

Remuneration Committee

22/10 A meeting of the Remuneration Committee was held via teams on Tuesday 6 June at 10.30 am.

Present: -

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

The President, Dr P.R. Preston

The Vice-President, Mrs K. Owen

By invitation: -

Member of the Council, Ms H. Gordon

The Vice-Chancellor

The University Secretary

The Director of Human Resources

Head of Governance (Secretary)

Apologies were received from Sue Maple.

22/11 **Minutes of the last meeting**

The Committee received and approved the Minutes of its meeting held on 3 February 2022.

Matters for Discussion

22/12 Salaries

a) 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 2022 in respect of Professorial Staff.

The Annual Review followed the normal timetable during 2022.

A total of 264 Professorial colleagues had submitted the proforma setting out their recent activities and achievements to 31 December 2021. A total of 22 professorial colleagues failed to respond; serial non-responders would be invited to meet with the Vice-Chancellor to discuss this.

Sue Maple, as nominated lay member of the Committee, had attended one meeting 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:

- The Advisory Group had changed the way in which they reviewed cases. Three PVC's were allocated cases to review in each meeting instead of all four, to reduce the volume of documentation for the Advisory Group. The PVC's recorded their recommendations independently, and the secretary then compiled a spreadsheet of all their recommendations, highlighting anywhere consensus was lacking for discussion in the meeting. The Advisory Group felt this was a good change as it saved time, and data showing the comparison of award recommendations in 2022 and 2021 were very similar, which was reassuring to see the change did not have any detrimental effect on the decisions made.
- The Deputy Vice Chancellor scrutinized the applications for the use of responsible metrics as part of a trial.
- It was considered whether the form should be reviewed again. A large proportion of the cases did not align well with the criteria, despite the guidance and form asking Professors to cite the criteria.
- Incremental progression within Zone 1 was viewed as the normal expectation unless there were any contra-indicators. The Advisory Group felt the guidance could be more explicit, so Professors were aware that if each increment in the zones was viewed as a promotion.
- To help make it clear what it was the Advisory Group were looking for, the Deputy Vice-Chancellor agreed to give a short briefing to Head of Schools before the beginning of the next Professorial Annual Review cycle.
- The Advisory Group were of the opinion that poor performing Professors were not dealt with well enough as part of the Professorial Annual Review Process. They discussed the tools available and agreed to make better use of these in the next cycle by raising any concerns with the Head of School in and HR Partner to address issues of underperformance.
- The gender pay gap for professorial staff eligible for the Annual Review had been calculated using average (mean) salary data. The overall gender pay gap was 10.51% compared with 10.63% in 2021, a decrease of 0.12%. A gender pay gap greater than 5% was considered to be significant. A negative pay gap indicated that women earned more, on average, than men. The pay gap was -10.70% in Zone 4, however, this was not a robust statistic as there were only 2 women in this zone compared with 18 men. The main contributing factor to the pay gap was the number of Professors paid on spot salaries above the normal salary range for the zone. Professorial salaries could be influenced by salary negotiations upon recruitment, market rates and retention issues. There were 44 male and 10 female Professors on spot salaries. The majority of professorial staff were in Zone 2 (111). There were

more than twice as many male professors than female professors in Zone 2 (80 men, 31 female), and almost twice as many male professors than female professors throughout the University (184 men, 101 female).

The Committee noted that the total cost of the agreed adjustments to professorial salaries to 2022 was £266,671.

The following points were noted:

- The collation of papers could be challenging but the process was not disproportionate.
- The process for the appointment of personal titles had enabled more female colleagues to be promoted to Professor – 35% of the University's professor were female compared with around 25% in the sector.
- It was noted that females tended to apply to become Professor much later than male colleagues and that they tended to stay in zone 1 for longer. Further work and analysis would be undertaken on the behaviours underpinning the Gender Pay Gap.
- HR would be reviewing the results of the Gender Pay Gap Report and identifying areas for further work. A meeting had been held to look at pay rates at the bottom of the scale and the impact of the National Living Wage Foundation rates. Work was also planned to look at the mid-tier grades.
- The Committee were pleased to note the increase in participation rates.
- The REF results did not directly feed into the reward process.

b) 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 2022.

The Annual Review followed the normal timetable during 2022.

The response rates for Heads of Schools and Deans were 91.66% for 2022. The response rates for Heads of Functions and other Grade 9 Professional & Managerial Staff were 87.18% for 2022. There were 2 non-submissions from Heads of School/Deans and 5 non-submissions from Grade 9 staff reporting to Heads of Function.

Sue Maple, as nominated lay member of the Committee, had attended a meeting 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:

- A longer-term aim would be to have clearer criteria for zones and progression.
- A guidance note would be developed on shadow salaries and when it might be appropriate to award a salary adjustment to the shadow salary, the current salary or both.

The Committee noted that the total cost of the agreed adjustments to senior staff salaries was £51,909 with lump sum awards of £32k.

22/13 **Remuneration Committee Annual Report**

The Committee received and noted the first draft of the annual report for 2021/22. 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 2021/22 Financial Statements.

The following points were noted:

- The section on the institutional context would be updated by MCE.
- It was helpful to keep the differentiation on the Vice-Chancellor salary in the narrative but it was not necessary to include five year's worth of data in the table.
- Page 5 made reference to the median to upper quartile range – it would be helpful to analyse senior staff data from across the sector to ensure that the University was achieving that objective.
- It would be helpful to remove reference to the 90th anniversary, and update towards the Centenary.
- Reference should be made to the University of Reading Malaysia in the institutional context section

The Committee thanked the Director of HR for the report and agreed that the format of the report was useful.

22/14 **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 Committee had previously received reports on the collective agreement reached with the UCU and the Staff Forum in Summer 2020 which included a local three-year pay freeze. Following a regular review meeting held in October 2021, it was agreed with the UCU and the Staff Forum that a University pay award would be provided to all staff for the 21/22 year. This pay award reflected the nationally agreed pay settlement and was made in November 2021 with appropriate arrears. The three-year agreement remained in place. The University had not participated in the JNCHES national pay negotiation for the 2022/2023 year. Any local pay award for the 2022/23 period was subject to continuing reviews of the University's financial position. The last such review meeting with UCU and the Staff Forum representatives was held on 23 February 2022 and a further meeting was scheduled for 25 May 2022. As it currently stood, no decision was expected to be taken on whether a local pay award would be made for 2022/23 before late September/October 2022. The decision would be taken by the University Executive Board if in budget, or by the Strategy & Finance Committee if there was an impact on the budget.
- Changes to the local grade structure as a result of increases in the National Living Wage (NLW) were successfully implemented on 1 April 2022.

- The University continued to closely monitor the national pay negotiations for 2022/23. A total of three meetings had been held between UCEA and the relevant Trade Unions. At the time of writing the employers offer was for an overall uplift of 3.18%. This provided an uplift of up to 9% for staff on the lowest spine points and an uplift of 3% for staff on or above spine point 20 (£25,627pa). The pay offer also included detailed proposals on a number of non-pay items in unions claim, including career development, gender, ethnicity and disability pay gaps, workloads and mental wellbeing.
- Nationally, the Trade Unions had also raised the issue of compression of the pay spine. A working group had been proposed to examine the drivers, impact and potential recommendations to address this issue with a view to establishing a jointly agreed position ahead of the 2023/24 pay round. With potential to agree any reform of the pay spine by 2024. This work would be dependent on concluding the current pay round.
- Compression of the pay spine and the wider continued applicability of the pay spine, particularly in the context of challenges in the recruitment and retention of staff in professional roles, was an issue which had recently been identified to the University Executive Board.
- The University published the 2021 Gender Pay Gap report on 31 March 2022. The report showed a mean gender pay gap of 22.07% compared with 20.64% in 2020, an increase of 1.43%. Excluding CampusJobs workers reduced the mean gender pay gap to 17.99%, a 1% increase from 2020. The gender pay gap elements of the local claim from UCU remained outstanding, UCU had not been forthcoming in proposing how they wished to take forward this work.

Pensions:

- Changes to the USS Pension were implemented on 1 April 2022. These benefit reforms had been reported previously to Remuneration Committee but included a reduction of the DB threshold to £40,000 (from £59,883), changes to the accrual rate from 1/85th from 1/75th. Employer and member contributions rates were now 21.6% and 9.8%.
- At the February meeting of Remuneration Committee the Director of HR reported on the UCU ballot for industrial action. At Reading this ballot related solely to the USS dispute, with additional disputes and ballots at other HEIs relating to pay, casualisation and equality issues. UCU members subsequently took strike action on 1-3 December 2021, 14-22 February 2022 and 23-28 March 2022. In December 196 colleagues declared participation in at least one of the three strike days. In March, this number had reduced to just over 100 colleagues. The Contingency Operations Group monitored the impact of strike action on each occasion. Disruption was minimal with only a small number of classes cancelled. The industrial action also included a continuous period of action short of strike (ASOS) which ended on 3 May 2022. This was restricted to predominately working to contract. There was no reported impact of the ASOS at Reading.
- UCU instigated a new dis-aggregated ballot on further strike action and ASOS. The ballot was open to members between 16 March 2022-8 April 2022. 306 UCU members cast votes during

the ballot from a total reported membership of 676. The turnout was 45.27% which was below the statutory threshold of 50%. Of those voting 72% voted in favour of strike action and 83% voted in favour of ASOS.

- UCU membership at Reading had declined between the two recent ballots from 763 to 676, a significant reduction.
- UCU had announced a further period of strike action of 10 days and the ASOS had been escalated to include a marking and assessment boycott. Action will take place at 41 Institutions.
- In respect of the University's two local pension schemes, there had been a number of Trustee changes.

22/15 **CUC Revised HE Senior Staff Remuneration Code**

The Committee received and noted the CUC revised HE Senior Staff Remuneration Code. The Code was voluntary.

It was reported that the Code was similar to that previously published. The Committee discussed the recommendation around including staff and student representatives on the Committee. The Committee agreed that it was appropriate for staff and student representatives to attend the Council but were of the opinion that confidential discussions on senior staff pay required particular experience.

The Committee, however, recognised that such representation was increasing across the sector and asked the Director of HR to seek the views of how other universities had gone about this.

Action: Director of HR

22/16 **Update from the Director of HR on the HR Strategy**

The Director of HR gave a verbal update to the Committee on the development of the HR Strategy. In particular it was noted that:

- The strategy was at the developmental stage and captured the priorities for HR in a framework of key themes.
- Within each theme there would be a series of strategic projects and a project plan.
- The University Executive Board had seen a draft. More work would be undertaken to engage with the Leadership Group, Staff Forum and UCU.
- The seven key themes were:
 - Staff engagement and wellbeing
 - Recruitment and Retention
 - Leadership, Management and Development
 - Diversity and Inclusion
 - Performance and Change

- Pay, Benefits and Reward
- Infrastructure, Core Services and Processes
- In regard to recruitment and retention it was noted that the University Executive Board had been briefed on challenges in the labour market, particularly recruitment in the professional services.
- Under Diversity and Inclusion the key area of focus would be in regard to implementing actions arising out of recent reviews.
- Under infrastructure a key piece of work would be the tender of a new HR Management System by 2023/24.

The Committee agreed that with so much change at present it would be important to improve support for leaders and managers, particularly those in the middle layers. The Vice-Chancellor outlined the leadership development workshops that were currently planned for the Leadership Group.

Matters for Report

22/17 Severance Payments and Early Retirement Arrangements

There was nothing to report on this occasion.

22/18 Out of Cycle Salary Increases

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

It was noted that the University Executive Board would decide whether to review this process.

22/19 Report of the University Executive Board

There was nothing to report on this occasion.

22/20 Any other business

The Board recorded its thanks to Dr Preston who was stepping down as President of Council and wished him well for the future.

The Committee noted that a report on Head Count and the dashboard would be submitted to the Autumn Term meeting.

Action: Director of HR

22/21 Provisional Dates of Meetings in Session 2022-23

Monday 17 October 2022 at 2.15 pm

Thursday 2 February 2023 at 2.00 pm

Tuesday 6 June 2023 at 10.30 am