

University of Glasgow
Remuneration Committee

Minutes of the Remuneration Committee held on 11 November 2020 at 1000 via Zoom

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

Apologies: None

Attending: Christine Barr (absent for item 4 where it related to her own remuneration), Dr David Duncan (absent for item 4 where it related to his own remuneration) Professor Sir Anton Muscatelli (absent for item 4 where it related to his own remuneration), Amber Higgins (Clerk)

1. Welcome and Introductions

Members introduced themselves. It was noted that Christine Barr had met Liam Brady and Amber Higgins ahead of the meeting by way of preparatory briefing.

2. Notes from the meeting held on 22 November 2019

The notes from the meeting held on 22 November were approved as an accurate record. The Committee noted that due to the Covid-19 pandemic it had been agreed that the meeting that had been due to be held in May 2020 had been cancelled.

3. Matters Arising

3.1 Salary Augmentation Policy (Item 6)

Christine Barr reported that following further discussion it had been agreed that the Salary Augmentation Policy would be discussed at the next meeting in May 2021. The External Lay members of the Committee noted that it was industry standard to have a fixed allowance as a percentage of salary.

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4. Remuneration Committee Annual Report

It was noted that the Principal, Christine Barr and David Duncan would leave the meeting at the point when their own remuneration was to be discussed.

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

Current Strategic Context and Institutional Performance

Christine Barr summarised details of: the Committee's terms of reference, remit and membership, which it was noted included new member Liam Brady (SRC President as student member of the Committee); current strategic challenges in HE context including the risks associated with student and staff recruitment by the proposed post-Brexit immigration system; 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 report also outlined the current contextual background and wider economic impact of the Covid-19 pandemic, and in particular, its impact on the financial performance and longer term sustainability of the University. Covid-19 has demonstrated the extent to which HEI's are vulnerable and exposed to the impact of global events beyond their control and the inherent risk of relying on international tuition fee income in the short to medium term.

The ongoing financial performance of Universities remains subject to intense scrutiny with every institution undertaking detailed scenario planning in the light of COVID. The most significant risks outlined include; failure to achieve international student recruitment targets; reduction in commercial income; UK's imminent exit from the EU and its impact in terms of research and mobility; substantial increases in USS employer costs; changes to UK visa and immigration regulations; public spending cuts in teaching and/or research income and changes to UK research funding.

The Committee noted that the student intake for September had exceeded expectations both at Home/EU and international UG and PGT levels, currently tracking ahead of the central projection based on a range of best to worst case future scenario modelling from a funding perspective. The student experience mainly an online blended learning approach, with f2f teaching (circa. 9% of total provision) continuing on a restricted basis for some of the professional subject disciplines i.e. Vet Medicine, Dentistry, etc. for the purpose of ensuring fitness to practice.

Christine Barr also highlighted that the new World Changers strategic plan was due to be approved at the next Court meeting in November 2020, with the institution aiming to emerge from the crisis in as strong a position as possible.

Institutional performance data presented illustrated the University was performing well against the KPIs. The Committee noted that the Gender Equality (Senior Staff) KPI target of 33% by 2020 had been exceeded. It was noted that there was still progress to be made in relation to the Assessment and Feedback and UG Satisfaction KPIs.

The University had broadly performed well across the domestic league tables, with international leagues tables bringing mixed results for the University – dropping to 77th in QS and moving up to 92nd in THE.

The Committee noted that Staff expenditure as a proportion of total expenditure at an institutional level had increased to 58.4% (previously 54.9%) mainly as a result of headcount having increased by 8.9% (4.5% by fte) during the same period and a reduction in operating expenditure, mainly in research as a result of COVID. This trend was reported as appropriately aligned with the sector.

The Principal and David Duncan left the meeting.

Senior Performance and Reward – Remuneration Principles

Christine Barr outlined that the University's annual PDR process was suspended this year in the light of COVID. P&DR discussions with the Principal & members of SMG had taken place at the request of each reviewee rather than the reviewer/ line manager utilising a 'lighter touch' approach to the process in a similar fashion to that adopted across the wider workforce. Discussions had largely focussed on development and feedback rather than evaluation. Consequently, the Convenor of Court and the Principal would not make a recommendation with regards to a pay uplift for the Principal and SMG for AY 2019-20 given the constrained funding environment, consistent with the pay freeze across the HE sector. Further, it was reported to the Committee that the Principal

and most members of SMG had donated a proportion of their salary to the University this year by way of a gesture given the background outlined above.

Christine Barr left the meeting.

Senior Performance and Reward – Principal

The Convener of Court, Elizabeth Passey, informed the Committee that she and the Convener of the Remuneration Committee had conducted the Principal's Performance Review in the form of a light touch. The review was informed by an assessment of the Principal's performance against agreed objectives and by feedback invited from all members of Court. Ms Passey noted a strong focus had been given to the current context in which the Principal was operating.

The Committee accepted the report of the Convener of Court with regard to the Principal's performance.

The Principal returned to the meeting.

Senior Performance and Reward – SMG (Principal's Report)

With respect to SMG, the Principal outlined that following the outbreak of COVID the University had focused on initially delivering core teaching. The performance of SMG (both individually and as a team) in response to the pandemic, along with all staff had been outstanding. To reflect the significant shift in the HEI sector, 7 new SMG P&DR Team objectives had been set for AY 2020-21, the key elements focusing on financial sustainability; health and wellbeing of staff and students; maintaining and enhancing the student experience; restore non-COVID research; and looking for opportunities post COVID.

The Committee agreed that it supported the Principal's proposal that there would not be a pay uplift for SMG members this year given the current financial uncertainty.

Christine Barr and David Duncan returned to the meeting.

Senior Performance and Reward – Grade 10 Professorial and Professional Staff

Remuneration principles applying to Grade 10 Professorial and Professional Staff, and a summary of the proposed P&DR approach to these categories of staff in 2019/20, were noted. The Committee noted that, on an annual basis, Grade 10 remuneration levels were benchmarked against UCEA salary survey data to ensure the University maintained its competitive position in terms of policy and practice. The University continued to maintain its position against the market median.

The Committee noted as outlined above that there would not be any form of pay uplift recommended for Grade 10 Professorial and Professional Staff and approved that the sum normally budgeted for contribution be absorbed elsewhere for purposes other than senior staff remuneration.

Payments to Members of the Governing Body

The remuneration level for the Convenor of Court was for the period of September 2019 to August 2020 was noted. The Convenor of Court also reported that a donation of £500 was made to the COVID fund set up by the University.

5. Clinical Merit Award Scheme

Christine Barr outlined the MVLS Clinical Academic Excellence and Innovation Awards to the Committee. It was noted that until 2010 the NHS Scotland pay framework included the possibility of substantial clinical merit pay through the then Distinction Award scheme, to recognise excellence, funded by the NHS. This scheme was frozen to new entrants in 2010 without an alternative scheme in Scotland whilst other such award schemes remain available to both new and existing senior clinical academics in the other UK nations.

The Committee noted the retention related challenge for the University of senior clinical academics seeking alternative employment elsewhere given greater earnings potential elsewhere.

Christine Barr reported that in a small number of individual cases, supplementary payments had been agreed in accordance with the University's Market Supplement Pay Policy to secure the recruitment and retention of key individuals based on market-based rates. It was agreed however that such an approach was reactive and may lead to diversity related issues. The Committee agreed that the adoption of a more systematic approach provided the opportunity to recognise and reward strategically aligned excellence and secure long-term retention of senior clinical academics, broadly consistent with the zone based approach applicable to professorial staff.

The Committee were advised that it was the expectation that these awards, given the stringent criteria, would be extended and it would only be to relatively few members of staff. The Committee approved the MVLS Clinical Academic Excellence and Innovation Awards and the implementation of the new policy.

6. Recent Voluntary Severance Approvals

Voluntary Severance Approvals

Since the last meeting of the Committee on 2 November 2019, 59 severance packages had been approved within the standard terms of the University's Voluntary Severance Scheme. The split by College was as follows: Arts 1; MVLS 3; Science & Engineering 6; Social Sciences 5; and University Services 44. The total cost of the package was £1,544,853.50 with an average payback period of 8.33 months.

The Committee noted that a further 6 cases were approved within MVLS in accordance with MRC legacy terms and conditions to the value of £211,976.46, the costs of which had been absorbed by MRC.

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.

7. Salary Augmentation Policy

The Committee noted that since the last meeting in November 2019, two requests for Salary Augmentation had been approved.

8. Contractual Changes

The Committee noted a number of SMG contractual changes including one resignation, one temporary extension, one end of contract, three new appointments, and one temporary appointment.

9. Expenses Report

A summary of expenses incurred by SMG members over the period 1 August 2019 to 31 July 2020 was noted. The Committee noted that the details now included travel expenses booked on behalf of SMG members for University business, as well as expenses claimed.

10. Any Other Business

There was no other business

11. Date and time of next meeting

The next meeting will be held on 27 May 2021.