

Governance Effectiveness Review

City of Glasgow College

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Overview

1. This governance effectiveness review was facilitated independently by Polley Solutions Ltd. This report records the main findings of the review. It was conducted in an open and engaged manner and included:
 - ❖ an initial discussion with the Board Secretary
 - ❖ observation of a Board meeting
 - ❖ one-to-one structured confidential discussions with most board members
 - ❖ a desktop review of the College's governance documentation
 - ❖ a facilitated workshop for board members at which they agreed the areas for governance development over the next year.
2. From this evidence, City of Glasgow College has a talented and ambitious Board that works well with its senior management team and Board Secretary. The College has recently completed a new, modern campus, and is now keen to build on this, developing the College locally, nationally and internationally. It was clear from this review that board members would like to ensure that the College's governance supports this future development. There is substantial evidence of adherence to the Code of Good Governance.

Areas of good practice

3. This College has gone through a number of changes in recent years, not least a series of mergers, and then the coming together of the three new assigned colleges within the Glasgow region. The Board reflects this journey with some members who can bring to bear the organisational experience of recent years, while more recent appointees have backgrounds and skills designed to support the College's ambitions for the future. This review identified a number of existing areas of particular good practice including:

Code of Good Governance sections	Examples of good practice
Leadership and Strategy	Strong evidence of systematic strategic planning, showing alignment through associated supporting strategies, success measures, benchmarking and targets. This includes detailed surveys of staff and student views. This information is monitored by various board committees and members also have access to a 'real-time' dashboard
Quality of the Student Experience	The creation of 'industry academies' with local and national employers are endorsed by board members as an excellent mechanism for ensuring that the College reflects the needs of business and also ensures students understand the requirements of the workplace
Accountability	Considerable evidence of strong governance processes, including papers that are clear and strike a good balance between content and brevity, agendas that prioritise topics for decision, the inclusion of committee remits in papers for each meeting and a strong focus on financial sustainability at both Board and committee level
Effectiveness	As indicated above, board members have an excellent range of skills and

	experience, and all concerned report a strong culture of equality and respect that allows for robust challenge when required.
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Future Board development

4. A facilitated board workshop was held in February 2017 at which board members received feedback on the review. It was clear from this workshop, and also the earlier one-to-one discussions with individual board members, that this Board is ambitious for both the College and its own standards of governance. The College benefits from a strong executive team and board members were keen to ensure that the Board adds maximum value to that team. Accordingly this review has been an opportunity to identify how the Board can build on its existing strong foundations, to ensure it harnesses the considerable expertise of its members and so adds maximum value to the staff of the College. Areas identified for further development were:

Areas of governance development 2017-18

Leadership and strategy

- ❖ Maximise the benefit from board member expertise
 - make more use of the Board, and its committees, as an early sounding board for issues before they come for final agreement,
 - take more time to explore emerging strategic issues, such as the potential impact of external factors on the College's strategic goals
 - consider more use of external speakers to prompt board debate
- ❖ Consider whether some of the benchmarks used to set our goals are appropriate to the role of the College and the extent of its ambitions
- ❖ Explore how the existing digital technology can be used to allow board members to explore in more detail performance against agreed key performance indicators (KPIs)

Quality of the student experience

- ❖ Review the mechanisms used to ensure all board members understand the student experience, making best use of the survey information already collected, and also ensuring all board members spend some time with students and staff in the College

Accountability

- ❖ Review existing approaches to the disclosure of board and committee papers to ensure maximum transparency without curtailing member debate
- ❖ Take stock of the information and targets relating to commercial income used by board and committee members, in order to support strategic discussion of this important topic
- ❖ Reflect on the respective roles and interface between the board and its committees to ensure that discussions occur at the right level and all board members are engaged in key strategic issues, including those relating to the learning environment.

Effectiveness

- ❖ Finalise revised performance and appraisal procedures including those relating to the remuneration and performance of the Principal, role of the Senior Independent Member, the Chair and completion of the annual board member appraisals. Ensure all members attend the national induction training workshops
- ❖ Ensure the Board builds its own collective contribution, working as a team, balancing the role of the senior management team, encouraged by the Chair and with all board members giving sufficient time to the role

Relationships and collaboration

- ❖ The Board to keep the partnership with Glasgow Colleges Regional Board under review to ensure the governance relationship works as effectively as possible

Detailed findings

5. This review assessed the Board's performance under each section of the Code of Good Governance. The detailed comments below draw on the governance documentation helpfully provided by the College, the structured confidential discussions held with almost all board members, the observation of a board meeting in December 2016 and the facilitated board workshop held in February 2017.
6. A list of the documentation examined for this review is shown at the end of this report.

Leadership and strategy

7. City of Glasgow College has a mature process of strategic planning. The Strategic Plan 2013-17 included the findings of a review of the external operating environment, and strategic priorities were developed under four themes. A clear performance framework is also set out with targets and indicators against each priority, and the progress against these is monitored during the year and published in the College's Annual Review. This strategic planning has been further refined in developing a new Strategic Plan 2017-2025 with particular attention to input from a wide range of national and local partners, and clear mapping of the strategic priorities in relation to national and regional priorities.
8. Board members have been involved in the development of the new strategic plan through attendance at periodic Board Planning Days. In addition, it was clear from the one-to-one discussions and the facilitated workshop held in February 2017 that members have an appetite to contribute more to ongoing strategic discussions. This reflects the underlying culture of ambition amongst board members and also a wish amongst senior staff to ensure that their expertise is best used. A range of ideas were agreed during the facilitated workshop for organising business in a way which allows this to happen (see paragraph 4 above).
9. The College's Mission, Vision and Values are set out in the Strategic Plan 2013-2017. The individual strategic priorities also emphasise the College's underlying values and expected outcomes. In the one-to-one discussions, board members praised the values of the Board *'it is ethical, open and honest', 'its ethics are absolutely fine; I have no concerns'*. The College's Code of Conduct, approved by the Board in 2014, includes the nine principles of public life and the induction process for new members covers the Code of Conduct and registration of interests. The College also has in place an equality, diversity and inclusion strategy, an associated policy and various supporting documents,

which set out how it intends to meet its statutory responsibilities and live up to that aspect of its own values.

10. A framework of performance indicators and targets associated with the College's strategic priorities and aims are set out in the Strategic Plan 2013-2017, and an updated version is in development for the Strategic Plan 2017-2025. The source of measurement information for each indicator is also given. The performance framework incorporates the overarching targets for credits from the outcome agreement and a wide range of other measures, including - student satisfaction and attainment, staff satisfaction and continuing professional development, community benefits, and key financial targets, including operating surplus and efficiency. Progress is reported regularly to the Performance, Remuneration & Nominations Committee, and reported annually in the College's published Annual Review.
11. During the one-to-one discussions and the facilitated workshop, it was evident that board members want to take the opportunity of the completion of the new campus to spend more time examining this performance framework –
 - *'Lets make sure we make the most of our innovative campuses. They are not just superior buildings'*
 - *'Should we benchmark ourselves against the best in the world, not just in the UK?'*
 - *'Are we making best use of our interactive dashboard to work out where we need to do better?'*
12. This is reflected in the development actions set out in paragraph 4 above.
13. The Glasgow Regional Outcome Agreement 2014-2017 contains an analysis of the social and economic needs of the area and both the current and new Strategic Plans contain an analysis of the operating environment of the College from nine different perspectives, including social and economic. There are also a range of examples of the College's efforts to contribute to the wellbeing of its local area, including the community benefit clauses in its new campus contracts. Board members were very cognizant of the need for this College to balance its local responsibilities with its contribution at a national and even international level. There is clearly no single answer to this challenge of balance and, quite rightly, members' views tended to vary on the optimum balance. It is clearly an important leadership role for the Board to keep that matter under review.

Quality of the student experience

14. The College has invested in an independent, external contract for surveying student and staff perceptions, which has the added benefit of benchmarking many of the findings

against a range of other UK colleges. Students are surveyed at several stages during the academic year - two student questionnaires entitled "Impressions" and "Learning and Teaching" plus faculty "Finger on the Pulse" reviews with students. This approach provides a rich source of data and a robust framework for tracking progress.

15. There are two student board members who are also members of the Student, Staffing and Equalities and Learning and Teaching Committees. The Student Association is very active with more than over 1000 student class representatives. Student board members report that they feel their views are taken seriously and other board members recorded their appreciation of the contribution of student members. The Board Chair took part in discussions with the Student Executive, and the College Secretary supported a constitution review, as part of developing the Association's Constitution. All agreed that this went well. The Student, Staff, and Equalities Committee have also discussed the revised constitution offering guidance on further amendments.
16. A number of board members attend student events from time to time but there is no systematic mechanism in place for ensuring all board members hear directly from students (other than from student board members). During the one-to-one discussions, a number of members expressed an interest in engaging directly with staff and students in order to inform their board roles and both the student and staff board members indicated that they would be very happy to support that. *'The board needs to work harder at meeting students'. 'Students would be open and welcoming and it would give members real insights'.*
17. A few board members expressed concern that their time is limited, which is of course correct, but it is an important principle of good governance that board members have a range of mechanisms for hearing about the student and learning experience. The College has already considered several mechanisms for doing this, and the facilitated workshop agreed that it should be taken forward. A number of colleges in the sector already do this in ways which ensure members focus on their governance role, rather than becoming involved in operational matters. It can also be done in ways that do not put unreasonable demands on members' time.
18. The Education Scotland external review carried out in January 2016 highlighted the College's relationships with industry and its focus on employability. The Learning and Teaching Committee keeps under review the data and performance measures related to the quality of student learning. The development of 'industry academies' was highlighted by many board members as an excellent way of linking the College with business requirements in key sectors.

19. Looking ahead, board members may wish to review the extent to which learning and teaching issues are dealt with a Board level. This reflects the natural changes in the governance focus mentioned above as the new campus settles down, and also the importance of demonstrating evidence of the Board leadership role for the new Education Scotland quality framework.

Accountability

20. The external auditor's report to the Board in December 2016 set out an unqualified audit opinion and confirmed adherence to the main corporate governance requirements – the Governance Statement complies with SFC requirements and the financial statements have been drawn up in accordance with the relevant education and charities legislation. The performance framework explained elsewhere in this report ensures the Board and its committees fulfil their responsibilities with regard to delivery of the College's contribution to the Regional Outcome Agreement.
21. Conflicts of interest appear to be managed appropriately. There is a Conflict of Interest Policy and Procedure and the Policy is published on the College website. The register of interests for each board member is also set out on the College website and guidance on handling conflicts of interest is provided to board members in the Code of Conduct, published on the College's governance portal. An agenda item, requiring the declaration of any interests, is included for every Board and committee meeting.
22. The Scheme of Delegation approved by the Board in August 2016 sets out clearly the areas of authority reserved to the Board and the delegations to the Chair, the Principal and the Board Secretary. Each Committee has a remit setting out the delegations to that Committee. The College has six committees - Audit, Finance & Physical Resources, Student Staff and Equalities, Learning and Teaching, Development and Performance, Remuneration & Nominations. Terms of Reference are clear, appear to be regularly reviewed and are tabled at each meeting. The staff members responsible for advising each committee are known to members.
23. The governance processes supporting the work of the Board and its committees are also extremely well-developed. Agendas are organised to ensure discussion of items for decision early in the meeting. Guidelines on reporting from committees ensure attention at Board meetings is focused only on matters for Board decision, questions raised by board members and any updates on issues since the production of the committee minutes. A house style for minutes of the Board and committees includes a very useful tracker showing progress in implementing actions identified from previous meetings, and all previous actions are included until they can be reported as completed.

24. Minutes are generally provided promptly after committee meetings. The College has a policy of publishing Board and committee papers on the College website as soon as possible after each meeting, and publishing minutes of meetings once approved. While papers and minutes are available for most recent board meetings and some committees, this remains work in progress. It was an area of action agreed at the Board's facilitated workshop.
25. The Audit Committee reviews risk and reports from Internal Audit based on the agreed annual audit plan. This plan takes account of the risk register, with Internal Audit setting out the proposed programme for each year within a three-year approach, in order to provide assurance across all key risk areas. Risks are also mapped to the particular committees with responsibility for their oversight, with the Audit Committee taking an overview.
26. Annual Internal Audit reports for 2013-14 to 2015-16 show substantial assurance for most areas and a small number of areas with moderate assurance and associated recommendations. Audit Committee members are all non-executives, and one was formerly a local authority Accounting Officer. The Committee has a regular closed session for members to meet privately with internal and external auditors.
27. The remit of the Performance, Remuneration and Nominations (PR&N) Committee includes responsibility for the performance and remuneration of the Principal and other senior staff. It also has responsibility for proposing any staff severance arrangements to the Board. The Chair of the Remuneration Committee is the Vice Chair and Senior Independent Member. The process used for reviewing the performance and remuneration of the Principal was recently reviewed and has been approved by the PR&N Committee.
28. The Board has a strong focus on financial sustainability, with key financial targets and indicators included in the overall performance framework set out in the College's Strategic Plan 2017-2025. The detailed performance KPI's, targets, and benchmarks will be set out in the 5 supporting strategies referred to in the new Strategic Plan 2017-25. The Finance & Physical Resources Committee meets regularly and scrutinises monitoring information on the overall budget position and cash flow. The Board reviews and approves the overall financial plan each year. A specific measure of efficiency is built into the performance framework in the Strategic Plan 2013-2017. Looking ahead, board members have indicated that they would like to explore medium and long term scenarios in order to explore any potential volatility in SFC funding, and the role of commercial income. This is reflected in the areas for development in paragraph 4 above.

29. The College has a Students, Staffing and Equalities (SS&E) Committee which includes in its remit employee relations, organisational culture, staff welfare and health and safety. The support staff board member is a member of the committee and the teaching staff board member has the option of attending. At each meeting, the committee receives a quarterly HR metrics report, which includes information on absences, staff turnover and a breakdown of staffing across the different areas of work.
30. A staff survey carried out regularly by the same external company which carries out the student surveys includes benchmarking against equivalent responses from 35 other colleges. The College scores well against many criteria, and the committee tracks progress against any areas where improvement is sought.
31. Board members expressed appreciation for the contributions of staff board members during the one-to-one discussions and there was clear interest in gaining an understanding of what life is like for staff in the College, especially from those not on the SS&E Committee. Members also showed an interest in being involved in key strategic issues relating to staff. Comments included
- *‘should we talk about the number of staff due to retire in a few years – big strategic risk?’*
 - *‘we rely on staff members as our eyes and ears, but we should drill down too’*
 - *‘how do we provide leadership? Should we look at what we expect as ‘business as usual’ reporting?’*
 - *‘how do we engage with staff without cutting across management?’*
 - *‘the Board should tell staff what is happening too’*
32. Board members, during the facilitated workshop, acknowledged the wider question going forward, of what issues should be overseen by committees rather than the Board and agreed to examine this further. More specifically relating to board member engagement with staff, it was agreed that this should be addressed in conjunction with the issue of board member engagement with students.

Effectiveness

33. The Board Chair has put considerable effort into guiding the Board through a crucial period of transition. Comments from board members included
- *‘Alisdair is totally committed’*
 - *‘we lean on his business and HR experience’*
 - *‘he is well regarded in the sector’*
 - *‘the Chair always allows discussion, even if there are differing views’*

34. There was considerable praise for the Principal too with comments such as *'he is very efficient and provides good explanations'*, *'I admire his ambition and intent'*, *'Paul is very strong and enthusiastic and so needs a strong board'*, *'Paul enjoys constructive challenge'*.
35. As indicated elsewhere in this report, the Board of the College has immense and diverse experience. Some members have been involved with the sector for many years, others are very new to both colleges and the publicly funded sector. Some members are very forthright and confident in their communication, others are less so. Some are also extremely busy and need to manage carefully the time they give to the College. A Chair in this situation has to work especially hard to build a cohesive team of non-executives, rather than a group of experienced individuals. All board members must be willing to help build the team too. This sense of the non-executives working as a team is particularly important when, as is acknowledged here, the senior management team is so strong and effective.
36. It was clear from the one-to-one discussions that many board members have identified this issue
- *'there has been quite a turnover, we need to get to know each other'*
 - *'we need to focus more on how we act as a team and be as effective as possible (explore our skills, experience and chances to add more value?)'*
 - *'we are individually strong but need to pull together'*
 - *'sometimes it feels like the Chair and Principal are the team'*
 - *'we need to have more debate amongst board members, relying less on Chair and Principal contributions'*
 - *'hope the new board members can continue the culture of challenge and debate'*.
37. The Chair has promoted a number of initiatives to help with this task. These include asking small groups of board members to form short term task groups, such as the recent board member recruitment process, encouraging attendance at board dinners and awaydays and promoting the idea of board members engaging with an individual area of the College to build their perspective. Board members at the facilitated workshop recognised however that more needed to be done to ensure the appropriate balance between executive and non-executive contributions. Initiatives mentioned earlier in this report, such as making more time for earlier, strategic discussions, will play their part, and other ideas that may be worth considering include
- Test each board and committee meeting against the expectation that more than 50% of the time is taken up by board member debate

- Ask staff to avoid introducing a paper that has already been circulated unless there is something new to add
 - Board members set aside sufficient time to attend board awaydays and social occasions, as well as board and committee meetings, recognizing that they are core to the role
 - Structure awaydays to reflect Board interests, allowing significant time for non-executive debates and encourage board members other than the Chair and Principal to lead on topics
 - Use a skills matrix, agree transparent succession planning processes and develop individual training plans that encourage an open dialogue about how all members can contribute to building the strength of the Board and its committees.
38. The Board Secretary is well regarded by all board members. He is seen as assiduous, conscientious, confident and highly effective. The Code of Good Governance requires that a board secretary is appointed by the board as a whole and accountable to them, reporting directly to the Chair. In order to ensure their independence, board secretaries cannot hold any other senior management team position, although they may be employed by the College in another capacity. In the City of Glasgow College the Board Secretary is employed in a wider role with responsibility for strategic planning and planning related matters such as risk management, but he is not a member of the Executive Team.
39. The staff and student members are elected to the Board in accordance with the College's procedures and other board members have been appointed in accordance with the processes set down by Scottish Government.
40. The Board as a whole reviews its own performance annually, most recently against the Code of Good Governance and also the International Framework: Good Governance in the Public Sector. The system for appraising individual board members is based on the guidance provided by the sector, although the Chair's one-to-one discussions have still to be completed for this year. Most board members have attended the national induction training and those who have not, will be doing so soon. The Board recently reviewed and agreed the formal role of the Senior Independent Member and, as indicated above, an updated procedure for the performance appraisal and remuneration of the Principal.

Relationships and collaboration

41. The College puts a strong emphasis on collaboration with employers and local, national and international partners. The new Strategic Plan 2017-2025 involved consultation with a wide set of industry partners. The Glasgow Colleges Regional Board (GCRB) and the two other Glasgow colleges were involved in the consultation event. As the GCRB works towards taking up its full responsibilities, the relationships within the region will

continue to evolve. Continuing to build an effective regional partnership will therefore remain a key area for the Board in 2017 and beyond.

Conclusion

42. Board members have taken part in this review in an open and engaged manner, with all concerned showing a commitment to and enthusiasm for the continuous improvement of the governance of the College.
43. Polley Solutions would like to thank everyone at the City of Glasgow College for their help and support in the compilation of this report.

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Sources of evidence used in this review

- ❖ One-to-one interviews with most board members
- ❖ Views expressed during a facilitated workshop held with board members in February 2017
- ❖ Observation of the December 2016 board meeting

Written Evidence

- ❖ 2016 Board and committee papers and minutes
- ❖ Scheme of Delegation
- ❖ Code of Conduct
- ❖ Strategic Plan 2013-2017
- ❖ Strategic Plan 2017-2025
- ❖ Glasgow College Regional Outcome Agreement 2016-17
- ❖ Governance Portal
- ❖ Equality Diversity and Inclusion Strategy
- ❖ Education Scotland Review 2016
- ❖ Annual Internal Audit Reports 2013-14 to 2015-16
- ❖ External Auditors report to the Board of Management 2015-16
- ❖ Customer Service Excellence Report 2016
- ❖ Annual Report on Institution-Led Review of Quality 2014-15
- ❖ Various staff and student survey results 2015-16
- ❖ Board self-evaluation documentation 2015-16
- ❖ Board skills matrix
- ❖ Strategic risk register and associated documentation
- ❖ Guidance - Planning Framework and Balanced Scorecard