

# MINUTES

<b>Remuneration Committee</b>	
<b>Date</b>	Thursday, 14 February 2019
<b>Time</b>	4pm – 5.30pm
<b>Venue</b>	S303, Executive Boardroom, South Tower, Kedleston Road Campus

**Members**

Mr Neil Calvert, Vice-Chair of Governing Council (Chair)  
 Mrs Olivia Dean, Chair of Further Education Governance Committee  
 Mr James Eaglesfield, Staff Representative Governing Council  
 Mr Stephen Smith, Chair of Governing Council  
 Mr Stephen Taylor, Chair of Strategy, Finance and Planning Committee  
 Miss Abby Wilson, President Union of Students

**In Attendance**

Mrs June Hughes, University Secretary and Registrar  
 Professor Kathryn Mitchell, Vice-Chancellor  
 Mr John Parr Interim Director Human Resources

**1. Introductions, apologies for absence & late arrivals**

Apologies for absence had been received from Dr Ian Webster, Chair of the Audit and Risk Committee.

The Chair welcomed John Parr to his first meeting of the Committee as Interim Director HR. He had started in post on 14 January 2018.

**2. Declarations of interest**

There were no declarations of interest.

**3. Minutes of the previous meeting held on Thursday 4 October 2018**

**3.1 Accuracy and approval of redactions**

**Rem/19/1/3.1**

The full minutes of the meeting 4 October were approved without amendment.

A redacted version of the 4 October minutes were also agreed for submission to GC for final approval and release to publication.

**3.2 Matters Arising**

**Rem/19/1/3.2**

There were no matters arising.

**3.3 Any remaining business from the previous meeting**

**Rem/19/1/3.3**

Rem/18/3/4: It had been agreed to add both an Independent Governor and student representative to the People Strategy Advisory Groups. These appointments were actively being considered.

Rem/18/3/6: It was confirmed that the previous Interim HR Director, Mr Peter Mitchell, had notified all affected staff regarding the change to the 2017/18 bonus scheme and the intent to remove the scheme in the future.

#### 4. **Senior Staff Expenses**

**Rem/19/1/4**

Mrs Hughes introduced the paper which presented a summary of senior staff expenses (EVCE members) for quarter 1 2018/19. Public interest in staff expenses alongside value for money considerations and student fees meant that excessive levels of expenses would invite scrutiny by our regulator. This information would be published on the web, it was important the Committee received this detail to exercise governance oversight.

Members were grateful to receive this detail, the first time the Committee had been provided with the information and breakdown.

Professor Mitchell noted that not all members of EVCE were claiming all of their expenses incurred. To address this she would be reminding the team of the process through which to do this. Members queried the position on mileage versus fuel allowance for members of EVCE, if this was available and how it would be accounted for in the expenses schedule as presented. It was further agreed to expand this register to include Independent Governor expenses in future. The Chair noted the high value for one individual, a brief supporting commentary would have assisted in understanding the context for this as it related to overseas travel. This was noted for the next presentation to the Committee.

**Action: Clerk to Council/Finance and HR**

Ms Wilson asked about the policy on business class travel overseas. Professor Mitchell confirmed that business class travel is not permitted for trips to Europe. For further destinations, Business Class travel was permitted for those EVCE members presenting/undertaking meetings soon after arrival. Otherwise, Economy tickets are booked. Wherever possible air tickets should be purchased in advance to secure the best price, there had been a recent instance, where an original booking was cancelled and re-booked at the last minute incurring a higher cost. This had highlighted that arrangements needed to be tightened to avoid this situation.

Prof Mitchell confirmed that in terms of financial control the Head of Finance and Business Services approve the expense claims through the line management. The EVCE expenses had been collated by the Head of Financial Accounting.

The Chair concluded discussion on this item by acknowledging receipt of this information as a significant step forward, enabling the Committee to monitor expense levels. He looked forward to receiving regular reports at future meetings.

#### 5. **Register of External Engagement Activity**

**Rem/19/1/5**

Mrs Hughes introduced this report that compiled detail of external engagement for each EVCE member. The purpose of collating this data was to assemble intelligence on the representation and civic engagement we have as a senior team and to record any remuneration resulting from this.

Mrs Dean welcomed sight of this information and noted her surprise at the variability of engagement contained in the detail. Professor Mitchell was aware of several EVCE member engagement activity not reported in this summary. It was agreed that a further communication with EVCE to ensure full capture would be actioned.

**Action: Clerk to Council/VC**

The Chair thanked the Clerk for presenting this detail for the first time. It highlighted that EVCE would benefit from further guidance on what to include. It was not the intention to deter EVCE from engaging in remunerated work.

Mr Smith also noted the non-financial civic benefits of encouraging all staff to consider e.g. School governor roles, as part of the people reward and recognition strategy.

**6. CUC Salary Survey**

**Rem/19/1/6**

Mrs Hughes reported that the completed annual VC salary survey had been submitted to CUC. The Chair, Vice Chair and Vice Chancellor had reviewed the detail prior to submission.

**7. CIPD Report on Remuneration Committee Reform**

**Rem/19/1/7**

Mr Parr, interim HR Director, summarised the recommendations made in the CIPD report. The report considered the reform of Remuneration Committees. In general, terms Executive pay had outstripped general pay across sectors. The report addressed certain myths and set out some recommendations for all Remuneration Committees to consider. Members considered that remuneration developments at the University were in tune with the spirit of these recommendations, with the next step being the review and development of reward and recognition strategy and policy. The People Strategy Advisory Group (PSAG) had been established to steer this work. Mr Parr queried the inclusion of Trade Union membership on this group which he felt constrained the discussion and work of the group. It was agreed to review the terms of reference and membership of PSAG.

**Action: Interim HR Director**

Considering each of the four recommendations of the CIPD Report the Committee agreed that:

1. We wished to maintain the current focus of the Remuneration Committee. The terms of reference had recently been updated to ensure full alignment with the CUC Remuneration Code.
2. The Interim HR Director was asked to consider how this aligned with our work on people and culture as we develop our broader reward and recognition policies.
3. This would be addressed as part of the overall Reward Strategy.
4. Members supported the HR Director and Director of Corporate Planning and Performance as co-chairs of PSAG.

**8. Managing and Rewarding Performance: Key Principles**

**Rem/19/1/8**

Mr John Parr, interim HR Director led the report on this item. PSAG had received a discussion paper from the previous interim HR Director, Mr Peter Mitchell, which looked at each element of a reward and recognition strategy. Mr Parr voiced his scepticism regarding this piece of work as it lacked a framework of principles agreed by VCE to guide the developments. Mr Parr asserted that the role of HR was to develop policies and procedure aligned to direction not to determine the direction. One key element for consideration was a refresh of the DPR system, with a suggestion for one off payments based on merit. Mr Parr was not supportive of incentive or bonus payments, particularly for academics who were not motivated by modest sums of money.

Professor Mitchell confirmed that she had provided the previous interim HR Director with some principles upon which to build the discussion paper. She was keen that staff had the opportunity to air their views through this process. Previous staff surveys had indicated a dissatisfaction with the operation of DPRs so we must review and adapt and include staff in the design. The paper was intended to spark debate and get concerns and issues out in the open.

Mr Smith suggested that whatever scheme we use it should be designed to build a high performance culture. New thinking suggests longer-term incentive plans up to 3 years, focussed on building performance geared toward longer-term targets. Many organisations no longer undertake traditional appraisals; it would be helpful to consider other models within and beyond the sector to find leading edge examples.

The Chair highlighted the particular urgency related to the leadership bonus scheme affecting c120 staff. The Committee had limited non-consolidated payments to a maximum of 5%, dependent on personal and University performance for 2017/18, with notice that this scheme would be removed/replaced for 2018/19. The Committee needed to consider proposals regarding this at its April meeting to enable any new arrangement to be implemented in time for the 2018/19 pay round. In the absence of this, the Committee will need an interim solution for 2018/19 in order to consider and then advise relevant staff of the outcome.

**Action: Interim HR Director**

Professor Mitchell reported the Equality, Diversity and Inclusion strategy was ahead of schedule. There was a concern around the gender pay gap and female professors. EVCE would be looking for the People Strategy to encompass reward for all staff academic and professional.

Mr Parr was seeking a steer from VCE on this work, the Vice Chancellor noted that she was not expecting to lead this work but would input to shape emerging proposals.

In summary, the Chair remained concerned at the lack of progress in the short term to develop an alternative to the bonus scheme for c120 leadership staff. He was therefore seeking headline proposals for the interim period at the next meeting whilst we build a reward strategy, which encompasses all for the medium to longer term.

**Action: Interim HR Director**

**9. Any other business**

**Rem/19/1/9**

There were no other items of business.

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

Friday 12 April 2019 – at the Chesterfield Campus  
Friday 5 July 2019

Signed: \_\_\_\_\_

**Neil Calvert, Chair of Remuneration Committee**

Date: \_\_\_\_\_