

UNIVERSITY OF GLASGOW

Remuneration Committee

Notes of the Meeting held on 21 June 2017

Present Ken Brown (Convener)
June Milligan
Dominic Cole-Morgan (by telephone)

Attending Christine Barr
David Duncan

Apologies Rob Goward
Anton Muscatelli
Elizabeth Passey

1 Welcome and Apologies

Apologies noted from Elizabeth Passey, Anton Muscatelli and Rob Goward. Dominic Cole-Morgan attended by telephone.

2 Notes from the Meeting on 23 November 2016

These were approved.

3 Matters Arising

None

4 Future Remuneration of Principal & Vice Chancellor

The Committee noted that a recommendation was going forward to the University Court that the Principal's contract of employment be extended for a further five years, until 30 September 2024. In the light of this, and assuming that the Court accepted the recommendation, the Committee agree that the Principal's remuneration should be reviewed.

The Committee noted comparative salary data and received further advice on this from the Director of Human Resources. Taking this into account, together with the continued high performance of Sir Anton, the Committee decided that Principal's salary should be increased from £278,000 to £288,000 from 1 October 2017, £298,000 from 1 October 2018 and £310,000 from 1 October 2019, these increases representing 3.6%, 3.5% and 4% respectively. The increases in 2018 and 2019 would be subject to continued high performance, as determined by the annual review process.

The University Secretary undertook to report the Committee's decision to Court.

5 Remuneration Arrangement – Convener of Court

The Committee received a paper regarding the remuneration of the Convener of Court, noting that the original advertisement for the role had included the possibility of payment for 'lost earnings'. The Committee noted that the issue of remuneration for the Convener of Court did not currently fall into the Committee's remit. Consequently, it decided to defer discussion pending a decision by the Court regarding the principle of remuneration for the Convener of Court. If the Court decided to support this in principle, it could delegate a decision on the quantum of remuneration to Remuneration Committee.

6 Any Other Business

The Committee received an update on recent voluntary severance cases. The Committee was advised that, since its last meeting on 23 November 2016, University officers had approved 23 severance packages within the standard terms of the University's VS scheme. The split by College had been: MVLS 4; Science & Engineering 1; University Services 13; Social Sciences 5. The total cost of the packages was £908,423, and the average payback is 6 months.

Whenever voluntary severance proposals: (a) departed from the standard terms approved by Court; or (b) exceeded £100,000; or (c) involved a member of SMG, the matter requires to be referred to Remuneration Committee for decision. The Committee was advised that there had been no cases of this sort since its last meeting.

7 Date of Next Meeting

11 October 2017 at 09:00. The Secretary's PA would be asked to identify a date for a subsequent meeting in 2018 – preferably on the same day as a meeting of the University Court.

Remuneration Committee

11 October 2017

Present:

June Milligan (Convener)
Elizabeth Passey
Dominic Cole-Morgan
Rob Goward
Sir Anton Muscatelli (absent for item 5)
Ronnie Mercer

Attending:

Christine Barr
David Duncan (absent for item 6)

1. Welcome and Apologies

The Convener welcomed everyone to the meeting. There were no apologies. The Convener invited declarations of interest: there were none, save for those whose salaries were to be discussed and who it was agreed would leave for those items.

2. Notes from the meeting on 21 June 2017

These were approved subject to the correction of a typographical error under item 6 ("exceeded £100,000").

3. Matters Arising

Item 4: It was noted that the Principal's salary for the years 2017-2019 would be £290,000, £300,000 and £310,000, subject to continued high performance.

Item 5: it was noted that Court would consider the advice of the Remuneration Committee regarding the remuneration of the role of Convener of Court later that day.

4. SMG Remuneration and Professorial Reward

Christine Barr introduced this item. With regard to professorial salaries, she noted the various ways in which professorial salaries can be reviewed. She highlighted the fact that professors continued to benefit from the national uplift applied to other grades subject to satisfactory performance. Performance measurement took into account both individual performance and that of the academic unit; issues of equity were also taken into consideration. She highlighted the progress made in addressing issues of gender pay equity and underlined the role of the HR function and the Board of Review in overseeing professorial pay.

The Committee approved the recommendations contained in the paper, noting that the overall reward and recognition budget was 0.5% of the salary bill.

Mrs Barr noted that other universities broadly applied the same uplift to senior managers as to the rest of the staff, subject to satisfactory performance. She highlighted the strong institutional performance during 2016-17; the University had performed well against its KPIs and had achieved a number of positive marks of external esteem.

The Principal spoke to the overall SMG targets; most of these had been achieved but further improvement was required with regard to the NSS. He rated the overall performance of SMG as "strong".

5. Principal's Performance

Elizabeth Passey informed the Committee that she had conducted the Principal's Performance and Development Review with June Milligan earlier that day. She had drawn on comments from members of Court and SMG; she had also had sight of a recent 360 degree review of the Principal, conducted by an external consultant.

Ms Passey highlighted a number of very positive indicators relating to the University's financial position, the signing off by Court of the capital plan and several external marks of esteem. Overall, she concluded that the Principal had met his objectives for the year and that Court had been right to offer him an extension to his contract as head of the institution.

Ms Passey reported that she would elaborate on the Principal's objectives for 2017-18, but expected that they would include:

- Financial targets
- Further development of the leadership team
- Continued progress in implementing the capital programme
- Progress in implementing the transformation programme
- Successful handling of various external risk factors
- Further improvements in the University's NSS scores.

She would continue to meet with the Principal on a monthly basis.

6. SMG Members' Performance - recommendations from the Principal

The Principal spoke to this item. All individuals were rated as "strong" with the exception of one, who had achieved an "exceptional" rating.

The Committee provisionally agreed the recommended percentage uplifts, namely 1.7% for those rated "strong" and 2% for those rated "exceptional". Market-related adjustments would be applied to two salaries. No salary increases would apply to individuals who had received in-year increases or who had been appointed during 2016-17.

The Committee acknowledged its ongoing commitment to maintaining University policy with regard to senior remuneration and a position that was broadly consistent with the market median while also aligned with institutional performance. In addition, the Committee was conscious of the importance of the overall reward package in enabling the University to attract and retain individuals in a competitive market.

The Committee noted that Court would be asked to approve its formal advice to the Remuneration Committee regarding SMG salaries later that day. If the advice was approved, Remuneration Committee members would then be asked to confirm their agreement to the revised salaries by email.

7. Any Other Business

The Committee noted the discussion about senior managers' salaries in the Press and the public arena over the previous few months. The Committee agreed that the public discourse on these matters was a serious issue; accordingly, it welcomed the review of the remit and membership of Remuneration Committee which would take place at Court later that day. The Committee asked for more contextual information about remuneration across the sector to be presented to the next meeting of the Committee in the Spring, and also agreed that an agenda item on total reward across the University would be helpful.

The Committee noted that remuneration issues had been discussed by the Committee of University Chairs; the revised Scottish Code of Good HE Governance, which had recently been approved by the Committee of Scottish Chairs, also addressed the governance of remuneration issues. The Secretary would report on the implications of the revised Code at the next meeting of the Committee.

The Committee noted that four voluntary severance packages had been agreed under delegated arrangements since the last meeting. The total cost of these packages was £187,000 and the average payback period was 6.2 months.