

Governance Remuneration and Search Committee Annual Report 20 21

Introduction

This report covers the academic year 20/21 of the East Coast College's Governance Remuneration and Search Committee.

The Code of Good Governance state that:

The Search committee should produce an annual report, which describes the work of the committee, including the Board's recruitment policy and practices, a description of its policy on equality and diversity and any measurable objectives that it has set together with progress in their implementation. If there is not a separate report then the college's annual report should cover these areas.

This annual report has taken a wider remit and covers the full role of the Governance Remuneration and Search Committee.

The Governance Remuneration and Search Committee produced its first annual report in 19/20 and it was agreed by the Corporation to extend these to all Committees for 20/21.

Membership

Members who served on the East Coast College Governance Remuneration and Search Committee during the 20/21 period were:

	Attendance
Rob Evans Chair	9/9
Alan Debenham (Chair People Committee)	8/9
Tina Ellis	9/9
Albert Cadmore	7/9
David Blake Chair Designate	1/1
Stuart Rimmer	3/9

The Chair of Corporation chairs the Committee, apart from Senior Post Holder Remuneration items where the Chair of the People Committee chairs.

The Committee met on 9 occasions, this included additional meetings for Governor and Chair recruitment

The Committee was clerked during the year by the Director of Governance Wendy Stanger.

The Chair Designate joined the Committee as of its 26 5 21 meeting. His appointment as Chair commences 1 8 21 and he will Chair the Committee in 21/22.

Albert Cadmore retired from the Corporation and therefore the Committee on 31 7 21.

A copy of the Committee's term of reference are included at appendix 1

Risk Management

The Committee received the Tactical risk register relating to its role and reviewed it in line with the Audit Committee set questions. These are:

1. Has the risk register been reviewed
2. Is the Committee content that the risks are relevant and are being updated
3. Is the Committee content that the risks are being mitigated
4. Where a red risk is the Committee assured that appropriate action is being taken
5. Where does the Committee have significant concerns.

During 20/21, the Committee put in place appropriate mitigation for managing its risks and in particular the risk of *Failure to recruit, develop and retain high-quality governors* and the risk that this has on the quality of the Committee and Corporation work.

Governance and Recruitment

There was no Senior Post Holder recruitment in 20/21.

The Committee has reviewed its Governance succession plan and has been actively recruiting throughout 20/21 for Chair, Governors and Associate Governors. This has been supported by AOC. All appointments have been made for a period of between 1 and 4 years and all terms of office have been amended to align with the College year.

This recruitment has resulted in the appointment of:

- Corporation Chair 1 8 21 for a 2-year period;
- 3 Independent Governors appointed to commence during 20/21
- 3 Independent Governors appointed to commence 1 8 21
- Associate Governor on Audit
- Associate Governor on Curriculum Development and Finance and General Purposes
- 2 Associate Governor on People to commence 1 8 21

This active recruitment will continue in 21/22 to both succession plan and to strengthen the Committees.

Senior Independent Director

The Committee recommended the role of Senior Independent Director to the Corporation and the first appointment to this role was made for 20/21. This role is included in the HE Code of Governance which states:

The governing body should also consider whether it is beneficial to appoint a Senior Independent Director (SID). Their role is seen in other sectors as an important aid to good governance; to help advise the Chair, to be an intermediary

for other board members and to help facilitate an annual appraisal of the Chair. The role of the SID is different to the Deputy Chair, who should be part of the leadership of the Board; to deputise for the Chair and to take on specific duties which are assigned to them. The SID should be a voice and a sounding board for other governors to sense check the effectiveness of the governance arrangements, and to formally lead the appraisal of the Chair (and the Deputy Chair).

A role description was drawn up and included in the standing orders.

Remuneration

The Committee reviews Senior Post Holder remuneration based on The Colleges' Senior Post Holder Remuneration Code that it has adopted as part of the Code of Good Governance.

It produced a Remuneration Report for 20/21, which sets out:

1. A list of Senior Post Holders within the remit of Remuneration Committee;
2. Its policy on the remuneration for post holders within the remit of Remuneration Committee;
3. Its policy on income derived from external activities;
4. The pay multiple of the Chief Executive / Principal and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time and, if it is significantly above any published average, an explanation of why.

This will be adopted by the Corporation as part of its sign off of the annual accounts in December 21 and for transparency will be published on the College's website.

<https://www.eastcoast.ac.uk/about-us/corporation-governors/financial/>.

Performance Management

The Committee reviewed Senior Post Holder's performance through annual appraisals. These were carried out by the Chair and Chair designate for the CEO and Director of Governance, with the Deputy Principal and Deputy Chief Executives carried out on the Committees behalf by the CEO. The appraisals used the College's appraisal format.

Senior Post Holder's in 20/21 were:

- CEO/Principal
- Deputy Chief Executive
- Deputy Principal
- Director of Governance

Senior Post Holder performance in 20/21 met or exceeded the Committee's set performance criteria.

Instrument, Articles, and Standing Orders

The Code of Good Governance includes that:

- *The Board must set out its primary responsibilities in the Instrument and Articles of Government, which should be published widely and be known to all governors. These responsibilities should be supported by a schedule of delegation which sets out how each responsibility is to be met and by whom, including those items which the Board delegates to the Principal.*
- *The Board should set out in writing and regularly review agreed governance procedures, often described as Standing Orders. These should include levels of delegated authority and of any sub-delegations.*

These were reviewed in July 2020 and amended for the Senior Independent Director in February 2021.

Governance Self-Assessment

The Committee at its meeting in September 21 reviewed the Governance Self-Assessment for 20/21. This review included:

1. Annual Review of Code of Good Governance – this set out an analysis of how the Corporation have complied with the code and identified that require improvement
2. Annual Governance Review
3. Annual Governor Review
4. Annual Review of Committees and Committee Chairs.
5. Annual Review meetings with the Chair and Director of Governance
6. Annual Attendance Review – this identified that attendance had improved with virtual meetings.
7. Annual training and Development Review and
8. Annual Equality and Diversity Review

Virtual Governance and Meetings

A review of virtual governance was carried out and reported to the Committee's January 21 meeting. The main headlines of this were:

- 92% found virtual governance effective
- 85% stated that ease of attendance was a benefit
- 69% didn't like the lack of personal interaction
- 100% found monthly meetings supported good governance
- 85% preferred a 9am start

The Committee also considered AOC's report on Governing a College using Virtual Meetings for lessons learnt.

This was reviewed again in May 21 as part of the planning for the 21/22 Governance schedule. The main headlines of this were:

- 83% agreed that monthly Corporation Meetings have supported good governance and would like them to continue in 21/22.
- 87% would like virtual meetings to continue for committee meetings
- 62% would like virtual meetings to continue for corporation meetings
- 73% would like the option of virtually attending an onsite meeting

Meetings Times for on-site meetings:

- 41% preference was either 9 or 10am
- 24% preference was after 3pm and
- 35% had no preference

Meetings Times for virtual meetings:

- 47% preference was either 9 or 10am
- 18% preference was after 5pm and
- 35% had no preference

The Committee therefore determined that monthly Corporation meetings be held with at least one on site per term, that all meetings commence at 9am and that Committees determine their mix of onsite and virtual meetings. This is to be reviewed again at the Committees January 22 meeting.

Conclusion

The Committee met its terms of reference and self-assessed Governance and its performance as good in 20/21 and this was reflected in the overall College's self-assessment.

The Committee will in 21/22 continue with its governor recruitment and succession planning, succession plan for Senior Post Holders and keep the Governance model under review so that it supports the strategic aim of outstanding.

Appendix 1 – Governance Remuneration and Search Terms of Reference

EAST COAST COLLEGE

GOVERNANCE, REMUNERATION AND SEARCH COMMITTEE

TERMS OF REFERENCE

1. Membership

Not fewer than five members to include the Chair of the Corporation and the Principal, and up to two associate governors.

Staff and Student governors are eligible to be members.

In the absence of the Chair, the members attending the meeting shall select one of their number to 'Chair' that meeting.

Persons who are not members of the Corporation but are deemed to have the skills required to enhance the responsibilities of the committee may be appointed as Associate Governors on the Committee but may not hold the position of Chair.

2. Terms of Office

Members shall normally serve for a period of two academic years and shall be eligible for re-appointment thereafter.

3. Appointment of Chair

The Chair of the Committee shall be the Chair of the Corporation.

The agenda item on Remuneration of the Senior Post Holders will be chaired by a Governor that it is not the Chair of the Corporation.

4. Quorum

A quorum shall be one third (rounded up) of the appointed members, subject to a minimum of 2 independent members.

5. Clerking

The Director of Governance shall act as Clerk to the Committee.

6. Frequency of Meetings

Meetings shall be held as and when required and not less than twice a year.

7. Attendance of Meetings

Senior managers shall attend and speak at meeting of the Committee where business relevant to them is being discussed or where their attendance has been requested by the Committee (they will have no voting rights).

The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee where business relevant to them is being discussed or where their attendance has been requested by the Committee (they will have no voting rights).

Other Corporation members shall have the right of attendance and participation, but not to vote.

The Principal shall withdraw from meetings when his/her own package is being considered or if requested to do so.

Staff and Student Governors shall withdraw from meetings when remuneration matters are being considered or if requested to do so.

Any member of staff, including the Principal, will withdraw from a meeting where his or her remuneration, conditions of service, appointment or promotion is being discussed.

Any member of staff present at the meeting will withdraw when the remuneration, conditions of service, appointment or promotion of a more senior member of staff is being discussed.

8. Reporting Procedures

The Chair of the Committee shall present a summary report of the Committee's agenda at the subsequent Corporation meeting and the minutes of the meeting will be circulated to the Corporation.

9. Purpose of the Committee

1. To make recommendations to the Corporation in respect of procedures for the appointment of new members.
2. To implement the agreed procedures for the selection and appointment of members.
3. To be responsible to the Corporation for the nomination of candidates to fill governor vacancies. Interviews for new members to be carried out by the Chair and two other members when vacancies fall between meetings.
4. To consider and make recommendations to the Corporation on the Corporation's composition and balance and to ensure an annual self-assessment by the Corporation of its skills.
5. To develop and recommend to the Corporation, policies and procedures for the induction and training of Corporation members.
6. To make recommendations in respect of the code of conduct for governors and the register of governor's interests taking cognisance of the parameters set by legislation and the guidance available on good governance from the funding agencies, the AoC and other bodies such as the committee on Standards in Public Life.
7. To review the workings of the Corporation and make recommendations to support it in ensuring effective governance, including but not exclusively
 - Review of standing orders and instrument and articles
 - Succession planning
 - Governance self-assessment and
 - Quality improvement plan.

8. To give due regard to the interests of the public and the financial health of the College and ensure that it can be demonstrated that the pay of the senior post-holders is set by a committee which has no personal interest in the outcome of its decisions.
9. To consider and advise the Corporation on the framework of pay and conditions of Senior Post Holders, taking into account relevant surveys, including the Director of Governance to include appraisal, promotion, grading, conduct, suspension, dismissal and retirement and may consider the following elements
 - Basic salary
 - Benefits in kind
 - Pension provision
 - Terms and conditions of service
 - Performance related elements, if appropriate
10. To review and ensure that objectives are set annually for Senior Post Holders. The Committee shall evaluate annually the specific remuneration packages of the Principal and other senior post-holders including
 - Pre-established performance goals and/or
 - An appropriate peer group and any 360 degree review.
11. To advise the Corporation on any compensation which may be payable in the event of the early termination of the employment of the Principal or any other senior post-holder with the aim of
 - Avoiding the rewarding of poor performance and
 - Dealing fairly with cases where termination is not due to poor performance
12. To advise the Corporation on the conduct, composition and procedures of any selection panel for all Senior Post Holders and generally on the appointment of all Senior Post Holders.
13. To review College Strategies and matters that relate to Governance issues.
14. To monitor and review risk management for those areas that are the responsibility of the Committee.
15. To consider any other specific issues referred by the Corporation to the Committee and report their findings and recommendations back to the Corporation.