

South Lanarkshire College

Externally Facilitated Effectiveness Review

28 June 2021

FINAL REPORT



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1. INTRODUCTION

The Code of Good Governance for Scotland's Colleges (the Code) sets out the principles of good governance for colleges in Scotland. This review is against the 2016 Edition of the Code.

All colleges that receive funding from the Scottish Funding Council or a regional strategic body must comply with the Code as a condition of grant. Each Board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures. This includes the *Nine Principles of Public Life in Scotland* which must be the basis for Board decisions and behaviours both individually and collectively.

The Code states that the college Board must have in place a robust self-evaluation process. Paragraph D. 23 states,

'The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years'.

'The Guide for Board Members in the College Sector' and the 'Board Development Framework' provide additional guidance for college Board members and college Board secretaries.

Methodology

This external effectiveness review included several stages aimed at building up an overview of the Board's effectiveness. The components of the review process were:

- Initial meeting Chair, Principal and the two Interim Board Secretaries to agree the overall project plan 24.03.21
- Desk review of core governance documentation, including Board and Committee agendas, reports and minutes
- A series of 10 interviews with the Chair, Vice Chair / Chair of the Remuneration Committee, Principal, Chair of the HR Committee, 2 Staff Members, Student Member, Chair of Audit, member of the Finance and Resources Committee, and the two Interim Board Secretaries
- Board survey to seek Members' views of governance arrangements - April 2021
- Virtual Board Workshop to test review conclusions and recommendations 11.05.21
- Observation¹ of Board meeting 08.06.21

¹ It should be noted that at the time of Covid-19 pandemic, governing Board and Committee meetings were taking place 'on-line'. Thus, reference to the observation of meetings should be understood as observation of on-line college governance meetings. Such meetings are obviously different from the dynamic of face-to-face governing meetings. However, given the circumstances, it is the effectiveness of on-line governing which is being commented on in this review.

1. Executive Summary

This is an effective Board that has responded constructively to a high degree of change and some challenges, over the last year,

- The Covid-19 pandemic - the Board responded proactively to the challenges of lockdown and the impact of the college being closed by moving to fortnightly meetings for the remainder of the 2019/20 session. This demonstrated clear commitment and leadership from the Board
- Appointment of a new Principal in March 2020
- The absence of the Board Secretary for most of the year
- Drafting in Board secretary support followed by the appointment of an Interim Board Secretary who, between them, have had a significant impact by
 - implementing a review of the governance documentation including the Standing Orders, Scheme of Delegation and Committee Terms of Reference
 - updating the Board induction and training records, arranging the Board member appraisal schedule, updating the website and updating the skills matrix, all of which were overdue.

The student experience is clearly central to Board decision making. This is a high performing college with sector leading attainment levels.

Board members were fully engaged in the development of the 2020-2025 Strategic Framework which clearly sets out the college Mission, Vision, Values and Strategic Priorities. Ongoing Strategy Days allow the Board to reflect on performance and provide the opportunity to engage with key external stakeholders.

Research has highlighted that Board effectiveness is largely a feature of Board composition, Board structures and Board interactions. The Board of SLC clearly demonstrates effectiveness in each of these key areas.

Board Composition	<ul style="list-style-type: none"> • Knowledge and Experience • Skills and Attitudes
Board Structures	<ul style="list-style-type: none"> • Governance Documentation • Transparency • Evaluation
Board Interaction	<ul style="list-style-type: none"> • Team Building and Development • Collective Responsibility • TEAMWORK

There are of course areas that could be improved, and these are highlighted in the recommendations in this report. The Board is committed to continual improvement and it is encouraging to note that some of the recommendations discussed at the Board Workshop have already been actioned or are being progressed.

2. EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES

3.1 Leadership and Strategy

The Board is effectively led by the Chair who has established a culture of respect, openness, inclusiveness and collaboration. Board members clearly understand their strategic role and responsibilities, and the operational responsibility delegated to the Principal and the Executive Team.

Board members are skilled, experienced and knowledgeable individuals who work effectively as a team. Members understand and value the skills and experience that fellow members bring to the Board. Members are committed to developing their knowledge and skills and there is an appetite for ongoing training and development.

The gender balance is positive but the Board could be more diverse to reflect the make-up of the communities served by the college.

The Board demonstrated clear commitment and leadership at the start of the COVID19 pandemic and lockdown by moving to fortnightly 'virtual' meetings which continued until the end of the 2019/20 academic year. This enabled the Board to maintain strategic oversight of an unprecedented, uncertain and fast-moving set of circumstances. These fortnightly Board meetings replaced the normal Committee meetings, but the agendas included regular deep dives into areas normally covered by the Committees.

The **South Lanarkshire College Strategic Framework 2020-2025**, which was published late in 2019, was the result of a robust strategic planning process which Board members were fully engaged in. The Framework clearly sets out the college Mission, Vision, Values and Strategic Priorities, which are aligned with the Regional Outcome Agreement.

Performance measures are included in the Strategic Framework, and the Board receives a Principals Business Report at each meeting which provides valuable updates under the relevant strategic themes. However, reporting on key performance indicators could be strengthened by the introduction of a high-level dashboard. See recommendation 1.

Regular strategy sessions are scheduled which include input from key external stakeholders to discuss regional and national priorities, the impact of COVID on these priorities and the college response.

Recommendations

1. KPIs and Reporting

A high-level dashboard of KPIs, which have a clear line of sight to the Strategic Framework, should be agreed. This will ensure that the Board can effectively track progress against the strategic objectives and quickly identify what is working well and what areas require further attention. This is currently under review.

2. Board Diversity

The Board needs to recruit up to 6 new members and the updated Board Skills Matrix has been used effectively to identify skills gaps. However, consideration needs to be given to Board diversity to better reflect the communities served by the college.

3. Induction Training

New Board members should receive comprehensive college-based induction training which, given the numbers, could be delivered on a group basis. New members should also attend the National Board Induction Training delivered by CDN.

3.2 Quality of the Student Experience

The quality of the student experience is clearly central to Board decision making.

This is a high performing college and the Board strives to provide relevant and high-quality learning for students. The KPIs section of the SLC website reports,

‘College performance indicators, published by the Scottish Funding Council (SFC) on 28th January 2020, show that South Lanarkshire College has the best overall results in the sector, with attainment rates at a record, five-year high and well above national averages in all key categories. The College has also provided opportunities for learning to more students than ever before, exceeding our government target for enrolments.’

Student members are well supported and play an active role on the Board. The Student Association reports to the Board are comprehensive and informative.

The Curriculum, Quality and Development Committee provides oversight and assurance on curriculum development. The revised remit of the Committee is aligned to the college’s strategic priorities of:

- Successful Students
- Highest Quality Education and Support

Recommendations

4. Student Association Report

Consider moving the Student Association Report up the Board agenda to be the first report that the Board considers.

3.3 Board Accountability

Board decision making is transparent, well informed and rigorous. Decisions are clearly recorded and a new action tracker keeps the Board updated on progress against agreed actions using a Red/Amber/Green rating.

Reporting to the Board has been reviewed and improved. Board papers are concise, and the Principals Business Report has a front cover which sets out the key recommendations, risk, relevant strategic aim and a summary.

However, reporting to the Committees to support effective decision making could be improved. The executive team have been working on improving Committee reports, aiming for a consistent approach to agendas and templates for reports.

Governance documents have all been updated and approved by the Board recently. This includes the Committee terms of reference each of which are aligned to the Strategic Framework.

The Committees play a crucial role in supporting the work of the Board and there is an appropriate level of trust in the work of the Committees and the assurance provided by them. Committee chairs provide reports to the Board and Committee papers are now available to all Board members on the portal.

The Board sets the risk appetite and ensures that effective risk management is in place. The purpose of the Audit and Risk Committee is clearly defined, and the Committee presents an annual report on the work of the Committee to the Board.

‘The purpose of the Audit and Risk Committee is to assure the Board of Management that the College has in place a system of governance, internal control and risk management which is being maintained and developed to meet legislation and regulations applying to the sector. The Committee must support the Board and the Principal by reviewing the comprehensiveness, reliability and integrity of assurances: the College’s governance, risk management and internal control framework.’

The Board is clear about its responsibility for the provision of coherent high-quality education that enhances social and economic wellbeing. As reported above this is a high performing college, with high levels of student achievement which consistently exceed the national average. The college is the best in Scotland in several KPIs, as evidenced in the South Lanarkshire Annual Report 2019.

The Board strives to promote positive staff relations and the HR Committee provides assurance ‘that the College meets its ethical and legal obligations to staff and has appropriate policies and procedures in place to promote a positive and inclusive culture.’

Recommendations

5. Reporting to the Committees

Committee papers would benefit from a more strategic focus and a standard format with a clearer structure and greater professional analysis.

The aim should be for concise papers which are high quality / low density

6. Board Work Plan

An Annual workplan for the Board and Committees should be introduced which would allow members to understand and prepare for the annual cycle of business. This should include the regular decisions and approvals that are required at set times of the year but also be sufficiently flexible to be responsive to emerging issues and priorities.

Progress against the workplan should be reviewed mid-year and this review should be included as part of the workplan.

7. Board Portal

The benefits of a Board portal were discussed at the Board workshop on 11 May, and the portal has since been introduced in advance of the June Board meeting.

3.4 Board Effectiveness

As noted above, the Board is effectively led by the Chair who promotes a culture of openness and constructive debate, encouraging contributions from all Board members. Accountability and collective responsibility clearly underpin Board decision making.

The Board provides an appropriate balance of scrutiny, challenge and support to the executive team.

Board reappointments and extensions were approved by the Board in March 2021. These were based on members skills, experience and knowledge and the needs of the college, and considered the Ministerial Guidance.

Board members should undertake appropriate training and development in relation to their governance role. Members valued the recent session on roles and responsibilities and have expressed an interest in further training.

The Board benefits from members with a broad range of skills and experience. However, as highlighted above, the Board could be more diverse, and this will be a consideration in the recruitment process.

Up to six new members are to be recruited and the revised skills matrix has been used to inform the process. In addition, two new staff members and a new student member will join the Board in the new academic session.

When the new Board members are in place a review of Committee membership should be undertaken.

The new members represent a significant proportion of the Board, and it will be important to build the new Board 'team' using strategy days and any other opportunities for Board interactions and teambuilding.

Building on the college mission, vision and values the 'new' Board should actively consider the culture that they want to adopt, the behaviours that would underpin this new Board culture and the steps they need to put in place to achieve it.

The Board is committed to continual improvement, and this would be a key step in this journey. Given the importance of this, the Board would benefit from an external facilitator to support this process.

Following the annual appraisals, a Board development plan should be introduced which would include

- consideration of the culture that the new Board intends to adopt, which should be underpinned by the five principals in the code and the *Nine Principals of Public Life in Scotland*
- training needs identified during the appraisal process
- induction training for the new members.

The Board Secretary had been absent for most of the last year, and as a result some of the governance arrangements had slipped. The role has now been filled, and the new Board secretary has had a positive impact. All the governance arrangements and documents have now been reviewed and updated.

Recommendations

8. Committee Membership

When the new Board members are in place a review of Committee membership should be undertaken to ensure that Board Committees have the best blend of skills, experience and knowledge.

9. Board Training and Development

When the new members are in place it will be important to build the new Board team. An externally facilitated session should be arranged to consider the culture and underpinning behaviours that the new Board intends to implement.

Following the annual appraisals, a Board development plan should be introduced which would include the externally facilitated cultural awareness session, the training needs identified during the appraisal process and induction training for the new members.

The Board Secretary should maintain a record of members training and development activity.

Information on training is available on the CDN Governance Hub, see [Governance Development Framework](#)

10. Post Virtual Meetings

The Board should consider the transition from virtual meetings to physical meetings and decide on the best approach for the college and the Board, which might not be a complete return to pre COVID arrangements. There are useful lessons to be learnt from the experience which are highlighted in the recent CDN report, see [Virtual Governance](#)

3.5 Relationships and Collaboration

The college is committed to building positive relationships and collaborative working, and this is highlighted in the 2020-2025 Strategic Framework.

The Principal and the Executive Team provide updates on stakeholder engagement to the Board, and the college is a member of the cross Lanarkshire Economic Forum, working with New College Lanarkshire and the University of the West of Scotland to support social and economic recovery.

Research has recently been undertaken to analyse industry engagement and areas of opportunity; however further work is required to complete the report.

Recommendations

11. Stakeholder Mapping

The Board would benefit from a stakeholder mapping exercise to better understand how the college engages with the regional and national structures and key stakeholders. Building on this a stakeholder engagement plan should be developed which includes clear performance measures and targets.

Consideration should be given to Board membership and the wide range of networks that Board members are connected to, especially in relation to economic, cultural and social wellbeing. Board members should be encouraged to consider how these networks might benefit the work of the college and how they could act as an 'ambassador'.

ACTION PLAN

Recommendation	Proposed Timescale	Who is responsible
1. KPIs and Reporting A high-level dashboard of KPIs, which have a clear line of sight to the Strategic Framework, should be agreed. This will ensure that the Board can effectively track progress against the strategic objectives and quickly identify what is working well and what areas require further attention. This is currently under review.	December 2021	Board Principal and Executive Team
2. Board Diversity The Board needs to recruit up to 6 new members and the updated Board Skills Matrix has been used effectively to identify skills gaps. However, consideration needs to be given to Board diversity to better reflect the communities served by the college.	September 2021	Chair Remuneration / Nominations Committee Interview Panel
3. Induction Training New Board members should receive comprehensive college-based induction training which, given the numbers, could be delivered on a group basis. New members should also attend the National Board Induction Training delivered by CDN.	December 2021	Board Secretary
4. Student Association Report Consider moving the Student Association Report up the Board agenda to be the first report that the Board considers.	October 2021	Chair Board Secretary
5. Reporting to the Committees Committee papers would benefit from a more strategic focus and a standard format with a clearer structure and greater professional analysis. The aim should be for concise papers which are high quality / low density	October 2021	Board Secretary Executive Team
6. Board Work Plan An Annual workplan for the Board and Committees should be introduced which would allow members to understand and prepare for the annual cycle of business.	October 2021	Board Secretary

<p>This should include the regular decisions and approvals that are required at set times of the year but also be sufficiently flexible to be responsive to emerging issues and priorities.</p> <p>Progress against the workplan should be reviewed mid-year and this review should be included as part of the workplan.</p>		
<p>7. Board Portal</p> <p>The benefits of a Board portal were discussed at the Board workshop on 11 May, and the portal has since been introduced in advance of the June Board meeting.</p>	Completed	
<p>8. Committee Membership</p> <p>When the new Board members are in place a review of Committee membership should be undertaken to ensure that Board Committees have the best blend of skills, experience and knowledge.</p>	October 2021	Chair Committee Chairs Board Secretary
<p>9. Board Training and Development</p> <p>When the new members are in place it will be important to build the new Board team.</p> <p>An externally facilitated session should be arranged to address the culture and behaviours that the new Board intends to implement.</p> <p>Following the annual appraisals, a Board development plan should be introduced which would include the externally facilitated cultural awareness session, the training needs identified during the appraisal process and induction training for the new members.</p> <p>The Board Secretary should maintain a record of members training and development activity.</p> <p>Information on training is available on the CDN Governance Hub, see Governance Development Framework</p>	September 2021	Chair Board Secretary

<p>10. Post Virtual Meetings</p> <p>The Board should consider the transition from virtual meetings to physical meetings and decide on the best approach for the college and the Board, which might not be a complete return to pre COVID arrangements.</p> <p>There are useful lessons to be learnt from the experience which are highlighted in the recent CDN report, see Virtual Governance</p>	TBD	Board Board Secretary
<p>11. Stakeholder Mapping</p> <p>The Board would benefit from a stakeholder mapping exercise to better understand how the college engages with the regional and national structures and key stakeholders.</p> <p>Building on this a stakeholder engagement plan should be developed which includes clear performance measure and targets. Consideration should be given to Board membership and the wide range of networks that Board members are connected to, especially in relation to economic, cultural and social wellbeing. Board members should be encouraged to consider how these networks might benefit the work of the college and how they could act as an ‘ambassador’.</p>	October 2021	Executive Team Board Board Members

ANNEX 1

Document Review

1. Strategic Framework 2020-2025
2. Financial Statements July 2020
3. External Audit Report
4. Internal Audit Reports
5. Risk Register
6. Board and Committee papers
7. Student and Staff surveys
8. Scheme of Delegation
9. Standing Orders
10. Committee Terms of Reference
11. Board Members, length of service, Committee membership
12. Board skills matrix
13. Board self-evaluation 2019
14. Latest Evaluation Report and Enhancement Plan

Footnote

The reviewer would like to thank the Chair, Board members, Principal and Board Secretary for their assistance and insight with this external effectiveness review.