



**PUBLIC MINUTES**  
**of the Nominations and Remuneration Committee (N&RC) meeting**  
**on Monday 14 October 2024 at 1400**  
**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.*

**Members**

Deborah Gregory (DG)                      Chair  
Jo Boaden (JBo)  
Bernadette Conroy (BC)

**In attendance**

Fiona MacGregor (FM)                      Chief Executive  
John O'Mahony (JOM)                      Assistant Director, Corporate Services (for agenda items 8-10)  
Richard Peden (RBP)                      Director Finance and Corporate Services  
Emma Tarran (ERT)                      Senior Assistant Director, Head of Legal and Company Secretary  
Jonathan Walters (JW)                      Deputy Chief Executive

**Minutes:**

Christine Kitchen                      Board Secretary

**1                      Welcome and introductions**

01/10/24    There were no apologies from committee members.

**2                      Declaration of interests**

02/10/24    No new declarations of interests from members. Members of the executive team declared their interest in the Executive pay element of agenda item 7.

**3                      Minutes of last meeting – 15 July 2024**

03/10/24    There was a query in respect of the use of AI referenced in 14/07/24. RBP advised that our policy is that staff cannot use Chat GPT and similar tools for regulatory work due to the data security issues this would create. However, we will monitor its future potential usage for data analysis of for example, review of small provider accounts. So, there were areas where there might be

business benefits, and we will consider this more as part of our digital transition. The confidential and public minutes of the last meeting were APPROVED.

#### **4 Matters arising**

- 04/10/24 The updates were NOTED.  
*Board appraisals:* appraisals will begin in February 2025, Chair 360 review to be discussed – FM/JBo/DG.  
*Organisational development*–RBP to send 2023 recruitment report (completed)  
*NED recruitment* – BC to update members on recruitment and the skill sets we will be seeking to recruit to.  
*Committee papers:* exec to consider content of papers so members get a balanced view of the topics being discussed.

#### **5 Forward Planner**

- 05/10/24 DG asked members to feed in what they would like to have included on agendas in 2025. The results of the N&RC Effectiveness Review to be added to May agenda. CK

#### **6 Pension scheme update**

- 06/10/24 RBP provided the committee with a verbal update.

#### **7 Pay award**

- 07/10/24 Members NOTED the paper. The recommendation is a 5% flat uplift to all staff which is in line with the offer being made by the department to its own staff. Last year staff were given a minimum of 4.5% plus a non-consolidated payment. The 5% offer this year to all staff including the executive team seems fair and equitable, as in previous years higher grades had received a lesser uplift in order to boost payments to lower grades.
- 08/10/24 Members were supportive of the recommendation. DG noted that it would be inadvisable to set a precedent for tiered pay awards year on year. She asked what the views of the Unions were to this recommendation. RBP advised that the Unions will be consulted. We are unaware what PCS demands are this year. Last year Unite took their members out on strike. We have SoS sign off of our pay remit, so will now discuss with the unions. If there is no pushback, the uplift will be in November pay packets, otherwise it will be delayed until December.
- 09/10/24 *Executive Pay:* RBP advised that a review of the approach to the application of Senior Civil Service pay guidance in other comparable organisations had been undertaken and shows that generally a flat rate increase is applied. It is evident that some other ALBs have more significant bonus arrangements, but no change was proposed for RSH's existing modest awards of £150 and £450 for meeting and exceeding annual objectives respectively. It was agreed by members, that bonus payment structures may not be helpful as they sometimes drive divisiveness and staff issues. The Committee supported the 5% flat payment across staff and executive.

#### **8 Recruitment and Resourcing**

- 10/10/24 JOM joined the meeting, and members NOTED the paper which provided recruitment data. There have been three leavers in the period reported and

recruitment to some of the vacancies in Strategy, I&E, Legal and Regulatory Engagement (RE) are in train. 19 vacancies are currently on hold until we have a fuller picture of capacity vs workload.

- 12/10/24 DG asked what steps had been taken during the recruitment process to encourage as wide and diverse a group of people to apply. RBP apologised that the recruitment review has not been circulated. He gave an overview of the findings for 2023 recruitment.
- 13/10/24
- 39 different roles were advertised covering 105 vacancies.
  - 99 appointments were made, of which 24 (25%) were internal candidates.
  - We did not appoint to 6 of the roles in the first round of recruitment due to the lack of suitable candidates.
  - Applications from candidates from minority backgrounds has remained largely the same as in 2022. Of those appointed, 20% were from ethnic minority backgrounds. 11% of appointments to the Senior Leadership Group (SLG) (1 of 9) were from ethnic minority backgrounds but it is noted that given the small volume of SLG appointments that statistics for SLG will be volatile.
  - Recruitment was spread across the grades, with the majority of roles recruited to Grades 17 and 19.
  - Female candidates were proportionally more successful through the recruitment process. Of candidates that disclosed their gender, 44% identified as female and 47% as male. Of those appointed, 60% were female and 29% were male. 11% of applicants did not state a gender.
  - 14% of all applicants who were shortlisted stated they had a disability, and of those appointed, 8% stated they had a disability. Information on current staff shows that 9% of staff have declared a disability but 6% of staff have either not declared or preferred not to say when asked.
- 14/10/24 JOM advised that the February 2025 report will have more data on positive action and will include the data from the latest recruitment drive. BC said that we want to have an organisation that feels diverse and respectful of diversity and recruitment needs to be fair and equitable on a wide range of factors, including protected characteristics. RBP gave assurance that feedback from new staff say they find the RSH a helpful and welcoming organisation with a positive culture. JOM added that the reason we are choosing to focus on certain areas is that we recognise that we are not as good as we can be, however we do have two staff groups – BAME and Women's network - and there have been requests for having a group for neuro-divergent staff and a socio-economic diversity group. Generally, however, there are no serious issues and there is a culture where staff can be themselves and feel safe to discuss quite personal matters. We will have more data from the next all staff survey which will be run in the first half of 2025. In response to a query on what we do for neuro-divergent staff, RBP advised that where a need is identified we work with the staff member and seek advice from an Occupational Health advisor as to any reasonable adjustments that we should make, supporting the staff members and their line manager. HR staff are being trained in this area. Members thanked JOM and RBP for the update.

## 9 Organisational Development (OD) update

15/10/24 This is the second OD update to N&RC. Following feedback, an overarching OD plan has been developed which has also considered the internal audit recommendations to link this to our People Plan. Members noted the table in Annex 1 which highlights the main activities progressed or completed in Q2 across the breadth of the consolidated OD plan. Members were advised that all the activities commissioned under the Leadership Development Programme (LDP) have been completed; a final Executive session took place in early September, and we are starting to see positive outcomes and are building on the learning through further activities facilitated within the SLG cohort. Future leadership development activities, including talent management and a 'stepping into leadership' programme is embedded into the scope of the People Plan. Given the overlap in scope between this update and future updates on the People Plan, members were advised that N&RC will receive one paper in future which will provide a comprehensive update against the full range of people-related activities. Members were content with this proposal.

## 10 People Plan (PP)

16/10/24 Members were introduced to the high-level PP, for which JW and Kate Dodsworth (KD) are sponsors. The plan will help us achieve:

- A high-performing organisation that delivers its purpose as set out in our fundamental and strategic objectives.
- An agile workforce that responds quickly to changes in requirements and expectation and is highly regarded by stakeholders.
- An inclusive and supportive environment which makes the regulator a great place to work

17/10/24 We intend to achieve the above through three objectives:

1. Create regulators for the future, building capacity, capability and flexibility.
2. Demonstrate excellence in leadership and management.
3. Work together to deliver our purpose by developing our 'One RSH' culture

18/10/24 Objectives 2 and 3 are already in motion.  
*Excellence in leadership and management* will be progressed by building on the LDP and we have completed a Management Development Programme (MDP) for all managers to achieve a base level. We will continue to build on both LDP and MDP and continue to develop staff and support new leaders and managers.  
'One RSH' was launched at the last all staff conference and we now want to keep progressing and re-enforcing the messages of having an organisation that is inclusive and where staff demonstrate our values and behaviours. Feedback from new staff in their inductions is very positive. DG added that there was evidence of the enthusiasm for this at the staff conference.  
*Create regulators for the future, building capacity, capability and flexibility:* our new remit is currently very new but we want to maintain the right balance of skills. To date, much of the work on developing the PP has been done by the HR team but going forward they will work closely with Directors and their teams to identify areas for improvement. We will push ahead with talent management for G19 staff.

19/10/24 The governance of the PP will be led by the Executive team and the SLG who will cascade information on the development and objectives of the PP to their teams and via regular comms activity, including monthly RSH Briefings. The Steering Group (Executive), Delivery Board (G19s) and Delivery Team which brings together colleagues from HR, L&D, CS and Comms have been established. Staff will be given opportunities to give feedback and DG said that we need to ensure staff are comfortable to do this and do not feel patronised. It was acknowledged that we do get some mixed messages from surveys, but we will need to manage the messages to ensure we continue to work to achieve radical candour.

20/10/24 Members noted the timescales for each of the three pillars and accepted that these could shift. JBo noted that there is evidence of the work that has been done and asked if there was anything more to be done on working patterns of staff. JW responded saying that we have dispersed teams and support hybrid working and this is working well, with staff appreciative that it provides them a good work life balance. We do however encourage teams to come together on a regular basis. Members thanked everyone for an informative and encouraging update and Executive will keep Board and the N&RC updated on progress.

## **11 NED recruitment**

21/10/24 BC updated members on the current situation in respect of the recruitment of new NEDs. There has been some progress in having two new NEDs appointed before the end of the year – one of whom is intended to be the next ARAC chair. BC acknowledged we will continue to update our succession planning and skills matrix for the Board.

22/10/24 BC advised that FM has been finalising induction material for the new NEDs and we will encourage them to build on their learning to ensure they have a rounded view of the RSH. DG suggested that it might be helpful to create a data storage/database of information which can be accessed by all NEDs.

**CK**

## **12 N&RC self-assessment**

24/10/24 The internal audit on governance included a low-priority recommendation that the regulator should decide when the N&RC self-assessment will take place and schedule it in. As the role of the committee had recently changed, it was considered prudent to give the new remit time to settle before this review is undertaken. It was suggested that the self-assessment of N&RC should align with that of ARAC, in April 2025, which would be at approximately the first anniversary of DG's chair. Board self-assessment would follow a few months later. This was AGREED. The February 2025 N&RC will review the way forward for the committee and a self-assessment will follow.

## **13 Review of papers**

25/10/24 Papers were considered to be appropriate and good quality albeit a greater emphasis on any potential areas of concern would be helpful.

**14 Any Other Business**

26/10/24 There were no other items for discussion. The Chair thanked members and executives for their contributions to the discussions.

**Date of next meeting:** 17 February 2025.