**University of Glasgow**

**Remuneration Committee**

**Minutes of the Remuneration Committee held on 31 May 2023 at 1000 via Zoom**

Present: Dr June Milligan (Convener), Kerry Christie, Dr Craig Daly, Rob Goward, Ronnie Mercer, Elizabeth Passey, Rinna Väre

Apologies: Professor Sir Anton Muscatelli,

Attending: Christine Barr, Dr David Duncan (not present for items 4.2 & 4.4), Amber Higgins (Clerk)

**1. Welcome and Introductions**

The Convener welcomed Members to the meeting and noted that in the absence of the Principal, Christine Barr would present his proposals relating to senior salaries. The Principal had spoken with the Convenor and Christine Barr last week to ensure that the broader context and his rationale were clearly understood.

**2. Notes from the meeting held on 14 November 2022**

The notes from the meeting held on 19 November were approved as an accurate record.

**3. Matters Arising**

No substantive matters were raised.

**4. Remuneration Committee - Interim Report**

The Director of People & OD introduced the report, advising that its format had been determined by CUC guidance and the Scottish Code of Good HE Governance.

*4.1 Current Operating Principles*

Christine Barr confirmed the Committee’s terms of reference; remit and membership~~.~~

*4.2 Senior Performance and Reward – SMG*

The Committee noted that the Principal had exceptionally sought approval at its last meeting to defer a number of proposed salary recommendations for members of the senior team (to the forthcoming meeting of the Committee).  Ordinarily, salary recommendations of this nature would have been considered at the November meeting of the Committee. However, these were postponed given the additional uplift applied across SMG at that time, and the need to benchmark against updated data from UCEA and Russell Group comparators. CB reported that the Committee were now asked to consider the Principal’s proposals for adjustments to the remuneration levels of those SMG members where review was merited in accordance with the remuneration principles and parameters agreed with Court and consistent with the relevant Russell Group market median comparative salary data for AY 2021-22.

The Committee agreed to approve the salary recommendations for:

* Deputy VC (External Engagement) & VP External Relations – (DVC - Level 2)
* VP Research & Impact (PVC - Level 2)
* VP Clerk of Senate (PVC - Level 2
* VP Economic Development & Innovation (PVC - Level 2)

During the discussion the Committee also noted a request to review two VP/HOC current remuneration levels and the context for the requests. The Committee felt that it would be beneficial to have further information in relation to the total costs of SMG salaries and the past trajectory for pay awards. It was also felt that it would be beneficial for the Committee to have sight of comparative salary breakdowns within the Colleges at the next meeting of the Committee in November.

It was also noted that the challenging context for retention when taken together with the recent improved relative performance of the University in UK and global league tables meant that it could be timely to consider whether the market median positioning for University of Glasgow salaries (at all grades) remained appropriate.

Having assessed all the information before the Committee it was agreed that a wider review of SMG pay should take place as usual at the November meeting of the Committee and that, in the meantime, the Principal would be given delegated authority to provide an interim uplift to the VP/HoC of Social Sciences, the level of which would be reported to the Committee.

*4.3 Rewarding Contribution*

The Committee noted the Rewarding Contribution scheme would be reintroduced for 2022-23.

*4.4 Employee Relations*

The Committee noted the economic challenges experienced across the UK and the wider economy which had been well-documented and which inevitably impacted upon the University at a local level resulting in the sustained industrial unrest that had been commonplace in recent years, culminating in the current Marking & Assessment boycott effective from 20 April 2023. CB noted that this it was highly regrettable that industrial action continued despite the University’s best efforts in having recognised the impact of the financial pressures on colleagues through the distinctive consolidated uplift payable across the University of Glasgow workforce in November 2022 which effectively resulted in a minimal uplift of 6% and up to 12.9% for lower paid colleagues, up to SCP 20 on our substantive pay spine. The University continues to work hard with Heads of Schools and Services to minimise the disruption from the marking and assessment boycott to the student body with a particular emphasis on PhD and Honours students and all students due to graduate this year.

CB reported that Committee approval was sought to award an interim uplift of 2% to SMG members payable in the June salary payment backdated to 1 February, consistent with the uplift awarded to the wider UoG community.  Consideration of the balance of the payment to be awarded was part of the national pay settlement for AY 2023-24 applicable from 1 August 2023 would be the subject of the Committee’s wider deliberations at its next meeting in November.

The Committee agreed that consideration of the interim uplift of 2% for SMG would be deferred until November 2023, so that the level of policy uplift appropriate for individual SMG members could be considered as is normal practice in the context of adjustments made in AY 2022-23.

*4.5 Market related premia*

The Committee noted that the retention and market related uplifts payable in the period of which there have been 24 in total since the last meeting in accordance with the University’s Retention & Market Supplement related policies.

*4.6 Clinical Academic Excellence & Innovation Award Scheme*

Following formal approval by Remuneration Committee in November 2020, it was noted that there had been four awards of £15,000 per annum since the scheme was introduced with the most recent awarded in August 2022.

*4.7 Vice Chancellors Remuneration – Current Landscape*

The Committee noted the data which outlined comparative UK VC salary benchmark data for the Russell Group University Mission Group and nationally across the 19 HEIs in Scotland. The data clearly demonstrated that the salary level of the Principal remained relatively well positioned in line with the University’s relative performance. The Committee also noted the highly competitive international global market and key comparator trends.

The Committee noted that this was important data to have cognisance of with respect to succession planning purposes in the coming years.

**5. Contractual Changes**

The Committee noted a number of forthcoming SMG contractual changes including one re-appointment.

**6. Expenses Report**

A summary of expenses incurred by SMG members over the period from 1 August 2022 to 31 January 2023 was noted. This information included travel expenses booked on behalf of SMG members for University business, in addition to expenses claimed directly by members.

It was noted that a low level of subsistence costs that had been submitted by some SMG members. The Committee agreed that it was important for colleagues to claim costs as these are incurred. It was agreed that Dr David Duncan would remind SMG members to in a timely manner submit expense claims in accordance with the University’s Expenses Policy.

**7. Salary Augmentation Approvals**

The Committee noted the recent pension tax changes implemented by the Westminster government following the spring budget announcement effective from 6 April 2023. The changes announced reflected a number of adjustments to pension taxation rules and regulations that impacted on the operation of the University’s Salary Augmentation Policy and in particular, on those colleagues who had opted out of their pension scheme provision.

These changes were:

* the removal of the Lifetime Allowance (LTA) charge in advance of its abolishment from April 2024;
* an increase in the Annual Allowance (AA) from £40,000 to £60,000;
* any tax-free lump sum payable would be capped at a maximum of £268,275 (25% of the current LTA) and frozen thereafter, unless those affected had protection for a higher amount;
* any lump sum payable above the capped value would be taxed at the marginal rate in the same way as any pension in payment, rather than at the LTA charge level of 55%.

The removal of the Lifetime Allowance charge was of particular relevance given the implications of its removal in relation to the USS pension scheme.  Further, the current Lifetime Allowance cap of c£1.07m would be abolished from April 2024.

The University’s Salary Augmentation Policy in lieu of pension contribution was introduced in 2016 for those in scope having reached the LTA, and therefore subject to LTA tax charges. The current salary in lieu of pension contribution policy enabled colleagues in scope choice to remain members of the USS pension scheme, to pay a contribution for Death in Service and ill-health benefits but to cease accrual of their pension benefit. Consequently, the removal of the LTA charge had direct implications on the University’s policy as the underlying eligibility criteria were no longer applicable.  It was therefore prudent to suspend the policy to new applicants given that the eligibility criteria no longer applied.

The Committee noted that currently 25 colleagues were part of the salary augmentation arrangements when the LTA was abolished having previously sought enhanced opt-out membership of USS given the previous tax implications, having exceeded the lifetime allowance. It was reported that those currently benefitting from these arrangements may choose to retain them or alternatively to opt back into their pension scheme.

The Committee noted that colleagues in receipt of salary augmentation payment had been notified of these pension tax changes and had been advised to review their future pension provisions, and associated retirement plans.  Staff in scope had been encouraged to seek appropriate IFA advice with regards to their options and to institute any further action that they may wish to take.

It was reported that no colleagues had yet opted to re-join their relevant pension scheme and that the Committee would be kept appraised if that occurred. The Committee agreed the policy to suspend the Salary Augmentation in lieu of Pension Contribution Scheme to new entrants.

**8. Recent Voluntary Severance Approvals**

Since the last meeting of the Committee on 19 November 2022, 3 severance packages had been approved within the standard terms of the University’s Voluntary Severance Scheme. The split was as follows: Social Sciences 2 and University Services 1at a total cost of £58,744 with an average payback period of 5.01 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.

**9. Any Other Business**

*9.1 Chair of Remuneration Committee*

The Committee noted that this would be June Milligan’s last meeting as Chair and Co-opted Member of Court as she would be stepping down in October before the next meeting. DD noted that June had been a member of Court for 8 years, and a member of Remuneration Committee for 8 years. Over that time, she had made a substantial contribution to the University and was leaving the University in a significantly stronger position. The Committee thanked June warmly for her huge contribution and dedication to the University and wished her well for the future.

*9.2 Remuneration Committee remit*

The Committee noted that discussions would take place with the Nominations Committee in relation to a new Chair of the Committee. The Committee agreed that the Vice-Chair would be added to the Remit of the Committee.

*9.3 Political Appointments*

The Committee agreed that the list of political appointments laid before the People and Organisational Development Committee would also be submitted to the Remuneration Committee on an annual basis.

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

The next meeting will be held on 16 November 2023.

**University of Glasgow**

**Remuneration Committee**

**Minutes of the Remuneration Committee held on 16 November 2023 at 1300 in person and via zoom**

Present: Kerry Christie (Convener), Rob Goward, Elizabeth Passey, Hailie Pentleton-Owens, Shan Saba, Gavin Stewart, Professor Bethan Wood

Apologies: None

Attending: Christine Barr, Dr David Duncan, Professor Sir Anton Muscatelli, Amber Higgins, Laura McCrimmon

**RC/2023/1. Welcome and Introductions**

The Convenor welcomed everyone to the meeting. Introductions were made to Hailie Pentleton-Owens, SRC President, Shan Saba, Lay member of Court, Professor Bethan Wood, Elected Academic member of staff and Gavin Stewart, Lay member of Court and Convener of Court-Elect who all joined the Remuneration Committee for the first time. It was noted that Christine Barr would arrange to meet with Hailie Pentleton-Owens.

**RC/2023/2. Notes from the meeting held on 31 May 2023**

The notes from the meeting held on 31 May 2023 were approved as an accurate record.

**RC/2023/3. Matters Arising**

It was noted that at the last meeting a query was raised about the total salary bill for SMG which was noted to be £2.2m.

It was also noted that information in relation to the past salary trajectory of SMG members would be circulated to the Committee for noting.

**RC/2023/4. Remuneration Committee Annual Report**

The Director of People & OD introduced the report, advising that its format had been determined by CUC guidance and the Scottish Code of Good HE Governance.

*Current Operating Principles*

Christine Barr confirmed the Committee’s terms of reference, remit and membership.

*Current Strategic Context and Institutional Performance*

Christine Barr summarised details of: current strategic challenges in the HE context including the risks associated with student and staff recruitment; institutional performance in the University’s financial sustainability and budgetary position; KPIs and league table performance; and data relating to employment expenditure and pay progression at the University.

The Committee also noted that the University had achieved strong performance in recent years but, this year, had experienced a significant downturn in international student numbers. It was noted that SMG and the Finance Committee were going to be discussing a number of mitigating steps along with various budget scenarios.

It was reported that the University had improved its position in the 2024 QS World Rankings and Times/Sunday Times Good University Guide had fallen slightly in the THE World rankings, the Guardian and the Complete University Guide. The University had been named Scottish University of the Year for 2024 by the Times/Sunday Times.

The Committee also noted the KPI report which showed broadly favourable trends over the past 3 years. Particular attention was paid to the Colleague Diversity KPI which showed YoY increases in both BAME and declared disabled indicators while Senior Women dipped slightly in AY 2022-23 and remained some way off the 2030 target of 50%.

CB reported that there was a continuing impasse at a national level with regard to meaningful collective discussion but that local efforts to address the erosion and elimination of pay points at the foot of the University’s substantive pay spine in addressing low pay was making positive progress.

CB also reported that a career progression/pathways plan was being drafted for Professional Services staff and would be launched shortly. A query was raised about research and teaching staff that had been in post before the launch of the Early Career Researchers scheme and it was reported that career progression for academic staff was being addressed.

*Remuneration Principles*

The Committee noted that P&DRs with the Principal and other senior managers had been completed. Discussions largely focussed on development and feedback in addition to evaluation of individual and collective performance objectives against KPIs for AY2022-23.

The Committee noted that further information in relation to the median, average and upper quartile for Zones 1-4 Grade 10 staff in Colleges would be circulated to the Committee for information.

A proposal to amend the Remuneration Principle in respect of Clause 3.1 was discussed. The Committee agreed to change this to read - *Remuneration levels are considered and reviewed against comparative RG benchmark within the range of the RG market median1 based on institutional performance and positioning each year, and where appropriate beyond this measure, consistent with the requisite skillset and experience consistent with the complexity, scale, and expectations of individual SMG roles.*

A proposal was also put forward to amend Clause 5.2 as follows - *Any cost of living increase applicable to the wider workforce will normally be payable to those on Grade 10 professorial and professional level and above irrespective of any other in-year uplift that maybe payable*.

The Committee also discussed the unremunerated benefits that staff members enjoy as a result of being at the University of Glasgow and it was agreed that in the future it would be beneficial for the Committee to have sight of these.

The Principal left the meeting.

*Senior Performance and Reward – Principal*

The Convener of Court, Elizabeth Passey, informed the Committee that she and the former Convener of the Remuneration Committee had conducted a review of the Principal's Performance in the form of a 360⁰ review, a PDR and key stakeholder feedback. The review was informed by an assessment of the Principal’s performance against agreed objectives and by feedback invited from all members of Court. The Principal continued to lead SMG and the University in an admirable way. It was noted that the feedback received consistently confirmed the effectiveness of the Principal’s leadership. He was always willing to listen to colleagues and members of Court and to seek guidance on how he could be more effective. The feedback acknowledged his initiative in tackling some challenging people related and cultural issues.

The Committee agreed with the proposal outlined by the Convener of Court at the meeting, that the Principal would receive a 5% pay uplift in line with the national pay award. CB reported the historic data for the Principal’s salary which was noted.

The Principal returned to the meeting.

David Duncan and Christine Barr left the meeting.

*Senior Performance and Reward – SMG (Principal’s Report)*

The Principal outlined SMG’s performance against the strategic objectives set last year, acknowledging that the NSS results had been disappointing at an institutional level but that the objective had been met in one College. The Principal reported that the University had continued to perform strongly despite the impact of geopolitics and inflation; this was a result of the combined contribution of SMG and colleagues across the University as a whole. The Principal reported that following recent appointments, SMG was moving forward as a strong team which embodied the culture and values of the University.

During the discussion the Committee noted the current and historic salary levels of SMG. It was agreed that SMG would be awarded the pay uplift of 5% consistent with that agreed nationally.

The Committee agreed a proposal from the Principal, that commensurate salary uplifts should be awarded to the VP Learning & Teaching, VP Clerk of Senate and the Executive Director of Finance.

The Committee approved salary uplifts for VP Heads of College for Science & Engineering and Social Sciences and also for the Executive Director of People and Organisational Development as outlined by the Principal.

During the discussion a query was raised about any external commitments and related pay awards to SMG members and the Principal reported he was not aware of any significant amounts paid to SMG. It was agreed that going forward any information on external commitments and related pay was noted in the papers to the Committee.

*Secretary’s note: Following the meeting, the Secretary confirmed that, as reported in the Conflicts of Interest forms, one member of SMG received remuneration of £15k p.a as a non-executive director of a technology incubator company.*

David Duncan and Christine Barr returned to the meeting.

*Senior Performance and Reward – Grade 10 Professorial and Professional Staff*

The Committee noted that Grade 10 (professorial and professional services) colleagues were not contractually entitled to receive national uplifts, but in line with the national pay uplift those engaged at Grade 10 had received a pay uplift equivalent to 5% in AY2022-23. It was also noted that the additional performance-related Rewarding Contribution element would be reintroduced for AY 2022-23.

**RC/2023/5. Contractual Changes**

The Committee noted two SMG contractual appointment changes. One contract was due to end in December 2024 and an executive search process for the successor had been commenced.

**RC/2023/5. Expenses Report**

A summary of expenses incurred by SMG members over the period from 1 February 2023 to 31 July 2023 was noted. This information included travel expenses booked on behalf of SMG members for University business, in addition to expenses claimed by members.

A query was raised about business travel in relation to the Glasgow Green Action Plan. It was agreed that this would be discussed at SMG and a biannual report would be put forward to SWG and then reported to Court to ensure that business travel was on a downward trend.

**RC/2023/7. Recent Voluntary Severance Approvals**

Since the last meeting of the Committee on 31 May 2023, 3 severance packages had been approved within the standard terms of the University’s Voluntary Severance Scheme. The split was as follows: Arts 0; MVLS 1; Science & Engineering 1; Social Sciences 0; and University Services 1. The total cost of these was £85,524, with an average payback period of 6.99 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.

**RC/2023/8. Salary Augmentation Scheme**

The Committee noted that there had been no new applicants to the scheme in the period since the last meeting of Remuneration Committee.

**RC/2023/9. Any Other Business**

No substantive matters were raised.

**RC/2023/9. Date and time of next meeting**

The next meeting of the Committee would be on 23 May 2024.