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| <b>To:</b>              | Legal Services Board |
| <b>Date of Meeting:</b> | 17 July 2018         |
| <b>Item:</b>            | Paper (18) 40        |

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|------------------------------|---|
| <b>Title:</b>                | Remuneration and Nomination Committee (RNC) –<br>Report of the 4 July 2018 meeting                      |
| <b>Author/introduced by:</b> | Jemima Coleman, Chair, Remuneration and Nomination Committee<br>Holly Perry, Head of Corporate Services |
| <b>Status:</b>               | Official  |

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| <b>Summary:</b>  |
| The RNC met on 4 July 2018. This paper summarises the key issues considered by the Committee as well as the key decisions taken. |

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| <b>Recommendation(s)</b>   |
| The Board is invited to <b>note</b> the report of the RNC meeting. |

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| <b>Risks and mitigations</b> |
| <b>Financial:</b> N/A        |
| <b>Legal:</b> N/A            |
| <b>Reputational:</b> N/A     |
| <b>Resource:</b> N/A         |

| Consultation           | Yes | No | Who / why? |
|------------------------|-----|----|------------|
| <b>Board Members:</b>  | ✓   |    | RNC Chair  |
| <b>Consumer Panel:</b> |     | ✓  | N/A        |
| <b>Others:</b>         | N/A |    |            |

| Freedom of Information Act 2000 (Fol)   |   |         |
|---|---|---------|
| Para ref  | Fol exemption and summary                         | Expires |
| Para 2 – second bullet point<br>Para 3 – fifth bullet , first sentence after hyphen<br>Para 8 | Section 40: information constitutes personal data |         |

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|---|---|--|
| Para 3 – third<br>bullet<br>Para 5 – fourth<br>bullet | Section 36(2)(b): information likely to inhibit the<br>free and frank provision of advice and the<br>exchange of views for purposes of deliberation |  |
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## LEGAL SERVICES BOARD

|                         |                      |              |               |
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### Remuneration and Nomination Committee (RNC) Report of the 4 July 2018 meeting

1. The Remuneration and Nomination Committee (RNC) met on 4 July 2018. Items discussed are summarised below.

#### SUMMARY

2. Appointments (circulated to the Board by correspondence on 6 July):

##### *Legal Services Board*

- RNC agreed we should ask MoJ to proceed with the appointment of two new lay members – one to take up post as soon as possible, to backfill for the vacancy created by the Chair's permanent appointment, and one to take up post on 1 April 2019 – on Terry Babbs' departure;

- [REDACTED]

##### *Office for Legal Complaints (OLC)*

- The Committee agreed to commence a recruitment exercise to fill two lay vacancies, to take up post on 1 April 2019, on the basis of the OLC Chair's recommendation that Bernard Herden and Michael Kaltz not be re-appointed for second terms of office;

##### *Legal Services Consumer Panel (LSCP)*

- The Committee agreed to commence a recruitment exercise to fill three vacancies, on the basis that the following members were coming to the end of their second term of office in early 2019: Cathy Gallagher, Frances Harrison, Andy Foster.

3. Performance and pay including gender pay analysis

- The Committee reviewed the outcome of the 2018 performance management process;
- The Committee noted that the pay guidance had not been received at the point of drafting the paper, but had been received on 27 June. The executive were in the process of working up a case, and a paper would be circulated to RNC out of committee shortly;

- [REDACTED]
- The Committee noted the gender pay analysis - as at 31 March 2018, the LSB's mean hourly gender pay gap was 17.6%, though excluding two former senior managers who had left the LSB but remained on the payroll reduced the gap to 11%;
- The Committee noted the equal pay analysis – [REDACTED]  
[REDACTED]  
[REDACTED] This had been rectified at a modest cost of £5.2k.

#### 4. Resourcing trends

- The annual review of resourcing trends was considered by the Committee noting that the annual sickness absence figure had reduced slightly (from 7.65 days per person to 7.23 days per person);
- The Committee agreed the executive's proposal to repeat the equality and diversity survey in September 2018, with the hope of securing a 100% response rate from non-executive directors.

#### 5. Annual review of colleagues' terms and conditions

- No changes were proposed to the prevailing terms and conditions of the CEO, the Strategy Director or to colleagues terms and conditions and standard benefits;
- The Committee agreed to formalise the Christmas office closure, giving colleagues three additional fixed days' leave, and also agreed to offer colleagues a day off on their birthday (also fixed, the nearest working day to their birthday if it landed on a weekend or bank holiday);
- The Committee agreed to increase the LSB's maternity and adoption pay to 18 weeks, to bring the LSB closer to competitors' offering, and to extend the enhancement to shared parental leave pay;
- [REDACTED]

#### 6. HR policies

- The Committee agreed the adjustments to the HR policies proposed by the executive and agreed the timetable for future reviews;
- The Committee invited the executive to consider collating the 27 policies into a 'colleague handbook'.

#### 7. Colleague retention strategy including themes arising from exit interviews

- The Committee considered and approved the retention strategy and noted the themes that had arisen in recent exit interviews;

- The Committee noted the internal audit report that had been undertaken by KPMG in the spring, and which had been reported to ARAC in May 2018.

8. [REDACTED]  
[REDACTED]

9. The CEO provided the Committee with an update on succession planning.