

# Directors' remunerations

## 1. Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations the Review Body is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effect on the recruitment and retention of staff;
- government policies for improving the public services, including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com)

## 2. Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made. The officials covered by this report hold appointments which are open-ended until they reach the normal retiring age of 60 (individuals may elect to work up to

age 65). Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

## 3. The Remuneration Committee at 31 March 2009

The Remuneration Committee was chaired by the Director General and Chief Executive, Vanessa Lawrence until 31 December 2008 and met annually to agree the remuneration policy and practice for Executive Directors and other senior staff. Piers White and Michael Sommers, Non-Executive Directors, and Jan Hutchinson, Director of Human Resources and Corporate Services,

served on the Remuneration Committee. The Director General and Chief Executive was not present for discussions on matters concerning her remuneration; at these times her place is taken by Jan Hutchinson, Director of Human Resources and Corporate Services. From 1 January 2009, Sir Rob Margetts has Chaired the Remuneration Committee.

## 4. Directors' remuneration

The most senior members and key decision makers of Ordnance Survey are the members of the Strategy and Operating Boards, details of whom are contained in the Foreword to the Accounts.

The salary and the value of any taxable benefits in kind of the most senior members of Ordnance Survey were as follows:

	Salary 2008–09, including performance pay £'000	Salary 2007–08, including performance pay £'000
<b>Vanessa Lawrence CB</b> Director General and Chief Executive	200–205	195–200
<b>Neil Ackroyd</b> Director	135–140	130–135
<b>James Brayshaw</b> Director	145–150	140–145
<b>Peter ter Haar</b> Director	110–115	95–100
<b>Jan Hutchinson</b> Director	135–140	120–125
<b>Bob Goodrich</b> Director	110–115	50–55 (110–115 full year equivalent)
<b>Mark Alexander</b> Director	120–125	20–25 (100–105 full year equivalent)

- Salary includes gross salary, performance pay, recruitment and retention allowance and all allowances that are subject to UK taxation.
- The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HM Revenue and Customs as a taxable emolument. In 2008–09 Neil Ackroyd and Peter ter Haar each had use of a car under the terms of the Private User Scheme, the respective benefit in kind amounts were £3 000 and £4 300.
- The Director General and Chief Executive's remuneration for 2008–09 includes a bonus paid in respect of 2007–08. The bonus payable for 2008–09 has yet to be approved.

## 5. Directors' pensions

	Real increase in pension and related lump sum at age 60	Total accrued pension at 60 at 31 March 2009 and related lump sum	Cash Equivalent Transfer Value (CETV) at 31 March 2008	CETV at 31 March 2009	Real increase in CETV after adjustment for inflation and changes in market investment factors
	£'000	£'000	£'000	£'000	£'000
<b>Vanessa Lawrence CB</b> Director General and Chief Executive	2.5–5 plus 0–0.5 lump sum	25–30 plus 10–15 lump sum	316	380	30
<b>Neil Ackroyd</b> Director	0–2.5	10–15 plus 0–5 lump sum	157	195	21
<b>James Brayshaw</b> Director	0–2.5	10–15	164	202	20
<b>Peter ter Haar</b> Director	0–2.5	2.5–5	28	51	17
<b>Jan Hutchinson</b> Director	0–2.5 plus 5–7.5 lump sum	5–10 plus 25–30 lump sum	158	207	35
<b>Bob Goodrich</b> Director	7.5–10 plus 20–25 lump sum	40–45 plus 130–135 lump sum	743	978	167
<b>Mark Alexander</b> Director	0–2.5	2.5–5	6	32	24

The Director General and Chief Executive and Ordnance Survey Directors in the table above are members of the Principal Civil Service Pension Scheme (PCSPS). Details of the scheme are contained in Note 1.9 to the Accounts and further details can be found at [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

Vanessa Lawrence and Neil Ackroyd are members of the Classic Plus Scheme. Vanessa Lawrence is also a member of the Civil Service Supplementary (Earnings Cap) Pension Scheme 1994. This is an unapproved, unfunded retirement benefit scheme (UURBS) laid under the Superannuation Act 1972. It provides benefits to members in respect of pensionable pay over the earnings cap. The benefits are calculated in the same way as benefits in the PCSPS.

James Brayshaw and Peter ter Haar are members of the Premium Scheme; the remaining directors are all members of the Classic Scheme.

The table above shows the members' CETV accrued at the beginning and the end of the reporting period and the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a

particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and other pension details include the value of any pension benefit in another scheme which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Superannuation

Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax, which may be due when pension benefits are drawn.

## 6. Non-Executive Directors

The Non-Executive Directors are appointed by the Minister responsible for Ordnance Survey on the recommendation of the Chairman of the Selection Board and any others the Minister may wish to consult. Their remuneration and terms of appointment are agreed at the time of their appointment, which is normally for two years with the option for this to be extended for a further two years. By exception and on completion of the two year optional period, any further extension is offered under mutually agreed terms.

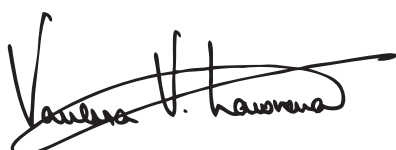
## 7. Payments to Non-Executive Directors

Ordnance Survey Non-Executive Directors are not Ordnance Survey employees and are not members of the PCSPS.

Fees paid to Non-Executive Directors were as follows:

	2008–09	2007–08
Sir Rob Margetts CBE	40	–
Michael Sommers	15–20	15–20
Piers White	15–20	15–20
Dr Katherine Innes Ker (Until July 2008)	5–10	15–20

The inclusion of a Directors' Remuneration Report containing information about the salary and benefits of the senior managers of Ordnance Survey is a requirement of the Government Financial Reporting Manual (FRM). Please note that the actual salary and benefit details of each director form the audited elements of this report, as referred to in The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament, which is to be found on page 52 of the Annual Accounts.



**Vanessa V Lawrence CB**  
**Director General and Chief Executive**

30 June 2009