GCRB | Glasgow Colleges' Regional Board

Nominations & Remuneration Committee

Date of Meeting	Thursday 13 December 2018
Paper Title	Nominations and Remuneration Committee Annual Report
Agenda Item	10
Paper Number	NRC2-F
Responsible Officer	Penny Davis, Board Secretary
Status	Disclosable
Action	For Decision

1. **Report Purpose**

   1.1 Provide the Committee with a summary of business conducted during the past year to facilitate Committee self-evaluation, reporting to Board and forward planning.

2. **Recommendations**

   2.1 The Committee is invited to:

   a) **consider** and **agree** the content of the summary report on its activity during the past year;

   b) **discuss** and **agree** its priorities for the coming year;

   c) **report** to the next meeting of the Board on activity during the past year and priorities for the year ahead.

3. **Background**

   3.1 It is good practice for committees to produce annual reports for their boards that review their activity over the course of the year and priorities for the year ahead.

   3.2 The report will also inform the Committee's annual review of its own performance.

   3.3 The report seeks to provide the Committee with an overview of business conducted during the period from November 2017 to October 2018 (the previous year's report having been considered on 30 November 2017).

4. **Meetings and Membership**

   4.1. During the period from November 2017 to October 2018 the committee met on five occasions. All meetings were quorate. Attendance levels were affected, however, by the number of members, which had reduced to four shortly before the start of the period, as shown in the table overleaf.

4.2. To provide some background to membership changes during the year: Clare Ireland stood down from the Committee in September 2017; Grahame Smith left the Board at the end of May 2018; Janie McCusker formally joined the Committee in May 2018; Michael Cullen was appointed to the Committee in August 2018. The Committee presently comprises four non-executive members (including the Board Chair) and one student member.

Date of Meeting	Percentage Attendance	Total Members
30 November 2017	100%	4: Jackie Russell; Grahame Smith; Lesley Garrick; Karolina Gasiorowska
18 December 2017	100%	4: Jackie Russell; Grahame Smith; Lesley Garrick; Karolina Gasiorowska
8 March 2018	50%	4: Jackie Russell; Grahame Smith; Lesley Garrick; Karolina Gasiorowska
31 May 2018	75%	4: Jackie Russell; Lesley Garrick; Karolina Gasiorowska; Janie McCusker
4 October 2018	60%	5: Jackie Russell; Lesley Garrick; Karolina Gasiorowska; Janie McCusker; Michael Cullen

4.3 Gender balance has been weighted towards women throughout the period of the report. It is currently 80% female : 20% male.

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 and strategic and resource implications. Latterly, all papers have also included consideration of equalities implications, and will do so going forward.

5. Terms of Reference

5.1 The Committee's terms of reference set out responsibilities in the following areas of Board activity:

- 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 terms of reference at least annually.

5.3 In 2017, the Board delegated additional authority to the Committee to approve Assigned College voluntary severance business cases for signature by the Executive Director and submission to the SFC. Previously, the Committee had considered the business cases and made recommendations to the Board.

5.4 The Committee may wish to consider whether there are other areas in which its terms of reference could be developed to make governance processes more efficient or effective. Any recommendations could be taken to the Board in January 2019.

6. Activity between November 2017 and October 2018

Staffing Matters

6.1. The Committee considered legal advice received by GCRB and the SFC and made recommendations to the Board regarding the extent of GCRB's role in approving Assigned College Principals' terms and conditions, concluding a matter that had been raised in the previous year.

6.2. In November 2017, the Committee received a report from the Interim Chair on the Executive Director's performance appraisal process, and agreed objectives for the year ahead.

6.3. Senior executive salaries were reviewed in the course of the year, having regard to Public Sector Pay Policy. (Note: a permanent Director of Finance & Resources was appointed in January 2017.)

6.4. The Committee considered the employment status of current GCRB contractors at its October 2018 meeting and agreed a recommendation to the Board recognising the permanent nature of the work being carried out and associated legal and tax implications.

GCRB/Assigned College Board Appointments

6.5. The second half of 2017-18 was an exceptionally busy period in terms of Board appointments activity, including:

- a new Chair of Glasgow Kelvin College

- three new Non-Executive Members of GCRB

- the extension of the terms of office of five Non-Executive Members

- staff elections (which take place every four years)

- annual student elections

- Non-Executive appointments to the Boards of both Glasgow Clyde and Glasgow Kelvin Colleges

6.6. The Committee oversaw the planning of all activity and engaged in processes where appropriate to ensure:

- compliance with the relevant legislation and appointments guidance;

- timely appointments, to avoid gaps in membership and allow for induction;

- a strong balance of Members was retained, taking account of the Board's needs for skills, knowledge and experience, and the Diversity Succession Plan.

6.7. The Committee undertook a further review of GCRB and committee membership, skills balance and tenure in October, once all appointments had been made.

6.8. At that meeting, the Committee also reviewed progress against the Diversity Succession Plan agreed in October 2017, and agreed a plan for 2018-19.

Voluntary Severance Arrangements

6.9. During the period of the report, the Committee undertook a significant amount of work to ensure GCRB fulfilled its role in relation to Assigned College voluntary severance schemes, which were subsequently approved by the SFC.

6.10. An additional meeting was convened in December 2017 to consider the business case for a Kelvin College scheme. The Committee approved the business case subject to some conditions being met, which included the inclusion (as standard) of a statement that any individual payment in excess of £95,000 would be assessed as potentially high profile and brought to the Committee for consideration.

6.11. The Committee subsequently reviewed and approved the business case for a City of Glasgow College scheme, after seeking and receiving assurance that the business case development process had included an adequate assessment of risks.

Board Evaluation and Development

6.12. The Committee reviewed progress against the Development Plan at each of its meetings and reported to the Board as appropriate during the year. A 2018-19 Development Plan was approved by the Board in March and submitted to the SFC as required by the Code of Good Governance.

6.13. Of particular note during the year were two events:

- An event on 20 August which facilitated reflection and debate on GCRB's role, both from the perspective of individual members and from the perspective of key external stakeholders including the Scottish Government and SFC.

- An event on 4 September which brought together members from all four Glasgow boards to consider the importance of diversity in governance and what steps Boards could take individually and collaboratively across the Glasgow region.

6.14. The Committee oversaw the co-ordination of GCRB's self-evaluation processes with the external validation conducted by a member of GCRB's Internal Audit team between December and March.

6.15. Further to a request from the SFC for GCRB to provide progress reports against Assigned College development plans from the previous year, the Committee reviewed College reports and received assurance that they were compliant with requirements.

6.16. In October 2018, the Committee agreed a plan for 2018-19 evaluation activity that aligned the process more effectively to the SFC's March reporting deadline. In accordance with the Code of Good Governance, the annual evaluation process includes:

- 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, having regard to the previous year's report, the Development Plan, and principles set out in the Code of Good Governance.

7. Priority issues for 2016/17

7.1. Members are invited to reflect on progress in the past year and significant developments within GCRB or externally impacting on its area of remit, and discuss and identify priorities for the year ahead.

Members may wish to consider the following areas of activity in looking forwards.

- Progressing GCRB's Diversity Succession Plan by improving skills assessment, recruitment materials and procedures, taking advantage of the anticipated lull in recruitment activity this year to put any new approaches in place.

- Continuing to support GCRB's development as an employer, in the context of the national policy environment and national bargaining.

- The potential to strengthen relationships with College Boards as set out in the Development Plan, building on the 4 September event and other activity in this area.

- Ensuring, going forward, that any policy documents and reports that fall within the Committee's areas of remit have undergone an equality impact assessment. This would include the Development Plan and Diversity Succession Plan.

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 0011, the capacity and capability of the Board is inadequate and standards of governance fall below the required level.

9. Legal Implications

9.1 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.