MINUTES OF THE REMUNERATION COMMITTEE

24 January 2019

Attendees: Jack Boyer (Chair of the Board of Trustees), Roger Holmes (Co-opted member – via telephone conference), Andrew Poolman (Treasurer), Nicky McCabe (Chair of HR Committee), Andreas Raffel – Chair (Lay member of the Board of Trustees)

In attendance: Claire Buchanan (Chief People Officer), Sarah Haworth (minutes)

The Chair invited Hugh Brady (Vice-Chancellor) to attend this meeting, in attendance, for agenda items 7, 9 and 10.

The Chair invited James Sutherland (Head of Governance) to attend this meeting, in attendance, for agenda items 6, 7 and 9.

1. **Apologies**
   1.1 NOTED.

2. **Declaration of interests**
   2.1 NOTED: the potential conflicts of interest for senior staff in attendance for agenda items 7, 9 and 10.

3. **Minutes of the last meeting**
   3.1 APPROVED.

4. **Matters Arising and Action Register**
   4.1 RECEIVED: paper reference REMC/18-19/07.

   4.2 NOTED.

   Frequency of Remuneration Committee meetings
   4.3 AGREED: to maintain two meetings each academic year, with additional meetings convened if required.

   Payment in Lieu of Pensions (PILOP)
   4.4 CONFIRMED: that recommendations made by the Pensions Task and Finish Group would come back to Remuneration Committee in June.

   **Action:** Chief People Officer

5. **Remuneration Committee Terms of Reference**
   5.1 RECEIVED: paper reference REMC/18-19/08.

   The Chair invited the Head of Governance to attend for this item.

   Membership
   5.2 CONFIRMED: that the Chair of HR Committee’s current term of office ended in December 2020.

   5.3 CONFIRMED: that the Treasurer was appointed annually by the Board of Trustees.
5.4 AGREED: to amend 4.1 to read that Remuneration Committee members’ terms of office were renewable: ‘by a maximum of three three-year terms.’

5.5 AGREED: to rewrite the paragraph at 2.3 regarding attendance of members of the University Executive, to read: ‘The Remuneration Committee would invite employees of the University to attend meetings in attendance where required. Employees of the University will not attend when their own remuneration is discussed.’

5.6 AGREED: to delete the last bullet point at paragraph 4.3 relating to a student representative on the Committee.

5.7 AGREED: that the PA to the Chief People Officer would become the Committee Secretary.

5.8 AGREED: that meeting papers would always be circulated at least seven working days before a meeting. Paragraphs 8.9 to 8.11 - regarding the length of papers and presentations - would be deleted.

Remit Group

5.9 NOTED: that it was the responsibility of Remuneration Committee to maintain the integrity of the University in terms of senior pay.

5.10 AGREED: that there needed to be clarity on whether the £150,000 threshold should be base pay only or total remuneration, for example to include Recruitment and Retention payments and payments in lieu of a pension.

5.11 NOTED: that in order to be as transparent as possible, the £150,000 threshold should include all pay elements, but before this was formally agreed, the Chief People Officer would consult with their Russell Group counterparts to determine if there was a consensus on this amongst Russell Group universities.

Action: Chief People Officer

5.12 AGREED: that the Remit Group - those staff where Remuneration Committee would approve the recruiting salary package, approve any increase to salary and have sight of performance – were the Vice Chancellor, Deputy Vice-Chancellor and Provost, Deputy Vice-Chancellor, Pro Vice-Chancellors, Chief Operating Officer, Registrar, Deans, and Divisional Heads on salary range M4.

5.13 AGREED: that Remuneration Committee would have sight of the total remuneration of all staff earning over £150,000.

Succession Planning and Talent Management

5.14 AGREED: that Succession Planning and Talent Management for the Remit Group and for other critical positions was integral to the work of Remuneration Committee.

5.15 AGREED: to consider including a statement in the Terms of Reference confirming that the University used the Russell Group market median.

5.16 AGREED: that the Terms of Reference would be updated based this discussion.

Action: Committee Secretary

6. Remuneration Policy for Remuneration Committee Remit Group


The Chair invited the Vice-Chancellor and the Head of Governance to attend for this item.
AGREED: to delete the reference to strategic objectives at paragraph 1.2. It was confirmed that this was part of individuals’ objectives and job descriptions for the University Executive.

CONFIRMED: that the Vice-Chancellor and his direct reports looked at strategic priorities for the coming academic year, and these were then agreed with Pro Vice-Chancellors and then with the Deans.

AGREED: that the elements that made up the ‘total salary package’ at 2.2 should be in alignment with the Terms of Reference.

AGREED: to amend 5.1 to read: ‘enhance the performance and resilience of the institute’.

AGREED: that there needed to be further consideration around whether to progress senior management through a pay band – or benchmark range - as an individual performed. Paragraph 5.2 would be amended to reflect this.

NOTED: that it was important to have the means to progress people internally to retain talent.

AGREED: to change ‘salary’ to: ‘total remuneration’ throughout the policy.

Annual Performance Review (for the Vice-Chancellor and the Vice-Chancellor’s direct reports)

RECEIVED: paper reference REMC/18-19/11.

The Chair invited the Vice-Chancellor and the Head of Governance to attend for this item.

AGREED: that the Senior Team Annual Performance Review would run from July to June each year.

CONFIRMED: that this process was for the Vice Chancellor, Deputy Vice-Chancellor and Provost, Deputy Vice-Chancellor, Chief Operating Officer, and the Registrar.

NOTED: that the Pro Vice-Chancellors, Deans and Senior Divisional Heads also went through an annual performance review process.

Remuneration Committee Work Plan

RECEIVED: paper reference REMC/18-19/12.

The Chair invited the Vice-Chancellor to attend for this item.

AGREED: that Remuneration Committee meetings would take place each January and June. This would be confirmed with Governance.

Action: Committee Secretary

AGREED: that Succession Planning and Talent Management would be part of the January meeting.

AGREED: to move to a standard format for salary proposal papers, with a page per person to include a summary on performance, measurable salary history, and objectives. Remuneration Committee would need confirmation that any proposed pay increment was affordable.

Action: Chief People Officer/ Committee Secretary

AGREED: that the Vice-Chancellor would present the salary recommendations for the whole remit group save his own remuneration. The Chair of the Board would
update Remuneration Committee on the discussions on the Vice-Chancellor’s performance. The Vice-Chancellor would not be present when his own salary and performance was discussed.

8.6 AGREED: to amended ‘Lifetime Allowance’ in the Work Plan to ‘Pay in Lieu of Pensions’.

9. Equality and diversity implications
9.1 NOTED.

10. Communications and consultation
10.1 NOTED: that the Remuneration and External Work policies discussed would be published online when approved. Both policies would be updated and circulated to members for further comment.

**Action: Chief People Officer/ Committee Secretary**

10.2 AGREED: to have an outline of the Remuneration Committee annual report for the June meeting.

**Action: Chief People Officer/ Committee Secretary**

11. External Work Policy (for the Vice-Chancellor, the Vice-Chancellor’s direct reports and the Pro Vice-Chancellors)

11.2 CONFIRMED: that the Vice Chancellor had been given permission to undertake both of his external directorships when he was appointed, and he undertook this work in his own time.

11.3 AGREED: to take legal advice on what should be disclosed if an individual undertook external work in their own time. The University would also take legal advice on the recommended reputational position in terms of disclosure.

**Action: Chief People Officer**

11.4 AGREED: to amend paragraph 6.3 to require the disclosure of the names of external positions but not the disclosure of any income.

11.5 AGREED: to delete paragraph 6.4 relating to the public disclosure of any income in the annual Financial Statement.

11.6 AGREED: that the payments sections within the External Work Application Form at Annex A should be retained. The level of any compensation may be disclosed to Remuneration Committee if requested but not be a matter for reporting.

11.7 AGREED: that the staff in remit for this External Work Policy was the Vice-Chancellor, the Vice-Chancellor’s direct reports and the Pro Vice-Chancellors. All other staff would be covered by the Outside Work Policy for all Staff (REMC/18-19/13).

11.8 AGREED: to delete paragraph 2.1 regarding roles in scope.

11.9 AGREED: that the Chair of the Board should have sight of external work applications from the Vice-Chancellor’s direct reports. The Chief People Officer would inform the Chair of the Board of any external work applications from the Vice-Chancellor.

11.10 AGREED: that the time commitment for external work should be no greater that 12 working days per year.
11.11 AGREED: to delete the sentence at 5.2 regarding modest compensation.

11.12 AGREED: to delete the last sentence at 6.3 regarding business trips.

12. **Any Other Business**
12.1 There was no other business.

13. **Matters to bring to the attention of the Board of Trustees**
13.1 NOTED: that the Remuneration Committee would report to the Board after its meeting in June 2019.

14. **Date of next meeting**

Minutes ratified at Remuneration Committee meeting held on 13 June 2019.