

Paper RC11.01

Minutes of the Remuneration Committee

held on Monday 28 February 2011

Present: Maggie Semple (Chair)
David Longbottom
Anne Montgomery
Sarah Mulally (by telephone)

In attendance: Martin Earwicker, Vice Chancellor
James Stevenson, University Secretary and Clerk to the Board
Katie Boyce, Director of Human Resources

1. **Welcome and Apologies**

The Chair welcomed everyone to the meeting and noted that there were no apologies.

2. **Minutes of the previous meeting**

The Committee approved the minutes of the meeting held on 25 October 2010.

3. **Matters Arising**

Point 4: Katie Boyce confirmed that the payment for Dr Cardew referred to in item 4.1 had been actioned. The payments outlined in 4.2 would be brought to the Committee based on the Vice Chancellor's performance assessment of Dr Cardew for further increases due in March and September 2011..

4. **Bonus scheme for 2009/10**

It was agreed at this point that James Stevenson withdraw from the meeting given that he was subject to the 2009/10 assessment. Katie Boyce would clerk the remainder of the meeting.

4.1 **2009/10 financial performance**

The Committee noted that the consolidated income and expenditure account for the year end 31 July 2010 fulfilled the criteria set at the meeting on 26 October 2009, i.e. the accounts showed that the year end surplus would be achieved after payment of bonuses.

4.2 & 4.3 Senior Postholders objectives 2009/10 and award of bonus

The Committee agreed to combine these items for discussion.

The Committee discussed each of the reports produced by the Vice Chancellor in respect of each of the postholders eligible for bonus in 2009/10 as follows:

Dr Phil Cardew

The Vice Chancellor confirmed that Dr Cardew's performance during 2009/10 had shown significant improvement. In particular, he had made substantial progress in rectifying some of the shortcomings of the university as enablers to the achievement of improved outcomes in support of the Corporate Plan. The Vice Chancellor gave an overall assessment rating of 'Good'. The Vice Chancellor recommended a bonus of 7% out of a possible 10%.

After some discussion the Committee agreed an award of 6%. This gave a lump sum payment of £6,000 (subject to tax and NI).

Richard Flatman

The Vice Chancellor confirmed a very sound performance by Richard Flatman in respect of management of the University's finances, with an overall good solid year with improved finance processes and effective controls. The Vice Chancellor gave an overall assessment rating of 'Good' and recommended a bonus of 5% out of a possible 10%. This recommendation was agreed by the Committee, giving a lump sum of £6,125 (subject to tax and NI).

James Stevenson

It was noted that this was James Stevenson's first full bonus assessment period at the University. James had shown good judgement and had taken forward a reorganisation of his Department to improve support to Governors. The overall assessment was 'Good' and the Vice Chancellor recommended a bonus award of 3% out of a possible 10%.

After some discussion it was agreed that James Stevenson showed potential and in order that this be encouraged he was to be awarded 5% giving a payment of £4,250 (subject to tax and NI).

5. Bonus scheme for 2009/10 for the Vice Chancellor

It was agreed that this item would be held over for discussion at the end of the meeting together with proposals for 2010/11 objectives for the Vice Chancellor.

6. Bonus scheme for 2010/11

The Committee discussed the Vice Chancellor's proposals for performance criteria for each of the senior postholders for 2010/11. These were agreed as follows:

6.1 Phil Cardew

1. Manage the risk to the University relating to HESES data.
2. Develop a clear strategy for improving student satisfaction to meet KPIs set by the Board.
3. Restructure all academic programmes in new credit structure for implementation from 2011/12.
4. Establish the Registry so it is effective in controlling data quality and seen as valued by academic staff.
5. Embed the new student advice and guidance model in Technopark and lead requirements for new students centre.
6. Ensure that our data on students is sound and easily useable by academic staff and implement the "One data set" project.
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.
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.
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.

6.2 Richard Flatman

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
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)
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
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
5. Effective implementation of new internal audit arrangements
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.
7. Identify the options for the University to move to a commercial pension terms without incurring materially significant cost.

6.3 Beverly Jullien

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

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

6.4 James Stevenson

1. To meet the needs of the Chairman for advice and information concerning governance matters and the University more generally.
2. To successfully complete the reorganisation of the Secretariat to deliver enhanced service at reduced cost.
3. To propose how the University can establish a subsidiary company that can employ staff under separate terms and conditions from the University.
4. Establish the legal and governance options around mergers or acquisitions of HEI and other educational providers.

7. Vice Chancellor's bonus 2009/10 and bonus criteria for 2010/11

7.1 Bonus 2009/10

The Committee discussed the clear and focussed Corporate Plan which the Vice Chancellor had produced when he joined the University; they also noted that the Committee and the Board were very pleased with the significant progress made as outlined in "Students First – One year on". A 7.5% bonus was agreed which gives a payment of £13,125 (subject to tax and NI).

7.2 Vice Chancellor's bonus criteria 2010/11

These were agreed 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
8. **Any other Business**
- There was no further business to report
- 9 **.Date and Time of Next Meeting**
- To be confirmed