

Agenda item:	M8
Report title:	Report of the Remuneration Committee
Report by:	Stephen Jones , Assistant Director, Office of the Chair and Chief Executive, Stephen.Jones@gmc-uk.org , 020 7189 5231
Considered by:	Remuneration Committee
Action:	To consider

Executive summary

The Remuneration Committee is required to report to Council on its activities at least annually. The report summarises the work undertaken in 2016.

The Committee is also required to review its Statement of Purpose and whether it remains fit for purpose.

Recommendations

Council is asked to consider the report on the work of the Remuneration Committee in 2016.

Issue

- 1 The Remuneration Committee is required by its Statement of Purpose, at [Annex A](#), to report to Council at least annually. This report summarises the work of the Committee in 2016. The Committee met twice in 2016 (on 2 March and 3 November) and has also considered issues on email circulation where action was required between meetings. The Committee is satisfied that in undertaking its work programme in 2016 it has fulfilled its responsibilities under its terms of reference.

2016 Pay award and pay strategy

- 2 At its meeting on 2 March 2016, the Committee considered the annual pay award for the Chief Executive, Chief Operating Officer, 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 included a core award of 1% for satisfactory performance), together with variable pay based on performance (as applicable) which would be non-consolidated, should be applied to the salaries of the Chief Executive, Chief Operating Officer, Directors, and the Chair of the Medical Practitioners Tribunal Service (MPTS).
- 3 At its meeting on 3 November 2016, the Committee considered an update on plans to review pay and performance arrangements for GMC staff and the potential implications of this for the pay and performance framework that applies to the Chief Executive, Chief Operating Officer and Directors. It also considered the scope for a future job evaluation and pay market review and agreed to carry this out in the second half of 2016 and to carry out a procurement exercise ahead of this to appoint a consultancy to advise on this work.

Talent and succession planning

- 4 The Committee considered a detailed assessment of talent and succession planning for the Chief Operating Officer and Director roles, and agreed that risk and succession planning for the Chief Executive would be considered as part of the review of requirements for the recruitment of a new Chief Executive in 2016. The Committee considered that the existing position around talent and succession planning gave a good level of assurance around contingency arrangements for the roles within its remit.

Requirements for future appointment of MPTS Chair and MPTS Committee members

- 5 The Committee considered the requirements for the appointment of the MPTS Chair and MPTS Committee members. It agreed the arrangements for the remuneration and terms of office for the MPTS Chair – including that the time commitment should remain at three days a week – and the arrangements for the appointments process

for this post. The Committee requested that the search agency be reminded of the need to ensure as diverse a pool of potential candidates as possible in their promotion and outreach activities. The Committee also agreed the proposed approach and requirements for the MPTS member vacancy and that the vacancy should be open to external candidates rather than restricting it only to demitted MPTS tribunal members so as to widen access in terms of diversity and breadth of experience and skills in the pool of candidates.

- 6** Following the recruitment process, Dame Caroline Swift QC was appointed as the new Chair of the MPTS, succeeding His Honour David Pearl, and taking up post from 1 January 2017. Professor Jackie Hayden was appointed as a member of the MPTS Committee, taking up post from 1 September 2016.

Chief Executive recruitment

- 7** At its meeting in on 2 March 2016, and subsequently through email circulation, the Committee agreed the process for the recruitment of a new Chief Executive following the announcement by the current Chief Executive to step down from the post towards the end of 2016.
- 8** The Committee agreed the role specification reflecting the feedback from the discussions with Council and the salary level for the role. It also agreed the arrangements for the appointment of an independent assessor by the Chair of Council. The Committee also agreed the process for appointing recruitment consultants and a following a tender process a sub-group of the Committee appointed Odgers Berndtson. The role was advertised in the Sunday Times in April 2016.
- 9** The selection panel for the Chief Executive recruitment process comprised the Chair of Council, the Chair of the Remuneration Committee, Shree Datta, and Sir Ron Kerr, an independent panel member who was Executive Vice Chairman and former Chief Executive of Guys and St Thomas' NHS foundation trust. The selection panel considered applications for the role at the long-listing, short-listing and final interview stages. The Committee agreed that the assessment process should include media skills testing and leadership profiling. Final stage interviews took place in June 2016.
- 10** Following this the Committee agreed the contract of employment and salary for the new Chief Executive as well as the proposed start date of 1 November 2016, and also agreed the arrangements for the departure of the existing Chief Executive.
- 11** Council were kept informed of progress throughout the process at regular intervals in private session.

Review of Statement of Purpose

- 12** The Committee is required to review its Statement of Purpose, at [Annex A](#), at least once a year and suggest any amendments considered necessary to Council. At its meeting on 3 November 2016 the Committee considered its Statement of Purpose and agreed that it remained fit for purpose and that no amendments were necessary following the changes made in 2015.

2017 work programme

- 13** The Committee reviewed its work programme for 2017 and intends to agree this at its first meeting on 2 March 2017 following the review of Committee membership by Council.

M8 – Report of the Remuneration Committee

M8 – 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 The remuneration policy and underlying principles for remuneration of the senior management roles within its remit.
 - c Remuneration, benefits, and terms of service for permanent and interim appointments to the role of Chief Executive, Chief Operating Officer/Deputy Chief Executive, Directors, and the Senior Medical Adviser/GMC Responsible Officer.
 - d The appointment and suspension/removal process for the Chair of the Medical Practitioners Tribunal Service (MPTS) and members of the MPTS Committee.
 - e Remuneration, benefits and terms of service for the Chair of the MPTS and members of the MPTS 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, unless these are required by employment law or are routine changes to GMC staff policies.

- 5** The Committee will consider all proposed changes which will have a material impact on agreed terms and conditions, such as an extended leave of absence, sabbatical arrangements and relocation support, and offers advice in respect of the following roles:
 - a** The Chief Executive.
 - b** The Chief Operating Officer/Deputy Chief Executive.
 - c** Directors and the Senior Medical Adviser/GMC Responsible Officer.
 - d** The Chair of the MPTS and members of the MPTS Committee.
 - e** Any other such staff and posts as may be required.
- 6** In respect of the appointments of the Chief Executive and the Chair of the MPTS and members of the MPTS Committee, the Committee is responsible for designing the recruitment/appointment processes in accordance with Council's agreed delegation.
- 7** The Committee will:
 - a** Ensure that the assessment and measurement of performance takes place within an appropriate framework for the senior management roles within its remit.
 - b** Ensure that the assessment of talent management and succession planning issues takes place within an appropriate framework for the senior management roles within its remit.
- 8** The Committee will ensure that equality and diversity principles are embedded in the issues relevant to its remit.

Working Arrangements

- 9** The Committee may commission appropriate external advice where required.
- 10** Meetings are held twice a year. At the discretion of the Chair of the Committee, additional meetings can be convened.
- 11** The Committee should review its statement of purpose at least once a year and suggest any necessary amendments to Council.
- 12** Papers for each meeting will be sent electronically to Committee members at least seven days in advance of meetings.
- 13** 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.

- 14** The Chair of the Committee presents a report on its activities to Council at least annually.