

## Meeting of the Remuneration Committee

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

### Agenda

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Presenter</i>
	<b>In the absence of the Vice Chancellor</b>		
3.	Minutes of the previous meeting - VC remuneration	3 - 4	JP
12.	VC loan update	5 - 6	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:** 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**

Michael Broadway  
Markos Koumaditis

**1. VC remuneration**

*In the absence of the Vice Chancellor*

The Committee approved the recommended 2.9% increase in annual salary for the Vice Chancellor, with effect from 1 August 2018. This increase is in line with the national pay award agreed and average increment uplift for other staff groups.

Following appraisal, it was agreed that all objectives had been met or largely met for the year. Based on this performance and views of the independent governors the Committee agreed an 8% bonus for the year.

**2. VC appraisal and proposed objectives**

The committee approved the Vice Chancellor's objectives for 2018/19.

**Date of next meeting  
12.30 pm, on Tuesday, 2 July 2019**

**Confirmed as a true record**

..... (Chair)

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Paper title:	VC loan update
Board/Committee:	Remuneration Committee
Date of meeting:	02 July 2019
Author(s):	Jerry Cope, Chair of the Board
Sponsor(s):	Jerry Cope, Chair of the Board
Purpose:	For Approval
Recommendation:	<p>The committee is requested to:</p> <ul style="list-style-type: none"> <li>• note the repayment of the loan by the VC and, when repaid, the lifting of LSBU's mortgage over the property; and</li> <li>• approve the payment of an annual, non-consolidated accommodation allowance of £10k to the VC</li> </ul>

## Executive Summary

On his appointment as Vice Chancellor, it was made clear that the Vice Chancellor was expected to live in central London. Given the costs of accommodation, an interest free loan of £350k was agreed to contribute to purchase of a flat within walking distance of the University.

The terms of the loan are set out in a loan agreement dated 30 October 2013. In addition, LSBU has security by way of a first ranking legal mortgage over the property purchased by the VC with the loan. The current repayment date of this facility is October 2023 (or later as agreed between the VC and LSBU).

The interest-free loan is declared as a taxable benefit and listed in the 17/18 accounts as £10k p.a.

Changing perceptions and increased focus on senior pay have meant the concept of an employer loan, whilst appropriate, can lead to increasing time being spent on justification and which can risk negative publicity.

In order to address these issues, the VC has negotiated a mortgage with a bank to enable repayment of the employer loan to LSBU. This will generate a significant

increase to living costs for the VC due to the monthly mortgage installments. It is therefore proposed that the taxable benefit listed in the 17/18 accounts is provided as an accommodation allowance as a contribution to these costs. The payment will maintain the non-salaried remuneration at 17/18 levels and is proposed to be paid monthly and non-consolidated.

Following repayment of the loan the loan agreement will be discharged and LSBU's mortgage over the property will be lifted.

### **Recommendation**

The committee is requested to:

- note the repayment of the loan by the VC and, when repaid, the lifting of LSBU's mortgage over the property; and
- approve the payment of an annual, non-consolidated accommodation allowance of £10k to the VC.