

*To consider*

## **Report of the Remuneration Committee 2014**

### **Issue**

- 1** A summary of the work of the Remuneration Committee in 2014.

### **Recommendations**

- 2** Council is asked to:
  - a** Consider the report on the work of the Committee in 2014.
  - b** Agree that the Senior Medical Adviser and GMC Responsible Officer role should be included in the remit of the Committee's responsibilities and to approve the related amendment to the Committee's Statement of Purpose.

# Report of the Remuneration Committee 2014

## Issue

- 3 The Remuneration Committee's Statement of Purpose is at Annex A. The Committee has met twice in 2014, and it has also received information about appointments circulated by email when it was necessary to be updated between meetings.
- 4 The Committee is satisfied that in undertaking its work programme for 2014 it has fulfilled its responsibilities under its terms of reference.

## *2014 Pay award*

- 5 In April 2014 the Committee considered the annual pay award for the Chief Executive, individual Directors, and the Chair of the Medical Practitioners Tribunal Service (MPTS). This was supported by reports on individual performance. The Committee agreed that the standard award as agreed for all other staff (which comprised a core award of 1.5% for satisfactory performance). The Committee also awarded a small element of variable pay based on performance which mirrored the arrangements for all GMC staff (but was awarded on a non-consolidated basis). In making its decision, the Committee noted the organisation's level of performance and cost control measures in 2013, and the contribution of the senior executive team in successful delivery of the GMC's work.
- 6 The Committee noted that the Charity Commission would in future require all charities that submit accrual accounts under the Statement of Recommended Practice to disclose senior staff pay in bands over £60,000 and for larger charities to disclose their pay and remuneration policy for senior staff in their annual report. This would apply to the next annual report published in 2015. The Committee agreed that it would review the proposed policy statement for inclusion in the annual report in 2015, insofar as it applied to the senior management roles within its remit.

## *Performance Management Framework*

- 7 The Committee agreed revised arrangements for the performance management framework for the Directors, Chief Operating Officer, Chief Executive and Chair of the MPTS, and its link to pay. The framework was based on an approach that had a clear and visible link to the arrangements that applied to all GMC staff, with a clear focus on effective team working, collaboration and corporate leadership, and included a link between pay and performance. The revised framework would be in place for use in 2015, i.e. for review of 2014 performance.

## *Appointments*

- 8 The Committee received updates on the recruitment and subsequent appointment of the new Chief Operating Officer and new Director of Education and Standards, and

agreed the remuneration arrangements for each post. Susan Goldsmith was appointed as the new Chief Operating Officer and took up this position on 6 October 2014; and Vicky Osgood was appointed as the new Director for Education and Standards, and would take up this position on 1 January 2015

- 9** The Committee noted that changes would be made to the role of the Senior Medical Adviser and GMC Responsible Officer, and that it was proposed that the post holder should become part of the senior management team and incorporated within the roles for which the Committee has responsibility. The Committee noted the annual appraisal arrangements that would apply to both posts in 2015.
- 10** The Committee also agreed to review the implications of recent changes to pensions and allowances in relation to the pension provisions for the senior management roles within its remit in 2015.
- 11** The Committee also noted that a formal staff exit interview system was planned to be introduced following completion of piloting in Q4 of 2014, to capture learning for the future benefit of the organisation.

#### Appointment of Chair of the MPTS

- 12** The Committee agreed the arrangements for the appointment of the Chair of the MPTS. The appointment and current terms of service were agreed to be offered to be extended for a further period of three years to the current post holder, His Honour David Pearl. This appointment will be made subject to the Chair of Council's confirmation and approval following completion of the appraisal process, to be reported to Council at this meeting. The Committee will review the appointment process in 2015, so that any changes can be incorporated into the arrangements that need to be in place ready for the next appointment.

#### *2015 Work Programme*

- 13** The Committee reviewed and agreed its work programme for 201, noting that this would be recommended for approval in February 2015 should the Committee's membership change following the current review.

#### *Review of Statement of Purpose*

- 14** The Committee is required to review its Statement of Purpose at least once a year and suggest any amendments considered necessary to Council. The Committee recommends to Council that its remit should be extended to include the role of the Senior Medical Adviser and GMC Responsible Officer, in line with plans for the role to be part of the senior management team from 1 January 2015, and to agree the related amendment to the Committee's Statement of Purpose. Subject to Council's approval, this will be incorporated into the relevant section of the Governance Handbook as set out in tracked changes in Annex B.

- 15** The Committee has noted that its Statement of Purpose may need to be reviewed to reflect any necessary changes to its role and responsibilities following the Section 60 Order on adjudication, which is proposed to establish the MPTS as a statutory committee of Council.

## Supporting information

### How this issue relates to the corporate strategy and business plan

**17** Strategic aim five of our corporate strategy is to work better together to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions. The Committee's work supports the effective governance and management of the GMC.

**If you have any questions about this paper please contact: Christine Payne, Head of Governance, [cpayne@gmc-uk.org](mailto:cpayne@gmc-uk.org), 020 7189 5422 or Andrew Bratt, Assistant Director – Human Resources, [abratt@gmc-uk.org](mailto:abratt@gmc-uk.org), 0161 923 6215.**

## Remuneration Committee

### Statement of Purpose

#### *Purpose*

- 1** The Remuneration Committee advises Council on remuneration, terms of service, and the expenses policy for Council members including the Chair.
- 2** The Remuneration Committee will determine:
  - a** The appointment process for the Chief Executive.
  - b** Remuneration, benefits, and terms of service for the Chief Executive, Chief Operating Officer/Deputy Chief Executive, and Directors.
  - c** The appointment process for the Chair of the Medical Practitioners Tribunal Service (MPTS).
  - d** Remuneration, benefits and terms of service for the Chair and members of the MPTS Advisory Committee.

#### *Duties and activities*

- 3** The Committee is responsible for reviewing and advising Council on the remuneration arrangements and levels (including expenses policy) for Council members, including the Chair.
- 4** The Committee sets all aspects of salary or honoraria, the provision of any other benefits, and any other arrangements or contractual terms and offers advice in respect of the following roles:
  - a** The Chief Executive.
  - b** The Chief Operating Officer/Deputy Chief Executive.
  - c** Directors.

- d** The Chair and members of the MPTS Advisory Committee.
  - e** Any other such staff and posts as may be required.
- 5** In respect of the appointments of the Chief Executive and the Chair of the MPTS, the Committee is responsible for designing the recruitment processes and for conducting them in accordance with Council's agreed delegation.

#### *Working Arrangements*

- 6** The Committee may commission appropriate external advice where required.
- 7** Meetings are held twice a year. At the discretion of the Chair of the Committee, additional meetings can be convened.
- 8** The Committee should review its statement of purpose at least once a year and suggest any necessary amendments to Council.
- 9** Papers for each meeting will be sent electronically to Committee members at least seven days in advance of meetings.
- 10** Draft minutes, recording conclusions of the issues discussed, should be cleared by the chair and circulated to members for comment within two weeks of the meeting. The Committee approves minutes at its next meeting.
- 11** The Chair of the Committee presents a report on its activities to Council at least annually.

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