



## Minutes of Remuneration & Appointments Committee Meeting held on 2 December 2019

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Location	Present	In Attendance
8 Weymouth Street London W1W 5BU	Derek Bray Alison White Stephen McCusker	Marc Stoner Karen Holmes

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Note

Action

### 1. Apologies for Absence

Apologies were received from Ian Muir.

### 2. Minutes from 3 December 2018

The Committee noted the minutes from the 3 December 2018, which had been approved by the previous Committee.

### 3. Matters Arising

The Committee noted the matters arising report and requested an update on when the tender exercise for the pension advisor would take place. The Head of Finance and Resources reported that the tender would be undertaken in the spring of 2020.

It was noted that whilst the Terms of Reference for the Committee had recently been revised, the Chair of the Board wished to review them again during 2020 to ensure they covered strategic HR issues, such as measuring performance of Non-Executives.

### 4. Registrar's Staffing Report

The Committee discussed the staffing report and felt it was helpful in assisting the Committee to provide advice to the Executive.

The Committee requested further information at the next meeting in the following areas:

- How much is spent on staff personal development
- Information on staff teams and structures



- How staff might progress within the organisation
- An update on how new team members were being integrated into ARB and its values given the 20% growth in staff
- If it was possible to demonstrate ARB's staff Equality & Diversity profile compared to the rest of London
- How ARB ensured that non-staff were aware of things such as equality and diversity, unconscious bias and data security

## 5. Staff Pay Award Decision 2020

The Committee discussed the paper presented and agreed the recommendation of a 2% pay award for staff with effect from 1 January 2020.

The Committee felt it was an appropriate time for a review of remuneration and benefits of all staff, CEO and non-executives (advisors, examiners etc). The Committee considered that the remuneration review should be carried out as a matter of urgency.

The Committee stressed the importance of finding an appropriate company to undertake the review and to ensure clear terms of reference were provided.

It was agreed that an external company should be appointed to undertake the review, and that the Executive would draft a set of terms of reference for the review and circulate to the Committee for input.

The Committee was keen to understand the following:

- The total remuneration package for ARB staff versus the psychological contract (do we have the right balance)
- Where ARB sits in relation to best practice with other benchmarked groups
- The appropriateness of ARB's incentive scheme
- Whether, given our link to Government, the benchmarking should be carried out against the Civil Service, or other regulators /membership bodies

The Committee expressed that it was keen that the Registrar managed staff expectations around any staff incentive payment going forward.

The Committee requested that the review be concluded by the end of March 2020, and that the appointed company present their findings shortly after.

## 6. Staff Incentive Scheme Payment Decision 2019

The Committee discussed the paper presented and agreed that the staff team should be paid 4% of salary under the incentive scheme on the basis of their continued commitment, ability to deliver an increasing workload in a challenging



environment, and excellent performance during 2019.

The Committee flagged a concern about the current Incentive Scheme and considered that it would like to understand more around Government expectations, and how ARB considers government guidance around remuneration.

The Committee also wanted to understand more about how the ARB Incentive Scheme worked to support the 'One ARB' approach, and how performance was measured.

The Committee requested that the Registrar manage the staff team's expectations in relation to possible changes to the current Incentive Scheme.

It was also highlighted that any potential changes to the scheme could impact the 'One ARB' ethos; it was agreed that this point would be included within the benchmark work to seek an independent view.

The Committee had no concerns around the actual performance of the ARB team and felt that it was a high performing team. It was felt however that the Committee needed to better understand the environment ARB worked in and the risk profile around this. It was therefore important that the appointed benchmark company considered this in their review.

## **7. Registrar's Incentive Payment 2019 and 2020 Salary Discussion**

The Committee again re-iterated their concerns as outlined under agenda items 5 and 6 above. The Committee felt that there wasn't sufficient information to base any other decision on, and so recommended that a 2% pay award for 2020 and an incentive payment of 4% for the Registrar (the same as for the staff team) should be put to the Board.

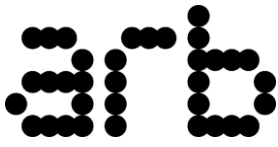
The Committee again flagged the importance of the pay and reward review to allow for more informed decisions in the future.

## **8. Discussion on Forthcoming Work of the Committee**

The Committee discussed the proposed workplan. The Committee agreed to hold a workshop to discuss the findings of the Pay and Reward Review and to define its priorities for 2020 and beyond.

## **9. Any Other Business**

There was no other business.



## 10. Dates of Next Meetings

TBC