

**Minutes of the meeting of the Remuneration Committee
held at 1.30 pm on Thursday, 12 July 2018
1B16 - Technopark, SE1 6LN**

Present

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

In attendance

Pat Bailey
Michael Broadway
Markos Koumaditis
James Stevenson

1. Welcome and apologies

No apologies had been received. The committee noted that the Deputy Vice Chancellor was attending in place of the Vice Chancellor.

2. Declarations of interest

The members of the executive in attendance at the meeting declared an interest in the items on the agenda.

3. Minutes of the previous meeting

The minutes of the previous meeting would be circulated to committee members for approval.

{Secretary's note: the committee approved the minutes of the meeting of 23 November 2017 by email}

4. Matters arising

The committee noted that the purpose of the meeting was to review 'The Higher Education Senior Staff Remuneration Code' recently published by the CUC.

5. OfS accounts direction requirements

The committee noted the OfS accounts direction and the required disclosures on senior staff pay.

6. CUC Remuneration Code

The committee discussed 'The Higher Education Senior Staff Remuneration Code and noted the proposed responses to the criteria in the Code.

The committee recommended that the Board adopt the Code. The Remuneration Committee would report on compliance with the Code in the annual report and accounts.

{Secretary's note: at its meeting of 12 July 2018, the Board of Governors adopted the Code}.

The committee discussed note 8 of the Code in relation to adopting "a single published expenses scheme applicable to all staff". The committee noted that the current travel, subsistence and expenses policy (approved by FPR on 1 May 2018) applied to all LSBU workers.

The Code requirement to receive assurance would be met by an annual report by internal audit of the Vice Chancellor's expenses and one other member of the executive.

7. Committee terms of reference

The committee discussed the revised terms of reference in detail.

The committee noted the definition in the articles of "Senior Post Holder" and approved the additional definition of "Senior Executive" as set out in the terms of reference. The committee noted that it was proposed to extend its remit to include setting the total remuneration package for each Senior Executive.

The committee recommended the revised terms of reference to the Board in October 2018 for approval, subject to minor amendments.

8. Senior remuneration policy

The committee recommended the senior remuneration pay policy to the Board in October 2018 for approval, subject to minor amendments.

9. Independent review of executive salaries

The committee noted the update on the proposed independent review of salaries, including benchmark set, of all members of the executive. The committee noted the intention to report the outcomes of the review to the next meeting.

The appointment of the consultants and their terms of reference will be approved by a panel of the remuneration committee.

10. Average pay increase for all staff

The committee noted the average pay increase for all staff, including annual pay award and increments, of 2.5% for 2016/17.

11. Senior post holders

The committee noted the update and addressed in minute 7 above.

12. **Overview of severance arrangements for senior managers**

The committee approved the draft guidance on severance payments to senior managers, subject to minor amendments. The committee agreed that the Chair of Remuneration Committee should approve any severance agreement to Senior Executives. The committee noted that what is “fair, reasonable and justifiable” executive contracts would be agreed on a case-by-case basis.

13. **Pay multiples**

The committee noted the ratio of the Vice Chancellor’s basic salary to that of all staff is 6:1. The committee noted that the CUC Code required universities to publish this pay multiple annually and the pay multiple for total remuneration with an explanation of how it has changed over time. The committee agreed to report a three year trend.

14. **Template annual remuneration report to Board, 2016/17**

The committee noted the template annual remuneration report to the Board as required under the CUC Code.

The committee noted that the total remuneration of the Vice Chancellor is to be reported broken down by salary, performance related pay, benefits and pension costs. It was agreed that the taxable benefit that the Vice Chancellor receives from the interest-free loan from the university should be disclosed under the benefits section in future. The size of the interest-free loan to the Vice Chancellor is currently disclosed in the accounts.

The committee noted that the Vice Chancellor would bring a proposal on retention of income generated from external bodies to the next committee meeting.

The committee agreed that the annual remuneration report should form part of the annual report and accounts.

15. **Remuneration Committee plan**

The committee noted its revised business plan.

The date of the next meeting would be brought forward to allow the remuneration report to be approved for inclusion in the annual report and accounts.

Date of next meeting

1.30 pm, on Tuesday, 6 November 2018

Confirmed as a true record

..... (Chair)