

Performance Remuneration and Nominations Committee

Date of Meeting	Monday 2 October 2017
Paper No.	PRNC1-B
Agenda Item	4
Subject of Paper	Committee Annual Report 2016-17
FOISA Status	Disclosable
Primary Contact	Paul Clark, College Secretary/Planning
Date of production	12 September 2017
Action	For Approval

1. Recommendations

1. To review the Committee Annual Report 2016-17
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 2016-17 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 2016-17, 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, vigilance, effectiveness and performance improvement, thereby supporting the College's Strategic Aims 5 and 6 - "To deliver excellence in performance", and "To be efficient, effective, innovating, and vigilant".¹

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.

¹ City of Glasgow College Strategic Plan 2017-25

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 2016-17.**



CITY OF GLASGOW
COLLEGE

Board of Management
Performance
Remuneration and
Nominations
Committee

Let Learning Flourish

PERFORMANCE REMUNERATION AND NOMINATIONS COMMITTEE

CONVENER: Lesley Woolfries (Board Vice Chair)

VICE CONVENER: To be agreed by Committee per meeting (as required)

MEMBERS: Alisdair Barron (Board Chair), George Black, Prof Jim Gallacher, Karen Kelly, Colin McMurray.

Annual Report 2016-17

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 2016-17. 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 measures and 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. The membership of Board Committees was reviewed, and, with a view to succession planning, less experienced Board members were encouraged to take up Convenerships and Vice Convenerships in 2016-17.

The PRNC Convenership was discussed in 2016-17 with the departure of the former Board Vice Chair and Committee Convener Debbie McNamara. It was agreed that as the Board Vice Chair, and newly appointed Senior Independent Member, Lesley Woolfries should be invited to undertake the Convenership. It was further agreed

that in the event of the Convener's absence, the Committee would agree an interim Convener from among the Committee membership by rotation.

Review of 2016-17

Strategy

Strategic Delivery

The Board of Management received a Strategic Plan update report at the Board Planning Day, held in October 2016, at which the current College Strategic Plan was reviewed with specific reference to target achievement. This included a report of the out-turns for session 2015-16, as part of the background context for the Planning Day. The Committee maintained close oversight of progress against the performance measures and indicators within the planning framework outlined in the Strategic Plan, as the College moved towards the College's next strategic phase outlined in the new Strategic Plan 2017-25.

Operating Environment

Reflecting the Committee's delegated authority to act for the Board of Management as required, the Principal reported to the Committee on progress with regard to National Bargaining negotiations between the Colleges Scotland Employers Association (EA) and EIS. The College Principal acted as lead for the EA throughout 2016-17, and provided the Committee and Board with an ongoing analysis of the changing context and the potential consequences for the sector and the College. The Committee noted that these negotiations took place in a complex operating environment, with implications from financial sustainability to new ways of learning and working.

Performance

The revised Education Scotland review cycle and format was noted, including provision for an annual review of college performance. The Committee also considered reports and improvement planning from the internal review of Faculty performance. Following the cycle of Faculty reviews over 2016-17, the Committee received a full report on Faculty Continuous Improvement. The performance of the College in respect of measures of student success was considered (early/further withdrawal, partial/complete success). The Committee recognised the importance of student success measures in improving the student experience, as well as other impacting factors.

The Committee noted delivery areas within Faculties which required improvement, while acknowledging that some faculties were more prominent than others in addressing social inclusion, with associated challenges.

The Committee also considered a revised approach to the performance of the Principal, which was subsequently undertaken by the Board Chair, with oversight from the Vice Chair as Senior Independent Member. This revision was undertaken with due regard for the College's processes for remuneration review, pay and terms and conditions settlement, and job evaluation processes for all College staff. A full performance review report was submitted by the Board Chair to the Chair of the Glasgow Colleges' Regional Board (GCRB) and the process for the Principal's remuneration review was also shared with GCRB.

An External Review of Board Effectiveness was undertaken in 2016-17, in line with Ministerial requirements, and in compliance with the revised Code of Good Governance with which the review was closely aligned. The review was undertaken by Polley Solutions, and published on the College website in March 2017. This extensive and robust review included full one-to-one structured discussions with the College Secretary and all Board members, as well as Board meeting observation, a desktop review of Board documentation, and a facilitated Board workshop.

Within the Review Report, the Board's role in reviewing planning and performance was highlighted as an example of good practice, noting that:

"Strong evidence of systematic strategic planning, showing alignment through associated supporting strategies, success measures, benchmarking and targets. This includes detailed surveys of staff and student views. This information is monitored by various board committees and members also have access to a 'real-time' dashboard."

As well as:

"Considerable evidence of strong governance processes... and a strong focus on financial sustainability at both Board and committee level."

The Committee agreed an approach for presenting performance against targets and indicators on the College Dashboard, ensuring accessibility to Board members via the College intranet.

The Committee also noted that the College had committed to the SPSO Complaints Handling Procedure, and that the College had met complaints handling response targets. The Committee noted the increase in the number of complaints, which was at least partially attributed to a more widely publicised complaints procedure, as well as a change towards a more consumer-oriented culture.

Remuneration

In line with the Code of Good Governance (2016), all Committee members successfully completed the mandatory training for remuneration committee members via the College Development Network.

Throughout the session the Committee considered its approach to consideration of the Principal’s remuneration review, in the context of a revised approach to performance appraisal, and further professional development options. The Committee ensured that sufficient UK-wide sectoral information was obtained to inform these considerations, with due consideration of public sector pay policies.

Nominations

The Committee did not require to recruit any new Board members in the 2016-17 academic session, following two years of significant Board member recruitment.

Risk Management

Given the cycle of strategic risk reviews by the Board Committees and Board of Management, which conducted regular reviews of the College’s strategic risks, the Committee considered strategic risk at its January meeting only. The key strategic risk reviewed by the Committee related to the highest scoring risk, Risk 18 - *Failure to agree a sustainable level of grant-funded activity within the Region*. The Risk Management Action plan for this risk was noted.

Terms of Reference

The Committee reviewed and revised the Committee Terms of Reference (ToRs) informed by the the CDN Remuneration Committee member training, which all members undertook in 2016-17. The amended ToRs were approved by the Board of Management in June 2017.

Attendance

Performance Remuneration and Nominations Committee Attendance				
Year	No. of Meetings	Total Possible Member Attendances	Total Actual Attendances	Percentage Attendance
2015-16	5	26	23	88%
2016-17	5	31	29	94%

Attendance levels for 2016-17 is noted as particularly high for the PRNC, improving upon an already high level from the previous year.

Appendix 1:

Performance Remuneration and Nomination 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, adopting a process consistent with the Code of Good Governance.
7. To consider proposed staff severance arrangements for senior staff, and to make recommendations as appropriate to the Board of Management.
8. To determine the appropriate guidance for Board member expenses.
9. To demonstrate efficient and effective use of public funds in the committee’s decisions, so that they reflect the performance of the organisation and the requirement for its ongoing financial sustainability.

Nominations

10. 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.
11. To consider objectively, transparently and fairly candidates for Board Membership, and to make recommendations for appointment to the Glasgow Colleges' Regional Board.
12. 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.
13. To receive and review evaluation reports on Board performance, and on the development of Members.
14. 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

15. 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.

(Approved by the Board of Management, June 2017).