

COUNCIL

Council and Committee member fees

Meeting: 11 February 2015

Status: for decision

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Purpose

1. It is Council's role to determine the fees paid to Council and committee members, hearing panel members and visitors following a review undertaken by the Remuneration Committee (RemCo). This paper presents the recommendations from RemCo, following their meeting held on 20 October 2014 which were considered by Council on 12 November 2014. All recommendations have been included in the budget presented for approval by Council.
2. Council is asked to **note**:
 - 2.1 the changes made to fees in 2014, as set out in the table at **Annex 1**;
 - 2.2 the fees paid in 2013/14 and budgeted for in 2014/15 as set out in the table at **Annex 2**;
 - 2.3 that all proposals to amend fee levels contained within this paper are subject to budget considerations;
 - 2.4 the total costs of the amended fee levels will have on the budget as detailed in paragraph 46; and
 - 2.5 that further benchmarking information has been requested on remunerating members for training and induction activity for consideration by RemCo.
3. Council is asked to **agree**:
 - 3.1 to increase the annual fee paid monthly to Council members from **£12,000 to £13,000**;
 - 3.2 to increase the annual fee paid monthly to the Council Chair from **£38,000 to £40,000**;

- 3.3 that no additional fee will be paid to Council members who are Chairs of Statutory or Non Statutory Advisory Committees or who act as Council Champions at this time;
- 3.4 that the following fees will remain unchanged at this time: the Senior Council member, Chairs of the IC, members of the IC, FTP Chair, hearing panel members, education visitors and CET approvers;
- 3.5 to increase the per meeting fee paid to the Statutory Advisory committee members and the Independent committee members from **£270** per day to **£280**;
- 3.6 to keep the daily fee for the Independent Assessor on selection campaigns at **£400** as agreed in November 2014;
- 3.7 that appraisal activity will not be remunerated for all Committee members and approvers, although expenses will be paid if necessary for this activity;
- 3.8 that all fees will be reviewed in 2015 (including the fixed fee for education visitors, the Investigations committee and the per application fees for CET Approvers) and then, future fee reviews will be undertaken on a three-year cycle – the next being in October 2018; and
- 3.9 there is a need to apply consistency to the remuneration for Council and committee members and approvers and that the Executive consider how this might be achieved and implemented for the 2015 review of fees.

Strategic Objective

4. The work to review the above mentioned fees sits with both the Finance and Governance teams and is led jointly by the Director of Resources and the Head of Governance. The terms of reference for RemCo require the Committee to review and recommend to Council “*the payment of fees to: Council, committee, hearing panel and education committee visitor panel members and the Senior Council member*”.
5. The purpose of RemCo is to review and recommend to Council “*the payment of fees to: Council, committee, hearing panel and, education committee visitor panel members and the Senior Council member*” as specified in its terms of reference.
6. The following functions are imposed upon Council by the Opticians Act 1989 and are retained by Council:
 - 6.1 section 5D(3) - to determine fees to be paid to members of the Hearings Panel and pay such fees;
 - 6.2 section 13(11) - to determine fees to be paid to visitors and pay such fees;

and

- 6.3 sch. 1, para 11(2)(b) - to determine fees to be paid to members of the Council or its committees and pay such fees.

Background

7. The GOC recruits committee and panel members from the same pool as the other health professional regulators and other regulators in general. It is necessary to keep the fee levels paid under review to ensure we remain able to recruit the appropriate calibre of people to serve on these various bodies.
8. The GOC is now a registered charity. As such it is expected to ensure that the monies of the charity are used to further its aims, and in keeping with other public bodies we are expected to demonstrate best value for money in all that we do.
9. Fees were approved by Council in February 2014 in conjunction with the finalisation of the 2014/15 budget and came into effect from 1 April 2014. These fees are set out in Annex 1.

Council

10. The annual fee of **£12,000** paid monthly to Council members was set in 2009 when the reconstituted Council was recruited and has not been varied since. Council agreed to increase the Chair's fee from **£35,000** to **£38,000** in August 2012 when recruiting the current new Chair.

Independent committee members

11. In November 2013 Council agreed that all independent committee members would receive the same fee as the other statutory advisory committee members for their committee work.
12. From time to time there is also a requirement for an Independent Assessor for the appointment and reappointment processes in relation to Council and Committee members (the processes for Council members are scrutinised by the Professional Standards Authority (PSA)). In November 2014 Council set this fee at **£400** per day, back dated to 1 April 2014, as it had not previously been set. In taking this decision Council noted that the role was a decision making role and the skills, knowledge and experience required to undertake the role was more specialised than that required to provide independent advice to a Committee. It also noted that the General Dental Council (GDC) currently remunerate their independent assessor **£500** per day and the General Medical Council (GMC) **£465** per day plus expenses.

Investigation Committee (IC)

13. Council agreed the revised fee levels for the Chair and members of the IC in February 2014. The fee paid to the Chair and IC members was increased to reflect the risk inherent in the decisions they took on behalf of the GOC.

Statutory Advisory committees (Education, Registration, Standards and Companies Committees)

14. The daily fee of **£270** was set in April 2007 and has not been increased since then. Members may also claim expenses incurred necessarily on committee business.

Hearing Panel members

15. The daily fee for panel members was set at **£300** and for Chairs the rate was set at **£330** to reflect the risk inherent in the decisions they took on behalf of the GOC from 1 April 2014. No set reading fee is given to Hearing Panel members but arrangements for such fees have been authorised on an ad-hoc basis when case papers exceed 500 pages. The fee can range from **£50-£100** and is authorised by the Director of FTP.

Education Visitors

16. Visitor panel member fees were amended by Council in May 2014, following consultation with the panel members. Instead of a daily fee of **£270**, Education visitors now receive a fixed fee of **£6,000** per annum.
17. The Executive agreed to review this fee level after a full 12 months of operation and consider both the fee and the number of panel members required given the cyclical and variable level of work in each operation year. This review is due to be undertaken from July 2015.
18. The fixed fee is based on the expectation of 20 days' work being required each year. The actual days worked per visitor in 2014/15 is 22. In 2015, it is expected each visitor will undertake on average 25 days.

CET Approvers

19. CET approvers are recruited, appointed and appraised via a CET contractor. Approvers are appointed on a three year cycle, the current one started in January 2013 and ends in December 2015. Approvers are paid **£16** for a standard application (which must be 'approved within ten days) and **£32** for a fast-track applications (which must be 'approved' within three days). The current fee levels were set in 2010 and have not been reviewed since.

Committee costs

20. The actual cost of committees, hearing panels and visitors in 2013/14 was **£460,032**. This is shown at **Annex 2**. The budgeted cost of committees, hearing

panels and visitors for 2014/15 is **£637,750** which is based on current fee levels. This includes costs for Council but excludes the Independent Assessor fee for work undertaken on selection panels and CET Approvers.

Benchmarking data

21. We have obtained benchmarking data which included regulators of healthcare professionals and others. In comparing our current fee levels with those paid by other health regulators and other bodies more widely in the public sector we must bear in mind that many of them do not pay for additional reading days as we currently do for some committees or where the papers to be considered are large in volume. In addition some other bodies, such as the NMC, include subsistence costs within the daily allowance paid rather than reimbursing these in full, as we do, in accordance with the expenses policy.
22. The data we examined does not capture the very large number of public bodies such as schools, housing associations and charities where managing boards and committee members are unpaid volunteers and are expected to demonstrate the same levels of attendance and professionalism to those roles.

Analysis

Council Members

23. Given RemCo's recommendation to Council in July 2014 that Executive pay should be benchmarked at the median level and set in line with staff pay setting as a whole, Remco and the Executive recommend that Council fees ought to be reviewed with this principle in mind.
24. RemCo also took into consideration the workload undertaken by Council members. This has increased in the last few years with Council members now undertaking duties on statutory and non-statutory committees and selection panels as well as 'champion' responsibilities. The Executive has undertaken a rudimentary analysis of the time spent by Council members during 2014, including as committee Chairs/members, selection panel members, champions and on stakeholder engagement. The current time commitment of the Council Chair of two to three days per week is likely to be accurate. The average current time commitment of Council members of two to three days a month is likely to be accurate for five of the eleven Council members. However the average time commitment of other members can increase to six days per month in peak periods.
25. **RemCo recommends to Council that:**
 - 25.1 the annual fee paid to Council members is increased to **£13,000** paid monthly (an increase of **£1,000**);

- 25.2 the annual fee paid monthly to the Chair is increased to **£40,000** (an increase of **£2,000**);
- 25.3 the annual additional fee paid monthly to the Senior Council Member remains unchanged this time; and
- 25.4 no additional fee will be paid to Council members who are Chairs of the Statutory and Non-Statutory advisory committees and/or Council Champions at this time.

Investigations committee (IC)

26. RemCo noted that the Chair of the IC has put forward a number of suggestions for modifications to the fees paid to the Chair and IC Committee members. Since there is less than a full year's data to consider in respect of the impact of the new Rules, and the current fee table allows sufficient flexibility to cope with reduced frequency and duration of meetings, RemCo consider there is currently insufficient data on which to suggest any further changes at this time. RemCo agree that it would be appropriate to review fees again in 2015.
27. **RemCo recommends to Council that:**
- 27.1 the fee paid to the Chair of the IC of **£1,850** per year paid quarterly and the per meeting fee of **£600** paid to IC members remains unchanged at this time; and
- 27.2 a review of the fees paid to the Chair and members of the IC will be undertaken in 2015.

Hearing Panel members

28. The fees for FTP Hearing Panel members were increased with effect from April 2014.
29. **RemCo recommends to Council that:** the fee paid to Hearing Panel chairs of **£330** per meeting and to Hearing Panel members of **£300** per meeting remains unchanged at this time.

Statutory Advisory Committee members (Education, Registration, Standards and Companies)

30. The fees for these committee members were set in 2007 and have not been changed since. Given the Committee's recommendation to Council that SMT pay should be benchmarked at the median level and set in line with employee pay setting as a whole, the Executive feels that committee fees ought to be reviewed with this principle in mind. Daily rates paid to committee members in the health regulators range from **£300** to **£310** with the average being **£306**. Our current daily rate is 88 percent of the average rate.

31. **RemCo recommends to Council that:** the daily fee paid to the members of the Statutory Advisory Committees (education, registration, standards and companies) is increased by **£10 to £280**. The proposed rate would be 91.5 percent of the average rate for healthcare regulators.

Independent committee members

32. The fees for these members were set in line with that for the other members of the statutory advisory committees.
33. **RemCo recommends to Council that:** the daily fee paid to the independent committee members is increased by **£10 to £280** for their work as a committee member.

Independent Assessor on Selection Panels

34. The Council agreed a fee of **£400** per day for this work, effective from 1 April 2014.
35. **RemCo recommends to Council that:** the fee paid to the Independent Assessor for their work on non-executive selection panels is not changed at this time.

Education Visitors

36. The fixed fee for education visitors has not yet been in place for a year. There is a commitment to review the arrangement in June 2015.
37. **RemCo recommends to Council that:** the fixed fee of **£6,000** remains unchanged at this time and will be reviewed in 2015.

CET Approvers

38. To date there has been one request for the CET approvers' fees to be reviewed. The current cycle is due to end in December 2015. Given the estimated amount of work involved in each approval RemCo does not recommend any changes are made to the fee at this time. However, RemCo considers that in advance of a new CET cycle (due in January 2016) that the fee should be reviewed and that such fees will then be reviewed at the end of three-year cycles only.
39. **RemCo recommends to Council that:**
- 39.1 the fee of **£16** per standard application and **£32** per fast-track application remains unchanged at this time;
 - 39.2 the fee will be reviewed prior to the start of a new cycle in January 2016; and
 - 39.3 future fees will be reviewed at the end of three-year cycles.

Remunerating for appraisal activity

40. The Chair of the IC has raised concerns in respect of appraisal activities which are unpaid (although expenses are paid if necessary for this activity). RemCo believes that undertaking appraisal is an essential part of being a Committee member, hearing panel member, advisor and/or approver and that it is not appropriate to remunerate for this activity.
41. **RemCo recommends that Council agrees** that appraisal activity will not be remunerated for all committee members and approvers, although expenses will be paid if necessary for this activity.

Remunerating for training and induction activity

42. At present adhoc arrangements are in place to remunerate members and others for undertaking training activity. We currently try to keep training within the confines of existing meetings, however for some there is a need to attend separate events such as annual training days. We also now have in place a more robust induction system for new members. RemCo has therefore requested that the Executive obtain suitable benchmarking information in order for them to give consideration to this issue further before they make a decision on how this activity should be remunerated.
43. **RemCo recommends that Council notes** that benchmarking information will be obtained on remunerating for training and induction for further consideration by RemCo.

Fees proposed from 1 April 2015

44. With reference to the benchmarking data considered and the recommendations made above in paragraphs 25 to 43, RemCo recommends to Council that fees paid to Council and committee members, the Senior Council member, independent members, the Independent Assessor, hearing panel members, education visitors and CET Approvers are set at the following levels:

Role	Fee in 2014	Fee proposed from 1 April 2015	Change
Council members	£12,000 (annual, paid monthly)	£13,000 (annual, paid monthly)	Increased by £1,000
Council Chair	£38,000 (annual, paid monthly)	£40,000 (annual, paid monthly)	Increased by £2,000
Senior Council member	£3,000 (paid monthly)	£3,000 (paid monthly)	No change
Chair of the Investigation committee	£1,850 (paid quarterly)	£1,850 (paid quarterly)	No change
Investigation	£600 per meeting	£600 per meeting	No change

<u>Role</u>	<u>Fee in 2014</u>	<u>Fee proposed from 1 April 2015</u>	<u>Change</u>
committee members	(one day fee plus one day reading allowance)	(one day fee plus one day reading allowance)	
Chair of the Education Visitor Panel	£330 per day	£330 per day	No change
Education visitors	£6,000 per year	£6,000 per year	No change
Hearing Panel Chair	£330 per day	£330 per day	No change
Hearing Panel members	£300 per day	£300 per day	No change
Committee members (education, standards, registration and companies)	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	£280 per day (for a meeting lasting a day or part of a day one fee is payable)	Increased by £10
Independent members of ARC, NomCo and RemCo	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	£280 per day (for a meeting lasting a day or part of a day one fee is payable)	Increased by £10
Independent Assessor	£400 per day	£400 per day	No change
CET Approvers	£16 per standard application £32 per fast track application	£16 per standard application £32 per fast track application	No change
Teleconference (applies to all Committees & Panels)	£150 per conference	£150 per conference	No change
Reading fee (FTP Panels only)	Paid on an adhoc basis £50-£100 where papers exceed 500 pages. Authorised by Director of Regulation.	Paid on an adhoc basis £50-£100 where papers exceed 500 pages. Authorised by Director of Regulation.	No change
Cancellation fee (for Investigation committee and FTP Panels only)	Half a day's fee is cancelled at 5 days' notice or less	Half a day's fee is cancelled at 5 days' notice or less	No change

45. The recommendations articulated in the table above have been included in the budget presented at C08(15).

Committee costs

46. Increasing fees as proposed for Council, committee members, visitors and approvers would raise overall costs for 2014/15 (if the revised fees had been in place) by **£18,740**, and is set out in **Annex 2**. This includes costs for Council, but excludes costs for the Independent Assessor when acting as a selection panel member and CET Approvers.

Future review of fees

47. Currently fees are reviewed annually by Remco. RemCo proposes that future reviews should move towards a three year cycle as follows:
- 47.1 all fees will be reviewed in 2015 (including the fixed fee for Education visitors, fees for the Investigation committee and for the new three year cycle for CET Approvers); and
- 47.2 all fees will then be reviewed every three years – the next review taking place in October 2018.
48. The Executive will keep abreast of benchmarking data and will propose an earlier review of fees sooner if necessary.
49. In addition, RemCo has also agreed that they would like to apply consistency to the remuneration for Council and Committee members and approvers along similar lines to what had been implemented for the Executive i.e. that remuneration would be based on suitable market comparators with the setting of anchor points at the middle of ranges spread within a set percentage either side of the anchor. RemCo has asked the Executive to consider how this might be achieved and implemented for the 2015 review of fees.

Review of the time commitment of Council, the statutory committees and the Hearings Panel

50. The Nominations Committee (NomCo) is responsible for reviewing the time commitment of Council and Committee members. NomCo proposes that going forward this is linked to the review of fees.
51. **It is recommended that Council agree:**
- 51.1 that all fees will be reviewed in 2015 (including the fixed fee for education visitors, the Investigations committee and the per application fees for CET Approvers) and then, future fee reviews will be undertaken on a three-year cycle – the next being in October 2018; and
- 51.2 there is a need to apply consistency to the remuneration for Council and committee members and approvers and that the Executive consider how this might be achieved and implemented for the 2015 review of fees.

Impact

52. The implications for the GOC's reserves and budget are detailed in the paper and Annex 2 and are reflected in the budget presented at C08(15).
53. There are no implications for legislation, equality, diversity and human rights in relation to the recommendations made in this paper.
54. It takes significant resource to annually review fees. This is why we propose to move to a less resource intensive three-year cycle as proposed in paragraph 47.

Devolved Nations

55. There are no implications/differences in relation to this paper and the devolved nations.

Communications

56. This is a sensitive area and the decision taken on fee levels will need to be communicated to all those affected in a careful way.

Risks

57. There is a risk that some committee or panel members may terminate their involvement with GOC on the basis of this decision which could leave the organisation needing to recruit new members. Recruitment is a costly and time consuming exercise.
58. Having reduced numbers of panel and committee participants might make it difficult in the short term to convene these bodies.
59. Recent recruitment activities have demonstrated that there are willing participants in the event of there being committee or panel vacancies. Therefore the risk on non-participation appears to be small.

Recommendations

60. Council is asked to **note**:
 - 60.1 the changes made to fees in 2014, as set out in the table at **Annex 1**;
 - 60.2 the fees paid in 2013/14 and budgeted for in 2014/15 as set out in the table at **Annex 2**;
 - 60.3 that all proposals to amend fee levels contained within this paper are subject to budget considerations;

- 60.4 the total costs of the amended fee levels will have on the budget as detailed in paragraph 46; and
- 60.5 that further benchmarking information has been requested on remunerating members for training and induction activity for consideration by RemCo.
61. Council is asked to **agree**:
- 61.1 to increase the annual fee paid monthly to Council members from **£12,000 to £13,000**;
- 61.2 to increase the annual fee paid monthly to the Council Chair from **£38,000 to £40,000**;
- 61.3 that no additional fee will be paid to Council members who are Chairs of Statutory or Non Statutory Advisory Committees or who act as Council Champions at this time;
- 61.4 that the following fees will remain unchanged at this time: the Senior Council member, Chairs of the IC, members of the IC, FTP Chair, hearing panel members, education visitors and CET approvers;
- 61.5 to increase the per meeting fee paid to the Statutory Advisory committee members and the Independent committee members from **£270** per day to **£280**;
- 61.6 to keep the daily fee for the Independent Assessor on selection campaigns at **£400** as agreed in November 2014;
- 61.7 that appraisal activity will not be remunerated for all Committee members and approvers, although expenses will be paid if necessary for this activity;
- 61.8 that all fees will be reviewed in 2015 (including the fixed fee for education visitors, the Investigations committee and the per application fees for CET Approvers) and then, future fee reviews will be undertaken on a three-year cycle – the next being in October 2018; and
- 61.9 there is a need to apply consistency to the remuneration for Council and committee members and approvers and that the Executive consider how this might be achieved and implemented for the 2015 review of fees.

Timeline for future work

62. Once Council has agreed the final budget for 2015/16 all those affected by the recommendations made in this paper will be notified. We would expect to complete this activity in good time for revised fee levels to be in place from 1 April 2015.

Attachments

Annex 1: fees agreed by Council in February 2014, effective from 1 April 2014

Annex 2: actual 2013/14 costs and budgeted costs 2014/15

Fees agreed by Council in February 2014 (came into effect from 1 April 2014)

<u>Role</u>	<u>Fee in 2013</u>	<u>Fee in 2014</u>	<u>Change</u>
Council Members	£12,000 (annual, paid monthly)	£12,000 (annual, paid monthly)	No change
Council Chair	£38,000 (annual, paid monthly)	£38,000 annual, (paid monthly)	No change
Senior Council Member	n/a	£3,000 (annual, paid monthly)	Set at £3,000
Chair of the Investigation committee	£1,650 (paid quarterly)	£1,850 (paid quarterly)	Increased by £200
Chair of the Education Visitor Panel	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	£330 per day	Increased by £60
Chair of the Hearings Panel	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	£330 per day (for a meeting lasting a day or part of a day one fee is payable)	Increased by £60
Hearing Panel members	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	£300 per day (for a meeting lasting a day or part of a day one fee is payable)	Increased by £30
Committee (education, standards, registration and companies) and Independent members of ARC, Nomco and Remco	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	£270 per day (for a meeting lasting a day or part of a day one fee is payable)	No change
Education Visitors	£270 per day	£6,000 per year	Fixed fee introduced June 2014
Investigation committee	£540 per meeting (one day fee plus one day reading allowance)	£600 per meeting (one day fee plus one day reading allowance)	Increased by £40
Teleconference (applies to all Committees & Panels)	£135 per conference	£150 per conference	Increased by £15

<u>Role</u>	<u>Fee in 2013</u>	<u>Fee in 2014</u>	<u>Change</u>
Reading fee (FTP Panels only)	Paid on an adhoc basis £50-£100 where papers exceed 500 pages. Authorised by Director of Regulation.	Paid on an adhoc basis £50-£100 where papers exceed 500 pages. Authorised by Director of Regulation.	No change
Cancellation fee (for Investigation committee and FTP Panels only)	Half a day's fee is cancelled at 5 days' notice or less	Half a day's fee is cancelled at 5 days' notice or less	No change

Actual 2013/14, budgeted costs 2014/15

	2013/14	2014/15 Budget				Revised fees
	Actual Cost	No. of members *	Fees at current rate	No. of meetings	Total Fees	Comparative cost
Council Chair	38,000	1	38,000	N/A	38,000	40,000
Senior Council member	12,000	1	15,000	N/A	15,000	16,000
Council members	120,000	10	12,000	N/A	120,000	130,000
Education Committee	5,130	10	1,890	4	7,560	7,840
Companies Committee	1,350	12	2,700	2	5,400	5,600
Investigation Committee	24,221	8	2,430	10	24,000	24,000
IC Reading Allowance	24,221	8	2,400	10	24,000	24,000
IC Chair Honoraria	1,650	1	0	1	1,850	1,850
Registration Committee	2,430	9	1,890	3	3,780	3,920
Standards Committee	2,700	9	1,890	2	3,780	3,920
Hearing Panel members	192,774	5	1,530	175	267,750	267,750
Independent ARC and Nomco committee members	n/a	3	810	4	3,240	3,360
Education visitors	46,356	5	1,350	95	128,250	128,250
Total Cost	460,032				637,750	656,490

The above costs exclude the work of the Independent Assessor.

*Includes Council members who are not remunerated separately for this work