

Remuneration Committee

Thursday 20th November 2014

6.00pm -7.00pm

Room 1B27 Techno park

Agenda

1. Apologies
2. Minutes of the previous meeting – 9th October 2014
3. Matters Arising
4. Senior Post holders Bonus Assessment for the financial year 1st August 2013 – 31st July 2014 – paper no: REM 14(1)
5. Vice Chancellor's Bonus Assessment for the period 1st January 2014 – 31st July 2014 – paper no: REM 14(2)
6. Any other business
7. Date and time of next Meeting

	PAPER NO: REM 14 (1)
Paper title:	Senior Post Holders Bonus Assessment for the Financial Year 1 st August – 31 st July 2014
Board/Committee	Remuneration Committee
Date of meeting:	20 th November 2014
Author:	Katie Boyce
Executive/Operations sponsor:	Vice Chancellor
Purpose:	To agree recommendations for senior post holders bonuses (excluding the Vice Chancellor)

Executive Summary	
Context	Relevant to all aspects of the Strategy and Corporate Delivery Plan
Question	
Conclusion & Recommendation	Agree the Vice Chancellor's recommendations

Matter previously considered by:	N/A	
Further approval required?	No	On:

The Committee is asked to consider the Vice Chancellor's summary of the Senior Post holders bonus appraisals together with each individual assessment of performance against objectives for the financial year 1st August 2013 – 31st July 2014; The Committee is asked to agree the Vice Chancellor's recommendations.

Executive Bonus Appraisal.

1.0 Background:

The university's financial performance has been strong with final outturn exceeding budgeted position hence Executive are eligible for bonus payments.

2.0 New Performance Ratings

As part of the appraisal all members of Executive were graded in terms of both what was delivered and how it was delivered. The outcome was discussed as part of the appraisal process.

'The What'	Rating	'The How'
Objectives and core accountabilities fully delivered, far exceeding expectations.	Outstanding	Acts as, and is considered to be, a role model for the Behavioural Framework, clearly demonstrating how it guides their action, actively supports and challenges the behaviour of colleagues to enable them to do the same.
Objectives and core accountabilities fully delivered, exceeding expectations of quality, quantity and efficiency	Strong	Demonstrates all behaviours in a proactive way, clearly demonstrating to others how they guide actions
Objectives and core accountabilities fully delivered in line with expectations of quality, quantity and efficiency	Good	Acts in line with behavioural Framework, consistently demonstrating how the Framework guides their actions
Objectives and core accountabilities largely delivered but room for improvement and development	Requires Development	Usually acts in line with the Behavioural Framework
Objectives and core accountabilities not delivered	Under Performing	Does not consistently act in line with the Behavioural Framework

The summary table below shows outcomes and in brackets the bonus range used

	The What				
The How	Under-Performing	Requires Development	Good	Strong	Outstanding
Under Performing	Under-Performing (0)	Under-Performing (0)	Requires Development (1-3)	Requires Development (1-3)	Requires Development (1-3)
Requires Development	Under-Performing (0)	Requires Development (1-3)	Requires Development (1-3)	Requires Development /Good (3-5)	Good (4-6)
Good	Requires Development (1-3)	Requires Development (1-3)	Good (4-6)	Good/Strong (5-7)	Strong (6-8)
Strong	Requires Development (1-3)	Requires Development /Good (3-5)	Good/Strong (5-7)	Strong (6-8)	Strong/ Outstanding (8-10)
Outstanding	Requires Development (1-3)	Good (4-6)	Strong (6-8)	Strong/ Outstanding (8-10)	Outstanding (10)

3.0 Outcomes

Review tables are appended and recommendations are summarised below.

1. Chief Finance Officer, Richard Flatman

Behaviours and approach judged as strong with performance judged as Good.

Recommendation: overall Good/Strong : 7%

2. Pro-Vice Chancellor (Students and Education), Phillip Cardew

Behaviours judged as Requires Development and delivery good against objectives set. Recommendation: Overall rating Requires Development 3%

3. Company Secretary, James Stevenson

Behaviours judged as good with performance good.

Recommendation: Overall rating Good 5%

Appendix. SENIOR POSTHOLDERS ASSESSMENT OF PERFORMANCE AGAINST OBJECTIVES FOR THE FINANCIAL YEAR 1ST AUGUST 2013 - 31ST JULY 2014

<p>NAME: RICHARD FLATMAN</p>	<p>POSITION: CHIEF FINANCIAL OFFICER</p>
<p>OBJECTIVE 1: Financial sustainability – tight control of university finances with group surplus in line with budget £2.5m – to achieve by July 2014.</p>	
<p>COMMENTS: Confirmed this has been partially met and that there had clearly been tight control with a projected surplus to be achieved of between £1-1.5m (Actual was £3.1M). This was a significant achievement though, given the additional cost that had been brought into the budget from, for example, IBM and the on-going structural changes. It was noted that with respect to fees processed, there remained work to be done to ensure withdrawals were being captured in a timely manner - even though contingency has been set aside for withdrawal, we needed to strengthen real-time data on the current position with respect to students. It was noted that there was more significant activity also required with respect to overseas students where we needed to further capture both numbers and fee payment information so that the management reporting gave a clear picture of overseas, on-campus students and overseas TNE students again linked to completion status.</p>	
<p>OBJECTIVE 2: Deliver effective relationships between the Finance Department and all other faculties/support department as true business partners – regular reporting of Finance SLA KPIs in accordance with agreed targets – to be achieved by July 2014.</p>	
<p>COMMENTS: confirmed this had been met. Noted that Finance had been leading in many ways on Business Partner Development and that moving forward, a further review of this to cover both data and finance was going to be key. Noted that Richard had developed a good team within his department and had a number of key leaders he was developing. Also noted the fact that he had engaged well and very effectively with development of the new Professional Functions structure and had quite rapidly moved to some high level concepts that should provide a very firm foundation moving forward and help clarify interaction between his department and the rest of the University. Reporting was strong with the management report containing a range of good practice. Moving forward stronger links to student numbers and staffing would be required and better understanding of R&E</p>	
<p>OBJECTIVE 3: Promote and support greater business discipline – Careful and accurate management and reporting of capital spend in accordance with agreed investment plans – to achieve by March 2014.</p>	
<p>COMMENTS: Confirmed partially met. identified the fact there were some activities that required further work. For example, we needed to further unpack income with respect to knowledge transfer and research activities so that we had clearer oversight in the</p>	

management reports as to these activities and how they fitted with internal and external reporting. It was previously noted we also need to do further work on the overseas income to fully understand this area. Finally, whilst the reports did include information on staffing, there was further work that would be required with HR moving forward to correlate expenditure to HR reporting. The expectation would be that, moving forward, people in the organisation would produce a HR report showing changes in the staff workforce which should link back to the management report.

OBJECTIVE 4:

Deliver high standards of governance/compliance – Effective planning/implementation of FRS 102 – to achieve by July 2014.

COMMENTS: Fully met. Positive feedback from auditors and audit committee

OBJECTIVE 5:

Financial sustainability – 5 year forecast made regularly reviewed and updated to reflect changing circumstances and approved by the board – to achieve by July 2014.

COMMENTS: Fully met. 5 Year forecast reviewed and updated on a timely basis for consideration by Board at the Spring Board strategy day. Very positive feedback from the Board on the quality of the financial presentation. Clear assumptions stated and 2020 targets agreed as a consequence of remodelled forecasts. Mid-year annual accountability review submission (financial strategy and forecasts) approved by Board with no change. AAR submission made mid-July and well in advance of 31 July deadline. Favourable HEFCE risk assessment.

OVERALL BONUS ASSESSMENT:

Discussed other contributions that have been made and considered these to be strong. Noted key role in terms of audit, development of the Confucius Institute and wider engagement as a key member of the Executive. Felt objectives and core accountabilities were delivered in line with expectations of quality, quantity and efficiency hence were rated 'good'. In terms of behaviours, felt that Richard demonstrated all the behaviours in a proactive way, demonstrating to others how they guide his actions, hence rating 'strong'. Overall rating, therefore, **'Good/Strong.'**

Recommendation : 7%

<p>NAME: PROFESSOR PHIL CARDEW</p>	<p>POSITION: PRO VICE CHANCELLOR</p>
<p>OBJECTIVE 1: Successful implementation of moodle – to achieve by December 2014.</p>	
<p>COMMENTS: Partially met. moodle and the VLE more widely were discussed. Noted that at this point engagement was behind where ideally we should be but that there was a specification agreed and in place. Felt Phil needed to be more closely monitoring metrics and triangulating to ensure uptake. Concern was around roll out of technology without effective use as part of pedagogic development other than by champions.</p>	
<p>OBJECTIVE 2: Successful launch of student experience platform (IBM) – to achieve by December 2014.</p>	
<p>COMMENTS: Partially met. Implementation underway. Discussed overall leadership of the project and the concerns I had previously raised about the need to engage with staff around the utilisation of the technology – similar point had come out of the gateway review. The concerns were around general leadership and working to develop clarity around implementation.</p>	
<p>OBJECTIVE 3: Employment score to reach 85%– to achieve by December 2014</p>	
<p>COMMENTS: Partially met. As written the target was met at 85.5% and with good engagement (raised to 82%) but the key graduate employment indicator fell from 66% to 51% which is very low for the sector and will damage LSBU in the coming league tables</p>	
<p>OVERALL BONUS ASSESSMENT:</p> <p>Progress has been made on a number of projects with some success. Given overall workload the outcomes were judged as good but moving forward require more time to be focused on deeper and wider engagement with staff to embed developments – especially around technology enhanced learning and VLE. There is a need to now review the balance of time between ‘operation’ and leadership and to also reflect on communication and behaviours which are require improvement.</p> <p>Overall rating therefore Requires improvement</p> <p>Recommendation: 3%</p>	

<p>NAME: JAMES STEVENSON</p>	<p>POSITION: UNIVERSITY SECRETARY AND CLERK TO THE BOARD OF GOVERNORS</p>
<p>OBJECTIVE 1: To support the chairman in undertaking a full board and committee effectiveness review – to start March 2014.</p>	
<p>COMMENTS: Met : The governance effectiveness review has been scoped and an independent consultant commissioned. Fieldwork to start autumn 2014. Interim data report to board 22nd November 2014 and final report to board 14th May 2015</p>	
<p>OBJECTIVE 2: As a member of the executive, to contribute to the corporate planning for the transition from Faculties to Schools</p>	
<p>COMMENTS: Partially met ; He has shown active participation including delivery of workshops and chairing sessions with the leadership team– discussed the fact that at times he could and should contribute more actively in meetings. There was still work to be done around the business cycle to ensure timely consideration of material by relevant committees/groups</p>	
<p>OBJECTIVE 3: To support the board in succession planning for the chair and governors who retire in July 2015 – to identify the chair by March 2014.</p>	
<p>COMMENTS: Met : Selection process for chair designate complete, JC started at board 9th October 2014.</p>	
<p>OBJECTIVE 4: To identify appropriate professional development opportunities for the governance team.</p>	
<p>COMMENTS: Met (see above) also discussed work in helping define the business intelligence unit during recent months</p>	
<p>OBJECTIVE 5: To co-ordinate a university-wide strategic approach to continuous improvement in relation to student complaints and OIA cases.</p>	

COMMENTS: Partially Met. Progress made in putting in place a structure (Proposals for creating a conciliation role in the medium term presented in July. Also, Student Complaints Officer is leading work to move to the OIA's best practice framework.) but this has yet to be embedded. Noted that in practice number of OIA complaints remain high

OVERALL BONUS ASSESSMENT

We agreed that in general objectives had been mainly delivered and therefore assessed as **good**. In terms of behaviours discussed the fact that whilst he was a team player and sought to support staff there was more he could do around communication style and engagement at meetings to ensure he increased the effectiveness with which he could get his ideas across. He did though adhere to values in the behavioural framework, this was therefore rated as **good**

Overall rating was **good**

Recommendation: 5%