

**Minutes of the meeting of the Remuneration Committee
held at 12.30 pm on Tuesday, 6 November 2018
1B16 - Technopark, SE1 6LN**

Present

Mee Ling Ng (Chair)
Jerry Cope
Michael Cutbill
Douglas Denham St Pinnock

In attendance

David Phoenix
Michael Broadway
Markos Koumaditis

1. Welcome and apologies

No apologies had been received.

2. Declarations of interest

The Vice Chancellor declared an interest in items 5, 6 and 7 on the agenda. The Vice Chancellor would leave the meeting for items 6 and 7 and for the discussion in item 5 relating to his remuneration.

3. Minutes of the previous meeting

The committee approved the minutes of the previous meeting.

4. Matters arising

The committee noted that all matters arising from the previous meeting had been completed.

5. Independent review of executive salaries report

With Peter Smith, Korn Ferry

The committee discussed the independent review of executives' salaries by Korn Ferry.

The committee discussed the job evaluations based on new executive roles. The equivalence of the roles of Chief Financial Officer, Chief Operating Officer, Chief Business Officer and Chief Customer Officer was noted.

David Phoenix left the meeting

The committee discussed the benchmarking recommendations in the report. The committee agreed that due to the distinctive challenges and structure of the LSBU group the following relevant benchmarks and indicators will be

taken into consideration when setting and reviewing Senior Executive salaries:

- Institutions of similar size and type based on UCEA data (this data will be interpreted to take account of LSBU's London location by adding 5%);
- London modern universities; and
- Other universities with a group structure.

The committee noted the use of bonus schemes in the sector as set out in the report. The committee agreed to widen the current bonus scheme and to introduce a team bonus of an additional 5%, from 2018/19. The committee agreed to update the senior remuneration policy accordingly and to inform the Board.

6. **VC remuneration**

In the absence of the Vice Chancellor

The Committee approved the recommended 2.9% increase in annual salary for the Vice Chancellor, with effect from 1 August 2018. This increase is in line with the national pay award agreed and average increment uplift for other staff groups.

Following appraisal, it was agreed that all objectives had been met or largely met for the year. Based on this performance and views of the independent governors the Committee agreed an 8% bonus for the year.

7. **VC appraisal and proposed objectives**

In the absence of the Vice Chancellor

The committee approved the Vice Chancellor's objectives for 2018/19.

8. **Executive members' salaries and bonus**

The committee noted that, as the performance related pay (PRP) scheme rules had been met, members of the executive were eligible to receive a bonus. Based on the recommendation from the Vice Chancellor following review of performance against objectives, the following bonuses were approved:

- Provost (Pat Bailey): 3%
- Chief Financial Officer (Richard Flatman): 7%
- Chief Business Officer/Deputy Vice Chancellor (Innovation) (Paul Ivey): 9%
- Chief Customer Officer (Nicole Louis): 8%
- Chief Operating Officer (Ian Mehrtens): 7%
- University Secretary (James Stevenson): 7%
- Chief Operating Officer/Deputy Vice Chancellor (Shan Wareing): 5%

The committee noted the 2% increase to staff salaries for 2018/19 and the 0.9% increase received on average by staff through increments. Under the senior remuneration policy the following pay uplifts were approved:

- Provost (Pat Bailey): 2%
- Chief Financial Officer (Richard Flatman): 2.9%
- Chief Business Officer/Deputy Vice Chancellor (Innovation) (Paul Ivey): 2%
- Chief Customer Officer (Nicole Louis): 2.9%
- Chief Operating Officer (Ian Mehrstens): 2%
- Executive Principal (Lambeth) (Fiona Morey): 2%
- University Secretary (James Stevenson): 2.9%
- Chief Operating Officer/Deputy Vice Chancellor (Shan Wareing): 2.9%

The committee noted the gender pay gap for all staff was 6.7%.

9. Executive members' objectives

The committee noted the objectives for 2018/19 for executive members.

10. External income policy for senior post holders

The committee approved the external income policy for senior post holders. Under the policy, executive members are expected to declare any external income. The expectation is that external income will not be retained but on occasion permission to retain income may be given by the Vice Chancellor (or in the case of the Vice Chancellor by the Chair).

The committee noted the current executive declarations.

11. Remuneration Committee report to Board

The committee approved the annual remuneration report subject to amendments following the committee's decisions at the meeting and a final review of the pay multiple figure. The committee noted that the report would be included in the annual report and accounts and be published.

12. Expenses policy compliance

The committee noted the report on executive expenses for 2017/18. It was agreed that in future the internal auditors would report on Vice Chancellor and one other executive member's compliance with the expenses policy annually.

13. Executive staff leaving

The committee noted the two severance payments to members of the executive.

Date of next meeting
12.30 pm, on Wednesday, 13 February 2019

Confirmed as a true record

..... (Chair)