### Remuneration Committee annual report to the Council

<table>
<thead>
<tr>
<th><strong>Purpose of paper</strong></th>
<th>To report on the work undertaken by the Remuneration Committee throughout 2016 and the planned work for 2017.</th>
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<tbody>
<tr>
<td><strong>Status</strong></td>
<td>Public.</td>
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<tr>
<td><strong>Action</strong></td>
<td>For noting.</td>
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<tr>
<td><strong>Corporate Strategy 2016-19</strong></td>
<td>Performance Objective 1: To improve our performance across all our functions so that we are highly effective as a regulator.</td>
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<tr>
<td><strong>Business Plan 2017</strong></td>
<td>Priority one: Continue to build a cost effective and efficient organisation.</td>
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<tr>
<td><strong>Decision Trail</strong></td>
<td>In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2016 the Remuneration Committee must report annually to the Council on its expenditure, its progress made against the work programme for that year and its planned work programme for the following year.</td>
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<td><strong>Next stage</strong></td>
<td>None.</td>
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<td><strong>Recommendations</strong></td>
<td>The Council is asked to note this report.</td>
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<tr>
<td><strong>Authorship of paper and further information</strong></td>
<td>Nicholas Preece, Governance Manager&lt;br&gt;<a href="mailto:npreece@gdc-uk.org">npreece@gdc-uk.org</a>&lt;br&gt;0207 167 6328</td>
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<td><strong>Appendices</strong></td>
<td>None.</td>
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1. Executive summary

1.1. This paper reports on the work undertaken by the Remuneration Committee (the Committee) throughout 2016 and the planned work for 2017. Some aspects of the Committee’s work are highly confidential and therefore not described in detail in this report.

1.2. The Council is asked to note the report.

2. Introduction and background

2.1. The key purposes of the Committee as defined in its terms of reference were:

2.1.1. To establish a transparent procedure for the remuneration of the Chief Executive, Executive Management Team (EMT), Council members (including the Chair of Council) and other associate post holders.

2.1.2. To ensure that there were appropriate incentives to encourage enhanced performance and that rewards were made in a fair and responsible manner, and were linked to the individual’s contributions to the success of the General Dental Council (GDC) and the successful performance of the GDC in general.

2.2. In accordance with the General Dental Council Standing Orders for the Non-statutory Committees of Council 2016, the Committee must report annually to the Council on its expenditure, its progress made against the work programme for that year and its planned work programme for the following year.

2.3. The membership of the Committee is Neil Stevenson (Chair), Geraldine Campbell (Lay), Jayendra Patel (Registrant, appointment confirmed by the Council on 3 March 2016) and Philippa Hird (Independent). In 2016 the Committee held five meetings on 4 February, 24 June, 28 July (extraordinary teleconference), 13 September and 9 December. The Committee also held an extraordinary meeting on 16 December 2015, which was after the 2015 annual report to the Council.

3. Chief Executive and Executive Management Team (EMT)

3.1. A function of the Committee was to determine the terms of any special severance arrangements in relation to the Chief Executive or any member of the EMT. The Committee dispensed it’s duty to oversee exit payments as required.

3.2. In 2015 a selection panel interviewed and appointed Ian Brack as Interim Chief Executive and Registrar, who took up this role on 11 January 2016. The Committee received updates of the timetable and selection process for a permanent replacement. Ian was selected as the preferred candidate and took up the permanent post on 16 May 2016. The Committee reflected on a close out report for the recruitment process and were satisfied with actions and decisions that had been taken.

3.3. The Committee reviewed the appraisal process for the Chief Executive. Recommendations were given on the types of objectives that the Chair of the Council should consider, including opportunities for input from the Council. The objectives were discussed and approved by the Council on 1 December 2016.

3.4. The Committee discussed and approved recommendations from the Chief Executive’s remuneration review of the EMT for 2015.

4. HR policy and employee benefits

4.1. The Committee reviewed and approved the remuneration report for the annual report and accounts, and the annual report on HR indicators, ahead of these documents being presented to the Council.
4.2. The Committee discussed the results of the staff performance and pay assessments for 2015-16. Guidance was given to EMT on options to develop the pay structure further for the benefit of the GDC and staff. The Committee assessed the distribution of grades by teams and protected characteristics, and asked for recommendations on further refinement to the system.

5. **Pensions**

5.1. The Committee reviewed the results of the staff consultation (closed on 22 December 2015) on proposed changes to the defined benefit pension scheme, which included closing the scheme to new members from 1 July 2016. Recommendations from the Committee were presented to the Council on 3 March 2016.

5.2. The Committee also received the annual report from the Chair of the Pension Trustees, the annual report and accounts from the Pension Trustees, and the triennial actuarial valuation (as at 1 April 2015). Comments on the valuation were forwarded to the Finance and Performance Committee.

5.3. The Committee also discussed strategic options and other consideration for the future direction of the pension schemes.

6. **Organisational development**

6.1. Throughout 2016 the Committee received updates on the talent management project, firstly the initial scoping and then its progress throughout the year. The project included elements of recruitment and succession planning. Whilst there have been resourcing concerns for this project, the Committee were keen that this continue. The Committee also received regular updates on the leadership development programme, which was a considerable investment in time and resource for managers. Both would continue and be reported to the Committee through a new ‘people strategy’. This was developed in line with the corporate strategy and with clearly defined objectives, and would be taken forward by the future HR leadership.

6.2. Equality and diversity was an area that the Committee were keen to keep at the forefront of GDC’s work including the recruitment of staff, directors and statutory committee members. Workshops on equality and diversity were held for the Council and staff during November and December. The new fixed-term post of Head of Equality and Diversity post started in January. Following the first incumbent of the post departing in March/April, a new Head of Equality and Diversity started in October.

7. **The Council, Chair of the Council and other non-executives**

7.1. The Committee discussed and agreed the process of the Board evaluation process, including surveys, interviews and a discussion session by the Council on 30 November, facilitated by the Director of Governance and HR.

7.2. The Committee reviewed the process for the recruitment of new Council members and the reappointment of existing Council members. It provided input firstly for the re-appointment of Council members that finished their first term in 2016 and secondly for the process for the appointment of Council members in 2017, as some current Council members would not be eligible for a further term after 30 September 2017. The 2017 appointment process would be in line with the good practice guidelines from the Professional Standards Authority. The Committee would monitor this process and the planned induction for the new Council members throughout next year. An extraordinary teleconference would be held on 20 January to discuss this further.
7.3. The Committee reviewed the non-executive remuneration policies. It was felt appropriate to review these ahead of the 2017 Council member recruitment and would be reviewed again in two years. Recommendations would be submitted to the Council on 2 February 2017.

8. Performance and risk

8.1. The HR balanced scorecard and operational risk register were reviewed at each meeting. The balanced scorecard gave the Committee insight into the GDC’s performance with regards to recruitment, absence, retention and employee relations, as well as an overview on how the organisation was performing against set measures. The risk register covered risks across GDC wide staff programmes as well as risks faced by the HR team.

8.2. Following feedback from the 2015 staff survey and subsequent review of staff culture, the Committee scrutinised the work by staff to investigate the issues and was assured that the findings and actions were appropriate and followed through.

9. Expenditure

9.1. The Committee reviewed the benefits the GDC received by paying the subscription of the Chair of the Council’s Royal Society of Medicine (RSM) membership. The Chair of the Council stayed at the RSM when in London on GDC business. The Committee were assured that this membership would only be used for GDC business and that there was a cost saving by renewing this membership.

9.2. The only other costs associated with the Committee in 2016 were the travel and subsistence of members for attendance of meetings.

10. Recommendations

10.1. The Council/Committee is asked to note this report.