

## Board of Management Performance & Nominations Committee

<b>Date of Meeting</b>	<b>Monday 1 October 2018</b>
<b>Paper No.</b>	<b>PNC1-C</b>
<b>Agenda Item</b>	<b>5</b>
<b>Subject of Paper</b>	<b>Committee Annual Report 2017-18</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Paul Clark, College Secretary/Planning</b>
<b>Date of production</b>	<b>7 September 2017</b>
<b>Action</b>	<b>For Approval</b>

### 1. Recommendations

1. To review the Committee Annual Report 2017-18
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 2017-18 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 2017-18, 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".<sup>1</sup>

## **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, performance monitoring, and improvement.

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<sup>1</sup> 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 2017-18.**



# CITY OF GLASGOW COLLEGE

Board of Management  
Performance  
Remuneration and  
Nominations  
Committee

Annual Report 2017-18

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 2017-18

### 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 and other performance targets, together with the continued pressure upon College budgets in the sector in Scotland, the PRNC has faced another challenging year in 2017-18. 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 concludes in 2019.

Towards the end of session 2017-18 the Remuneration Committee was separately established with the remuneration Terms of Reference (below) which were then removed from the PRNC Terms of Reference, with that Committee continuing to operate as the Performance and Nominations Committee (PNC).

## Review of 2017-18

### Strategy

#### Strategic Delivery

The Board of Management held two full Planning Days in October 2017 and February 2018. The first of these included discussion of an outturns report on the performance of the College in 2016-17, with reference to targets and Performance Indicators set out in the 2012-17 Strategic Plan. This marked the successful conclusion of this Strategic Plan, and implementation the new 2017-25 Plan. The second Planning Day included a scenario analysis of future possibilities in the delivery of College education regionally and nationally, and the strategic positioning and priorities of City of Glasgow College, as well as a range of financial scenarios.

This Plan encapsulates the strategic delivery of a set of wide-ranging aspirations considered by the Board with the Principal, in the 2 years leading up to 2017 under the title of the “Blue Ocean Strategy”. The Board recognised in this new Plan a significant strategic shift for the College, taking account of the new operating environment and a “step change” in College ambitions. Key linkages to the Glasgow Regional College Board strategy were highlighted, as well as delivery of the Regional Outcome Agreement – a key measure of College performance. The PRNC maintained close oversight of progress against the performance measures and indicators within the planning framework outlined in the Strategic Plan throughout 2017-18.

The Committee noted that the Senior Management Team had undertaken a mapping exercise in developing 5 new Supporting Strategies to ensure delivery of all 26 Strategic Aims under the 8 Priorities and 4 themes of the College Strategic Plan 2017-25. The PRNC approved a delivery framework for the 2017-25 plan designed to deliver the College Strategic Plan under the following development areas:

- The Student Experience
- People and Culture
- Corporate Development
- Systems Integration
- Sustainability

The Committee noted that the Senior Management Team had undertaken a mapping exercise in developing the 5 Supporting Strategies under each of the above headings, to ensure delivery of all 26 Strategic Aims under the 8 Priorities and 4 themes of the College Strategic Plan 2017-25. Following development of detailed initiatives in support of these strategies, in April 2018 the Committee agreed a new set of outcome measures and targets to facilitate evaluation of strategic delivery.

At the same time, the Committee agreed to nominate the College as a full participant in a three-year research project starting in 2018, led by the Universities of Stirling, Birmingham, and Cardiff and funded by the Economic and Social Research Council.

The project is titled:

Processes and practices of governing in further education colleges in the UK: how do governing boards realise the strategic aims of the organisation?

### 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 the negotiations, 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 Committee received reportage on the latest Student Success PIs, and discussed the reasons for the variations (positive and negative) among the modes of learning from 2015-16 to 2016-17. These figures were compared with regional and national performance indicators. The Committee also requested and received performance reportage by Faculty to enable more targeted improvement approaches. It was recognised that there was some impact upon PIs due to industrial action by teaching staff, and also funding restrictions.

### Performance Action Group

The Committee received reports on the outputs from the Performance Action Group, which was tasked with a detailed review of course performance, highlighting the need to remove and replace courses as appropriate. The Committee noted the further development of the College's predictive analytics, and the refinement of the College Dashboard, which assists course managers in focusing upon courses with issues requiring attention, and individual students requiring further support.

The Committee noted the rise in the number of students requiring additional support for mental health issues, and that the College had in place an action plan to address this as a priority issue.

Following the very positive External Review of Board Effectiveness undertaken in 2017, and in compliance with the revised Code of Good Governance, the Board of Management undertook a self-evaluation in 2018.

This evaluation provided an assessment of the Board's performance, and was designed to inform planning and delivery of Board integration and further development. It also provided evidence of compliance with the Code of Good Governance and Ministerial Guidance. For the 2018 evaluation, the format of the Board of Management evaluation was been restructured around the revised Code of Good Governance for Scotland's Colleges (2016). This ensures that the Code is further embedded into good governance practice at City of Glasgow College, and ensures that Board development is aligned with the Code.

The Board evaluation report was one of a number of evaluative processes aimed at ensuring high standards of governance, which includes Committee and Committee Convener evaluation, individual Board member appraisal, and regular external evaluation of the Board.

The Committee noted that the relatively high scores achieved across all themes of the evaluation, indicated a confidence within the Board that it is discharging its responsibilities to a high standard, which reflects the finding of the previous years' external review. However, it was also recognised that there were useful variations within the report, that pointed towards relative strengths and potential areas for development. The highest scoring areas were in the areas of Leadership and Strategy, Accountability/ Reportage, and Governance. as well as Recruitment, Induction and Development. The lowest scoring areas related to Relationships, Collaboration, Management of staff, and Oversight of the Student Experience.

### **Remuneration**

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

Following a full revision of the Principal's performance and remuneration review process in 2016-17, the Committee agreed to apply due consideration of public sector pay policies, as well as external factors, in consideration of the Principal's remuneration. The Committee also noted the negative publicity surrounding ministerial intervention, and subsequent revocation of proposed pay increases in a related organisation. As a consequence of this, and with due consideration of other sensitivities, proposals relating to the Principal's Remuneration were shared with the Regional Board and the Scottish Funding Council, and decisions deferred until further guidance had been received.

### **Leadership Reorganisation**

The Committee agreed a revised Voluntary Severance (VS) scheme in support of the leadership reorganisation, in full consultation with the Regional Board and the Funding Council. A number of changes and limitations were subsequently agreed to the VS Policy.



## **Nominations**

The Committee did not require to recruit any new Board members in the 2017-18 academic session. However, it was noted that several Board members were approaching the end of their periods of tenure, and Board members were asked to indicate their intentions beyond the current session.

The Committee agreed that the following considerations would apply in the process:

- Current and future skills mix of the Board
- Potential loss of knowledge base
- Future strategic needs of the Board
- Succession planning
- Gender balance
- Diversity

The Committee noted the need to address matters of unconscious bias, and to encourage applications from a variety of backgrounds.

## **Property Disposals**

The Committee convened a special meeting in early July 2018, to consider, on behalf of the full Board, the two final bids for the purchase and development of the North Hanover Street tower. There were a number of complexities to consider, in addition to the offer prices, including risks, conditions, and the potential of additional financial benefits, as well as the planning priorities of Glasgow City Council. One bid emerged as the clear preference, and, in the light of all guidance sought and received, this bid was progressed.

## **Governance**

In April 2018 the PRNC decided that in the interests of improved governance process, that there should be a Remuneration Committee separate from the PRNC. Despite the clear record of the Principal withdrawing from meetings of PRNC at any point of possible conflict, it was agreed that a separate Remuneration Committee would meet separately, without the Principal as a member.

## **Risk Management**

The Committee noted the Risk Management Action Plans (MAPs) for the three highest scoring (RED) strategic risks on the Risk Register (as at April 2018) thus:

- Risk 12 - Failure of Business Continuity
- Risk 15 - Failure to achieve operating surplus via control of costs and achievement of income targets.
- Risk 23 - Failure to agree a sustainable model and level of grant funding within Glasgow Region

## **Terms of Reference**

The Committee reviewed the Committee Terms of Reference (ToRs) and agreed the separation of Performance and Nominations Terms from the Remuneration Terms,

in the context of separation of these responsibilities into two separate Committees as described above. The Terms of Reference of each Committee are attached below.

## Attendance

<b>Performance Remuneration and Nominations Committee Attendance</b>				
Year	No. of Meetings	Total Possible Member Attendances	Total Actual Attendances	Percentage Attendance
<b>2015-16</b>	<b>5</b>	<b>26</b>	<b>23</b>	<b>88%</b>
<b>2016-17</b>	<b>5</b>	<b>31</b>	<b>29</b>	<b>94%</b>
<b>2017-18</b>	<b>5</b>	<b>35</b>	<b>31</b>	<b>89%</b>

For the purposes of attendance monitoring, and meaningful comparison to previous years, the attendances for the two separate meetings of PNC and the Remuneration Committee at the end of the session have been combined. These will be recorded separately in future years. Attendance levels for this Committee remain high.

## Appendix 1:

### Performance Remuneration and Nomination Committee

#### Terms of Reference

##### Note

In these terms of reference, the words “senior staff” include the Principal, Depute Principal Vice 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.

##### Nominations

6. 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.
7. To consider objectively, transparently and fairly candidates for Board Membership, and to make recommendations for appointment to the Glasgow Colleges’ Regional Board.
8. 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.
9. To receive and review evaluation reports on Board performance, and on the development of Members.

10. 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**

11. 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 2018).

## **Remuneration Committee**

### **Terms of Reference**

#### **Note**

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

#### **Remuneration**

1. To review at least annually the performance, remuneration, and terms and conditions of the Principal and, in turn, other senior staff, adopting a process consistent with the Code of Good Governance for Scotland’s Colleges.
2. To consider proposed staff severance arrangements for senior staff, and to make recommendations as appropriate to the Board of Management.
3. To determine the appropriate guidance for Board member expenses.
4. 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.

(Approved by the Board of Management, July 2018).