

Finance and Resources Committee, 18 June 2013

The publication of remuneration information of senior HCPC employees in future Annual Reports and Accounts

Executive summary and recommendations

Introduction

The HCPC's April 2011 – March 2012 Annual Report and Accounts recorded an annual income of £17.4 million, staff costs of £5.9 million and that there were on average 147 FTE permanent employees. The Chief Executive and Registrar's salary is published as well as the Council's contribution to his pension and fund and the total value of the pension fund. No other information was included on the remuneration of any other employee.

The amount of information in the HCPC's Annual Report and Accounts disclosed in relation to employee remuneration has been consistent since 2003 when the annual income was £4m and there were 51 FTE employees. The reason for this policy was, to quote the 2002 - 2003 Annual Report that: *"No other senior salaries are disclosed as decision making is vested in the Council members"*.

A brief review of other UK statutory regulators of health and care professionals policy on the publication of the remuneration of their senior employees identifies an inconsistent approach. Their disclosure policy appears to be influenced by the size of the organisation in terms of annual income, total employee numbers, the nature of the organisations' registered charitable status and the relevant accounting requirements.

However, although the decision making powers of the Council and Executive have not altered, the amount of information historically included by the HCPC in its Annual Report and Accounts is less than some other comparable organisations. The view of the Executive is that we should bring our remuneration disclosure policy into line with our peers.

Recommendation

It is recommended that in the April 2013 – March 2014 and all subsequent Annual Report and Accounts that the following employee remuneration information should be included:

- i. The information currently published on the Chief Executive and Registrar's remuneration package will continue to be published using the existing format.

- ii. The taxable remuneration of all nine members of the HCPC's Executive Management Team (EMT) will be published, i.e. including the Chief Executive and his direct reports but excluding his Executive Assistant.
- iii. The information will be presented in a table of salaries of £60,000 and above displayed in increasing bands of £10,000. The table will be anonymised, in that the names and job titles of individual EMT members will not be disclosed.
- iv. The table will include data for the current year and the previous year for comparison purposes.
- v. A separate table of non-EMT HCPC employees will also be published using the same format as the table used for the EMT.
- vi. A letter will be sent by the Chief Executive to the members of the EMT each and senior employee impacted by the change in policy to notify them of the impending change.

Decision

The Finance and Resources Committee is requested to recommend to the Council that the remuneration of senior HCPC employees detailed above will be published in the April 2013 – March 2014 and all subsequent Annual Report and Accounts.

Background Information

General Dental Council (GDC)

The remuneration package of the five members of the Executive Management Team including the Chief Executive were included in the 2011 Annual Report and Accounts of the GDC but for one year only. There were 205 "staff" employed by the GDC. Of the £30 million of income, staff cost were £10.1million. 15 employees remuneration packages were included in a table on an anonymous basis ranging from £60,00 to £140,000 in £10,000 bands.

General Chiropractic Council

The General Chiropractic Council Annual Report and Accounts 2011 – 2012 disclosed that annual income was £3 million. The cost of employing the 12 staff was £814,000. No other remuneration information was included.

General Optical Council (GOC)

The GOC in their 2011 – 2012 Annual Report reported an income of £5.8 million. No other remuneration information was included in the report.

In a separate Report and Financial statement covering the same period, it was disclosed that £1.9 million "staff employment costs" had be spent on an "employee headcount" of 40. Three employees were identified as being in "higher salary bands" of between £60,000 and £90,000 but names and job titles were not provided. The Chief Executive remuneration was not provided.

General Medical Council (GMC)

The GMCs' 2011 Annual Report disclosed in a "taxable emoluments table", that they had 66 employees paid between £60,000 and £230,000. Bands were set at £10,000. Total income was £101 million and the cost of the 654 FTE/staff was £36.8 million. The Chief Executives' remuneration package was not included. Because the GMC is a charity, the Accounts are in the format required by the Statement of Recommended Practice: Accounting and Reporting by Charities (revised March 2005).

General Pharmaceutical Council

In their Annual Report and Accounts 2011 – 2012 income was £21.3 million, with £6.1 million being spent on the cost of 146 "full time staff". A table comprising of the four Directors' remuneration, which included the Chief Executive, was included on an anonymous basis. No further information was provided on the remuneration package of the Chief Executive. Banding in the table went £0 -£50,000, £50,000 - £80,000 and then increased by £20,000 to £140,000. The GPC is not a charity.

Nursing and Midwifery Council (NMC)

The NMC Annual report and accounts 2011 - 2012 reported on an anonymised basis the "Aggregate remuneration" of the nine Directors in a table in bands of £10,000 from £10,000 to £120,000. Total income was £53 million and salary and associated costs were cost of the 654 FTE/staff was £21 million. Chief Executive remuneration package was disclosed. Pay differentials were provided between the highest paid employee and the median. There were on average 370 employees. 15 other staff were included in a separate table in £60,000 to £110,000. The NMC is a charity.

Resource implications

None

Financial implications

None

Appendices

None

Date of paper

6 June 2013