

Board Meeting

Date of Meeting	Monday 31 October 2016
Paper Title	Nominations and Remuneration Committee Annual Report
Agenda Item	22
Paper Number	BN2-U
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Approval

1. Report Purpose

- 1.1. Consider the contents of the Nominations and Remuneration Committee's annual report to the Board of GCRB.

2. Recommendations

- 2.1. The Board is invited to **note** and the Nominations and Remuneration Committee's annual report to the Board of GCRB.

3. Background

- 3.1. It is recognised good practice for committees to produce annual reports to their boards that summarise the main issues addressed by the committee. This is the first such report from the Nominations and Remuneration Committee and it seeks to outline the key areas of work undertaken by the Committee during the year and to set out its agenda for the year ahead.
- 3.2. This report seeks to provide the Board of Management with an overview of the work of its Nominations and Remuneration Committee for the period October 2015 to August 2016.

4. Meetings of the Nominations and Remuneration Committee

- 4.1. During the period from 1 October 2015 to 31 September 2016 the committee met on:
- 5 October 2015;
 - 7 December 2015;
 - 30 March 2016; and
 - 15 August 2016.
- 4.2. The minutes of Nominations and Remuneration Committee meetings are routinely made available to the Board of Management for information and are included as a standing item on the Board's agenda. This provides the Chair and other members of the

Nominations and Remuneration Committee, with the opportunity to raise any matters of concern at a full Board meeting.

- 4.3. The agenda, papers and minutes of meetings are also available on the GCRB web-site.
- 4.4. In compliance with the Board's Risk Management Procedures the Nominations and Remuneration Committee also had an opportunity to identify and discuss any new risk management and equalities issues which were consequential to its discussions at each meeting.

5. Remit of the Committee

- 5.1. The Nominations and Remuneration Committee remit is attached as the appendix to this report. The Committee's terms of reference set out three main areas of responsibility:
 - staff considerations;
 - Board member appointments; and
 - Regional Board evaluation.

6. Nominations and Remuneration Committee Composition

- 6.1. Members should note that the Committee has been chaired by Grahame Smith as an Interim Chair (October and December 2015 meetings), and by Jackie Russell as the permanent Chair (March and August 2016 meetings).
- 6.2. Additionally, Linda McDowall, Jackie Russell, Ian Gilmour, Ali Jarvis (Interim GCRB Chair) and Margaret Cook (GCRB Chair) attended as members, with the following members in attendance at appropriate times: Martin Fairbairn (Interim Chief Officer); Douglas Wilson (Board Secretary GCRB); Sandra Hampson (Executive Assistant); Robin Ashton (GCRB Executive Director); and Paul McAllister (Secretary to the GCRB Board).

7. Work of the Committee, 1 October 2015 to 31 September 2016

- 7.1. The sections below provide an overview of the main activities carried out by the Nominations and Remuneration Committee during the previous year with respect to its areas of key responsibility as set out within its terms of reference.

Staff considerations

- 7.2. Each meeting of the Committee has review of the GCRB establishment and budget as a standing agenda item. Over the course of the year, the Committee reviewed contractual arrangements for the employment of the Executive Assistant, alongside the process undertaken by GCRB to recruit an Executive Director. This latter area of work included the development and recommendation to the Board of a person specification and key competencies required for the Executive Director role and the design of an appropriate recruitment exercise. Following implementation of this, the Committee approved the performance objectives for the Executive Director set by the GCRB Chair and requested that it receive 6-monthly progress reports.
- 7.3. The Committee is currently reviewing risks associated with potential GCRB employment options in light of issues raised with respect to potential VAT charges for secondment arrangements and will provide a report on this to a future meeting of the Board.

Board member appointments

- 7.4. The Committee undertook considerable work in relation to board appointment planning across the Glasgow region. Due to the ongoing development of GCRB and in relation to the restructuring of assigned college boards in response to changes required by the Post-16 Education Act, a considerable focus for Committee work was overseeing, and endorsing for recommendation to the GCRB Board, the recruitment of a large number of new Board members.
- 7.5. As part of this work, the Committee agreed to recommend to the Board the approval of a standard set of terms and conditions of appointment for Assigned College Chairs and board members;
- 7.6. The Committee also reviewed on a regular basis GCRB Committee Membership and ensured that an up to date skills matrix of GCRB ordinary members be maintained and used as a basis for review of committee membership.
- 7.7. The subject of additional staff and student board attendees was considered and an arrangement developed for all three Student Association presidents to attend GCRB Board meetings, given that students' average period of engagement with their college is relatively short and that consequently additional effort is needed in communicating the work of GCRB to students

Board evaluation, member appraisal and board training

- 7.8. The Committee oversaw the development of arrangements to evaluate board effectiveness, the results of which were considered by the full Board.
- 7.9. The Committee also considered and agreed the arrangements for the appraisals of the Interim Chair, individual members and committee chairs.
- 7.10. Following a review and update of Scotland's Colleges Code of Good Governance for Colleges, the Committee reviewed the new requirements for Board evaluation and member appraisal and recommended appropriate arrangements to the GCRB Board.
- 7.11. Alongside the above main areas of activity, the Committee considered options for recruitment of a Board Secretary for the GCRB which ensured that GCRB had appropriate corporate governance support.

8. Priority issues for 2016/17

- 8.1. The Nominations and Remuneration Committee has established a number of priorities issues and areas of work for 2016/17. These include:
 - Development of employment arrangements for GCRB which ensure that it has the staff capacity to operate effectively and fulfil its statutory obligations, including assurance that the risks associated with any arrangements it has in place for its staff resources are known and managed appropriately. Although the organisational model used to support GCRB achieve this is based on drawing as much as possible on existing college resources, GCRB will continue to require a small complement of staff who work directly for GCRB, whether as direct employees or through secondment arrangements.

- Ensuring that GCRB has in place arrangements which provide the Board, Committees and members with appropriate, independent and high quality corporate governance support.
- Identification of Board member training needs and development and oversight of learning opportunities designed to meet these requirements.
- Ensuring Board members with appropriate skills continue to be recruited to GCRB to enable the Board and its committees to operate effectively.

9. Risk Analysis

- 9.1.** Consideration and production of annual reports is a key part of the arrangements to ensure a proper system of governance and internal control.

10. Legal Implications

- 10.1.** No legal implications are identified.

11. Financial Implications

- 11.1.** There are no specific financial considerations arising from this paper. However, any additional staffing or training costs identified by the work of the committee could involve additional resource needs.

12. Regional Outcome Agreement Implications

- 12.1.** 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.