



PUBLIC MINUTES
of the Nominations and Remuneration Committee (NRC) meeting
on Monday 15 April 2024 at 14.00
Virtual – via MS Teams

8. Remote and virtual participation

8.1 Any member may validly participate in a meeting through the medium of conference telephone, video conferencing or similar form of communication equipment, provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting, or relevant part thereof. A member so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and entitled to vote.

8.2 A meeting shall be deemed to take place where the largest group of those members participating is assembled or, if there is no group which is larger than any other group, where the chair of the meeting is

Present:

Deborah Gregory (DG) Acting Chair (located in London)
Bernadette Conroy (BC)

In attendance:

Fiona MacGregor (FM) Chief Executive
Jonathan Walters (JW) Deputy Chief Executive
Richard Peden (RBP) Director Finance and Corporate Services
Emma Tarran (ERT) Assistant Director, Head of Legal and Company Secretary
Sandy Pacek (SP) Head of Corporate Services

Minutes:

Simon Turner Senior Solicitor

1 Welcome and apologies

01/04/24 As DG's appointment as Chair only takes effect from 16 April 2024, BC and DG agreed that DG would act as Chair pursuant to paragraph 2.2 of the Terms of Reference.

There were apologies from Jo Boaden (JBo) and Paul Smee

2 Declarations of interest

02/04/24 No new declarations of interests from members and executive officers. Executive officers explained their interest in the discussion on agenda item 6.

3 Minutes of the last meeting – 15 January 2024

03/04/24 The minutes of the last meeting were APPROVED, subject to minor typographical errors.



4 Matters arising

04/04/24 NOTED.

06/04/24 On 19/01/24 Board Appraisals, BC updated the Committee. All Board member appraisals have been completed and written up. The process adopted in relation to those Board members up for renewal of their term was discussed and will be used going forward (including in relation to the Chair next year).

5 Forward planning for the Committee

07/04/24 In respect of future areas for discussion by the Committee the following topics were suggested:

- GGI recommendations
- NED succession planning and pay, with benchmarking exercise
- Committee memberships
- Refreshing skills matrix for NEDs
- Executive pay award
- Staff pay
- Pensions update
- Organisational Development update
- Recruitment and resourcing update
- Training for Board members (NEDs induction and continuous learning)
- People strategy – end 2024
(workforce/skills/development/retention/L&D/succession planning)
- Updated disaster planning paper to reflect change in organisational structure
- Staff Survey
- Board effectiveness survey

6 Pensions Scheme update

08/04/24 RBP gave a verbal update on the progress with the implementation of the decision to leave the HCAPS pension scheme and move staff currently enrolled in HCAPS to the Civil Service Pension Scheme (CSPS). This was further to the previous update given by RBP at the 15 January meeting. The regulator had originally hoped for the move to CSPS for 01/04/24.

7 Pay Award

09/04/24 RBP explained that this agenda item had been added in anticipation that the regulator would have received information on the Civil Service pay award which is also applicable to arm's length bodies. However, no such information was yet available. A further update would be given to the committee once the pay award details have been published.



8 Recruitment and resourcing

- 10/04/24 RBP introduced this item and explained that the item was up to date as at the end of March 2024. The regulator's programme of phased recruitment had gone well. However, RBP reported on there being some vacancies at present,
- 11/04/24 DG asked that, in further papers on recruitment and resourcing, there could be an explanation of how many vacancies had arisen due to any shortfall in the planned phased recruitment and, where actual recruitment was behind planned recruitment, whether this was leading to any strain on resources. This would facilitate the Committee obtaining the necessary assurances.
- 12/04/24 BC asked if the regulator is confident that there is sufficient capacity, from the recent recruitment, to cover the anticipated levels of reactive work that will be coming up. RBP answered that the recruitment scheme was planned to ensure there were enough resources in place for the new regime post April 2024. RBP noted that the regulator would need to reflect on capacity and recruitment issues in advance of the next stage of recruitment.
- 14/04/24 BC asked if there were likely to be further changes in organisational structure at the regulator. In summary matters were still in transition but going very well. The regulator would need to review recruitment and resourcing later in the year.

9 Organisational Development (OD) Update

- 15/04/24 SP gave an update on a range of OD activities carried out in 2023/24 and OD activities planned for 2024/25.
- 16/04/24 SP gave an overview of the staff survey results, which took place between 9 and 26 May 2023 and received an 84% response rate. As a result of the survey an action plan was developed to focus on –
- Working for the regulator
 - Managing change
 - Diversity and inclusion
 - Pay and benefits
 - Leadership
- 17/04/24 The Committee discussed the overview and in response to a question, ERT said that, when the next staff survey is carried out, it would be useful to try to further interrogate some of the survey responses, as this would give more useful information to work with in the next action plan. In some cases we could probably also clarify questions further, to the same end. JW mentioned that there had been some smaller group work along these lines in order to follow up on previous survey responses.



- 18/04/24 SP reported on the internal Equality, diversity and inclusion (EDI) strategy and action plan. SP reported that there has been some progress in improving ethnic diversity at senior level, but there has not been as big a change as we would like at these levels in the organisation, and so this is an area we want to continue to focus on and improve. We have maintained this aim in the next iteration of the EDI strategy, which we have been developing in 2023/24 and expect to launch in early 2024/25. The regulator also published a refreshed set of equality objectives in 2023, following a consultation, in order to comply with the requirements of the public sector equality duty.
- 19/04/24 SP gave an update on the Leadership Development Programme (LDP), which launched in autumn 2023.
- 20/04/24 FM spoke about the LDP and the work on developing good leadership behaviours across the organisation, to support the regulatory work we have been given to do. The LDP seeks to ensure that leaders are engaged with all staff and that there is a constructive and open dialogue between leaders and staff.
- 21/04/24 BC asked what good outcomes from the LDP would be, and how would the regulator know if the LDP had been successful. JW responded that success would show evidence of a culture of radical candour and the avoidance of silo working between teams, to enhance communication and the delivery of our work. SP added that the provision of a good amount of feedback would be an indicator of success, together with a leadership team that is cohesive, visible and seen as people, and more two-way conversations between leaders and staff.
- 10 Any Other Business**
- 22/04/24 The Chair asked that the minutes record a note of thanks to Paul Smee for his time spent as a board member and as chair of the Nominations and Remuneration Committee, and his valuable contributions to the work of the regulator.

Date of next meeting: 15 July 2024.