

MEETING OF THE REMUNERATION COMMITTEE

Tuesday 7th October 2020 – 13:00-16:00

Meeting held via Zoom

MINUTES

Present: Mohammed Saddiq (Chair), Jack Boyer (Chair of the Board of Trustees), Jessica Cecil (Lay member of the Board of Trustees) (part-meeting), Andrew Poolman (University Treasurer and lay member of the Board of Trustees), Andreas Raffel (Lay member of the Board of Trustees).

In attendance: Claire Buchanan (Chief People Officer), Hannah Quinn (Head of Governance), Hugh Brady (Vice-Chancellor, part-meeting), Lucinda Parr (Registrar & University Secretary, part-meeting), Robert Kerse (Chief Operating Officer, part-meeting) and Judith Squires (DVC & Provost, part-meeting)

1 WELCOMES, APOLOGIES AND ANNOUNCEMENTS

1.1 The Chair welcomed members to the meeting and NOTED that Jessica Cecil would join the meeting after 1.45

2 DECLARATION OF INTERESTS

2.1 There were no new declarations of interest.

3 MINUTES OF PREVIOUS MEETING (REMC/20-21/000)

3.1 The minutes were APPROVED as a fair and accurate record of the meeting of 16 July 2020 subject to the following amendments.

3.1.1 The addition of an action in relation to the Vice-Chancellor's review. It was noted that the Chair and Vice-Chair had undertaken a review of performance which would be followed up in January 2021. A note of the review would be shared with the Committee.

3.1.2 That the Chief People Officer would review the section of the Financial Statements which relate to the justification of the Vice-Chancellor's salary for robustness.

4 ACTIONS & MATTERS ARISING (reference REMC/19-20/000)

4.1 NOTED matters which were ongoing or complete and that completed items would be removed.

4.2 AGREED that a completion date would be added to the Action Register

ACTION: Head of Governance

5 ANNUAL REVIEW OF TERMS OF REFERENCE (reference REMC/19-20/001)

5.1 The Chair introduced the item.

5.2 ENDORSED the Terms of Reference for 2020/21 to the Board subject to a required change in relation to the Equality, Diversity & Inclusion Committee.

ACTION: Head of Governance

6 REMUNERATION COMMITTEE ANNUAL EFFECTIVENESS SURVEY: ANALYSIS OF RESULTS

6.1 The Chair introduced the item.

- 6.2 DISCUSSED the outcome of the annual effectiveness survey from 2019/20
- 6.3 DISCUSSED feedback relating to the “robust & objective” nature of information received. It was agreed that this related to historical concerns about objectivity of pay decisions, which had been addressed through the introduction of measurable objectives and performance data. The Chair invited Committee Members to raise concerns with him as they arise.
- 6.4 AGREED the following actions to take forward
- 6.4.1 Scheduling of briefings at regular intervals throughout the year, outside of the scheduled meetings, to keep members’ knowledge up to date. This may be information about upcoming events, training, or best practice within and outside of the sector.
 - 6.4.2 The use of standard templates and timelines as used for Board and Board committees to enable quality checks of papers (in place from this meeting)

7 UPDATE ON STAFF PAY NEGOTIATIONS FOR 2020/21

- 7.1 The Chief People Officer gave a verbal update for this item
- 7.2 The following points were NOTED:
- 7.2.1 That there had been no significant change in the position since the last meeting in relation to the nationally awarded pay increase but that discussions had recommenced. That there was no appetite from the sector for a national pay award.
 - 7.2.2 That annual increments were awarded to eligible staff on grades A – L (below the remit group)
 - 7.2.3 That further pay restraint would continue to be monitored alongside the financial position and further meetings with the Unions were scheduled.
- 7.3 The following points were DISCUSSED
- 7.3.1 The grade bandings for staff which were set on a nationally agreed pay scale, although descriptors for those grades were set internally. New roles, or role changes were assessed against those descriptors by a panel.
 - 7.3.2 Staff morale, the impact of increased workloads and the collegiality of staff. The positive impact of increased communication and Executive Group visibility.
 - 7.3.3 The approaches to monitoring staff wellbeing, including staff surveys and line manager support. The approach taken during the pandemic for staff to work to best endeavours, additional Easter closure days and additional parental leave
 - 7.3.4 The differential impact on women of the pandemic, and the impact on female academic career progression. The establishment of a Task & Finish Group by the DVC & Provost to consider what appropriate action could be taken in this area.
 - 7.3.5 The impact of pensions on staff morale, particularly in relation to the USS. The Executive were investing time in webinars and discussions to engage staff in the key issues.

8 SENIOR TEAM OBJECTIVES (reference REMC/20-21/003)

- 8.1 The Chair introduced the item. The Registrar & University Secretary, The Chief Operating Officer, The Deputy Vice-Chancellor and the Vice-Chancellor joined the meeting.
- 8.2 The following points were NOTED
- 8.2.1 That the Board agreed the strategy at its September 2020 meeting, and it had been discussed at the University Management Team “residential”. The resulting eight objectives had been distilled from the strategy.
 - 8.2.2 That the objectives are directly linked to the strategy, with measures based on previously agreed strategic progress indicators or programme milestones.
 - 8.2.3 The caveat that all objectives could be impacted by Covid-19

- 8.2.4 That the objectives had been discussed with the Pro-Vice Chancellors and Deans, and would be reflected in their priorities
- 8.3 The following points were DISCUSSED:
- 8.3.1 The need for clear measurable objectives, alongside a flexible approach which was appropriate for uncertain times
 - 8.3.2 How success measures could be translated in remuneration decisions and whether indications could be provided within each measure of what would be considered good or exceptional. The Executive noted that this was very difficult in such a complex environment and that it was important to balance a view of overall performance alongside the more prescriptive measures.
 - 8.3.3 That assessment for remuneration would be made against the measures and objectives, but with a contextual conversation on performance. That strategic performance is measured via the Strategic Performance Indicators agreed by the Board.
 - 8.3.4 The opportunity for further iterative development and improvement of this process over time.
 - 8.3.5 How performance is managed against objectives, and how the objectives are shared across the institution. The Executive described how the Integrated Planning Process requires Faculties and Divisions to respond to the strategy and align their plans with the objectives. The DVC & Provost manages performance against priorities with the Pro Vice-Chancellors and Deans. Further visibility is provided via Senate and Professional Services Groups.
 - 8.3.6 That the Campus and IT Divisions were already working to their agreed sub strategies, which had been subsumed within the Phase One strategy
 - 8.3.7 The need to engage widely across the institution to embed the strategy and the cultural change required to achieve it. The importance of being specific, clear and celebrating successes. The Executive noted the improved collaborative decision making and consultation through the University Executive Board, Management Team and Plenary structures, including better engagement with the Deans.
 - 8.3.8 That the Executive perceived the top three risks to the strategy as workload, Temple Quarter & growth plans and the student experience.
- 8.4 The Committee noted thanks to the Executive for their engagement with this process and AGREED the objectives and associated measures

9 SENIOR PAY FRAMEWORK PROPOSALS (reference REMC/20-21/004)

- 9.1 The Chief People Officer introduced the item.
- 9.2 The following points were NOTED
- 9.2.1 That this was a new development which had developed from discussion with the previous Chair of the Committee, the Chief People Officer and the Chief Operating Officer, that was written in early 2020.
 - 9.2.2 That the framework was designed to provide principles for new starters and for performance, by making recommendations and defining exceptions. It aims to provide clarity on decision making and foster collegiate ways of working.
 - 9.2.3 That the framework was benchmarked against other HEIs and the CUC Remuneration Code.
 - 9.2.4 That the recommendations only applied to the remit group (M4 and above)
- 9.3 The Committee DISCUSSED each recommendation (section 4.0) in turn.
- 9.3.1 Recommendation One: AGREED
 - 9.3.2 Recommendation Two: AGREED
 - 9.3.3 Recommendation Three: The Committee discussed the relative merits of measuring performance individually or collectively. This recommendation was not agreed, and Committee tasked the Chief People Officer to reconsider this point to make allowances for merit based individual performance.

- 9.3.4 Recommendation Four: The Committee requested that the EDI implications be more explicitly addressed, but AGREED the recommendation.
- 9.3.5 Recommendation Five: The Committee recommended that this is delegated to the Vice-Chancellor and reported to Remuneration Committee, but AGREED the recommendation

9.4 AGREED the next steps as described.

ACTION: Chief People Officer, Chief Operating Officer

10 MEDIAN TO VC PAY RATIO

10.1 The Chief People Officer introduced the item.

10.2 DISCUSSED the Median to Vice-Chancellor pay ratio as at 31 July 2020

10.3 The Committee NOTED changes to the methodology prescribed by the Office for Students which had been revised to include additional casual staff. This had resulted in an increase in the ratio. The change was not out of line with the sector and all institutions would be impacted

10.4 The Committee NOTED the potential for reputational impact and asked that the External Relations Division be briefed in case of any enquiries. Trustees requested the Executive look to provide further data on the two methodologies to enable comparison.

ACTION: Chief People Officer

11 ANNUAL REPORT ON NON-DISCLOSURE AGREEMENTS 19/20

11.1 The Chief People Officer introduced the item

11.2 **[REDACTED: Personal Information]** No Non-Disclosure Agreements were imposed.

11.3 The Committee NOTED the outstanding action on the Audit Committee Action Register from January 2020 which requested an annual anonymised update to Audit & Risk Committee on Non-Disclosure Agreements. The report on members of the remit group, as above, would be shared with the Secretary of the Audit & Risk Committee for inclusion at their January 2021 meeting.

Action: Head of Governance

11.4 Regarding an annual anonymised report to Audit & Risk Committee, for individuals outside the remit group, AGREED that the Head of Governance will liaise with the Secretary to the Audit & Risk Committee, the Registrar and the HR & Legal teams to make progress on this outstanding action.

Action: Head of Governance

12 EQUALITY, DIVERSITY & INCLUSION

12.1 NOTED discussion of EDI impacts in relation to the Senior Team Objectives, the Update on Staff Pay Negotiations and the establishment of the Task & Finish Group.

12.2 NOTED the need for further development of EDI impacts within the Senior Pay Framework

13 COMMUNICATION & CONSULTATION

13.1 NOTED the request to brief the External Relations team on the VC Pay Ratio

14 ANY OTHER BUSINESS

14.1 The Committee discussed the voluntary pay reduction taken by members of the Executive Group and ENDORSED their return to full pay from the 1st October. They NOTED the current residual risk in the financial position, threats in relation to industrial action, staff motivation, voluntary salary sacrifice and the reputational risk to any additional payments to the Executive Group at this point.

14.2 The Committee AGREED that any additional payment to the Executive Group could only be considered alongside the relaxing of pay restraint as the level of risk reduces to acceptable levels.