

AGENDA

Senior Postholders Remuneration Committee

Tuesday 25 October at 3.30pm

Room 1B07

Technopark

- 1. Apologies**
- 2. Minutes of the meeting held on 28 February 2011** (*Paper RC11.01*)
- 3. Matters arising from the minutes of the last meeting not on the agenda**
- 4. To note changes to the Vice Chancellor's pension arrangements** (*Paper RC11.02*)
- 5. Assessment of Senior Postholders pay award for period 1 August 2011 to 31 July 2012** (*Paper RC11.03*)
- 6. Assessment of Senior Postholders bonuses for the financial year 1 August 2010 to 31 July 2011** (*Paper RC11.04*)
- 7. Senior Postholders bonus criteria for financial year 1 August 2011 to 31 July 2012** (*Paper RC11.05*)
- 8. To note the Vice Chancellor's recommendation regarding the third and final phased salary increase for Dr Phil Cardew** (*Paper RC11.06*)
- 9. Any other business**
- 10. Date and time of next meeting**

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.

	PAPER NO: RC11.02
Committee:	Senior Postholders Remuneration Committee
Date:	Tuesday 25 October 2011
Subject:	To note changes to the Vice Chancellor's Pension arrangements
Author:	Director of Human Resources
Executive sponsor:	n/a
Recommendation by the Executive:	n/a

Executive summary

	Board/Committee	Date
Matter previously considered by:	Remuneration Committee members	Exchange of emails between all Committee members in June 2011; final confirmation of change confirmed in email from Maggie Semple to Katie Boyce dated 9 June 2011.
Further approval required?	No	

Communications – who should be made aware of the decision?	Director of Finance and Vice Chancellor
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In June 2011 Committee members were informed that a request to the Chair of the Board had been made by the Vice Chancellor to consider changes to his pension arrangements. The Vice Chancellor had reached his lifetime pension allowance and as a result had requested that the contributions the University makes towards his pension (£26,789 per annum) cease, and that instead are reflected in his total remuneration package and paid to him.

Committee members agreed the following:

1. The Vice Chancellor's base salary remain at £190,000 per annum, subject to any cost of living increases agreed and put in place in the future.
2. The Vice Chancellor is paid £26,789 per annum as a pension replacement supplement. This sum, though separate from base salary, would also be subject to

any future cost of living increase on the basis that it would otherwise have been the consolidated sum that would have been subject to the increase.

3. The Committee noted that the base salary and pension replacement supplement would be disclosed as separate sums in the accounts (as confirmed by the Director of Finance), with the base salary being clearly distinguished within the total remuneration package.

These arrangements were agreed by Committee members via email exchanges in June 2011 and formally confirmed by Maggie Semple in an email to Katie Boyce on 9 June 2011.

The Committee is asked to formally note these arrangements which were made effective from 1 June 2011.

Paper RC11.03

The pay freeze put in place from 1st August 2009 applied to all staff, including senior postholders at that time.

Since then the annual salaries for senior postholders have either remained the same or increased as follows:-

1. Martin Earwicker

Last change to remuneration package was 1st June 2011.

Base salary £190,000 per annum. (last change to base salary 1st November 2009)

Pension replacement supplement £26,789 per annum.

No longer in a University pension scheme.

2. Richard Flatman

No change to salary since 1st August 2008

Salary £122,500 per annum

In LPFA pension scheme; University contribution 20.8% of salary.

3. Phil Cardew

Salary £110,000 per annum from 1st September 2010

Increased to £115,000 from 1st March 2011

Further increase to £120,000 per annum from 1st September 2011 subject to agreement of recommendation in paper RC11-06

In USS pension scheme; University contribution 16% of salary

4. Beverley Julien

£150,000 per annum from appointment to the University on 7th June 2010.

Not in a University pension scheme.

5. James Stevenson

£85,000 per annum from appointment at the University on 3rd August 2009.

In LPFA pension scheme; University contribution 20.8% of salary.

As the Committee are aware the Board decided to lift the pay freeze and implement pay increases to staff as follows:-

0.5% backdated to 1st August 2009

0.4% backdated to 1st August 2010

An increase of £150 per spine point per annum from 1st August 2011

The Committee is asked to consider if a pay award similar to the above is made to senior postholders, or instead to apply a higher award to all senior postholders, or to consider differential pay awards given that increases to some salaries have been made and not others during this period.

	PAPER NO: RC11.06
Committee:	Senior Postholders Remuneration Committee
Date:	Tuesday 25 October 2011
Subject:	Vice Chancellor's Recommendation regarding third phased salary increase for Dr Phil Cardew
Author:	Professor Martin Earwicker
Executive sponsor:	n/a
Recommendation by the Executive:	n/a

Executive summary

	Board/Committee	Date
Matter previously considered by:	Remuneration Committee	25 October 2010
Further approval required?	No	

Communications – who should be made aware of the decision?	Dr Phil Cardew
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When it met on 25 October 2010 the Remuneration Committee recognized the expansion of Dr Phil Cardew's duties in his new role as Pro Vice Chancellor (Academic). The Committee agreed to increase Dr Cardew's salary to £110,000 per annum with effect from 1 September 2010. The Committee also agreed that his salary be increased to £115,000 per annum from 1 March 2011 and to £120,000 per annum from 1 September 2011, these latter two increases being based on sustained performance in the role.

My recommendation to increase Dr Cardew's salary to £115,000 per annum from 1 March 2011 was agreed by all members of the Committee via an exchange of emails. I write now to confirm that I remain satisfied with Dr Cardew's performance in his role and ask the Committee to agree that Dr Cardew's salary is increased to £120,000 per annum from 1 September 2011.

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.

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

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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.
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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.
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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.
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students and external agencies. To ensure data feeding into league tables correctly represents the University's performance.

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1. Tight control of finances and enhanced culture of financial awareness.
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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.

Paper RC12.02

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
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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.

Paper RC12.02

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.

	PAPER NO: RC11.04 and RC11.05
Committee:	Remuneration committee
Date:	25th October 2011
Subject:	Recommendations for bonuses for 2010/11 and proposed bonus criteria for 2011/12
Author:	Martin Earwicker
Executive sponsor:	Martin Earwicker
Recommendation by the Executive:	N/A

Executive summary

	Board/Committee	Date
Matter previously considered by:	new	
Further approval required?	no	

Communications – who should be made aware of the decision?	Senior postholders
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Staff in confidence

Bev Jullien

Overall assessment

Effective 3% bonus

Bev has been with the University for a just over a year. She joined to establish a new organisational role as the PVC (External). She has done well in creating her new organisation structures and tackling some significant problems of underperformance with several of the key staff she inherited. She has brought in new replacement staff, and her choice has been consistently good.

She has been frustrated, with some justification, about inadequate supporting systems, structures and a culture that is not focused on delivery. All of which she is tackling effectively. Inevitably sorting out these underpinning issues diverts her from some of the more strategic issues, but they need to be done. Overall, she has been an effective and determined manager of her teams and she is well respected as a result.

This has been a turbulent year in terms of changing Government policy on fees and as the lead for recruitment and external affairs she has had to move quickly both to manage at a tactical as well as a strategic level. She has taken a little longer than I had expected to become comfortable with the workings and key issues with the University and as a result some of her sensible analysis does not always lead to strategic decisions with the impact, urgency and clarity they need. I think this stems from a lack of self confidence about whether her analysis, and hence the consequential decisions, are in fact sound because she feels that she has not yet understood every detail of the workings of the University. She should be confident that her analysis is in fact sound and become more assertive.

If she can present her ideas at this strategic level with more confidence and clarity it will enhance her effectiveness substantially.

This has been inevitably a year of learning for Bev and I look forward to her being able, having resolved her organisational issues this year, to take a more authoritative and confident stance in the coming year.

Martin Earwicker

14 Oct 2011

Bonus Assessment 2009/10 and Bonus Objectives for 2010/11 annotated by VC Oct 2011

4 March 2011

STRICTLY PERSONAL

Bev Jullien

Pro Vice Chancellor (External)

Dear Bev,

Ref: Bonus Assessment 2009/10 and Bonus Objectives for 2010/11

I am writing to confirm that, as previously discussed assessment of your bonus payment for the financial year 2010/11 will be based on your performance in relation to delivery of the objectives which we have discussed and which have been approved by the Remuneration Committee on 28 February 2011.

Your performance objectives for 2010/11 are as follows:

1. Create a cohesive External team for the University, restructuring as needed – in particular in Marketing, Student Recruitment and International. Put fit-for-purpose systems and processes in place across the External teams.

Bev inherited underperforming staff in many areas and lack of organisational clarity. She has made good progress on rebuilding her teams, moving out inappropriate staff and and bringing in new better staff into key positions.

2. Map out the LSBU current competitive position, and practical key metrics to measure progress

Clarified competitive position by implementing a balanced score card approach to look at competitiveness in a consistent way across subject areas, including analysis of competitors.

3. Drive implementation of pragmatic solutions for tactical issues – for example, tariff level, UK Student Recruitment Process, prospectus, international recruitment for 2011

A good start with decisions to raise the entry tariff, restructuring the student recruitment process, new international prospectus and offer and new PG scholarships.

4. Lead development of the brand positioning, and resultant roll-out of consistent look-and-feel of branding across the university, with a priority to overhaul the website; establish a portfolio review process for the University, which brings together market, financial and performance data – and work with colleagues to agree and implement changes – tactically for 2011, and strategically for 2012+

The brand positioning has developed together with staff and students approved by the Board and now rolling out. Improvements to the web site on international recruitment and the student portal launched. The full website yet to be implemented.

Good progress on establishing analysis which has led to changes in the curriculum, e.g. deletion of 10% of courses, mainly combined honours.

5. Lead development of strategies for non-HEFCE revenue and surplus generation, which also enhance the overall academic mission and reputation of the University for Internationalisation and Research and Enterprise

Significant activity in getting the basics right in international including prioritising courses and markets, competitive pricing, January starts, new international MBA for India and deal done with Edexcel for international “top ups”

The enterprise subsidiary company has progressed but I would have liked to see more strategic leadership of this area, it has lacked some clarity at the strategic level; nevertheless it is progressing satisfactorily. The enterprise centre is progressing well.

I would like to thank you for your valuable contribution to delivery of the Corporate Plan during 2009/10 and look forward to working with you during the current year.

Paper RC.11/04.05

Yours sincerely,

Professor Martin Earwicker

Vice Chancellor and Chief Executive

Proposed objectives for 2012

Bev Jullien : Objectives 2011/12

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.

Staff in confidence

James Stevenson

Effective 3%

James has settled in well. He is very conscientious and has high standards of integrity and loyalty to the University. He manages issues around governance effectively. He has also restructured his team, bringing in new people, to improve its performance; the changes he proposed were well thought through and sensibly, and effectively, implemented. James has also played a full and constructive role as a member of the Executive.

There are areas where he would benefit from development. His high standards of integrity coupled with his naturally risk averse nature can lead to him being overly cautious with a corresponding loss of impact. Real decisions are rarely made without some considerable element of uncertainty; James finds such uncertainty uncomfortable. I am sure it will come with experience.

Overall he is doing a good job.

Martin Earwicker

Bonus Assessment 2009/10 and Bonus Objectives for 2010/11 annotated by VC Oct 2011

4 March 2011

STRICTLY PERSONAL

James Stevenson
Secretary and Clerk to the Board of Governors

Dear James,

Ref: Bonus Assessment 2009/10 and Bonus Objectives for 2010/11

I am writing further to the meeting of the Remuneration Committee which met on 28 February 2011 to consider the bonus assessment for the financial year 2009/10.

I am pleased to confirm that the Committee agreed that for 2009/10 you be awarded a bonus of 5% out of a possible 10%. This gives a lump sum payment of £4,250 (subject to tax and NI). This payment will be made with your March Salary.

The Committee also agreed to your performance objectives for 2010/11 which are as follows:

1. To meet the needs of the Chairman for advice and information concerning governance matters and the University more generally.

For the Chairman to decide

2. To successfully complete the reorganisation of the Secretariat to deliver enhanced service at reduced cost.

He has done this well with sensible proposals well implemented.

3. To propose how the University can establish a subsidiary company that can employ staff under separate terms and conditions from the University.

This has progressed rather more slowly than intended.

4. Establish the legal and governance options around mergers or acquisitions of HEI and other educational providers.

He has addressed this but a little tentatively. He needs to drive these issues with greater determination to reach a conclusion.

Paper RC.11/04.05

I would like to thank you for your valuable contribution to delivery of the Corporate Plan during 2009/10 and look forward to working with you during the current year.

Yours sincerely,

Professor Martin Earwicker
Vice Chancellor and Chief Executive

Proposed objectives fro 2012

- Implement conclusions from board effectiveness review of 2010 and lead on any future review in 2011/12.
- Ensure the successful implementation of the “university court” and “educational character” sub-committee of the board.
- implement changes to LSBU’s memorandum and articles of association to ensure fitness for purpose in 21st century and legal compliance.
- implement a university-wide contract authorisation process to ensure that the university’s contracts carry the prior authority of the Board.
- develop a new strategy for legal services that improves cost effectiveness.
- Ensure that the legal and governamnce 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.
- Ensure that the Students’ Union’s new constitution complies with legislation and protects the Univerity’s position.
- 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.

Staff in Confidence

Martin Earwicker

Attachments:

1. Letter of the 4 March 2011 setting my targets for 2011
2. My assessment of my achievement against these targets.
3. Proposed targets for 2011/12



103 Borough Road
London SE1 0AA

David Longbottom
Pro Chancellor and Chair of the
Board of Governors
Tel: +44 (0) 20 7815 6011
Fax: +44 (0) 20 7815 6030
Email: dalongbottom@btinternet.com

4th March 2011

STRICTLY PERSONAL

Professor Martin Earwicker
Vice Chancellor and Chief Executive

Dear

Ref: Bonus Assessment 2009/10 and Bonus Objectives for 2010/11

I am writing further to the meeting of the Remuneration Committee which met on 28th February 2011 to consider the bonus assessment for the financial year 2009/10.

I am pleased to confirm that the Committee agreed that for 2009/10 you be awarded a bonus of 7.5% out of a possible 10%. This gives a lump sum payment of £13,125 (subject to tax and NI). This payment will be made with your March Salary.

The committee also agreed to your performance objectives for 2010/11 which are as follows:

1. Deliver the projects set out in the 2010/11 Corporate Plan "One year on" as agreed by the Board.
2. Ensure the University's finances are managed as agreed by the Board.
3. Ensure the Board has the advice and guidance necessary to reach a decision in relation to fees which produces the optimal solution for the University.
4. Demonstrate effective management of direct reports and ensure they deliver to targets: Director HR, Director Estates and Facilities and Head of Residences and Catering.
5. Propose strategy and draft the 2011/12 Corporate Plan to the satisfaction of the Board.
6. To have proposed for 2011/12 a curriculum strategy to enable investment/disinvestment decisions to be made based on evidence: such as academic performance, student satisfaction and demand, market demand, financial viability and competitive positioning.

Assessment of my achievement against targets for 2010/11

Ref: letter of 4 March 2011 setting targets for 2011.

This has been a very successful year for the University. We have delivered a very strong financial outturn, set a clear direction for the University and robust financial plans for the future, and achieved fees which position us perfectly for future competition for places. We have moved confidently forward on our estates strategy including the satisfactory settlement of K2 and the start of the students and enterprise centres. We have streamlined major functions putting in place such processes as electronic enrolment – very well received by students - and student tracking as well as electronic support processes such as procurement. We have tackled areas of underperformance both academically and in support with good outcomes. All of this in what has been one of the most turbulent years for university funding which included substantial in year cuts in HEFCE funding. Every indicator has improved except for a slight drop in the NSS student satisfaction which we are addressing this year with vigour. We have increased our league table rating by 14 places, in the Guardian, and our QAA and HEFCE audits have assessed us as at the highest category. Our performance in the DELHE survey of employability showed a satisfying 8% rise too.

The University will have to rise to many new challenges in the future, but it is well placed to succeed and prosper in the new HE landscape.

Paragraph numbering corresponds with those of objectives in the letter, at reference.

1. Deliver the projects set out in the Corporate Plan.
The “one year on” plan identified 23 projects that we planned to do during the year. Of these one has been delayed due to priorities changing during the year, one has been delayed due to the intransigence of one of the Trade Unions and one has been incorporated into another overarching project for this year. All the others have been achieved.
2. Ensure the University’s finances are managed as agree by the Board.
The University achieved a surplus of £10.2million, some £5million better than budget, in spite of in year HEFCE cuts. This was achieved through firm budgeting, my personal reviews of department performance and improving the culture of managers so they are willing to make better, and less risk averse, decisions which focus on outcomes.
3. Ensure the Board has the advice and guidance necessary to reach a decision in relation to fees which produces an optimum solution for the University.
My strategy for the University is to be able to compete on value for money in professional education. This set the direction for our budgeting. This coupled with firm management of the cost base of the University has allowed us to achieve a net fee of £7500 without difficulty, and without changing our headline fee, and we are now able to compete for the pool of 20,000 new student places. The University is very well positioned in terms of fees and market positioning.
4. Demonstrate effective management of direct reports.
I have conducted regular meeting with my direct reports including reviews of plans, achievement and guidance on personal effectiveness and development. They are all performing well.
5. Propose strategy and draft 2011/12 Corporate Plan to satisfaction of the Board.
Through my analysis and understanding of the external trends and of our own strengths and weaknesses I was able to propose a strategy for the University which has proved well founded even if at the time it may have appeared ahead of the sector. This has set out clearly our market positioning and the critical success factors. This strategy has positioned us very well indeed. The Corporate Plan was approved with the full support of the Board.
6. To have proposed a curriculum strategy that enables investment/disinvestment decisions to be made based on evidence....
The initial review has been completed and the initial actions implemented, e.g. 10% of courses have been deleted, mostly combined honours. The process is to be applied to priority curriculum areas during 2012/13.

QAA Institutional Audit for 2011: The University achieved the highest rating possible.

HEFCE governance audit: The University achieved the highest rating possible.

League tables: The University moved up 14 places in the Guardian league table and also moved up in Times and Sunday Times.

Employability: LSBU performance in the DELHE survey of employability increased by 8% compared to previous year.

NSS student satisfaction increased participation but the overall score fell by 3%. This is the only area where performance did not improve.

Proposed Targets for 2011/12

1. To ensure the University meets the strategic outcomes as set out in the new Corporate Plan.
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.

Staff in confidence

Dr Phil Cardew

Overall assessment

Effective 6% bonus

This has been a very busy year for Phil's area. The changes in Government policy on fees, resolving issues with HEFCE on student records, QAA audit, moving to 20 credit structures introduction of automatic student tracking systems amongst other the areas he has led. In all of these he has delivered very well indeed. In fact the combination of progress taken together on these issues would be outstanding.

However, he remains weaker on performance management of his teams and although developing has more to learn. First, he needs to delegate more to his staff and ensure they deliver with the same energy and commitment he does; he tends to make up for their failing rather than address them directly. Second, his presentation of issues can too often become confused for the lay audience, e.g. the Board, by his concentration on the detail at the expense of the overall message; this coupled with a tendency to the cautious and risk averse can lead to an unjustifiably pessimistic slant on his writing. Third, whilst he is careful in the expenditure of funds this can lead to him failing to invest when he should and thus not making effective decisions.

Although, this may seem like a long list of areas for improvement it should be read in relation to a very strong performance on his core issues. He is a very considerable asset to the University.

I look forward to another very productive year.

Martin Earwicker

14 Oct 2011

Bonus Assessment 2009/10 and Bonus Objectives for 2010/11 annotated by VC Oct 2011

4 March 2011

STRICTLY PERSONAL

Dr Phil Cardew

Pro Vice Chancellor (Academic)

Dear Phil,

Ref: Bonus Assessment 2009/10 and Bonus Objectives for 2010/11

I am writing further to the meeting of the Remuneration Committee which met on 28 February 2011 to consider the bonus assessment for the financial year 2009/10.

I am pleased to confirm that the Committee agreed that for 2009/10 you be awarded a bonus of 6% out of a possible 10%. This gives a lump sum payment of £6,000 (subject to tax and NI). This payment will be made with your March Salary.

The Committee also agreed to your performance objectives for 2010/11 which are as follows:

1. Manage the risk to the University relating to HESES data.

He has managed this very effectively with a completely satisfactory result.

2. Develop a clear strategy for improving student satisfaction to meet KPIs set by the Board.

Student satisfaction in fact fell slightly this year although participation increased. He should have been stronger in putting in place effective implementation of feedback to students.

3. Restructure all academic programmes in new credit structure for implementation from 2011/12.

A major task which he has led very effectively.

4. Establish the Registry so it is effective in controlling data quality and seen as valued by academic staff.

The Registry has not performed at the level it should and his initial choice of Registrar was not effective. A new Registrar has been appointed.

5. Embed the new student advice and guidance model in Technopark and lead requirements for new students centre.

He has led this well and the project is on track.

6. Ensure that our data on students is sound and easily useable by academic staff and implement the "One data set" project.

In spite of much effort our data is still not fit for purpose. Progress has been made but more is needed.

7. Ensure that the admissions process for 2011/12 satisfactorily controls enrolments to meet our increased entry requirements and meets our recruitment targets without over recruitment.

This has worked very well this year with admissions well managed and exactly meeting the required target.

8. Establishes an open and constructive relationship with the Students Union and in particular to progress the new Students Union and Student Centre with the full support of the SU.

Effective with good relationship with SU.

9. Implements the projects that he leads as set out on the 2010/11 Corporate Plan "One year on", in particular the implementation of STAR stage 2 and improvements to assessment and feedback to improve student satisfaction.

The systems have been implemented effectively.

I would like to thank you for your valuable contribution to delivery of the Corporate Plan during 2009/10 and look forward to working with you during the current year.

Paper RC.11/04.05

Yours sincerely,

Professor Martin Earwicker

Vice Chancellor and Chief Executive

Proposed objectives for 2012

- To ensure that the average 1st year progression exceeds 60% across all courses for 2011/12.
- Ensure that timely success rates exceed 50% for 2011/12.
- To deliver an improvement in NSS student satisfaction to a level greater than 85% for 2011/12.
- 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.
- 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.
- 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.
- 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.

Staff in confidence

Richard Flatman

Overall assessment

Effective 5%

Richard has delivered another solid year during a time of considerable change. His control of financial matters has been excellent, confirmed by very complementary audit findings, and he displays a good balance between rigour and the flexibility that from time to time is necessary. He had to bring in two new finance staff to replace key staff that left and he has chosen well. In addition, his choice of the new procurement manager is looking very good. Richard took responsibility for ICT which is a broadening of his responsibilities, and he is still finding his way in this area and has not yet made the impact I would have hoped for.

Richard is keen to expand his portfolio to include other areas outside finance, such as estates, and I would be pleased to see how this could be achieved. However, to ensure this expansion of his responsibilities is a success he needs to continue to develop his wider management skills and to let go of some of the financial detail that he currently gets involved with. He also needs to ensure his new team is bedded in well before doing so.

Richard is loyal, hard working and thoroughly professional. He is a key member of the leadership team who has my complete confidence.

Martin Earwicker

Bonus Assessment 2009/10 and Bonus Objectives for 2010/11 annotated by VC Oct 2011

4 March 2011

STRICTLY PERSONAL

Richard Flatman
Director of Finance

Dear Richard,

Ref: Bonus Assessment 2009/10 and Bonus Objectives for 2010/11

I am writing further to the meeting of the Remuneration Committee which met on 28 February 2011 to consider the bonus assessment for the financial year 2009/10.

I am pleased to confirm that the Committee agreed that for 2009/10 you be awarded a bonus of 5% out of a possible 10%. This gives a lump sum payment of £6,125 (subject to tax and NI). This payment will be made with your March Salary.

The Committee also agreed to your performance objectives for 2010/11 which are as follows:

1. Continued tight control of finances and enhanced culture of financial awareness:
 - a. deliver surplus in line with budget (£5.1m) for year ended 31 July 2011 before any new exceptional costs (including restructuring costs)
 - b. greater delegation to departmental level
 - c. regular communication of financial challenges and performance

Richard has maintained a tight and proper control of our finances, implemented delegation to departments and communicated well. A solid and effective performance.
2. Respond to the current financial uncertainty through:
 - a. development of robust financial models/forecasts which demonstrate a clear path to future financial sustainability
 - b. financial data to support the decision on pricing in the new fees landscape
 - c. identifying further efficiencies for 2011/12 in line with agreed budget (estimated £3m)

This has been a turbulent year for university finances with the ever changing Government policy on funding. Working together with Phil Cardew, Richard has been able to produce meaningful forecasts of the different decision options which has given great support to our successful decision making on fees.

3. Continue the process of building a strong leadership team and delivering change in the Finance department:
 - a. Recruit new, effective Financial Controller to replace Simon Blee
 - b. Transition of procurement leadership to Penny Green
 - c. Effective implementation of agreed change proposals for Fees and Bursaries team
 - d. Creation of new financial planning team

Richard has recruited two new key senior staff and chosen very well. In spite of the inevitable disruption such change causes he has maintained very good delivery of key financial outputs.

4. Develop new procurement strategy aligned with corporate plan, tightening decision making process and delivering further cashable savings of 5% in target category spend areas

Richard has chosen a new Procurement manager who is proving very effective.

5. Effective implementation of new internal audit arrangements

The new internal audit arrangements are proving effective and satisfactory to the audit committee.

6. ICT – ensure delivery of HRMS to time cost and quality; to resolve the problems with Blackboard such that it is seen as fit for purpose by academic staff and students.

Richard has lost the Head of ICT during the year and is in the process of finding a replacement. ICT has not been without some problems and Richard will need to give it some attention in the coming year.

7. Identify the options for the University to move to a commercial pension terms without incurring materially significant cost.

This is moving ahead a little slower than I had hoped, but is now on track.

Paper RC.11/04.05

I would like to thank you for your valuable contribution to delivery of the Corporate Plan during 2009/10 and look forward to working with you during the current year.

Yours sincerely,

Professor Martin Earwicker
Vice Chancellor and Chief Executive

Proposed objectives for 2012

Richard Flatman

Proposed objectives for 2012

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.

Paper RC.11/04.05

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.

END