

Minutes of a meeting of the Remuneration and Nomination Committee (RNC)

Date: 5 February 2019
Commencing: 14:00
Venue: LSB Offices, One Kemble Street, London WC2B 4AN

Present: Jemima Coleman Chair of the Committee
(members) Marina Gibbs
 Jeremy Mayhew (from item 5)

In attendance: Neil Buckley Chief Executive (CEO)
 Nicola Galiana HR Manager
 (except items 11 and 12)
 Sandra Jenner External HR Adviser to RNC
 Steph North Corporate Governance Manager
 (*minutes*) (until item 11)
 Holly Perry Head of Corporate Services
 (except items 11 and 12)

Observers: [REDACTED] Admin Assistant (until item 11)
 Dr Helen Phillips LSB Chair (from item 8)
 Danielle Viall General Counsel (until item 11)

Item 1 – Welcome and apologies

1. The Chair welcomed those present to the meeting, especially the observers from the LSB staff.

Item 2 – Declarations of interests relevant to the business of the Committee

2. There were no declarations of interest.

Items 3 – Minutes and reports of action points of the meeting of 4 July 2018

3. The minutes of the meeting held on 4 July 2018 were approved as an accurate record. The Committee noted that as part of the LSB Publication Scheme, the RNC's approved minutes would be published, subject to FoIA exemptions, on the LSB website.

Item 4 – Noting of decisions taken out of committee since the last meeting

4. The Committee formally **noted** the decisions taken out of committee since the last meeting, namely:
 - Pensions governance review - Paper (18) RNC 15 - circulated out of committee 27 November 2018

- Summer 2018 colleague diversity annual report - Paper (18) RNC 16 - circulated out of committee 27 November 2018, noting that benchmarking of similar organisations would be helpful to contextualise findings.
- Summer 2018 pulse survey results and follow up - Paper (18) RNC 17- circulated out of committee 27 November 2018, noting that performance management was an item on the agenda.
- Changing the job title of the Senior Legal Adviser to General Counsel - Paper (18) RNC 18 - circulated out of committee 27 November 2018, noting congratulations to the General Counsel, who was observing the meeting, on her new job title.

Item 5 – Action tracker

5. The Committee **noted** the action tracker, including the following in particular:
 - LSB lay member recruitment – interviews had taken place on 21 and 22 January 2019. [Redacted] [FolA exempt s36] A recommendation to appoint two lay members had been sent to the Lord Chancellor for approval 25 January and a response was pending;
 - LSCP member recruitment: A recommendation to appoint four new members to the Panel had been sent to the Lord Chancellor for approval on 25 January and a response was pending.

Item 6 – Pensions governance review - Paper (18) RNC 15

6. Rob Thomas from Barnett Waddingham (BW) joined the meeting for this item. The Committee considered the paper prepared by Nicola Galiana, **noting** that the LSB had arranged individual defined contribution pension provision provided by Scottish Widows, with BW appointed as the LSB’s pensions adviser. The scheme was subject to an annual governance review by BW – the recent review had been considered out of committee and was attached for the Committee’s reference. No immediate issues had been identified and no specific action was required.
7. Rob Thomas gave a short presentation, key points included:
 - BW were satisfied with the current scheme which was future-proofed in relation to auto-enrolment. BW were also satisfied with Scottish Widows as the provider, and were assured that should there be another Scottish independence vote, Scottish Widows would make contingency plans to maintain business with its English clients.
 - It would be prudent to consider changing the default retirement age in the coming years. The current state pensionable age was 65, which would rise to 66 by 2020 and 67 by 2028 – although employees could take their pension benefits any time from age 55.
8. The Committee **noted** that:
 - The drop in investment value over the past year was noted - this was almost wholly attributed to a number of senior colleagues leaving the organisation in the last year. The longer term effects on the fund of EU Exit and general market volatility were unknown, but in the short term, colleagues nearest to retirement age would have been moved to de-risked investments, and for younger colleagues the current losses were at this stage only paper losses;

- The HR Manager had organised for BW to provide an all-colleague pensions update seminar in January 2019 which had been well-attended, along with subsequent 1:1 meetings for colleagues to discuss individual concerns with Rob Thomas.

9. The Committee **noted** the results of the annual pension scheme governance review.

Item 7 – Non-executive appointments update - Paper (19) RNC 01

10. The Committee’s terms of reference required it to consider a variety of matters regarding non-executive appointments, including in relation to the Board, the Legal Services Consumer Panel (LSCP) and the Office for Legal Complaints (OLC).

11. The Committee noted:

LSB Board

- The process for recruiting two new lay members to the LSB Board was ongoing. The recommendation for appointment of the two preferred candidates was with the Lord Chancellor for his approval ahead of a prospective 1 April 2019 start date;
- Two lay members’ (Jeremy Mayhew and Catharine Seddon) first terms would come to an end on 30 September 2019 – the Chair was presently handling the position in discussions with the Ministry of Justice;
- One lay member’s (Marina Gibbs) and one non-lay member’s (David Eveleigh) second terms would come to an end on 31 March 2020. No re-appointments were possible. A recruitment exercise to fill these posts would begin in summer 2019 **action** – 8 July 2019 RNC meeting to consider key skills and experience required for this round of recruitment, including regional and other diversity.

OLC

- The appointment of two new OLC members – Rod Bulmer and Shrinivas Honap - had been announced on 21 January 2019; Saxton Bampfylde, who had been engaged as recruitment consultants, were commended for longlisting a diverse range of high-calibre candidates;
- In relation to the member whose term was due to end on 31 March 2020, it was **noted** that the OLC Chair would make a recommendation to the LSB later in the spring - after the current round of appraisals - regarding whether they should be re-appointed. A steer from the OLC Chair would be considered before the LSB Board determined the matter;
- [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [FoIA exempt s36]

LSCP

- The recruitment process to fill three upcoming vacancies on the Panel had been successful. The interviews had been held on 10 and 11 January 2019 [REDACTED]

[FOIA exempt s36] It had been proposed that three candidates be appointed from 1 April 2019, and a further candidate to be appointed from 1 October 2019 – 6 months ahead of the next vacancies arising. The preferred candidates had experience across pro-bono frontline advice services, consumer engagement and digital transformation. The LSB Board had agreed the recommended candidates at its meeting on 23 January and a recommendation for approval was subsequently submitted to the Lord Chancellor on 25 January 2019. A response was pending;

- One further vacancy would be available on the Panel from 1 April 2020 following the end of another member's second term – the recruitment process would begin in summer 2019. The LSCP Chair's input would be sought as to the required skills and experience;
- **Action** - It was agreed that it would be beneficial for the LSB Board to hear from LSCP members on their experience and findings in relation to the consumer experience – LSB Board to be invited to LSCP roundtable on alternatives to ombudsman schemes, and further opportunities for engagement to be sought.

12. The Committee **noted** the schedule of appointments for LSB Board, OLC and LSCP.

Item 8 – HR strategy update - Paper (19) RNC 02

13. The Committee considered the paper prepared by Nicola Galiana, which set out an update on the HR strategy in three parts: draft HR strategy; learning and development update, and a review of the performance management process, and highlighted the following points:

- On pay, the HR Manager was considering a benchmarking exercise – which had last been carried out in 2010 / 11.
- The *Manager* pay band would be reviewed. It was currently very wide – between £45,500 - £65,000. It was noted that a new pay band – *Principal* - had been introduced recently. **Action** – to review bandings at comparator organisations and consider rationalising pay bands.
- New initiatives had been rolled out including: leadership and management training delivered by the HR Manager for manager-level colleagues (which would subsequently be rolled-out to all colleagues); an equality calendar had been shared with colleagues; mental health allies had been trained and a well-attended 'time to talk' session focussing on mental health had taken place; other wellbeing initiatives had been mooted - e.g. book club, running club - to promote colleagues' wider wellbeing at work. It was noted that one of the benefits of the LSB's size was that it was possible to receive individual feedback from colleagues on these new initiatives. The colleague survey would be refreshed for 2019 to include questions to measure satisfaction in these areas, too.
- On learning and development, many colleagues, primarily from the policy team, had attended an intensive two-day course on regulation at the LSE, feedback on which had been very positive. Equality and diversity training would be rolled-out to all colleagues in the coming weeks. Colleagues had been alerted to the coaching and mentoring opportunities available to them - both more widely through Civil Service Learning, and in-house with the HR Manager.

- Colleagues had participated in a successful away-day in October 2018, during which the afternoon focussed on Myers Briggs preferences, and subsequent discussions on ways of working and appreciation of different behaviours and ways of communicating.
- A survey would be circulated to colleagues shortly asking for feedback on the current appraisal process. It was agreed that performance management processes should be proportionate for the size of the LSB. One area of concern identified through colleague surveys was the tendency for managers not to provide regular feedback to those they line managed. This behaviour would be encouraged, not least through the ongoing line manager training. Managers would also be encouraged to provide constructive feedback in addition to positive feedback. It was acknowledged that it was harder for colleagues to improve if areas for development were not identified, and it was also of less benefit to the organisation as a whole. In addition, it was agreed that feedback provided as part of colleagues' appraisals should be anonymised for the next round of appraisals – the expectation was that this would encourage colleagues to provide more open and honest feedback - **action**.

14. The Committee **noted** the update on the HR strategy.

Item 9 – HR policy review - Paper (19) RNC 03

15. The Committee considered the paper, which was presented by Nicola Galiana and set out amendments to the LSB's special leave policy, and proposed a new draft social media policy which had been reviewed by the Senior Leadership Team the previous week.

16. The following points were raised in discussion:

- On the special leave and unpaid leave policies, the HR Manager highlighted that these had been brought into alignment for both colleagues with children and those without. **Action** – the HR Manager would include a minimum period of employment before unpaid leave could be requested, in line with the period before parental leave could be requested.
- On the proposed social media policy, this was a positive start to a conversation with colleagues about how they could effectively engage with social media to promote the work of the LSB. It was accepted that although there were inevitably downsides to encouraging a bigger presence online, these were outweighed by the potential benefits e.g. enhancing the LSB brand. The planned consultation on the draft policy, and discussion with colleagues, was welcomed and it would be important to emphasise the need and expectation that colleagues would engage with social media in a responsible and appropriate manner.
- Members expressed some concern about colleagues expressing views on policy matters without prior sign-off by a senior member of staff, however the point was accepted that safeguards were written into the policy, and that the risk arising from colleagues re-tweeting links to LSB articles, news stories or commenting on LinkedIn, for example, was relatively low. It would be important to ensure that the goals of the LSB were in alignment with how colleagues were engaging with social media.

17. The Committee **noted** agreed the amendments to the special leave policy, and **agreed** the proposed social media policy, subject to comments raised.

Item 10 – Draft RNC annual report 2018/19 - Paper (19) RNC 04

18. The Committee considered the draft annual report of the Committee for 2018/19, which incorporated a review of activities during the year as well as an assessment of the Committee's performance. The intention was for Jemima Coleman, as RNC Chair, to present the report to the 26 March 2019 Board meeting.

19. The Committee commented as follows:

- The terms of reference had recently been reviewed as part of the 2018 Governance Manual Review;
- The paper provided a helpful reminder of the business of the Committee over the past year.

20. The Committee **approved** the draft report, which would be submitted to the Board as a contribution to the LSB's Annual Report and Accounts for 2018/19.

Item 11 – Update on Succession Planning

21. The Committee held discussion in private with the Chief Executive in attendance, to consider succession planning.

[REDACTED]

22. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] [FoIA exempt s40]

Item 13 – Chief Executive recruitment

23. The Committee considered a paper setting out a range of issues connected with the recruitment of a new Chief Executive following the resignation of Neil Buckley.

24. The Committee:

- agreed the preferred consultancy to engage in order to support the recruitment
- commented on the key skills and experience that should be the focus for the search;
- commented on the remuneration and overall package for the role;
- noted the timelines;
- noted the communications plan and next steps.

Any other business

25. There was no other business.

Date of next meeting

26. The next meeting of RNC would take place on 8 July 2019, 10:30 – 12:30.

SN 06/02/2019

Signed as an accurate record of the meeting

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Date

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