

## Nominations and Remuneration Committee Meeting

|                     |                                          |
|---------------------|------------------------------------------|
| Date of Meeting     | Wednesday 30 March 2016                  |
| Paper Title         | Annual review of Committee effectiveness |
| Agenda Item         | 14                                       |
| Paper Number        | NRC6-I                                   |
| Responsible Officer | Martin Fairbairn, Interim Chief Officer  |
| Status              | Disclosable                              |
| Action              | For discussion                           |

### 1. Report Purpose

- 1.1. Reflect on the Committee's effectiveness and suggest improvements for its future operation.

### 2. Recommendations

- 2.1 The Committee is invited to consider the contents of this paper and to:

- assess how well it has fulfilled its terms of reference;
- identify any changes to its terms of reference it wishes to recommend to the Board; and
- identify improvements to be made to how it conducts its business.

### 3. Board member evaluation

- 3.1. In the recent survey of board effectiveness, members who serve on committees were asked to agree or disagree if that Committee was effective. The responses were as follows:

|                                        | Disagree | Neither Agree or Disagree | Agree | N/A   |
|----------------------------------------|----------|---------------------------|-------|-------|
| Audit Committee                        |          | *                         | **    | ***** |
| Nominations and Remuneration Committee |          |                           | ***   | ***** |
| Performance and Resources Committee    | *        | **                        | *     | ***** |

- 3.2. Members were also given the opportunity to offer comments. All the comments offered are re-produced below, even though some probably do not relate to the Nominations & Remuneration Committee:

- *Too soon to assess performance of committees that have only just started to meet*

*and are not yet fully resourced in members (or expertise of members). [A]*

- I could only assess the effectiveness of the committee if I knew what the objectives were. The lack of cohesion and consistency between the three colleges makes it difficult to understand whether the information presented at each meeting is merely for noting, rather than comparing. Without the authority to compare and make recommendations that would involve some or all of the colleges implementing new processes. I don't think it's possible to say if it is effective, just yet. It was suggested at one meeting that we were "looking under the bonnet" (of a car) but that seems pointless if we see potential problems but can't or aren't allowed to address them. [C]*
- I've put neither agree nor disagree against effectiveness as I think the effect of impact of the board and committees is still to be made evident. [D]*
- As a new member I cannot comment. [G]*
- Only had one meeting so too soon to say. I was slightly disappointed in the quality of some of the board papers that were presented. [H]*

#### **4. Business conducted during the year**

**4.1.** In this section the Committee's work during the current 2015-16 year is summarised under the main headings from its terms of reference.

##### **4.2. Staff**

- Reviewed at each meeting GCRB's establishment and staffing.
- Reviewed remuneration levels, pension arrangements and terms and conditions annually (March 2016).
- The Committee's long-term agenda includes the key stages to setting the objectives of the Executive Director and reviewing their performance. During the year, the Interim Chair conducted an appraisal of the Interim Chief Officer.
- The Committee has overseen the two appointment processes for the Executive Director, including job evaluation and remuneration level.

##### **4.3. GCRB member appointments and extensions**

- The Committee has overseen the processes for appointment and extensions, and has made the appropriate recommendations to the Board, including for student members (there were no staff member appointments in the period).
- In doing so, the Committee has considered the Board's skills requirements and ensured that proper recruitment processes were undertaken which were consistent with Scottish Government guidance.

##### **4.4. Assigned college board appointments and extensions**

- The Committee has overseen the processes for appointments and extensions to the boards of the assigned colleges and has made the appropriate recommendations to the Board of GCRB, including for staff and student members.
- In doing so, the Committee has ensured that the assigned colleges reviewed their skills requirements and that proper recruitment processes have been undertaken which are consistent with Scottish Government guidance.

#### **4.5. Terms and conditions of appointment**

- At the end of 2014-15, the Committee agreed a standard set of terms of appointment for board members.

#### **4.6. Board evaluation**

- The Committee has established a process for the Board to review its effectiveness and recommended to the Board arrangements for evaluating the effectiveness of the Chair and committee chairs (October 2015).

#### **4.7. Reporting**

- A report from each of the Committee's meetings has been made to the next normal Board meeting.

#### **4.8. Annual review of performance and terms of reference**

- This is the purpose of this agenda item.

### **5. Terms of reference**

**5.1.** The Committee's current terms of reference are attached as an annex to this paper. The Committee reviewed these at its meeting on 1 June 2015 and agreed that it did not wish to propose any alterations at that time.

**5.2.** Management has not identified any aspects that appear to require revision.

### **6. Training and development**

**6.1.** No specific training and development activity was undertaken during 2015-16. The induction arrangements for new board members across the region will be open to existing members so that they can bring themselves up-to-date with current developments.

### **7. Plan for 2016-17**

**7.1.** At each meeting the Committee reviews and updates a rolling long-term agenda, the current version of which forms a separate item within the agenda for today's meeting.

**7.2.** It is likely that there will be a much-reduced amount of business for the Committee during 2015-16 since there should be little board member recruitment activity and there will not be the work associated with the recruitment of the Executive Director.

**8. Risk Analysis**

**8.1.** There are no specific risks associated with this paper.

**9. Legal Implications**

**9.1.** There are no specific legal implications associated with this paper.

**10. Financial Implications**

**10.1.** There are no specific financial implications associated with this paper.

**11. Regional Outcome Agreement Implications**

**11.1.** There are no specific implications for the Regional Outcome Agreement associated with this paper.

## **Glasgow Colleges' Regional Board**

### **Nominations and Remuneration Committee Terms of Reference**

#### **1. CONSTITUTION**

- 1.1** The nomination and remuneration committee is constituted as a committee of the Glasgow Colleges' Regional Board (hereinafter referred to as the Board).
- 1.2** The committee's terms of reference may be amended at any time by the Board.

#### **2. AUTHORITY**

- 2.1** The committee is authorised by the Board to investigate any activity within its terms of reference and to undertake any other appropriate related task as delegated to it by the Board. It is authorised to seek any information it requires from any of its employees who are directed to co-operate with any request made by the committee. It is authorised to seek any information from its colleges which it may reasonably require for the purposes or in connection with the exercise of any of its functions.
- 2.2** The committee is authorised by the Board to obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge.

#### **3. MEMBERSHIP**

- 3.1** The committee shall be appointed by the Board from amongst its members and shall consist of not less than three members.
- 3.2** The board shall appoint the committee chair who shall be a non-executive director. In the absence of the committee chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting, who would qualify under these terms of reference to be appointed to that position by the board. The chairman of the board shall not be chair of the committee.
- 3.3** Appointments to the committee shall be for a period of one year and reviewed annually.
- 3.4** The Board Secretary shall act as Secretary to the committee.

#### **4. MEETINGS**

- 4.1** The committee shall meet as determined by the Board and when necessary in terms of their remit.

- 4.2** The quorum necessary for the transaction of the business of the committee shall be at least two committee members.
- 4.3** At the request of the committee any other Board members or senior management staff shall attend meetings.
- 4.4** Meetings of the committee shall be arranged by the Secretary at the request of the Chair.
- 4.5** Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee and any other person required to attend, no later than five working days before the date of the meeting. Supporting papers shall be sent to committee members and other attendees as appropriate, at the same time.

## **5. MINUTES OF MEETINGS**

- 5.1** The Secretary shall ensure that a minute of the proceedings and decisions of all committee meetings is kept, which will include the names of those present and in attendance.

## **6. RESPONSIBILITIES**

### **6.1 STAFF**

The committee shall:

- a) be responsible for overseeing remuneration levels, salary awards, pensions, terms and conditions of employment and any other related matters for the executive and other senior posts within the organisation;
- b) provide support in reviewing overall executive performance;
- c) be responsible for the appointment process of the Chief Executive Officer and make a recommendation for their appointment to the Board;
- d) be responsible for reviewing the performance of the Chief Executive Officer;
- e) consider proposals regarding overall remuneration including pay awards across the organisation, making recommendations to go to the Board; and
- f) be consulted on any proposals for major changes to employee benefit structures.

### **6.2 ALL BOARD MEMBER APPOINTMENTS**

*For the avoidance of doubt, this paragraph applies to both assigned college board members and regional board members. Certain responsibilities in relation to a particular assigned college may be delegated by the Board to the assigned college board, with their agreement.*

The committee shall:

- a) give full consideration to succession planning for all Board members in the course of its work, taking into account the challenges and opportunities facing

the region, and the skills and expertise needed on the particular Board (s) in the future;

- b) review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and of the assigned colleges' Boards and make any recommendations to the Board as a consequence;
- c) before any appointment is made by the Board, ensure that a full evaluation of the balance of skills, knowledge, experience and diversity on the relevant Board, has been carried out and that, in the light of this evaluation, an appropriate role description has been agreed; and
- d) ensure that a fair, open and merit based recruitment process is conducted for the appointment of non- executive board members and that all appointments are made in a manner which encourages equal opportunities and the observance of equal opportunity requirements.

### **6.3 REGIONAL BOARD MEMBERS**

The committee shall ensure that it follows the current Scottish Government College Sector Board Appointments Guidance in relation to board appointments and extensions of terms of appointments.

The committee shall make recommendations to the Board for its approval in relation to:

- a) the nomination of board members for appointment to the Board;
- b) the nomination of board members for extension of the period of appointment at the conclusion of their term of office;
- c) the process for the election of staff and student Board members;
- d) the terms and conditions of appointment for non-executive Board members and staff and student board members; and
- e) membership of the audit and remuneration committees, and any other board committees, as appropriate, in consultation with the Chair of the Board and the chair of the relevant committee.

### **6.4 ASSIGNED COLLEGE BOARD MEMBERS**

The committee shall ensure that it follows the current Scottish Government College Sector Board Appointments Guidance in relation to board appointments and extensions of terms of appointments.

Before making a recommendation to the Board arising from a delegation of its process to the assigned college board the committee must satisfy itself that the assigned college board has had regard to the Guidance and any supplementary guidance issued by the Board.

The committee shall make recommendations to the Board for its approval in relation to:

- a) the appointment of non-executive members to the assigned college board;
- b) the extension of the period of appointment of Board members on the assigned colleges' Boards at the conclusion of their term of office;

- c) the appointment and extension of a period of appointment of the chair of an assigned college;
- d) the terms and conditions of appointment for non-executive Board members and for the Chair; and
- e) the delegation to the respective assigned college of the management of all or part of the administrative process for the appointment or extension of a chair or non-executive board member.

## **7. REGIONAL BOARD EVALUATION**

- 7.1** The Committee is responsible for ensuring that the Board reviews its effectiveness annually.
- 7.2** The Committee shall make recommendations to the Board in relation a process for evaluating the effectiveness of the board chair and the committee chairs.

## **8. REPORTING RESPONSIBILITIES**

- 8.1** A report of the committee's discussions shall normally be considered at the Board meeting following the committee meeting.

## **9. OTHER**

- 9.1** The committee shall, at least once a year, review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.