

Nominations & Remuneration Committee

Date of Meeting	Friday 13 October 2017
Paper Title	Committee Terms of Reference
Agenda Item	6
Paper Number	NRC2-B
Responsible Officer	Penny Davis, Board Secretary
Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1** To invite the Committee to review revised terms of reference further to agreed amendment in several areas.

2. Recommendations

- 2.1** The Committee is invited to consider the Terms of Reference and agree that they reflect the necessary changes as approved by the Board.

3. Background

- 3.1** The Committee's Terms of Reference have been subject to review from several different perspectives in recent months to ensure compliance with the Code of Good Governance, legislation, and changes in relevant guidance.
- 3.2** Given the level of change, amended terms of reference are appended for the Committee's review and agreement.

4. Detail

- 4.1.** The Committee's Terms of Reference have been amended to reflect:
- The decision to retain a combined Nominations and Remuneration Committee as opposed to two separate committees, in the context of compliance with the Code of Good Governance, paragraph C.20, and the Board's approval of the Committee's recommended approach to ensuring a non-executive majority when conducting the business of the Committee.
 - Committee discussions regarding compliance with paragraph 16A of the 1992 Further and Higher Education (Scotland) Act and the Board's approval of the proposed amendments.
 - Committee discussions regarding compliance with guidance on severance arrangements issued by the Scottish Funding Council, and the Board's approval of the proposed amendments.

d) The introduction of regulations pertaining to diversity succession planning and to mandatory training for remuneration committee members.

4.2. Amended Terms of Reference are appended to this paper.

5. Risk Analysis

5.1 Amendments to the terms of reference help to mitigate Risk 0012: there is a breach of legislation/guidance/code of practice and this results in a failure of governance.

6. Legal Implications

6.1. There are no legal implications other than those referred to in the report.

7. Resource Implications

7.1. There are no new resource implications arising from this paper.

8. Strategic Plan Implications

8.1 This report is not directly relevant to the Regional Outcome Agreement, however, a balanced Board and robust governance arrangements are the essential to the effective determination and delivery of GCRB objectives.

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 five members.
- 3.2** The Board shall appoint the committee chair who shall be a non-executive member.
- 3.3** The chair of the Board may not be chair of the Committee.
- 3.4** The Board may appoint one staff and one student member to the Committee.
- 3.5** The Committee's membership must include a majority of non-executive members.
- 3.6** The period of members' appointment will last from their date of appointment until the earlier of: the end of their current period of appointment as a Board member; and a date determined by the Board.
- 3.7** The Board will review the membership of all committees at least annually.
- 3.8** 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 its remit.
- 4.2 The quorum necessary for the transaction of the business of the Committee shall be two committee members.
- 4.3 A non-executive majority must be present for a meeting of the Committee to proceed.
- 4.4 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.
- 4.5 At the request of the Committee any other Board members or senior management staff may attend meetings.
- 4.6 Meetings of the Committee shall be arranged by the Secretary at the request of the Board or Committee Chair.
- 4.7 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 senior executive officers and make recommendations for their appointment to the Board;
- d) be responsible for reviewing the performance of the Executive Director;
- e) consider proposals regarding overall remuneration including pay awards across the organisation, making recommendations as appropriate 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, **diversity succession planning requirements**, 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 non-executive 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 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.

6.5 ASSIGNED COLLEGE PRINCIPALS

In accordance with paragraph 16A of the Further & Higher Education (Scotland) Act 1992 as amended, the Committee shall consider and approve the terms and conditions of appointment when making recommendations to the Board to appoint Assigned College Principals.

6.6 SEVERANCE ARRANGEMENTS

The Committee shall seek to ensure that any severance arrangements to be implemented by the Regional Board or any of its assigned colleges are compliant with severance guidance published by the Funding Council and the requirements of the Financial Memorandum.

a) Regional Board

With regard to the Glasgow Colleges Regional Board's own arrangements, prior to the submission of business cases for Funding Council approval, the Committee shall oversee arrangements and make recommendations as appropriate for the Board to approve:

- any new severance scheme;
- any change to a previously approved scheme;
- any payment, forming part of any scheme, considered to be sensitive or high profile;
- any use of settlement agreements.

b) Assigned Colleges

With regard to assigned colleges, the Committee shall oversee relevant applications and approve any business cases prior to their signature by the Executive Director and submission to the Funding Council for:

- any new severance scheme;
- any change to a previously approved scheme;
- any payment, forming part of any scheme, considered to be sensitive or high profile;
- any use of settlement agreements.

The Committee shall report all relevant severance matters to the Board.

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.
- 9.2** All members shall complete the online training provided for members of remuneration committees by the College Development Network within one month of joining the committee.