

Remuneration Committee

21/24 A meeting of the Remuneration Committee was held via teams on Monday 18 October 2021 at 2.15 pm.

Present: -

The Vice-President, Mr T. Beardmore-Gray (Chair)

The President, Dr P.R. Preston

The Vice-President, Mrs K. Owen

Member of the Council, Ms S. Maple

By invitation: -

Member of the Council, Ms H. Gordon

The Vice-Chancellor

The University Secretary

The Director of Human Resources

Head of Governance (Secretary)

21/25 **Minutes of the last meeting**

The Committee received and approved the Minutes of its meeting held on 8 June 2021.

21/26 **Dashboard**

At its last meeting on 8 June 2021 the Committee received an initial report showing movements in staff numbers over the previous three-year period. It was agreed that this would become a standing report to be shared with the Committee annually.

Members had expressed an interest in the addition of age profile data to the report. The Committee received the draft data (based on the snapshot data as at May 2021) to illustrate a number of ways in which this information could be usefully highlighted. Members agreed that option 2 was preferred.

21/27 **Membership and Terms of Reference**

The Committee received and noted a copy of its Membership and Terms of Reference. The Committee noted that John Taylor had resigned with effect from 31 July 2021. Appointments and Governance Committee had agreed that the vacancy would be left until recruitment of new lay members had taken place in early 2022.

The Committee discussed whether employment policy should sit with Remuneration Committee or Appointments and Governance Committee. The University Secretary agreed to give this matter further thought.

21/28 **Disclosure of Interests and the Risk Register**

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

Matters for Discussion

21/29 **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:

- The University's position vis-à-vis the national pay bargaining process via the Joint Negotiating Committee for Higher Education Staff (JNCHES) remained unchanged.
- Formal notification of the pay-freeze period was provided to colleagues over the summer months. For those on grades 6 and above a collective agreement with UCU applied, and no further action was required. For those on Grades 1-5 individual agreement was required; c.40 colleagues had yet to sign their acceptance letters and individual meetings were being facilitated.
- The normal incremental progression (for Grades 1-8) remained in place, as did the normal arrangements for rewarding staff.
- A further review of the University's financial position with colleagues from UCU and the Staff Forum was scheduled for 19 October 2021.
- In respect of pensions matters, the USS Joint Negotiating Committee (comprising equal members from UUK and UCU, plus an independent Chair) decided to progress a proposal from USS employers aimed at keeping employer and USS member contributions at a sustainable level. As things stood this was set to avoid higher contribution rate increases that had been expected in October 2021, and set in train a series of benefit reforms to be effective from 1 April 2022. The proposals had been accepted by the USS Trustee, subject to a 60-day consultation with scheme members that would commence shortly.
- UCU had indicated that they would be balloting members with a view to industrial action to begin, if a mandate was achieved, before the end of the Autumn Term. The ballot would be dis-aggregated (i.e. each relevant institution would be balloted separately). The ballot would cover the USS issues and a range of additional disputes (referred to previously as the "four fights"). To note, the ballot at Reading was restricted to the USS issues only.
- The University of Reading Employees' Pension Fund (UREPF) had concluded its latest valuation cycle. The scheme showed a small surplus and Trustees had agreed ongoing support from the University in discussion with the University Executive Board.

- Mr Keith Hodgson (former University Secretary) had completed his second term of office (covering six years) as Chair of Trustees for both the UREPF and the University of Reading Pension Scheme (URPS) and had now stepped down from the role. Following a Trustee-led recruitment process Mrs Joanne Livingstone had been appointed as the new Chair of Trustees for both schemes.

Members were reminded that pay rises were made through three different routes: National cost of living increase; incremental progression (for around 50% of colleagues); reward mechanisms such as additional increments.

The Committee noted that the pay freeze would be discussed at the meeting with the UCU and Staff Forum on 19 October 2021. It was reported that no pay rise was awarded nationally in 2020/21 but that a 1.5% increase had been proposed for 2021/22. The University was continuing to monitor the impact of the pay freeze on controlling costs. It was the overarching intention to return national bargaining and restore the pay structure once agreed, but there would be no back/catch up pay.

The Committee noted that a number of institutions across the sector, including Reading, were experiencing difficulties in recruiting to particular roles e.g., Estates, Hospitality, IT.

It was noted that proposed changes to the National Living Wage from April 2022 would impact the lower grades; further work would be required to comply with this change.

21/30 **Remuneration Committee Annual Report**

The Committee received the Annual Report from the Remuneration Committee that would be submitted to the Council on 24 November 2021. It was noted that an edited version would appear in the University's Financial Statements for 2020-21.

The Committee asked that a sentence be included in regard to the Vice-Chancellor's remuneration and the expected salary range for a Vice-Chancellor. The Committee also asked whether the contextual explanation for 2018/19 now needed to be included. Subject to those amendments the Committee approved the report.

Action: Director of HR

21/31 **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 and that progress against these targets was discussed each month, with a longer meeting each summer to look in more detail of what had been achieved.

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 reasonably 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 2020/21 had been anything but ordinary and much of the energy of UEB members was focused on dealing with the impact of the Covid-19 pandemic. However, significant progress had been made on implementing the University Strategy that was approved by Council in 2019, notably through the Strategic Foundations Programme. In addition, the Committee noted progress against the new KPIs.

It was noted that no pay award had been made last year; the Vice-Chancellor sought to reward the work of UEB colleagues for the work they had done over the last two years, as follows.

Summary of recommendations:

Function	Name	Salary adjustment (£)	Award payment (£)	Shadow salary
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]	[redacted, section 40]
Total for UEB		11,000	15,000	

[redacted, section 40].

The Committee approved the proposed recommendations and recorded its thanks to members of UEB for their working during a difficult year.

21/32 Vice-Chancellor's Remuneration

The President informed the Committee that he had agreed a set of formal objectives with the Vice-Chancellor based around the new University Strategy. The President had reviewed these objectives with the Vice-Chancellor. It was noted that good progress had been made on a number of the objectives and that the direction of travel was positive. In addition, the President had spoken with colleagues on Council and those involved in the Vice-Chancellor's selection to ascertain their views; overwhelmingly positive comments had been received.

The President confirmed that he had set three development areas for the Vice-Chancellor in regard to: Henley Business School, relationship with the Leadership Group, external networking.

The Committee recognised that the Vice-Chancellor had accepted a salary outside of the range previously agreed during the recruitment process. Whilst the Committee was appreciative of the gesture it reserved the right to increase the salary in light of performance. The Committee recognised that the indicative market rate for a new Vice-Chancellor would be in the range of £230K - £300K.

The Committee noted that the Vice-Chancellor had requested that the Remuneration Committee make no salary adjustment for 2021. The Vice-Chancellor had strong views on the appropriate remuneration of a Vice-Chancellor, particularly at a time when colleagues were making salary sacrifices.

The Committee agreed to award the Vice-Chancellor an award payment of £5K.

Matters for Report

21/33 Severance Payments and Early Retirement Arrangements

There was nothing to report on this occasion.

21/34 Out of Cycle Salary Increases

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

21/35 Report of the University Executive Board

The Committee received and noted the report of the University Executive Board noting in particular the results of the last staff survey.

21/36 Dates of Meetings in Session 2021-22

Thursday 3 February 2022 at 2.00 pm
Tuesday 7 June 2022 at 10.30 am