



Governance Committee report

Outcome requested:	<p>Council is asked:</p> <p>[a] to note the executive summary of the Governance Committee meeting held on 28 April 2022;</p> <p>[b] to approve an amendment to the terms of reference of Remuneration Committee.</p>
Executive Summary:	<p>This update covers:</p> <p>[a] outcomes and next steps in the process to recruit new members of Council and co-opted members of Committees;</p> <p>[b] progress with the external review of governance effectiveness;</p> <p>[c] a recommendation to amend the terms of reference of Remuneration Committee following a gap analysis in relation to the revised HE Senior Staff Remuneration Code.</p>
QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]	Effective governance supports all aspects of the strategy.
Internal/External regulatory/statutory reference points:	<p>QMUL Charter and Ordinances</p> <p>CUC Higher Education Code of Governance</p> <p>HE Senior Staff Remuneration Code</p>
Strategic Risks:	Compliance with the ongoing conditions of registration with the Office for Students.
Equality Impact Assessment:	The paper highlights diversity outcomes from the Council member recruitment process.
Subject to prior and onward consideration by:	No
Confidential paper under FOIA/DPA:	No
Timing:	N/A
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Date:	13 May 2022

Senior Management/External Sponsor:	Jonathan Morgan, Chief Governance Officer and University Secretary
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Council member recruitment

1. Advertisements placed last summer through national news websites, the University website and the alumni network generated 56 completed applications. Two new Council members have been recruited from this pool, as well as a co-opted member of Finance and Investment Committee. A recommendation to appoint a further co-opted member of Finance and Investment Committee from the same pool will be brought forward in due course.
2. In terms of wider benefits of the process, several alumni are now actively re-engaged with the Alumni and Development Team, and five applicants with relevant strengths have agreed to join advisory boards for Schools and University Research Institutes.
3. We have also successfully recruited our second Drapers' Company nominee, who joins Council and Finance and Investment Committee.
4. We have maintained the current gender balance on Council through these appointments. However, the ethnic diversity of the initial recruitment pool (39% from BAME groups) was not reflected in the final appointments made. As efforts to use personal networks to attract further applicants from diverse ethnic backgrounds have not had the desired result, we are engaging Green Park, a non-executive search firm specialising in improving diversity, to fill two remaining vacancies on Council.

Governance effectiveness review

5. We heard a presentation from Advance HE on emerging findings from the governance effectiveness review. The survey, individual interviews, focus groups and meeting observations have been completed, and the review team will now begin drafting a report for consideration by Council in July, alongside an indicative action plan prepared by the Committee. The reviewers asked us to pass on their thanks to Council members for their positive and thoughtful engagement in the review.
6. The survey identified strengths in Council's commitment to institutional vision, culture and values; working relationships and boardroom behaviours; and the effectiveness of governance structures and processes. Areas for potential development include the diversity of governing body membership, wider communication about the work of Council, and Council's role in academic assurance. We had in-depth discussion with the reviewers about the governance culture, noting that the review is taking place when Council is discussing difficult issues and risks faced by the University.

Terms of reference of Remuneration Committee

7. Following a mapping exercise against the revised HE Senior Staff Remuneration Code, Remuneration Committee has identified an opportunity to capture in its terms of reference its role in relation to the retention of external income by members of the Senior Executive Team. We recommend that Council approves the attached amendment to the second paragraph.

Remuneration Committee Terms of Reference 2021–22

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 and benefits, including retained external income, 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 remuneration before the payment(s) is greater than £100,000 per year or where the level of the payment(s) 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 consider annual reports on gender and ethnicity pay gaps.
8. 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.