

Minutes of Remuneration Committee Meeting held on 7/07/2017

Location	Present	In Attendance
8 Weymouth Street London W1W 5BU	Jagtar Singh – in the Chair Nabila Zulfiqar Richard Parnaby	Karen Holmes Marc Stoner

Note

Action

1. Apologies for Absence

There were no apologies for absence.

2. Minutes

The minutes of 1 December 2016 were approved.

3. Declarations of Interest

None to declare.

4. Matters Arising

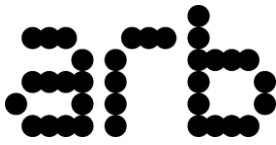
The Committee noted the report.

5. Report of staff issues

The Committee discussed the staffing report. The Registrar provided points of clarification in relation to the organisation's sickness levels and the staff retention levels. The Committee requested further information on staff retention and average length of service.

6. 2016 Staff Engagement Survey

The Committee discussed the outcomes of the staff engagement survey. In relation to Q31 of the survey, which had asked individuals if they considered the ARB Board to provide effective leadership, the Committee asked the Registrar to remind the staff team of the importance and value of attending Board meetings occasionally to see where the role of the Board interlinked with the work of the staff team.



7. External Review of daily Attendance Allowance

Tim Redwood from Crowe Clark Whitehill attended the meeting to present the interim findings of the benchmarking exercise being undertaken in relation to Board and External Adviser allowances. The Committee accepted that the current levels of remuneration remained lower than the market and asked for further exploration as to what the rate should be.

It was agreed that a proposal on any changes in the remuneration policy should go to the September 2017 Board meeting and that, in order to meet this deadline, the Remuneration Committee would hold a special telephone conference to discuss the proposals.

Ideally the Committee would like to review remuneration of all expert roles within ARB but accepted that the priority is considering Board remuneration given the impending governance changes.

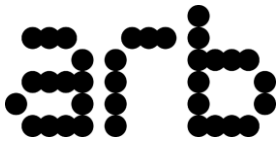
Further work is required in analysing the actual spend on the Board and Committees. It was acknowledged that the actual spend would be distorted due to changes within the membership of the Board and the recent introduction of reading time.

8. Budget Provision- Pay Staff Award 2018

The Committee discussed the paper provided and the additional information provided by the Head of Finance and Resources in relation to what other regulatory bodies had awarded over recent years. The Committee noted that other regulators had awarded higher annual increases over the previous three years. After discussion as to whether a higher percentage should be included as a budget provision for 2018, the Committee agreed to include a budget of 2% for 2018. However, the Committee requested that the Executive bring forward the benchmarking exercise of staff salaries from 2018 to 2017 to ensure ARB's salaries and benefits remain in line with its competitors. The Executive will bring back the findings of the benchmarking exercise to the Committee in November 2017, when a decision will be made on the annual salary award for 2018.

9. Pension Arrangements

- (i) The Board's Pension adviser Jon Whyte (JW) from 2Plan Ltd attended the meeting to provide an update. JW's view remained, as reported in June 2016, that ARB's current group personal pension scheme with Scottish Widow (SW) continues to be appropriate and is the most used product for company pension schemes. JW confirmed that ARB continued to meet compliance with Auto Enrolment



requirements. JW confirmed that there had been no change to the dormant occupational pension scheme; the scheme remains in place and will continue to exist until all members reach retirement age. However, once the oldest member retires, the costs of buy out will be explored again.

(ii) Pension Adviser Performance

The Committee discussed the Pension Advisers current performance, value for money and service levels, and whilst they were content with the provision, they requested that the Head of Finance and Resources explore the market and provide a paper to the Committee within the next twelve to eighteen months.

10. Remuneration Committee

The Registrar introduced this item, confirming that Annex A set out details as to how the Committee had met its Terms of Reference over the last year. The Committee agreed that a minor adjustment should be made to its Terms of Reference to reflect the current staff structure.

11. Remuneration Committee Effectiveness Report

The Committee noted the report.

12. AOB

The Registrar asked the Committee to agree that external benchmarking of her role was not undertaken in 2017, as she felt undertaking an annual external benchmarking exercise was disproportionate and the money spent could be used more effectively. The Committee agreed to not undertake an external benchmarking of the Registrar's role in 2017. The information gathered as part of the 2016 external benchmarking exercise would be reviewed to consider any amendment to the Registrar's salary in December 2017.

15. Dates of next meetings

1 December 2017