

**Subject:** Establishment, membership and chairing arrangements of a Resource and Remuneration Committee, and Stadium Committee  
**Agenda item:** Public Item 6  
**Report No:** 2  
**Meeting date:** 29 June 2012  
**Report to:** Board  
**Report of:** Jonathan Dutton, Executive Director of Finance and Corporate Services

**FOR DECISION**

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**This report will be considered in public**

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**1. SUMMARY**

- 1.1. This report seeks approval of the structure, membership and terms of reference of London Legacy Development Corporation's (LLDC) Resource and Remuneration Committee and Stadium Committee.

**2. RECOMMENDATIONS**

- 2.1 The Board is invited to
- **APPROVE** the establishment of the two committees, with the terms of reference set out in the appendices, with effect from the close of the Board meeting at which this paper is considered.
  - **CONSIDER AND APPROVE** the delegation of specific matters to the Resource and Remuneration Committee.
  - **NOTE** that there will be an update from the Chairman on expressions of interest in membership of these committees, and on their proposed membership.
  - **DELEGATE** to the Chairman the formal agreement of membership and chairing arrangements for the two committees, following the Chairman's update and consideration by the Board.
- 2.2 The Board is invited to **NOTE** that a proposal to establish a planning committee will be considered by the Board in due course.

**3. BACKGROUND**

- 3.1. The two new committees have been established to meet some of the organisation's critical priorities in coming months, recruitment of a new chief executive, consideration of organisational structures, and the agreement of legacy proposals for the use of the Stadium.

**4. PROPOSAL**

- 4.1 It is proposed that two committees should be established. These are:

- A Resource and Remuneration Committee;
- A Stadium Committee

- 4.2 The terms of reference of the two committees are set out in the Appendices to this paper. It is proposed that the Resource and Remuneration Committee is a standing committee of the Corporation, with specific delegated authority over appointment and remuneration matters. Its delegated terms of reference include the appointment of the chief executive, and agreement of remuneration arrangements. It will also advise the Chairman and Chief Executive on organisational change programmes. The Board is specifically asked to consider and comment on whether these terms of reference are correct, whether some of these matters should be reserved to the Board, or whether more authority should be delegated.
- 4.3 The Stadium Committee is proposed to be a fixed term committee, operating in an advisory capacity over the next year to two years, as the Stadium's future is settled.
- 4.4 The Chairman has asked members of the Board to state whether they would willing and able to serve on them. The Chairman will update the Board on nominations and proposed membership before finalising this under the proposed delegation.

## 5. TIMING

- 5.1. The approval of the committee structure, membership and terms of reference is **PRESSING** due to the significant number of decisions to be considered.

## 6. FINANCIAL IMPLICATIONS

- 6.1. There is no specific financial implication of establishing these two committees, though if they are chaired by members who are not already committee chairs, a chair's allowance of £14,000 would be payable.

## 7. LEGAL IMPLICATIONS

- 7.1. The Localism Act, pursuant to section 198 and Schedule 21, allows a mayoral development corporation to establish committees, and to delegate powers to them. Mayoral approval is required for the co-option of any people who are not corporation board members onto a committee.
- 7.2. Schedule 21 also specifies that an MDC may appoint staff, including a chief executive, and may pay remuneration to its members and staff. The Act requires that members' remuneration is determined by the Mayor, and staff remuneration is determined by the MDC, with the Mayor's agreement. Mayoral Decision MD991, signed by the Mayor of London on 27 March 2012, agreed "that the Mayor delegate to the Corporation the approval of changes to the terms and conditions on which Corporation staff and Board members are to be appointed, and their rates and eligibility criteria for remuneration, travelling and other allowances and pensions and gratuities, subject to prior consultation with the Mayor".
- 7.3. The procedure for committees is set out in detail in the LLDC's Standing Orders.
- 7.4. The draft Memorandum of Understanding between the Mayor of London and London Legacy Development Corporation requires the Mayor of London to be consulted on changes to the Corporation's Scheme of Delegations. The Corporation has consulted with the Mayor of London on proposals for delegation to the Resource and Remuneration Committee, but short notice means that the Mayor's views will be reported to the Board meeting.

## 8. LIST OF APPENDICES TO THIS REPORT

- Appendix 1 – Resource and Remuneration Committee

- Appendix 2 – Stadium Committee

<b>List of Background Papers</b>
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| <ul style="list-style-type: none"><li>• LLDC Standing Orders as amended and adopted by LLDC Board April 2012</li></ul> |
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## Appendix 1: Resource and Remuneration Committee

- Status:** Advising the Board and Chairman, and taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise at least four members.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer  
Chief Executive, except where his/her appointment or remuneration is under discussion  
Executive Director of Finance and Corporate Services, except where his/her remuneration, or the chief executive's appointment and/or remuneration, is under discussion  
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Two members of the Committee or, if greater, one third of the number of members of the Committee in office

### Frequency of meetings

1. The Committee will meet as determined by the Committee Chair, in light of the need for advice and decisions. Meetings of the Committee shall be convened by the secretary at the request of its Chair.

### Purpose of the Committee

2. The Resource and Remuneration Committee will be established to promote the efficient and effective discharge of the London Legacy Development Corporation's functions, through ensuring that staffing structures and remuneration packages are sufficient for those functions while representing value for money.

### Terms of Reference and Delegated Authority

3. Subject to legislative requirements that prescribe the consent of or consultation with the Mayor of London, the Committee shall have delegated authority to agree the following matters:
  - a. Appointment of the Chief Executive and agreement of his/her contractual terms;
  - b. The Corporation's remuneration and pay policy;
  - c. The level of payments and allowances to be made to members of the Corporation and its committees;

- d. The remuneration of and any bonuses payable to the Chief Executive and top layer of management;
  - e. Approval of any agreement relating to the departure of the Chief Executive and other officers in the top layer of management; and
  - f. Any other matters delegated to it by the Board from time to time.
4. The Committee will also advise the Chairman and Chief Executive on:
- a. organisational development and structure issues;
  - b. the allocation and use of the Corporation's human resources; and
  - c. any proposals for organisational change.

### **Procedural and reporting arrangements**

5. The Mayor of London shall be entitled to appoint an observer to attend meetings of any Committee or Sub Committee, pursuant to Standing Order 5. Such an observer shall be entitled to receive notice of, and all papers for, and to attend and speak (but not vote) at, all such meetings unless s/he has a direct or indirect interest in the matter under consideration. Standing Order 6 and Standing Order 7 shall apply to the observer as if s/he were a Member.
6. The Chief Executive and Executive Director of Finance and Corporate Services shall be entitled to attend all meetings of the Committee, except where their remuneration is being discussed. Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases, pursuant to Standing Order 5.2.
7. Unless otherwise agreed, notice to each Committee member confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each Committee member and any other person required to attend no later than five (5) days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.
8. The Secretary or a nominated deputy shall minute the proceedings and resolutions of all Committee meetings, including recording the names of those present and in attendance.
9. The Secretary or a nominated deputy shall promptly circulate the minutes of the meetings to all Committee members.
10. The Committee will report any meeting to the Board at its next meeting.
11. The Committee shall conduct an annual review of its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

### **Amendments**

12. Any of these procedures and terms of reference may be altered or amended from time to time by resolution of the Board. Notice shall be given of the proposed alteration(s) in a paper for the meeting of the Board at which they are to be discussed.

## Appendix 2: Stadium Committee

- Status:** Advising the Board and Chairman, and taking decisions within its terms of reference. Part VA of the Local Government Act 1972, which deals with access to meetings and documents, applies to this committee.
- Membership:** The Committee shall be appointed by the Board and shall comprise at least four members, at least one shall have recent financial experience.
- Chair:** The Committee Chair shall be appointed from time to time by the Board. In the absence of the Committee Chair at a meeting of the Committee, the remaining members present shall elect one of themselves to chair the meeting.
- In attendance:** GLA observer  
Chief Executive  
Executive Director of Finance and Corporate Services  
Subject to the rights of the public to attend meetings, attendance of other officers, advisers or other persons shall be at the invitation of the Chair for all or part of the meeting. The Chair may authorise the Chief Executive to issue invitations generally or in specific cases.
- Secretary:** To be agreed by the Proper Officer
- Quorum:** Two members of the Committee or, if greater, one third of the number of members of the Committee in office

### Frequency of meetings and period of operation

1. The Committee is expected to meet at least three times a year, as determined by the Committee Chair, in order to meet its terms of reference. Meetings of the Committee shall be convened by the Secretary at the request of request of its Chair.
2. The Committee is expected to operate for approximately one year, and will in any event be formally disestablished in September 2014, if no proposals for extending its period of operation have been agreed before that time.

### Terms of Reference

3. To advise the Board on:
  - a. The business cases for, and commercial and community merits of, different proposals for legacy use of the Stadium;
  - b. The commercial terms for managing the delivery of the Stadium transformation project;
  - c. Any outstanding issues relating to the Corporation's participation in, the Special Purpose Vehicle with the London Borough of Newham; and
  - d. The procurement process for the stadium operating contractor (inasmuch as this is not considered by the SPV itself).
4. For the avoidance of doubt, this Committee will assume the role of the Investment Committee in reviewing investment proposals for the Stadium.

## **Procedural and reporting arrangements**

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