

North Highland College UHI
Externally Facilitated Effectiveness Review
24 May 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.

The Code states that the college board must have in place a robust self-evaluation process. Para 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 Board Secretary to agree the overall project plan 26.02.21
- Observation¹ of Board meeting 14.04.21
- Desk review of core governance documentation, including agendas, reports and minutes.
- Interviews with the Chair, Vice Chair and Chair of the Learning, Teaching and Research Committee, Interim Principal, Chair of Audit and Risk Committee, Chair of HR Committee, Student Member, Support Staff Member, Board Secretary and the Director of Learning and Teaching
- Board survey to seek Members' views of governing processes
- On-line event to test review conclusions and recommendations 28.04.21

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.

2. EXECUTIVE SUMMARY

This is an effective board that has responded well to a high level of change over the last year,

- The Covid-19 pandemic, the board has responded positively to the challenges of lockdown, the impact of the college being closed and the move to virtual board and committee meetings
- The retirement of the previous Principal and the appointment of an Interim Principal
- The appointment of a new Board Secretary who has had a significant impact and has implemented
 - a review of the governance documentation including the Standing Orders, Scheme of Delegation and Committee Terms of Reference
 - updated the board induction checklist, skills matrix, training records, all of which were overdue

This is in the context of significant change in the board membership,

- 5 new members have joined since March 2020
- the recruitment of a further 4 members in May 2021

The chair and the board are aware that this level of change requires effective management and a need to build the 'new' board as a team.

Board Competence is largely a feature of board composition, board structures and board interactions. The board of NHC clearly demonstrates competence **and** effectiveness in each of these areas.



The board has an appetite for change, effectively balancing risk and opportunity and a strive for continuous improvement. It is encouraging to note that several of the recommendations discussed during the review are already being actioned.

3. 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 is well respected and fosters a culture of openness and mutual respect.

The board provides a constructive balance of challenge and support to the executive team, and there is a clear understanding of the respective roles and responsibilities of the board and the executive. The relationship between the board and the executive is mature and is based on mutual respect and an appropriate level of trust. The board is clear about the line separating strategic and operational matters.

"The culture of the board is open and inclusive and is particularly careful not step into the detail of areas that are clearly executive responsibilities whilst being clear on its responsibility for strategy, performance and outcomes." Board Survey March 2021

Board members are fully engaged and the board benefits from having a diverse range of skills and experience. Members recognise and value the skills and experience that colleagues bring to the board. The board has demonstrated an appetite for change and a willingness to tackle the big issues.

The loss of some board members has impacted on the collective skills, qualifications and experience of the board. A key task for the board secretary was updating the board skills matrix, which was used by the nominations committee to identify gaps and determine the skills, experience and knowledge required in new members. This has also been an opportunity to consider how to optimise the skills and experience of existing members.

The board has demonstrated effective leadership during the period of lockdown when the college was closed to students. Effective measures were put in place including fortnightly board discussions plus staff and student drop-in sessions with the board. The board ensured they were fully informed of the impact of Covid-19 on staff and students and the actions taken by the college executive to manage the situation.

The college Strategic Plan 2018-2020 is clear and includes high level KPIs. Planning for the new strategic Plan NHC2030 is underway with a board strategic planning workshop to be arranged. This session is also an opportunity for further team building.

Recommendations

1. When the new members are recruited it will be important to build the new board 'team'. A new induction checklist is in place but with the introduction of 4 new members there is an opportunity for a 'group induction', which could also include the new student members.

2. The new Strategic Plan for the college needs to be underpinned by strategic KPIs and effective business reporting to the board. These should be considered by the board as part of the strategic planning process.

The business report would allow the board to monitor progress towards strategic objectives and would include

- Strategic Objectives
- Targets and timescales
- Actual performance and any variances
- Any management actions / interventions

The frequency of the business reports should be agreed by the board as part of the board workplan (see recommendation 6)

3.2 Quality of the Student Experience

The quality of the student experience is clearly central to board discussions and decision making. The Learning, Teaching and Research Committee effectively monitors curriculum development, learning, teaching and quality matters, identifies priorities and reports back to the board.

During the 2020/21 session there has been only one student member, however this is being addressed for the next academic year when the board aim to have 2 student members.

The student member is well supported in her role and has mentoring support from another board member. This has worked well and should be continued.

Recommendations

3. The board needs two student members, and work is underway to generate interest in the work of the board.
 - Mentoring support for student members should be continued
4. The student report should be moved up the board agenda to be the first report that the board considers. This has been agreed.

3.3 Board Accountability

A revised Governance Manual is being developed and the Scheme of Delegation and Standing Orders are under review and will be considered at the June meeting of the board.

Revised Committee Terms of Reference have been agreed and committee membership has been agreed by the board.

Board decision making is transparent, properly informed rigorous and timely. However, board papers could be improved, see recommendation 5.

- Agreed actions are highlighted at the end of each board and committee meeting and recorded on an Action Sheet.

The board has confidence in the work of the committees. There is effective reporting from the committees to the board, and an appropriate level of trust.

The Risk Register has been split into 'Risk Areas' based on the structure and contents of the NHC Strategic plan for 2018-20. Each area has been assigned to a committee for the purposes of monitoring and review. This ensures a clear line of sight between the Strategic Plan and the Risk Register. The Risk Register will be reviewed when the new Strategic Plan has been finalised.

The Annual Report of the Audit and Risk Management Committee was presented to the last meeting of the Board.

'The committee can report to the Board of Management that it is satisfied with the adequacy and effectiveness of the college's arrangements for risk management, control and governance and the economy, efficiency and effectiveness (Value for money).'

The Remuneration Committee had not met for some time but that has been rectified and the Board Secretary ensured that all members had undertaken the online training module in line with the requirement of the Code (Section C.19)

The board strives to promote positive staff relations and the HR Committee monitors steps taken by management in response to COVID.

Regular staff drop-in sessions allow board members to hear directly from staff, but the board are clear that it is the responsibility of the Executive team to respond.

Recommendations

5. Board and Committee papers would benefit from a more strategic focus and standard format with a clearer structure.

A standard format for board papers should be introduced which would include purpose, executive summary, resource / student implications and recommendations for board action. The current front cover page could be expanded to include links to any background papers or relevant websites.

- The aim should be for more concise papers which are high quality / low density
- Admincontrol is relatively new but will help manage papers

6. 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 and 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.

3.4 Board Effectiveness

This is an effective board with a clear understanding of the respective roles and responsibilities involved in good governance and that collective responsibility and accountability underpin all board decisions. The chair has a clear strategic focus and actively encourages contributions from all members.

The board has a diverse range of skills and experience, although the recent loss of some members has resulted in some skills gaps, especially around finance. The skills matrix has recently been updated and used by the Nominations Committee to inform the recruitment of new board members which is currently underway.

The board provides an appropriate balance of scrutiny, support and constructive challenge to the executive team, and there is an effective working relationship between the board and the executive.

A new Board Secretary was appointed at the end of 2020 and she has had a significant impact since joining updating, governance arrangements and documentation.

An open and transparent process has been established to recruit a new Principal, which has included student input.

The board have considered the CDN 'Governing A College Using Virtual Meetings' Report and will use the strategic planning process to determine the best approach to board and committee meetings post lockdown.

Recommendations

7. Board Meetings and agenda planning
 - A consistent approach to board agenda planning has been recently introduced where the chair meets with the board secretary to plan the agenda and papers required. Committee Chairs, at their discretion, have the option to set up agenda planning meetings with the relevant executive team member

- At the end of each board and committee meeting add a review of the papers and the process
 - During the period of virtual meetings consider taking written questions from members, via the board secretary, in advance of the meeting to allow college staff to prepare answers (see the Virtual Governance Report Recommendation 14). This could improve efficiency and effectiveness
8. Introduce a more structured approach to recording board member annual appraisals and agreed training and development needs.
9. The board annual self-evaluation was not undertaken in 2020. Given the board survey that formed part of the Effectiveness Review and the updating of the skills matrix and training records, the 2021 self-evaluation should be undertaken in the latter part of the year.

3.5 Relationships and Collaboration

The board has a clear commitment to partnership working and collaboration, and a formal appraisal of options for the closer alignment of UHI colleges is currently being carried out.

‘Partnerships’ is included in the draft Strategic Plan NHC2030 as a strategic goal

The Board Chair is a member of the UHI Court's Regional Strategic Committee and Audit and Risk Management Committee, and feeds back to the board from external meetings.

Recommendations

10. In line with the new strategic plan re-engage with key stakeholders and resurrect invites to board meetings.

ACTION PLAN

| Recommendation | Proposed Timescale | Who is responsible |
|--|---|---------------------------------------|
| <p>1. New member induction When the new members are recruited it will be important to build the new board 'team'. A new induction checklist is in place but with the introduction of 4 new members there is an opportunity for a 'group induction', which could also include the new student members.</p> | Q1 of the 2021/22 academic session | Chair Board Secretary |
| <p>2. Board Business Reports The new Strategic Plan for the college needs to be underpinned by strategic KPIs and effective business reporting to the board. These should be considered by the board as part of the strategic planning process. The business report would allow the board to monitor progress towards strategic objectives and would include</p> <ul style="list-style-type: none"> • Strategic Objectives • Targets and timescales • Actual performance and any variances • Any management actions / interventions <p>The frequency of the business reports should be agreed by the board as part of the board workplan (see recommendation 6)</p> | In line with the publication of NHC2030 | Chair Principal Board Secretary |
| <p>3. Student Members The board needs two student members, and work is underway to generate interest in the work of the board</p> <ul style="list-style-type: none"> • Mentoring support for student members should be continued | August 2021 | HISA Chair Board Secretary |
| <p>4. Student Report The student report should be moved up the board agenda to be the first report that the board considers. This has been agreed</p> | June 2021 Board Meeting | Chair Board Secretary |

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| <p>5. Board and Committee Papers</p> <p>Board and Committee papers would benefit from a more strategic focus and standard format with a clearer structure.</p> <p>A standard format for board papers should be introduced which would include purpose, executive summary, resource / student implications and recommendations for board action. The current front cover page could be expanded to include links to any background papers or relevant websites.</p> <ul style="list-style-type: none"> • The aim should be for more concise papers which are high quality / low density • Admincontrol is relatively new but will help manage papers | <p>Start of 2021/22 session</p> | <p>Principal</p> <p>Executive Team</p> <p>Board Secretary</p> |
| <p>6. Board Workplan</p> <p>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 and 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>Start of 2021/22 session</p> | <p>Board Secretary</p> |
| <p>7. Board Meetings and agenda planning</p> <ul style="list-style-type: none"> • A consistent approach to board agenda planning has been recently introduced where the chair meets with the board secretary to plan the agenda and papers required. Committee Chairs, at their discretion, have the option to set up agenda planning meetings with the relevant executive team member • At the end of each board and committee meeting add a review of the papers and the process | <p>June 2021</p> | <p>Board and Committee Chairs</p> <p>Board Secretary</p> |

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|---|---------------------------|---|
| <ul style="list-style-type: none"> During the period of virtual meetings consider taking written questions from members, via the board secretary, in advance of the meeting to allow college staff to prepare answers (see the Virtual Governance Report Recommendation 14). This could improve efficiency and effectiveness | | |
| <p>8. Member appraisals Introduce a more structured approach to recording board member annual appraisals and agreed training and development needs.</p> | TBD | Chair Board Secretary |
| <p>9. Annual self -evaluation The board annual self-evaluation was not undertaken in 2020. Given the board survey that formed part of the Effectiveness Review and the updating of the skills matrix and training records, the 2021 self-evaluation should be undertaken in the latter part of the year.</p> | December 2021 | Board Secretary |
| <p>10. Stakeholder Engagement In line with the new strategic plan re-engage with key stakeholders and resurrect invites to board meetings.</p> | Q1 of the 2021/22 session | Chair Principal Board Secretary |

ANNEX 1

Document Review

1. Strategic Plan 2018-2020
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. Board member induction checklist (New) and training records
15. 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.