

Remuneration Committee minutes

The meeting of the Remuneration Committee was held on Friday 23 June, immediately after the Board meeting, at SFC's offices, 97 Haymarket Terrace, Edinburgh.

Present: Douglas Mundie (Chair)
Veena O'Halloran
Marlene Wood

Officers: John Kemp
Helen Gibson (minutes)
Julia Murphy
Maidie Cahill (SQA)

Apologies: Martin Fairbairn

17/27 **Welcome**

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

17/28 **Minutes of previous meeting, 17 March 2017 (RC/17/Min2)**

The minutes of the 17 March 2017 meeting were agreed as a true record of the meeting.

17/29 **Chair's business**

The Committee agreed that they did not feel they could give their best at the end of a long Board meeting on a Friday and asked the Executive to explore alternative times when the meetings could take place in future. It was suggested that the Committee could meet for an hour before the Board meeting. JK noted that this was usually the time when the CEO and Directors met the Chair for the main Board's briefing meeting. The Executive agreed to look into options.

17/30 Matters arising

It was noted that the Executive had not yet engaged with the Sponsor Team over the process for appointing a permanent Chief Executive, as this process had since been postponed until after the appointment of a new Chair. It was agreed to revisit this in the autumn so that the Committee can be ready to advise the new Chair when s/he comes into post in early October.

17/31 Rolling agenda (RC/17/15)

The Committee noted the items on the rolling agenda.

17/32 Services Agreement with SQA (RC/17/16)

The Committee discussed a paper which assessed the pros and cons of the new, less formal, shared services agreement with SQA.

The Committee discussed the scenario that SFC suddenly faces a significant HR issue which requires more than its internal resources can manage.

The Committee was reassured that, with the option of calling on the SQA team and/or SFC's own legal advisors, the arrangements that are in place are sufficient. The Committee agreed to keep this under review and revisit if necessary.

17/33 Strategic HR & OD report (RC/17/17)

The Committee noted the report.

Having just come from the full Board meeting, the Chair noted that the Board had expressed its appreciation for the significant efforts that SFC staff continued to put in to the work of the organisation. It was agreed that John would seek opportunities to give this feedback to staff in the next few days.

17/34 Enterprise and Skills Review (RC/17/18)

The Committee noted a paper which outlined the expected recommendations from the Enterprise & Skills Review report on "alignment" between SFC and SDS, and specifically the proposal to create a joint post supported by a joint core and virtual team.

The Committee questioned whether this would involve external recruitment or whether the proposed new team would be resourced

from within both organisations. John responded that the Executive's current assumption is that there will be a very small core team – possibly just 1-2 people – drawn from within the two organisations, together with a wider “virtual” team of people within both organisations who would contribute to the work of the team but without change to their line management arrangements. It was yet to be determined what the employment arrangements would be for the joint post.

In terms of the proposed joint role, the Committee observed that reporting to two Chief Executives adds complexity to the role and advised of the importance of the post-holder being given a clear and coherent line of instruction.

17/35 Equality and Diversity: annual review (RC/17/19)

The Committee received an update on progress with equality and diversity (E&D), drawing on the key themes in the recently published Mainstreaming Report.

Maidie noted that SQA had initiated an Apprentice scheme: this is one way of enhancing diversity, and is working well, but is only viable if the organisation has the means to add to its headcount.

There was a lengthy discussion about SFC's participation in the Aurora (LFHE women's leadership) programme: now in its fifth year. It was noted that participants had given positive feedback on the impact of the programme, particularly the mentoring aspect, on their confidence, leadership skills and awareness of gender issues. Some participants had achieved career progression since participating in the programme. Based on the evidence so far, the Executive considers it to be a worthwhile investment and has invited women who have not participated to express their interest in this year's programme.

The Committee questioned whether there was a risk of focusing on gender equality to the detriment of other aspects of E&D. Julia noted the positive actions that are taken to encourage recruitment from other under-represented groups and that there is a very active programme of activity to promote E&D internally. The Committee suggested that people might be more encouraged to see SFC as a diverse organisation if it were to make the student body more visible in its employer branding.

It was **agreed** that the Committee would be given a further update at its December meeting.

17/36 Update on 2017-18 pay discussions (RC/17/20)

The Committee noted that the submission of the staff pay remit had been deferred to late August, by agreement with the recognised trade union, and **agreed** to defer its deliberations on senior executive pay until the terms of the staff pay settlement were clearer.

17/37 Any Other Business

There was no other business.

17/38 Date of next meeting

The next meeting of the Committee is scheduled to take place on Friday 22 September 2017, immediately after the Board meeting. However an alternative date may be sought (se Chair's Business): this will be confirmed in due course.