



Remuneration Committee Report

<p>Outcome requested:</p>	<p>Governance Committee is asked to:</p> <ul style="list-style-type: none"> a) consider the points raised by Remuneration Committee in relation to its own effectiveness in its executive summary to Council on 19 November 2020. b) note that Advance HE has recently published a review of the 2018 CUC Higher Education Senior Staff Remuneration Code.
<p>Executive Summary:</p>	<p>Governance Committee is asked to consider the points raised by Remuneration Committee in relation to its effectiveness:</p> <ul style="list-style-type: none"> • whether the Ordinances (Ord A7) should be amended to enshrine the principle that all members of a committee who are present at a meeting should possess the same information on the matters under consideration; • the timing of the next external review of Council and committee effectiveness, noting the value of reviewing the governance framework as a whole, rather than in its constituent elements; • a revised Terms of Reference. <p>Governance Committee is asked to note that Advance HE recently published a report on the 2018 CUC Higher Education Senior Staff Remuneration Code to evaluate its effectiveness. Remuneration Committee will consider the full report at a meeting later this academic year. The report has been included in the additional reading.</p> <p>Appendices: A: Revised business case template B: Ordinance A7 C: Revised Remuneration Committee terms of reference D: Resignation letter of Monica Chadha</p>
<p>QMUL Strategy</p>	<p>Effective governance and leadership support the achievement of all strategic aims.</p>
<p>Internal/External regulatory/statutory reference points:</p>	<p>QMUL Ordinances CUC Higher Education Remuneration Code OfS Regulatory Framework for Higher Education</p>
<p>Strategic Risks:</p>	<p>N/A</p>
<p>Equality Impact Assessment:</p>	<p>Not required.</p>

Subject to prior and onward consideration by:	By Council and Governance Committee
Confidential paper under FOIA/DPA	Paragraphs 10 and 12 would require a public interest test before being shared.
Timing:	N/A
Author:	Jonathan Morgan, Chief Governance Officer and University Secretary
Date:	22 March 2021
External sponsor:	Melissa Tatton, Vice-Chair of Council and Chair of Remuneration Committee

Extract from the Remuneration Committee executive summary to Council 19 November 2020

Committee effectiveness

1. In our previous report to Council we highlighted a reputational risk around a proposed professorial appointment in the School of Medicine and Dentistry, as well as questions regarding the internal process through which the risk was considered. The previous Committee Chair subsequently raised related questions in her letter of resignation. The Governance Committee asked us to consider these questions and to report back. We have since discussed the matter at three meetings, one with the President and Principal in attendance. This difficult situation has provided an opportunity for some important lessons to be learned and for process improvements in relation to consideration of future business cases by the Committee.
2. It is not the role of the Committee to make a risk-based decision in relation to reputation, but the business case and accompanying papers should provide appropriate assurance to the Committee that the assessment of reputational risk within the executive is at the right level and is based on the right information. On this occasion, the business case was of poor quality and was also submitted in relative haste, because of the impending deadline for the Research Excellence Framework, which fell two days after the presentation of the paperwork to the Committee. This put the Committee in a very difficult position. Looking ahead, we have asked the executive to flag up significant appointments to the Committee well in advance and to clarify in advance how all relevant considerations will be addressed. In order to strengthen the Committee's governance going forwards, we have also approved a new template and detailed checklist to aid the relevant executive in bringing high-quality proposals to the Committee and to give appropriate assurance that issues affecting the Committee, but which are not part of the remuneration decision, have been appropriately covered. This was one of the recommendations made by the previous Committee Chair. Governance Committee is invited to **note** the revised template for business cases appended to this paper.
3. The President and Principal has indicated that, in his view, it would be desirable to proceed with the professorial appointment in the School of Medicine and Dentistry and we have indicated what the paperwork for the Committee should address to support this. The previous Committee Chair recommended in her resignation letter that Council should instigate an external review. For the purposes of the remuneration decision we are satisfied that the due diligence process is a matter for the executive in its provision of the relevant assurance to the Committee on reputational risks.
4. The previous Committee Chair also raised a question in her resignation letter about the boundaries of engagement between Council members and the executive and the need for Council members to have sufficient scope to fulfil their governance responsibilities. In this respect we recognise that, as a matter of principle, it is not appropriate for formal Committee business to be considered during calls with the executive outside formal meetings and without the secretariat being present to keep a formal record. We invite Governance Committee to consider whether the Ordinances should be amended to enshrine the principle that all members of a committee who are present at a meeting should possess the same information on the matters under consideration. Ordinance A7 which relates to the conduct of the meetings of Council and its committee has been appended to this paper.
5. We have also addressed the other questions on committee effectiveness in the previous Committee Chair's resignation letter.

- We are satisfied that the quality and scope of the information provided by the Chair of Council and the President and Principal enabled us to consider the performance of the Senior Executive Team and to approve objectives and remuneration for the coming year.
- The previous Committee Chair proposed an independent evaluation of the Remuneration Committee and the appointment of external advisors to provide support and appropriate challenge. In this respect we note that the Committee was considered as part of the external review of Council and committee effectiveness in 2018–19, which concluded that our approach to senior staff remuneration is clearly compliant with the CUC Higher Education Senior Staff Remuneration Code. We have a co-opted member who brings expertise in senior staff remuneration. We invite the Governance Committee to consider the timing of the next external review of Council and committee effectiveness, noting the value of reviewing the governance framework as a whole, rather than in its constituent elements.
- In common with other committees of Council, we undertake and report to Governance Committee on an annual self-assessment through which we continually review and develop committee effectiveness. We have recently approved the content of our next effectiveness survey. In the last three years we have also proposed a number of changes to our membership and terms of reference, which were approved by Council. We agree that it would represent good governance to formalise these arrangements in our terms of reference and will propose an amendment to this effect for consideration by Governance Committee. The revised terms of reference are appended to this paper.
- With regard to the administrative arrangements for Committee meetings, we consider that minutes should be circulated to members as soon as reasonably possible after meetings and that the Committee should normally present a written report to the next meeting of Council.



Business Case for Remuneration Committee Review – Salary request >£150K

Outcome requested:	Remuneration Committee is asked to approve the salary request of £xxxxx and any additional conditions/other monetary and non-monetary incentives proposed to attract and retain the candidate.
Context:	<p>The Remuneration Committee’s Terms of Reference include: to consider recommendations for salaries that result in remuneration exceeding £150,000 per year.</p> <p>Please confirm the nature of the case (delete what does not apply):</p> <ul style="list-style-type: none"> • Request to approve a salary range for a role ahead of recruitment • Request to approve a salary following the outcome of a recruitment process (e.g. advert and selection). • Request to approve a salary following a speculative approach from a candidate assessed as suitable for recruitment to a required role.
(Prospective) employee:	Where a candidate has already been identified for a role and a salary request is being made for an individual post selection, please confirm their current package, and any other offers in consideration (where known and/or relevant).
Guidance for business case authors	<p>Ahead of submission to Remuneration Committee please consider the below:</p> <ul style="list-style-type: none"> • Contact your Faculty Strategic Business Partner and the University Reward Manager in order to support identifying relevant benchmarking data (internal and external) and to seek relevant professional advice (e.g. previous precedents, equality impact considerations). • Alert the Remuneration Committee via the Chief Governance Officer that a case is in the process of development so the Committee is aware at the earliest opportunity of the pending proposal and can advise on timing and context. • It is preferable for the Committee to be provided with sufficient information to approve a salary range ahead of recruitment to a role that can be adjusted by the Committee if an exceptional candidate is later identified and a higher salary than the previously agreed range is proposed. This should be factored into recruitment timelines, and no commitment should be made to a salary ahead of the business case submission to Remuneration Committee. • In exceptional cases, provided the reasoning is clear, the Committee will turn round urgent retention cases put forward by the President and Principal as soon as possible.

	<ul style="list-style-type: none"> • Remuneration Committee will require confirmation that a Senior Executive Team member has reviewed and approved the content of this business case prior to submission • The Committee may not be able to approve a case on initial review given the level of financial commitment requested and may require additional information in order to make a final decision. This must be factored into the timing of requests in order to ensure there is no adverse impact on the overall recruitment timeline.
<p>Rationale:</p>	<p><i>Please ensure that the case covers the below points:</i></p> <ul style="list-style-type: none"> • <i>An overview of the role including the breadth and context of the roles so as the Committee have a sense of the size and complexity of the post. A role description should be provided with the business case as an appendix.</i> • <i>Strategic importance of the role (linking expressly to the relevant elements of Strategy 2030 and/or the relevant strategy enabling plan, and the strategic risk register).</i> • <i>Benchmarking data – both external relevant benchmarks and the impact of the proposed salary on internal equivalent roles. Where a proposed salary is upper decile or outside of a benchmark due to the author identifying the proposed recruit as “exceptional” the evidence for this conclusion should be provided.</i> <p><i>The choice of market comparators should be linked to university strategy. Comparator selection may depend on the type of post being filled – for example private and public sector comparisons are often used for professional services staff, whereas NHS and international HEI comparisons may be more appropriate for certain academic staff.</i></p> <p><i>For appointments potentially at the upper end of the assessed range, please indicate the strategic ambition and the exceptional contribution expected from the individual. NB the Committee may wish to explore these requests in a meeting between the Committee and the relevant Executive sponsor to understand the details of the request, its merits and reasonableness. In all cases, benchmarking data should be validated and confirmed with the Director of HR before submission in the business case to the Remuneration Committee. Where possible the Committee will wish to see the market comparison ratio of proposed salaries.</i></p> • <i>Wider potential benefits realisation to QM (including outside of scope of the current strategy) e.g. efficiencies, and/or service improvement anticipated.</i> • <i>Where a case is being submitted to request a salary above a previously agreed range due to an exceptional candidate, or a case is being presented for a salary request for a speculative applicant relevant past performance of the proposed recruit and express consideration of how this relates to the proposed salary/benchmarking data would be required for committee consideration.</i>

Terms and Conditions	<i>Please outline terms and conditions proposed e.g. term of contract; probation requirements; relocation allowance requested (if any); any other benefits that are nonstandard.</i>
Equality Impact assessment	<i>Please provide an overview of equality impact considerations and a separate EIA should be attached with this case for Remuneration Committee consideration</i>
Risk Review and Governance	<i>The nature of any identified risk should be described and how it has been considered and at what level it has been signed off within the university.</i> <i>The identified or assumed risks if the case is not approved/mitigation in response should also be outlined.</i>
Finance and Affordability Considerations	<i>Outline relevant financial considerations the Committee should be aware of.</i> <i>Is this a new role? If not what is the value of the package of the former post holder?(this may have been considered in benchmark data above and/or EIA)</i> <i>Remuneration Committee must also be advised of the full proposed offer for the prospective recruit, including any other monetary and non-monetary proposals to attract and retain the candidate – this will allow Remuneration Committee to consider the package in its totality and ensure decision making is as fair and transparent as possible. E.g. capital investment in our research estate, and/or TUPE of staff and studentships to attract researchers to a role.</i> <i>Please outline any additional financial considerations the Committee should be aware of including potential income that may be generated by the proposed recruit as a result of the connection with the University.</i>
Timing:	
Proposer:	
Executive Sponsor	<i>A relevant member of the Senior Executive Team is requested to sign off and sponsor the request and the context of the case ahead of its submission to Remuneration Committee, via the Chief Governance Officer.</i>
Date:	
Remuneration Committee Decision	<i>For Remuneration Committee to capture any decision reached and/or feedback in relation to the case.</i>

4. New members, on appointment, will be asked by the Secretary to the Council, or nominee, if they have an entry to make in the register; all members will be sent annually a copy of their entry. Members shall be responsible for making and amending their entries and for deciding the personal information which fulfils the purpose of the register.
5. The Register will be circulated in full to members of Council annually and shall be published by QMUL.

Declaration of Interests by Members of Council and Members of Committees

6. "Member" in this section means any member of the Council or any other committee of QMUL and includes students and members of staff.
7. In corresponding with officers or employees of QMUL and before speaking or voting in any debate in the Council or any committee, a member must declare any known, likely or potential pecuniary or other interest in the matter under discussion, or where there is a risk that such an interest might be perceived as a conflict. Such declarations of interest at a meeting shall be recorded in the minutes of the meeting.
8. The Chairman of the meeting may require members who have declared an interest not to take part in the deliberation concerning that item, and/or not to vote.
9. Complaints that relevant interests have not been declared may be made to the Secretary to the Council. Any such complaint shall be supported by relevant evidence. In the case of the Council and its committees, the Chairman of Council decides if there is a case to answer and the action, if any, to be taken. In the case of other committees, the President and Principal decides. In either case, the decision of the Chairman or Principal shall be final. The Vice-Chairman of Council decides the matter if the complaint concerns the Chairman of Council.
10. Advice on the above may be obtained in the first instance from the Secretary to Council who may seek guidance from the Chairman of Council or the President and Principal.

Ordinance A7: Meetings of the Council and its standing Committees

Ordinary meetings of the Council and its standing committees

1. The Council shall meet at least five times per year with meetings scheduled in advance. Scheduled meetings shall also be known as ordinary meetings. The standing committees of Council shall meet in accordance with the number of meetings designated in their Terms of Reference.
2. The schedule of ordinary meetings of the Council and meetings of standing committees of Council shall normally be published by 30 June in the academic year prior to the year in which the meetings are to be held.

3. The quorum for Council shall be seven such that there is a majority of members who are not staff nor students of QMUL.
4. The quorum for the committees of Council shall be one third of the number of members of the Committee with a minimum of three members.
5. If a meeting of Council or its committees does not meet quorum, the Chairman shall determine whether; a) the meeting shall be postponed and rearranged, or b), that the meeting shall proceed. In the instance of b) all decisions made will be considered preliminary until the agreement has been confirmed by the required number of members to effect the decisions as formal.

Extraordinary meetings of the Council and standing committees

6. An extraordinary meeting of the Council or a standing committee may be called by the Chairman at any time.
7. An extraordinary meeting of the Council or a standing committee may be called by the Secretary to the Council or the committee at the written request of no fewer than one third of the members. Extraordinary meetings shall be held within a maximum of 21 days from the date of receipt of the requests by the Secretary.
8. The business of an extraordinary meeting of Council or standing committee shall be only that business for which the meeting was called. An extraordinary meeting may be held electronically, by circulation or in person.

Circulation of agendas and papers

9. The Secretary to the Council or the standing committee normally despatches the agenda and papers to all members for a meeting at least seven days prior to the date of the meeting.
10. Any member of Council or the standing committee may add an item for consideration to the agenda by submitting it to the Secretary to Council by the relevant published deadline.
11. Authors of papers shall submit their paper to the Secretary to Council or the standing committee at least 14 days prior to the date of the meeting.
12. Any papers not sent with the original circulation shall be circulated by the Secretary at least three days prior to the meetings. Only in exceptional circumstances, and with the agreement of the Chairman or committee chair, shall papers be circulated in a shorter timeframe or tabled at the meeting.
13. The agenda for a meeting of the Council or a committee may include items marked with an asterisk, which will signify an expectation that these items will pass without discussion. Any

member may before the start of a meeting request that the asterisk be removed, to permit discussion of the items.

14. In exceptional circumstances, supplementary agenda items may be taken with the approval of the Chairman.
15. Agenda and papers for, and minutes of, any meeting or items relating to reserved business shall be recorded separately and circulated only to those members entitled to receive them.

Conduct of meetings of Council and its Committees

16. Any proposal or recommendation which appears on the agenda or in a report submitted to the meeting shall be put to the meeting for resolution. Any amendments to the proposal shall be considered in turn before the overall proposal. If an amendment is carried, the proposal shall be amended accordingly and the amended version considered for approval.
17. It shall be within the discretion of the Chairman to set a limit to the length of time to be spent on debate, provided that the mover of any proposal, motion, amendment or item of business has the right of final reply before it is put.
18. Voting at meetings shall be normally by show of hands of those present, not including the Chairman. The decision shall be taken in accordance with the majority votes. When equal numbers of votes are cast, the Chairman shall have the casting vote.

Acts during vacancies

19. No act or resolution of the Council or any committee or board constituted by it or one of its committees or boards can become invalid by reason only of any vacancy in the body doing or passing it or by reason of any want of qualification by or invalidity in the election or appointment of any *de facto* member of the body whether present or absent, or by reason of the accidental omission to give any member notice of the meeting or the non-receipt by any member of that notice.

Minutes

20. The Secretary to Council, or nominee, or the secretary to the standing committee shall be responsible for producing minutes of the meeting and for maintaining the master copies of all minutes and papers.
21. Minutes shall be unconfirmed until approved at the next meeting. After the Chairman has agreed the unconfirmed minutes they shall be circulated to members. Any amendments to the unconfirmed minutes agreed at the meeting shall be incorporated into a final version which becomes the confirmed minutes and the formal record of the discussion and decisions.



Remuneration Committee Terms of Reference 2020–21

The Remuneration Committee is a committee of Council responsible for determining and reviewing the salaries, terms and conditions, and any severance payments, for senior members of staff of the university. In particular the Committee is responsible for the following.

1. To make recommendations to Council on policies for the remuneration of members of staff where the level of remuneration is greater than £100,000 per year, having particular regard to the university's strategy, market position, equality duties and the need for transparency of process.
2. To determine and review at least annually the salaries, terms and conditions, and objectives in relation to the university's strategy, of members of the senior executive, including the President and Principal, and other senior members of staff identified by Council.
3. To consider the outcomes of annual reviews of professorial and Grade 8 Professional Services staff in relation to salary profiles, increases and other payments, having particular regard to retention and market factors, and the university's equality duties.
4. To consider and approve severance and other payments to members of staff where the level of payment exceeds £100,000 (capped at £125,500).
5. To consider recommendations for salaries that result in remuneration exceeding £150,000 per year.
6. To publish information about its approach and decisions regarding the remuneration of senior members of staff in accordance with sectoral expectations.
7. To review the Committee's effectiveness and the suitability of its membership and terms of reference annually.

Membership

- The Vice-Chair of Council (ex-officio) who is Chair of the Committee
- The Chair of Council (ex-officio)
- The Treasurer (ex-officio)
- One elected academic staff member of Council, nominated by Governance Committee
- One external member of Council, nominated by Governance Committee

Remuneration Committee may co-opt one external member who has relevant expertise.

Mode of Operation

Remuneration Committee meets at least three times per year.

No member of staff may attend or participate in discussions or decisions regarding their own performance and remuneration. There is one meeting each year dedicated to a review of the performance and remuneration of the President and Principal, which the President and Principal does not attend. The

President of the Students' Union is invited to attend this meeting and to participate in the discussions and decisions.

Chair of Council
Queen Mary University of London
Mile End Road
London
E1 4NS

17 September 2020

Dear Tim,

It has been a privilege to serve as Vice Chair of Council and Chair of the Remuneration Committee. Even more so given that I am a proud alumna of Queen Mary.

This is an organisation whose values I have been drawn to and which has kept me engaged for 5 years over which time I have thrown myself into supporting and advocating for Queen Mary both internally and externally. However, and regrettably, I no longer feel the values of Queen Mary and mine are aligned. This is the reason why I have come to the difficult conclusion to resign my position.

The success of Queen Mary is central to my decision which is why I am recommending to Council the changes that need to be made.

1. I no longer have trust in the executive and the secretariat, and it is clear to me that certain individuals no longer have trust in me. Words have been spoken about trust breaking down and I have expressed concern to you that this may result in less transparency with members of Council. We have already discussed the matter of appraisal letters which risk no longer being an accurate reflection of what was agreed and discussed with members of the Senior Leadership Team. Notwithstanding the difference of interpretation between us with regards that particular discussion, it is and must remain a matter for the Remuneration Committee to determine the evidence needed in determining executive performance. I am deeply uneasy about the direction of travel and propose an independent evaluation of the Remuneration Committee and the appointment of external advisors to provide support and appropriate challenge. Similarly, bringing the Terms of Reference in line with other sub committees of Council, namely Audit and Risk Committee and Finance and Investment Committee with areas of focus to include Committee Evaluation and Mode of Operation.

2. The fallout from the School of Medicine and Dentistry senior appointment business case submitted to Remuneration Committee and potential inaccuracies and omissions of relevant information has seriously damaged trust and undermined the Committee. In my view the papers were at best partial and at worst deceptive. I feel the Committee is being driven to a pre-determined outcome and that I am being made to feel wrong in challenging for an objective viewpoint. I strongly encourage Council to instigate a truly independent process through an external review by a disinterested party.

3. I have been advised that I am not allowed to speak to members of university staff without the presence of or in the jurisdiction of the secretariat in my capacity as Committee Chair. This centres on one incident of the Remuneration Committee and whilst we did not all draw the same conclusions, I have a greater concern for good governance and the unintended consequences if taken to the letter. Whilst of course I agree that a summary or outcomes of any discussions that contain information

pertinent to the Committee should be brought back into a formal setting, the restrictions have a broader implication for Council and its sub committees which needs further clarification. I am particularly concerned that the role and access of external members of council in fulfilling their objective governance responsibilities may be compromised and that external members are also placed in a difficult position should a member of staff contact them direct. Our external members also bring skills and experiences to the University that should be embraced to the fullest extent and that interaction with staff translates into value for the University which must be protected.

4. The administrative aspects of Council and its sub committees should be reviewed including the timely circulation of minutes to attendees. I regret not being given the opportunity to meet with the Human Resources Director prior to her appointment. Whilst not a Tier 1 appointment I would expect Council members to be involved in the interview process or at the very least a Committee Chair when the appointee is a permanent member of their Committee.

I am happy to remain in post until the end of October and assist with the handover but appreciate you may have something different in mind.

I would like to wish all at Queen Mary continued safety and good health. I thank you all for the years of being able to work alongside you.

Yours sincerely,

Monica Chadha