

**Board of Management
Remuneration Committee**

Date: 25 September 2017

Time: 3 pm

Room: 1074b

A G E N D A

			Presented by
1	Welcome and Apologies		DH
2	Declaration of Interest		DH
3	Minute of Meeting of 21 March 2017	(attached)	DH
4	Matters Arising		DH
5	Executive Team Pay Award	(attached)	DH
6	Principal's Performance Review Confidential - Report for Committee Members only	(attached) Confidential	BJ
7	Principal's Performance Review Process	(attached)	AW
8	Principal's Pay Award	(verbal)	BJ
9	Any Other Business Correction to minute no.6 of the meeting held on 6 April 2016		AW
10	Date and Time of Next Meeting – Tuesday, 6 February 2018 at 2pm		

Board of Management-Remuneration Committee

Minute of the Meeting of the Remuneration Committee of the Board of Management of Dumfries and Galloway College held on Monday 25 September 2017 at 3pm in Room 1074b

Present: Delia Holland (Chair) Brian Johnstone
Ian White

In attendance: Ann Walsh, Secretary to the Board and Minute Taker

1 Welcome and Apologies for Absence

The Chair of the Remuneration Committee welcomed all to the meeting. Apologies were intimated on behalf of John Henderson and also from Carol Turnbull, Principal who would have attended for item 5.

The Secretary to the Board confirmed the meeting was quorate with enough members present to allow decisions to be made.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Previous Meeting

The Minute of the Remuneration Committee meeting held on 21 March 2017 was approved.

4 Matters Arising

All Committee members have now completed the CDN training module for Remuneration Committee members. The training has been informative and worthwhile. This training is available to any member of the Board

Action: The Chair of the Board will recommend the training to all Board members

5 Executive Team Pay Award

It was agreed at the last meeting of this committee that any decision regarding a pay award for the Executive Team would be deferred until there was an agreed National Pay Award.

The Chair of the Committee spoke to the paper which had been provided by the Principal. Through the National Joint Negotiation Committee, a pay award of £425 per FTE, (pro rata for part time staff), plus an increase in annual leave to 44 days (pro rata for part time staff), backdated to 1 April 2017 was agreed for all College Support Staff.

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Executive Team members are not part of National Pay negotiations and any changes to salary/annual leave are at the discretion of the College Board of Management (or delegated Committee thereof).

Historically the Executive Team has been awarded the same pay award and annual leave as has been agreed for the staff across the College. The most recent award was made in 2016.

Members agreed to the Principal's proposal to award the Executive Management Team, for the period 1 April 2017 – 31 March 2018, with a financial award plus additional annual leave in line with the offer made to other staff. This would result in an increase in salary (consolidated) of £425 plus 1 additional day annual leave (consolidated). The increase in costs was included in the budget approved by the Board.

Decision: The Committee approved the proposal

Action: The Committee to recommend to the Board of Management at its meeting on 10 October 2017 to award the Executive Management Team, for the period 1 April 2017 – 31 March 2018, the proposed financial award plus additional annual leave in line with the offer made to other staff.

6 Principal's Annual Performance Review

The Chair of the Board spoke to the report that had been issued and confirmed the confidential status of the report, it being issued only to members of this Committee due to it being personal to the Principal.

Objectives and performance measures had been agreed by the Principal and Board Chair in correspondence and meetings in June 2016 and signed on 6 July 2016. There have been regular discussions between the Board Chair and the Principal throughout the year, an interim Review meeting on 4 November 2016 (which was reported to the Board) and the Annual Review meeting was held on 13 June 2017.

The Chair of the Board reported that overall, he is happy with the progress that has been made, being mindful of pressures during the year due to issues such as reduced staff numbers within the executive team, the level of involvement required regarding industrial action and the national pay award negotiations and the implementation of a new management structure within the college, which became operational in August 2017.

Taking this into account, progress has been good, with much work underway. At the time of the annual review, much of the evidence to support this was yet to come, with reports due over the coming weeks and it being too early to see the benefits expected from the revised management structure.

Members of the Committee were comfortable with the progress reported from the Chair of the Board, noting the pressures within year and that some evidence of progress is yet to come. The committee will meet again, following the Principal's interim review, to receive an update.

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The Chair of the Board presented the proposed objectives for the Principal 2017/18, agreed with the Principal ie:

- Objective 1. Vision 2020 – Timely progress
- Objective 2. Achievement of the Regional Outcome Agreement (ROA)
- Objective 3. Outcomes from Academic team restructure - evidence of progress from focus on curriculum area
- Objective 4. Learner Journey – evidence of progress, and full engagement with stakeholders
- Objective 5. Stranraer – finalise strategy with timeframe
- Objective 6. Student Engagement - including evidence of Student Association involvement in college's decision making process.
- Objective 7. Wider commercial opportunities – evidence of increased activity

Members discussed and agreed recommendation of the proposed objectives, stressing that improved retention rates are a priority.

Action: The Committee to meet after the Principal's interim review to receive evidence of progress, accepting that due to timing these reports are not yet available. Members approved the proposed objectives for the Principal, to be recommended to the Board of Management at its meeting on the 10 October 2017.

The Chair of the Committee thanked the Chair of the Board for his report and requested he pass on thanks to the Principal for her hard work over the last year.

7 Principal's Performance Review Process

The secretary to the board spoke to the paper issued. Members had approved the current process in April 2016, with a review of this to be undertaken at the end of the first year and an agreement that should a sector wide process became available the college would look to adopt this.

The Secretary to the Board confirmed that the process has worked well. The Chair and the Principal have adhered to this process, ensuring ongoing review of progress against objectives, enabling good communication, a mutual understanding of national and local circumstances and priorities, and provision of support and encouragement in order to enhance performance.

It is proposed that the process should remain in place for 2017/18 unless the sector provides a standard approach to be followed by all boards.

The process allows for the Chair of the Board to seek views on the College's (and therefore the Principal's) performance from staff and students. In 2017/18 it is proposed to undertake this by setting up focus groups consisting of staff and students, initially to inform them of

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the performance measures/objectives agreed, and then to gain their views on the progress of these.

Members noted the positive way the process has been implemented during 2016/17.

Decision: The Committee approved the proposals for the Principal's Performance Review Process 2017/18.

8 Principal's Pay Award

The Chair of the Board spoke to the Committee to recommend a pay award for the Principal.

The pay award approved in June 2016 left the Principal's salary still lower than other colleges of a similar size and it was agreed then to review this again in the future.

Members discussed the Principal's salary in relation to salaries of Principals of colleges of similar size, the current public sector pay policy and practice, and affordability. The Chair of the Finance and General Purposes Committee has been consulted regarding affordability.

Members agreed to work towards achieving alignment of the Principal's salary with that paid in colleges of similar size, but are mindful of challenging public sector finances and restraints, therefore this will be achieved incrementally. This year members agreed to recommend a salary increase of 2%, with 1 extra day annual leave, to bring the leave entitlement in line with that of support staff within the sector. This to be recommended to the Board of Management.

Action: The Committee to recommend to the Board of Management at its meeting on 10 October 2017 a pay increase that will move the Principal's salary closer to that paid in colleges of similar size. The recommendation is an increase in salary of 2%, effective from 1st April 2017 plus 1 additional day annual leave (consolidated), bringing annual leave in line with that of support staff.

9 Any Other Business

For noting/clarity: Following the meeting of the Committee in April 2016, the pay award approved by the Board of Management did not bring the salary up to the sector average for colleges of a similar size.

10 Date and Time of Next Meeting

The next meeting is planned to take place on Tuesday 6th February 2018.

An additional meeting will be held following the Principal's interim review – Date tbc

Board of Management

Minute of the Meeting of the Remuneration Committee of the Board of Management of Dumfries and Galloway College held on Tuesday 21 March 2017 at 2 pm in Room 1074b

Present: Delia Holland (Chair) Brian Johnstone
John Henderson Ian White

Agenda item 6 only: Carol Turnbull, Principal

In attendance: Jannette Brown, Secretary to the Board and Vice
Principal Corporate Services & Governance
Ann Walsh, (new) Secretary to the Board

Minute Taker: Heather Tinning, Executive Team Assistant

1 Welcome and Apologies for Absence

The Chair of the Remuneration Committee welcomed all to the meeting, in particular Ann Walsh, the new Secretary to the Board. No apologies were intimated. The Secretary to the Board confirmed the meeting was quorate with enough members present to allow decisions to be made.

2 Declaration of Interest

Members agreed to indicate declarations of interest as appropriate throughout the meeting.

3 Minute of Previous Meeting

The Minute of the Remuneration Committee held on 5 April 2016 was approved.

4 Matters Arising

The Chair advised that all actions agreed at the last meeting had been acted upon.

5 Principal's Performance Review Update

The Regional Chair presented the report which had been issued. Following discussion on Performance Measures, the Regional Chair advised that Measures for the Principal, 2017/18, are yet to be agreed. It was suggested to look at identifying Performance Measures that are measurable, these could include some that are qualitative.

The Chair questioned whether having two board members to undertake the Principal's performance review would make it more objective. The Regional Chair advised that performance review of the Principal is part of his contract, this review is reported and discussed with the committee. This, along with other performance assurances through regular reporting at Board and Committee meetings provided reassurance. Agreed no change to the current process; it is already planned to be reviewed after a full cycle.

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Action: The process to be reviewed after a full cycle and discussed at the Remuneration Committee in 2018

The Secretary to the Board suggested that another meeting of the Remuneration Committee take place to discuss the Principal's Objectives for 2017/18.

Action: Additional meeting to be organised in consultation with the Chair and the Regional Chair

The Committee noted the report, and the good progress made so far.

The Principal joined the meeting.

6 Executive Team Pay Award

The Principal spoke to the report which had been issued, proposing that when the agreement had been reached for a Pay Award for other staff that the same figure is awarded to EMT from 1st April 2017. Following discussion, the Principal advised that historically the same percentage has been awarded across both Academic and Support staff. Scottish Government have indicated the Public Sector should be awarded 1% Cost of Living increase. It was agreed to defer any decision until an agreed National Pay Award. Following notice of the Pay Award, another meeting of the Remuneration Committee will be held.

Action: Committee members to hold 1pm on 30th May in their diary. If the pay award has not been agreed before then, the meeting will be reorganised.

The Principal left the meeting.

7 CDN Remuneration Committee Member Training

Discussion surrounded the College Development Network Remuneration Committee Member Training that had been offered to Remuneration Committee members. The Chair commented that the training emphasised how important the Government see the role of the Committee, and advised of a need to review some remits and number of committees. Although the Training is not mandatory, it was agreed that all Remuneration Committee members complete the training.

Action: Only one Member left to complete the training.

8 Any other business

8.1 Date for future Remuneration Committee Meetings

The February 2018 meeting may need to change to align to when Pay Awards are agreed.

8.2 Vice Principal

The Chair thanked Jannette Brown for her support to this committee, as both the Secretary to the Board and Vice Principal Corporate Services and Governance, and wished her well in her future plans.

9 Date and time of next Meeting

The next meeting is planned to take place on Tuesday 30th May 2017 at 1 pm.

Board of Management Remuneration Committee

REVIEW OF THE REVISED PROCESS FOR THE PRINCIPAL'S PERFORMANCE REVIEW

1. Introduction

The purpose of this paper is to provide the Remuneration Committee with a Year 1 review of the process, agreed and implemented in April 2016, for reviewing the Principal's Performance.

The first year was completed with an annual review of the Principal's performance at a meeting between the Chair and the Principal on 13 June 2017. The Chair has provided the Remuneration Committee with a confidential report regarding the Principal's performance for the Committee Meeting being held on 25 September 2017. This is in keeping with the remit set for the Remuneration Committee, see 2.5 below.

2. Remit of the Remuneration Committee

The remit of this Committee is listed below. Points 2.4 to 2.6 of the remit are of importance regarding review of the process.

The Committee has responsibility for advising the Board of Management on the following matters:

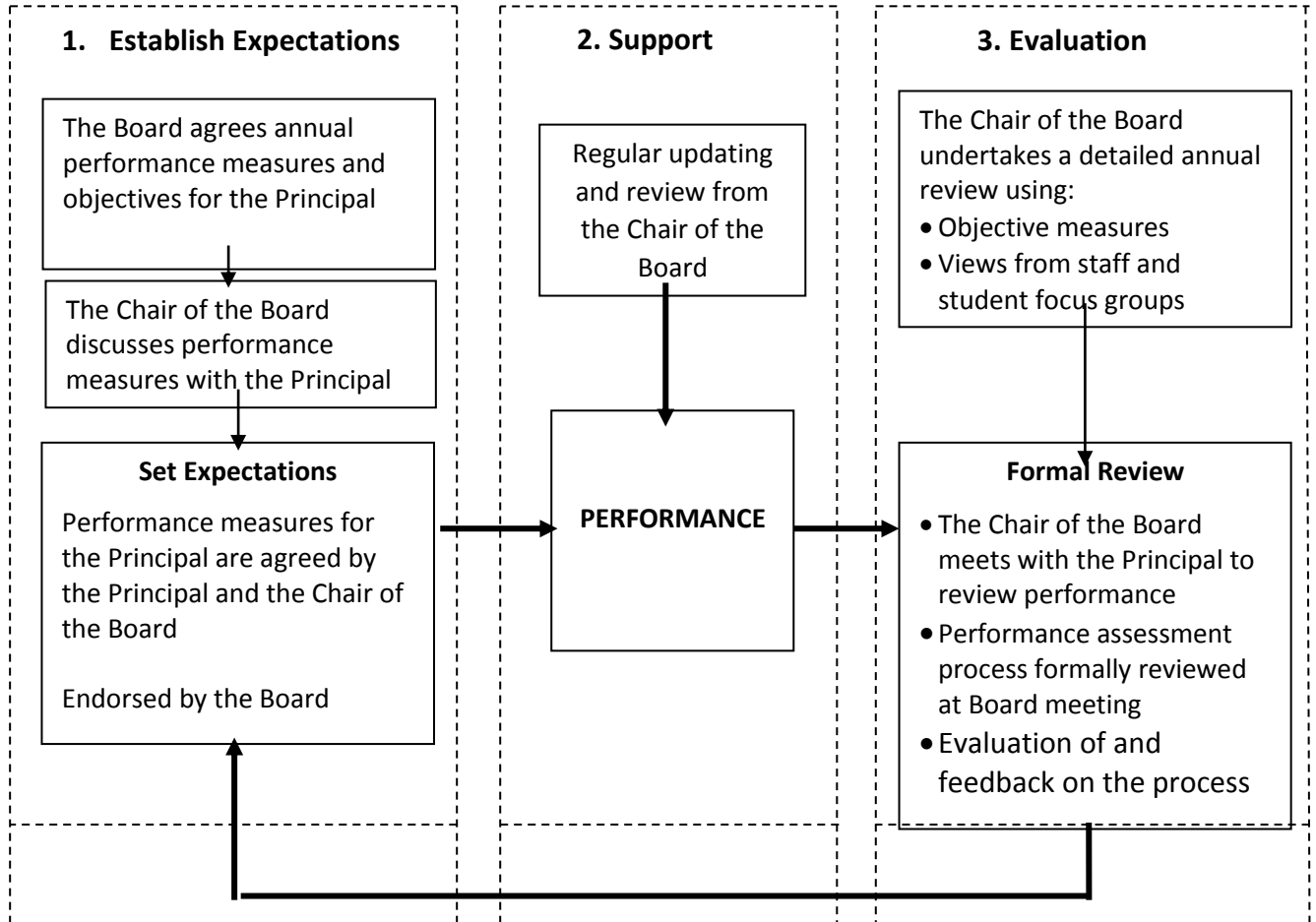
- 2.1. To determine and review the salaries, terms and conditions (hours per week, annual leave entitlement, sick leave and pay entitlements, notice period and other emoluments) and, where appropriate severance payments, of the Principal, members of the Executive Management Team and the Secretary to the Board.
- 2.2. To develop and review the Operation of Severance Payment Policy
- 2.3. To ensure robust scrutiny of proposed severance schemes and settlement agreements over £40k, before recommending approval to the Board.
- 2.4. **To determine the process for setting and agreeing the Principal's performance.**
- 2.5. **To receive annual reports from the Regional Chair on the Principal's performance.**
- 2.6. **To ensure efficient and effective use of public funds.**
- 2.7. To report to the Board as required – minutes of the meetings should be circulated to the Board.

3. Principal's Performance Review Process

As noted in 2.4 above, this process, summarised below, was agreed by the Remuneration Committee in April 2016. No further guidance has been issued that would affect the process and therefore no changes have been made.

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Principal's Performance Review Process



3. Review of the Process

The Chair and the Principal have adhered to the process set in April 2016, ensuring ongoing review of progress against objectives, enabling good communication, a mutual understanding of national and local circumstances and priorities, and provision of support and encouragement in order to enhance performance.

Confirmation of adherence to the process includes:

- 3.1. Annual Performance measures were set and agreed by the Board, and with the Principal. These were aligned to the strategic direction of the Board and of Vision 2020, as well looking at the Principal's personal development.

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- 3.2. The Chair held regular review and support meetings with the Principal, and has provided a mid-year update on progress to the Board.
- 3.3. The Chair undertook a detailed annual performance review with the Principal in June 2017 and, using objective measures, provided a report to this Committee.
- 3.4. Regarding the staff and student view on achievement of objectives, it was agreed with the Committee in March 2017 that the following would be used as evidence for this year:- Information from student and staff satisfaction questionnaires, along with the positive feedback from the SFC Strategic Dialogue meeting, where they met separately with staff and students.

4. Proposals regarding the Principal's Performance Review Process 2017/18

- 4.1. The process has worked well and should remain in place for 2017/18 unless the sector provides a standard approach to be followed by all boards regarding the setting and monitoring of the Principal's performance. If this should be the case, the process will be reviewed.
- 4.2. The process allows for the Chair of the Board to seek views on the College's (and therefore the Principal's) performance from staff and students. In 2017/18 this will be undertaken by setting up focus groups consisting of staff and students, to inform them of the performance measures and then to gain their views on progress of the agreed performance measures.

5. Recommendations

The Committee are invited to discuss and agree the proposals for 2017/18.

Members are asked to note the positive way the process has been implemented during 2016/17, the level of support and monitoring undertaken by the Chair of the board and the positive communication between the Chair of the Board and the Principal that has enabled the process to work effectively.

Ann Walsh
Secretary to the Board of Management
September 2017