

Meeting of the Remuneration Committee

2.00 pm on Tuesday, 2 July 2019
in 1B16 - Technopark, SE1 6LN

Agenda

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10.	External income policy	33 - 34	MK
Items to note			
11.	OfS accounts direction 2019/20 - update on remuneration requirements	35 - 36	MB
Items to approve			
Item 12 in the absence of the Vice Chancellor			
12.	VC loan update	Please see separate pack	JP

Date of next meeting
6.00 pm on Thursday, 21 November 2019

Members: Jeremy Parr (Chair), Michael Cutbill, Douglas Denham St Pinnock and Mee Ling Ng

Apologies: Jerry Cope

In attendance: David Phoenix, Michael Broadway and Markos Koumaditis

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**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

Please see separate minutes.

7. VC appraisal and proposed objectives

Please see separate minutes.

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 Mehrtens): 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 Tuesday, 2 July 2019

Confirmed as a true record

..... (Chair)

Minutes of the meeting of the Remuneration Committee held at 12.30 pm on Tuesday, 6 November 2018 on VC remuneration in separate pack for approval.

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DRAFT

Written resolution of the **Remuneration Committee**
of London South Bank University
passed on Wednesday, 13 February 2019

1. **Declarations of interest**

No member declared an interest in any item on the agenda.

2. **Team bonus recommendation**

The committee noted that at its meeting of 6 November 2018, the committee agreed to widen the current bonus scheme for Senior Executive members and to introduce a team bonus of an additional 5%.

The committee approved the proposed measures and targets for the team bonus element of the bonus scheme.

Circulated to:

Mee Ling Ng

Jerry Cope

Michael Cutbill

Douglas Denham St Pinnock

Signed on behalf of the Remuneration Committee

..... (Chair)

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**REMUNERATION COMMITTEE - TUESDAY, 6 NOVEMBER 2018
ACTION SHEET**

Agenda No	Agenda/Decision Item	Action	Officer	Action Status
5.	Independent review of executive salaries report	Update senior remuneration policy to include team bonus	Jerry Cope	Completed. Remuneration Committee agreed to widen the bonus to include a team bonus by email on 13 February 2019.

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Agenda Item 5

	INTERNAL
Paper title:	Committee terms of reference
Board/Committee:	Remuneration Committee
Date of meeting:	02 July 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Jeremy Parr, Chair of the committee
Purpose:	To Note
Recommendation:	The committee is requested to note its terms of reference

Executive Summary

The committee's terms of reference were reviewed in 2018 to take into account 'The Higher Education Senior Staff Remuneration Code' by the CUC.

The committee is requested to note its terms of reference.

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Remuneration Committee Terms of reference

1. Constitution

- 1.1 The Board of Governors has established a committee of the Board known as the Remuneration Committee.

2. Membership

- 2.1 The Remuneration Committee and its chair shall be appointed by the Chair of the Board, from among the independent governors, and must consist of members with no executive responsibility for the management of the institution.
- 2.2 The Chair of the Board shall not be Chair of the Committee.
- 2.3 There shall be no fewer than three members; a quorum shall be at least two members.
- 2.4 The chair of the Board shall be a member of the committee.
- 2.5 Members should not have significant interests in LSBU.
- 2.6 The committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

3. Attendance at meetings

- 3.1 The Vice Chancellor will be invited to present his/her recommendations to the Remuneration Committee on his/her direct reports. He/she will not be present for any discussion on her/his own remuneration. The Vice Chancellor will not have a role in the final decision on pay and other awards for themselves or other senior executives.

4. Definitions:

- 4.1 the following definitions apply to these terms of reference:
- Senior post holders: those individuals set out in the University's Standing Orders
 - Senior executives: senior leaders who report directly to the Vice Chancellor

5. Remit of the committee

The responsibilities of the committee are to:

- 5.1 determine the broad policy for the remuneration of LSBU's Senior Executives . No individual shall be involved in any decisions as to their own remuneration;
- 5.2 approve the design of, any bonus scheme for senior executives operated by LSBU and approve the total annual payments made under such schemes;
- 5.3 approve individual targets for any bonus scheme (based on recommendations by the Chair of the Board (for the VC) and by the VC (for Senior Executives))
- 5.4 monitor the objectives set for performance bonuses
- 5.5 within the terms of the agreed policy and in consultation with the Chair and/or Vice Chancellor as appropriate, determine the total individual remuneration package of each Senior Executive, including bonuses, incentive payments;
- 5.6 determine the policy for, and scope of, pension arrangements for each Senior Executive;
- 5.7 approve guidance on severance payments to senior managers;
- 5.8 approve a policy on external income for Senior Executives
- 5.9 oversee any major changes in employee benefits structures throughout LSBU or group;
- 5.10 monitor the expenses policy for Senior Executives;
- 6.11 ensure that all provisions regarding disclosure of remuneration as set out in CUC and OfS guidance, including pensions, are fulfilled;
- 5.12 review and note annually the remuneration trends across LSBU and the HE sector;
- 5.13 obtain up-to-date information about remuneration in other comparable organisations; and
- 5.14 approve the HE comparator set to benchmark Senior Executive pay against.

6. Reporting responsibilities

- 6.1 The committee chair shall report formally to the board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 6.2 The committee shall make whatever recommendations to the board it deems appropriate on any area within its remit where action or improvement is needed.
- 6.3 An annual remuneration committee report shall be included in the annual report and accounts

7. Authority

- 7.1 The committee is authorised by the board, at LSBU's expense:
 - 7.1.1 to obtain any outside legal or other professional advice; and
 - 7.1.2 within any budgetary restraints imposed by the board, to appoint remuneration consultants, and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfil its duties.

8. Secretary

- 8.1 The University Secretary or their nominee shall act as the secretary of the committee.

9. Minutes

- 9.1 The secretary shall minute the proceedings and resolutions of all remuneration committee meetings. Minutes shall be circulated to the members of the committee.

10. Frequency of Meetings

- 10.1 The committee shall usually meet twice a year and at such other times as the chair of the committee shall require.

11. Remuneration policies

- 11.1 in determining any of the policies within its remit the committee shall have regard to 'The Higher Education Senior Staff Remuneration Code' published by the CUC (June 2018).

- 11.2 In determining the severance policy under 5.7 the committee shall have regard to the CUC's "guidance on decisions taken about severance payments in HEIs".
- 11.3 in determining the remuneration policy under 5.1, the committee shall take into account all factors which it deems necessary, The objective of such policy shall be to ensure that the senior post holders are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of LSBU.

	CONFIDENTIAL
Paper title:	Comparator set
Board/Committee:	Remuneration Committee
Date of meeting:	02 July 2019
Author(s):	Michael Broadway, Deputy University Secretary
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	For Review
Recommendation:	The committee is requested to review and confirm the definition of the comparator set agreed by the committee at its meeting of 6 November 2018.

Executive Summary

At its meeting of 6 November 2018, the committee discussed a review by Korn Ferry on executive salaries, including pay comparisons across the sector. At the meeting and based on the Korn Ferry report the committee agreed the comparator set as follows:

“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”.

Benchmarking data on this set will be provided for the committee to take into consideration when setting and reviewing exec salaries at its meeting in November 2019.

The committee is requested to review and confirm the comparator set agreed by the committee at its meeting of 6 November 2018. It is recommended that the comparator set is reviewed annually at the summer meeting of the committee.

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Agenda Item 7

	INTERNAL
Paper title:	Senior remuneration policy
Board/Committee:	Remuneration Committee
Date of meeting:	12 July 2018
Author(s):	Jerry Cope, Chair of the Board
Sponsor(s):	Jeremy Parr, Chair of the Committee
Purpose:	To Review
Recommendation:	The committee is requested to review and note the policy.

Executive Summary

Under element 3b of 'The Higher Education Senior Staff Remuneration Code' by the CUC, universities are expected to publish a "policy on the remuneration for post holders within the remit of Remuneration Committee".

The attached policy was drafted to take into account the three elements of fair and appropriate remuneration as set out in the code. It was approved by the Board of Governors at its meeting of 18 October 2018.

The committee is requested to review and note the policy.

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LSBU SENIOR REMUNERATION POLICY

Context

1. LSBU is a large complex organisation requiring both general and specialised leadership to fulfil its strategic objective of being seen as the leading Modern University in London. This will require the provision of high quality teaching and support to its students, at home and overseas, enabling them to face the real world confidently and successfully. The teaching environment will be underpinned by input from employers and will have a strong focus on Enterprise and applied Research.
2. To achieve this objective, LSBU needs to attract, retain and motivate a strong calibre of leaders with competitive remuneration packages, within both a London and International labour market. But the approach to senior remuneration must be framed within a context that all LSBU employees are, and feel, remunerated fairly for their roles and responsibilities and enthusiasm for the success of the University.
3. In setting remuneration, LSBU has adopted and complies with the CUC Higher Education Senior Staff Remuneration Code (2018). Any non-compliance with the Code will be explained in the annual remuneration report.
4. This policy focuses on senior pay to be determined by the Remuneration Committee, which will focus as a minimum on the Vice Chancellor and leaders reporting to the Vice Chancellor, but may include other senior leaders as appropriate; the policy should be compatible with remuneration policy throughout the University.

Principles

5. Within this context the following principles for senior remuneration apply:
 - Remuneration will be applied to ensure that it is discrimination free, and based on job scale and complexity;
 - Overall remuneration levels, including benefits, will be comparable, taking account of geography and affordability, to a set of equivalent Institutions, decided by the Remuneration Committee but independently validated and, if appropriate, refreshed at least once every three years;
 - Starting packages will reflect the experience and capability and particular circumstances of candidates, and the size and challenge of the particular role facing them;
 - New starters will initially therefore often receive higher than average annual increases as their performance moves above the median expected for the role;
 - Overall nonetheless the average % annual pay increases for senior executives as a whole will normally be no higher than for all employees, including the value of increments, where paid;
 - Account will also be taken of the ratio of the VC's base salary and total remuneration to the median earnings of the Institution as a whole, both absolute and the change from the previous years.

- Individual annual pay increases will be influenced by performance, but in general good or exceptional performance will be rewarded mainly by annual unconsolidated bonus rather than basic pay;
- This individual performance annual bonus scheme, currently set at a maximum of 10% of basic pay, will be based on pre-agreed clear measurable output-based objectives; no individual bonus will normally be paid unless the University meets an overall financial target set by the Board as a whole;
- At the Remuneration Committee's discretion, a team bonus in addition to the individual bonus will operate, currently set at a maximum of 5% with the potential to rise to 10% on the approval of the Remuneration Committee;
- At the Board's discretion, the overall package may also include a longer-term incentive scheme, the perceived value of which should be included in assessing comparability with equivalent institutions;
- The Board will publish the value of the packages of some or all of its senior executives, in the way defined and required by the Office for Students (OfS);
- These principles will be resubmitted to the full Board for endorsement, as a minimum once every three years and will be published in LSBU's Report & Accounts

Process

6. The Remuneration Committee is a sub-committee of the Board of Governors. It is comprised of independent governors, including the Chair of the Board. It is chaired by a senior independent governor. The Vice Chancellor is not a member of the committee.
7. The Remuneration Committee:
 - oversees the process of determining remuneration as set out through the principles above;
 - determines each Senior Executive's starting package, pay award and any performance bonus, based on recommendations from the Vice Chancellor (for his/her direct reports) and the Chair of the Board (for the Vice Chancellor);
 - approves this remuneration policy;
 - approves the design of any bonus scheme for Senior Executives;
 - approves the objectives of the Vice Chancellor for performance bonuses;
 - monitors the objectives being set for performance bonuses of Senior Executives;
 - approves a policy on external income for Senior Executives;
 - approves a policy on severance arrangements for Senior Executives; and
 - any other areas as defined in its terms of reference.
8. The Committee will have a particular role to play in ensuring application of this policy is discrimination-free.
9. The Vice Chancellor will be invited to present her/his recommendations to the Remuneration Committee on his/her direct reports. He/she will not be present for any discussion on her/his own remuneration. The Vice Chancellor will not have a role in the final decision on pay and other awards for themselves or other senior executives.

10. The Remuneration Committee Chair will report as a minimum annually to the full Board on how the Committee has carried out its duties, and this annual report will be included in LSBU's Report & Accounts.

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	CONFIDENTIAL
Paper title:	Pensions Arrangements for Senior Executives review
Board/Committee:	Remuneration Committee
Date of meeting:	02 July 2019
Author(s):	Markos Koumaditis, Acting Director of People and Organisation
Sponsor(s):	Markos Koumaditis, Acting Director of People and Organisation
Purpose:	For Information
Recommendation:	<p>The committee is requested to:</p> <ul style="list-style-type: none"> • re-approve the current approach and rate (13%) for next year; and • request that the pensions working group review LSBU's approach to pension cash supplement.

Executive Summary

At its meeting on 26 November 2015, the Remuneration Committee considered the implications of changes to pension regulations introduced in the Summer Budget of 2015 and agreed a Pension Cash Supplement Scheme for staff affected by the Annual Allowance (AA) and/or the Lifetime Allowance (LTA). The potential tax implications for staff who met the AA and/or LTA meant that it could be fiscally punitive for those employees to remain in a pension scheme.

The Committee has approved the following recommendations:

- A cash compensation payment of 13% of annual salary where staff opted out of their pension scheme
- Life Insurance cover for anyone who opted out.

No compensation was offered:

- to anyone who remained in a pension scheme on lesser terms such as 50% benefit status or deferred tax, or
- for loss of ill health retirement or early access to pension benefits in the event of redundancy

It was also a requirement that any cash payments for Executive members are reported to the Remuneration Committee. There are two Executive members who are currently receiving pension cash supplements.

The new arrangement was adopted in order to deal with the changing pension landscape and still allow the University to attract and retain staff affected by these new potential tax liabilities. This arrangement is widespread in the HE sector and does not involve any additional cost to the University when compared with the employer pension contributions.

A number of HEIs that have linked their cash supplement to the relevant scheme employer contribution rate have been reviewing or amending their policy in light of increases to the employer contribution rate and so are now looking to pay a fixed amount. It is recommended that LSBU's approach to this is reviewed by the pensions working group. The remuneration committee will then be requested to approve any recommendations from the pension working group.

Recommendation

The committee is requested to:

- re-approve the current approach and rate (13%) for next year; and
- request that the pensions working group review LSBU's approach to pension cash supplement.

	CONFIDENTIAL
Paper title:	Severance pay policy
Board/Committee:	Remuneration Committee
Date of meeting:	02 July 2019
Author(s):	Markos Koumaditis, Acting Director of People and Organisation
Sponsor(s):	Markos Koumaditis, Acting Director of People and Organisation
Purpose:	For Review
Recommendation:	<p>The committee is requested to:</p> <ul style="list-style-type: none"> • re-approve the current approach; and support • the development of a Severance policy for senior managers based on the current approach.

Executive Summary

The approach to Severance Pay currently refers to and adopts the Committee of University Chairs Remuneration Code and Guidance, published June 2018. This is considered good practice and is recommended to continue. The guidance could be also adopted and form the key tenets of a University policy for senior managers.

The policy is attached for information.

Recommendation

The committee is requested to:

- re-approve the current approach; and support
- the development of a Severance policy for senior managers based on the current approach.

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LSBU remuneration committee

Guidance on severance payments to senior executives

July 2018

1. At its meeting of 12 July 2018, the LSBU board has voluntarily adopted the CUC's higher education senior staff remuneration code (published June 2018) (the code).
2. The LSBU remuneration committee has agreed that this guidance applies to all senior executives who report to the vice chancellor (Senior Executives).
3. LSBU will ensure that contracts agreed with its Senior Executives are fair, reasonable and justifiable and do not expose LSBU to significant potential liabilities. Contractual notice periods will not exceed six months, unless there is prior approval in writing by the chair of the remuneration committee.
4. In making a severance payment to a Senior Executive:
 - 4.1 LSBU will comply with the CUC's "guidance on decisions taken about severance payments in HEIs" (attached);
 - 4.2 LSBU recognises that as a charity, its funds and assets to make severance payments must be used only to further the charitable purposes of LSBU;
 - 4.3 Under element 1(i) of the code, any severance payment must be reasonable and justifiable;
 - 4.4 LSBU must meet its contractual obligations and be able to explain the reasons for any payments made; and
 - 4.5 LSBU will need to carefully consider any advice that is available from regulators, together with detailed CUC advice.
5. When a severance arises following poor performance on the part of an individual, LSBU recognises that payment should be proportionate, and there should be no perception that poor performance is being rewarded. Final-year salaries should not be inflated to boost pension benefits.
6. Severance payments to Senior Executives must be disclosed in the annual remuneration report to the LSBU board of governors.

7. Any severance arrangement covered by this guidance must be approved in writing by the chair of the remuneration committee prior to execution of any settlement agreement.

Governance team

29.6.18

Approved by the Remuneration Committee on 12 July 2018

	CONFIDENTIAL
Paper title:	Retention of external income policy
Board/Committee:	Remuneration Committee
Date of meeting:	02 July 2019
Author(s):	Markos Koumaditis, Acting Director of People and Organisation
Sponsor(s):	Markos Koumaditis, Acting Director of People and Organisation
Purpose:	For Review
Recommendation:	<p>The committee is requested to:</p> <ul style="list-style-type: none"> • re-approve the current approach; and support • the development of a Severance policy for senior managers based on the current approach.

Executive Summary

The current policy states that Executive Members are expected to declare any external income but is ambiguous about the process – how, to whom and when e.g. an entry on a specific register held by Governance.

Information should be included on retention decisions, with specific criteria for consistency. Currently the policy just states, “on occasion permission to retain income may be given by the Vice Chancellor”. Principles should be discussed by the committee.

The policy should clearly state that declaration of income is required to prevent conflict of interest. It does not do so currently.

It is recommended that the policy is extended to include senior managers, as well as senior executives. This is an established practice across other parts of the public sector.

The appendix provides suggested wording for the policy, with changes highlighted for ease of reference.

Recommendation

The committee is requested to approve the amended policy in the appendix.

Appendix

Retention of External Income Policy

1. The purpose of this policy is to ensure that there is no conflict of interest between the requirements of London South Bank University and any income retention activities of individuals.
2. Executive Members and Senior Managers (Grade A and above) are expected to declare any external income.
3. The Director of HR or designated representative should be notified by email of the full details and source of any income. This should be done as soon as the income is known. Information should be listed in individual staff files.
4. The general expectation is that external income will not be retained. Only in exceptional cases, will permission be granted to allow retention.
5. The Vice Chancellor is responsible for making the decision as to whether retention is appropriate. Should the Vice Chancellor declare external income, the decision will be determined by the Chair of the Remuneration Committee.
6. The following criteria should be considered in all retention decisions:
 - On what basis is this case exceptional to justify retention;
 - What is the source of the income and amount;
 - What is the impact on the individual's primary role, priorities and responsibilities as an employee;
 - What is the impact on external reputation, how would the media view this, and would it be in conflict with any professional standards;
 - Is there any past precedent or would this set any future expectations/precedent in respect to the interests of London South Bank University.
7. There are no further routes of appeal to decisions regarding retention.
8. Where staff are appointed on a fractional basis, it may be that external activity can be accommodated outside of contract, but it should still be declared to avoid conflict, and be evaluated as above.

	INTERNAL
Paper title:	OfS accounts direction requirements
Board/Committee:	Remuneration Committee
Date of meeting:	12 July 2018
Author(s):	Michael Broadway, Deputy University Secretary
Purpose:	To inform the committee of the requirements for senior staff remuneration as part of the OfS accounts direction
Recommendation:	The committee is requested to note

Executive Summary

The accounts direction from the Office for Students (OfS) sets out the information that providers are required to include in their audited financial statements. The latest accounts direction for financial year to 31 July 2019 has not been released by the OfS. The OfS has however confirmed that the accounts direction for 2017/18 will not change for 2018/19.

For information, the OfS is currently drafting an updated accounts direction that will apply for accounting periods beginning on or after 1 August 2019. It is likely to allow early adoption of the new accounts direction in whole or in part but, in the absence of a provider choosing early adoption, the currently published accounts direction will continue to apply for 2018-19. OfS will publish by July but intend to undertake a soft consultation prior to publication so providers will have sight of the proposed contents before then. This should also enable providers to decide whether there are elements of the new accounts direction that they would wish to adopt in their 2018-19 financial statements.

The summary below is therefore based on the 2017/18 accounts direction.

Section 11 of the accounts direction sets out the required disclosures on senior staff pay. The following are the key requirements of the direction for the remuneration committee to note:

- This accounts direction focuses on the VC. Other senior staff were going to be addressed in 2019 but this has been deferred;

- Providers must have regard to the ‘Higher education senior staff remuneration code’ published by the CUC – the LSBU Board adopted the Code at its meeting of 18 October 2018;
- Providers must have regard to the ‘Guidance on decisions taken about severance payments in HEIs’ published by the CUC. A policy on severance payments based on this guidance was approved by the Remuneration Committee at its meeting of 12 July 2018.
- The accounts to include:
 - the number of staff with a basic salary of over £100,000 per annum, broken down into bands of £5,000 (previous practice was to disclose in bands of £10k);
 - full details of the total remuneration package for the head of provider – further details are given in section 15b of the direction;
 - a justification for the total remuneration package of the VC;
 - the relationship between the head of provider’s remuneration (basic salary and total remuneration) and that for all other employees, expressed as a pay multiple. LSBU’s pay multiples are covered in item 13 of the agenda; and
 - a provider must include a number disclosures in the ‘staff costs’ note to its financial statements (section 18 of the direction has more details).

This was included in the Annual Remuneration Report for 2017/18 which appeared in the Annual Report and Accounts, 2017/18.

The committee is requested to note.