



## REMUNERATION COMMITTEE

MINUTE OF MEETING HELD ON 7 OCTOBER 2021 AT 16:00

REMOTELY VIA MS TEAMS

<b>Present</b>	
Sue Irving (Chair)	Hugh Carr
Ann Hill	Will Dowson
Malcolm MacLeod	Richard Nash
<b>In Attendance</b>	
Lorraine Grierson	Joanna Campbell
Alex Killick	
<b>Apologies for absence</b>	

Item 1	Welcome and Apologies for Absence		
Paper No: Verbal	Lead: Sue Irving	Action Requested	Note
Discussion	Members were welcomed to the meeting. There were no apologies given and confirmation was given that the meeting was quorate.		
Decision	N/A		
Action	N/A		

Item 2	Declaration of Interest		
Paper No: Verbal	Lead: Sue Irving	Action Requested	Note
Discussion	The Principal raised a declaration of interest for item 10.		
Decision	N/A		
Action	N/A		

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Item 3	Action Log		
Paper No: REMCO0710-A	Lead: Lorraine Grierson	Action Requested	Note
Discussion	The Secretary to the Board advised that there were 2 items on the action log, both of which had been completed.		
Decision	The action log was duly noted.		
Action	N/A		

Item 4	Minute of the last meeting 2 March 2021		
Paper No: REMCO-0710-B	Lead: Sue Irving	Action Requested	Approval
Discussion	The Secretary to the Board advised the Committee that there was only one member present who had attended the meeting in March who could approve the minutes. However, it was noted that the Chair, at that time, had also approved the minutes.		
Decision	The minutes were approved as an accurate record.		
Action	N/A		

Item 5	Matters Arising		
Paper No: Verbal	Lead: Sue Irving	Action Requested	Note
Discussion	No matters arising were declared.		
Decision	N/A		
Action	N/A		

Item 6	Pay and Performance Policy		
Paper No: REMCO0710-C	Lead: A Killick	Action Requested	Approve
Discussion	<p>AK advised that following on from the proposed policy discussed at the previous meeting, a Pay and Performance Policy had now been formalised.</p> <p>At the Remuneration Committee meeting in November 2020, the Committee considered proposals for the establishment of pay ranges for senior staff and corresponding principles for placement within the ranges and progression through the ranges. It was agreed that a new policy should be adopted based on the decisions taken.</p> <p>The attached draft policy set out the pay and performance process for the Principal, Vice Principals and Directors – staff that fall within the scope of the Remuneration Committee for the determination of their pay. The pay ranges had been compared with like-size colleges with similar income and student numbers and the Committee were asked to consider the pay range parameters.</p> <p>A discussion was had in respect of why this Committee is receiving objectives for staff other than Principal and Vice Principals and it was noted that this was a historical decision. It was agreed that Directors should be taken out of the Committee's remit and refer only to the Principal and Vice Principals.</p> <p>The Principal advised that she is in agreement to bring a summary of the Director objectives to the committee for noting. She also stated that there are risks to be considered in respect of retaining and motivating individuals, the need for the</p>		

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College to build succession planning and manage flight risks which will have a bearing on both the salary position as well as performance pay maxima.

The following amendments to the Policy were noted:

- Point 4.3, 2<sup>nd</sup> bullet point should read 'performance related pay rise' and delete the word 'bonus'.
- Annex A should be amended to say these are indicative dates in order to ensure the timings match completion of budget.
- Annex B – under heading Line Manager Agreement, 1<sup>st</sup> bullet point – 'agreed by' should say 'agreed between'. Under 'No Surprises' amend to 'are met'.
- Annex C – It was agreed that the objectives should link in with corporate values as well as performance.
- In point 2 – Relative Fairness – this needs to have more clarity around ratio between Principal, Vice Principal and lowest paid and focus on the median.

In respect of the above amendments being made, the paper was approved by the Committee.

Decision

The committee approved the paper.

Action

**Amendments, as above, to be made to the Policy - AK**

Item 7	Review of Pay Ranges and Sector Benchmarking		
Paper No: REMCO0710-D	Lead: A Killick	Action Requested	<b>Discussion</b>
Discussion	The Principal declared an interest at this point and left the meeting at 4.39 pm.  Confidential to Committee members.		
Decision	To note the benchmarking evidence and to agree that the current pay ranges should remain unchanged		
Action	N/A		

Item 8	Review of the Principal's Performance and consideration of pay and progression		
Paper No: REMCO0710-E	Lead: Hugh Carr	Action Requested	<b>Approve</b>
Discussion	This item was not presented at this meeting and a further meeting would be convened to discuss and approve.		
Decision			
Action	<b>A further meeting to be arranged to discuss the item - LG</b>		

Item 9	Review of Vice Principals and Directors Performance and consideration of pay and progression		
Paper No: REMCO-0710-F	Lead: Joanna Campbell	Action Requested	<b>Approve</b>
Discussion	The Principal reported that senior staff had received their annual review of		

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performance against their objectives.

Confidential to Committee members.

The Principal advised the Committee that in the past salaries were linked to the market rate without consideration of objectives and performance. These have now been linked together so that there cannot be any inflation of salary if poor performance was recorded.

Decision

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Action

N/A

### Item 10 Objectives for the Principal 2021/22

Paper No:  
REMCO0710-E

Lead: Hugh Carr

Action Requested

**Approve**

Discussion

This item was not presented at this meeting and a further meeting would be convened to discuss and approve.

Decision

N/A

Action

N/A

### Item 11 Objectives for the VP's and Directors 2021/22 (summary)

Paper No:  
REMC0710-H

Lead: Joanna Campbell

Action Requested

**Approval**

Discussion

At the Remuneration Committee meeting in November 2020, it was agreed that the current terms of reference relating to pay policy and objective setting for senior managers, which is determined by the Board of Management on the recommendation of the Remuneration Committee, be amended to include Principal, Vice Principals and Directors.

The Principal outlined the objectives for 21/22 for both Vice Principals and Directors for approval by the Committee and to consider the terms of reference re oversight of Directors. As the Principal's objectives had not yet been agreed, these would be presented at a further meeting along with pay progression. This would allow the Committee to discuss the objectives and to see how the thread filtered down.

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... It was suggested that a snapshot of how they are cascaded down would be helpful, and there was agreement that moving forward, the Committee would oversee the objectives for the Principal and Vice Principals, but not for the Directors. However, this could be reviewed via Audit Committee next year to ensure it is working well.

It was suggested that it would be helpful to see the quality assurance framework to see how everything relates. The Principal advised that financial aspects are reported to SFC, there is the Outcome Agreement, and How good is our College, via Education Scotland.

The Committee agreed to approve point 1 and 2 but suggested that Directors no longer fall within the Committee remit.

Hugh Carr left the meeting at 5.30 pm.

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Decision	Approve the recommendations on senior staff objectives for 2021/22. The Committee approved objective setting and review of practice so that they agree (and through the Chair) review the Principal's objectives. Delegation of the objective setting and review of Vice Principals, but with the outturn of performance assessments and any pay recommendations brought to the Committee annually.
Action	<b>Amend Terms of Reference to exclude Directors.</b>

Item 12	Terms of Reference / Agenda Cycle / Evaluation		
Paper No: REMCO0710-I	Lead: Lorraine Grierson	Action Requested	Approval
Discussion	<p>It was noted that each Committee Chair would prepare an annual self-effectiveness report and one to one review meetings with the Chair and Committee members would take place. In light of the Chair of the Committee taking up post very recently it was agreed that The Chair of the Board would prepare the report on this occasion. The Committee reports would formulate a single report to the Board of Management which would be published accordingly. This would also feed into the Board Development Action Plan for the forthcoming year.</p> <p>The following observations were raised regarding the terminology of the Terms of Reference and the following amendments were suggested:</p> <p>1.3.7 – To amend wording to refer to 'objectives' and delete 'Directors'.</p> <p>1.3.5 – The word incentives to be removed and reworded.</p> <p>1.3.1 - Reference to be made re the process being consistent with the Code of Good Governance to be included.</p> <p>1.3.3 – To be clear about what policies the sentence is referring to as it is vague and could be referring to operational rather than strategic. VS Payment Policy for Snr staff.</p> <p>1.3.4 – Check if £40k upper limit is correct.</p> <p>1.3.9 – 1.3.10 – to be taken out.</p>		
Decision			
Action	<b>The Terms of Reference to be updated as per points above - LG</b>		

Item 13	Ill Health Retiral Consideration		
Paper No: Verbal	Lead: Alex Killick	Action Requested	Discussion
Discussion	<p>The Secretary to the Board left the meeting at this point.</p> <p>A separate confidential minute was taken by A Killick.</p>		
Decision	N/A		
Action	N/A		

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Item 14	Any Other Business		
Paper No: Verbal	Lead: Sue Irving	Action Requested	
Discussion	No other business was raised.		
Decision	N/A		
Action			

## Additional comments

*The date of the next Remuneration Committee Meeting is to be confirmed.*