

London South Bank University
Minutes of the Remuneration Committee
26th November 2015 6.00pm

Present: Mee Ling Ng (Chair)
Jerry Cope
Carol Hui
David Phoenix (part)
Mandy Eddolls (part)
Joanne Monk (minutes)

1. Apologies

Apologies were received from Andrew Owen.

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the Meetings Held on 19 October and 20 November 2014

These minutes were approved.

There were no matters arising.

4. Updated Terms of Reference

The terms of reference, updated to reflect the current membership of the Committee and that the Committee reviews Senior Post Holders' remuneration but not direct reports to the Vice Chancellor who are not Senior Post Holders, were noted.

5. Executive Bonus Scheme

The Committee approved the recommended structure, objectives and rules of the proposed Executive Bonus Scheme.

6. Executive Bonus Assessments (The Executive Director of OD & HR left the meeting for this item).

Based on the Executive Bonus Scheme rules, the following bonuses, as recommended by the Vice Chancellor, for Senior Post Holders were approved:

- Chief Finance Officer – 8%
- Deputy Vice Chancellor – 10%
- University Secretary – 6%

The bonuses of Executive members who report to the Vice Chancellor were noted:

- Chief Operating Officer – 8%
- Executive Director of OD and HR – 8%
- Pro Vice Chancellor, Research and External Engagement – 2%
- Pro Vice Chancellor, Education and Student Experience – 0%, as newly appointed

7. Executive Team Salaries (The Executive Director of OD & HR remained out of the meeting for this item)

A recommended 1% increase to salaries with effect from 1 August 2015, in line with the national pay award agreed for other staff groups, was agreed for Senior Post Holders and was noted for other members of the Executive, with the exception of the Executive Director of OD and HR who is on a fixed term contract and salary.

The Committee noted that significant adjustments to salaries had been made in 2014 and accepted that for this year a 1% increase reflecting the national pay award was appropriate. However, the Committee requested that a policy for future Executive salaries be developed that took into account market value, using salary surveys (including from outside the HE sector), job size comparability and retention needs.

The Committee requested a proposal paper on Executive salaries be considered at a short Remuneration Committee following an appropriate Board of Governors Meeting before the summer recess in 2016.

8. Executive Bonus Objectives for Year 1 August 2015 to 31 July 2016

These were agreed for Senior Post Holders.

These were noted for other Executive Team Members.

9. Implications of Changes to Pensions

The Committee considered a paper which detailed the impact on LSBU staff as a result of two significant changes to the rules that govern occupational pension schemes relating to the Annual Allowance (AA) and Life Time Allowance (LTA). The Committee approved the following recommendations:

- 4.1 - A cash payment for employees impacted by either the LTA or the AA, of 15% of salary;
- 4.2 – No compensation is offered to anyone who remains in a scheme on lesser terms such as a 50% benefit status or deferred tax;
- 4.3 – No compensation is offered for loss of ill health retirement or enhanced redundancy;
- 4.4 - Firm quotes are obtained for the provision of life insurance for anyone who opts out;
- 4.5 - Any cash payments for Executive members are reported to the Remuneration Committee.

In relation to 4.1, the Committee recommended it be clearly evidenced, by independent assessors that it would be fiscally punitive for a member of staff to remain in a pension scheme before a cash payment of 15% was agreed. The Committee also reserved the right to review this policy and the % payment for staff impacted in future by the AA or LTA.

10. Vice Chancellor's Salary and Bonus Assessment, and Objectives for 2015/16 (the Vice Chancellor and Executive Director of OD & HR left the meeting for this item)

The Committee:

- Approved the recommended 1% increase in annual salary for the Vice Chancellor;
- Agreed a 10% bonus (2% more than recommended);
- Noted the Vice Chancellor's objectives for 2015/16.

11. Implication of Changes to Pensions on the Vice Chancellor's Salary

The Committee noted the arrangements for the Vice Chancellor's remuneration.

12. Any Other Business

There were no items of other business.

13. Date of Next Meeting

28 June 2016 at 6 pm following Board of Governors meeting.