

The Development of the HE Senior Staff Remuneration Code

6 June 2018

Introduction

Following the decision of its October Plenary, the CUC has been developing a Senior Staff Remuneration Code. This paper sets out the development of that Code.

Initial Preparations

An initial draft was developed by the Secretariat, and this was then shared with a sector Technical Group consisting of representatives from AHUA, UHR and UCEA. A revised draft was then developed, and this was circulated to those CUC members who volunteered to assist in the drafting of the Remuneration Code. Their comments on the draft were reviewed and a consultation draft was prepared which was issued on 9 January. Anyone with an interest in HE was invited to comment, and the consultation closed on 12 March. We received 89 responses, containing the answers to the specific questions posed, together with nearly 200,000 words of detailed comment. All these responses have been reviewed by the Executive Secretary, and a further revised draft developed.

Results of the consultation

Of the 89 responses, 74 were from CUC members or their institutions, 2 were from Student Unions, 5 from individuals, 3 from private firms, 1 from a trade union, 3 from representative groups or trade bodies and 1 from a government body.

Overall the responses were very positive, for example answers to three of the key questions were

I believe that this code will help to improve public confidence in the role of remuneration committees in HE.

Strongly Agree	Agree	Disagree Strongly	Disagree	No Opinion
15%	66%	8%	1%	10%

The overall approach set out in the guidance is reasonable.

Strongly Agree	Agree	Disagree Strongly	Disagree	No Opinion
20%	72%	5%	2%	1%

These proposals will lead to more transparent explanations of senior post holder remuneration being provided to the public.

Strongly Agree	Agree	Disagree	Strongly Disagree	No Opinion
20%	67%	9%	0	4%

The review of the detailed comments was more complex, with several specific technical points, some conflicting opinions and some misunderstandings. However, some key messages did emerge, namely

- there was a consensus that the draft Code was too long
- the Scottish institutions made it clear that whilst they supported the principles of the Remuneration Code and the need for transparency, they would continue to work to the Scottish Code alone
- there were mixed views as to whether CUC should define what constituted a senior post holder.

Revisions

In the light of the consultation, a revised draft was prepared. This revised draft meant the document was reduced from 17 pages to 5, and other elements will be published separately; the primacy of the Scottish Code has been described, although it is left open to individual Scottish institutions to use elements of this Code if they wish; and the draft now states that in England the Office for Students (OfS) intends to define in their Accounts Direction what a senior post holder is, but for the devolved administrations, it is left open to institutions to define this group.

We have discussed this draft with the Technical Group and subject to a few minor textual amendments and clarifications, they are content. Both OfS and the Department for Education (DfE) have been briefed on a regular basis on the development of these drafts and to date they have been positive about the direction of travel.

We have also discussed the draft Code with the Association of Colleges and representatives of the alternative providers sector. They were positive about the introduction of the Remuneration Code and are minded to work with the CUC in developing some form of guidance for their institutions, on how these principles might translate and be applied in those environments.

Final Steps

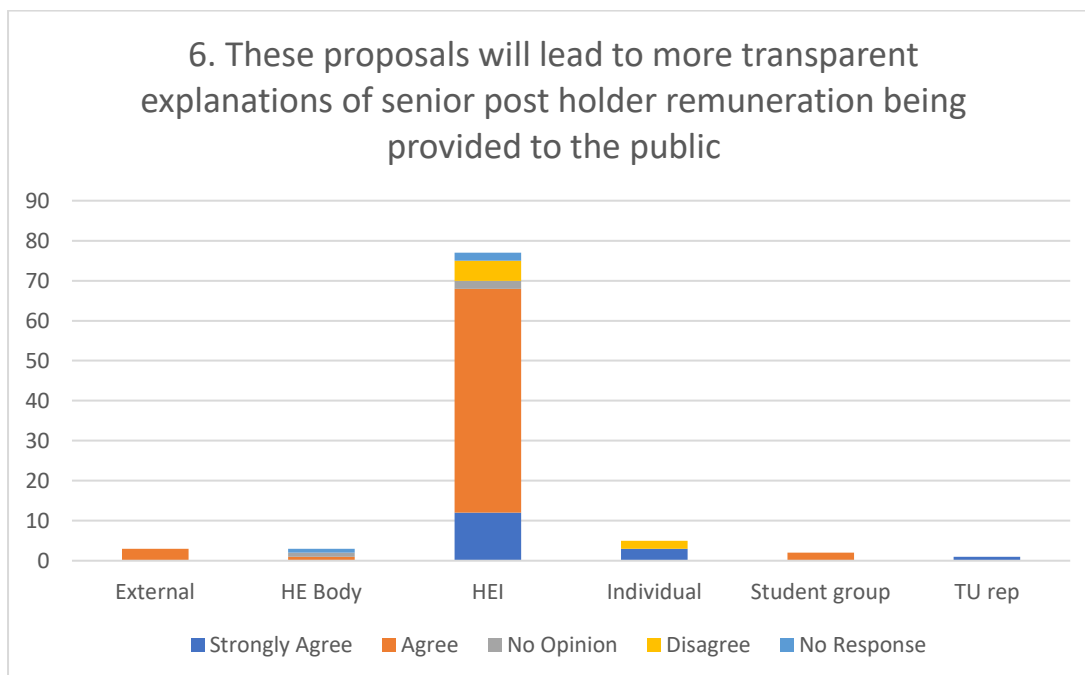
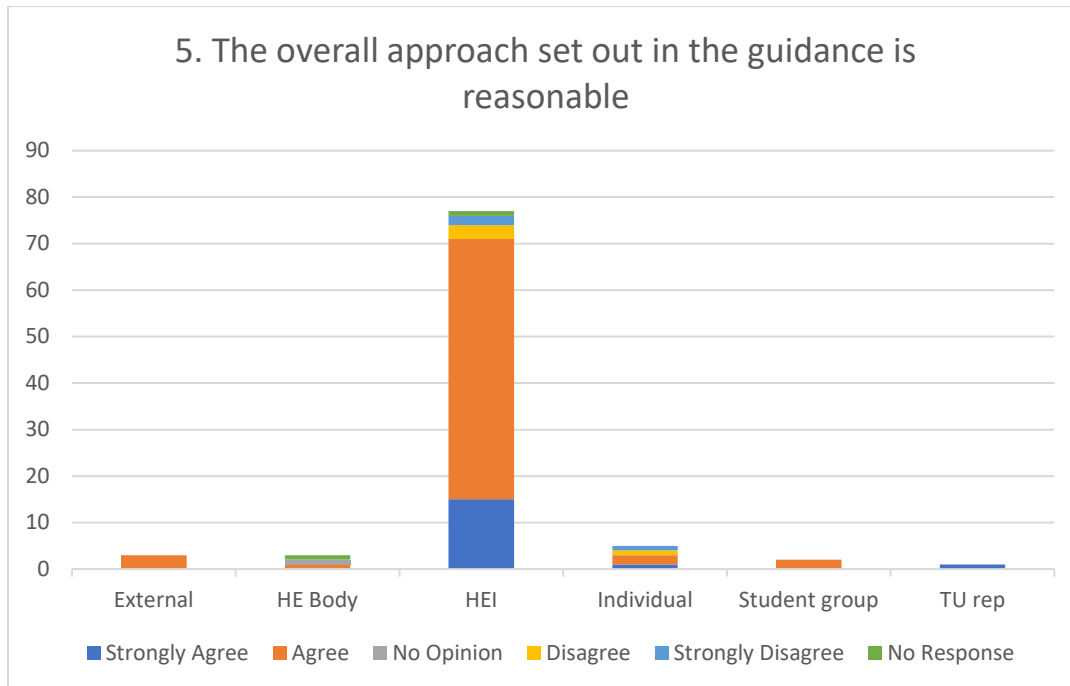
The draft Code was discussed at the April 2018 Plenary business session, at which members had the opportunity to feed back their final comments. Members were broadly content, although there were some specific points made about the need to emphasise the importance of monitoring pay gaps and for the CUC to produce annual information in the public domain.

The members are determined to see that this Code makes a difference, and agreed that at the end of the next financial year, the CUC will commission an independent review of this Code to assess its impact.

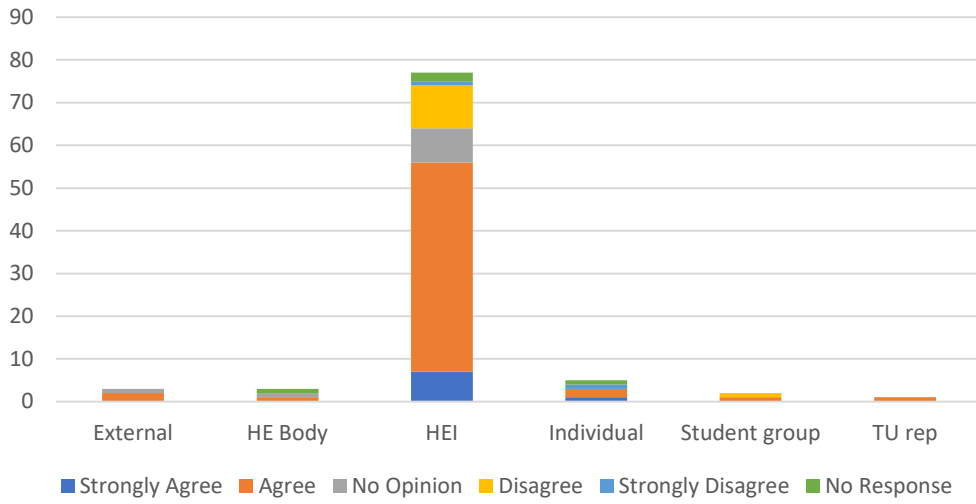
After final revisions, the publication version was agreed on 1 June and published on 6 June 2018.

Annex 1

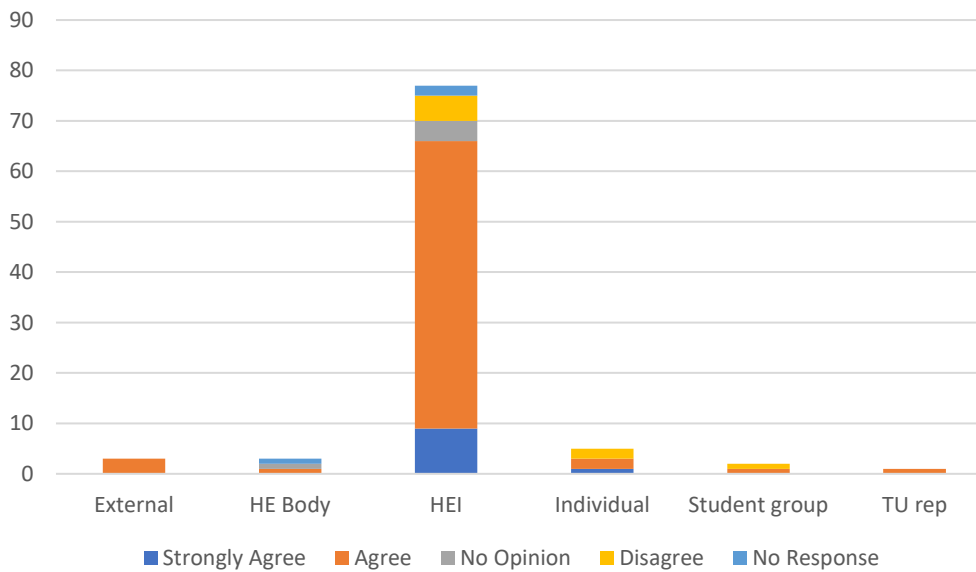
Results of Quantitative Questions



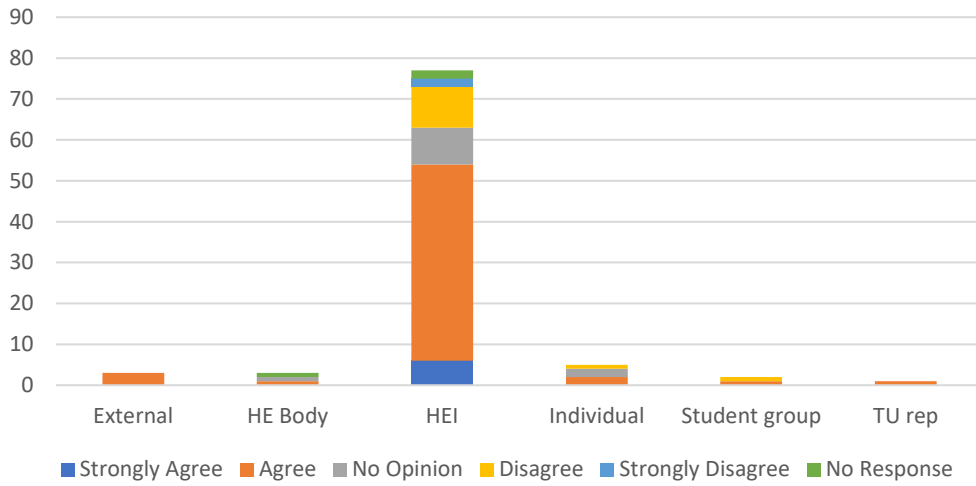
Q7. These proposals will improve the linkage between the remuneration of senior post holders and other staff within institutions



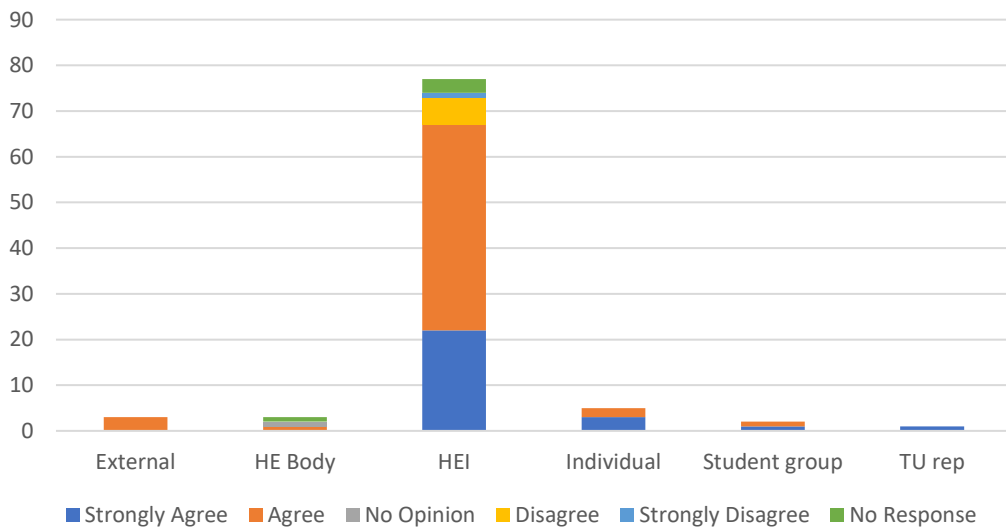
8. These proposals will improve the governance of senior post holder remuneration



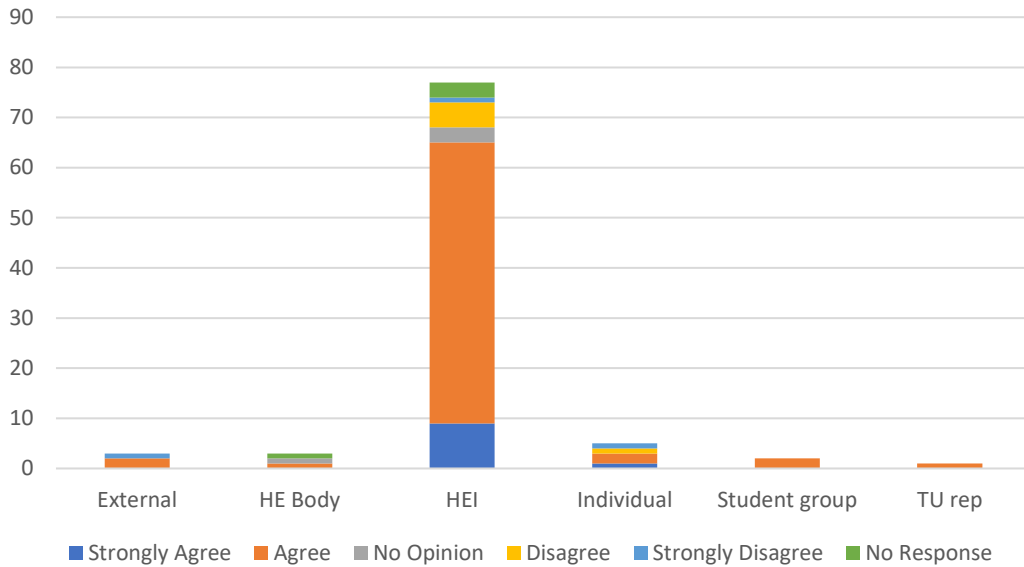
9. This guidance will assist institutions in demonstrating the value for money secured from the funds at their disposal



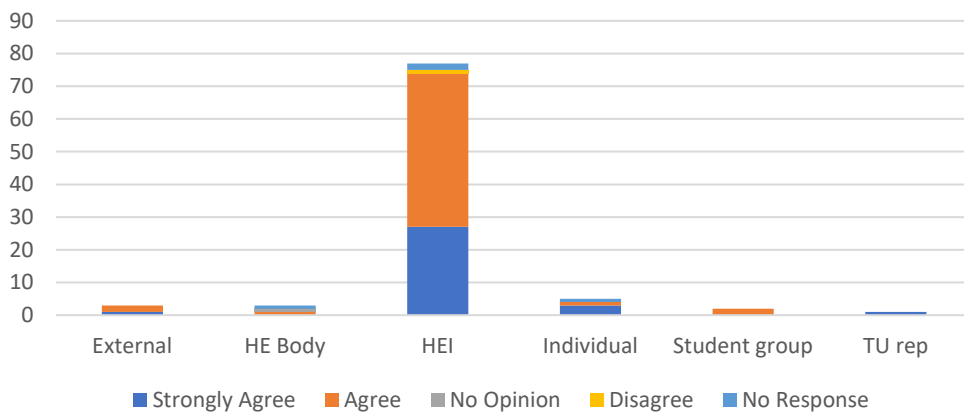
10. This code makes it clear that it is independent members of the governing body who are accountable for the remuneration of senior post holders



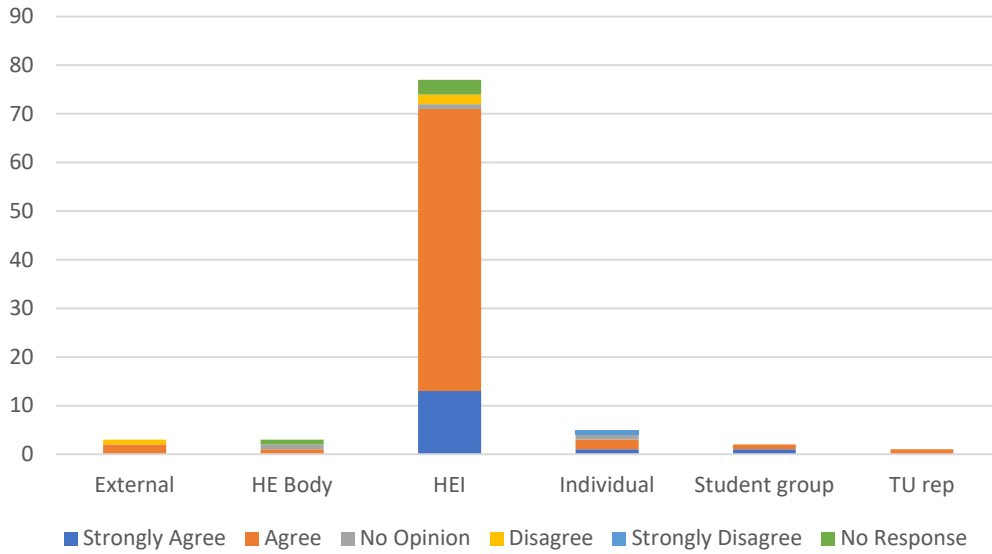
11. The preamble gives sufficient context to ensure that those reading the code understand the nature of the task in determining remuneration within HE



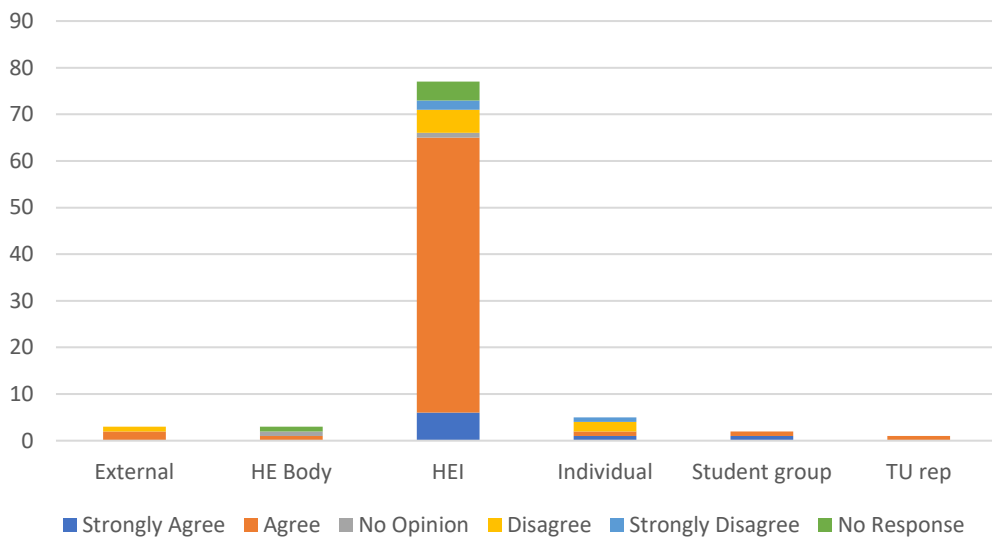
12. The code uses the notion of 3 elements required for fair and appropriate remuneration - a fair and appropriate level; procedural fairness; and transparency and accountability. Do you agree with these?



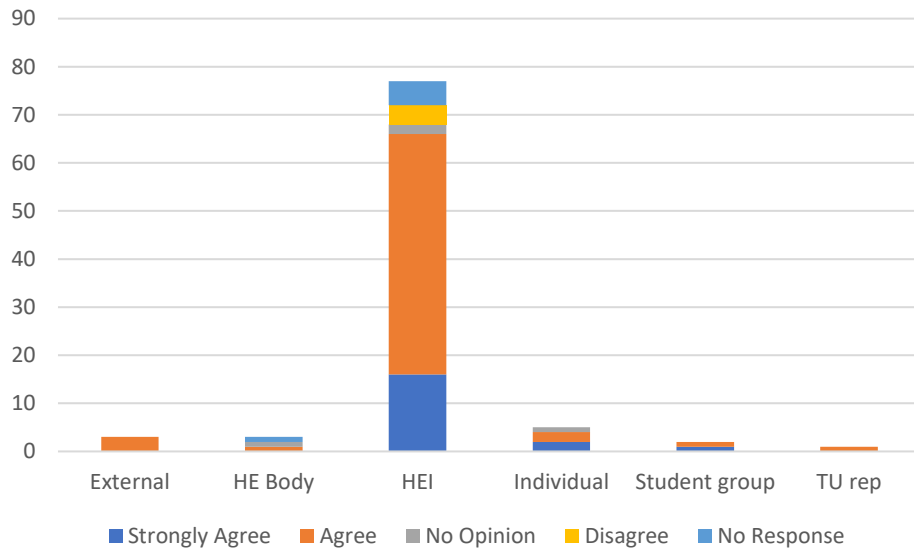
14. Element 1 is a reasonable statement of what a fair and appropriate level might mean



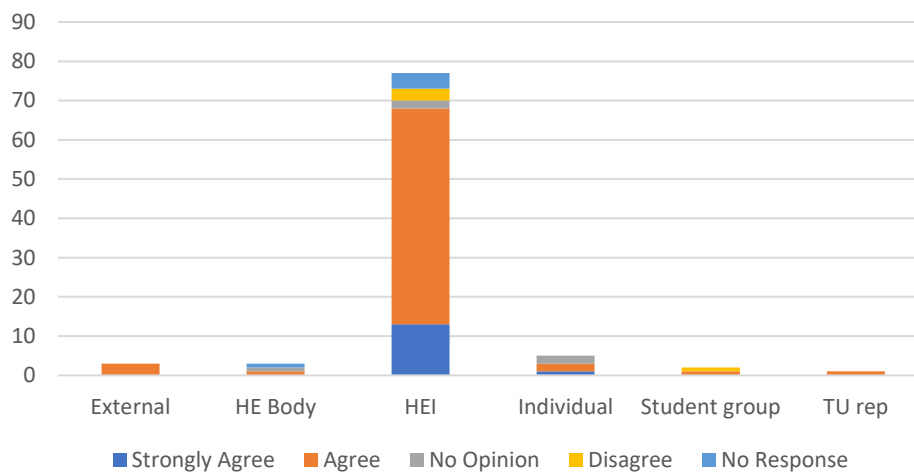
15. The set of principles that underpin Element 1 are reasonable



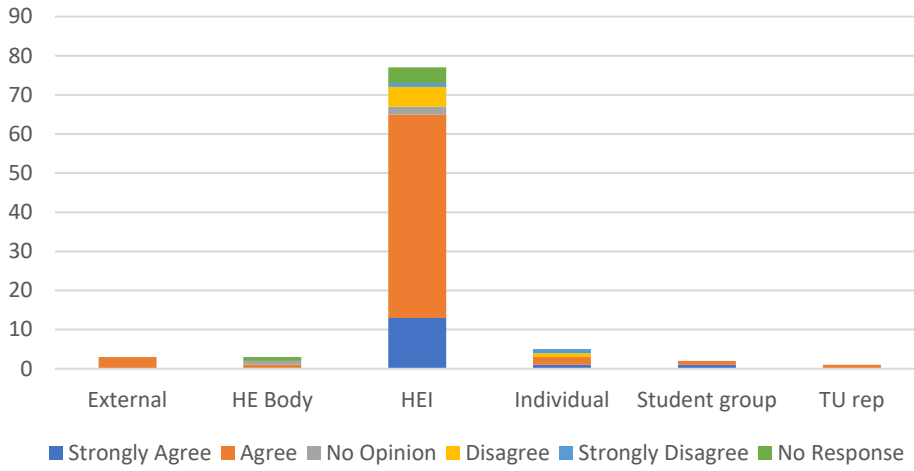
16. Element 2 is a reasonable statement of what procedural fairness might mean



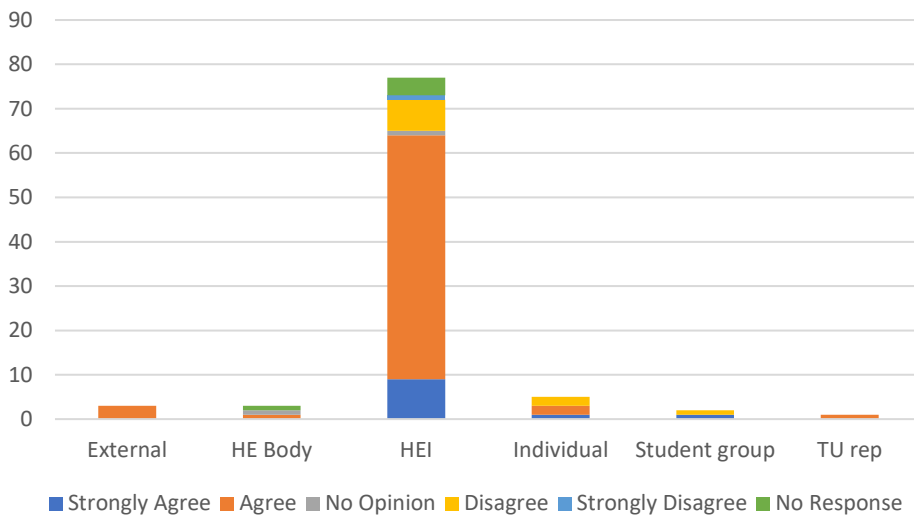
17. The set of principles that underpin Element 2 are reasonable



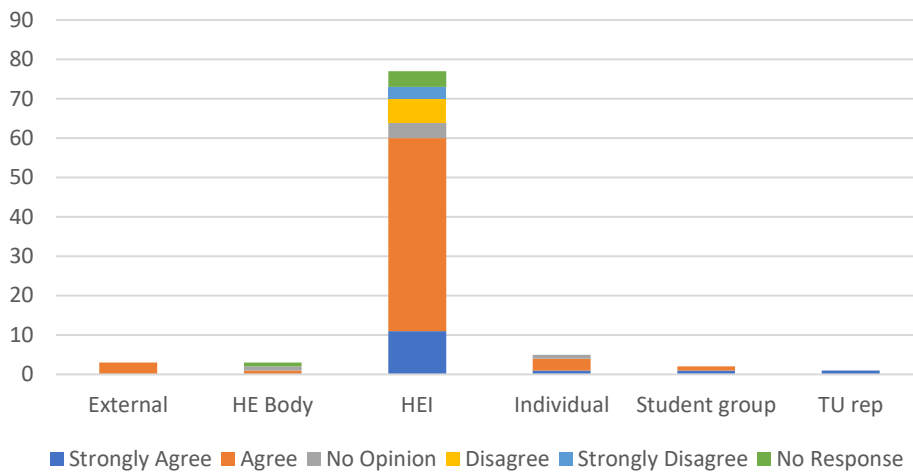
18. Element 3 is a reasonable statement of what transparency and accountability might mean



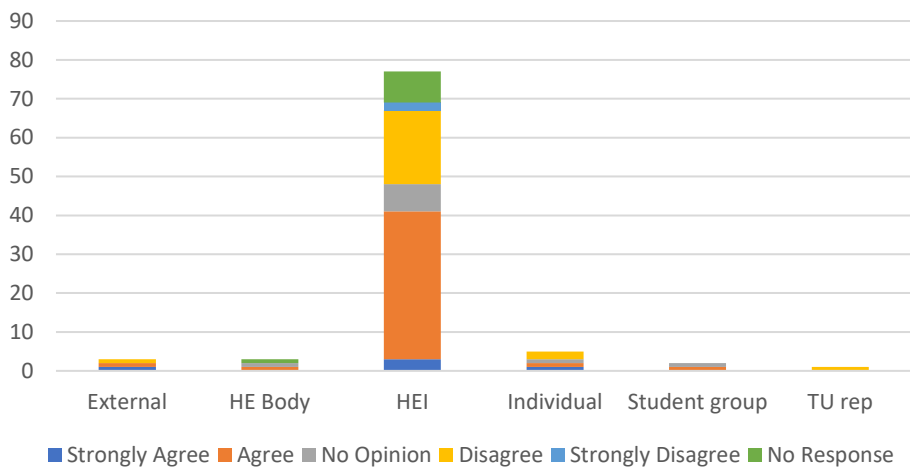
19. The set of principles that underpin Element 3 are reasonable



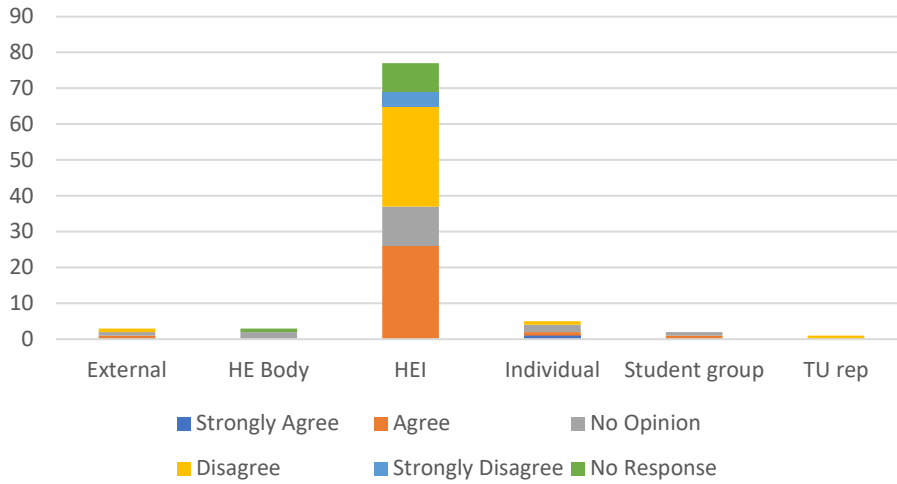
20. The explanatory notes are useful



21. There are some explanatory notes that are problematic



22. There are principles that need further explanatory comment



23. I believe that this code will help to improve public confidence in the role of remuneration committees in HE

