Board of Management

Date of Meeting	27 January 2020
Paper Title	Nominations and Remuneration Committee Annual Report
Agenda Item	10
Paper Number	BM2-H
Responsible Officer	Jackie Russell, Committee Chair
Status	Disclosable
Action	For Noting

1. Report Purpose

1.1 Provide the Board with a report on Committee activity during the past year.

2. Recommendations

2.1 The Board is invited to:

2.1.1 **note** work undertaken by the Committee during the past year and its priorities for the year ahead.

3. Background

3.1 It is good practice for a committee to produce annual reports for the board that review its activity over the course of the year and priorities for the year ahead.

3.2 The Committee considered and agreed the following report at its meeting on 12 December 2019.

3.3 The report provides an overview of business conducted during the period from December 2018 to November 2019.

4. Meetings and Membership

4.1. During the period from December 2018 to November 2019 the committee met on seven occasions. Additional meetings were necessitated by the recruitment of a new Principal of Glasgow Kelvin College and the departure of the GCRB Executive Director. All meetings were quorate.

4.2. To provide some narrative on the data in the following table: Clare Ireland resumed her place on the Committee in December 2018; Karolina Gasiorowska's tenure as Clyde College Student President ended in June 2019 and her replacement stood down from the role shortly

after being appointed. The Committee presently comprises four non-executive members and one staff member, and has a vacancy for a student member.

Date of Meeting	Percentage Attendance	Total Members
13 December 2018	50%	6: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland; Karolina Gasiorowska
16 January 2019	67%	6: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland; Karolina Gasiorowska
7 March 2019	83%	6: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland; Karolina Gasiorowska
30 May 2019	100%	6: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland; Karolina Gasiorowska
1 July 2019	100%	5: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland
7 August 2019	60%	5: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland
10 October 2019	80%	5: Jackie Russell; Lesley Garrick; Janie McCusker; Michael Cullen; Clare Ireland
Overall average attendance	77%	

4.3 Gender balance has been weighted towards women throughout the period of the report. It is currently 80% female : 20% male. Gender balance will be affected by the introduction of a new student member.

4.4 All meetings of the Committee were attended by the Board Secretary and, as appropriate, members of the Executive Team.

4.5 Committee minutes have been a standing item on Board agendas throughout the period of the report.

4.6 Minutes and papers have been published on the website except where exemptions apply under the Freedom of Information (Scotland) Act 2002.

4.7 All papers presented to meetings of the Committee provided for consideration of risk, strategic and resource implications and equalities.

5. **Committee Remit**

    5.1 The Committee's terms of reference set out responsibilities in the following areas of Board activity, and these have been used a headings in the subsequent report:

    - Staffing matters, including GCRB staff and certain duties relating to staff of Assigned Colleges;
    - GCRB and Assigned College board member appointments;
    - Voluntary Severance arrangements; and
    - Board evaluation.

    5.2 The Committee reviews its performance against its terms of reference at least annually.

6. **Activity between December 2018 and November 2019**

    Staffing Matters

    6.1. The Committee oversaw the process to recruit a permanent part-time Board Secretary and Communications Lead at the start of 2019, and received reports, and assurances, on the implications of staffing changes with regard to HMRC.

    6.2. In December 2018, the Committee received a report from the Chair on the Executive Director's performance appraisal process, and agreed objectives for the year ahead.

    6.3. The Committee oversaw the process to recruit a new Principal of Glasgow Kelvin College, and ensured that the process was compliant with the relevant legislation and guidance. An additional Committee meeting took place in January 2019 to which the College Chair was invited to present a report. The Committee approved the new Principal's terms and conditions of appointment in March 2019 and recommended the appointment to the Board for approval.

    6.4. Senior executive salaries were reviewed and a pay award, having regard to Public Sector Pay Policy, was agreed in May 2019.

    6.5. In August, the Committee convened to discuss the initiation of a process to recruit a new GCRB Executive Director, and oversaw the process over the following months, engaging in the process and seeking Board involvement as appropriate, in the:

    - review of the job specification and salary;

    - appointment of a recruitment consultancy through APUC;

    - planning and implementation of a two-stage interview process involving a range of Board Members, Assigned College Board Members and an independent panel member.

    - establishment of interim arrangements to ensure continuity of GCRB executive activity.

GCRB/Assigned College Board Appointments

6.6. The Committee undertook a review of the current GCRB Board skills matrix and agreed revisions that would better reflect the desired breadth of skills, knowledge, experience and attributes that the Board sought, in line with the Diversity Succession Plan.

6.7. In October 2019, the Committee undertook its annual review of membership, tenure and attendance, reviewing skills balance on the Board and committees further to the appointment of a new Non-Executive Member and co-option of a new Member to the Performance & Resources Committee in June. A recommendation was taken to the October Board to seek to co-opt further new members in 2020, with a view to strengthening the financial expertise of the Board and strengthening overall diversity and representativeness.

6.8. Non-Executive appointments and extensions to appointments of members of all three Assigned Colleges were overseen by the Committee over the course of the year and recommendations made to the Board for approval. The Committee considered reports on the planning of all activity, and made recommendations where necessary, to ensure:

- compliance with the relevant legislation and appointments guidance, including consideration of skills and gender balance, diversity succession planning, and the inclusion of a statement by the Independent Panel Member;

- timely appointments, staggered where appropriate, to avoid a large number of members reaching the end of their tenure at the same time.

6.9. The Committee also oversaw, and engaged in, the process to appoint one new Non-Executive Member of GCRB in June 2019.

6.10. Further to that recruitment round, the Committee recommended the co-option of a second strong candidate to the Performance & Resources Committee, in line with the Board's commitment to develop its use of co-option to broaden and strengthen the engagement of people with a range of relevant skills and expertise in committee business.

6.11. The Diversity Succession Plan was reviewed in October 2019 and the Committee agreed the plan for 2019-20.

6.12. The Committee received reports on the process to elect Assigned College Student Presidents and nominate new Student Members to GCRB, ensuring arrangements were consistent with those agreed by the Board.

Voluntary Severance Arrangements

6.13. During the period of the report, the Committee considered a business case from Glasgow Clyde College and, further to receipt of additional information requested from the College, approved the business case for submission to the SFC in November 2019.

Board Evaluation and Development

6.14. The Committee reviewed progress against the Development Plan at each of its meetings and reported to the Board as appropriate during the year. A 2019-20 Development Plan was approved by the Board in March and submitted to the SFC as required by the Code of

Good Governance. The Committee thereafter agreed a Development Action Plan to facilitate monitoring of progress throughout the year.

6.15. The Committee oversaw the co-ordination of GCRB's self-evaluation process for 2018-19 at the start of the year and, in October 2019, agreed a programme of evaluation activities for 2019-20, including:

- Individual self-evaluation and one-to-one review meetings with the Chair

- Committee self-evaluation including review of Committee Chairs

- Review of the Board Chair conducted by the Senior Independent Member

- The Board's review of its performance during the year.

6.16. Members reviewed the Committee's own performance against its terms of reference in December 2018, including a review of the Committee Chair's performance.

6.17. The Committee subsequently recommended an amendment to its terms of reference to reflect better GCRB's role as an employer, promoting a positive staff culture. The revised terms of reference were approved by the Board.

6.18. The Committee agreed in October 2019 to review arrangements for full-board performance with a view to achieving a more meaningful report including qualitative feedback while adhering to the requirement to assess performance against principles in the Code of Good Governance.

6.19. Following up on a recommendation emerging from 2018-19 board evaluation, the Committee oversaw the planning of a Board event in August 2019, focused on developing the strategic vision of GCRB.

6.20. Throughout the year, the Committee received reports on the implementation of decisions arising from the Scottish Government's review of college governance, discussed and considered the implications, and reported any significant matters to the Board. This included the decision to introduce Trade Union members to sector boards in 2020, and the decision to remunerate Assigned College chairs from 2021.

6.21. At its May meeting, the Committee considered and recommended to the Board a proposal for Trade Union representatives to attend GCRB Board meetings as observers, in the interests of supporting transparency and good communications. The proposal was approved by the Board in June.

6.22. The Committee also received reports on Assigned College self-evaluation and development planning during the year, in line with the Code of Good Governance, and reported on this to the Board.

6.23. At its July 2019 meeting, the Committee agreed a response from GCRB to the Scottish Government's consultation on implementation of the Gender Representation on Public Boards Act.

7. **Priority issues for 2019-20**

   7.1. Members reflected on progress in the past year and significant developments within GCRB or externally impacting on its area of remit, and agreed the following priorities for the year ahead.

   - Ensuring an effective induction for the new Executive Director in early 2020.

   - Progressing GCRB's Diversity Succession Plan, in particular by seeking to co-opt more members to Committees during 2020.

   - Monitoring progress and providing the necessary support and advice to the Board during the introduction of Trade Union Board Members in 2020, noting that it is anticipated that there will also be an increase in the Non-Executive membership of GCRB at that point, which will have implications for skills and gender balance, and for committee membership.

   - Strengthening communications, relationships and joint working with College Boards during 2020, in line with the Development Plan, further to the 2018 diversity event and the 2019 event focused on mental health.

8. **Risk Analysis**

   8.1. Performance review and reporting is key to effective systems of governance and internal control. Therefore, this report contributes to the mitigation of risk 0012, the capacity and capability of the Board is inadequate and standards of governance fall below the required level.

9. **Legal Implications**

   10.1 No legal implications are identified.

10. **Resource Implications**

    10.1. There are no specific resource considerations arising from this paper.

11. **Strategic Implications**

    11.1. Through the conditions of grant associated with the Regional Outcome Agreement, GCRB and the assigned colleges are required to conduct their affairs in accordance with the expected standards of good governance

12. **Equalities Implications**

    12.1 The evaluation process includes consideration of gender balance. The report recommends that the Committee ensures going forward that relevant policy documents have undergone an equality impact assessment.