

**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 Convener 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 apprised 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 1 at 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.