

Agenda item:	M10
Report title:	Report of the Remuneration Committee 2017
Report by:	Patricia Morrissey , Interim Head of Governance, Office of the Chair and Chief Executive, patricia.morrissey@gmc-uk.org , 020 7189 5483
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 2017. The Committee is also required to review its Statement of Purpose and has proposed an amendment to remove the reference to 'Responsible Officer'.

Recommendation

Council is asked to:

- a** Consider the report on the work of the Remuneration Committee in 2017.
- b** Agree the proposed amendment to the Remuneration Committee's Statement of Purpose at [Annex A](#).

Issue

- 1 The Committee has met twice in 2017 and has also considered issues on email circulation where action was required to be taken between meetings. The Committee is satisfied that in undertaking its work programme for 2017 it has fulfilled its responsibilities under its terms of reference. The Remuneration Committee's Statement of Purpose is at [Annex A](#) (this includes a proposed amendment for consideration, which is shown in tracked changes).

Role and 2017 work programme

- 2 The Committee's membership was refreshed in 2017 and by way of induction for the new Committee members, the Committee received a presentation outlining its areas of responsibility, including in relation to the appointment, remuneration and terms of service of the Senior Management Team, Council and the members of the Medical Practitioners Tribunal Service Committee. The Committee also reviewed and agreed its work programme for 2017.

2017 Pay award

- 3 In February 2017, the Committee considered the annual pay award for the Chief Operating Officer and individual Directors. This was supported by reports on individual performance for 2016. The Committee agreed that the standard award as agreed for all other staff (a core award of 2% 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 Operating Officer and Directors.
- 4 The base pay award for the Chief Executive, the Chair of the Medical Practitioners Tribunal Service and the Director of Education and Standards would apply at the end of the six month probation period, once performance in the role had been confirmed.

Senior Management Team

- 5 The Committee agreed the salary for the new Director of Strategic Communications and Engagement post, following external advice on the responsibilities of the role and benchmarking.

Remuneration of the Deputy Chair of Council

- 6 The Committee agreed to recommend to Council the level of remuneration to be paid to Denise Platt for acting as Deputy Chair during the absence of the Chair for the period 27 March 2017 to 31 July 2017. To ensure proper management of the conflict

of interest, Denise Platt exempted herself from consideration of this issue by the Remuneration Committee and by Council.

Talent and succession planning

- 7** In March and November, the Committee considered talent and succession planning for senior roles, including within the Assistant Director pool. The Committee considered that the position around talent and succession planning remained reasonably positive.

Job Evaluation and Market Benchmarking

- 8** In November 2017, the Committee considered the most recent job evaluation process for roles within the Committee's remit, and the potential implications of the updated evaluation outcomes.
- 9** The Committee agreed that:
- a** There would no salary changes as a result of the report.
 - b** The roles within the Committee's remit were national roles and should continue to be recruited to on the basis of a London salary based index and no differentiation should be made on the basis of time spent working in the other GMC offices across the UK.

Remuneration Policy and Pay System

- 10** The Committee reviewed its Remuneration policy and agreed that the Remuneration policy would be updated to reflect a move to setting salaries in a range that went up to or slightly beyond the upper quartile rather than setting it at the upper quartile, and that further updates relating to pensions and equality and diversity would also be included. The revised policy would be circulated to the Committee for comment and updated to allow for further consideration at its meeting on 8 March 2018. The Committee also agreed that there would be no change at the current time to the framework for assessing performance and any related pay award. The existing approach of three assessment levels would be maintained. The Committee would review this again in March 2018, when insights from the implementation of the revised model for GMC staff would be available. As the performance management system was not being updated at the current time no updates were required to the competence framework.

MPTS Committee member appointments

- 11** The Committee agreed the proposed approach and requirements for the MPTS Committee member vacancy in 2017 and agreed the approach to staggering members' terms for reappointment.

Review of Statement of Purpose

- 12** The Committee is required to review its Statement of Purpose at least once a year and suggest any amendments considered necessary to Council. On circulation, the Committee agreed to recommend an amendment to delete two references to 'Responsible Officer' (RO). Removing the references to the RO function reflected what was happening practically in that the function could sit with either the Senior Medical Adviser or another GMC role. If the function was embedded within a role within the Committee's remit this would be advised at the relevant time. A draft revised Statement of Purpose is at [Annex A](#) for approval.

2018 Work programme

- 13** The Committee reviewed and agreed the proposed work programme for 2018.

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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:
 - f The Chief Executive.
 - g The Chief Operating Officer/Deputy Chief Executive.
 - h Directors and the Senior Medical Adviser/~~GMC Responsible Officer~~.
 - i The Chair of the MPTS and members of the MPTS Committee.
 - j 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:
 - k Ensure that the assessment and measurement of performance takes place within an appropriate framework for the senior management roles within its remit.
 - l 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.