
From: Jane Davies [GRO]
Sent: Wed 08/03/2023 8:12:48 AM (UTC)
To: Lisa Harrington [GRO]; Henry Staunton [GRO]
Subject: RE: CONFIDENTIAL: CEO pay rise

Hi Lisa/Henry,

I agree with you point here. Tom was working 'alone' on this proposal.

A further point of clarification might be important here.

If you recall, Nick was immensely frustrated ('insulting/risible were his actual words) with the proposal suggested in the email on 12th January (Tom's proposal), to the extent that he was considering a formal grievance and / or considering his resignation. Following a meeting with you and members of RemCo on 24th, Henry and I took a revised proposal to David Bickerton and Charles Donald on 25th January, and amongst other proposed changes to Nick's package, Henry requested a pay increase 'to be in line with the PO 'likely to be 5%' (as we were still working through the FY22/23 pay negotiations) and for this to be paid in 2022. It was also noted that Nick had not received an increase since joining in 2019, and Henry felt this was unacceptable. We understood that proposal was to be shared with the SoS later that day. Henry then received confirmation that 'up to 5%' pay increase had been approved (that we would be receiving a 'letter' confirming this).

Unfortunately, I have not received the promised letter to confirm the agreed changes which has not been helpful. I have always maintained in verbal updates with UKGI that this is to be backdated to 2022.

Hope this helps.

Speak later,

Regards,
Jane

From: Lisa Harrington [GRO]
Sent: 08 March 2023 07:32
To: Cooper, Tom - UKGI [GRO]; Henry Staunton [GRO]
[GRO]; Jane Davies [GRO]
Cc: Brian Gaunt [GRO]; Benjamin Tidswell [GRO]
[GRO] Gratton, Lorna - UKGI [GRO]
Subject: Re: CONFIDENTIAL: CEO pay rise

Tom,

Many thanks for your help on this matter.

As outgoing RemCo Chair I echo Henry's point and frustration. There is a clear risk that the Remuneration Committee is becoming defunct if it has no independent decision-making powers. If this is the case, we should reconstitute it as an Advisory board.

Please let me know if I can be of help in the follow-up.

Lisa

Sent from [Outlook for Android](#)

From: Cooper, Tom - UKGI <[REDACTED]>
Sent: Tuesday, March 7, 2023 8:02:27 PM
To: Henry Staunton <[REDACTED]>; Jane Davies <[REDACTED]>; Lisa Harrington <[REDACTED]>
Cc: Brian Gaunt <[REDACTED]>; Benjamin Tidswell <[REDACTED]>; Gratton, Lorna - UKGI <[REDACTED]>
Subject: Re: CONFIDENTIAL: CEO pay rise

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Henry

I understand your frustration. This whole topic has been frustrating for all concerned.

Wish it were otherwise but I don't have a magic wand to deal with this. Decision-making sits with the Department.

The paper trail is clear and to get this pay rise from April last year it will have to go back to SoS.

Tom

Sent from [Outlook for iOS](#)

From: Henry Staunton <[REDACTED]>
Sent: Tuesday, March 7, 2023 7:22:31 PM
To: Jane Davies <[REDACTED]>; Cooper, Tom - UKGI <[REDACTED]>; Lisa Harrington <[REDACTED]>
Cc: Brian Gaunt <[REDACTED]>; Benjamin Tidswell <[REDACTED]>; Gratton, Lorna - UKGI <[REDACTED]>
Subject: Re: CONFIDENTIAL: CEO pay rise

Tom ,
What a huge amount of time and energy such a small matter is taking up .
We have very very serious current trading and systems issues and historic legal problems at PO . The date of the salary increase is a relatively trivial matter and I am amazed “ officials “ cannot deal with it . The RemCo has taken a decision to NOT give a zero increase to Nick wef 1 April 2022 - 5% seems quite reasonable to me and it obviously was to the RemCo . IF this is over ruled it suggests that the RemCo is merely performing an advisory function , nothing more .
For what it is worth my reading of the correspondence suggests the increase is wef 1 April 2022 .
BW ,
Henry

Sent from [Outlook for iOS](#)

From: Jane Davies [GRO]
Sent: Tuesday, March 7, 2023 3:35:56 PM
To: Cooper, Tom - UKGI [GRO]; Lisa Harrington [GRO]
[GRO]; Henry Staunton [GRO]
Cc: Brian Gaunt [GRO]; Benjamin Tidswell [GRO]
[GRO]; Gratton, Lorna - UKGI [GRO]
Subject: RE: CONFIDENTIAL: CEO pay rise

Hi Tom,

I have been liaising with Ben to ensure this is managed and backdated to 2022.

The email exchange documented the proposal from you on the CEO retention, bonus and pay, which I believe you were submitting to the SoS. However, I did not see any follow up emails. The dates in the proposal here were inconsistent with the letter from Henry (which was prepared by my predecessor in November, I picked this up after I joined POL on 1st December).

The pay rise (up to 5%) is subject to the overall pay increase which we are still negotiating with the TU's and therefore, it would not appropriate to incorporate into the STI, until such time the increase is formally agreed. However, I do feel this should be backdated in line with Henry's original letter.

Kind regards,
Jane

From: Cooper, Tom - UKGI [GRO]
Sent: 07 March 2023 10:46
To: Lisa Harrington [GRO]; Henry Staunton [GRO]
[GRO]; Jane Davies [GRO]
Cc: Brian Gaunt [GRO]; Benjamin Tidswell [GRO]
[GRO]; Gratton, Lorna - UKGI [GRO]
Subject: CONFIDENTIAL: CEO pay rise

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Lisa, Henry, Jane

I'm following up on the discussion we had at Remco last week about the effective date for Nick's pay rise.

At the end of last year, Henry sent a letter to SoS (dated 11 November) with the proposed enhancements to Nick's remuneration. Jane's email (attached) refers to a paragraph in the letter that proposes action in 2022. At Remco last week, you all confirmed that a pay rise from 1 April 2022 was intended.

You'll recall that Henry's proposal was rejected by SoS in its entirety after Henry and SoS met. At that point, we agreed that there was no point in POL making a further request. Instead, officials, led by UKGI, would propose a more modest package that we believed would have a better chance of achieving some success. This was discussed, including with Jane, and Jane summarised the position in her email to Henry on 12 January (also attached). The submission made by officials was in line with Jane's email. As you know, the result was that SoS approved elements 1 and 3 contained in Jane's email.

Jane's email is clear that what was proposed by officials was a pay increase from 1 April 2023, not April 2022. SoS approved a pay rise from 1 April 2023 in line with the submission that was made by officials.

Given Remco would like to see a backdated pay increase, I'd be grateful if you could consider this and let me know what you would like to do. The options seem to be either to:

- Accept SoS's decision that the pay rise should apply from 1 April 2023. This would have negative consequences for Nick particularly if he has already been informed that the pay rise will be backdated; or
- Go back to SoS and ask her to approve a retrospective pay rise. We would also note that Nick's 22/23 STIP entitlement would increase accordingly (Nick's STIP entitlement for 22/23 is already in the system for approval based on his existing salary). I have already established that this decision can't be taken by officials. This could have negative consequences for the relationship between the Department and POL particularly given the previous problems over the unapproved payment of Nick's STIP. As you know from our recent experience, there is no guarantee that an approval will be forthcoming.

Tom

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