Board of Management

Date of Meeting	**Wednesday 21 June 2017**
Paper No.	**BoM6-W**
Agenda Item	**14.4.3**
Subject of Paper	**Principal's Performance & Remuneration Review Process**
FOISA Status	**Disclosable**
Primary Contact	**P Clark, College Secretary**
Date of production	**13 June 2017**
Action	**For Noting**

1. Recommendations

The Board is asked to note the process for the Principal's Performance Review.

City of Glasgow College

Performance Remuneration and Nominations Committee (PRNC)

Date of Meeting	**15 February 2017**
Paper No.	PRNC3-A
Agenda Item	3
Subject of Paper	**Principal's Performance and Remuneration Review Process**
FOISA Status	**Not Disclosable**
Primary Contact	**P Clark (College Secretary)**
Date of production	**7 February 2017**
Action	**To Approve**

1. Recommendations

The Committee is asked to approve the process for the Principal's Performance Review.

2. Purpose of Report

2.1 This paper is provided to provide the Committee with a formal process for the Principal's Performance and Remuneration review based upon agreed processes developed to date.

3. Context

3.1 In considering the matter of a review of the Principal's remuneration package, the Committee at the PRNC meeting on 24th October 2016 noted the "impressive" performance of the Principal. However there was a clear direction from the Committee that a full Performance Review should be progressed, to enable an informed discussion regarding the Principal's remuneration. The Chair, Vice Chair, and College Secretary, in consultation with Staff and Student Members, developed an agreed pro-forma for the conduct of a Performance Review meeting between the Chair and the Principal.

3.2 The Board Chair, Vice Chair, and College Secretary reported progress on the Principal's Performance Review at its meeting on 23rd January. It was agreed that the review process had been developed and progressed satisfactorily, and requested that the formal process be outlined and attached as a preface to the Performance Review template. This draft is attached herewith (appendix).

4. Impact and implications

4.1   Adherence to the Code of Good Governance is a requirement of the Board and its Committees, and ensures that due consideration is given. This enables a proper record to be kept of due process in pursuit of good governance practice.

Appendices:

1. Principal's Performance and Remuneration Process (Principal)

Principal's Performance and Remuneration Review

Context

1. Governance Context:

1.1 The Code of Good Governance for Scotland's Colleges (2016) states at paragraph C.20: (Remuneration Committee) –

"C.20 The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee. "

1.2 The Code of Good Governance for Scotland's Colleges further states at paragraph D.9: (Principal and Chief Executive) –

"D.9 The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures. "

1.3 The Terms of Reference of the PRNC:

"To review at least annually the performance, remuneration, and terms and conditions of the Principal and other senior staff."

1.4 The College's Scheme of Delegation states under the heading Delegation to the Chair of the Board that:

"The Chair has delegated authority to: … monitor, review and record the Principal's performance at least annually against performance measures agreed by the Board."

1.5 It should also be noted that the Code of Good Governance for Scotland's Colleges (2016) requires members of the Remuneration Committee to undertake the mandatory online training module developed by the College Development Network

<u>2. Policy Context:</u>

2.1 The Financial Memorandum (FM) states on p12 Section 9:

"Public sector pay policy
9. The institution must have regard to public sector pay policy set by the Scottish Ministers."

2.2 The Public Sector Pay Policy in turn refers to the Scottish Government's Public Sector Pay Policy for Senior Appointments. However, while the FM points to "regard to the public sector pay policy", the government's list of bodies to which this policy applies does not include colleges.

Ref: http://www.gov.scot/Topics/Government/public-sector-pay/senior-appointment-pay/bodies-covered

2.3 Therefore, in consideration of the Principal's remuneration, the performance Remuneration and Nominations Committee is not bound by the above policies, but due consideration must be taken of them. This approach is consistent with consideration of staff pay throughout the College, which is agreed with "regard to" the current public pay policy, though not strictly bound by the limits set therein.

Process

<u>Performance Review</u>

1. Consideration of the Principal's remuneration must only be undertaken following a full Performance Review.

2. The Chair of the Board should meet with the Principal to open dialogue regarding the Performance Review, and with the Vice Chair and College Secretary to confirm the format of the Review in consultation with the Staff and Student members. Following this consultation, the template for discussion between the Board Chair and the Principal will be agreed (see Appendix).

3. Due consideration must be given to the involvement of staff and student members in the Performance Review process. Staff and student members are to be consulted on the setting of the performance measures within the template by which the Principal's performance is to be evaluated. Staff and Student members must also be invited to provide any evidence relevant to the Principal's performance.

4. The Principal will provide commentary under the headings of the performance review template, with a view to discussion and agreement of the review with the Chair, with the oversight of the Vice Chair (Board Senior Independent Member).

5. The Chair, whose role is to appraise the Principal's performance, will gather all relevant evidence and supporting material, including the completed review template, and present a report for information to the Performance, Remuneration, and Nominations Committee (PRNC). As part of the further evolution of this process, in 2017-18 evidence will be sought from Board members, including student and staff members, and senior management team members, with respect to the Principal's leadership and championing of the College's values.

6. In the event of any disagreement between the Principal and the Chair regarding the content of the review, or if the Vice Chair is of the view that the review is insufficiently impartial, then the Vice Chair will act as independent mediator to produce an objective review report.

7. The Chair will confirm agreed performance related targets for the following academic session, and this will be shared with the Chair of the Glasgow Colleges' Regional Board.

Remuneration Review

8. The Chair will then present proposals for the Principal's remuneration review to the PRNC, including a range of options for discussion and review by PRNC before recommendation of a proposal to Board of Management for final approval.

Appendix

Performance Review 2017:

Meeting with Chair Proforma

Date:	Board Chair:
Theme	**Reflective Commentary**
1. Strategic Planning and Implementation	
1.1 Strategic and Operating Planning Framework	
1.2 Performance Measures for Continuous Improvement	
1.3 Delivery of Regional Outcome Agreement	
2. Leadership and Direction	
2.1 A Leading Champion of Change	
2.2 Leadership of Improvement Culture	
2.3 External Stakeholder Relations	

3. Governance and Accountability	
3.1 Policy Adviser to the Board of Management	
3.2 Ensuring Effective, Efficient, and Appropriate use of Resources	
3.3 Overall Management and Internal Organisation	

Conclusion:

Chair's Comments

Topic	Comment
	Guidance notes:
	This section should be used to reflect upon areas of particular success, as well as areas for further development.
	Agreed professional/personal development options may also be noted here.