/22 at its March meeting with a more detailed consideration at the June meeting. The new President would be asked for views to inform this discussion. **[Action]**
- It would be important to communicate decisions taken on the PRRS to participants.

Part Five – Items for Information

17. Date of Next Meeting

The next meeting would take place on 11th March at 9 am.

Philippa Hird
Remuneration Committee Chair
November 2020