

## **COUNCIL**

### **Council & Committee Member Fees**

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**Meeting:** 12 February 2014

**Status:** for decision

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(Director of Resources)

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### **Purpose**

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1. Council is responsible for agreeing and adopting revised fees to: Council members, Committee members, Hearing Panel members, Visitors, Legal Advisers, Clinical and other advisers.
2. It is recommended Council:
  - 2.1 sets fees for Council members, Committee members and Hearing Panel members in line with the table in paragraph 25 above with effect from 1 April 2014, following consideration of the recommendations of the Remuneration Committee (RemCo) which were previously considered by Council in November 2013. The recommendations should be considered in the context of the budget setting process as a whole and have been incorporated into the budget see paper C05(14).
  - 2.2 notes the Executives intention to engage with the Education Visitor Panel regarding their future fees; and
  - 2.3 continue to review fee levels annually, in advance of setting budgets for future years. Therefore the next review would be due in late 2014 in time for budget setting for 2015/16.

### **Strategic Objective**

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3. This work falls into the strategic aim of developing integrated systems and processes to ensure that systems and processes are efficient and cost effective. The aim is ensuring open, transparent and robust governance. The Director of Resources leads this area of work.

### **Background**

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4. 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.

5. 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.
6. Council members will be aware that the GOC is operating under financial constraints for the 2013/14 financial year and this is likely to continue for at least a couple of further years.
7. The levels of fees currently paid are set out in the table below:

<b>Council Members</b> <b>Council Chair</b>	<b>Annual Fee</b> <b>£12,000</b> (paid monthly) <b>£38,000</b> (paid monthly)
<b>Chair of Investigation Committee</b>	<b>Annual fee</b> <b>£1,650</b> (paid quarterly)
<b>Committee and Panel Members, Visitors and Advisers</b> For a meeting lasting a day or part of a day one fee is payable	<b>£270</b> per day
<b>Investigation Committee</b> One day fee plus one day reading allowance	<b>£540</b> per meeting
<b>Teleconference</b> (hearing panels only)	<b>£135</b> per conference

### Council

8. The annual fee of £12,000 paid monthly to Council members was set in 2009 when the reconstituted Council was recruited. Council decided not to increase the fee paid to Council members when it considered the recruitment pack for new Council members in October 2012. However Council decided to increase the Chair's fee from £35,000 to £38,000 in August 2012 when recruiting a new Chair.
9. Council has agreed to appoint an independent member to its Audit and Risk, Remuneration and Nominations committees. In making this decision, Council agreed that the independent committee members would receive the same fee as other panel and committee members.
10. In March 2013 RemCo agreed to defer a decision on remunerating the senior council member role until its October 2013 meeting when it would also consider

whether any additional roles required remuneration, such as the Chair of the Audit and Risk Committee and Chairs of the statutory committees.

### **Investigation Committee**

11. The current committee of nine mixed professional and lay members were appointed in 2009 after a public recruitment campaign. It was the Council's intention to appoint the members for terms of four years (from 2010 to 2014). However the GOC (Committee Constitution) Rules 2005 (amended 2008) state that appointments to the Investigation Committee shall expire on 31 December in each year. Therefore the committee members have been reappointed annually by Council. Most of the committee members were appointed as from 01 January 2010 and so will complete the four year term on 31 December 2013. The daily fee was £250 until April 2007 when it was increased to £270. Members were recruited on a fee of £270 in December 2009 (to start from 01 January 2010) and the fee has not been subsequently reviewed. Members may also claim expenses incurred necessarily on Investigation committee business.

### **Education, Registration, Standards and Companies committees**

12. The current committee members were appointed in 2009 after a public recruitment campaign. It was the Council's intention to appoint the members for terms of four years (from 2010 to 2014). However the GOC (Committee Constitution) Rules 2005 (amended 2008) state that appointments to these Committees shall expire on 31 December in each year. Therefore the committee members have been reappointed annually by Council. Most of the committee members were appointed as from 01 January 2010 and so will complete the four year term on 31 December 2013. The daily fee was £250 until April 2007 when it was increased to £270. Members were recruited on a fee of £270 in December 2009 (to start from 01 January 2010) and the fee has not been subsequently reviewed. Members may also claim expenses incurred necessarily on committee business.

### **Hearing panel members**

13. Members were appointed to the hearing panel on 1 July 2005 on a five year term with the option of serving a consecutive term of up to five years. The Council's adjudication function was due to move to OHPA in September 2012 so it was decided to extend the members of the hearing panel, once their initial 5 year term was completed, for a further 3.5 years to 31 December 2013 in order to accommodate a smooth transition to the new body and letters of extension were sent out to the members on 8 January 2010. However, when the current Government was elected in 2010, it decided not to proceed with OHPA and the responsibility for the adjudication function continued to remain with the Council. In 2010, Council approved the reappointment of hearing panel members until 30 June 2015.

14. The daily fee was £250 until April 2007 when it was increased to £270. It has not increased since 2007. 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 on a case by case basis by the Director of Regulation. FTP committee chairs have not been paid an additional fee for performing the role of chair to date.

### **Education Visitors**

15. Visitor panel members were recruited in late 2012 for a three year period of office, on the current daily rate of £270 per day. The daily fee was last increased in April 2007, prior to that it was £250. Visitor panel chairs have not been paid an additional fee for performing the role of chair to date. In this recruitment exercise there was a large volume of applicants at the rates offered at the time.

### **Committee costs**

16. The actual cost of committees and panels for 2012/13 was £241k. The budgeted cost of committees and panels for 2013/14 is £298.7k which is based on existing fee levels, and is set out in Annex 1. These figures do not include fees paid for education visits.

### **Council consideration in November 2013**

17. Council considered the recommendations of the Remuneration Committee in relation to the setting of Council and Committee Member fees in November 2013 when considering the draft budget and setting registrant fees. At that time Council agreed that, subject to provision being made within the 2014/15 budget, fees for Council and Committee members be amended in line with the proposal set out in paragraph 25 with effect from 1 April 2014.

### **Analysis**

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#### **Request for review**

18. The matter of fees has been raised with the Executive formally by the Chair of the Investigation Committee, by Chairs of Hearings Panellists, and by committee members and panellists at the annual training event (for the last three years running).
19. In summary the points made are:
- 19.1 GOC executive salaries had been raised in line with inflation, yet no fee increase has been made for Members;
  - 19.2 costs of committee meetings have been falling;
  - 19.3 the daily rate has not been reviewed since 2007;
  - 19.4 anecdotal comparison with the fees paid by the different regulatory bodies leave committee members feeling that the GOC fees are less attractive;

- 19.5 when changing the constitution of Council in 2009, Council members received an annual fee of £12,000, compared with the previous payments of a daily rate of £270 (averaging £4,024 annually). While it is recognised that the nature of Council Members work has been different since 2009 there have been inferences drawn by the current lack of parity between payments to Council members and Investigation Committee members (when there was parity prior to 2009);
- 19.6 a two day fee is paid for each scheduled meeting of the Investigation Committee to cover the committee meeting and one day to read the papers in advance. Members feel that the fixed reading fee rarely matches the amount of time taken to prepare for meetings, which is generally between one and two and a half days to read the papers for each meeting (the variation arising from the amount of papers, the particular cases members read in more detail and of course the different reading styles of each person);
- 19.7 when the present Investigation committee members were recruited some of the new members accepted their appointments, on the understanding that all preparation time would be paid for rather than only one day; and
- 19.8 the one day reading fee also covers review of draft minutes by e-mail (an hour – ten times a year), dealing with cases where an Interim Order might be applied for (an hour or less, 14 times in 2011).

### **Benchmarking data**

20. We have gathered together benchmark data from our peer organisations and some other similar bodies, and we have been assisted in this by most of our fellow health professional regulators. This data is presented at Annex 2.
21. 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.
22. 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.
23. It should be noted that this data 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 still expected to demonstrate the same levels of attendance and professionalism to those roles.
24. A comparison of hearings costs both with the current and proposed fee structures with other healthcare professional regulators is presented in Table C of Annex 2.

**Future Fees**

25. With reference to the benchmarking data and the ranking data presented in Table C of Annex 1 the Remuneration Committee recommend to Council that fees paid to committee and panel members are increased in some areas and set at the levels in the table below.

<b>Council Members</b> <b>Council Chair</b> <b>Senior Council Member</b>	<b>Annual Fee</b> <b>£12,000</b> (paid monthly) <b>£38,000</b> (paid monthly) <b>£15,000</b> (paid monthly)
<b>Chair of Investigation Committee</b>	<b>£1,850</b> (paid quarterly)
<b>Chair of FTP committees</b>	<b>£330</b> per day
<b>Hearing Panel members</b>	<b>£300</b> per day
<b>Other committee and panel members, visitors and advisers excluding Council members but including independent committee members</b> (For a meeting lasting a day or part of a day one fee is payable)	<b>£270</b> per day
<b>Reading fee (hearing panels only)</b>	No change from current arrangement
<b>Cancellation fee (hearing panels only)</b>	Half a day fee if cancelled at 5 days' notice or less
<b>Investigation Committee</b> One day fee plus one day reading allowance	<b>£600</b> per meeting
<b>Teleconference</b> (not restricted to hearing panels)	<b>£150</b> per conference

26. It is recommended that the annual fee of £12,000 paid monthly to Council members and £38,000 paid monthly to the Chair is not changed at this time. It is anticipated that there might be a need to review these fees in advance of any recruitment.
27. It is recommended that the senior council member is paid an annual fee of £15,000 paid monthly to reflect the additional responsibilities of the role.
28. It is recommended that there is no increase in the fees of other Council members who are acting as Chairs at the current time. This recommendation will be reviewed when it is clear whether the additional roles of all Council

- members, given the recent changes, have led to an increase in their time commitment.
29. It is recommended that the fee paid to the Chair of the Investigations committee is increased by £200 to £1,850 to maintain consistency with recommended increases in fees of committee members.
  30. It is recommended that Chairs of FTP committees are paid a daily rate of £330, which is £30 more than the daily rate recommended for hearing panel members. This is 91% of the average chair fees paid by health regulators.
  31. Daily rates paid to committee members in the health regulators range from £250 to £353 with the average being £304 as set out in Table B of Annex 2. Four out of eight do not pay any reading days. Our current daily rate is 90% of the average rate. It is recommended that the daily fee for IC and hearing panel members only is increased by £30 to £300, an increase of 10%. The proposed rate would be 99% of the average rate for healthcare regulators.
  32. It is recommended that the daily fee for all other committee and panel members stays at the current level of £270. The differential reflects the higher risk work undertaken by the IC and hearing panels.
  33. It is recommended that reading fees remain discretionary as at present.
  34. Daily rates paid range from £233 to £800 (average £457) in other bodies as set out in Table A of Annex 2. We were unable to obtain benchmark comparisons relating to reading days, but anecdotal evidence suggests this is not normal practice elsewhere. Our current daily rate is 59% of the average rate.
  35. It is recommended that the teleconference fee is offered to all committees and panels who convene meetings in this way as an alternative to a face to face meeting. The fee would be payable to any member of a panel or committee who receives a daily fee for meetings held in person.

#### **The Education Visitor Panel**

36. When RemCo considered the Council and Committee fees in October 2013, they requested that the Executive undertake further work to look at the requirements of the role of Education Visitor Panel members before making a final decision and subsequent recommendation on their future remuneration to Council.
37. This work is underway and will come to Council with a recommendation from RemCo in May 2014.

**Committee costs**

38. Increasing fees as proposed would raise overall costs for 2013/14 (if the revised fees had been in place) by £35,300, and is set out in Annex 1. This is excluding the cost of education visits. The revised fee proposal for education visitors would save around £40k in 2014/15 and this assumption has been used in preparing the budget.
39. It is noted that with the introduction of case examiners it is expected that the cost of the Investigations committee might reduce by as much as £21,600 if the frequency of meetings reduces to six per year. However this saving is unlikely to be realised in the first half of 2014/15 because there would be a period of transition.

**Impact**

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40. Identify any implications decisions by Council may have on:
- 40.1 GOC's reserves - yes
  - 40.2 GOC budget – yes, increased fees add to the cost of running Committees. The impact of these fee changes, including any possible change in fees to visitor panel members, has been included in the 2014/15 budget.
  - 40.3 Legislation - none
  - 40.4 Resources – it takes significant resource to process all fees
  - 40.5 Equality and Diversity - none
  - 40.6 Human Rights Act - none

**Devolved Nations**

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41. There are no implications/differences in relation to this paper and the devolved nations. This report does not need to be published in Welsh.

**Communications**

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42. This is a sensitive area for committee and panel members and the decision taken on fee levels will need to be communicated to them all in a careful way.
43. There have been a significant number of complaints received about the level of fees paid by GOC in comparison to other bodies. The decision made may have implications on the continued participation of some members.

**Risks**

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44. 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.



45. Having reduced numbers of panel and committee participants might make it difficult in the short term to convene these bodies.
46. However recent recruitment activities have demonstrated that there are willing participants in the event of there being committee or panel vacancies.

### **Recommendations**

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47. It is recommended Council:
  - 47.1 sets fees for Council members, Committee members and Hearing Panel members in line with the table in paragraph 25 above with effect from 1 April 2014, following consideration of the recommendations of the Remuneration Committee (RemCo) which were previously considered by Council in November 2013. The recommendations should be considered in the context of the budget setting process as a whole and have been incorporated into the budget see paper C05(14).
  - 47.2 notes the Executives intention to engage with the Education Visitor Panel regarding their future fees; and
  - 47.3 continue to review fee levels annually, in advance of setting budgets for future years. Therefore the next review would be due in late 2014 in time for budget setting for 2015/16.

### **Timeline for future work**

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48. Following the Council's decision all current committee and panel members will be notified. We would expect to complete this activity in good time for revised fee levels to be in place from 1 April 2014.

### **Attachments**

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- Annex 1: Actual 2012/13, budgeted costs 2013/14 and comparative costs with proposed revised fee structure
- Annex 2: Benchmark data

## Fees paid 2012/13 and budgeted 2013/14

	2012/13	2013/14 Budget				Proposed Revised fees
Committee & FtP Committee	Actual Cost	Number of Members	Fee @ £270 /day	Number of Meetings	Total Fees	Comparative cost
Education Committee	5,535	9	2,430	3	7,290	7,290
Companies Committee	3,510	10	2,700	2	5,400	5,400
Investigation Committee*	21,330	9	2,430	10	24,300	27,000
IC Reading Allowance	21,330	9	2,430	10	24,300	27,000
IC Chair Honoraria	1,650	1		1	1,650	1,850
Registration Committee	3,240	7	1,890	3	5,670	5,670
Standards Committee	3,915	9	2,430	3	7,290	7,290
FtP Committee	180,485	5	1,350	165	222,750	252,450
<b>Total Cost</b>	<b>240,995</b>				<b>298,650</b>	<b>333,950</b>

\*It is expected the IC will meet less frequently after the introduction of case examiners

The above costs exclude the cost of Education Visitor panels

## Benchmark Data

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### A. Other Regulators – based on work undertaken by GMC in late 2011.

	£ Per day
Government departments	545
Housing associations	833
Local authority	333
NDPB	590
NHS	233
Private	333
Regulatory bodies	330
<b>Average</b>	<b>457*</b>

\* No information in relation to reading time

### B. Healthcare Professional Regulators (as at September 2013)

	Method of payment	½ Day fee £	Per Day Fee £	Reading fee per day £
<b>GDC</b>	Daily attendance fee, including chairs	Yes	£353	£353 for committees only
<b>NMC</b>	Daily attendance fee (including subsistence, travel etc.) Chair's fee	Yes	£310 £340	£260-340 depending on attendance
<b>GOC</b>	Daily attendance fee, including chairs	Yes	£270	£270 for IC only otherwise ad hoc
<b>GPhC</b>	Daily attendance fee Chair' fee (FTP and Regn) Chair's fee (IC) Deputy Chairs (FTP and Regn) Deputy Chair (IC)	Yes	£300 £589 £336 £486 £336	£150 for committees only
<b>HPCPC</b>	Daily attendance fee, including chairs	No	£310	No
<b>GOsC</b>	Daily attendance fee	No	£306	£75 (IC only)
<b>GMC inc (MPTS)</b>	Daily attendance fee (FTP only) Chair's fee (FTP only)	No unless canx	£310 £340	£50
<b>GCC</b>	Daily attendance fee, including Chairs at present	Only tele-conferences	£300	No
<b>PSNI</b>	Daily attendance fee Chair's fee	Yes	£250 £500	£125 £250
		<b>Average fee Chair's fee</b>	<b>£301 £364</b>	

## C. Comparative cost of hearings

<b>Body</b>	<b>Cost of 3 day hearing assuming panel of 5,</b>	<b>Cost ranking (1 being highest, 9 being lowest)</b>
<b>GDC</b>	£7,060	1
<b>NMC*</b>	£6,320	2
<b>GOC</b>	£4,050 (£4,590 at proposed rates)	9 (8 at proposed rates)
<b>GPhC</b>	£5,916	3
<b>HCPC</b>	£4,650	7
<b>GOsC</b>	£4,965	6
<b>GMC inc (MPTS)</b>	£4,990	5
<b>GCC</b>	£4,500	8 (9)
<b>PSNI</b>	£5,250	4
<b>Average</b>	£5,300 (£5,366)	

\*NMC does not pay separately for expenses so not an exact comparison