

Remuneration Committee minutes

The (postponed) meeting of the Remuneration Committee was held on Friday 27 January, immediately after the Board meeting, at SFC's offices, 97 Haymarket Terrace, Edinburgh.

- Present:** Douglas Mundie (Chair)
Veena O'Halloran
Marlene Wood
- Officers:** Martin Fairbairn (17/01 – 17/09 and 17/12)
Helen Gibson
- Apologies:** John Kemp

17/01 Welcome

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

The Chair noted that this was the postponed meeting of 16 December 2016. The Committee had met briefly on that date and agreed the recommendation in paper RC/17/04 (then RC/16/20). The rest of that meeting had been postponed because the preceding Board meeting had over-run.

17/02 Declarations of interest

MF indicated that he would leave the room for items 17/10 and 17/11.

17/02 Minutes of previous meeting, 23 September 2016 (RC/16/Min3)

The minutes of the 23 September 2016 meeting were agreed as a true record of the meeting.

17/03 Matters arising

The Committee noted that:

- Maidie Cahill, Director of Corporate Services at SQA, was unable to attend this meeting but would attend the next meeting of the Committee in March.
- The Executive had brought it to the attention of the Finance Committee that in some cases SFC is liable for VAT payments with respect to inward secondments.

17/04 Remit of the Remuneration Committee (RC/17/01)

The Committee agreed the proposed revisions to the wording of its remit and noted some further minor revisions which will be taken into account when the revised remit is proposed to the full Board.

The Committee also identified that, while it has responsibility for determining the remuneration of the Chief Executive, it does not currently have a specific role in the process for appointing a Chief Executive. The Committee requested that the Executive explore this further, in discussion with the Chair of the Board, with a view to a wider Board discussion on the subject.

17/05 Rolling agenda (RC/17/02)

The Committee noted the paper and proposed that the interim arrangements at CEO/Director level should be included on the forward agenda until a permanent arrangement has been put in place.

17/06 Enterprise and Skills Review (oral)

This had been discussed in the full Board meeting earlier in the day and so it was not discussed at this meeting.

17/07 Strategic HR & OD report (RC/17/03)

The Committee noted the report.

The Executive reported verbally on the results of the 2016 annual staff survey, noting that staff engagement had increased to 71%: an increase of 17% since the previous year. It was agreed that a staff engagement target would be set well in advance of the 2017 staff survey. The full survey outcomes will be discussed at the March meeting in the context of ongoing organisational development activities.

17/08 Interim appointments to the Senior Management Team (RC/17/04)

The Committee had **agreed** to the recommendations in the paper on 16 December 2016 before the rest of the meeting was postponed.

17/09 Scottish Government Pay Policy for 2016-17: update on pay remit (RC/17/05)

The Committee noted the contents of the paper.

17/10 Directors' remuneration 2016-17 (RC/17/06)

The Committee **agreed** to the proposals in the paper, i.e. that Directors' pay for 2016-17 will mirror the pay settlement for staff, once agreed, subject to the increase to the top of the pay range being capped at 1% as advised by the Scottish Government Pay Policy team.

17/11 Chief Executive's remuneration 2016-17 (RC/17/07)

The Committee considered a paper which outlined the key elements of the Scottish Government Pay Policy for Senior Staff in 2016-17 and proposed some options which could be put forward to the Scottish Government for approval.

The Committee took the view that it was important to maintain a market-facing pay range for this post and **agreed** that Option 2 was its preferred option, with Option 3 as its second preference.

The Committee delegated authority to its Chair to finalise the Committee's position after the necessary discussions with the Scottish Government had taken place.

17/12 Chair and Council Members' fees (oral)

The Committee **confirmed** that the position agreed at its March 2016 meeting (paper RC/16/07) still stands: i.e. that the fee increases for the Chair and Council Members should mirror the pay increase for staff, once agreed, subject to the 1% cap determined by Scottish Government Pay Policy.

17/13 Any other business

There was no other business to report.

17/14

Date of next meeting

Members noted that the next meeting of the Committee would take place on Friday 17 March, immediately after the Board meeting, at SFC's offices, 97 Haymarket Terrace, Edinburgh.