

To consider

Report of the Remuneration Committee 2013

Issue

- 1 A summary of the work of the Remuneration Committee in 2013.

Recommendation

- 2 Council is asked to consider the report on the work of the Remuneration Committee in 2013.

Report of the Remuneration Committee 2013

Issue

- 3** The Remuneration Committee was established with a new Statement of Purpose in February 2013, following Council's approval of the governance model. It replaced the former Remuneration and Member Issues Committee with a revised remit and re-constituted membership. The current Statement of Purpose is at Annex A. The purpose of the Remuneration Committee is to advise Council on remuneration, terms of service, and the expenses policy for Council members including the Chair.

- 4** The Committee is also responsible for determining:
 - 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.

- 5** The Committee has met three times in 2013. The Committee is satisfied that in undertaking its work programme for 2013 it has fulfilled its responsibilities under its terms of reference.

2013 Pay award

- 6** In February 2013 the Committee considered the annual pay award for the Chief Executive, Chief Operating Officer, individual Directors, and the Chair of the 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% for satisfactory performance, together with a further 1% for successful performance) should be applied. In making its decision, the Committee noted the organisation's level of performance and cost control measures in 2012, and the contribution of the senior executive team in successful delivery of the GMC's work.

Appointments

- 7** The Committee noted the remuneration arrangements agreed for the new Director of Fitness to Practise, whose appointment was made in June 2013.

- 8** The Committee noted the arrangements for the appointment of new members to the MPTS Advisory Committee, whose appointments were confirmed in November 2013. The remuneration and terms of service remain unchanged, other than that the time commitment for the role was reduced from 24 to 12 days a year as a result of its revised remit; and that one new member may serve less than a full two-year term as they are expected to demit office as a serving panellist in 2014.
- 9** The Committee noted that the Chief Operating Officer and Director of Strategy and Communication were leaving the organisation at the end of January 2014 and December 2013 respectively. Work was underway to consider the future arrangements, and the outcome would be reported to the Committee in order that it could consider any issues arising in relation to its responsibilities for determining remuneration, benefits and terms of service.

Pay and reward review

- 10** The Committee agreed that a review of the framework and underlying principles for remuneration and reward of the senior executive team should be undertaken. A report from an independent external agency was commissioned to inform the review. The Committee agreed the importance of having a remuneration policy for the senior management team which enables the GMC to recruit and retain high quality staff to deliver high quality work for the GMC as a national organisation, and which took into account its equality and diversity policies. The Committee noted the context within which the GMC operated, and its positive experience of recruitment and retention and performance of senior staff in recent years. The Committee was content that the existing system was working well, and that no substantial changes to the current arrangements were necessary. In order to ensure equity of the agreed approach in benchmarking pay levels within the senior executive team, the Committee agreed two adjustments. It was noted that a review of benefits for all staff had been completed, and that an update would be given to Council in February 2014.
- 11** In light of the review, the Committee decided that a salary policy for the appointment of members of the senior management team should be developed to ensure a clear framework was put in place to reflect its agreed approach. It was agreed that the policy should be reviewed in the event of any changes to roles and responsibilities or new appointments, and that this should include re-examination of the policy of salary parity for Director level posts.
- 12** The Committee also decided that work should be undertaken to review the performance management framework for the senior management team, which would include consideration of the arrangements for performance related pay which was to be brought into line with other staff. The Committee considered that the framework should be developed to align as far as possible with the

system in place for other staff, and including objectives set on an individual's contribution as a member of the leadership team to working together as a group and in delivering corporate priorities and demonstrating organisational values. The review will be completed in 2014.

Review of Statement of Purpose

- 13** The Committee is required to review its Statement of Purpose at least once a year and suggest any amendments considered necessary to Council. The Statement of Purpose was approved by Council in April 2013 as part of its review of the Governance Handbook. It was updated in August 2013 to reflect the change in name of the MPTS Advisory Committee which is referenced in its terms. Given that the Statement of Purpose is relatively newly established, the Committee considered that it was currently fit for purpose and that no changes are necessary at this stage.

Supporting information

How this issue relates to the corporate strategy and business plan

- 14** This relates to Strategic aim 7 which is to continue to use our resources efficiently and effectively, and to supporting the effective governance and management of the GMC.

If you have any questions about this paper please contact:

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Annex A

Statement of Purpose of the Remuneration Committee

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.
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- 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.