

**CONFIRMED MINUTES OF THE MEETING HELD ON 3 FEBRUARY 2022**

**PRESENT:**

Penny Thompson (Chair)	Meg Munn
Lord Kerslake	Andrea Walters

**IN ATTENDANCE:**

	<b>AGENDA ITEM</b>
Michaela Boryslawskij (University Secretary)	All
Dr Sally Jackson (Chief People Officer)	All
Tracey Taylor (Minute Secretary)	All

**APOLOGIES:** Jo Allen

Agenda item Paper Ref	<b>Chair's Opening Remarks</b>	Minute Ref	REM/1/22/1
	1.1 The Chair welcomed members and attendees to the meeting, particularly the new External Co-opted External member, Andrea Walters.		
Agenda item Paper Ref	<b>Declaration of Interests</b>	Minute Ref	REM/1/22/2
	2.1 There were no declarations of interest.		
Agenda item Paper Ref	<b>Minutes of the Previous Meeting</b>	Minute Ref	REM/1/22/3
	3.1 The minutes of the meeting held on 8 October 2021, including the confidential minutes, were <u>approved</u> as a correct record.		
Agenda item Paper Ref	<b>Matters arising/Action Tracker</b>	Minute Ref	REM/1/22/4
	4.1 REM/3/21/8.1- the University Secretary reported the Committee's approval by written resolution of the remuneration package for the new Deputy Vice-Chancellor (Academic) (DVCA) following Board approval of the appointment, again by written resolution in January 2022.		
	4.2 REM/2/21/6 – it was noted that a briefing for Finance and Employment Committee (FEC) members on the University's non-monetary reward schemes/initiatives had been scheduled for 28 February 2022, and that the FEC Chair would report back to the Remuneration Committee thereafter.		
	<b>ACTION: FEC Chair</b>		
	4.3 There were no other matters arising not covered elsewhere on the agenda.		
Agenda item Paper Ref	<b>Other Urgent Business</b>	Minute Ref	REM/1/22/5
	5.1 Members discussed the Chief Finance and Planning Officer's resignation, noting that she would be leaving the University on 4 March 2022, and the impact on the diversity of the University Leadership Team (ULT).		
	5.2 A confidential minute was recorded.		

5.3 Recruitment would shortly commence for the post, which would be a Board appointment reporting to the Vice-Chancellor. It was noted that the Chief People Officer (CPO) would liaise with the Chair of the Audit and Risk Committee (ARC) who had volunteered to support the University in the recruitment process. The current Director of Finance would be appointed as interim Chief Finance Officer (ICFO), pending a permanent appointment.

The Committee was reminded that it had previously agreed that a formal review of ULT roles would be undertaken upon renewal, however, given feedback from Korn Ferry that any change in remuneration was highly unlikely, the Committee agreed that an internal HAY evaluation would be more appropriate in the circumstances, particularly considering the fee attached to an external review.

5.4 A confidential minute was recorded.

5.5 **ACTION: CPO to liaise with the Chair of ARC re the CFO recruitment process.**

**CPO to provide an update on direct reports to Board Appointments at the next meeting.**

Agenda item 6	<b>Annual Review of Aggregate University Leadership Team (ULT) Expenses for Publication</b>	Minute Ref REM/1/22/6
Paper Ref REM/1/22/6		

6.1 The Committee noted the considerably low level of ULT expenses for the 2020/21 academic year and approved these for publication on the University's website. Members enquired whether international travel was on the increase and the CPO advised that a review of the high-level risk assessment now allowed for international travel in accordance with business need and the relevant authorisation on a case-by-case basis.

Agenda item 7	<b>Revised CUC HE Senior Staff Remuneration Code</b>	Minute Ref REM/1/22/7
Paper Ref REM/1/22/7		

7.1 Members received a briefing on the revised CUC HE Senior Staff Remuneration Code, a review of which by Advance HE has concluded that the Code remained fit for purpose. Whilst there were no substantive changes, there were some areas of clarification including clearer links with the overarching CUC HE Code of Governance and an emphasis on the concept of fair pay for all in response to specific developments in Wales and Scotland around living wages and reducing pay inequalities.

The Committee resolved to recommend the continued adoption of the Code to the Board of Governors.

7.2 The Committee considered the outcome of the assessment of the University's compliance with the revised Code, noting the high level of compliance with all elements of the Code. It was reported that an action plan for further work in a limited number of 'should' areas to enhance best practice would be presented to the Committee in June 2022. Members thanked governance and HROD colleagues for their work in this area.

**ACTION: University Secretary and Chief People Officer**

Agenda item 8	<b>Office for Students (OfS) Senior Pay Report 2019/20</b>	Minute Ref REM/1/22/8
Paper Ref REM/1/22/8		

8.1 The University Secretary outlined the findings of the second senior pay report published by the OfS which had looked at the following two key questions: 1) have universities shown restraint in their leaders' remuneration compared with previous years? and 2) have providers that receive public funding shown clear justification for why they pay their leaders as much as they do?

The Committee reviewed the key findings, noting that the University was below the mean for those providers previously funded by HEFCE. Highlights, confirmed evidence of pay restraint included:

- the average increase in basic salary for 2019/20 was lower than the UCEA recommended national pay award;
- a downward trend in benefits paid to Vice-Chancellors such living accommodation, private health schemes and health insurance;
- across all providers, the proportion of staff paid a basic salary of £100,000 or more in 2019/20 was 1.8% representing a rise of 0.1% on the previous year; and
- a pay ratio distribution (for both basic salary and total remuneration) that was broadly consistent with the previous report with most University leaders earning 6 times the average pay of their staff, though for 20 institutions leaders earned 10 times as much in total remuneration. It was noted that the University had reported a ratio of 7.1% in its latest Remuneration Committee Annual Report which was mid-table.

The OfS concluded that institutions were generally providing an explanation of their governance arrangements and transparent justifications for making remuneration decisions. Further, that there were “good levels” of compliance with CUC HE Senior Staff Remuneration Code, although “this was not universal”.

The University Secretary highlighted the various justifications offered by providers in support of remuneration decisions and asked members to contact her with any queries/feedback in this regard.

Members commented on the mean calculation and the potential impact of the size of institution which varied significantly across the sector. It was suggested that it would be helpful for the Committee/Board to be provided with comparative data for post 1992 universities of a similar size to provide a differentiated view based on scale. It was reported that the CUC data used to inform the Vice-Chancellor’s remuneration review had previously been filtered in respect of key competitor and larger post 1992 HEIs. However, it was possible to explore other filters for the Committee to consider (and that this was accounted for in the triennial Korn Ferry review).

The Co-opted External member noted that UCEA salary data was updated annually and could be manipulated to extract relevant data on mean salaries for specific institutional groups (including mission grouping/size/location).

Members agreed that it would be good practice to review such data on a more regular basis and that a high-level review would be presented to the September 2022 meeting.

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**ACTION: Chief People Officer/University Secretary**

Agenda item 9  
Paper Ref REM-1-22-9

**Revised Terms of Reference**

Minute Ref REM/1/22/9

- 9.1 The Committee recommended to the Board of Governors the change to the Committee’s quorum in line with the requirement for an independent member majority in the University’s Regulations. The Co-opted External member thanked the CPO and University Secretary for the comprehensive guidance document for Remuneration Committee members which had been shared as part of the induction process.

Agenda item 10  
Paper Ref REM/1/22/10

**Recruitment and Selection of Senior Staff**

Minute Ref REM/1/22/10

- 10.1 The CPO outlined the considerable work undertaken to ensure that all recruitment and selection processes and activities were founded on the following three key principles:
- Equality, Diversity, and Inclusion (EDI) – processes are designed to identify the best person for the job, eliminate bias and discrimination and consider all applications on merit;
  - a positive candidate experience; and

- effective Selection - shortlisting, assessment and selection is robust, fit for purpose and designed to measure criteria from the person specification to ensure the right appointment decisions.

Members were briefed on the practice for identifying the best candidates for Board Officer appointments via the services of a search and selection agency, supplemented by a 2-day selection process including informal conversations with University senior leaders (including Governors) to ensure that candidates understood the role and associated expectations, a tour of the University, psychometric testing and a formal interview panel.

10.2 Having considered the framework for the recruitment and selection of Board appointments, members commented as follows:

- whilst, in practice efforts were made to maximise diversity in interview panels this was not specifically referenced in the Framework;
- that 2 Board members should be included on the interview panel for Board appointments;
- [REDACTED]
- signpost the mandatory unconscious bias training available; and
- provide for an evaluation of search consultants' recruitment performance. Were there any lessons to be learned from the DVCA process that could inform the recruitment of a new CFO?

In response to a query on the University's approach to senior staff succession planning (including short term absences), it was noted that this would fall under FEC's remit, but that it could be considered as part of the Committee's annual discussion on ULT objectives. The Co-opted External member agreed to liaise with the CPO on the arrangements in place in relation to this key area.

The Committee affirmed the University's approach to Board Officer recruitment and selection having been assured that the processes were fit for purpose, robust and inclusive.

**ACTION: Chief People Officer to arrange for the above amendments to be made to the Framework and to present a draft Vice-Chancellor recruitment process to the Committee at a future meeting.**

Agenda item 11	<b>Committee Annual Cycle of Business for 2021/22</b>	Minute Ref	REM/1/22/11
Paper Ref	REM/1/22/11		

11.1 The Committee received the forward schedule of Committee business.

Agenda item 12	<b>Date of Next Meeting</b>	Minute Ref	REM/1/22/12
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12.1 Thursday, 30 June 2022, 10.30-12.00 (virtual meeting).

Penelope Thompson CBE  
Chair of the Remuneration Committee