

Guidance Notes for Boards in the College Sector

1. A Board Development Framework

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Introduction

1. The Code of Good Governance for Scotland's Colleges¹ sets out the following principles that should be adhered to by all publicly funded colleges and regional strategic bodies. This Development Framework provides guidance on how boards should implement these requirements. It is produced by the sector's Good Governance Steering Group and has been the subject of consultation with board secretaries.

Board Member Appointment, Induction and Training

*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.*

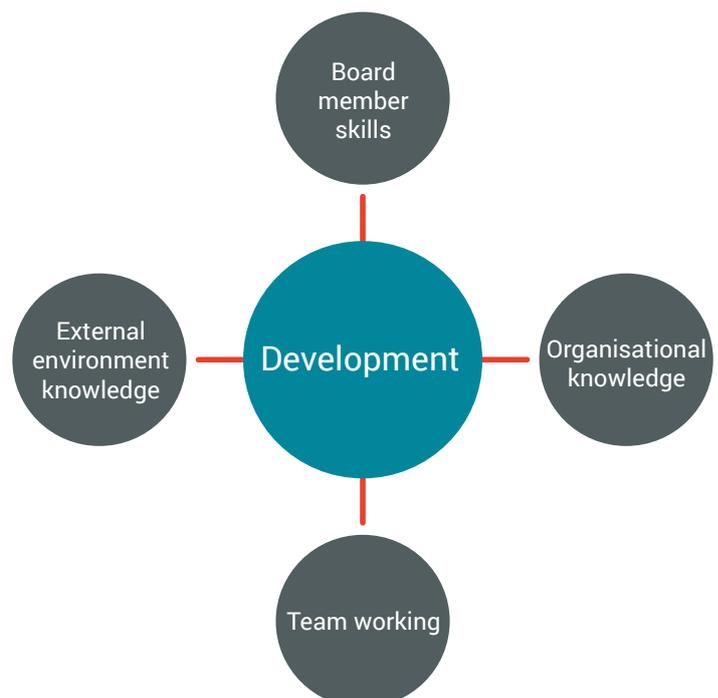
*D.24 The performance of **regional college chairs** will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.*

Source: Extract from Code of Good Governance for Scotland's Colleges

2. In their 2010 review of boards across the Scottish public sector, Audit Scotland stated that the effectiveness of a board is largely a feature of:

- The skills, knowledge and personal attributes of the individuals on it
- Whether, together, they have the right blend of those characteristics
- Whether they work together in a manner which makes best use of those characteristics.²

Accordingly, this guidance is designed to support boards and board members develop their competencies around the four key Development Pillars – board member skills, organisational knowledge, team working and knowledge of the external environment – which, together, encapsulate the competency areas required of anyone undertaking a governance role.



¹ <http://www.collegedevelopmentnetwork.ac.uk/download-document/5792-the-code-of-good-governance-for-scotland-s-colleges>

² The Role of Boards, Audit Scotland 2010

Board Member Induction Framework

3. Every board member must have an induction programme when they first join their board. In accordance with good practice principles, this should be designed to help the new member become an effective part of the board team as quickly as possible. It should cover both the hard facts (knowledge and processes) and the softer information (people, skills and behaviours) required to become an effective contributor. Each person's induction training should be tailored to some extent to their own needs but Annex A provides a framework of the topics which should be covered by a standard induction programme.
4. The framework does not specify how induction should be undertaken, leaving that up to individual colleges and regional strategic bodies (which may provide some of the local support), but it does set out what should be covered locally and where national support can complement the work of individual boards. This national support is designed to provide information and good practice guidance that is of use to all board members, avoiding duplication of effort across the sector. Where that guidance is provided by training events, it will also offer the new board member an opportunity to network with peers from elsewhere in the country. Each board is, of course, free to add other items to the framework to reflect their own particular needs.
5. In accordance with good practice experience, it is recommended that each new member should be given a six-month induction programme. Not only does that require less of their time when they first join the board, studies have shown that spreading the process over a longer period of time allows a new board member to assimilate information gradually and make better use of the learning opportunities offered.
6. At the end of the six-month period, it is recommended that each new board member should have a one-to-one meeting with their board chair in order to:
 - Give each board member an opportunity to ask questions and offer views
 - Allow the chair to provide feedback on the member's contribution to date
 - Agree the individual's future development plan in keeping with the ongoing appraisal and training system adopted by the board.
7. The content of this one-to-one meeting should be confidential, aside from the agreed actions in the development plan which should be passed to the board secretary for record keeping and action as required.

Board Member Core Skills Matrix

8. It is important that any list of the skills, qualities, expertise and behaviours expected of board members recognises that no single person will offer everything required. That is neither necessary nor desirable as colleges benefit from a broad range of board members. In addition, as colleges and regional strategic bodies across Scotland make serious efforts to build the diversity of their boards, it must be accepted that some board members will be recruited deliberately with very few of the expected skills or knowledge, albeit they will be judged to have the potential to develop them.
9. Nonetheless it is important that board members have a common understanding of the core skills and knowledge that go towards being an effective board member and that they have an opportunity to identify their own gaps and, within the time commitment they can give to board duties, have support to develop the skills and knowledge they wish to acquire during their years on the board. The Board Member Core Skills Matrix set out in Annex B lists the core attributes of a board member. The matrix is designed to ensure that even very skilled and experienced board members will be able to continue building and demonstrating their skills and knowledge.
10. The Core Skills Matrix is designed to apply to all board members, including student and staff members. Those members are likely to begin with a different range of skills and knowledge but it is reasonable to expect that, like other board members, they identify and work to fill chosen areas of weakness. In the case of student board members, who can be on the board for fewer than 12 months, it will be important to identify a few key areas of development that they can focus on and for them to receive the support of other board members and college staff to do this in the time available. Sparqs/NUS already provide national development support to student members and they will be taking account of this Development Framework in the training they provide.

Board Evaluation and Development

11. The Code of Good Governance requires each board to put in place 'robust' annual self-evaluation and indicates that external facilitation should be included every three to five years in order to ensure periodic independent challenge and calibration. Adherence to this requirement should (along with other aspects of the Code) be reflected in each body's annual corporate governance statement but it is important that this exercise is not carried out simply to satisfy an external audience. As the most senior entity within the organisation, a board must appraise itself – a self-aware and self-critical board is crucial to good governance. Such a board also sends out a powerful message to its organisation about the importance of continuous professional development and improvement.
12. The Guide for Board Members in the College Sector³ sets out the basic duties of a board:
 - Provide leadership, direction and support to your organisation, setting its strategies and priorities
 - Promote commitment to the values and ethos of the organisation, including equality and diversity
 - Ensure satisfactory delivery of the organisation's performance and financial objectives, high quality learning and outcomes, and a good learning experience
 - Be accountable to and maintain the trust of key stakeholders
 - Comply with relevant legal and financial requirements, including the Scottish Public Finance Manual
 - Ensure identification and control of the main risks to the organisation's responsibilities and business objectives
 - Ensure staff have the appropriate skills, knowledge, culture and working environment
 - Adhere to the sector's Code of Good Governance and the organisation's Financial Memorandum.
13. As a minimum, each board should establish an annual self-evaluation process which includes the following steps:
 - a) A shared understanding of what 'good' governance looks like, taking into account the basic duties of a board and the requirements of the Code of Good Governance
 - b) A review of performance over the last 12 months against that 'good' governance description when all board members are able to express their views
 - c) An assessment of any changes (external or internal to the board) likely to impact on the board over the next 12 months
 - d) A board discussion of, and agreement on, the board's strengths over the previous 12 months and its intended areas for development during the coming year with an agreed Board Development Plan identifying areas of training or development for the board as a whole
 - e) The resulting Board Development Plan is monitored by the board throughout the year and progress against it is assessed as part of the following year's performance review
 - f) The annual Statement of Compliance with Good Governance includes a short description of the board's most recent self-evaluation including main areas for intended self-development.
14. This guidance does not stipulate a single standard evaluation framework against which a board should assess itself each year because:
 - There is a wide range of evaluation approaches already available (see Annex C)
 - A board should challenge itself by periodically varying the approaches that it tests itself against as every evaluation method has its strengths and weaknesses
 - Boards should be free to adjust their approach to their own particular needs, depending on the issues facing them in any one year.
15. It is important however that any evaluation approach is robust, as required by the Code, and so Annex C lists examples of evaluation approaches which boards may wish to choose from. The Board Secretary Network will keep this list under review to ensure that it continues to reflect good practice in the sector, and more widely.

³ <http://www.collegedevelopmentnetwork.ac.uk/download-document/6111-guide-for-board-members-in-the-college-sector>

Board Member Evaluation and Development

16. The Code of Good Governance requires that there is evidence of effective performance if a board member is to be considered for an extension to their appointment and boards must ensure there is a mechanism in place to provide this evidence. In any case, every board member is expected to be as effective as possible, seeking feedback on their contribution and making a commitment each year to develop their own skills and knowledge. If a board member is failing to make an adequate contribution to the board, the chair must explain that to them and offer them support to improve their performance.
17. As part of the annual board evaluation process, each board member should be invited to evaluate their own contribution over the last 12 months and consider how they can support the effectiveness of their board during the next year. This should be discussed in a confidential one-to-one meeting with the board chair at which the chair should also offer feedback on the member's contribution and how they can best support the board going forward. This discussion should be based around the Core Skills Matrix and the four Pillars of Board Development, identifying where the board member has made particular use of or developed their skills/knowledge in the preceding year to the benefit of the board and which skills/knowledge they wish to develop or make more use of in the coming year.
18. This guidance does not stipulate the format or detailed content of these annual one-to-one discussions, other than to require that they take place and that there is a formal record of the training and development actions (a Member Development Plan) agreed and passed to the board secretary. In addition, the chair and board member should agree a short confidential summary of the previous year's performance that can be used as evidence, should that individual be considered for extension or reappointment to the board. A basic outline template which indicates the minimum information required from these one-to-one meetings is at Annex D.

Chair Evaluation and Development

19. The performance of the chair of a board or its committees is crucial to the governance of the organisation. The Skills Matrix for Chairs in the College Sector at Annex E highlights the particular skills, knowledge and contribution expected of an effective chair.
20. The Code requires that all chairs are evaluated annually - over and above any evaluation undertaken by Scottish Government or the regional strategic bodies, for those chairs that they appoint directly. In the case of committee chairs, this should be done as part of their board member evaluation by the board chair with reference to the Skills Matrix for Chairs as appropriate. The chair of the board should be evaluated by the vice chair or the senior independent director (they may often be the same person); in addition, if both parties wish it, they may invite an independent person who is not a member of the board or the college to take part in the process.
21. For all chairs, the evaluation should take into account the views of the relevant board or committee members who should have the opportunity to respond to a structured confidential questionnaire which is collated by the board chair (for committee chairs) and the vice chair/senior independent director (for the board chair) with support from the board secretary as required.
22. Board chairs should have the opportunity to self-evaluate their own performance in advance of the one-to-one discussion at which a Development Plan should be agreed and passed to the board secretary – as required for all other board members. In parallel with the process for other board members, a written confidential summary of the previous year's performance should be agreed for the board chair. Thereafter the vice chair/senior independent director should make a short report back to the board summarising the key feedback provided and development actions agreed. Boards may choose to adapt the template at Annex D for the evaluation of board chairs.

On joining a board every member should receive a six-month induction programme which involves a mixture of face-to-face discussions, background papers, and opportunities to attend meetings and events. Induction programmes will be tailored to meet the needs of each college and board member but should cover the areas set out below.

At the end of the six months each board member should have a discussion with their chair to review performance, whether the member is receiving the support they require and what areas of development they wish to focus on over the next 6-12 months.⁴

| Development pillar | College/regional strategic body based | Organised centrally |
|--|--|---|
| Knowledge of the external environment | <ul style="list-style-type: none"> • Identify own existing knowledge and networks • Role of regional strategic body (if appropriate) • Local community planning priorities and college's contribution to them • Area employer profile and skills requirements • Requirements of OSCR, the Charity Regulator (if appropriate) • Freedom of Information requirements • College's Code of Conduct (if appropriate). | <ul style="list-style-type: none"> • Scottish Funding Council/Government requirements • Public finance framework • Code of Good Governance • Accountability framework, key national bodies and their relationship to colleges • Qualifications framework • Ethical conduct framework • Role of student associations and student board members • Role of staff board members • Opportunity to meet board members from other parts of country. |
| Board member skills | <ul style="list-style-type: none"> • Identify own existing skills • Observe committees • Make contributions to board meetings and receive early feedback from chair. | <ul style="list-style-type: none"> • Role of a non-executive board member (leadership and stewardship) • Scrutiny and constructive challenge. |
| Organisational knowledge | <ul style="list-style-type: none"> • Briefings from college (or regional strategic body) staff and/or committee conveners • Finance, curriculum, human resources, corporate plan, legal, ethical • Role of chair, principal and board secretary • Campus/department tours • Student meetings and events • Staff meetings and events • Key information including financial memorandum/standing orders/Code of Good Governance/Outcome Agreement/scheme of delegation/regional structure. | |
| Team working | <ul style="list-style-type: none"> • Opportunity to explain own background and skills to board • Networking/team building opportunities with other board members • One to one meeting with board chair after six months to discuss progress and establish on-going training plan • One to one mentoring/support from nominated board member. | <ul style="list-style-type: none"> • Effective behaviours and adding value to the board and fellow board members • Networking opportunities with board members from other colleges and regional strategic bodies. |

⁴ As student board members are often on the board for a short time, agreement should be reached on a few key areas for development

Board members will join a college board or regional strategic body with their own specific skills, qualities and expertise. During their time on the board all members are expected to develop or keep up to date in the following core areas:

| Development pillar | Core skills, qualities, expertise and behaviours |
|--|--|
| Knowledge of the external environment | <ul style="list-style-type: none"> • Understanding of the local/regional/national and, if appropriate international, agenda that your organisation contributes to • Understanding of the legal and financial requirements of those bodies your board is accountable to, including Scottish Funding Council, OSCR and, where appropriate, your regional strategic body (e.g. Financial Memorandum, including severance guidance) • Understanding of the Code of Good Governance, Code of Conduct for Board Members and Outcome Agreements • Understanding of your organisation’s regional or national partners and other stakeholders • Understanding of national or regional skills needs • Insights acquired from building networks with other boards in the college sector. |
| Board member skills | <ul style="list-style-type: none"> • Communication skills – listening, explaining, questioning, influencing • Understand the non-executive role, including the leadership role and how to avoid unnecessary operational detail while demonstrating stewardship of the organisation • Ability to balance constructive challenge and support of staff • Avoid/manage conflicts of interest and take collective responsibility for board decisions that are in the best interests of your organisation • Understand and take informed and rigorous decisions on complex issues and think strategically • Fulfil board ambassadorial role with staff and students and their representative bodies • Chairing skills (if a chair) • Contribute to discussions and decisions on finance, audit, risk management, human resources and strategic planning. |
| Organisational knowledge | <ul style="list-style-type: none"> • Understanding of the financial, legal and accountability framework of your organisation • Understanding of staff views and culture • Understanding of student views and experiences, including student association • Understanding of the views of other customers and stakeholders, build/facilitate relationships with external stakeholders, facilitate effective partnership working and be an ambassador for the board and your organisation • Understanding of your organisation’s business – curriculum, finances, estates, human resources, values, business planning systems, business priorities, performance indicators, risk and control framework • Understanding of responsibilities and business of committees. |
| Team working | <ul style="list-style-type: none"> • Attend and make contributions to board and committee meetings, events and development sessions • Take time to get to know other board members and build a strong team • Challenge each other and contribute to rigorous debates while maintaining supportive relations with fellow board members • Share own expertise and networks with fellow board members as required • Contribute to board, chair and personal evaluation processes and development plans • Support and mentor inexperienced board members • Contribute to succession planning, including building expertise and taking on responsibilities such as committee membership and chairing as required. |

Boards may choose to use one or a mix of the approaches listed below in order to evaluate their own performance.

Basic Evaluation Frameworks – can be used as the basis of a general self-evaluation.

- The Basic Duties of the Board listed in the [Guide for Board Members in the College Sector](#) (2015)
- [On Board – A Guide for Board Members of Public Bodies in Scotland](#) (2015)
- [Good Governance Standard for Public Services](#) (2004)
- [International Framework for Good Governance in the Public Sector](#) (2014)
- [Guidance on Board Effectiveness](#), Financial Reporting Council (2011)
- [The Role of Boards Appendix 3](#), Audit Scotland (2010)
- Other independently facilitated evaluation frameworks (e.g. auditors, governance professionals).

Additional Evaluation Frameworks – may be used in conjunction with above to evaluate particular aspects of performance or to focus on continuous improvement.

- Code of Good Governance for the College Sector (adherence to this is obligatory but a board may usefully explore whether it wishes to develop its performance further in any areas covered by the Code)
<http://www.collegedevelopmentnetwork.ac.uk/governing-in-a-regional-structure/governing-in-a-regional-structure>
- Nine Principles of Public Life in Scotland (adherence to the Code of Conduct is obligatory but a board may usefully explore whether it wishes to develop its performance further in any of the Nine Principles)
<http://www.gov.scot/Publications/2006/07/11153800/11>
- Students' Association Self-Evaluation Framework (much of this focuses on executive level relationships but some of its content would be useful for boards wishing to evaluate their duties vis-à-vis student associations)
<http://www.saframework.co.uk/>
- Audit Committee Self-Assessment Checklist contained in Scottish Government's Audit Committee Handbook.
<http://www.gov.scot/resource/doc/235062/0064493.pdf>

Evaluation Techniques – it is good practice to use a mix of techniques over a period of three to five years.

- Board members complete pro-formas, with or without identifying themselves, followed by group discussion of the aggregated results
- Independently facilitated group workshop with or without pre-completed pro-formas
- Independently facilitated evaluation involving one-to-one interviews between an independent advisor and board members, resulting in an independent report to the board
- 360 degree feedback by inviting any or all of the following to comment on the performance of the board – senior staff, students' association, college unions, other key stakeholders.

BASIC TEMPLATE FOR ANNUAL BOARD MEMBER DEVELOPMENT MEETING WITH BOARD CHAIR

| <p align="center">Section A – Board member self-evaluation (to be completed by board member prior to meeting with chair).</p> | | |
|--|---|--|
| | <p>Over the last year, where have I made an effective contribution or developed my skills/knowledge? Anything I could have done better?</p> | <p>Looking to next year, where would I like to make a contribution and/or develop my skills/knowledge?</p> |
| <p>Knowledge of the external environment</p> | | |
| <p>Board member skills</p> | | |
| <p>Knowledge of the organisation's business</p> | | |
| <p>Contribution to board team work</p> | | |

**Part B – To be completed by the chair and agreed with the board member
as a confidential summary of their discussion.**

| | Over the last year, where have I made an effective contribution or developed my skills/knowledge? Anything I could have done better? | Looking to next year, where will I seek to make a particular contribution to the board and/or develop my skills/knowledge? |
|---|--|--|
| <p align="center">Knowledge of the external environment</p> | | |
| <p align="center">Non-executive skills</p> | | |
| <p align="center">Knowledge of the organisation's business</p> | | |
| <p align="center">Contribution to board team work</p> | | |

**Part C – Board member annual development plan agreed with chair
(to be passed to board secretary for action as required).**

It has been agreed that the college will support (name of board member) in developing the following skills/knowledge over the next 12 months:

1.

2.

3.

4.

Signed Board Member

..... Chair

..... Date

Board chairs or chairs of committees are required to develop and keep up to date the same skills, qualities and expertise as their fellow board members. In addition, during their time as chair, they are expected to develop and keep up to date the following specific attributes.

| Development pillar | Core skills, qualities, expertise and behaviours |
|--|--|
| Knowledge of the external environment | <ul style="list-style-type: none"> • Understand and influence, on behalf of your organisation, the external stakeholder environment – local, regional and national • Act on behalf of the board and maintain trust amongst those bodies that your organisation is accountable to; ensuring that it fulfils its legal and financial requirements • Ensure members understand and adhere to the Financial Memorandum, Code of Good Governance and the Code of Conduct for Board Members and that the board demonstrates high standards of governance at all times • Build and maintain effective networks with other boards in the sector to ensure spread of good practice. |
| Non-executive skills | <ul style="list-style-type: none"> • Understand and demonstrate the non-executive chair role • Provide leadership to the board whilst acting on behalf of the board as first amongst equals • Exhibit strong communication skills – listening, explaining, questioning, influencing • Balance constructive challenge and support of senior staff, being neither too close nor too distant • Ensure meetings, agendas and papers balance the requirements for appropriate information, giving board members sufficient time to debate and decide issues in an informed and rigorous manner • Ensure issues are properly discussed and recorded and agreement is reached, decisions are clear and members accept collective responsibility • Fulfil board ambassadorial role with staff and students and their representative bodies. |
| Organisational knowledge | <ul style="list-style-type: none"> • Ensure you and your board members understand: <ul style="list-style-type: none"> • the financial, legal and accountability framework of your organisation • staff views and culture • student views and experiences, including student association • the views of other customers and stakeholders • the organisation's business – curriculum, finances, estates, human resources, values, business planning systems, business priorities, performance indicators, risk and control framework • the non-executive responsibilities and business of committees. |

| | |
|----------------------------|--|
| <p>Team working</p> | <ul style="list-style-type: none"> • Attend and make contributions to board and committee meetings, events and development sessions • Build a strong board team and ensure time for members to get to know each other • Ensure all members contribute to rigorous debates while maintaining supportive relations with their fellow board members • Encourage board members to share their expertise and networks where this would assist the board and organisation • Take responsibility for the annual board, chair and personal evaluation processes and development plans, providing constructive feedback to board members • Build a board culture of continuous improvement, ensuring appropriate induction and ongoing support, including mentoring of inexperienced board members • Take responsibility for succession planning, including recruiting or, where appropriate, advising on the recruitment of new members to ensure an appropriate blend of board member skills and knowledge • Ensure appropriate membership of committees, taking into account the need for succession planning. |
|----------------------------|--|



