



Remuneration Committee minutes

The meeting of the Remuneration Committee was held on Friday 17 March, immediately after the Board meeting, at SFC's offices, 97 Haymarket Terrace, Edinburgh.

- Present:** Douglas Mundie (Chair)
Veena O'Halloran
- Officers:** Martin Fairbairn (except item 17/09)
Helen Gibson
- Apologies:** Marlene Wood
John Kemp

17/01 **Welcome**

The Chair welcomed the members and those attending, and apologies were noted.

17/02 **Minutes of previous meeting, 27 January 2017 (RC/17/Min1)**

The minutes of the 27 January 2017 meeting were agreed as a true record of the meeting.

17/03 **Matters arising**

It was noted that Maidie Cahill (SQA) was unable to attend this meeting but hopes to attend the next meeting in June.

17/04 **Remit of the Remuneration Committee (RC/17/08)**

At its previous meeting the Committee had agreed some proposed revisions to the wording of its remit to reduce the scope for ambiguity.

At that meeting the Committee had also observed that its remit did not specify a role for the Committee in the recruitment and selection of the Chief Executive. Subsequent discussions had taken place with the Chair of the Board. On the basis of those discussions the Committee agreed to recommend that its remit should be expanded to include:

“Advise the Chair on the process for the recruitment and selection of the CEO, and participate in the process as appropriate.”

The Committee **agreed** that the revised remit, as set out on page 2 of the paper, should be recommended to the Board for endorsement at its next main business meeting.

17/05 Rolling agenda (RC/17/09)

The Committee noted the items on the rolling agenda.

17/06 Services Agreement with SQA (RC/17/10)

The Committee discussed a paper which described the status of SFC’s shared service agreement with SQA for Human Resources and Organisational Development.

The Committee was reminded that the inward secondment (from SQA) to the post of Assistant Director, HR&OD in SFC had ended in July 2016 and, in place of that arrangement, SFC had redeployed an existing member of staff into the post from an OD-related post elsewhere in the organisation.

The Committee asked about how this change had impacted on organisational capacity. MF confirmed that it had not been detrimental: the post-holder’s previous post had been removed from the structure because of changing business needs while at the same time the overall capacity of the HR&OD team had been retained.

The Committee asked about the impact of this change on the salaries budget. It was confirmed that it had contributed (by around £40k p.a.) to the savings that SFC had been required to make from 2016-17.

The Committee noted from the paper that the shared services arrangement was now based more on a partnership approach than a transactional one. There was some discussion about the various

benefits and risks of this change and it was **agreed** that the Executive would provide the Committee with a written assessment of this.

17/07 Strategic HR & OD report (RC/17/11)

The Committee noted the report together with the annual staff survey results from December 2016 and the interim *Investors in People* report of February 2017.

The Committee:

- Welcomed the decision to invite an external perspective by continuing to engage with *Investors in People*
- Welcomed the Executive's intentions to the report's recommendations into its ongoing OD priorities
- Welcomed the prospect that SQA might lend some additional experience and expertise to support this in places
- **Agreed** that the Committee's Chair would give the Board an overview of the staff survey outcomes at its next main business meeting.

17/08 Update on Secondments (RC/17/12)

The Committee noted a paper setting out the current status of inward and outward secondments.

The Committee:

- noted that it was supportive of secondment opportunities
- emphasised the importance of evaluating the impact of secondments as part of SFC's wider approach to the evaluation of learning and development interventions.

17/09 Scottish Government Pay Policy for 2016-17: update on pay settlement (RC/17/13)

The Committee noted a paper which confirmed that the 2016-17 pay/remuneration award had now been settled for all parties: staff, Directors, the Chief Executive and the Chair and Board members.

17/10 Scottish Government Pay Policy for 2017-18 (RC/17/14)

The Committee noted a paper which set out the pay policy parameters for 2017-18.

In discussion the Committee noted that it wanted to be ready to advise on the process to recruit a new Chief Executive as soon as SFC was in a position to do so. It was **agreed** that the Assistant Director of HR&OD would engage with the Sponsor Team to discuss any preparatory steps that can be taken at this stage.

17/11 Any Other Business

Those present requested that in future their papers be distributed in electronic format only, if possible as a single pdf document.

17/14 Date of next meeting

Members noted that the next meeting of the Committee would take place on Friday 23 June 2017, immediately after the Board meeting, at SFC's offices, 97 Haymarket Terrace, Edinburgh.