

Draft Minutes of the Senior Postholders Remuneration Committee

Tuesday 25 October 2011 at 3.30pm

Present: Maggie Semple (Chair)
David Longbottom
Anne Montgomery

In attendance: Martin Earwicker, Vice Chancellor
Katie Boyce, Director of Human Resources

1. Apologies

Apologies were received from Sarah Mullally.

2. Minutes of the meeting held on 28 February 2011

The Committee approved the minutes of the meeting held on 28 February 2011.

3. Matters Arising

The Committee referred to item 3. At the meeting on 25 October 2010 the Committee had agreed to a three phased increase in Dr Phil Cardew's salary subject to sustained performance in his role as recommended by the Vice Chancellor. Accordingly Dr Cardew's salary was increased to £110,000 from 1 September 2010 and then again on 1 March 2011 to £115,000 per annum. The third increase was recommended by the Vice Chancellor in his paper RC11.06 to today's meeting. The Committee agreed the third and final phased increase of Dr Cardew's salary to £120,000 from 1 September 2011.

4. To note changes to the Vice Chancellor's pension arrangements – Paper RC11.02

The Committee had agreed the changes to the Vice Chancellor's pension arrangements and pay in June 2011; the Committee formally noted these changes as detailed in paper RC11.02.

5. Assessment of Senior Postholders pay award for the period 1 August 2011 to 31 July 2012 – Paper RC.11.04

The Committee noted that the pay freeze which had been in place since 1 August 2009 had applied to senior postholders at that time. Since then the annual salaries for senior postholders have either remained the same or increased; for those in post in August 2009 the two salaries which had increased were for Professor Martin Earwicker and Dr Phil Cardew. The Committee noted paper RC11.03 and also took account of the information presented to the Committee from the UCEA survey of salaries of Heads of Institution, Senior and Middle Staff in UK Higher Education 2010. This indicated that for all salaries LSBU senior postholders were generally in the upper quartile and upper decile of pay levels.

The Committee were also mindful of the message given to all other staff in respect of salary increases to senior staff given their need to lead on the corporate message of financial sustainability and the significant impact any salary increases have on the institution's expenditure.

The Committee took note of the points made to the Vice Chancellor by the Executive Director of Finance in respect of comparisons with private sector roles; the committee did not think this comparison relevant at this stage.

Taking all of this into account the Committee agreed that the same pay award be applied to all senior postholders as had been applied to all other staff i.e.

- 0.5% backdated to 1 August 2009
- 0.4% backdated to 1 August 2010
- 0.3% from 1 August 2011 (this equated to the £150 per spine point per annum awarded to JNCHES staff)

6. Assessment for Senior Postholders bonuses for the financial year 1 August 2010 to July 2011

The Committee noted the Vice Chancellor's detailed assessment of performance against objectives for all senior postholders as outlined in his paper and his recommendation for bonuses as outlined in paper RC11.04. The Committee discussed this paper at length and agreed with the Vice Chancellor's recommendation as follows:

- James Stevenson – 3% out of a possible 10%, giving a bonus of £2,572

- Bev Jullien – 3% out of a possible 10%, giving a bonus of £4,518
- Phil Cardew – 6% out of a possible 10%, giving a bonus of £6,030
- Richard Flatman – 5% out of a possible 10%, giving a bonus of £6,180

All bonuses are based on salaries as at 1 August 2010 those salaries having been adjusted by the backdated pay uplifts outlined in item 5 as appropriate.

7. Senior Postholders bonus criteria for financial year 1 August 2011 to 31 July 2012

A) The Committee discussed the criteria proposed by the Vice Chancellor and these were agreed as follows:

i. James Stevenson

1. Implement conclusions from board effectiveness review of 2010 and lead on any future review in 2011/12.
2. Ensure the successful implementation of the “university court” and “educational character” sub-committee of the board.
3. implement changes to LSBU’s memorandum and articles of association to ensure fitness for purpose in 21st century and legal compliance.
4. implement a university-wide contract authorisation process to ensure that the university’s contracts carry the prior authority of the Board.
5. develop a new strategy for legal services that improves cost effectiveness.
6. Ensure that the legal and governance aspects of establishing a subsidiary company/s are fully understood and solutions identified to overcome barriers to such a development that protects the University’s interests.
7. Ensure that the Students’ Union’s new constitution complies with legislation and protects the University’s position.

8. Ensure there is an effective procedure for student complaints, including regular analysis of complaints by type to enable the data to be used to inform policy.

ii. Bev Jullien

1. To ensure the University meets its UG recruitment targets for 2012/13.
2. To ensure the University meets its PG recruitment targets for 2012/13.
3. To ensure the University meets its International recruitment targets for 2012/13.
4. To ensure the University meets its enterprise income targets for 2012/13.
5. To ensure that the University meets its employability target 90% FTUG.
6. To implement the “enterprising university” strategy
7. To ensure the University maximises its position in the league tables by ensuring that we use the correct data and do not miss opportunities to reflect our good performance.

iii. Phil Cardew

1. To ensure that the average 1st year progression exceeds 60% across all courses for 2011/12.
2. Ensure that timely success rates exceed 50% for 2011/12.
3. To deliver an improvement in NSS student satisfaction to a level greater than 85% for 2011/12.
4. To ensure the new Registrar delivers a registry that is effective in ensuring high data standards for all data, excepting finance data which falls to the Director of Finance. To review effectiveness of our data systems, including all student related data and timetable, and implement improvements to ensure they are fit for purpose, reliable, accurate, timely and useable to staff and students and external agencies. To ensure data feeding into league tables correctly represents the University’s performance.

5. Ensure the new students' centre is open on time and within budget and meets the needs of the University in time for the enrolment and orientation session for 2012/13.
6. Ensure that the University is able to maximise opportunities for growth in part-time student numbers by enabling effective flexible study within undergraduate programmes, supporting a growth in undergraduate student numbers of 20% in 2012/13.
7. To ensure that the choice and implementation of the new VLE fully meets the needs of the academic staff and students and is delivered within budget and with minimum disruption.

iv. Richard Flatman

1. Tight control of finances and enhanced culture of financial awareness.
 - Surplus in line with budget £1.4m before exceptionals
 - Continued greater delegation to department level, including enhanced reporting at department level to mirror planned organisational structure changes
 - Regular communication of financial performance and challenges.
2. Respond to the current financial uncertainty through:
 - Continued regular development of robust financial forecasts/models which demonstrate a clear path to future financial sustainability
 - Financial data to support ongoing decisions on pricing in the new fees landscape
 - Deliver £4.7m efficiencies as included in the financial forecasts
3. Continue the process of delivering change in the Finance Department. Review, plan and implement change as required to the Financial Control team including:
 - New structure as required, removing any remaining duplicate finance posts across the University
 - Implementation of the agreed optimal payroll solution
 - Further streamlining of systems/processes as required
 - Improved cashflow reporting.
4. Enhance financial planning and reporting systems including:
 - Integrated I&E, balance sheet and cashflow, and
 - Effective tracking and approval processes for new capital and revenue investment/business cases.

5. Delivering the new corporate procurement strategy including:
 - Identify cashable savings of £1m in 2011/12
 - Mandated use of reliable corporate contracts
 - Regular reporting of procurement progress at Executive and departmental level.
6. Review and analyse options for future delivery /structure of ICT services following departure of the current Director of ICT. Implement optimal solution as agreed.

B) The Vice Chancellor withdrew from the meeting and the Committee discussed his bonus for 2010/11 and criteria for 2011/12 assessment as outlined in B (i) and B (ii) below.

B (i) Assessment for 2010/11

The Committee discussed the Vice Chancellor's self assessment of his performance as outlined in paper RC11.04. The Chair confirmed that he had discussed this with the Vice Chancellor.

The Committee noted the considerable progress made in delivery of the corporate plan, the clear direction set for the University and its strong financial position.

The Committee agreed an award of 7.5% out of a possible 10%, giving a bonus of £14,307.

B (ii) Bonus criteria for 2011/2012

The Committee discussed with five criteria put forward by the Vice Chancellor and agreed on all five with expansion of criteria 1 which should now read:

1. To ensure the University meets the strategic outcomes for student choice, student success and the enterprising University within an environment of excellence as set out in the new Corporate Plan and, specifically, delivery of all commitments listed in section 7 of the plan.

The other four confirmed objectives are as follows:

2. To review the operational structure of the University and make recommendations to the Board.

3. To progress the development of the subsidiary company to allow the University to respond better both to the enterprise strategy as well as providing options for new mode of delivery in general.
4. To progress negotiations with commercial companies to explore the viability of joint venture activity that we could adopt to achieve even better cost effectiveness in delivering to students.
5. Deliver the major capital projects on time, cost and quality.

8. **To note the Vice Chancellor's recommendation regarding the third and final phased salary increase for Dr Phil Cardew – Paper RC11.06**
This was agreed under item 3.
9. **Any other Business**
There were no further items to report.
10. **Date and Time of Next Meeting**
To be confirmed.