

Remuneration Committee

23/01 A meeting of the Committee was held on Tuesday 6 June 2023 at 10.30 am via Teams.

Present: The President of Council, Helen Gordon (*Chair*)
Lay Member of the Council, Sian Butler
Lay Member of the Council, Sue Maple

By invitation: Vice-Chancellor
University Secretary
Director of Human Resources
Head of Governance (*Secretary*)

Apologies: Vice-Presidents, Kate Owen, and Kevin Corrigan

The Committee recorded its condolences to Kate Owen and noted that the President would act as Chair on this occasion.

The Committee welcomed Sian Butler to her first meeting and thanked her for agreeing to join both Remuneration Committee and Appointments & Governance Committee.

23/02 Minutes of the last meeting

The Committee approved the minutes of the last meeting, held on 17 October and 28 November 2022, as a correct record.

23/03 Matters Arising

All matters arising were covered below.

23/04 Professorial Salaries Annual Review

The Committee received and approved a report and recommendations from the Professorial Salaries Advisory Group payable with effect from 1 August 2023 in respect of Professorial Staff. The Annual Review followed the normal timetable during 2023.

A total of 262 Professorial colleagues had submitted the proforma setting out their recent activities and achievements to 31 December 2022. A total of 26 professorial colleagues failed to respond; the Advisory Group would be instigating a series of actions in respect of serial non-responders.

Sue Maple, as nominated lay member of the Committee, had attended meetings of the Professorial Salaries Advisory Group to observe the process and had pronounced herself content with the application of the stated procedures, that the process had been fair, and that there was no bias in decision making. The Committee endorsed the value of having lay member of Council on the Advisory Group to ensure that due process was followed, and thanked Sue Maple for her work in this regard.

In particular it was noted that:

- Recommendations for improvements in process arising from the last annual review had been implemented for this round.
- The Deputy Vice-Chancellor held a short informal briefing to the Head of Schools at the beginning of the year to go through some key points. The Heads of School reported this was helpful, especially for providing professors with feedback on their submissions.
- HR had presented the Advisory Group with the skeleton salary and market supplement salary data for Henley Business School as requested last year. This was deemed useful as it enabled the Advisory Group to better understand the expected level of performance, and the Advisory Group asked if this could be presented for other areas where there were professors whose salaries did not follow the normal zone structure.
- There was still more work to do on the gender pay gap within the professoriate, particularly where female colleagues were not receiving the right level of recognition. Consideration would be given to developing a mentoring approach within and outside of the School.
- Some Heads of School requested that the outcome letters include more detailed feedback. However, it was felt that this could lead to far more queries and that the letters already stated that colleagues should seek feedback from their Head of School.
- The Advisory Group had queried the frequency of the annual review process, especially as salary adjustments were recommended in recognition of exceptional performance and would not normally be awarded every year for professors in Zone 2, Zone 3, and Zone 4. HR would undertake some benchmarking against other universities to compare how and when they review professorial pay, as well as benchmark salary scales for professors in Zone 4 and present findings at a later date.
- It was suggested that the Advisory Group could filter some of the submissions where they were very thin, to save the Advisory Group time. The Advisory Group welcomed this suggestion and said they would consider this and the possible options in the 'Wash Up' meeting at the beginning of August. One suggestion was the Head of School could help filter very thin submissions by rejecting them, so they were not submitted to the Advisory Group.
- The Advisory Group reflected on whether the Lump Sum Award amount should be amended this year. The current value was set to reflect the difference between spinal points on the Professorial Scale. As of 1 August 2023, the difference between the bottom 2 spinal points (P101 and P102) was £2,000. The Advisory Group agreed the value could arguably either be increased to reflect the cost of living or reduced to reflect the University's

current financial challenges. The Advisory Group recommend the Lump Sum Award amount stayed as the value between spinal points.

- A high number of submissions contained complex personal circumstances in their submissions. This had also been noted in other processes. The Advisory Group and Interim Director of HR reflected that this continued to be the impact of COVID and other societal changes, such as the rising cost of living, since the pandemic. Further support and guidance to Heads of Schools would be considered outside of this process.
- The total cost of the agreed adjustments to professorial salaries to 2023 was £312,214.

The Committee discussed the level of the proposed lump sum awards and agreed that a figure of £2,000 be used as this represented the difference between spinal points.

The Committee thanked all those involved in the annual review process.

23/05 Senior Staff Annual Review

The Committee received and approved a report and recommendations from the Senior Salaries Advisory Group payable with effect from 1 August 2023. The Annual Review followed the normal timetable during 2023.

The response rates for Heads of Schools and Deans was 92% for 2023. The response rates for Heads of Functions and other Grade 9 Professional & Managerial Staff was 92.3% for 2023. There were 2 non-submissions from Heads of School/Deans and 3 non-submissions from Grade 9 staff reporting to Heads of Function.

Sue Maple, as nominated lay member of the Committee, had attended both meetings of the Senior Salaries Group and had pronounced herself content with the application of the stated procedures. The Committee endorsed the value of having lay member of Council on the Advisory Group to ensure that due process was followed, and thanked Sue Maple for her work in this regard.

In particular it was noted that:

- The Group found it helpful to submit their recommendations and comments prior to the meeting, and for these to be compiled onto a single spreadsheet by the Secretary. This approach helped to encourage discussion without advocacy, ultimately improving fairness and consistency. It also reduced the time required in the meetings.
- The recently produced Shadow Salaries Guidance note was deemed helpful.
- It was agreed that for any employees who were recommended an increment and were currently on a spot salary, their salary would be increased to align with a spinal point on the pay structure. This would gradually decrease the number of employees on spot salaries over time.
- For senior staff within the first 12 months of their appointment or internal promotion, the expectations were that they were not required to submit as they would not be eligible for a salary adjustment. However, it was made clear

in the meetings that salary adjustments might be recommended for colleagues within the first 12 months of their appointment or internal promotion for exceptional performances. Colleagues who were not eligible were still made aware of the process and invited to submit, so this clarity reflected current practice but needed to be made more explicit in future processes so line managers could communicate this to their reportees.

- The Group confirmed that it was the line manager's responsibility to make it clear to their reportees that the Advisory Group could not consider an Advancement to Zone unless this was requested by the employee and a CV was supplied.
- The Group agreed the communication of the outcomes could be improved. The Interim Director of HR and the Reward Coordinator agreed to work on the wording of the outcome letters.
- Sue Maple had requested that HR produce some data on decisions over the last few years to allow the Advisory Group to consider if there were trends in their decision making. HR would provide this.

The Committee noted that the total cost of the agreed adjustments to senior staff salaries was £63,649 with 12 recommendations for lump sum awards.

23/06 Current Challenges

Following discussions with the Chair of the Committee, the Director of HR had produced a report on current challenges and issues affecting the staff experience.

Particular changes were noted in respect of:

- Staff Recruitment and Retention
- Health & Wellbeing
- Staff Engagement
- Workloads
- Equality, Diversity & Inclusion
- Pay and Pensions
- Leadership and Management
- Flexible and Smart (hybrid) Working
- Learning and Development
- Reward and Recognition
- Culture and Change
- Work on terms and conditions
- Workforce metrics
- Process improvements
- Performance and expectations
- Talent development.

The Committee noted that projects within the HR Strategic Plan were designed to contribute to addressing a number of these challenges.

The Committee agreed that it would be useful to share the paper with the Council to help with understanding challenges and issues for colleagues, particularly during a period of change.

The Committee noted that discussions on the challenges being experienced would help in consideration of future remit of the Committee.

23/07 Changes to the remit of Remuneration Committee, and Appointments & Governance Committee

The Committee received a paper in respect of the remits of the Remuneration Committee, and the Appointments and Governance Committee (A&G). In the current arrangement, there was a lack of clarity as to which committee had a responsibility to oversee on behalf of Council the staff experience (as the Student Experience Committee did for students); occasional uncertainty as to which Committee a particular item should be submitted; and uncertainty about the “and Governance” part of the A&G remit. The Committee were asked to discuss the remits of both committees with a view that the input would be taken away and formal recommendations brought forward in due course.

The following comments were noted:

- It was unusual within the HE sector to merge A&G and Remuneration Committees together.
- Remuneration Committee could potentially expand its remit to include a staff experience remit.
- The A&G remit could be narrowed to focus on appointment matters. The Governance part of its remit could now be covered by the Council.
- If the remit of Remuneration Committee were to expand to include the staff experience, consideration would need to be given to reduce any overlap with internal management committees.
- The role of a Staff Experience Committee would be to i) assure Council that management was on top of important issues related to the staff experience, ii) hear from staff directly.
- In any revised Committee a formal Remuneration part would need to remain, for which the Vice-Chancellor could not be a member.
- There was support for a narrower remit for an Appointments Committee.
- Hearing the staff voice directly from colleagues would be valuable.
- Staff Experience could become a third meeting, keeping a tighter/narrower remit for Appointments and Remuneration Committees.
- A Staff Experience Committee could have a broader remit to which UCU and the Staff Forum were invited.
- The University would continue to have joint University/Union meetings.
- If a Staff Experience Committee were created consideration would then need to be given to the remit of Staffing Committee to ensure no overlap

The Committee agreed in principle that it should retain separate Appointments and Remuneration Committees with narrower remits and that consideration should be given to the creation of a Staff Experience Committee.

23/08 Update on the Professional Services Review

The Committee received and noted the Professional Services Review. The paper had also been submitted to the Scrutiny and Finance Committee (S&FC) on 5 June 2023 as part of the package of measures to address the financial shortfall. S&FC would report on these aspects to the Council.

The Committee were reminded that this work had started under the Strategic Foundations Programme and had been brought forward as part of the measures to deal with the financial shortfall. As a consequence of this accelerated programme there had been less engagement than was desirable.

The review contained four recommendations, and all of those four must happen as choosing a subset of the recommendations would not achieve the resilient and adaptable services that were needed.

- (a) Proper and effective business process review
- (b) A reduction in the amount of complexity and exceptionalism
- (c) Better alignment between the timing of projects and other activities required of services and the resources available to do them, and
- (d) The introduction of a Directorate model with a small number of Directorates (8) to underpin and facilitate the delivery of the three previous elements

Academic year 2023/24 would be a transitional year as the recommendations of the review were implemented.

The Committee noted that under Ordinance it was the Vice-Chancellor's responsibility to determine the structure of the professional services. HR were working on a timeline for appointment of the Heads of the new Directorates.

The Committee for its part supported the recommendations but recognised the major changes involved and the need to retain staff buy in as well as continuing with business as usual.

The Committee thanked the University Secretary for the report.

23/09 Draft Annual Report 2022-23

The Committee received and noted the first draft of the annual report for 2022/23. The Director of HR informed the Committee that the report used the same format as previous years. The report would also be incorporated into the 2022/23 Financial Statements.

23/10 Update on Pay and Pensions

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

Pay:

- The University was now in the third year of the collective agreement which would come to an end on 31 July 2023.
- In Autumn 2022, the University confirmed its commitment to re-entering the collective pay bargaining process, known as New JNCHES, for the 2023/2024 year.
- In response to the ongoing cost of living challenges, UCEA commenced the New JNCHES process for the 2023/24 year earlier than usual with the stated ambition to achieve early agreement of the pay award and an early payment of part of the pay award in response to the rising cost of living challenges impacting many staff. The pay offer from UCEA represents a 5% increase for the majority of colleagues, increasing to 8% for the lowest paid colleagues. The payment had been split with 2% or a flat £1,000 per annum uplift paid in February and the remaining balance of the award effective from August 2023.
- Following extensive consultation, the pay award proposal was not accepted by the sector Trade Unions. Strike action commenced on 1 February 2023. ACAS talks followed in March which led to agreed Terms of References covering four pieces of work;
 - a. A review of the pay spine
 - b. Equality pay gaps negotiations
 - c. Workload principles
 - d. Contract types, essentially covering the use of zero hours contracts in the sector along with Graduate Teaching Assistants, Post Graduate Researchers, Fixed term, and hourly paid contracts.
- Strike action took place on 12 days over February and March 2023. Strike action at this point covered both the pay and pensions disputes, although noting that the pay dispute was not live at University of Reading. Action Short of strike in the form of a marking and assessment boycott commenced on 20 April 2023. As a result of not being part of the pay dispute, the University had avoided the marking and assessment boycott.
- Given the early payment of the pay award, this meant that salaries at the lower end of the pay scale were adjusted beyond the April 2023 increases in the National Living Wage. Further changes would be needed to the pay scale to remove spinal points 3 and 4 by the end of July 2024.
- Whilst salaries at Reading remained in line with the national framework and the rest of the HE sector, there were challenges with the framework and pay more broadly. 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.
- UCEA members were keen to progress work to address the challenges of the pay spine. The outstanding terms of reference meant that this work might start without the involvement of the Trade Unions.

- In March 2023, the University published the latest University figures on the Gender Pay Gap. Over the last year, HR had invested time in developing better tools to calculate and also model the impact of various interventions on the Gender Pay Gap.

Pensions:

- The 31 March 2023 Scheme Valuation was underway, with a 15-month deadline for filing with the Pensions Regulator.
- UUK had committed along with the USS Trustee to prioritise benefit restoration over the reduction in contributions.

23/11 Severance Payments and Early Retirement Arrangements

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

23/12 Out of Cycle Salary Increases

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

23/13 Report of the University Executive Board

There was no report on this occasion.

23/14 Date of next meeting

Monday 16 October 2023 at 2.15 pm

Thursday 1 February 2024 at 2.00 pm

Tuesday 4 June 2024 at 10.30 am