
Council, 25 March 2020

Partner Fees Review 2020

Executive summary and recommendation

1. Introduction

- 1.1 The following paper sets out the Remuneration Committee's recommendations for revised partner fee rates. Council is asked to decide on the recommendation and take into account a number of factors including the results of a market benchmarking survey, the recruitment market and costs to the organisation.

2. Background

- 2.1 Earlier this year the Executive initiated a benchmarking exercise by contacting comparable organisations (primarily other regulators).
- 2.2 Data was received from seven organisations. It should be noted, however, that not all of these organisations had comparable roles and that for some roles only a few respondents supplied data.
- 2.3 The Remuneration Committee considered this data and agreed to make the recommendation to Council that from 1 April 2020 fees for all partner roles (except CPD assessors and Legal Assessors) should be increased by 2% for the next financial year (2020/21). It was also recommended that the same group receive an additional 2% increase for the financial years 2021-24.

3. Remuneration survey report conclusions

- 3.1 The survey concluded that fees for some partner roles are below market rates, with the caveat that the conditions which drive remuneration for this type of role vary widely between individual organisations.
- 3.2 The survey concluded that there is no evidence to suggest that the HCPC is out of line with the market with regards to additional fees (e.g. reading and training day attendance) and expenses.

4. Current fees

- 4.1 Fees for HCPC partners have not changed since 1 April 2018 and are as follows.

| Role | Fees | Fee basis |
|-------------------------|-------------|---|
| Panel Chair | £341 | Per day |
| Panel Member | £202 | Per day |
| Legal Assessor | £627 | Per day |
| Registration Assessor | £81 | Per assessment |
| Registration Assessor | £202 | Per day (TOC, Aptitude Test and training) |
| Visitor – review days | £81 | Per assessment |
| Visitor – visit | £202 | Per day |
| Registration Appeals PM | £202 | Per day |
| CPD Assessor | £20 | Per assessment |

5. Comparison with market rates for similar roles

5.1 The following table has been produced from data provided by the survey.

| Role | HPCP rate | Median rate | HPCP compared with Median | Number of sources |
|-------------------------|------------------|--------------------|----------------------------------|--------------------------|
| Panel Chair | £341 | £426 | 80% | 7 |
| Panel Member | £202 | £322 | 63% | 7 |
| Legal Assessor | £627 | £602 | 104% | 6 |
| Registration Assessor | £202 | £316 | 64% | 5 |
| Visitor – visit | £202 | £316 | 64% | 5 |
| Registration Appeals PM | £202 | £316 | 64% | 4 |
| CPD Assessor | £20 | £30 | 67% | 1 |

5.2 In order for remuneration rates to be considered competitive by pay professionals, the ‘comparatio’, i.e. the percentage comparison between the HPCP fee rate and the median market rate, would be expected to be 85% or above. However, as noted previously, the number of organisations with comparable roles is small.

5.3 Another factor to be considered in determining competitive remuneration levels includes the ease with which vacancies can be filled. In general there has been little difficulty in recruiting to HPCP partner roles and competition for partner vacancies for larger professions, lay partners, and legal assessors in particular is strong.

6 Additional fees

6.1 The survey found that some other organisations paid additional fees to a selective number of partner roles (with the exception of the GDC who pays reading fees to all roles).

7 Costs

7.1 Overall costs for partners were over £4.1m in the financial year 2018/19 and the budget for partner costs in 2019/2020 is over £3.6m and the forecast outturn is £3.7m. Council will already be aware that the impact on organisational operating costs of any increase in partner fees is significant but an increase of 2% has already been considered in the budget calculations for 20/21.

7.3 Additional costs for partner fee scenarios

| Options | Increase to partner fees from 1 April 2020* | Total additional cost 20/21 | Annual increase from 1 April 2021-24* | Total additional cost 2021-24 |
|---------|---|-----------------------------|---------------------------------------|-------------------------------|
| 1 | 1.5% | £36,021.30 | 1.5% | £111,338.35 |
| 2 | 2% | £48,028.40 | 2% | £149,925.83 |
| 3 | 2.5% | £60,035.50 | 2.5% | £189,262.85 |

* Increases cover all roles except rates for CPD and Legal Assessors

8 Decision

8.1 Data collected during the survey indicates that fees for the majority of partner roles should be increased (with the exception of CPD and Legal Assessors). However, it would not be advisable to attempt to match fee levels paid by some other organisations or to introduce reading fees. This is due to a number of reasons including the different factors driving remuneration in other organisations, the on-going lack of issues in recruiting HCPC partners, and the significant cost implications of any partner fee increase resulting in the need to further increase registrants' fees.

8.2 Taking into account the considerations set out in 8.1 above, Council is asked to agree that:

- from 1 April 2020 fees for all partner roles (except CPD assessors and Legal Assessors) should be increased by 2% for the next financial year (2020/21)
- an additional 2% increase for the financial years 2021-24.

Fees from 1 April 2020

| Role | Fees | Fees basis |
|-----------------------|------------------|----------------|
| Panel Chair | £348 | Per day |
| Panel Member | £206 | Per day |
| Legal Assessor | £627 (no change) | Per day |
| Registration Assessor | £82 | Per assessment |
| Visitor – review days | £82 | Per assessment |

| | | |
|-----------------|-----------------|----------------|
| Visitor – visit | £206 | Per day |
| CPD Assessor | £20 (no change) | Per assessment |

9 Additional considerations

- 9.1 CPD Assessor fees are being reviewed separately to this paper and an option paper concerning their fees will be submitted to the Remuneration Committee in due course.