



Remuneration and Appointments Committee

Minutes of the Remuneration and Appointments Committee (RaAC) held on 24
March 2022

Unconfirmed

Chair: Dr Bill Gunnyeon

In person: Kate Husselbee
Caroline Guy
Sarah Botterill

Online: Simeon London
Dr Denis Shaughnessy
Adam Turner, Croner Reward consultant: for Items 1-4

In attendance: Matthew Redford, Chief Executive and Registrar
Amanda Chadwick, Human Resources Manager

Item 1: Welcome and apologies

1. The Chair welcomed Adam Turner, Croner Reward consultant, author of the Croner Reward Independent Market Rate Report and Sarah Botterill, who has agreed to Chair the Committee from 1 April 2022.

Item 2: Minutes and matters arising

2. The minutes of the meeting held on 21 October 2021 were approved.

Item 3: Matters arising report

3. The Chair noted that all substantive items on the Matters Arising report had been actioned and the exploration of the feasibility of overseas registrants applying for governance roles would be considered at a future meeting when time and resources allowed.

Item 4: Reward and recognition (Job Evaluation, pay benchmarking)

4. The RaAC discussed the results of the independent job evaluation exercise and the implications for the staff pay structure.
5. Two members of the Executive present at the meeting were conflicted. The Chair asked them to remain in the room for the general discussion and to step out when the Committee talked about how to manage individuals who are paid below or above the median quartile.

6. The Committee discussed the following factors:

a. The findings of the Croner Reward Independent Market Rate Report.

This was based on job descriptions written for each role and not based on the person doing the job. The results were based on the evaluation of the weight of each job description. The points and ranking allocated as part of the evaluation were used for the benchmarking exercise and not job titles. Roles were benchmarked against three sectors: Healthcare, Professional Associations, and Charity.

b. Whether to reposition the GOsC Reward and Recognition Strategy to pay between the lower and median quartiles.

The GOsC's current reward and recognition strategy aims to pay staff at the median quartile of the relevant pay market.

The Croner Reward Consultant recommended that typically he would advise organisations to pay at the median of the market, but the market has now shifted and therefore he is recommending that organisations aim to pay between the lower quartile and median quartile. This will future proof the GOsC and give some flexibility. This should be monitored in six months' time and reviewed properly in one year.

There is a risk that staff will perceive this as a negative outcome which may lead to people thinking about leaving the organisation.

c. Questions about the benchmarking process.

The consultant explained that the method used is the fairest, transparent way to conduct benchmarking. It used three sets of data from the following sectors: professional associations, healthcare and charity. This provided a broad perspective of the market on a like for like basis giving consideration to the number of staff within the organisation and equivalent turnover.

d. How volatile is this benchmarking data?

The consultant explained that organisations should set a timeframe to review the data and sense check it every year. To provide some context, over the last six months there was a big shift in the pay market. There has been a resignation boom and organisations have had to increase salaries in order to recruit and retain staff. It is anticipated that the pay market will remain the same for the rest of the year.

- e. Pay progression within quartiles.

Consideration was given to introducing a minimum, medium and maximum pay point within each pay band based on categories which may be: developing, fully performing, exceptional.

The consultant advised that there is no need for a rigid step process for pay progression. This can be managed on a case-by-case basis in terms of whether someone is fully competent or new and still developing.

As GOsC is a small organisation a rigid pay structure was not considered necessary. This was something the Committee would consider further at a future meeting.

- f. How do GOsC manage individuals pay which is over the median quartile?

It was recommended that a consistent approach is applied to every role which is paid above the median quartile.

- g. Are there any systematic reasons individuals would be paid in the upper quartile?

The consultant advised that there could be a wide range of reasons for this including: long service, exceptional performance or if recruited at a time when there was a skills shortage or inheriting a pay structure which has not been reviewed.

- h. Applying the principles recommended by the consultant to salaries which fall below the lower quartile.

These roles should be brought up to the start of the lower quartile.

- i. Applying the principles recommended by the consultant to salaries which are above the median quartile.

The consultant highlighted the need to make sure that all roles which fall into this bracket are treated fairly and equitably, recognising their individual circumstances.

There needs to be emphasis on careful communication and treating individually equally as far as possible, which includes reiterating the message that the findings are the conclusion from an independent consultant not the GOsC Executive.

- j. Awarding a discretionary one-off bonus payment as an alternative to a cost-of-living increase for post holders above the median threshold and who have been red circled.

The Committee agreed:

- a. To note the content of Croner's independent market rate report.
- b. To pay between the lower and median quartiles, with an aspiration to pay at the median quartile, and to review the data again in one year's time.
- c. To increase the salaries of the five positions who fall below the lower quartile to the start of the lower quartile.
- d. To red-circle the salaries of the eleven positions who are paid above the average of the median quartile for up to one year and award them a one-off discretionary bonus equivalent to the cost-of-living increase so that they are still recognised and rewarded for their performance.
- e. For the Executive to draft a pay policy and pay model for June 2022 Committee.

Item 5: Staff pay review 2022 – 23

7. The Committee considered whether to award an across the board cost of living increase to staff. The RaAC took the following into account:
 - a. If GOsC do not pay staff the market rate for their jobs, they will leave and will need to be replaced by staff paid at the market rate.
 - b. The RaAC recognised that choosing not to implement a cost of living increase may have an impact on staff motivation and performance.
 - c. The RaAC recognised that the cost of living crisis will impact all staff.
 - d. The RaAC discussed the option of rewarding a one-off discretionary bonus in place of a cost of living pay increase to those paid above the median quartile to recognise performance.

The Committee agreed:

- a. For those identified as paid between the lower and median quartiles as outlined at Item 4: to award a 3% cost of living increase.
- b. For those identified as paid below the lower quartile as outlined at Item 4: to award a 3% cost of living increase plus an additional balancing payment added to their salary to bring them up to the lower quartile.
- c. For those identified as paid above the median and who have been red-circled as outlined at Item 4: to award a one-off discretionary bonus equivalent to 3% of their salary.

Item 6a: Re-cap of appointments activity 2021 - 22

8. The RaAC received a paper which reflected on the appointment's activity undertaken in 2021-22 and which incorporated feedback from members of the selection panels. The Committee considered the actions identified by the Executive and noted the following:
 - a. The GOsC have made a lot of progress in ensuring its recruitment processes are fair, robust and inclusive.
 - b. The RaAC were not in favour of the RaAC having approval of appointments made to Council's sub-committees.
 - c. The RaAC did not believe that the decision as to whether interviews should be held in-person or online should be left to the Chair of the selection panel. The RaAC felt a clear position statement was needed.
 - d. Future training for selection panels should focus on what the committee requires and not just on unconscious bias.
 - e. Feedback from applicants was considered to be important and RaAC felt that the Executive should consider how to build this into our processes.
 - f. The RaAC noted the Equality and Diversity monitoring data and requested further consideration of this in June 2022.

The Committee agreed:

- a. For the RaAC not to have oversight/approval of appointments made to Council's sub-committees.
- b. The RaAC to have position statement on whether interviews are in-person or online. Any statement/policy should have in-built flexibility.
- c. Future training for selection panels should focus on what the committee requires and not just unconscious bias.
- d. Build into the process obtaining feedback from candidates who were successful and unsuccessful and finding out if they thought the process was inclusive.
- e. For the Executive to bring a paper to June 2022 RaAC further considering Equality, Diversity and Inclusion.

Item 6b: Forward planning for 2022 – 23 and 2023 – 24 appointment activity

9. The RaAC reviewed the competencies, online application questions, shortlisting form and interview questions for the Council Associate recruitment campaign.

10. It was identified that there could be a closer alignment between the competencies and interview questions and we should avoid asking more than one question for each competency.
11. Specific feedback given around competencies:
 - Can we make these more developmental?
 - Strategy competency: this is too advanced for a Council Associate role
 - Governance competency: remove trustee reference
12. It was recommended the competencies be updated based on feedback from the Committee, with feedback then sought from members of Council.
13. It was noted that they Executive have already started planning ahead for the upcoming appointments.

The Committee agreed: For the Executive to update the Council Associates competencies prior to seeking feedback from members of Council.

Item 6c: Forward planning for 2022 – 23 and 2023 – 24 reappointment activity

14. Dr Denis Shaughnessy and Sarah Botterill left the meeting for this item as both were conflicted.
15. The RaAC considered the merits of a closed reappointment process against an open appointment process for two Council member positions. The advantages of an open or closed process were discussed. It was recognised that in order to maintain stability of Council after a period of uncertainty, and as both Council members were about to commence chairing sub-committees of Council, that a closed process was preferable.

The Committee agreed: To recommend to Council a closed re-appointments process for two Council member positions.

Item 7: Terms of Reference

16. The RaAC considered changes to the Terms of Reference of the committee in response to the change in committee Chair as well as a proposal to change the name of the committee.
17. RaAC discussed:
 - a. Updating the meeting frequency from three meetings a year to four.
 - b. Removing Chair of Council from membership section of terms of reference.

- c. Changing the quorum so to remove Chair of Council and replace with one additional lay member.
- d. Introducing a new term of reference specifically focused on equality, diversity and inclusion.
- e. Making health and wellbeing of staff and non-executives more explicit.
- f. Changing the name of the committee to People Committee.

The Committee agreed: To the changes to the terms of reference as outlined and to change the name of the committee to the People Committee.

Item 8: Council Associate Programme

- 18. The RaAC noted the content of the report and recognised that it is good practice to evaluate the initiative.

Item 9: Human Resources update

The Committee noted: the Human Resources update

Item 10: Committee forward work plan

- 19. The Executive agreed to circulate the forward plan to the Committee after the meeting as this was not attached to the email when the papers were sent out.

Item 11: Any other business

- 20. None

Date of the next meeting: Thursday 23 June 2022 at 10.00.