Item 13
For Approval

Glasgow Kelvin College

Board of Management Meeting of 30 August 2021

Updated Procedure for Establishing and Reviewing the Principal's Objectives, Performance and Salary

Report by Clerk to the Board and Director of Human Resources

1. Introduction and Background

1.1 The purpose of this report is to update the procedure and process for setting the Principal's objectives each year, reviewing performance against those objectives and implementing a process for establishing the salary or pay rise that should be applied to the post.

1.2 This procedure was developed to ensure that the College is fully compliant with the requirements of the Code of Good Governance for Scotland's Colleges. It was initially considered and approved through the Remuneration Committee and the Board in February / March 2017.

2. Setting of Targets

2.1 The Principal is required to submit a Strategic Plan to the Board of Management on an annual basis. This document will normally be considered by the full Board of Management at its meeting in June each year. Once approved, this will then form the basis for setting the Principal's targets for the coming financial year.

2.2 The specific objectives for the Principal will be established by the Chair and Vice Chair of the Board. In the absence of either individual, the Senior Independent Member would participate as part of any aspect of the process. These will be discussed in a meeting with the Principal which will be observed and supported by the Board Secretary. This will normally take place after the final Board meeting of any academic year which considers the Strategic Plan but before the end of August. The objectives will be set at that meeting and reported for noting to the Board of Management at its first meeting of the new academic year. This will allow all members with an opportunity to provide input or comment on the objectives set. The Principal's objectives will then be made publicly available.

3. Review of Performance

3.1 The Principal will prepare a report providing a 6 month review of progress against the Strategic Plan to the Board of Management in February or March each year. This will be presented to the full Board of Management and will include a review of performance against targets, a report on progress towards the key targets set in the Regional Outcome Agreement (ROA) and a review of financial performance.

3.2 The Chair and Vice Chair of the Board and Principal will then meet (again observed by the Board Secretary) to specifically discuss progress against the Principal's objectives. A brief report on mid-year progress will be prepared for members of the Executive Committee. The Executive Committee will only report to the Board formally in the event that they decide that there are matters raised which are material to the performance of the College.

3.3 A final appraisal of progress against the objectives for the year will form part of the meeting which establishes objectives for the following year. Those objectives together with a brief summary of progress against the previous year's objectives will be reported to the Board of Management. Finally, the Principal will provide an overarching report on the College performance against the Strategic Plan in October each year.

4. Annual Timeline for Setting and Review of Principal's Objectives

1	June	Submission of the Strategic Plan to the Board of Management
2	July/August	Meeting between Principal, Board Chair and Vice Chair to agree objectives for the following academic year and to review performance against previous year objectives. This will be supported by the Board Secretary. Those objectives will be reported to the next Board of Management meeting together with a short summary of progress against the previous year's objectives.
3	March	Principal to provide 6 month performance report against the Strategic Plan to the Board of Management
4	February / March	Meeting between Principal, Board Chair and Vice Chair to review Principal's performance at 6 month stage again supported by the Board Secretary.
5	March/April	A brief report on the mid-term review will be prepared by the Board Secretary for members of the Executive Committee. The Executive Committee will only report to the Board in the event that they decide that there are matters raised which are material to the performance of the College beyond what has already been reported to the Board.
6	July/August	As per item 2, this meeting will also include a discussion of performance against objectives for the previous year. 3.3 above refers.
7	October	Principal to present an overarching report on performance against the Strategic Plan for the previous year to the Board of Management.

5. Setting of Principal's Remuneration

5.1 The Remuneration Committee is responsible for setting the Remuneration of the Principal. The Principal's pay, as well as other senior managers, is not covered by the National Bargaining Framework and therefore has to be set by the Remuneration Committee. As part of any process, it is required to take into account the views of students and staff.

5.2 The Remuneration Committee will consider what pay award for the post is appropriate taking account of all relevant circumstances. The Remuneration Committee will take into account associated pay awards across the sector and broader public sector including public sector pay policy. They will take account of the performance of the College, the performance of the Principal and the views of learners and staff in reaching a conclusion on this matter. The undernoted documentation (or an agreed similar alternative) would be made available to the Remuneration Committee to reach a conclusion on this matter.

- Progress against the strategic plan as set out in section 4 of this procedure
- A report endorsed by the Learning and Teaching Committee summarising the students' views of the learner experience.

- A report endorsed by the Finance and Resources Committee summarising feedback from staff
- The annual audit report incorporating the annual internal and external audit reports.
- The colleges' self-evaluation report or similar.
- Other relevant external reviews of the work of the College to include the most recent reports on the quality of learning and teaching from Education Scotland and SQA.

5.3 Following consideration of the information noted above, along with any other evidence which members of the Remuneration Committee wish to be considered, the Remuneration Committee will decide any pay rise to be applied to the post also taking due account of the following when determining any appropriate inflationary increase:

- Public Sector Pay Policy
- Sector reports on Principal pay levels if available
- Nationally agreed pay awards approved with recognised trades unions for other groups of staff

5.4 In line with college staff, pay awards for the Principal will now apply from September each year in line with the most current arrangements in place for other staff groups. The above process will normally be completed by December. The full Board of Management will be advised accordingly. The Principal's salary will also be publicly reported in the College Annual Report. It should be noted that the Remuneration Committee also sets the pay for other senior managers not covered by national bargaining. The Committee would consider those pay awards in line with the process for the Principal and on completion of a satisfactory annual performance review confirmed by the Principal.

5.5 There may be occasions when the Remuneration Committee considers it necessary to determine whether the Principal's salary is appropriate. Should the committee decide that it is required at any time, it will set out the process and scope of any such review ensuring it is suitably independent.

6. Resource Implications

6.1 There are no resource implications arising as a result of documenting this amendment to a previously agreed procedure.

7. Equalities

7.1 No adverse impacts on individuals with protected characteristics have been identified as a consequence of this report.

8. Risk and Assurance

8.1 By setting out this procedure the Board meets its requirements with respect to the Code of Good Governance and provides assurance with respect to the process.

9. Data Protection

9.1 There are no data protection implications arising as a consequence of this report

10. Recommendations

It is recommended that the Board approve the updated procedure for establishing and reviewing the principal's objectives, performance and salary as detailed within this report.

11. Further Information

Further information can be obtained from, Douglas Wilson, Clerk to the Board of Management at douglaswilson@glasgowkelvin.ac.uk or Doreen Shiels, Director of Human Resources at dshiels@glasgowkelvin.ac.uk