Governance Effectiveness Review

Dumfries and Galloway College

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Overview

1. This Governance Effectiveness Review was facilitated independently by Polley Solutions Ltd. This report records the main findings of the review. It was conducted in an open and engaged manner, including:
    ❖ an initial discussion with the Board Chair and Secretary
    ❖ observation of a board meeting
    ❖ one-to-one structured confidential discussions with a sample of board members
    ❖ a desktop review of the college's governance documentation
    ❖ a facilitated workshop for board members at which they reviewed their existing Board Development Plan and agreed the areas for development for next year.

2. From this evidence, Dumfries and Galloway College has a strong, conscientious and thoughtful board that takes real ownership of and has a belief in strong governance including adherence to the Code of Good Governance. The Board works in close and constructive partnership with a team of senior staff who have made considerable efforts to promote good governance and support the Board in its role.

Areas of good practice

3. The Board already has in place a system for evaluating its own performance against the requirements of the Code of Good Governance. It does this on an annual basis and keeps the resulting action plan under review, using the Board Development Framework guidance issued by the College Development Network for this purpose. This review identified a number of existing areas of particular good practice including:

Code of Good Governance sections	Examples of good practice
Leadership and Strategy, Partnership Working	Exceptionally good evidence of strong collaboration and partnership working in the best interests of the region. The college's Strategic Plan, Regional Outcome Agreement, Education Scotland External Review and Crichton Campus Outcome Agreement demonstrate active engagement with a wide range of partners. Board members are engaged in events with partners, including employers and local schools, and the Board has consciously recruited members with direct links to schools and students. One board member summed up the approach as *there is a real sense that we are the servants of the people of our area*.
Accountability	Strong evidence of a commitment to transparency by both board members and staff. The college has published all minutes and papers from board and committee meetings since 2014 and so has available a clear audit trail.
Effectiveness	Substantial evidence that the Board promotes a culture of continuous improvement when it comes to governance, taking its own learning and development seriously. In addition to their Annual Development Plan, there is a mature process of annual appraisal for each board member. A number of members expressed their appreciation of the support they receive from the Chair. All board members make considerable efforts to take part in national training initiatives. The Board recently met with the Board of Scottish Borders College to discuss issues of common interest.

New board development plan

4. A facilitated board workshop was held in January 2017 at which board members received feedback on the main findings of the independent desktop review of documents, the confidential discussions held with a sample of board members and the board meeting observation. (See detailed findings below.) They also took note of their existing Development Plan for 2016-17.

5. It was noted that the review concluded that the college meets its obligations under the Code of Good Governance and, in a number of areas, promotes highly effective governance. Board members concluded therefore that they wished to focus their Development Plan for next year on those aspects of their governance that could further enhance their effectiveness. Areas identified for further development are:

Governance development actions agreed for 2017-18

Leadership, strategy and partnership working

❖ Board to ensure it has overarching leadership of performance-monitoring by taking stock of which KPIs and other performance indicators are overseen by which committees, and ensuring it makes clear whether it expects committees to examine performance issues in more detail and report progress back

❖ Build on existing partnership and collaboration by identifying and focussing new efforts on a few 'hard to reach' strategic stakeholders, e.g. certain employers or parts of the region

Quality of the student experience

❖ Take stock of the range of mechanisms that should be used to ensure the Board engages with students, e.g. existing student member reports to the Board, hear more from student representatives, invitations to attend student events

❖ Continue the ongoing review of the Learning and Teaching Committee and its relationship with the Board in the light of the requirements of the new Education Scotland Quality Framework.

Accountability

❖ Review board agendas to make best use of time by ensuring papers for decision or substantive discussion come first and papers for noting, including committee minutes, are not discussed unless members ask the Chair or Secretary beforehand

❖ Minutes of committee meetings which meet infrequently to be made available to the Board more quickly, in draft if necessary; more generally ensure all minutes make clear the reasons for decisions

❖ Take stock of the range of sources of evidence on staff views available to the Board and ensure that sources provide a breadth of information; explore mechanisms for more board member engagement with staff, including clarity of its purpose and how findings are fed back to the Board

❖ Review the role and membership of the HR Committee to ensure it can provide strategic support for the recent staff restructuring plan, helping to clarify the objectives of the plan and monitoring the associated success indicators

❖ Ensure all members of the Remuneration Committee complete the obligatory national on-line training and new board members attend the national induction training workshop

Effectiveness

❖ Review the induction programme offered to new board members to ensure it meets their needs, and includes opportunities to meet the Executive Team and other board members

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Detailed findings

6. This review examined a selection of the very substantial body of governance documentation published on the college's website, and a range of other documents helpfully provided by the Board Secretary and senior staff. Structured confidential discussions were held with four board members, including a staff board member, with all chosen to reflect a range of board experience and backgrounds. A board meeting in December 2016 was also observed. A list of the evidence sources used for this review is shown at the end of this Report.

7. This Review assessed the Board's performance under each section of the Code of Good Governance.

Leadership and strategy

8. The college has created a Governance Manual which is given to all board members. It covers all the key governance topics, including the Nine Principles of Public Life and cross-references to the Ethical Standards in Public Life etc. (Scotland) Act 2000. Board members are invited to indicate if they have a conflict of interest at the beginning of every meeting. Also, a paper at the December 2016 board meeting reminded members of the requirement to adhere to the Code.

9. The Board has held training sessions on equality and diversity topics, while every board member is required to complete an on-line equality training module. The Board receives reports on equality and diversity matters and policies from time to time and it currently has an exact 50:50 male:female balance. A recent board recruitment round emphasised the college's wish to promote diversity and equality. At a board development workshop in January 2017, board members agreed to maintain their efforts to reflect the diversity of their local community in their work.

10. Board members have been closely involved in developing the college's strategic vision, priorities and performance indicators. The Vision 2020 document sets out clear strategic priorities which are consistent with those in the Regional Outcome Agreement. A range of targets and performance indicators track progress against the strategic priorities. The Board has, quite rightly, chosen a subset of high-priority measures that it reviews at each board meeting. Committees carry out monitoring of other indicators and targets; the Vice Principal Corporate Services and Governance ensures regular reporting.

11. A clear framework of which governance body is responsible for overseeing which performance indicators can be helpful in enabling new board members to get up to speed quickly on the system they are joining. It also facilities communication between a Board and its committees – allowing a Board to remit weak performance to a committee

for investigation and reminding each committee of their duty to alert the Board to any areas of concern that they are responsible for monitoring.

12. The college has considerable evidence of its engagement with regional and national stakeholders during the development of its Regional Outcome Agreement and its Vision 2020. The college is also involved in collaboration with University of Glasgow, University of West of Scotland, Open University and SRUC. Board agendas often include items relating to the college's partnerships, while individual board members have been specifically recruited to bring first-hand experience of regional partners.

Quality of the student experience

13. The Board has two student members, the President and Vice President of the Student Association, who are also members of the Learning and Teaching Committee. Board agendas include a standing item for student members to report to the Board. The Learning and Teaching Committee has an agenda item for a verbal student update. It also regularly reviews evidence of student satisfaction (which appears to be high from recent survey data). There is a Student Association Development Plan 2015-16 which draws on the NUS publication Development of Strong and Effective Student Associations in Scotland.

14. Education Scotland's external review report from April 2016 noted that class representation arrangements are improving, and suggested that further action be taken to support the Student Association's role in ensuring effective learner engagement. The Board and senior staff have worked together in taking that recommendation forward in recent months, and the Student Association is due to bring its revised Constitution and Partnership to the Learning and Teaching Committee in early 2017.

15. Unfortunately, the Student President resigned for personal reasons at the turn of the year and so the college is now working with NUS to recruit another President who can hopefully stay in position until the end of the next academic year in order to ensure continuity. The college also plans to put in place ad hoc arrangements to ensure the student voice continues to be heard at board meetings. It was clear from the one-to-one discussions with board members that a number of them take the chance to attend student events. Also, at the development workshop in January 2017, board members agreed that they wished to explore more mechanisms to ensure they were aware of student views including the establishment of class rep focus groups.

16. As indicated in the section above (Leadership and Strategy) this college has a strong culture of working with regional partners. In the one-to-one discussions with board members, their commitment to making links with schools and employers in order to ensure coherent and relevant learning for the people of the area was very clear. Board

members have taken part in employer forums; one board member who is a school headmaster works closely with staff to build links with schools; and the student board member was leading an initiative to take students into schools to act as ambassadors for the college. Board members have agreed that continuing to extend and improve those links should be an important part of their Development Plan in the coming year.

Accountability

17. The college has six committees – Audit, Remuneration, Learning and Teaching, Human Resources, Finance and General Purposes, and Board Development. The latter Committee is also responsible for selection and appointments. The remits of all the committees were reviewed by the Board in April 2016. Strategy documents, progress against key KPIs, the papers and minutes of the Board and committees are all published on the college website. The Board monitors progress towards the Regional Outcome Agreement. Also, there is evidence in the minutes, at least once in the last year, of the Board requesting follow-up action when performance was unsatisfactory. The Governance Manual sets out the committees' remits and delegations to the Chair, Principal and Board Secretary. There is also a clear statement of the authority reserved to the Board.

18. Committee minutes routinely go to the Board, although some relating to committees that meet infrequently, have been unduly delayed. The Board agreed at its December 2016 meeting to address this weakness. Minutes are generally of very good quality, although recently and understandably, with the arrival of a new Board Secretary there are a few instances of where the key issues considered as part of a board or committee decision have not always been clear.

19. It was clear from the one-to-one discussions and from the facilitated board workshop that members are content with the timing and quality of board discussions and the quality of papers. Several people commented on the fact that the Chair keeps the discussion 'tight' and that the staff tend to take a back seat unless asked, in order to allow board member discussion. There was however a suggestion that more time is needed to discuss the most important topics. During the facilitated workshop it was suggested that board agendas focus on issues for decision, monitoring and discussion and that papers for noting, including minutes of committee minutes, are not discussed unless a member asks the Chair beforehand. This is a very sensible approach but requires that the purpose of papers is considered carefully so that, for example, an important topic is designated as requiring board agreement and not just noting.

20. A strategic risk register is in place, managed in line with the college's clear and succinct Risk Management Policy which sets out the risk appetite and risk scoring framework. The Board reviewed the Risk Management Policy in June 2016, and the risk register is

considered at every board meeting. While it is not clear from the board minutes how substantial discussions of this agenda item have been, interviewed board members indicated that they were generally content with the level of debate. An example quoted was that the risk of failing to deliver on an aspect of the Regional Outcome Agreement had been identified and addressed under this section of the agenda.

21. Audit and finance processes reviewed are consistent with the requirements of the Code of Good Governance. Internal audit plans clearly draw on the strategic risk register, and other core governance and business areas. They look over multiple years to ensure coverage. An Internal Audit Strategy paper considered in May 2016 helpfully mapped key risks and their sources of assurance against strategic objectives. Committee minutes show that members regularly review progress against audit actions and also identified those strategic risks that cannot be assured through internal audit. All members of the Audit Committee are non-executives, while the Chair is an experienced auditor and financial manager. Committee members met the internal and external auditors in September 2016 without college staff present. No causes for concern were noted. The college received a good External Audit Report.

22. The Remuneration Committee is chaired by the Board Vice-Chair; its remit is set out clearly in the Governance Manual. The Committee agreed a performance review process including staff and student participation for the Principal in April 2016. Remuneration of the Principal was considered by the Board in March 2016 in conjunction with a review by the Executive Management Team. The Board Secretary informed committee members in late 2016 of their obligation to undertake the on-line national training. at the time of finalizing this report, some committee members have still to complete it.

23. Two staff members sit on the Board, and the college has a published HR strategy. Currently, the HR Committee meets annually to review staffing levels, the employee engagement survey and data such as absence levels and complaints. There may be a case for increasing the HR Committee's use to provide strategic support to the Principal during the current staff restructuring process. A strategic role in this situation would probably involve supporting the Principal to identify the objectives of the restructuring and then to monitor progress against agreed success indicators.

24. More generally, all concerned referred to a constructive and mutually supportive culture between the Board and staff. This was seen as a particular strength of the college, although board members were quick to point out that this should never stop them being willing to challenge robustly when required. There was general acknowledgement that board members must ensure that they have mechanisms for engaging with staff at all levels in the organisation while recognising that this has to be done appropriately and

that members have limited time. The workshop agreed that it would be helpful to take stock of what the college already does in this regard and what more could be done.

<u>Effectiveness</u>

25. Evidence indicates that the Board and its committees have a good skills mix, and that each member is encouraged by the Chair to consider his or her own development during the annual appraisal process. Time is set aside several times a year for board development activity, supported by the Board Development Committee, and there is a Board Development Plan in place which is kept under review by the Board.

26. A staff board member sits on the Remuneration, Learning and Teaching, Human Resources and Finance and General Purpose Committees. There was clear evidence that staff members feel that they are treated as full board members whose views and insights are valued. The Chair has indicated that, should it ever be required, staff members can raise issues with him directly.

27. The review heard a range of evidence that the Chair is performing well. His style of engagement, ability to balance his relationships with the Board and senior staff, and his leadership of the Board were all praised. Comments included
    ❖ *the Chair runs a good ship and has a good rapport with the Principal*
    ❖ *Brian is very inclusive and encourages everyone to speak up so if I ever had a concern I would do so*
    ❖ *the Chair is good with a light touch. We don't always all agree which is good*
    ❖ *Brian has worked to bring more diversity to our board.*

28. The relationship between the Chair and the Principal was also seen as a strength with an appropriate balance between support and challenge. All board members spoken to were appreciative of the efforts of the Principal and senior staff to furnish them with the information they request – even if this meant unexpected work for the team.

29. The college has been moving over the last year from a very experienced and knowledgeable board secretary who was also a member of the Executive Management Team to a new individual who is independent of the college senior team. This has necessarily resulted in a steep learning curve for the new board secretary and there have been some issues about the time management required for this role. The issue has been acknowledged and is being addressed.

30. Ongoing training and development are given a high priority in this college. Most board members have completed the national induction training, but there were some suggestions that college-level induction could be improved to ensure that it meets the needs of individual members and also allocates time to meet both senior staff and

board members at an early stage. The Board agreed at its facilitated workshop to take this forward.

31. All board members, including the Chair and Principal, are subject to an annual appraisal process in line with sector guidance. The Remuneration Committee agreed a performance review process for the Principal in April 2016 involving the Board setting performance measures and the Chair using this and feedback from staff and student focus groups to evaluate performance.

32. Recent recruitment of new board members was carried out in accordance with Ministerial guidance. The procedures for the recruitment of student and staff members are similarly clear and open and set out in the Governance Manual.

Relationships and collaboration

33. There is considerable evidence of partnership working at local and regional levels. The college also demonstrates in its papers and minutes that it is well aware of and engages with national strategies, policies and guidance. In 2016 the college board met with its counterparts in Borders College to explore opportunities for playing a pro-active role in responding to the Scottish Government's Enterprise and Skills Review.

34. A review carried out by Internal Audit in late 2014 on partnerships and collaborative arrangements gave an opinion of 'substantial assurance' that the control framework for this work is well designed and operating well. The Education Scotland External Review published in April 2016 recognised the work being done with local schools. Of three areas of excellent practice highlighted for wider dissemination, two (Health and Social Care Reablement, Overhead Lines Technician Training) arose from partnerships with employers.

Conclusion

35. Staff and board members have taken part in this review in an open and professional manner, with all concerned showing a commitment to and enthusiasm for the continuous improvement of the governance of the college. Polley Solutions would like to thank everyone at Dumfries and Galloway College for their help and support in the compilation of this Report.

Sources of evidence used in this review

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

Written Evidence

- Governance Manual, including roles, remits and delegated authorities
- Minutes and papers relating to board meetings during 2016, and selected earlier meetings
- Minutes and papers relating to committee meetings during 2016, and selected earlier meetings
- Regional Outcome Agreement
- Vision 2020 strategic plan
- Equality Mainstream Report 2015
- Equality Outcome Update 2013-2015
- Various policies including Equal Opportunities, Health and Safety
- Student Association Development Plan 2015-16
- Education Scotland External Review 2016
- Annual Quality Review Report to SFC
- Registers of interest and Board member details shown on website
- Risk Management Policy and Strategic Risk Register
- Annual Internal Audit Report
- Internal Audit Strategy 2015
- Internal Audit Report into Partnerships 2014
- External Audit Report
- Learner Engagement Survey January 2016 and SFC Student Satisfaction and Engagement Survey 2014-15
- Published HR Strategy
- Board member skills matrix
- Board member recruitment pack
- Board Development Plan 2015-16
- Board Member Induction Programme