

REMUNERATION COMMITTEE

Executive Summary of the Meeting held on 04 November 2022 provided for Council at its meeting on 30 November 2022.

Declarations of Interest in Items on the Agenda Declarations of interest were noted, including that the Vice-Chancellor and President, who was in attendance, would leave the meeting for discussion in relation to his own remuneration. The HR Director and University Secretary also declared an interest in relation to the Remuneration Sub-Group report 2022 pay decisions as members of the wider senior management group.

Terms of Reference, constituency and membership 2022/23 For the Committee's terms of reference in approving starting salaries of £100k and beyond, a general point was raised as to whether the £100k threshold (as set for disclosure and reporting in the OfS Accounts Directions) would increase in light of inflation. This was subject to OfS and CUC future changes, and would be responded to, and considered if such a change were proposed in the future. **The Committee considered and endorsed its terms of reference for 2022/2023.**

University of York Strategic Remuneration Principles and Senior Remuneration Governance Framework The Committee **considered** the Principles and Framework and noted two proposed amendments from the University Secretary and HR Director. The first was to clarify an outstanding action to expand references in the Framework to specific decisions taken at a 'scheduled meeting' of the Committee, to also include 'written resolution' and 'chair's action', to afford flexibility beyond the scheduled committee cycle. The second amendment was to assign authority to the Chief Operating Officer (COO) to take decisions on retention packages for cases within her portfolio of teams. **The Committee noted the Strategic Remuneration Principles and Senior Remuneration Governance Framework and requested that the amendments were incorporated in the version presented to its next meeting.**

Minutes of the last meeting held on 11 May 2022 and Action Tracking The Committee **confirmed** the Minutes its meeting on 11 May 2022 as an accurate record, and noted actions progress.

Director of HR's Report

The Committee **considered** the HR Director's Report, which provided the wider policy and regulatory context in which senior remuneration decisions would be taken. The report covered the financial context, scrutiny of senior pay inflation and cost of living, the Living Wage Foundation work, national pay negotiations, imminent industrial action, USS, turnover, the overall recruitment profile, talent strategy, academic promotions review, pay gaps, and subsidiary company staff remuneration. The Committee noted that:

1. implementation of the Living Wage Foundation new rate would be as soon as possible in the 2023, noting the impact of the proposed 10% increase on the bottom rate of the University's existing grade structure and work to incorporate the new rate into this structure;
2. whether the non-consolidated one-off payments to staff would become regularised, given such payment had been given twice for most staff grades within the calendar year. As payments were non-consolidated they would not be incorporated into the pay structure, with consideration given to other forms of support, including the possibility of flexible application of the contribution points of incremental scales;
3. planned industrial action by UCU (the dates were since confirmed as 25, 27 and 30 November). UNISON and UNITE were not striking.

Vice-Chancellor's and President's Report in relation to Senior Postholder Annual Salary Review

The Committee considered the Vice-Chancellor and President's proposals in relation to the 9 direct reports who were 'Senior Post Holders'. The item considered the thematic context and institutional achievements, mean and benchmarked salary data, including gender, and the Vice-Chancellor and President's confirmed rating and summary of the Performance and Development Review (PDR) for each individual. The performance-related pay percentage increases were mapped to the PDR ratings as follows: 'Satisfactory' = 3%; 'Good' = 4% and 'Excellent' = 5.3%.

The Committee made some general observations on salaries of those subject to internal promotion relative to those who joined the University from another institution. **The Committee approved the Vice-Chancellor's and President's**

recommendations for pay increases backdated as effective from 01 October 2022, based on its receipt of assurance around the framework for making judgments.

Report on University severance payments and remuneration decisions for individuals earning £100k+ 01 August 2021 to 30 July 2022 The Committee **noted** the reports of Severance and Redundancy Payments and remuneration decisions for individuals earning over £100,000 for the periods 1 August 2021 to 31 July 2022

University Executive Board and Council Lay Member expenses The Committee **noted** the detail on the expenses paid to University Executive Board members and Council Lay members between 1 August 2021 and 31 July 2022.

Annual Remuneration Statement 2021/22 The Committee **approved the content of the Annual Remuneration Statement for inclusion in the Annual Financial Accounts 2021/22** subject to several minor amendments, including clarifying reference to 'Other benefits'. The proposed changes would be reflected in revisions for the Statement for incorporation in the Annual Report and Financial Statements 2022.

Remuneration Sub-Group Report to Remuneration Committee 2022 The Committee considered the Remuneration Sub-Group report. The Report covered decisions on discretionary pay applications for Professorial staff and the Head of Department and Senior Manager Pay Group. The Committee noted that:

1. Whilst the application numbers were lower for female applications for discretionary pay awards for Professors (and that this was relative to the size of the population) the success rate had been higher than for male applicants for 2021 and 2022. Further encouragement to apply was endorsed, and explanation was given as to the relationship between discretionary pay and promotion applications, and the status of professorial pay gaps;

The percentage pay increases this entailed were the same **The Committee noted the pay award agreed in line with performance for the Professorial, Head of Departments and Senior Management Pay Groups to be backdated from 01 October 2022;**

The Vice-Chancellor and President had left the meeting for the next item.

Vice-Chancellor and President Pay and Performance 2022

The Committee considered the report on proposals for the Vice-Chancellor and President's Pay and Performance for 2021 as presented by the Chair of Council. The Vice-Chancellor and President left the meeting at this stage. The Report summarised feedback under key headings captured by the Chair of Council in relation to the Vice-Chancellor and President's performance, and included a self-assessment against the performance objectives agreed in November 2020 and benchmarking information. **The Committee agreed with the recommendation to award the Vice-Chancellor and President the 5.3% pay-related increase from 01 October 2022 taking the Vice-Chancellor and President's salary to £300,105, in line with the 'Excellent' rating assigned to his performance during the period.** It was understood that the Vice-Chancellor and President was minded to decline acceptance of the maximum 5.3% rating and accept a lower percentage increase. Whilst this was wholly at his personal discretion, it was a clear steer from the Committee that it approved an award at this level. See Secretary's note, sentence 4.

Secretary's Note: following the meeting it was brought to the Secretary's attention that there had been an error in the calculation of the Vice-Chancellor's base salary effective from 01 October 2021. The base salary figure included from this date should read £289, 275 and not £285,000 as presented Appendix 3 to item RC22-23/11 (this is the figure as of 31 July 2021 and not 01 October 2021). The impact of not reflecting this increase is that, with the 5.3% performance uplift applied, the base salary from 01 October 2022 would be £304, 607 and not £300,105. The pay multiples or the quartile positioning are not affected by the adjustment. The only change is that the relative position of market median has moved from 96% to 97%. Following presentation of the annual award offer to him by the Chair of Council, the Vice-Chancellor and President declined the offer of a 5.3% pay award for 2022 and expressed his desire to receive a reduced pay award of 3%, or £297.953.

Dr Adam Dawkins
University Secretary
Secretary to Remuneration Committee
November 2022