
From: Nick Smith
Sent: 30 April 2010 17:50
To: Dave Anderson; Donald McGougan
Cc: Alan Coyle; Marshall Poulton
Subject: tie bonuses

Donald/Dave

At tie's away day yesterday the issue of this year's bonuses came up. Richard gave some information re the general financial position and its impact but confirmed to staff that the TEL remuneration committee would make a decision on bonuses in early June.

Having revisited the TEL Operating Agreement terms:

All relevant tie remuneration matters will be monitored and controlled by the Remuneration Committee of the TEL Board. ***TEL shall procure that TEL and tie shall develop and have approved by the TEL board a remuneration policy setting out inter alia the benchmarks and procedures for proposed bonus achievement and the project milestone outcomes to which any such bonuses are linked.*** Such policy for both TEL and tie shall require to be approved by the TEL board, through its Remuneration Committee, in advance of each annual reporting period as it will apply in the succeeding annual reporting period.

Notwithstanding that it has already commenced, ***the first such period will be Financial Year 09/10.*** TEL shall ensure that both TEL and tie's performance bonus incentive arrangements are aligned to appropriate Project milestones and reflect performance achievements beyond the level that might reasonably be expected of individual staff in fulfilling their assigned job roles. ***The remuneration policy principles to be adopted by TEL's Remuneration Committee each year for both tie and TEL will also require to be approved by the Council's Chief Executive in advance of each annual reporting period.*** In addition to annual approval by the Council Chief Executive, a full review of TEL and tie's remuneration strategy by the Council Chief Executive will take place every three years to ensure that such strategy remains appropriate in the market from time to time.

You will note that before any bonus can be approved, the relevant requirements above need to be signed off by CEC. On the assumption that we have not approved these to date (and I am not aware that we have), how do you wish to take this forward?

Should I write to Richard asking him for details for Tom to consider and approve?

Kind regards

Nick

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Please note that I am not in the office on a Monday

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