



## Board of Management Self-evaluation Report - May 2015

### Context

An internal audit report by Wylie and Bisset, published in March 2015, indicated that corporate governance within North East Scotland College (NESCol) was 'strong'. The report also highlighted 11 areas of good practice and made no recommendations for improvement. This external view of the College governance is both welcomed and reassuring. However, in seeking to avoid complacency and to further advance quality improvement through self-evaluation the Board has sought to develop an approach which will compliment other quality arrangements intended for college governance.

In considering how best to develop and implement its own quality assurance and improvement activities NESCol's Board of Management has sought to align its self-evaluation report to the recently developed Code of Good Governance for Scotland's Colleges. The Code identifies five key principles of good governance, principles that are already well-established within the College and the college sector generally. Fundamentally, these principles help to promote accountability and continuous improvement within college governance.

The Board recognises that the College has, regionally, an important role to play in promoting economic, social and cultural well-being, and has agreed that it will adhere to the principles of this code as a means of discharging that role to the highest standards possible.

Accordingly, the Board – in aligning its self-evaluation reporting to the Code of Good Governance – has undertaken an evaluation exercise which has related specifically to key areas within the Code of Good Governance. These are:

- Leadership and Strategy
- Quality of Student Experience
- Accountability
- **Effectiveness**
- Relationship and Collaboration.

The evaluation exercise was undertaken as part of the Board's Annual Planning Event and required groups of Board members to evaluate the Board's performance against the quality indicators (QI) contained within the Code of Good Governance. The comments captured for each QI were then incorporated into this report. As the Code of Good Governance will be reviewed informally on an on-going basis and formally every three years it is anticipated that the self-evaluation activities of the College's Board will evolve in line with any changes made to the Code. The Board's self-evaluation activities will also reflect any sector-wide guidance or documentation which is issued in the future.

## Leadership and Strategy

### Key Quality Indicators:

- **Conduct in Public Life**
- **Vision, Mission and Strategy**
- **Corporate, Social Responsibility.**

**Conduct in Public Life** – The College is led and governed effectively by the Board which is responsible for setting, demonstrating and upholding the values and ethos of the organisation. Board members are aware and subscribe to the nine key principles underpinning public life in Scotland. The principles form the basis of all Board decisions and behaviours. The key principles, namely duty/public service, selflessness, integrity, objectivity, accountability and stewardship, openness, honesty, leadership and respect are documented within the Board’s Governance Manual and Code of Conduct. They are further promoted and embedded through new Board member inductions and through on-going Board activities including annual strategic planning events.

**Vision, Mission and Values** - The Board is responsible for determining the College’s Vision, Values and strategic direction. It works closely with the College’s Senior Management Team (SMT), on developing strategies and implementing related actions through the College’s Regional Outcome Agreement (ROA). Since the inception of the ROA positive and meaningful relationships have formed with Scottish Funding Council (SFC) representatives which have led the College to successfully deliver to targets set in conjunction with the SFC.

Through annual strategic planning events the Board provides its members with opportunity to consider the strategic focus of the College. In addition, the Board provides those on the College’s SMT with clear and unambiguous leadership, focus and direction for strategic planning and the development of the College’s Strategic Framework and Strategic Plan. This arrangement works effectively as it focuses both Board and SMT members on the strategic priorities for the College.

The Board receives regular reports identifying what progress the College is making in reaching targets set in the ROA. The Board approves the ROA and the ROA Self-evaluation Report in advance of their submission to the SFC. However, there is recognition that more needs to be done to ensure that the Board develops a longer term strategy which encompasses a greater strategic emphasis on diversification and commercial activity.

**Action: Develop longer term strategic planning arrangements which include increased opportunities for diversification and commercial activity.**

Since merger Board has attempted to develop and foster a working and learning environment that enables the College to benefit students, staff and the communities it serves. During AY 2014-15 the Board has actively sought to provide leadership on the advancement of equality, diversity and inclusion. It has done so through the creation and promotion of a single College culture. In doing

this the Board has sought to foster an environment that will enable those working within the College to fulfil its intentions for the College and those it serves. In seeking to promote this 'one college' culture which both recognises, advances and promotes the significance and importance of equality, diversity and inclusion, the Board of Management has in consultation with staff and students established NESCol's first set of Vision and Values:

**Our Vision: "A College that transforms lives and supports regional development"**

**Our Values:**

- **Commitment and Excellence**
- **Empowerment and Engagement**
- **Respect and Diversity.**

These Vision and Values, which apply to everyone who comes to work or learn at the College, indicate what the Board of Management considers to be important for the success of NESCol. In seeking to develop, promote and embed this 'one college' culture the Board instigated a communication strategy which has been developed and implemented. It includes SMT and Management workshops to define the behaviours and actions required to deliver and embed the values. In addition to these workshops the Board has established, via the SMT, a Project Team which will take forward a longer term and on-going project to embed the Vision and Values throughout the College. Progress reports on the success of these approaches will be routinely presented to the Board's HR Committee.

As well as developing, implementing and embedding the Vision and Values, the Board has ensured that a comprehensive performance measurement system is in place. This approach has been derived from what was considered best pre-merger practice from the two legacy Colleges and has, as a result, brought together a set of key performance indicators that are incorporated within routine reports issued to, and considered at, the Board's Standing Committees. A list of the KPIs is contained in Appendix 2. This approach ensures that Board members are afforded routine opportunities to scrutinise College performance in meeting the needs and interest of students and other stakeholders.

However, some Board members feel that there is more work to be done in order to measure and evaluate the Board's own performance, particularly in relation to the key principles contained within the Code of Good Governance. Furthermore some Board members are considering whether or not it would be appropriate to have further external valuation of the Board's own self-evaluation.

**Action: Develop an action plan and set of KPIs that enables the Board and other possible external stakeholders to consider and measure its own performance and progress in meeting the key principles contained within the Code of Good Governance.**

**Corporate, Social Responsibility** - The Board has actively ensured that the College contributes meaningfully and effectively to economic development within the North East of Scotland. Its positive links with key partners such as Aberdeen City Council, Aberdeenshire Council, the local

Community Planning Partnerships, Aberdeen City and Shire Economic Future (ACSEF) and the Aberdeen and Grampian Chamber of Commerce (AGCC) help the College, and its partners, to assess and meet the needs of those they seek to serve. Some evidence of the success of these links is provided later on in this report.

The Board actively seeks to improve economic and social wellbeing in the North East of Scotland and promotes widely an inclusive and accessible College for all. As previously noted, the Board provides leadership for equality and diversity and ensures that the College, as a public authority, fulfils its statutory obligations and duties in respect of equalities legislation. However, Board members feel that further enhancements to equality monitoring would enable the Board to understand better the impact the College is having on those with protected characteristics and those from special interest groups such as looked after children or those leaving care.

**Action: Establish, as part of the embedding of the College's Vision and Values, update training and briefing sessions for all Board members on equality, diversity and inclusion.**

**Action: Develop key equality-related Performance Indicators for both students and staff which will be reported to Board members as part of the Board's cycle of Standing Committee meetings.**

## Quality of the Student Experience

### Key Quality Indicators:

- **Learner Engagement**
- **Relevant High Quality Learning**
- **Quality Monitoring and Oversight.**

**Learner Engagement** - The Board pays close regard to the voice of its students and the quality of the student experience remains central to all Board decision-making. Since inception the NESCol Board has sought to develop meaningful, continuous engagement and dialogue with the student body and, in particular, the Students' Association. It does so in several ways.

The Students' Association has two representatives on the College's Board of Management and the work of the Students' Association is a standing item for the Learning & Teaching and Student Services Committee (LTSSC). The Board has also instigated a series of Board visits which involve interaction with, and feedback from, students. Further, the work of the College's Academic Board is reported to and discussed at the Board's LTSSC meetings and reflects the views and efforts of student representatives involved in the activities of both the Quality Improvement and Assurance Committee (QIAC) and Inclusiveness and Guidance Committee. This has helped to develop greater degrees of student engagement in the quality improvement approaches of the College. An illustration of this can be found in Students' Association-led (or peer-led) quality reviews whereby Students' Association members, in a consistent and constructive manner, seek to gauge the views and experiences of students on particular College courses. The outcomes of these reviews are reported back to the Academic Board and the Board of Management and help inform curriculum teams in their own self-evaluation for quality improvement.

The outcomes of other learner feedback mechanisms are also incorporated within and discussed at LTSSC meetings. For example, the Board regularly receive quality-related reports on College-wide student satisfaction surveys as well as data derived from the College's complaints monitoring processes.

**Relevant High Quality Learning** - The Board, in seeking to offer appropriate provision for students, has instructed its SMT to ensure that a coherent, harmonised and progressive curriculum is offered at all campuses. This has been successfully achieved and a fully integrated curriculum is now in place for AY 2015-16. It offers internal and external progression opportunities for students and consolidates the successful opportunities already evident for articulation into Higher Education (HE).

In order to promote greater opportunities for students, the Board has consciously sought to promote strong partnerships and effective links with employers and universities. Current Board membership strongly reflects these areas and indicates the priority such relationships have within the College. This emphasis also provides valuable articulation opportunities for College students; opportunities which are highlighted later in this report.

External speaker presentations at the Board's Strategic Planning Events also provide opportunities for Board members to enhance their understanding of the economic and social landscape. Such presentations have helped inform thinking and decision-making for strategic planning purposes, thus ensuring that students are afforded better opportunities to progress to positive destinations.

**Quality Monitoring and Oversight** - The Board has in place appropriate mechanisms for the effective oversight of the quality and inclusivity of the learning experience. This is evidenced through the work of the LTSSC which routinely reports on both the College's quality approaches and quality outcomes. KPI data relating to student retention and attainment across all modes of delivery is reported on routinely, along the outcomes of the various student feedback mechanisms previously mentioned within this report.

The Board receives routine presentations and updates from external quality agencies such as Education Scotland (ES) thus affording the Board an external assessment of the College's quality arrangements and outcomes. This year has seen the Board's endorsement of the College's participation in the SFC's Action-Learning Project (ALP). This quality improvement project has been conducted in partnership with the SFC and ES and has enabled the College, along with two other Colleges, to develop, implement and embed a bespoke quality framework, quality cycle and set of quality approaches that will lead to on-going and 'live', in-year quality improvements for students and other stakeholders. The progress of this project, along with plans for its implementation, embedding and monitoring, are regularly reported back to the Board's LTSSC.

The Board's LTSSC also receives regular updates on the outcomes of the College Quality Team's lesson observations. This allows the Board to fully understand and discuss the quality of learning and teaching across all centres.

## Accountability

### Key Quality Indicators:

- **Accountability and Delegation**
- **Risk Management and Audit**
- **Financial and Institutional Sustainability**
- **Employee Relations.**

**Accountability and Delegation** - In line with the requirements of the Code of Good Governance the Secretary to the Board maintains an up-to-date Register of Interests for all Board members. This Register is available for public scrutiny via the College's website. Board members are well informed on expected behaviours and protocols. Accordingly, they will always declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the Board and its Standing Committees.

The Board is required to ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management, are established, monitored, continuously improved and appropriately impact assessed. It does this in a variety of ways.

For example, the Board has delegated responsibilities to various Standing Committees that are now well-established and run in similar ways to those created within the legacy Colleges. In line with the requirements of the Code of Good Governance the Board has, within its structure, Audit, Remuneration, and Selection & Appointments Committees, as well the following:

- Learning and Teaching & Student Services Committee
- Human Resources Committee
- Finance & General Purposes Committee
- Remuneration Committee
- Investments & Projects Committee.

The format and protocol of these Committees allows for robust discussion, challenge and decision-making between and from Board members. The Audit Committee, in particular, ensures that there are effective systems of financial control in place and that the process and outcomes of internal audit gives assurance to Board members that operational matters are both effective and appropriate.

A high level strategic risk register is in place and is routinely discussed as part of on-going Board business. The register alerts the Board of possible, significant risks that the College may face and what actions are being taken to mitigate against such risks.

The Board has also developed a skills matrix to ensure that it has, within its composition, the appropriate coverage of skills required to govern the College. All Board members are required to have an ability to challenge as well analytical, communication and strategic planning skills. They are

also required to have a knowledge and understanding of the educational landscape. A copy of the Skills Matrix is contained in Appendix 3. The Board has also in place, within its Board of Management Governance Manual, its Scheme of Delegation which clarifies the delegation of responsibilities from, and matters reserved to, the Board and its Standing Committees. This Scheme also confirms any functions delegated by the Board to the Chair, the Principal and the Secretary to the Board.

The Board's statutory and regulatory responsibilities are covered within the Board's Governance Manual. However, it is recognised that a more consistent approach is required in terms of equality impact assessment in Board decision-making and policy approval.

**Action: Develop and implement a robust approach to equality impact assessment in line with the new procedure adopted across the College and as part of the revised approaches to equality, diversity and inclusion.**

**Risk Management and Audit** – As previously indicated the Board, having responsibility for the overall management of risk and opportunity, has in place a high level strategic risk register. It also has in place a Risk Management Policy to ensure that sound risk management and internal control systems are understood, in place, maintained and monitored. Such an approach, operated within an effective Board of Management Committee structure, ensures that the Board has in place a robust and formal on-going process for identifying, reporting, evaluating and managing the College's significant risks and reviewing the effectiveness of risk management, business continuity planning and internal control systems. The Board gains added confidence in regard to the comprehensiveness, reliability and integrity of assurances including the College's governance, risk management and internal control framework, via the Audit Committee's Annual Report which covers a variety of topics including:

- The appointment of internal/external auditors
- The adequacy and effectiveness of internal control systems
- Any significant matters raised by internal auditors
- Any reports from external auditors
- Measurements of performance.

In-line with the requirements of the Code of Good Governance the membership of the Board's Audit Committee consists of non-executive Board members who are both independent and objective and the Board's Chair is not a member of this Committee. The Audit Committee can also sit privately without any non-members present for all or part of a meeting, if they so decide. The Audit Committee members will also meet with the internal and external auditors without representation of the College's SMT present. This meeting takes place annually in January. All these aforementioned requirements and actions are enshrined within the Board Governance Manual's Terms of Reference for the Audit Committee.

**Financial and Institutional Sustainability** - The Board is ultimately responsible for ensuring the financial and institutional sustainability of the College. Accordingly, regular management accounts are produced for, and presented to, the Board for consideration, information and decision. These management accounts are subject to scrutiny by both internal and external auditors and are formally signed off by the Chair of the Board. The Board, in discharging its responsibilities to the SFC, is fully compliant with the SFC's Financial Memorandum. Any changes to the Memorandum are brought to the Board's attention by the College's SMT. Further, the Board's Finance and General Purposes Committee approve the College's Financial Regulations as well as a number of key College financial policies.

In ensuring that funds are used as appropriately, economically, efficiently and effectively as possible the Board has approved a College budget which will see further investment in the estates programmes such as the Fraserburgh Campus Masterplan which includes the extensive upgrading and expansion of workshop facilities.

As the College is also a charitable organisation the College ensures that all Board members are made aware, at their respective inductions, of their trustee status and their related responsibilities under OSCR regulations. Information pertaining to the College's charitable status is also kept within the Board of Management Members' Section on the College Intranet. However, some Board members would value additional updates which would help inform and remind Board members of their responsibilities in relation to the College's charitable status.

**Action: Instigate additional updates to keep all Board members aware of their trustee-related responsibilities.**

**Employee Relations** – In order that the Board of Management ensures that the College meets its ethical and legal obligations to its staff it delegates the day-to-day management of staff to the College Principal. In addition, it requests - via the HR Committee regular reports - key staff-related performance indicators, and HR policy updates. The Board is responsible for employment policies and has ensured that appropriate consultation arrangements are in place with staff and recognised trades unions. At the time of writing this report the College had recently concluded its first staff survey, the findings of which are soon to be tabled at a HR Committee meeting. Indeed, reports on employee relations are routinely produced for, and discussed at, HR Committee meetings.

This said, it is clear from evidence generated at the Board of Management's most recent Strategic Planning Event that not all Board members are fully aware of the Board's responsibilities relating to compliance with all statutory information and consultation of employee's regulations.

**Action: Instigate a Board briefing on requirements of, and processes relating to, compliance with all statutory information and consultation of employee's regulations. This should also include updates on the possible implications for the College and the Board in relation to any proposed statutory, contractual and other duties placed on them through the possible adoption of a national bargaining process.**

The Board has actively sought to ensure effective dialogue between trades unions and management and has ensured the promotion of positive employee relations through the SMT's work with the Local Joint Negotiation Committees (LJNC).

## Effectiveness

### Key Quality Indicators:

- **The Board Chair**
- **Board Members**
- **Principal and Chief Executive**
- **Board Secretary**
- **Board Member appointment, Induction and Training**
- **Board Evaluation.**

### The Board Chair

The Chair provides leadership of the Board and ensures that it is effective in fulfilling all aspects of its role. The Board Chair works closely with the Board Secretary when confirming the Board's agenda and ensures that all Board and Standing Committee meetings are managed well and allow adequate time for discussion of all agenda items. Evidence from the evaluation of the Board Chair, conducted by the Board's Vice-Chair, suggests that Board members believe that the Board Chair provides effective leadership and actively promotes a culture of openness and debate. (A copy of the Chair Appraisal 2014-2015 is attached as Appendix 4).

In this year's round of Board recruitment the Board Chair has sought to add to both the Board and its Standing Committees new Board members with the skills and experience that compliment and add value to those already established in the Board's activities.

### Board members

Board members, through induction, on-going training and one-to-one progress meetings conducted with the Board Chair are clear that they are collectively responsible and accountable for all Board decisions. Through the same channels Board members know that they must make decisions that are always in the best interests of the College. The aforementioned and newly instigated one-to-one progress meetings with lay members help identify any knowledge gaps, training needs or development requirements. From this, bespoke development programmes will be initiated for those Board members requiring development or support.

The functions of governance and management, and the roles and responsibilities of the Board Chair, the Principal, the Board Secretary and individual Board members, are clearly defined within the Board's Scheme of Delegation.

The Board Chair recognises that both staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Thus staff and student board members are not excluded from Board business unless there is a clear conflict of interest.

## **Principal and Chief Executive**

The Board, when appointing the College's Principal and Chief Executive, has in place an agreed protocol to ensure that it seeks appropriate approval for such an appointment from the SFC. In line with College-wide, performance management processes the Board Chair undertakes biennial performance reviews of the Principal, the outcomes of which are - in turn - shared with the Board. However, this process does not fully incorporate the views of both students and staff.

**Action: Review and revise the performance management process for the Principal to ensure that the views of both staff and students are included.**

The Board seeks to ensure that there is an open and transparent recruitment process in place for the appointment of a new Principal. The incumbent Principal has been in post for some four years. At the time of his recruitment the Code of Good Governance had not been published. The Board is aware that when a successor to the current Principal is required then, in line with the Code, the recruitment process will need to remain open and transparent. The Board will also ensure that both staff and students have an opportunity to contribute to the recruitment process. Approval for any subsequent appointments to the role of Principal will, of course, be sought from the SFC.

Further, and in line with the requirements of the Code of Good Governance, the Board delegates to the Principal authority for the academic, corporate, financial, estate and human resource management of the college. The monitoring and performance of these areas is overseen by the Board Chair through the related Standing Committees of the Board; entities that provide Board members with opportunities to constructively challenge, and hold to account, the Principal and other members of the College's SMT.

The remuneration of the Principal is subject to formal processes established by the Remuneration Committee of the Board which reviews annually the Principal's salary. Previously the Remuneration Committee has considered various sources of evidence in order to assess the level of award for the Principal. These sources have included role evaluation information and external benchmarking data. However, Board processes do not currently incorporate roles for staff and students to submit evidence to the Remuneration Committee when assessing remuneration for the Principal.

**Action: Review and revise the Board's processes for assessing the remuneration of the Principal to ensure that evidence from both staff and students is considered.**

The Board Chair and the Principal have a shared responsibility to provide leadership for the College and meet regularly to discuss Board matters. Whilst the Principal provides the operational interface between the Board and the wider College community both he and the Board Chair play important roles in supporting effective governance. They support this through effective communication and interaction with rest of the Board and the rest of the College including staff and students. For example, the monthly staff newsletter 'Connected' routinely contain updates and information on College developments from both the Board Chair and Principal. In addition, Student Association representatives sit on the Learning and Teaching & Student Services Committee and, as well gaining information from Board and SMT members, provide routine updates on student-related matters.

## **Board Secretary**

Post-merger the Board appointed a new Board Secretary who, independently of the College's SMT, reports directly to the Board Chair. The Board Chair and Board members are well supported and advised on governance by the Board Secretary.

Support from the Board Secretary comes in varying forms. For example, all Board agendas and papers are finalised and circulated one week in advance of Board meetings. Over the past year the Board Secretary has supported the Board Chair through a phased recruitment of new Board members. She has also provided support by organising all the subsequent follow-up one-to-one meetings with individual Board members. The Board Secretary has also developed the Board's new policies on recruitment and selection, and induction, has created new induction materials for Board members and maintains the Board of Management Members' area on the College intranet.

The Board Secretary, in her role as Standards and Governance Officer, also supports the Board Chair, the Board and the SMT in ensuring compliance with all relevant legislative and governance requirements incorporated within the Post-16 Education (Scotland) Act 2013 and the Further and Higher Education Acts 1992 and 2005.

## **Board Member Appointment, Induction and Training**

As indicated above, the Board's has developed and implemented a new recruitment and selection policy which aims to formalise, in line with Ministerial Guidance, all Board appointments. The Board Chair, in conjunction with the Board Secretary, ensures must all that new Board members receive a formal induction when joining the board. New Board member induction materials help provided greater clarity on the role and expectations of Board members.

The Board Chair, again with the support of the Board Secretary, ensures that all Board members undertake a programme of training and development in respect of their governance roles. Board members have, this year, received briefings from the SFC and Police Scotland and were provided with opportunities to visit College facilities and meet with College staff and students. The Board Secretary maintains a record of all training and development activity undertaken by all Board members. A full and revised programme of Board member training is currently in development and will be implemented during AY 2015-16.

Established procedures are in place for the conduct of student elections and nominations and elections of staff members to the Board.

## **Board Evaluation**

As a relatively newly formed College and Board there have, as yet, been no extensions to terms of office for current Board members. However, should there be any subsequent need to extend Board appointments then the Board Chair and Board Secretary will, as required, follow the relevant Ministerial Guidance.

During AY 2014-15, and as previously stated, the Board has adopted a self-evaluation approach based on the key principles and quality indicators contained within the newly created Code of Good Governance. The Board's self-evaluation activity began with a full Board review at its Annual Planning Event in October 2014. This subsequent self-evaluation report and action plan now provide the basis of the Board's own self-evaluation/quality improvement activities and will, by using the framework of the Code of Good Governance, provide a means for the Board to measure its progress towards improving its own effectiveness. Further consideration is to be given to how the Board will best undertake an externally facilitated evaluation of its effectiveness every three years to five years.

The Board also has in place a process for evaluating the effectiveness of the Board Chair. This annual evaluation is conducted by the Board Vice-Chair and incorporates views from other Board members (A copy of the Chair Appraisal 2014-2015 is attached as Appendix 4). The Board Chair also holds one to one meetings with lay members to discuss performance and progress and any training and development needs (A summary of the one-to-one meetings held in May and June 2015 is attached as Appendix 5). To date there has been no mechanism established to evaluate the effectiveness of the Standing Committee Chairs.

**Action: Implement a quality approach for evaluating and ensuring the effectiveness of all Standing Committee Chairs.**

## Relationships and Collaboration

### Key Quality Indicators:

- **Partnership Working**
- **Openness and Transparency**
- **Staff and Students.**

**Partnership Working** - Since merger the Board has led the College well in developing partnerships aimed at providing a coherent provision of a high quality of fundable further and higher education regionally. For example, the College has consolidated the work of the legacy Colleges and continued effective partnership working with Aberdeen City and Aberdeenshire Council. In AY 2014-15 NESCol was able to deliver College courses to over 2,300 school pupils thus enhancing the broad curriculum offer extended to young people learning within 29 mainstream and 3 specialist schools within the North East of Scotland.

In addition, the College has also developed progression opportunities for students who wish to articulate, through the 2+2 or 1+3 advanced entry arrangements established with local partner universities. Presently the College has formal articulation arrangements with 11 Higher Education Institutions (HEI). Through these arrangements NESCol students can progress with advanced entry to 286 different degree programmes. Indeed, figures indicate that some 500 College students have progressed with advanced entry to university during AY 2014-15, a significant increase on previous years. Both the composition of the Board and the College's ALP Validation Panel ensures that both local authority and HE perspectives continue to be represented well within the College.

The College, through the lead and direction provided by the Board, continues to be involved in local, regional and national planning and partnership arrangements with other key partners including businesses, public and third sector organisations. Together these partners work collaboratively in order to develop commonly agreed priorities. The College's on-going involvement with ACSEF, CPP, OGAS, SDS, SFC, and Education Scotland are all testimony to the College's involvement in, and commitment to, collaborative regional planning arrangements. The positive nature of these partnerships suggests that such arrangements, in working towards commonly agreed outcomes, follow the principles of effective partnership working, i.e. mutual respect and trust. The participation of both the Regional Chair and the College's Principal within the activities and decision-making of Colleges Scotland also ensures that sector priorities and local needs are discussed, understood, reflected upon and implemented both nationally and locally.

**Openness and Transparency** – To ensure openness and transparency in decision-making the work of the Board and its Standing Committees is communicated both internally and externally through a variety of platforms. In addition, key Board decisions are referenced in the staff newsletter 'Connected'. External stakeholder events, e.g. the City Campus Overclad Project, have been used to inform external stakeholders of College activities and priorities.

Board and Standing Committee meeting papers are issued, via the Secretary to the Board, one week in advance of meetings. Once these meetings have been concluded the papers are published on the staff intranet and College's public website, with the exception of reserved items of business.

**Staff and Students** – The Board supports a strong and independent Students' Association and seeks to ensure that the Students' Association is adequately resourced. The activities and requirements of the Student Association has been established as a standing item on the LTSSC agenda. The Board has extended support, advice and resource (financial and human) to the Students' Association as it has sought to establish greater independence, financial autonomy and a trustee Board to support and monitor its activities. The Board has also sought to ensure that the Students' Association continues to operate in a fair and democratic manner when fulfilling its responsibilities to students and the wider College community. Accordingly, the College has supported the Students' Association to develop and implement its constitution. This constitution is reviewed by both the Trustee Board of the Students' Association and the College's Board of Management.

The constitution, along with input at Board and Standing Committee meetings, helps to establish and embed guidelines on effective relationships and communication between the Students' Association and the Board of Management. Further work continues in this regard and it is proposed that a briefing to the Board, later this year, will help clarify the relationship the Board has with the Students' Association and what responsibilities the Board has for the Students' Association.

**Action:** Instigate a briefing to be delivered to the Board clarifying the guidelines and communication required between the Students' Association and the Board. This briefing is also to cover the Board's responsibilities to the Students' Association.

In order to ensure that the Board remains aware of the employees' and recognised trades unions views on relevant issue the Board has instigated, at the time of writing this report, a staff survey. The results of which will shortly be discussed at HR Committee meeting. The Board fully intends to discuss and monitor any resulting action plan arising from the survey.

The Board also seeks to support and develop a more informed understanding of staff relations by conducting Board visits which incorporate meetings with both staff and students. A staff engagement strategy has also been discussed at the HR Committee.

The Regional Chair is aware of an issue which arose in another college region relating to a situation where student members were excluded from a Board meeting and as a result were not involved in a Board decision.

This has led to a review of the circumstances in which student and staff members may be asked to withdraw from a Board or Standing Committee meeting. In particular it has been clarified that there must be some form of conflict of interest if any member of the Board, including staff and student members, are to be excluded.

**Action: Ensure that key Board documentation reflects good practice in relation to the exclusion of student and staff members from Board business and that staff and student members have a clear understanding of the requirements for withdrawing from a Board or Standing Committee meeting.**

### **Audit Scotland**

In April 2015 Scotland's Auditor General published a report which commented on the many reforms undertaken within the college sector. This Audit Scotland report also provided readers with an update on the financial position of the sector. From the findings of the report came a list of recommendations for the Scottish Government, the SFC, Colleges, Regional bodies and College boards.

As part of this self-evaluation report, and to ensure that they are addressed, the NESCol Board has incorporated the Auditor General's recommendations for College Boards into its self-evaluation action plan. These recommendations are also noted below:

- Comply with existing Scottish Government and SFC requirements and guidance, and wider good practice when considering and approving senior staff severance. In particular, they should base their decisions on full business cases to support severance proposals, and clearly record how they have considered and taken decisions on those proposals
- Monitor student participation and satisfaction to help them plan future learning provision
- Complete the remaining merger activities, including standardising terms and conditions of service for all staff, curriculum reviews and integration of ICT systems
- Work towards developing ten-year financial plans.

## Appendix 1 – North East Scotland College – Vision and Values

**Our Vision** - “A College that transforms lives and supports regional development”.

**Our Values** are:

### **Commitment and Excellence**

- Understanding and responding to the needs of our students, staff, key stakeholders and customers
- Being business-like and professional
- Maintaining a clear focus on our goals and ensuring that these are achieved through effective planning and organisation
- Achieving excellence by continually evaluating and improving our services
- Ensuring our processes are consistent, accessible, effective and efficient.

### **Empowerment and Engagement**

- Creating an environment where innovation and creativity are encouraged and can flourish
- Providing clear direction, information and communication
- Providing development opportunities to ensure that we have the skills, knowledge and confidence to perform to the best of our ability
- Giving recognition and praise
- Encouraging and supporting collaboration.

### **Respect and Diversity**

- Valuing the experience and talent of all
- Treating others with dignity and respect
- Creating an accessible, inclusive learning and working environment
- Being fair, open and transparent to ensure a culture of mutual trust and integrity.

## Appendix 2 – Board of Management – Key Performance Indicators (KPIs)

### Human Resources KPIs

- Headcount/FTE
- Sickness absence
- Recruitment and selection
- Employment relations.

### Health and Safety KPIs

- Accident statistics
- Workplace dust monitoring
- Kitchen inspections.

### Staff Development KPIs

- Attainment rate of various qualifications
- Training activity.

### Student Experience KPIs

- Activity levels (wSUMs)
- Student outcomes
- Student support funds
- Equality data.

### Regional Outcome Agreement (ROA)

- Progress against targets/aspirations.

## Appendix 3 – Skills Matrix

LAY MEMBERS SKILLS MATRIX													KEYS		
Analytical Skills														3	Excellent
Challenge														2	Good
Communication Skills														1	Minimal
Strategic Planning														0	None
Education Landscape															
<b>Total</b>	0	0	0	0	0	0	0	0	0	0	0	0	0		
Belief in/Support of Vision														H	High
Board/Governance Experience														M	Medium
Accountancy														L	Low
Financial															
Business Development/Commercial															
Community Affiliation															
Human Resources															
Leadership															
Legal															
Lobbying															
Marketing/PR															
Organisational Management															
Risk Management															
Sector Knowledge															
Strategic Planning															



**NORTH EAST SCOTLAND COLLEGE  
CHAIR APPRAISAL  
2014 -2015**

Author: D Duthie, Vice Chair North East Scotland College

Date: 23<sup>rd</sup> February 2015

## **METHODOLOGY**

In January 2015, North East Scotland College had its new Board confirmed beyond March 2015. It was then important to put in place an appraisal process for the appointed Chair. As this had not been done previously it required a new process to the College governance arrangements to be created.

It was deemed appropriate that this process be conducted by the Vice Chair of the Board.

A letter (Appendix 1) was then sent to all Board members in order that the appraisal be inclusive and transparent. Along with the letter were the following inclusions:

- Extract from the Chair of the Board of Management of North East Scotland College, Terms and Conditions of Appointment (for the Chair as set by the Scottish Government) (Appendix 2)
- A copy of the Code of Good Governance for Scotland's Colleges (Appendix 3)
- An Observation Form for completion (Appendix 4).

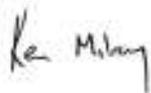
In the event four observational replies were returned and these are produced herewith (Appendix 5) although the identities of respondents have been withheld but are held on record by the Vice Chair.

On Monday 9<sup>th</sup> February 2015 in the absence of the Chair, the Vice Chair had a meeting with all Board members regarding the appraisal. The following observations emerged:

- All Board members were positive regarding the competence and professionalism shown by the Chair and no negative comments were expressed.
- Most of the Board members felt that they did not need to respond to the appraisal letter as they felt that they had no negative comment to make. It was proposed that in future, the appraisal letter would indicate that positive observations were also encouraged.

## **OUTCOME**

On Monday 9<sup>th</sup> February 2015, the Vice Chair discussed the outcome of the appraisal process in an interview with the Chair. He was made aware of the positive comments made and informed that no observations or suggestions had been received which would necessitate his taking any remedial action in his duties as Chair.



Signed:

Chair North East Scotland College



Signed:

Vice Chair North East Scotland College

Date: 23<sup>rd</sup> February 2015



Principal & Chief Executive: Rob Wallen

Dear Board Member

### **Appraisal Process for Chair of North East Scotland College**

Now that we have the new Board confirmed beyond March 2015, an appraisal process should be put in place for our Chair. This has not been done previously so it will be establishing a new part to our governance arrangements.

It is important that the full Board have an opportunity to assess and comment on the Chair's performance and that the Vice Chair provides this feedback to the Chair. The process should be such that it does not create issues nor be a detailed examination of the Chair. It is intended to establish a routine that will ensure good governance and an effective Board where all members have a genuine opportunity to contribute constructively.

The attached extract from the Chair's terms and conditions describing the role's key functions will form the basis of the appraisal. It is accompanied by the Code of Good Governance for Scotland's Colleges. All members should peruse the description and the guidance and relate this to any comments they wish to make. The observations should be made on the attached form. Equally any member, who wishes, can speak directly, or by telephone to me. I will provide a summary of any points raised to a full Board meeting as a reserved item and these will be finalised out with the presence of the Chair. I will then discuss the outcome/conclusions with the Chair.

Please return the form or make your observations to me by **30<sup>th</sup> January 2015**. If you have any queries regarding the process or wish to clarify any matter please do not hesitate to contact me by any convenient means.

Thank you in advance for your participation in this process.

Yours sincerely

**Doug Duthie**  
Vice Chair  
North East Scotland College

### Extract from the Chair of the Board of Management of North East Scotland College Terms and Conditions of Appointment (as set by the Scottish Government)

#### 3. Functions

- 3.1 The main functions (including powers and duties) of the Body are those set out in the Further and Higher Education (Scotland) Act 1992 (as amended) (the "1992 Act") and the Further and Higher Education (Scotland) Act 2005 (as amended) (the "2005 Act"). Significant amendments were made to the 1992 Act and the 2005 Act by the Post-16 Education (Scotland) Act 2013 ("the 2013 Act").
- 3.2 You will provide active and effective leadership, direction, support and guidance to ensure that the Body delivers, and is committed to delivering, its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers.
- 3.3 You will provide a strong 'challenge function', carefully scrutinising planned and underlying assumptions before decisions are taken. In exercising this function, you will, where necessary, challenge other members and senior officials of the Body.
- 3.4 Specific functions may vary but, unless otherwise agreed, you will:
- Lead significant change in the role and functions of the body;
  - Provide effective leadership to the Body, including chairing meetings and fostering sound decision-making and full participation by other members of the Body;
  - Ensure the body fulfils its duties, roles and responsibilities, including those as an employer, which will comprise:
    - Contributing to the on-going reform of the college sector and future developments at a **national level**;
    - Maintaining a strong collective sense of **delivery, accountability, and challenge** in investment of considerable public funds;
    - Ensuring **probity and propriety** in the workings of the Body;
    - Ensuring that as Chair of the Body you are sufficiently informed in order to **hold executives to account** for the implementation of Board decisions;
    - Promoting the **highest standards of governance**, propriety and conduct in the business of the Body;
    - Leading the board in **making decisions**, developing its capacity to do so;
    - **Preparing** for, and **attending**, meetings of the Body and relevant committees of which you are a member;
    - Developing **strategy**, including assisting the development, approval and monitoring of the Body's plan(s), specifically developing and being

accountable for **outcome agreements** which meets the needs of a region and make best use of available funding, consistent with national strategy and agreed with SFC;

- Ensuring that all resources (**staff, finance and premises**) are used effectively and responsibly to support local priorities and strategic objectives, and overseeing the delivery of effective performance of the Body's activities, ensuring it achieves its aims, including monitoring the **financial position** against budget allocations and key financial targets and ensuring corrective action is taken where required;
- Approving, where appropriate, a **statement of accounts** for each financial year on the basis determined by Scottish Ministers;
- Ensuring **open and transparent** procedures and processes are in place for ordinary **board appointments**, having regard to Ministerial guidance;
- Adopting a **self-evaluation** policy and process to support board development;
- **Appraising and recording the performance** of the principal and other members of the Body (including any member holding the office of the vice chair) against the individual objectives applying to those offices and also the extent to which those office-holders contribute to ensuring that the Body as a whole delivers its functions effectively and efficiently;
- Playing a central role in the workings of the college within a region and nationally, acting as an **ambassador**, building close relationships and networking with others in the region e.g. local authority and employers;
- Acting as the **principal spokesperson and public face** of the Body, including communicating its vision, purpose, outcomes and goals to college staff, employers, learners, other learning providers, and public bodies including the Scottish Funding Council, the Scottish Parliament, Ministers, the media and more widely;
- Serving as a **trustee** of the college as a charity; and
- Carrying out other tasks that may reasonably be required.



## Foreword

Colleges in Scotland thrive in the heart of their communities, serving the interests of those communities, students, employers, governments and their agencies and other stakeholders. They have an essential and valuable role in Scottish society. In 2013, they delivered learning to over 230,000 students and, over the past eight years, have contributed over £1 billion to the Scottish economy. Colleges are also a major employer with 13,500 directly employed staff.

Colleges receive substantial public funding and also operate in an increasingly commercial and enterprising way. They are expected to innovate, pursue new opportunities and take measured risks in delivering what is best for their stakeholders. In recent times, they have gone through major transformational change, embracing regionalisation and post 16 education reforms.

Against this background, it is right and proper that the highest standards of governance and propriety are expected of our colleges and those individuals who serve them. This Code of Good Governance codifies the principles of good governance that already exist in our colleges and promotes accountability and continuous improvement in how colleges are governed.

The Code was developed collaboratively with a wide range of stakeholders including representatives of students and staff. It has been subject to extensive consultation. The Code is based on key principles and has been written in a way that is mandatory and anticipates compliance. All Colleges that receive funding from the Scottish Funding Council and regional strategic bodies will be expected to comply with the Code, exceptions should be rare and will have to be explained publicly.

The Code will be reviewed formally every three years but given the transformational changes that have been underway in the college sector specifically, and developments in good governance more generally, the Code will be kept under ongoing review. It will be supported by supplementary guidance designed to embed and operationalise the principles set out in the Code. Colleges Scotland will act as custodian of this process but, in keeping with the way that the Code was created, the broad church of stakeholders who drew up the Code will be engaged fully in its development and revision.

Colleges have an important individual and collective role to play in promoting economic, social and cultural well-being. We expect this Code of Good Governance to provide the essential underpinning to help discharge that role to the highest standards possible.

**Hugh Hall, Chair of the Code of Governance Steering Group**



## Code of Good Governance for Scotland's Colleges

### Governance and the Code

Corporate governance:

- is the way in which organisations are directed and controlled
- defines the distribution of rights and responsibilities among the different stakeholders and participants in the organisation
- determines the rules and procedures for making decisions on corporate affairs including the process through which the organisation's objectives are set
- provides the means of achieving those objectives and monitoring performance.

Scotland's colleges refers to colleges either funded by the SFC or by a regional strategic body for the provision of education. Such colleges can be incorporated or non-incorporated. The overarching purpose of good governance for Scotland's Colleges is to:

- Lead the college and set its strategic direction and values
- Ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency
- Deliver high quality of learning and outcomes.

The Code of Good Governance for Scotland's Colleges has been developed, and is owned, by the college sector. Colleges are required to comply with it as a condition of grant from either the Scottish Funding Council or their regional strategic body. It establishes standards of good governance practice for all college boards and provides the essential foundations for compliance within the legislative framework set out by the further and higher education acts.

There is an expectation that regional strategic bodies will also embrace this Code where relevant.

Boards must not only follow the letter but also the spirit of the Code to ensure good governance. Boards must think deeply, thoroughly and on a continuing basis about their overall tasks and the implications of these for the roles of their individual members. Key to this is the leadership of the Chair, the support given to and by the

Principal, and the frankness and openness of mind with which issues are discussed and tackled by all board members.

### **Statement of Compliance with Good Governance**

Each college should state its adoption of the Code in the corporate governance statement contained in its annual audited financial statements. The Chair, on behalf of the Board, is encouraged to report personally as to how the principles have been applied by the Board. Where, for whatever reason, a college's practice is not consistent, with any particular principle of the Code, it should make this known to the Scottish Funding Council or Regional Strategic Body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Colleges will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

## **Principles**

### **Section A: Leadership and Strategy**

#### **Conduct in Public Life**

- A.1 Every college must be governed by an effective board that is collectively responsible for setting, demonstrating and upholding the values and ethos of the organisation.
- A.2 The nine key principles underpinning public life in Scotland, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key Principles are:
- Duty/Public Service
  - Selflessness
  - Integrity
  - Objectivity
  - Accountability & Stewardship
  - Openness
  - Honesty
  - Leadership
  - Respect

#### **Vision and Strategy**

- A.3 The board is responsible for determining the college's vision, strategic direction, educational character, values and ethos. For an assigned college, the Board must have regard to the strategy determined by the Regional Strategic Body. Board members have a collective leadership role in fostering

an environment that enables the college to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.

- A.4 The board must develop and articulate a clear vision for the college. This should be a formally agreed statement of the college's aims and desired outcomes which should be used as the basis for the college's overall strategy and planning processes.
- A.5 The board provides overall strategic leadership of the college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.
- A.6 The board must ensure that a comprehensive performance measurement system is in place which identifies key performance indicators. It must ensure that it scrutinises performance measures and reports in order to determine whether or not the college's vision and mission are being fulfilled and that the interests of stakeholders are being met.
- A.7 The board (except in the case of assigned college boards) is responsible for negotiating its outcome agreement with the SFC, to meet the needs of the region and make best use of available funding, consistent with national strategy. The board must ensure effective engagement with all relevant stakeholders in the development of its outcome agreement and monitor performance in achieving the agreed outcomes.

The role and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body, which differ depending on whether a college is incorporated or not. Assigned college boards must contribute constructively to the development of the outcome agreement led in its region by the regional strategic body. The board must support the regional strategic body to monitor performance in achieving the agreed outcomes.

### **Corporate Social Responsibility**

- A.8 The board must demonstrate high levels of corporate social responsibility by ensuring the college behaves ethically and contributes to economic development while seeking to improve the quality of life of its workforce as well as of the local community and society at large.
- A.9 The board must exercise its functions with a view to improving economic and social wellbeing in the locality of the college. It should have regard to social and economic needs and social inclusion.
- A.10 The board must provide leadership in equality and diversity. The board must ensure it fulfils its statutory obligations and duties in respect of equalities legislation.

- A.11 The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.
- A.12 The board must appoint one of the independent non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the other board members and the board secretary when necessary. The senior independent member (or Vice-Chair) should also be available where contact through the normal channels of chair, principal, or secretary has failed to resolve an issue or for which such contact is inappropriate.

## **Section B: Quality of the Student Experience**

### **Student Engagement**

- B.1 The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.
- B.2 The board must lead by example in relation to openness, by ensuring that there is meaningful on-going engagement and dialogue with students, the students' association and as appropriate staff and trades unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.

### **Relevant and high quality learning**

- B.3 The board must seek to secure coherent provision for students, having regard to other provision in the college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the college works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.

### **Quality Monitoring and Oversight**

- B.4 The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience and work with other bodies as appropriate to oversee and monitor this. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high quality services for students.
- B.5 The board must expect to see student surveys and monitor action plans that could impact on the quality of the student experience.

## **Section C: Accountability**

### **Accountability and Delegation**

- C.1 The board is accountable to students and to other stakeholders, including the public, employers and its local community for the provision of appropriate, high quality education that enhances social and economic well-being. An assigned college is also accountable to the Regional Strategic Body.
- C.2 Incorporated colleges must maintain and publicly disclose a current register of interests for all board members. Board members should declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate or when requested to do so.
- C.3 The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management, are established, monitored, continuously improved and appropriately impact assessed.
- C.4 Boards may delegate responsibilities to committees for the effective conduct of board business. The minimum committees required are Audit, Remuneration and as appropriate Nominations/Appointments.
- C.5 Delegation of responsibilities from, and matters reserved to, the board and its committees must be clarified through a scheme of delegation including the functions delegated by the board to the chair, committees, the principal, the board secretary.
- C.6 Boards must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there is effective reporting and two way communication between committees and the board.

### **Risk Management and Audit**

- C.7 The board is responsible for the overall management of risk and opportunity. It must set the risk appetite of the college and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the executive team.
- C.8 The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the college's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.

- C.9 The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the college's governance, risk management and internal control framework.
- C.10 The scope of the Audit Committee's work must be defined in its terms of reference and encompass all of the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit and financial reporting issues.
- C.11 The membership of the Audit Committees must consist of non-executive board members who must be independent and objective. The chair of the board must not be a member of the Audit Committee. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.
- C.12 The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.
- C.13 At least one member of the Audit Committee should have recent relevant financial or audit experience.

### **Financial and Institutional Sustainability**

- C.14 The board is responsible for ensuring the financial and institutional sustainability of the college. College boards are accountable to the Scottish Funding Council or their Regional Strategic Body for the funding they receive from it. The board must ensure compliance with the SFC/Regional Strategic Body Financial Memorandum and the relevant aspects of the Scottish Public Finance Manual.
- C.15 Boards must ensure that funds are used as economically, efficiently and effectively as possible.
- C.16 For colleges that are charitable organisations, board members are also charity trustees. Boards must be aware of their responsibilities under charity legislation and ensure compliance with relevant provisions.

### **Employee Relations**

- C.17 The board must ensure that the college meets its ethical and legal obligations to its staff. Day to day staff management is delegated to the principal.
- C.18 The board is responsible for employment policies and must ensure appropriate consultation arrangements are in place with staff and recognised trades unions.
- C.19 Boards should ensure that colleges comply with statutory, contractual and other duties placed on them through the national bargaining process.

- C.20 The board must seek to ensure effective dialogue between trades unions and management and should promote positive employee relations.

## **Section D: Effectiveness**

### **The Board Chair**

- D.1 The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by encouraging the effective contribution of all board members and fostering constructive relations between board members.
- D.2 The Board and its committees should have the appropriate balance of skills, experience, independence and knowledge of the college to enable them to discharge their respective duties and responsibilities effectively.

### **Board members**

- D.3 The whole board is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college as a whole rather than selectively or in the interests of a particular group.
- D.4 Staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff and student board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.
- D.5 The board must ensure that the respective functions of governance and management, and the roles and responsibilities of the chair, the principal, the board secretary and individual board members, are clearly defined within a scheme of delegation.

### **Principal and Chief Executive**

- D.6 The board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary, and must put in place suitable arrangements for monitoring their performance.
- D.7 The board must ensure there is an open and transparent recruitment process for the appointment of the principal and obtain approval from the Regional Strategic Body for the appointment and their terms and conditions, where required. Students and staff should have an opportunity to contribute to the recruitment process.

- D.8 The board delegates to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and should ensure the establishment of such management functions as should be undertaken by and under the authority of the principal.
- D.9 The board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.
- D.10 There must be a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence to the relevant committee.
- D.11 The principal has an important role in supporting effective governance. The principal, as a board member, shares responsibility with the chair and the board, supported by the board secretary, for enabling good governance through supporting effective communication and interaction between the board and the rest of the college including staff and students.
- D.12 The chair and the principal have a shared responsibility to provide leadership for the college. The principal is the operational interface between the board and the college.
- D.13 The board must provide a constructive challenge to the principal and executive team and hold them to account.

### **Board Secretary**

- D.14 All board members must have access to a board secretary who has an important governance role in advising the board and individual board members and supporting good governance. The board secretary should advise the board and executive team on governance, the role of the board and board matters.
- D.15 The board secretary must directly support the chair and the board in ensuring that the board receives appropriate, timely and high quality information in a form that allows it to monitor and scrutinise the college's activities and to challenge performance when required. The board secretary must support the chair, the board and the executive team in ensuring compliance with all relevant legislative and governance requirements.
- D.16 The board secretary is responsible to the board and reports directly to the chair. The board secretary must be independent of the college executive in relation to their board secretary role. The appointment and removal of the board secretary should be a decision of the board as a whole.

## **Board Member Appointment, Induction and Training**

- D.17 There should be a formal and open procedure in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.
- D.18 The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations and elections of staff members to the board.
- D.19 The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual needs. The board secretary should support the chair in the provision of relevant induction for new board members.
- D.20 All board members must undertake appropriate training and development in respect of their governance role. The board secretary should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The board secretary must keep records of the development activity of board members, including the chair.

## **Board Evaluation**

- D.21 Extension of the term of office of board appointments requires evidence and the Board must ensure appropriate mechanisms are in place to support this.
- D.22 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 every three years to five years.
- D.23 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.
- D.24 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.

## **Section E: Relationships and Collaboration**

### **Partnership working**

- E.1 Colleges and/or regional strategic bodies must work in partnership to secure the coherent provision of a high quality of fundable further and higher education in their localities.
- E.2 Colleges and/or regional strategic bodies must ensure effective consultation, local and regional planning and must follow the principles of effective

collaborative working: mutual respect, trust and working towards commonly agreed outcomes.

- E.3 Boards must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.
- E.4 The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.

### **Openness and Transparency**

- E.5 The work of the board and its committees should be communicated appropriately to internal and external stakeholders to support effective and transparent governance.
- E.6 The board, via the board secretary, must ensure the board agenda, minutes, policies and appropriate reports are published within appropriate time frames, ensuring and monitoring compliance with freedom of information legislation.

### **Staff and Students**

- E.7 The board must encourage a strong and independent students' association and should ensure that the students' association is adequately resourced.
- E.8 The board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities. The students' association must have a written constitution, which should be subject to the approval and review by the board at intervals of not more than five years.
- E.9 The board and the students' association must establish clear guidelines on relationships and effective communication.
- E.10 The board should ensure that it is aware of the employees' and recognised trades unions views on relevant issues. The board should see staff surveys and monitor any resulting action plans. The principal is delegated to operationalise the outcome of board decisions, values and ethos to all staff.
- E.11 The principal, on behalf of the board, must ensure that appropriate governance standards are embedded throughout the college.



**CHAIR'S APPRAISAL PROCESS 2015**

**NAME OF BOARD MEMBER.....**

**OBSERVATIONS**

(Please relate any observation to specific parts of the Chair's Role or the Code of Good Governance for Scotland's Colleges)

**Signed.....**

**Dated.....**

**ABSTRACTS OF OBSERVATIONS – CHAIR APPRAISAL 2014-2015**

- Although I am a very new board member I have been impressed by the chair's quiet authority. He is clearly respected by members and moreover is knowledgeable about the college and its business. He also seems to have a strong working relationship with the senior management team. As a past CEO of Colleges Scotland I saw Ken relatively frequently and again was impressed by how he took a broad sectoral view of issues such as the Wood Commission .He was very able to hold his own in the grouping of regional chairs.
- I think we are extremely fortunate to have a chair of the calibre of Ken Milroy. He has provided clear leadership during the merger process and since the new Board was established. His knowledge of the field is second to none, as is his understanding of the issues facing the sector in the future. This combined with his ability to relate to people is a great combination.
- My overall opinion is that Ken Milroy has proved to be a highly effective Chair. Factors which I believe contribute to this include:
  - He is extremely well networked including at senior levels within the FE national governance arrangements;
  - He has established effective working relationships with the Principal and the College Senior Management Team;
  - He has excellent interpersonal skills;
  - He is strategically very astute and focussed;
  - He tackles contentious/challenging issues whilst avoiding open conflict; and
  - He has created an inclusive and positive atmosphere within the Board of Management and provided clear and strong leadership.
- Having reviewed the Extract from the Chair of the Board of Management of North East Scotland College Terms and Conditions of Appointment (as set by the Scottish Government) and Code of Good Governance for Scotland's Colleges the only observation I would wish to make is that, in so far as I have experienced, Ken Milroy provides the leadership and upholds the standards articulated in these documents. I would specifically recognise his role in establishing and maintaining what I believe is a culture of openness and debate that encourages an effective contribution from all Board members.

## Appendix 5 – Summary of One-to-One Meetings

To be inserted when available.

## Appendix 6 – Board of Management Self-evaluation Action Plan

Action	Responsible Person(s)	Timescale/Deadline
<b>Develop longer term strategic planning arrangements which include increased opportunities for diversification and commercial activity.</b>	Board of Management supported by Principal, Vice Principal – Finance and Vice Principal - Business Services	
<b>Develop an action plan and set of KPIs that enables the Board and other possible external stakeholders to consider and measure its own performance and progress in meeting the key principles contained within the Code of Good Governance.</b>	Board Secretary in liaison with Board Chair and SMT	
<b>Establish, as part of the embedding of the College’s Vision and Values, update training and briefing sessions for all Board members on equality, diversity and inclusion.</b>	Board Secretary in liaison with Vice Principal – Human Resources	
<b>Develop key equality-related Performance Indicators for both students and staff which will be reported to Board members as part of the Board’s cycle of Standing Committee meetings.</b>	Human Resources Committee and Learning & Teaching and Student Services Committee supported by Vice Principal – Human Resources and Vice Principal – Learning & Quality	
<b>Develop and implement a robust approach to equality impact assessment in line with the new procedure adopted across the College and as part of the revised approaches to equality, diversity and inclusion.</b>	Board Secretary in liaison with Vice Principal – Human Resources	
<b>Instigate additional updates to keep all Board members aware of their trustee-related responsibilities.</b>	Board Secretary	

Action	Responsible Person(s)	Timescale/Deadline
<p><b>Instigate a Board briefing on requirements of, and processes relating to, compliance with all statutory information and consultation of employee’s regulations. This should also include updates on the possible implications for the College and the Board in relation to any proposed statutory, contractual and other duties placed on them through the possible adoption of a national bargaining process.</b></p>	<p>Board Secretary in liaison with Vice Principal – HR and College solicitors</p>	
<p><b>Review and revise the performance management process for the Principal to ensure that the views of both staff and students are included.</b></p>	<p>Board Chair</p>	
<p><b>Review and revise the Board’s processes for assessing the remuneration of the Principal to ensure that evidence from both staff and students is considered.</b></p>	<p>Board Chair</p>	
<p><b>Implement a quality approach for evaluating and ensuring the effectiveness of all Standing Committee Chairs.</b></p>	<p>Board Chair supported by Board Secretary</p>	
<p><b>Instigate a briefing to be delivered to the Board clarifying the guidelines and communication required between the Students’ Association and the Board. This briefing is also to cover the Board’s responsibilities to the Students’ Association.</b></p>	<p>Board Secretary in liaison with Head of Student Services</p>	
<p><b>Ensure that key Board documentation reflects good practice in relation to the exclusion of student and staff members from Board business and that staff and student members have a clear understanding of the requirements for withdrawing from a Board or Standing Committee meeting.</b></p>	<p>Board Secretary in liaison with Board Chair</p>	

Action	Responsible Person(s)	Timescale/Deadline
<p><b>Audit Scotland Recommendations:</b></p> <p><b>Comply with existing Scottish Government and SFC requirements and guidance, and wider good practice when considering and approving senior staff severance. In particular, they should base their decisions on full business cases to support severance proposals, and clearly record how they have considered and taken decisions on those proposals</b></p>	<p>Board Chair, Remuneration Committee and Principal</p>	
<p><b>Monitor student participation and satisfaction to help them plan future learning provision</b></p>	<p>Learning &amp; Teaching and Student Services Committee</p>	
<p><b>Complete the remaining merger activities, including standardising terms and conditions of service for all staff, curriculum reviews and integration of ICT systems</b></p>	<p>Board of Management and Standing Committees</p>	
<p><b>Work towards developing ten-year financial plans</b></p>	<p>Board of Management and Finance and General Purposes Committee</p>	