

Annual Report on Committee Effectiveness – Remuneration Committee

Executive Director	Lisa Marie Williams, Executive Director, Legal & Governance Sarah Keyes, Executive Director, Organisational Development
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Type of business	To note
For Council only:	Public session
Issue	In accordance with the General Dental Council Standing Orders for the Non-Statutory Committees of Council 2018, clause 8.4, Committees are required to report annually on expenditure, progress against work programmes and planned work programmes for the following year. This report was circulated to the Committee for comment on 3 January 2020.
Recommendation	The Council is asked to note the 2019 annual report on effectiveness from the Remuneration Committee (Remco).

1. Introduction and Background

- 1.1 The role of the Remuneration Committee (Remco) is to establish a transparent procedure for the remuneration of the Chief Executive, the Executive Management Team, Council Members (including the Chair) and other associate post holders. The Remco also assists the Council in fulfilling its oversight responsibilities in relation to ensuring that there are appropriate incentives to encourage enhanced performance and that rewards are made in a fair and responsible manner and are linked to the individual's contributions to the success of the General Dental Council (GDC) and the successful performance of the GDC in general. Within its Terms of Reference, the Committee also assists the Council in relation to its oversight of the appointment and remuneration of the Executive Team, Council Members and independent Associates, in relation to HR policy and pension fund arrangements.
- 1.2 The current membership of the Remco is Geraldine Campbell (Chair and lay Council Member), Anne Heal (lay Council Member), Caroline Logan (registrant Council Member), Jeyanthi John (registrant Council Member, appointed on 3 October 2019). Until the summer of 2019, Philippa Hird was the independent Committee member and Ann Brown was appointed to that post on 3 October 2019.
- 1.3 In 2019, the Committee held four meetings on 24 January (additional meeting), 21 March, 24 June and 26 September. The Committee was due to hold a meeting on 9 December which was postponed until 30 January 2020.

1.4 The key purpose and delegated powers of the Remco can be found in its Terms of Reference (**Appendix 1**).

2. Expenditure

2.1 The only costs associated with the Committee in 2019 were those relating to travel and subsistence of Council members for the meetings held. This includes the cost of the independent member of Remco.

3. Chief Executive and Executive Management Team (EMT)

3.1 In June 2019, in private session, the Committee discussed the remuneration arrangements for the Chief Executive and EMT.

3.2 In September 2019, the Committee discussed the approach to the appraisal of the Chief Executive and recommended the process to Council, where some revisions were made.

4. Oversight of Organisational Development and HR Policy

4.1 The Committee scrutinised the ongoing People Strategy throughout 2019. It received regular updates in relation to it and discussed Reward, Recognition, workforce planning and the “Grow Your Own” initiative. The Committee also discussed the reporting mechanisms around this workstream.

4.2 The Committee received the findings from the Equality, Diversity and Inclusion (EDI) Audit and, in June 2019, agreed the EDI Strategy in principle, with the caveat that it should be fully aligned to the imminent Corporate Strategy. A workshop was held in September to identify what should be reported annually with regards to the EDI Strategy.

4.3 In September 2019, the Committee received the results of the staff survey. The Committee noted that whilst there were some positive areas, the tone of feedback was disappointing in several areas. The Committee approved the suggested actions and requested regular updates from the Chief Executive over the next few meetings.

4.4 The Committee monitored the Associates Remuneration project throughout the 2019. In January 2019, the Committee were updated on the evolving definition of the categories of ‘Associates’ of the GDC and, in March 2019, noted the progress made on this project and await an update on the Associates remuneration policy which will be included as part of the 2020 Committee work plan.

5. Pensions

5.1 The Committee received regular updates on the consultation that had taken place at the beginning of the year regarding the closure of the Defined Contribution Pension (DCP) section and the transfer of funds to the GDC Master Trust operated by The Peoples’ Pension.

5.2 In June 2019, the Committee noted that whilst the Human Resources (now People Services) Team had communicated the proposals well, staff had not particularly engaged with this workstream, and suggested that, in future, the People Services team focus on promoting financial wellbeing within the organisation.

5.3 In September 2019, the Committee noted the accreditation of, and the subsequent transfer of funds to, The Peoples’ Pension Scheme.

5.4 The Pension Annual Funding update will continue to be included as part of the 2020 Committee work plan.

6. Council Member Recruitment

- 6.1 Throughout 2019, the Committee received regular updates on the proposals for recruitment and re-appointment of Council Members.
- 6.2 The Committee noted that the GDC would need to engage in two separate processes; one for new appointments to Council; and one for re-appointments to Council. The Council noted the guidance from the Professional Standards Authority on both processes.
- 6.3 In September 2019, the Committee noted that there were three Council members that wished to seek re-appointment, and three Council members who were due to demit office, which would necessitate recruitment activity in Northern Ireland and Wales in 2020.
- 6.4 In September 2019, the Committee noted the proposed appointment of Ann Brown as the independent Committee member and Ann joined the Remco as an observer at the September meeting as part of her induction.
- 6.5 Due to the postponement of the December meeting, the Committee reviewed and gave feedback through correspondence on the draft recruitment documentation which was submitted to the PSA for their scrutiny prior to the process commencing.

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

- 7.1 The Committee discussed the approach to Council member appraisals and, in March 2019, agreed a revised approach to the peer review process. The Committee noted that a skills matrix of Committee members would be helpful, and that this would feed into the wider Council effectiveness review. In September 2019, the Committee discussed several recommendations and approaches to future Chair and Council Member appraisals. This process was recommended to the Council for approval.
- 7.2 The Committee discussed the remuneration level of the Council members and the benchmarking against similar organisations. The Committee noted that the actual time commitment of the role had increased from the 24 days listed in the paper. It was agreed that Council member commitments would be in scope of the Board Effectiveness Review.
- 7.3 In March 2019, the Committee discussed the scope of a formal external evaluation of the Council. In June 2019, the Committee discussed the approach to the Board Effectiveness Review, including timelines and approach. It was noted that, following a selection process led by the Chief Executive and the Executive Director, Legal & Governance, the successful bidder would carry out the review over the summer, reporting to Council in October 2019.
- 7.4 The Committee were observed in September 2019, as part of the Board Effectiveness Review and the proposed implementation of the Board development programme will commence in 2020.
- 7.5 In September 2019, the Committee discussed the advantages and disadvantages of corporate membership of the Royal Society of Medicine, concluding that further work was required before a decision could be made. This work took place and, by correspondence in November, the Committee recommended this proposal to the Council in December 2019.

8. Estates Strategy

- 8.1 The Committee received ongoing updates with regards to the people elements of the Estates Strategy.
- 8.2 In September 2019, the Committee were informed of the number of staff that had left and were due to leave the organisation between October 2019 and January 2020, the levels of successful recruitment in Birmingham, and discussed the successful use of outplacement support.

9. Governance

Terms of Reference:

- 9.1 The Committee will review its Terms of Reference following the commencement of the Board Development implementation programme in 2020 in line with the Council's wider review of its assurance framework and scheme of delegations.

Work Programme 2020:

- 9.2 The Committee reviewed and noted its workplan at each meeting and will review the 2020 work plan (Appendix 2) in its January 2020 meeting.

Appendices

- a. Appendix 1 – Remco Terms of Reference
- b. Appendix 2 – Remco Work Plan for 2020

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