

GENERAL OPTICAL COUNCIL

Council Member Remuneration

Introduction

1. The Appointments Commission intends to advertise for the post of Chair and for other Council Members in the first week of September. The material included in application packs will need to include details of the remuneration package available for the Chair and Council Members. The Appointments Commission will need to be advised of the remuneration package by mid-August at the very latest.

2. Council Members currently receive a daily rate for attendance at Council meetings and other committee or working group meetings. The Chair receives an annual honorarium. The Deputy Chair, Treasurer and the Chairs of committees receive an annual fee for their additional responsibilities on top of the daily rate.

3. Council will need to decide the overall remuneration structure to be paid to the Chair and Council members under the new arrangements. In considering this matter, Council will need to bear in mind the recommendation in Niall Dickson's report, *Enhancing confidence in healthcare professional regulators*, which was published by the Department of Health in June 2008:

Council members should be paid an annual salary or honorarium in return for a specified number of days' work (for example two or three days per month). A per diem rate could then be paid for additional work such as chairing committees. All expenses should be covered by the regulatory bodies.

4. Consideration will also need to be given to the fact that the Appointments Commission will also be advertising for Council Member posts for other regulatory bodies around the same time as GOC (although the Appointments Commission has decided against running joint campaigns). It is therefore inevitable that applicants will compare the remuneration packages available. Agreeing an appropriate and competitive package which reflects the ongoing corporate responsibility of Council Members and the time commitment this involves will have a bearing on GOC's ability to attract the best candidates.

5. The intentions regarding the remuneration structure of a number of the other bodies is not yet known. However, the GMC has offered an annual honorarium of £11,825 (subject to review) for Council Members with an expected time commitment of 3-4 days per month.

6. The Project Board discussed the issue of Council Member remuneration at its meeting on 4 June. The broad principles were considered and it was decided that Council should consider a number of options in relation to these principles. This paper sets out the two key options regarding the structure for Council Member remuneration and the pros and cons associated with each. Please note that the options below relate to the remuneration of the Chair and Council Members only. It is envisaged that committee members will continue to be paid on a per diem basis.

Options

Option 1 - No change

7. Under this option, GOC continues with its existing model of paying Council Members a daily rate for attendance at meetings and an annual honorarium for the Chair.

Advantages: The model is simple. It provides an incentive for Members to attend meetings, and provides a direct compensation for attendance at GOC meetings in lieu of time away from other work commitments. The honorarium for the Chair reflects the additional responsibility of the Chair and the fact that the time commitment does not simply correlate with meeting attendance.

Disadvantages: The model does not reflect the fact the Council Members have an ongoing corporate responsibility. It does not capture the time commitment which is required apart from attending meetings, e.g. in preparation for meetings, overseeing follow-up work, liaison with the executive. It may encourage meetings to be convened unnecessarily, rather than alternative and cheaper methods of communicating and agreeing action being considered.

Option 2 - Move to an annual honorarium

8. Under this option GOC would pay Council Members an annual honorarium. In line with Niall Dickson's recommendation, a per diem rate could be paid for additional responsibilities undertaken by Council Members, e.g. Council Member involvement in committee work.

Advantages: It reflects the fact that Council Members have an ongoing corporate responsibility, and that the activities connected with this responsibility extends beyond mere attendance at Council meetings. Where Members take on additional responsibilities to the normal responsibilities of a Council Members, it allows for additional remuneration to be paid on a per diem basis. If set at a realistic amount, an annual honorarium should place GOC in a strong position to attract high quality candidates when recruiting. Payment of an annual honorarium to Council members will also enable there to be greater certainty regarding the annual cost of member expenses, and hence there are advantages from a financial planning perspective.

Disadvantages: It is difficult to estimate the time commitment which may be required, and hence there is a risk that any proposed honorarium will not reflect the commitment required. [NB The Project Board felt that the GMC's proposed estimate of 3-4 days per month represented a fair estimate of the likely time commitment required].

Costs

9. In weighing up the options above, the Council should bear in mind that the annual honorarium to be paid by GMC (£11, 825) for 3-4 days per month if calculated as a daily rate roughly equates to the daily rate currently paid to GOC Council members (£270 per day). Therefore, if Council were minded to move to an annual honorarium, a sum in the order of that paid by GMC would not necessarily prove more costly than retaining a daily rate if the estimate of 3-4 days per month is an accurate assessment of the time commitment required.

Council is asked to consider the options above and agree a structure for the remuneration of Council Members to apply from April 2009.