

## Board of Management

### Meeting of the Performance, Remuneration and Nominations Committee

MINUTE OF 3<sup>rd</sup> MEETING HELD ON 15 FEBRUARY 2017 AT 1700 HRS (PRNC3) AT CITY CAMPUS

Present	
L Woolfries (Convener) (LW)	A Barron (AB)
G Black (GB)	K Kelly (KK)
In attendance	
Paul Clark (PC) (College Secretary/Minute)	
Apologies for absence	
Jim Gallacher (JG)	Colin McMurray (CMcM)

Item PRNC3-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from CMcM, JG	

Item PRNC3-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	None	

Item PRNC3-3	Principal's Performance and Remuneration Review Process	
Paper No: PRNC3-A	Lead: P Clark	Action requested: Approve
Discussion/ Matters Arising	<p>It was noted that all Committee members have completed the mandatory CDN training for Remuneration Committee members.</p> <p>PC described the process as outlined in the paper. AB confirmed that the Performance Review of the Principal has been completed, and has now been agreed and signed off.</p> <p>AB indicated that this process had been created in as robust a way as possible, in order to be fit for the current purpose. The process will be refined in future to include reference to the Principal's leadership of the College values. AB reported that the GCRB Chair had expressed the view that the process undertaken was very thorough.</p> <p>LW referred to the CDN training for Senior Independent Members, noting that the format of Principal's review had been shared with Jan Polley (CDN</p>	

	<p>Governance Consultant leading the current CoGC Board External Effectiveness Review).</p> <p>LW noted that, in future reviews, the context would also be revised, as this would alter over time.</p> <p>Agreed that the process should be forwarded to the BoM for noting</p>
<b>Decision/Noted</b>	<p>Process Approved</p> <p>Action: PC to include the Principal's Performance Review process in a paper for noting by the Board.</p>

<b>Item PRNC3-4 Principal's Remuneration Review 2017</b>			
<b>Paper No: PRNC3-B</b>	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">Lead: A Barron</td> <td style="width: 50%;">Action requested: Discuss</td> </tr> </table>	Lead: A Barron	Action requested: Discuss
Lead: A Barron	Action requested: Discuss		
<b>Discussion/ Matters Arising</b>	<p>AB provided an introduction of the key points within the paper, including the introduction of a spinal range for the post of Principal, placement of the Principal on this spine, and timing.</p> <p>The Committee noted the need to recognise and reward, in the context of the College's needs. It was also agreed that any decision should represent a defensible, justifiable position, taking account of due probity and transparency, and would be subject to final approval by the full Board of Management. It was noted that the Principal is long overdue a remuneration review.</p> <p>LW highlighted the objectives outlined in the paper, and the associated risks to the College.</p> <p>AB proposed that the effective date of the agreed remuneration should be the same as the Directors, i.e. 1 August 2016. GB referred to the timing of the settlement of Principal's remuneration, within the context of funding restrictions, industrial relations, and the recent decisions on grant and capital funding for the College made by GCRB. There was no final decision taken by the Committee on the timing of the agreed remuneration package.</p> <p>It was agreed that, as a matter of courtesy, the Regional Board (GCRB) should be kept informed with regard to any decision. However, it was noted that any decision taken would not require the approval of GCRB, as the CoGC Board is the Principal's employer.</p> <p>LW read out the email from Jim Gallagher in full, which indicated support for the proposals and which commented on the appropriateness of the suggested spinal scale subject to a performance review. JG's email also indicated support for the proposal to include personal/professional development support, subject to safeguards to protect this investment. JG indicated that he was unsure whether a qualifications bar was appropriate in this case.</p> <p>The Committee discussed the differences between the implementation of a fixed point award and the introduction of a scale. The Committee considered the principle of a spinal range for the Principal's salary, and agreed that, if a spinal range was to be adopted, progression through any scale would not</p>		

be automatic, but would be subject to performance against agreed performance measures. AB highlighted the current demands from EIS for a scale that is not performance related, and reiterated that the proposal for the Principal would include a performance review.

The Committee focused upon a decision to create a spinal range, and following extended discussion, during which a range of views were expressed, a majority of Committee members expressed support in favour of a spinal range.

The gap between the Principal's remuneration and that of the Depute Principal was noted. The Committee also noted the temporary position of the Depute Principal, and the potentially vulnerable position that the College would be in without a suitable Depute in place, were the Principal also to leave the College. Regard was also paid to the expectation in the public sector pay policy of close scrutiny of public sector Chief Executives' pay.

KK expressed the view that the selected college and university data in the paper did not suggest a good benchmarking case for the proposal. PC advised that this data was intended to provide background information rather than to be used as a benchmarking analysis, as there were considerable differences between the type and strategic positioning of these institutions and that of CoGC. The data was intended to inform a discussion of the strategic ambitions for CoGC in the context of similar sized institutions. Reference was also made to the College's unique strategic intention to expand commercially and internationally, and to work towards gaining award-bearing powers.

AB introduced the proposal to invest in the Principal's professional development and other possible benefits, in particular supporting the Principal undertaking a further academic qualification at an appropriately advanced level. The Committee agreed that a recommendation be made to the Board to support the Principal's continuing professional/ academic development as an option, within the context of an overall package.

The Committee considered the risk of losing the services of the Principal outwith the sector in Scotland, noting that there was no threat from within the Scottish sector due to relative salary levels, but that the threat may come from the college sector in the rest of the UK.

It was agreed that a recommendation to the Board should comprise a full remuneration and benefits package, and that as a result of the current discussions, a progress report rather than a recommendation should be presented to the Board meeting. LW and AB noted that the extended discussions and wide ranging consideration given to the issue of Principal's remuneration was indicative of good governance practice, and that there could be no suggestion of a "rubber stamping" process.

The Committee agreed that an objective and robust source of comparative information on the performance of Scottish Colleges could be found in the most recent round of Education Scotland reviews of CoGC (2016) and other Colleges. These included examples of Sector Leading Innovative Practice. It was also agreed that further relevant benchmarking information would be useful.



Ref:  
<https://education.gov.scot/other-sectors - k>

**Decision/Noted**

Action: Progress report to go to BoM meeting on 23 February (PC & LW)  
 Action: To source appropriate further information (LW/AB/PC)

**Item PRNC3-5      Date of Next Meeting**

**Paper No:**

Lead: Convener

Action requested: Note

**Decision/Noted**

Monday 8 May 2017

Convener's Signature \_\_\_\_\_

Date \_\_\_\_\_

## ANNEX TO THE MINUTE

### ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
PRNC3-3	<b>Principal's Performance Review process:</b> Provide paper for next Board meeting.	PC	23 02 17
PRNC3-4	<b>Progress Report (Verbal):</b> Provide at the next Board meeting.	LW	23 02 17
PRNC3-4	<b>Principal's Remuneration Review:</b> To source appropriate further information.	LW/AB/PC	23 02 17

### ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
PRNC2-4	<b>Committee Terms of Reference:</b> Submit recommended revised ToR at next meeting of the BoM.	PC	21 06 17
PRNC2-7	<b>Board Member Long Service Recognition:</b> Recommend for approval by the Board.	PC	19 04 17
PRNC2-10	<b>Performance Review – Faculties Round 1:</b> Present enhanced paper including action plans at next meeting.	PC/DD/ JMcG	08 05 17
PRNC2-12	<b>AONB: Principal's Remuneration:</b> Consider at a special meeting prior to BoM Planning Day.	PC/ALL	Prior to 23 02 17 <b>Superseded</b>
PRNC4-12	<b>SFC Guidance for Severance Schemes and Settlement Agreements:</b> Check approval status of College's existing severance scheme and ensure College is compliant with flow chart.	PC/ST	ASAP