



Minutes of Remuneration Committee Meeting held on 29/11/2017

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 Committee approved the minutes for accuracy but noted that in relation to carer's allowance, individual requests for assistance would be considered on a case by case basis until a formal policy was agreed.

3. Declarations of Interest

None to declare.

4. Staff Salary Increment

6. Remuneration and Reward Benchmarking Results

Items 4 and 6 were taken together.

The Committee discussed the Staff Salary Increment paper. It noted that whilst there was still pressure for public bodies to only award a 1% pay increase, the Committee was concerned that ARB staff salaries should remain competitive for the organisation to retain and attract the highest calibre of staff. The Committee considered the recent comparative information it had been provided in relation to what other regulatory bodies had awarded annually over the last few years.

The Registrar explained that the recent external benchmarking of all staff salaries would enable the organisation to ensure that salaries remained competitive. The Committee discussed the outcomes of the external benchmarking exercise, which identified that some salaries had fallen behind market pay for the sector.

The Registrar informed the Committee that in line with her authority under the Scheme



of Decision Making she would be making a number of individual staff salary adjustments, to ensure that staff base salary pay remained competitive. The Registrar assured the Committee that those adjustments would adhere to the organisation's pay policy, which is to pay slightly above the median at 102% but allowing a tolerance of 12% above or below dependant on the role, market factors and contribution of the role provider. A report on the final number of adjustments and total cost within the staff budget would be presented to the Committee, for information at its next meeting.

The Committee discussed the findings of the external benchmarking exercise in relation to staff benefits, including staff pension provisions, life assurance, private medical insurance, annual leave allowance and performance related pay, which were all found to be competitive. The Committee noted the benchmarking of staff benefits and agreed to make no adjustments to the benefits currently offered.

The external report concluded that whilst the total reward package offered by ARB remained competitive, it was important for ARB to keep up-to-date with the external market, particularly in relation to other regulatory bodies, who were not constrained to the government 1% pay gap.

Having discussed both papers thoroughly, the Committee agreed to award a 1% pay increase to all staff with effect from 1 January 2018. The Committee noted that the Registrar would be making some salary adjustments in line with the benchmarking evidence to ensure salaries remain competitive.

5. Incentive Scheme Payment 2017

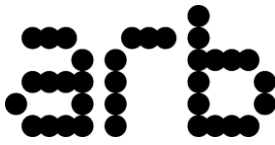
In line with the organisation's Incentive Scheme, the Committee considered the paper which identified the measure of success for each area of the 2017 Business Plan. The Committee also considered the additional activities that had been delivered during the year, which included supporting the developing apprenticeship route, early exploration of mutual recognition agreements with some international countries and delivery of the Periodic Review recommendations, along with the additional work needed to start to plan for the UK leaving the EU.

Considering the exceptional performance of the staff team, the Committee agreed to award an incentive payment of 4% of salary.

7. Registrar & Chief Executive Incentive Payment 2017 and Salary for 2018

Incentive Payment

Following a discussion under item 5 of the agenda, the Committee was confident that the Chief Executive had performed well and delivered a heavy work load during 2017. Therefore, an incentive payment of 5% was agreed, consistent with the amount awarded in 2016.



Salary for 2018

The Committee discussed the 2016 Independent External Benchmark report presented by the Remuneration Committee Chair at the meeting. The Committee agreed that given the exceptional performance of the Registrar & Chief Executive that they needed to take the salary closer to 102% (in accordance with ARB's pay policy).

The Committee considered the Independent External Benchmark report, especially around whether the Registrar & Chief Executive's salary should be benchmarked against the other Regulatory/Professional Bodies, or against the Civil Service. It was noted that salaries were lower within the Civil Service, but that their benefits were better and that some of the other regulators/professional bodies were larger than ARB.

At that meeting, the Committee agreed that a 1% pay award should be awarded in December 2017 and a further 5% in January 2018 to bring the Registrar & Chief Executive's pay more in line with other comparative roles.

Following receipt of further information from the Accountant about an increase in salary and bonus for the Chief Executive, it was agreed to arrange a conference call to allow members to further discuss the external benchmarking report.

In a conference call on 5 December 2017 further discussion took place on which sector to benchmark the Registrar & Chief Executive's salary against. The Committee decided that it should be the median of both the Civil Service and other regulatory/professional bodies. It was acknowledged that the report was from 2016 and it was therefore hard to gauge how the market may have moved.

Following the discussion, it was agreed that the Registrar & Chief Executive should receive a 1% pay award in December 2017 and a further 3% in January 2018. The Committee agreed that another external benchmarking exercise should be undertaken during 2018 to establish how the employment market may have moved on since the 2016 report.

8. Draft Remuneration Committee Annual Report

The Committee agreed the draft report, subject to some further expansion on some of the areas contained within the report.

9. Registrar's Staffing Report

The Committee noted the report.

10. Rolling Programme of Work for 2018



The Committee agreed the rolling programme of work for 2018.

11. Any Other Business

There was no any other business.

12. Dates of Next Meetings

18 May 2018 at 10am

6 December 2018 at 10am