

Board of Management

Performance Remuneration and Nominations Committee

Date of Meeting	Monday 24 October 2016
Paper No.	PRNC1-B
Agenda Item	4
Subject of Paper	Committee Annual Report 2015-16
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	19 September 2016
Action	For Approval

1. Recommendations

1. To review the Committee Annual Report 2015-16
2. To approve the report (for noting by the Board) subject to any agreed changes.

2. Purpose of report

2.1 To provide the Committee and the Board with a high-level review of the activities of the Committee throughout 2015-16 within the framework of the Committee's Terms of Reference.

3. Context

3.1 In May 2014 the Committee agreed to a recommendation from the Internal Auditor to prepare "an annual report...for each sub-committee and that this is used as the basis for the preparation of the annual report for the full Board " (Ref. paper AC4-F, May 2014: "Internal Audit Report - Risk Management and Governance").

3.2 Referencing the Committee Terms of Reference, the summary schedule of work of the Committee for 2015-16, and the considerations and discussions undertaken by the Committee through the session, the attached report provides a summary report of the Committee's activities.

3.3 The benefits of such a review include the following:

- It provides a reference for progress and achievement, and an accessible update on the Committee's recent and current areas of focus, within the parameters of the Committee's areas of responsibilities. This is of value to new Committee members, other Board members, and other stakeholders.
- It provides a sound basis for the development of a College Annual Report, ensuring a robust governance framework and perspective for reportage.
- It reflects good governance practice.
- It facilitates reflection and performance improvement, thereby supporting the College's Strategic Aim 5. "With a high performance focus, be the best we can be in the way we operate and work together".

4. Impact and implications

4.1 The review process comprises a thorough review of the Committees activities in the previous academic session, informing strategic direction, and facilitating development and improvement.

4.2 It will provide further reassurance to the Board and its stakeholders, including the Regional Board, that the City of Glasgow College systems of governance review are robust, and delivered to a high standard.

Appendices:

Appendix 1: Performance Remuneration and Nominations Committee Annual Report 2015-16.

**Performance Remuneration and Nominations Committee
Annual Report 2015-16**

PERFORMANCE, REMUNERATION & NOMINATIONS COMMITTEE

CONVENER: Debbie McNamara

VICE CONVENER:

MEMBERS: Alisdair Barron, Jim Gallacher, Paul Little, Colin McMurray

Annual Report 2015-16

Introduction

The Performance Remuneration and Nominations Committee (PRNC) has a broad remit and includes matters relating to senior staff performance and remuneration, College performance against targets and performance indicators, and the recruitment and nomination of candidates for membership of the Board.

Added to these main areas of responsibility, the PRNC is empowered to act on behalf of the full Board when such circumstances arise that a Board decision is required outwith the usual cycle of Board meetings. (See Appendix: Terms of Reference). The Committee comprises the Conveners of the Board's Committees, and hence encompasses the broad range of Board responsibilities and skills.

With the ever-increasing focus upon Colleges to produce results in terms of student attainment, together with the continued pressure upon College budgets in the sector in Scotland, the PRNC has faced another challenging year in 2015-16. Recognising that the success of the College is measured by the success of its students, the PRNC has maintained close attention to the student success performance indicators and related matters.

The Committee has also been challenged with ensuring the continuity and maintenance of the skills base of the Board of Management, as the tenures of several long-standing Board members concluded in 2016 under the terms of the transition arrangements for College Boards in Scotland.

Review of 2015-16

Strategy

The Board of Management received a Strategic Plan update report at the Board Planning Day, held in October 2015, at which the current College Strategic Plan was reviewed with specific reference to target achievement. Having agreed draft targets relating to strategic aims for 2014-15 and 2015-16 for inclusion in a

revised Strategic Plan, the Committee thereby enabled the Board to monitor and assess the College's progress in achieving its strategic aims and priorities within the planning framework.

Performance

Performance Review

In terms of monitoring student success the Committee was presented with an overview of the live PI and Equality and Diversity statistical information provided within the College Dashboard. It was noted that the information provided will assist managers in identifying areas of improvement.

The Committee was presented with a new performance review framework for 2015-16, with Review 1 focusing upon courses with low PIs over a three-year period. It was noted that all faculties and the Commercial/International team have plans in place to address remediation. Performance against Faculty commercial targets was reviewed, with the particular success of the Nautical Faculty noted.

Education Scotland Review

Education Scotland, the national body in Scotland responsible for supporting quality and improvement in learning and teaching, undertook a full review of the College in 2016. The Committee received a report on the conclusions of the Report which was extremely positive. Over 60 classes were observed, and 1200 students interviewed.

The Committee was pleased to note that Education Scotland had found that the strategic direction of the college was sound, that performance review was rigorous, and that student attainment levels had improved "significantly" better than sector levels. Student engagement and support was highlighted, as was partnership with other colleges.

Four examples of excellence were identified – the Industry Academy model; Worldskills involvement; Support Services (rarely recognised within the sector, and particularly welcomed by the Committee); and Maritime mobile application. Just one point of action was identified.

Risk Management

The Committee conducted a regular review of strategic risks to the College, in particular those risks most closely associated with the Committee's responsibilities.

Remuneration

The Committee considered senior and executive staff pay levels, and agreed a process by which these could be benchmarked against the sector, as well as against equivalent Colleges elsewhere in the UK. The Committee agreed an approach with Colleges Scotland which it was noted would be of benefit to all colleges in Scotland, as senior staff pay levels were considered in future.

The Committee received an analysis of the Public Audit Committee Report, and related Auditor General's Section 22 report, on governance failings at Coatbridge College relating to voluntary Severance arrangements. The key findings of the report were highlighted and discussed, and particular note taken of the emphasis in the report of the "independent" role of the Remuneration Committee (PRNC being the equivalent in the CoGC Committee structure). The Committee recognised the importance of establishing a clear audit trail of due consideration of VS matters, and senior staff pay, by the PRNC.

The Committee also noted the Guidance for Severance Schemes and Settlement Agreements as circulated by SFC.

Nominations

Following the assignment of the three Glasgow colleges to the Glasgow College Regional Board (GCRB) on 1 August 2014, under the new "Post-16" legislation, all appointments to College Boards became subject to approval by GCRB. Furthermore all such appointments were required to follow the published ministerial guidance. Under the transition arrangements set out by the Scottish Government, Board members in position at the point of assignment were required to seek approval for extension of tenures up to 31 July 2016. Board members wishing to continue serving beyond that date were invited to apply for Board membership in an open recruitment and selection process. At the same time, the position of Chair of the Board was advertised. This created a total of nine vacancies.

In agreement with GCRB, a new and comprehensive recruitment and appointments process had been designed and approved in 2015, to facilitate the recruitment of new Board members in 2014-15, in accordance with new legislation and associated ministerial guidance. A further revision of the process was overseen by the Committee from November 2015, and subsequently shared with the other Glasgow Colleges, which were undertaking Board recruitment simultaneously. The process was undertaken by Shortlisting and Interview Panels drawn from the CoGC Board, chaired by Charanjit Kaur (Depute Convener of CoGC Audit Committee) which was tasked by the Committee with selecting and proposing new members to GCRB for final approval. The GCRB Chair was present at the interviews for the position of Chair. The panels included student

and staff Board members in the recruitment and selection process, and the active involvement the Chief Executive of Colleges Scotland as an independent person, in accordance with ministerial guidance on the appointment of Board members.

The Committee noted that the College Board was, and is, at a critical stage in the oversight of completion of a complex, and highly significant estates development project, both in terms of regional and national profile, as well as impact upon students, staff, and stakeholders. Migration and transition issues continued to be a high priority, and included significant strategic risks, and the retention of key skills and experience was a priority of the Committee, as well as addressing Board skills gaps.

Following successful implementation of the recruitment and selection process from November 2015 to March 2016, and subsequent recommendations to GCRB, nine Board members, including Chair Alisdair Barron, were approved in March 2016, restoring the Board to its full complement at 1 August 2016. A further applicant was invited as a Co-optee, to join the Audit and Financial and Physical Resources Committees.

Terms of Reference

The Committee completed a review of the Committee Terms of Reference in 2015-16.

Attendance

Performance Remuneration and Nominations Committee Attendance				
Year	No. of Meetings	Total Possible Attendances	Total Actual Attendances	Percentage Attendance
2015-16	5	26	23	88%

Attendance levels were noted as excellent by the Board of Management as part of the Board evaluation exercise in June 2016.

APPENDIX : COMMITTEE TERMS OF REFERENCE

Note

In these terms of reference the words “senior staff” include the Principal, any Depute, Vice and Assistant Principals, and all staff at Executive Director or Director level or equivalent.

Performance

1. To keep the College’s Balanced Scorecard under review, to monitor its alignment with the College’s Strategic Plan, and to review progress and outcomes.
2. To monitor overall College performance with reference to the College Strategic Plan and relevant quality indicators.
3. To evaluate the preparedness of the College to meet the challenge of achieving the aims and objectives of the Strategic Plan.
4. To review senior staff performance regularly against agreed targets.
5. To consider the strategic viability, effectiveness and efficiency of any area of College activity, and to make recommendations to the Board of Management as appropriate.

Remuneration

6. To review at least annually the performance, remuneration, and terms and conditions of the Principal and other senior staff.
7. To consider proposed staff severance arrangements for senior staff, and to make recommendations as appropriate to the Board of Management.

Nominations

8. Within the context of applicable legislation and associated government guidance, the College Scheme of Delegation and Standing Orders, and relevant guidelines on standards in public life, to manage the process by which Members of the Board of Management are recruited, selected, and recommended for appointment.
9. To consider objectively, transparently and fairly candidates for Board Membership, and to make recommendations for appointment to the Glasgow Colleges’ Regional Board.
10. To monitor and evaluate the composition, skills and experience base and representational balance of the Board of Management, taking account where relevant of the terms of office of Members, and of issues of diversity and equalities.

11. To receive and review evaluation reports on Board performance, and on the development of Members.

12. Where the Board of Management so determines, to provide assistance in identifying, selecting and recommending candidates for appointment to senior staff positions in the College, and to senior positions in College subsidiaries or any other body to which the College is entitled to make appointments.

General

13. To take decisions on behalf of the Board of Management in instances of emergency or high urgency where it is not feasible to convene a full Board meeting, and to inform all Board Members without delay of any decisions taken under this delegated authority.