

## REMUNERATION COMMITTEE

2.30pm, Monday 23 Feb 2015 Cheviot Room, Basement, Charles Stewart House, 9-16 Chambers Street

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Attending: Lady S Rice (SR) (Convenor), Dr A Richards (AR) (by telephone), Dr C Masters (CM),

In Attendance: The Principal (TO'S) (to item 10) ,Ms S Smith (SS), Ms Z Lewandowski (ZL), Mr M Peggie (MP), Professor Kenny Miller (KM) (items 4 to 7 only)

Apologies: Mr Alan Johnston (AJ) (comments provided by email)

Item	Summary of Discussion	Action
1	<u>Welcome and Apologies</u> Apologies were noted for AJ (AJ provided written comments on papers to SR)	
2	<u>Minutes of Previous Meeting/ Matters Arising</u> <ul style="list-style-type: none"><li>The minute of the 17.11.14 meeting was approved.</li></ul> <u>Matters Arising not otherwise covered in the agenda</u> <ul style="list-style-type: none"><li>MP advised the proposal for minor enhancements to the retention framework forms had been taken forward and would be launched shortly.</li><li>MP advised that benchmark data has been gathered, analysed and is included in the papers.</li></ul>	
3	<u>Proposals for the reform of USS</u> ZL introduced this paper and provided an update to Remuneration Committee (RC) on the current proposals to reform the Universities Superannuation Scheme (USS) with particular focus on the changes to the proposal since the last meeting of RC, the cancellation of planned industrial action and the University's approach to member communication.  TO'S commended the Court Subgroup on USS reform for the contribution they have made to the process.  RC welcomed the update and thanked all involved for the positive engagement with this matter.	
4	<u>Pay Context and Grade 10 and Equivalent Staff Annual Salary Review</u>  MP introduced this paper and provided an overview of the local and national pay context and proposed the number of awards to be made available through the 2015 Grade 10 review process.	

	<p>TO'S confirmed his support of the proposed number of awards and advised of key themes that he wished Colleges to focus on in this year's review process: Rewarding excellence in learning and teaching, rewarding excellence in REF2014 and the Grade 10 gender pay gap.</p> <p>RC welcomed the paper. RC approved the level of awards and suggested consideration should be given to the use of one off lump sums rather than percentage increases to reward exceptional performance of those staff who were already on higher salaries. KM and TO'S were supportive of this proposal. TO's asked ZL and MP to take this forward.</p> <p>MP proposed providing direct briefing to Heads of College in advance of the 2015 Grade 10 review cycle to introduce key themes for this year's process, the salary benchmarks data and the use of awards. RC supported this proposal</p>	<p>Action :ZL/ MP</p> <p>Action : MP</p>
5	<p><u>Grade 10 and Equivalent Staff Equal Pay Audit Data 2014</u> MP introduced the paper and advised that despite ongoing work to improve gender pay equality the gender pay gap has grown in grade 10.</p> <p>RC welcomed the paper.</p> <p>In discussion the following points were made:</p> <ul style="list-style-type: none"> <li>• The current Grade 10 gender pay gap was disappointing but the approach taken to promotions and reward was punctilious.</li> <li>• The challenges seen in Edinburgh are also experienced in other Higher Education Institutions.</li> <li>• Starting salaries for externally appointed staff have had a substantial impact on the gender pay gap.</li> <li>• There was a gap in starting salaries between externally appointed male and female staff and the University Working Group on the Gender Pay Gap should be asked to examine this.</li> <li>• In recent promotions cycles the University's has successfully increased the proportion of female staff promoted into Grade 10. As newly promoted staff are placed near the bottom of the grade we now have a higher number of female staff in Grade 10 on lower salaries and this may be impacting on the gender pay gap.</li> </ul>	

	<ul style="list-style-type: none"> <li>• The University Working Group on the Gender Pay Gap should give consideration to performance data in its review.</li> <li>• Should the University adopt a “first principles” approach informed by benchmark data to determining starting salaries for professors?</li> <li>• The University may wish to focus its attention on appointing academic staff below Professorial level.</li> <li>• Consideration should be given to setting objectives for Heads of College on improving the gender pay gap.</li> <li>• The approach taken to the analysis of equal pay at the University of Edinburgh was exemplary.</li> <li>• It is important to keep in mind that a pay differential does not in itself imply inequality.</li> </ul>	
6	<p><u>University Working Group On the Gender Pay Gap</u> MP introduced the paper which provides an overview of the terms of reference and work to date of the working group.</p> <p>RC advised of their support of this group and asked for updates on its findings at future meetings of the Committee.</p>	
7	<p><u>Commentary of the Remuneration Committee Independent Observer on the Equal Pay Audit 2014</u> KM introduced his commentary paper. KM commented that the Grade 10 gender pay gap was disappointing but that he recognised the hard work and commitment of the University in addressing this matter.</p> <p>KM welcomed the establishment of the working group on the gender pay gap and wished them every success with their work.</p>	
KM left the meeting		
8	<p><u>Principal's Pay Recommendations for Senior Team</u> TO'S introduced his paper and advised Remuneration Committee that in line with practice in the 2014 process recommendations were presented with contextual data including internal comparators and external benchmarks. TO'S thanked MP for his support with this.</p> <p>TO'S advised that following the changes in line management arrangements of the senior team he had worked with the Senior Vice Principal and the Heads of College in preparing his proposals.</p>	

	<p>RC considered and approved all of TO'S recommendations with the exception of one case where RC recommended a higher level of award for a member of staff.</p> <p>(The University Secretary was not present for the consideration of her own salary)</p>	
9	<p><u>Update on Electronic Decisions</u> MP presented a paper summarising the decisions taken by RC by correspondence between meetings.</p> <p>RC welcomed the paper.</p>	
10	<p><u>Any Other Business</u></p>	
TO'S left the meeting		
11	<p><u>Principal's Plan and Remuneration</u> AR provided overview of TO'S performance informed by his annual review discussion and the 360 degree review exercise completed.</p> <p>AR noted that the Principal had not accepted a pay increase Since 2009 and proposed a 2% increase in line with the national JNCHES pay award</p> <p>This proposal was supported by RC.</p> <p>RC requested that ZL and MP review the options and implications for the application of this award.</p> <p>[Following the meeting there was consideration by email by RC of the application of the lump sum award of £15,000 included in the Principal's contract.</p> <p>In light of the Principal's ongoing achievements RC agreed this should be awarded to the Principal.</p> <p>The Principal was offered the contractual lump sum payment but chose to decline this award]</p>	Action: ZL/MP
12	<p><u>Date of Next Meeting</u> 24<sup>th</sup> August 2015 - 14.00-17.00, Location TBC</p>	