

**University of Glasgow**

**Remuneration Committee**

**Note of the Remuneration Committee held on 27 April at 0900 hours in the Principal's Meeting Room**

Present: David Anderson, June Milligan (Convener), Elizabeth Passey (via conference phone), Dominic Cole-Morgan, Rob Goward, Ronnie Mercer

Attending: Christine Barr, Dr David Duncan, Sir Anton Muscatelli, Lee McClure (Clerk)

Apologies: Kate Powell

**1. Welcome and Apologies**

The Convener welcomed all to the meeting, noting that the purpose of this half-yearly meeting was to welcome the new staff and student representative members, to look at the developing context for the work of Remuneration Committees, and for all members to receive a full briefing on working of the Committee, its revised remit and the arrangements for determining senior salaries. Apologies were noted from Kate Powell, SRC President.

**2. Notes from the meeting on 11 October 2017**

These were approved.

**3. Recent Remuneration Committee Guidance**

Members noted Paper 3. The copies of the Scottish Code of Good HE Governance and CUC Remuneration Code were circulated by way of background and for the Committee to consider the University's compliance.

CB set the scene, describing the current remuneration landscape, highlighting the role of the Committee in providing scrutiny of senior pay, including by reference to ratios. The starting point provided by the Committee's 2017 remit was noted. Members reviewed relevant clauses in the Scottish Code of Good HE Governance, noting that Universities had explicitly been asked to seek the views of students, staff and recognised trade unions in relation to the remuneration package of the Principal and the senior executive team. The Committee's membership had been updated to include both staff and student representation and it was agreed that their direct involvement would be supplemented by appropriate consultation. JM/CB would meet with the incoming SRC President and DA to discuss their role on the Committee. DD and CB agreed to consider further the best arrangements for consultation.

**Action: JM/CB/DD**

In addition, members suggested reflecting further on the link between the Remuneration Committee and Audit & Risk Committee, routinely reviewing the Committee's performance, and whether it would be helpful to follow Court's practice of having an informal review feedback loop after every meeting. DD reported that a Review of the

Effectiveness of Court was scheduled to take place in the next few months and that would include consideration of the work of Committees.

Members went on to discuss the CUC HE Remuneration Code, noting that HEIs and Chairs of Court had been given the opportunity to contribute to the comprehensive document. The Committee was mindful that the University was bound by the Scottish Code in the first instance and would be adopting best practice from this — a public statement of compliance was on the University website. All agreed that transparency was important in ensuring confidence in the work of the Committee and that they had to be mindful of public perception, communications, and how information/data was presented to colleagues to allow meaningful consultation.

A revised Remuneration Committee remit for 2018 had been created, with additional responsibilities included. EP asked that a reference to the Code be added to the remit. CB went on to highlight the key objectives for the Committee, particularly in relation to determining senior salary and reviewing remuneration levels. She confirmed that the University did undertake salary benchmarking and the Committee agreed that this was a useful tool.

In terms of remuneration for senior staff, the University sat outside the national negotiating framework which determined pay uplift for the majority of University employees. AM confirmed that SMG was working to team targets which this year included targets relating to the NSS, Transformation Programme and delivery of the capital plan. Performance against these would inform P&DR discussions — and feed through into salary recommendations — later in the year.

At this point, the Principal left the meeting.

#### **4. Determining Senior Salaries**

The Committee moved on to talk about the annual salary review of the Principal and SMG, noting the movement in salaries of senior staff and the whole workforce from 2015 onwards. The Principal's salary uplift for the next 3 years had been settled as part of agreeing his most recent contract. That process had been informed by benchmarking and by considerations of the complexity of the Principal/Vice Chancellor role and accountability. Pay ratios for the Principal were published annually. Members noted a similar trend across the UK towards greater transparency around chief executive pay.

In respect of senior pay, arrangements in place took account of the professional reward strategy and the performance and development structure surrounding this, retention issues, and ensuring that pay was appropriate for individual recruitments through benchmarking. The University was moving towards a Total Reward culture highlighting the value of the overall remuneration package and members encouraged its use, but stressed that it should not be oversold. CB agreed that further discussions with the Committee on this would be helpful and a discussion would be scheduled to consider what sort of incentives could be offered to work at the University (not just monetary) and how the benefits of working in the HE sector could best be presented.

Moving forward, the Committee would be invited to consider a number of areas including the forthcoming REF exercise and salary progression mechanisms. For the November meeting, in line with the new Remit, the Committee would also consider senior management expenses.

Members thanks CB for the very helpful presentation which informed items 3 and 4.

## **5. Voluntary Severance and Salary Augmentation Approvals**

Since the last meeting, 25 severance packages had been approved within the standard terms of the University's voluntary severance scheme. The split by college was noted as MVLS 2; Science and Engineering 1; Social Science 1 and University Services 21. The total cost of the package was £515,090.97 with an average payback period of 6.34 months.

There had been no voluntary severance proposals that departed from the standard terms approved by Court; exceeded £100,000; or involved a member of SMG.

### *Salary Augmentation*

Members were reminded that the University provided an opportunity for high earning staff who withdraw from their occupational pension scheme to apply to receive a salary enhancement. One request for Salary Augmentation have been approved since the last meeting.

Remuneration Committee noted all of the above and was content with the approach that had been taken.

## **6. Any Other Business**

The Committee thanked DCM for his service to the University and to the Committee. DCM was moving to a new role with the Scotia Bank in Toronto.

## **7. Date and time of next meeting**

The next meeting would be arranged for November 2018.

**Action: LM**

**University of Glasgow**

**Remuneration Committee**

**Minutes of the Remuneration Committee held on 28 November 2018 at 1400 hours in the Principal's Meeting Room**

Present: David Anderson, Dr June Milligan (Convener), Elizabeth Passey (via conference phone), Kerry Christie, Rob Goward, Ronnie Mercer, Lauren McDougall

Attending: Christine Barr (absent for item 4), Dr David Duncan (absent for item 4), Professor Sir Anton Muscatelli (item 4 only, then absent), Deborah Maddern (Clerk)

**1. Welcome and Introductions**

The Convener welcomed new member, Kerry Christie, to the meeting. Members introduced themselves.

**2. Notes from the meeting held on 27 April 2018**

The notes from the meeting held on 27 April were approved as an accurate record.

**3. Matters Arising**

There were no matters arising

**4. Principal's Report**

The Convener having established that there were no matters in the notes of the previous meeting, or matters arising, that would affect its consideration, this item was taken at the start of the meeting.

Christine Barr and David Duncan were absent for this item.

The Principal introduced his report. The Committee noted that a similar approach to the previous year had been adopted for the SMG's P&DR, using a team-based approach with a single outcome for the whole team, with team-based targets having been used to assess performance.

Team targets for 2017/18 had been achieved for all areas with the exception of targets relating to the NSS, where progress had been made relative to the rest of the sector. The overall assessment of the SMG team was that it had displayed an Exceptional Contribution. The Principal was suggesting a pay increase of 2% for SMG, in line with the uplift received by other colleagues at the University.

In terms of individual performance of SMG members, no individual salary adjustments outside the team assessment rating were being proposed.

The Committee agreed that it supported the suggested 2% pay increase for SMG members. The Committee asked the Principal to explain how he was addressing the small number of variations from median salary evident in the data presented and asked for further consideration to be given to one particular case with apparently anomalous positioning.

The Committee noted the policy that members of SMG appointed or in receipt of any salary uplift in-year were ineligible for the annual uplift.

The Principal attended the meeting for this item only.

## **5. Annual Remuneration Report incorporating Convener's Report on the Principal**

The Director of HR introduced the report, explaining that its format had been determined by the guidance in the CUC Remuneration Code and by the most recent Scottish Code of Good HE Governance. The report included: details of the Committee's remit and membership including the recent inclusion of student and staff representatives; remuneration principles relating to senior professorial and professional (grade 10) staff and to the Principal and SMG; an overview of institutional performance and the strategic context within which the University was now operating; details to inform the Committee's approach to senior remuneration and reward for the 2017/18 year; and the budgeted sum for senior staff remuneration. This format of the report would also be used for the future.

The Convener of Court, Elizabeth Passey, informed the Committee that she had conducted the Principal's Performance and Development Review. The review was informed by an assessment of the Principal's performance against agreed objectives and by qualitative feedback from members of Court and SMG and from representatives of staff and students, based on open questions relating to areas including leadership, strategy and engagement. There had also been a meeting between the Convener of Court, the Convener of the Remuneration Committee and the Principal to discuss performance for the 2017/18 academic year and to agree objectives for the year ahead. Based on the outcomes of these elements of the review, the Convener of Court's conclusion was that performance had exceeded the satisfactory level and therefore justified a salary uplift, in accordance with the terms previously agreed and as set out in the Principal's contract of employment issued at the time of his reappointment to 30 September 2024.

Under this item, the Committee was invited to consider the points below, with the following decisions recorded for each:

- The Principal's Recommendations with respect to the SMG

The Committee had considered this matter earlier in the meeting and had approved a 2% pay increase for SMG members.

- The Convener of Court's Report on the performance of the Principal

The Committee accepted the report of the Convener of Court with regard to the Principal's performance and agreed the uplift of salary in line with the terms of his contract.

- Continuation of a matrix approach to professorial and senior professional staff remuneration

The Committee agreed to continue the matrix approach to benchmarking professorial and senior professional staff remuneration.

- The overall remuneration budget of 0.5% of salary bill for the purposes of senior staff remuneration.

The Committee agreed the proposed budget.

- The remuneration of the Convener of Court.

The item was dealt with after item 8. The Convener of Court left the meeting before this item was considered.

The Committee heard that in October 2017, Court had agreed a daily fee of £500 for the role of Convener of Court, plus reimbursement of reasonable expenses, up to a maximum of 50 days per year.

The Committee agreed that it would recommend to Court that the rate previously agreed by Court should apply for the current term of appointment, which ran to July 2020, and that it was not appropriate for the annual salary uplift paid to employees of the University to be applied to this daily fee. Parameters for remuneration of the Convener of Court from August 2020 would be agreed at a future date.

## **6 Recent Voluntary Severance Approvals and Salary Augmentation**

### *Voluntary Severance Approvals*

Since the last meeting of the Committee on 27 April 2018, 18 severance packages had been approved within the standard terms of the University's Voluntary Severance Scheme. The split by College was as follows: MVLS 1; Science and Engineering 3; Social Science 1; and University Services 13. The total cost of the package was £343,640.21 with an average payback period of 5 months.

Whenever voluntary severance proposals departed from the standard terms approved by Court; or exceeded £100,000; or involved a member of SMG, the matter was referred to Remuneration Committee for decision. There had been no such cases since the last meeting of the Committee.

### *Salary Augmentation*

In 2016, Remuneration Committee had agreed that the University should provide an opportunity for high earning staff who withdraw from their occupational pension scheme to apply to receive a salary enhancement in lieu of pension contribution. It had been agreed that applications would be considered by the Principal, Senior Vice-Principal and Chief Operating Officer/University Secretary, and that Remuneration Committee should routinely receive a report on the number of applications approved. Since the last meeting in April, 2 such requests for salary augmentation had been approved.

## **7. Contractual Changes**

Changes relating to SMG staff contracts were noted as follows:

2 extensions of office	Extended to
Professor Frank Coton	31.12.21

Professor Miles Padgett 31.12.20

4 end of office	End Date
Professor John Briggs	31.07.18 Retirement
Professor Jon Cooper	31.07.19
Professor Jim Conroy	31.12.18
Professor Anne Anderson	31.07.19 Retirement

4 new appointments	From – To Date
Professor Jill Morrison	01.08.18 - 31.07.22
Bonnie Dean	01.05.18 - 30.04.22
Christine Barr	01.04.18 – No current end date
Rachel Sandison	01.01.19 – No current end date

## **8. Expenses Report**

A summary of expenses incurred by SMG members over the course of academic year 2017-18 was noted. The Committee asked for clarification about what was included in the report, noting that it covered only out-of-pocket expenses claimed by SMG members. The Committee welcomed the information provided for the present meeting, agreeing that for the next report, travel expenses booked on behalf of SMG members for University business would also be included.

## **9. Any Other Business**

There was no other business

## **10 Date and time of next meeting**

The next meeting will be held in the spring of 2019. Date to be confirmed.