

## REMUNERATION COMMITTEE

### Executive summary of the meeting held on Wednesday 03 May 2023

**Minutes and Matters Arising** The Committee agreed to consider the recently published Committee of University Chairs (CUC) VC Salary Survey 2022 data to inform pay benchmarking and related matters in relation to the annual VC and President pay decision at its October 2023 meeting.

**Senior Remuneration Governance Framework – Minor Amendments** The Committee approved minor amendments to the Senior Remuneration Governance Framework to reflect existing flexible practice that specific decisions could be taken by ‘written resolution’ and ‘chair’s action’ and to assign authority to the Chief Operating Officer (COO) to take decisions on retention packages for cases within her portfolio.

**Director of HR Report** The Committee considered a report from the Director of HR. The report covered implementation of the National Pay Award (NPA) at 3% for 2022/23 despite not being agreed with trades unions. It also covered the NPA for 2023/24 of between 5% and 8% (again not agreed by TUs) with a partial uplift in February and remainder of the uplift paid in August. Remuneration Sub Group had reaffirmed that this would also apply to the professoriate and that senior staff fell outside the national pay framework. In addition the report noted a cost of living support one-off payment of £750 given to staff on grades 1-5 and £500 to grades 6-8; that industrial action had been paused in respect of USS, and there would be a UoYPF scheme valuation in July 2023;. The Committee noted:

- that there would be no national employee contribution holiday for USS to help mitigate staff financial hardship, with benefits restoration as the principal response from USS. UCU had agreed to automatic stabilisation which needed to be confirmed, as a vehicle to provide future certainty on scheme performance and break the cycle of adverse valuations triggering benefits deterioration, employee contribution increases and resulting industrial action. Collective pressure on The Pensions Regulator was key to achieving this. Various mechanisms were being considered to manage hardship for UoYPF (including contribution holidays), which would be at the discretion of the University and the scheme trustees;
- abolition of the Lifetime Allowance (LTA) abolition was a personal taxation matter, but the very small number of individuals affected had been invited to contact HR;
- concerns about the medium to long-term sustainability of pay inflation across all staff groups (the majority % of total salary bill was for grades 1-8 staff) would be discussed in the context of cost and income challenges at the next Council meeting. [REDACTED]
- whilst most ‘involuntary’ academic staff turnover rates were high and mainly attributed to Graduate Teaching Assistants (GTA) moving from fixed-term to permanent contracts, a request was made to disaggregate GTAs from all other staff turnover for the next HR Report to the committee, so that the churn rate could be more meaningfully measured and assessed;
- given its remit for senior staff pay and seeking to ensure fairness relative to wider workforce remuneration, it echoed management concerns about the efficacy of the gradations of judgement in the performance development review (PDR) scheme as it linked to pay for all senior management, none of whom had been graded below ‘excellent’ or ‘good’ in 2022. This distribution was also echoed in grades 1-8. The Committee agreed that a forced distribution model across ratings was not desirable. Instead, **the Committee endorsed the proposal to review and add an extra judgement level (four rather than three in the satisfactory to exceptional ratings), including adding an ‘Exceptional’ judgement as the highest rating. This endorsement would be referred back to the Remuneration Sub-Group and would inform senior staff pay percentage increase distributions allocations to each judgement level. The Committee approved the principles of:**
  1. a pay award for Senior Staff in 2023, differentiated by performance rating;
  2. a pay award for Senior Post-holders (those individuals reporting directly to the Vice-Chancellor and President) also aligned to individual performance, taking into account the total 2023 framework changes;
  3. the overall pay pot being no greater than the NPA, plus the spend on incremental pay for Framework staff.
  4. The expectation would be that the percentage increases would mirror that of the framework staff (60% of whom only receive 5% and no increment)

**EDI related pay gaps report** The Committee considered (a) a general update on EDI plans to address the gender pay gaps and (b) a specific update on females in Professorial Band 2. The pay gap for the University had flat-lined, with the 19.1% gender pay gap showing no overall improvements since 2017, with the ethnicity pay gap higher than first calculated in 2020. The Pro Vice-Chancellor (Partnerships and Engagement) and Assistant Director HR reported on the creation of a Pay Gap Working Group to achieve data-driven step change in the reduction of pay gaps, with

UEB accountability for this via its chairship by the PVC (Partnerships and Engagement) who also chaired the Equality, Diversity and Inclusion (EDI) Committee of UEB. Three key interventions were required: 1) equalising the number of women Professors which would of itself reduce the pay gap by 4.6% 2) adjusting casual workers, particularly Student Ambassadors, which were lower paid roles predominantly held by women and 3) rebalancing grades 3-5. For the professoriate, addressing the cultural barriers which prevented strong women candidates from seeking to apply for a promotion from Band 1 to 2. For casual workers, understanding the barriers as to why male students were not applying for student ambassador roles was a factor, but also how gender disparities with regard to other lower paid roles. **The Committee commended the vision and impetus which was now behind this work**, and noted that:

1. some of the barriers were societal, structural inequalities but that the University should explore its recruitment practices, recognising some existing measures in place such as the presence of positive action statements on job adverts, gender balanced interview panels, and reciprocal mentoring schemes. More targeted action and intervention to create step-change;
2. race and other intersections of protected characteristics should also be considerations, and often featured where there was a pay gap, whilst noting that the focus on gender and race had been primary drivers as these were published pay gaps;
3. it endorsed a data-driven approach so targets could be set, e.g in relation to women professoriate representation and tracked across time to assess progress towards closing and eliminating pay gaps;
4. the need to avoid unintended consequences such as forced redistribution of often needed, flexible casual or part-time jobs from women to men, should a pool of male applications exist;
5. examples of practice at other institutions and sectors where the pay gap had been reduced or removed. The University of Warwick provided an exemplar in terms of the support provided for women professorial promotion candidates' CVs, to minimise barriers to application and any biases during the review process.

#### **Governance Reports**

The Committee noted remuneration decisions for appointment and retention for individuals earning £100k+ (August 2022 – March 2023).

#### **Report from Remuneration Sub-Group**

The Committee considered a summary report of activity undertaken by the Remuneration Sub-Group and the decisions taken. In addition to items already discussed in the HR's Report, the Deputy HoD and Centre Directors' allowance. It was noted that a review of Research Centres and Institutes was being undertaken, led by the Pro Vice Chancellor (Research).

**Dr Adam Dawkins, University Secretary for**

**Philip Carpenter, Chair of University Remuneration Committee**

**05 May 2023**