

# Remuneration Committee

22/24 A meeting of the Remuneration Committee was held via teams on Monday 17 October 2022 at 2.15 pm.

Present: -

The Vice-President, Kate Owen (Chair)

The President, Helen Gordon

Member of the Council, Sue Maple

By invitation: -

The Vice-President, Kevin Corrigan

The Vice-Chancellor (the Vice-Chancellor was recused from the meeting for Minute 22/32)

The University Secretary (the University Secretary was recused from the meeting for Minute 22/33)

The Director of Human Resources

Head of Governance (Secretary)

## 22/25 **Minutes of the last meeting**

The Committee received and approved the Minutes of its meeting held on 7 June and 16 September 2022.

There was one Matter Arising on 22/12 a) Professorial Salaries Advisory Group – at the time of reporting there were four cases awaiting an external review on the move between Zone 3 and Zone 4. The Director of HR confirmed that two of the cases put forward had been successful and two unsuccessful.

## 22/26 **Membership and Terms of Reference**

The Committee received and noted a copy of its Membership and Terms of Reference. The Committee noted that a vacancy remained for a Lay Member of Council. It had been suggested at the Appointments and Governance Committee earlier in the day that [redacted Section 40] be approached in regard to filling this vacancy.

The Committee noted that the Chair intended to consider whether to merge the Remuneration Committee with the Appointments and Governance Committee during this academic year.

## 22/27 Disclosure of Interests

The Committee received and noted a paper from the University Secretary in regard to Disclosures of Interest.

## Matters for Discussion

### 22/28 HR Strategy

The Director of HR gave a verbal update to the Committee on the HR Strategy. In particular it was noted that:

- The Strategy was in the early stages of implementation.
- The focus of the last few months had been getting a number of projects underway and scoping new ones.
- A paper would be submitted to the University Executive Board (UEB) in early November on the work of the Strategy.
- The work on a replacement HR Management System was drawing to a close and it was hoped that a contract would be awarded shortly.
- Colleagues in HR had spent time looking at the actions arising from a number of reviews to ensure that work was aligned by theme, e.g. recruitment, rather than by review. A meeting was to be held shortly with the Dean for Diversity and Inclusion to ensure that priorities were aligned.
- There would be wider engagement with the Staff Forum, UCU, and Staffing Committee once UEB had discussed the Strategy. Consideration would also need to be given to engagement with the Leadership Group and wider staff community. The Communications team would be involved in how best to undertake this.
- A Strategy was vital for the University. It would be important to communicate what different groups could expect, as well as key themes/projects/deliverables.
- A paper would be submitted to the next meeting of the Committee on progress and identifying where senior support would be required.

The Committee thanked the Director of HR for the update.

### 22/29 Update on Pay and Pension Issues

The Committee received a paper from the Director of HR on pay and pension issues. The Director of HR informed the Committee that:

#### Pay

- 2022/2023 was the third year of the agreement with UCU and the Staff Forum, meaning that the University again did not participate in the JNCHES national pay negotiations. The outcome of the JNCHES process remained in dispute with the UCU and with other sector trade unions. However the dispute resolution process had finished and participating HEIs were advised to pay the award as of 1 August 2022.

- The pay offer represented a 3% increase for the majority of colleagues, with an increasing percentage uplift below spinal point 20 to a maximum of 9% for the lowest paid colleagues. At Reading this translated to colleagues at Grade 4 receiving a pay award of between 3.10-5.0%; Grade 3 between 5.5-6.8%; Grade 2 between 7.2-8.0%; Grade 1 between 8.5-9.0%.
- Regular review meetings were ongoing between the University and representatives from UCU and the Staff Forum. In September, the University Executive Board, with the support and agreement of the Staff Forum and the UCU, were able to implement the nationally agreed pay award. This was paid in September salaries and backdated to 1 August 2022.
- UCU were currently balloting their members at other Institutions, not including Reading, regarding the outcome of the pay negotiations. This ballot was running alongside a ballot on the USS Pension Scheme, which was open at Reading.
- Whilst salaries at the University remained in line with the national framework and the rest of the HE sector, there were challenges with the framework and pay more broadly.
- The rising cost of living was a challenge for many colleagues. Notwithstanding the increased pay offer to colleagues at Grade 4 and below, colleagues were concerned about the rising cost of living. Pro-Vice-Chancellor Professor McCrum was leading a group looking at the cost-of-living challenges, this work was initially focusing on students but would also consider staff. There were a number of schemes already in place such as season ticket loans, reduced prices on campus when using campus cards, Bus+ scheme, and some financial wellbeing and debt advice available through the Employee Assistance Programme. Proposals to extend the support available were being considered.
- In April 2022, the pay spine was adjusted for Grade 1 and 2 to account for increases in the National Living Wage, and the pay award had further increased pay at the lower grades. The lowest rate of pay for colleagues on the national pay framework was now £10.07 per hour.
- The University had previously given consideration to adopting the Real Living Wage, this had recently increased by 10% to £10.90 per hour. Adopting the Real Living Wage, or paying an allowance to increase pay in line with the Real Living Wage, would impact up to spinal point 09 on the pay scale, providing an uplift in salary to colleagues on grades 1-3. It would also require changes to the pay scale up to grades 4 and potentially grade 5, to maintain some differentials in pay. Further work was proposed to consider the benefits and impact of adopting pay in line with the Real Living Wage, including the impact on the gender pay gap.
- There were currently recruitment and retention challenges across professional and technical roles, with evidence across all pay points of colleagues, particularly in professional services roles, leaving the University and the sector for higher rates of pay elsewhere in the private sector; recruitment to some positions was becoming increasingly challenging. These challenges were particularly acute in DTS.
- Compression of the pay spine and the ability of the national pay framework to match competitive market salaries were issues being raised nationally with UCEA and with the Trade Unions. The early stages of discussion had demonstrated a strong commitment to national pay bargaining and the retention of a single pay spine, but further consultation was expected on this in the year ahead.
- As an outcome of the Professorial Pay Review process, work was also underway to review Professorial salaries in Henley Business School. As has been the case for some time, pay

levels were extremely competitive in Business Schools and recent market data supported this ongoing trend.

- Further analysis was underway to determine the drivers which were having the greatest impact on the gender pay gap at Reading. The Staff Forum were also actively involved in considering ways in which the University could address the gender pay gap. The gender pay gap elements of the local claim from UCU remained outstanding, UCU had not been forthcoming in proposing how they wish to take forward this work.

### Pensions

- UCU had commenced a ballot calling for strike action and action short of strike regarding USS. The ballot opened on 6 September 2022 and would close on 21 October 2022. On this occasion it was an aggregated ballot, meaning that there would be one ballot outcome for the whole sector, not differentiated amongst Institutions.
- Specifically UCU were seeking that the changes implemented in April 2022 be reversed and that there were further changes to the methodology for future valuations.
- There had been little visible profile of the campaign across campus, however given the profile of action in other sectors and the cost-of-living crisis, there was a strong likelihood that UCU would get a positive outcome from the ballot. Planning was underway to consider the actions required if strike action is called.
- Membership of UCU in the latest ballot notification had further reduced from 676 to 635, having previously decreased from 763 members.

The Committee thanked the Director of HR for the update.

It was noted that UEB were keeping a close watch on the cost-of-living crisis and what other institutions were doing to help their employees. Work was in hand to go out to tender for a new staff survey provider in the coming months – a survey would be important in testing the views of colleagues.

### 22/30 **Remuneration Committee Annual Report**

The Committee received the Annual Report from the Remuneration Committee that would be submitted to the Council on 23 November 2022. It was noted that an edited version would appear in the University's Financial Statements for 2021-22.

The Committee asked that the rankings section be updated in light of recent publications.

The Director of HR was asked to bring back to a future meeting comparison of pay ratios for Vice-Chancellors.

**[The University Secretary left the meeting]**

## 22/31 UEB Remuneration

The Vice-Chancellor submitted to the Committee proposals in respect of remuneration for UEB members.

The Vice-Chancellor explained that he agreed specific targets with each member of UEB. He reminded the Committee of the set of principles used for the remuneration of UEB members, these principles were:

- Salary adjustments were based on performance against the University's top-level KPIs and on taking on new responsibilities or extensions of remit;
- Award payments were based on cases where individual UEB members could provide evidence of contributions that exceed what could be expected in the delivery of activities, projects or key processes;
- Shadow salary adjustments considered the full workload of the PVCs and DVC who retained their permanent position in an academic School.

It was noted that whilst the impact of Covid-19 diminished during the 2021/22 academic year, its impact on the financial position continued to be felt. Student under-recruitment in 2020, resulting in lower numbers of 'part 2' students in 2021/22, had depressed the financial outturn for that year (and would do so for 2022/23 when these lower numbers fed into 'part 3'). Nevertheless, reputationally the University had made some important gains, with the significant improvement in the NSS having had immediate positive impacts on rankings in the Complete University Guide and the Times/Sunday Time Good University Guide. The ranking in the Guardian League Table remained unchanged due to its use of multi-year NSS data, but if the improved outcome in the NSS could be retained in 2023 this ranking would be improved too.

Dealing with the impact of the Covid-19 pandemic on University life diminished during the Autumn Term, but much focused work was still required by the University in managing this risk. Only from the start of the Spring Term did the University get back to a sense of normality. In this context, it was pleasing that significant progress was continuing to be made on implementing the University Strategy that was approved by Council in 2019, notably through the Strategic Foundations Programme, but also with embedding some further successes in delivering Commercial activities, with the agreement with the Natural History Museum the outstanding item.

Specifically on the KPIs it was noted that:

- KPI should read 5.9% to 3.3% in 2022
- KPI 4 should now include that the University was now back in the top 200, and within the UK had moved from 29<sup>th</sup> to 26<sup>th</sup> – this KPI fed into the KPI requirements for the PVCs Research and Innovation. It was suggested that this improvement should be considered in next years review of remuneration, particularly given that the REF results had been underwhelming.

The Committee were reminded that during the 2021/22 academic year, Professor Julian Parks (PVC Education and Student Experience) left UEB and was replaced by Professor Peter Miskell.

The summary of recommendations for UEB remuneration were as follows:

| Function             | Name | Salary adjustment (£) | Award payment (£) | Shadow salary |
|----------------------|------|-----------------------|-------------------|---------------|
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| *                    | *    | *                     | *                 | *             |
| <b>Total for UEB</b> |      | <b>6000</b>           | <b>9,500</b>      |               |

\*[whole table redacted Section 40]

[redacted Section 40]

[redacted Section 40]

The Committee approved the proposed recommendations and recorded its thanks to members of UEB.

[The Vice-Chancellor left the meeting]

#### 22/32 Vice-Chancellor's Remuneration

The Committee noted that the Vice-Chancellor had requested that the Remuneration Committee make no salary adjustment for 2022. The Vice-Chancellor had strong views on the appropriate remuneration of a Vice-Chancellor.

The Committee discussed making a one-off award payment to the Vice-Chancellor to recognise his performance. The Committee also reserved the right to review and uplift the Vice-Chancellor's salary at significant points in his tenure, for e.g. after 5 years.

The President agreed to discuss this matter further with the Vice-Chancellor and to report back.

Post meeting note: A lump sum of £5k would be awarded to the Vice-Chancellor.

#### Matters for Report

#### 22/33 Severance Payments and Early Retirement Arrangements

The Committee received and noted severance payments and early retirement arrangements agreed since the last meeting.

**22/34 Out of Cycle Salary Increases**

The Committee received and noted out of cycle increases agreed since the last meeting.

**22/35 Report of the University Executive Board**

There was nothing to report on this occasion.

**22/36 Dates of Meetings in Session 2022-23**

Thursday 2 February 2023 at 2.00 pm

Tuesday 6 June 2023 at 10.30 am