

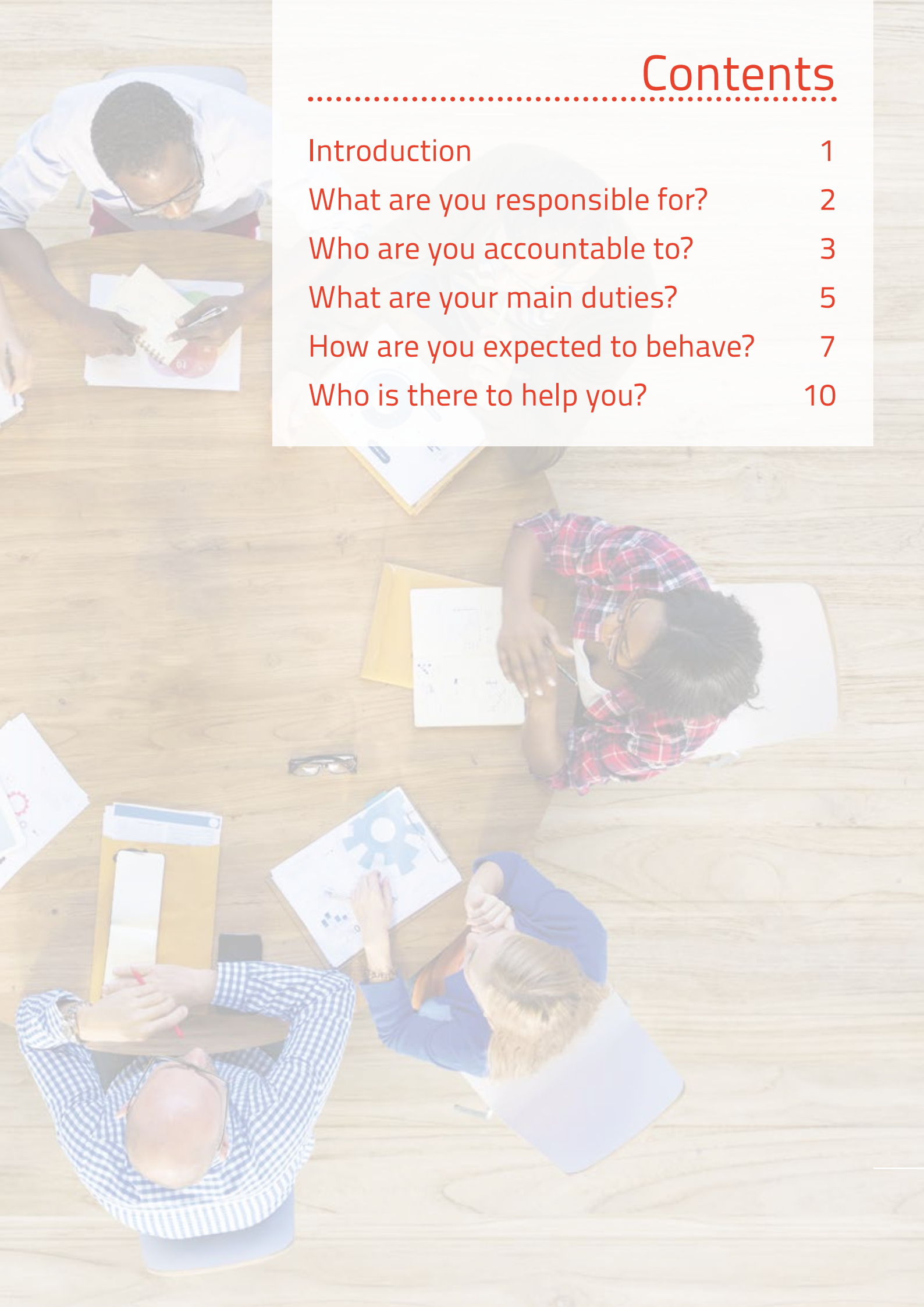
# Guide for Board Members in the College Sector

Your essential guide to being a board member



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# Introduction



This short guide provides an overview of the key things you need to know as a member of a college sector board in Scotland. It describes the context of the role, its key duties and responsibilities and it signposts you to other important information that you should be aware of.

Being a board member in the college sector in Scotland is a rewarding and fascinating role but it brings with it important obligations. This guide is designed to complement the Code of Good Governance for Scotland's Colleges and more detailed legal, financial, and good practice documents that exist by providing you with an overarching summary of the role and information on where to go when you need more specific guidance.

On being appointed to a board you become part of a national network of bodies responsible for delivering quality education across Scotland. In most parts of the country responsibility lies with a single **Regional College**:

- Ayrshire
- Borders
- Dundee & Angus
- Dumfries & Galloway
- Edinburgh
- Fife
- Forth Valley
- North East Scotland
- West
- West Lothian

In three parts of Scotland there is a **Regional Strategic Body** with a number of colleges assigned to it:

- Glasgow Colleges' Regional Board (City of Glasgow College, Clyde College, Kelvin College). This is the only part of Scotland with a Regional Strategic Body which has been set up as a separate organisation with only this role.
- New College Lanarkshire is the designated Regional College and Regional Strategic Body with South Lanarkshire College as the assigned college. The Regional Strategic Body is known as the Lanarkshire Board.
- University of the Highlands and Islands which delegates its Regional Strategic Body functions to the UHI FE Regional Board (Inverness College, Lews Castle College, Moray College, North Highland College, Orkney College, Perth College, Shetland College, West Highland College).

In addition, Sabhal Mòr Ostaig and Newbattle Abbey College are funded directly by the Scottish Funding Council and the University of the Highlands and Islands works with a number of other specialist and research partner bodies.

While some of the detailed references in this guide describe the situation for members of the boards of regional colleges rather than Regional Strategic Bodies or other types of colleges, the vast majority of the requirements and expectations set out in this handbook apply to all board members in the college sector. In multi-college regions, accountability arrangements may differ because of the role of Regional Strategic Bodies.

This guide has been produced by the national Code of Good Governance Steering Group. It will be reviewed periodically by the sector to ensure that it remains up to date.



# What are you responsible for?

Colleges play a crucial role in the delivery of education and training to young people and adults of all ages in Scotland and are seen as a key means of improving the economic and social well-being of its people. To provide this service colleges work closely with local, regional and national bodies in both the public and private sectors.

Colleges are primarily funded through annual budgets awarded by the Scottish Funding Council (sometimes through a regional strategic body) but many colleges also earn income from providing tailored training services to employers and from applying for grants from a variety of bodies.

As a member of the college's board you, and your fellow board members, are responsible for ensuring the quality of the education provided, and also that it is delivered in a way that offers value for money. The board is the governing body of the college and has a legal responsibility to 'manage and conduct' the affairs of the college in such a way that its staff deliver the required services. However, as a non-executive member of the board (i.e. all board members except the Principal) you are not expected to be involved in the delivery of the services themselves – that is the job of the staff the board employs.

You must also ensure that your college has a students' association that is effective and properly run and that your college works in close partnership with it, while respecting its autonomy.

The governance role of your board is therefore vital and you and your college are required to abide by the Code of Good Governance for Scotland's Colleges.

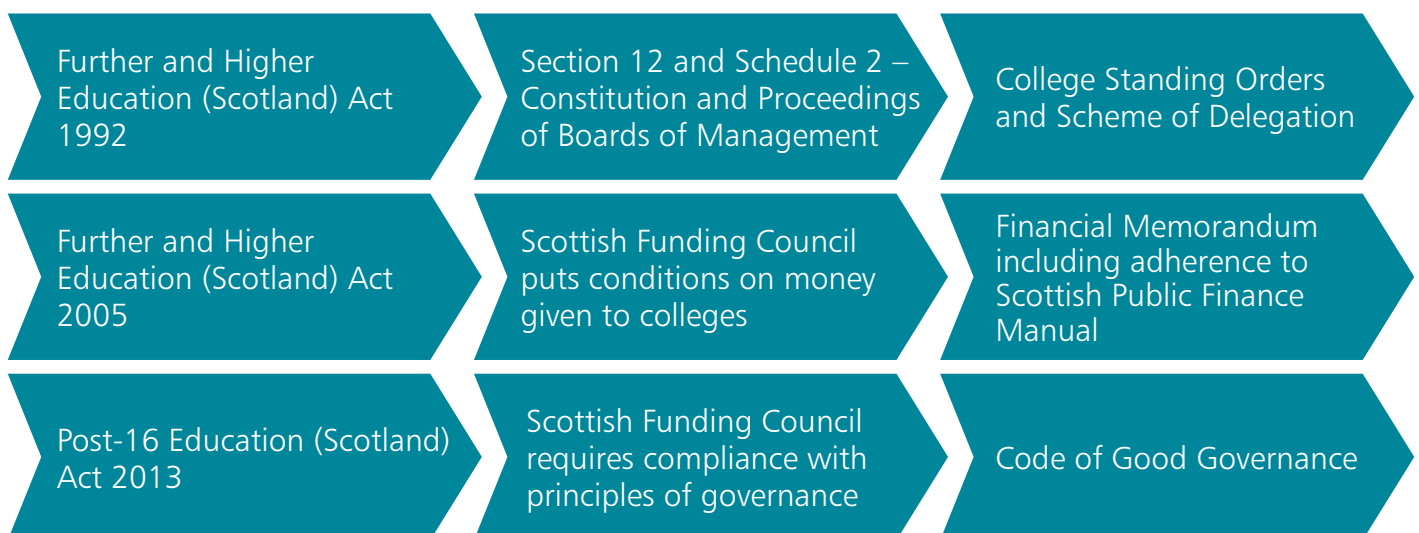
As the employer of the college's staff, the board also has a duty of care to its employees, abiding by its employment responsibilities and ensuring that the college has the right number of staff with the right skills to deliver the services you require.

If you are a member of the board of a regional college you have a number of additional legal responsibilities. These include ensuring your college does its best to understand and improve the economic and social well-being of your region and that it works with others to ensure that the education on offer is coherent and meets the skills needed in your area.

If you are a member of the board of an assigned college which is accountable to a Regional Strategic Body, your board is responsible for making sure that its plans have regard to the strategy developed by that body for your region.

Many colleges are also registered charities and if this applies to your college, as a member of its board, you are also a trustee of the charity. That brings with it a number of statutory responsibilities including the duty to act in the interests of the charity, subject to other legislation of course, and to ensure the college always operates in a way which is consistent with its purpose.

In addition to the diagram below, other examples of core legislation that affect colleges are Section 24 of the Further and Higher Education (Scotland) Act 1992 and Section 7(2) of the Further and Higher Education (Scotland) Act 2005 which govern situations of board failure and decisions on which bodies are funded by the SFC respectively.



The diagram above illustrates some examples of how legislation that governs the sector is translated into the college documents that you will come across.

In summary, most bodies in the college sector have been established by legislation and their key responsibilities can be tracked back to various Acts of Parliament. This is usually the basis on which the Scottish Funding Council or Scottish Government place requirements on the sector. Colleges must then turn these into day to day processes and procedures.

Detailed information on your responsibilities as a board member or charity trustee can be requested from your board secretary and more information can be found on the following weblinks:

- <http://www.sfc.ac.uk/>
  - <http://www.gov.scot/> - section on colleges
  - <http://www.oscr.org.uk/charities/managing-your-charity/trustee-duties>
  - <http://www.legislation.gov.uk> - Post 16 Education (Scotland) Act 2013
  - <http://www.scottishcollegegovernance.ac.uk>
  - <http://www.scottishcollegegovernance.ac.uk> - Code of Good Governance
  - <http://www.saframework.co.uk/>
- UHI Governance Slides and Lanarkshire Order at: <http://www.collegedevelopmentnetwork.ac.uk/sec-board/secretary-to-the-board-dev-net>

## Who are you accountable to?

As a member of a college board it is your responsibility to ensure that you employ staff who are able to deliver on the functions of your college but you, together with your fellow board members, remain accountable for their delivery. In other words, the buck stops with you.

As an effective board member, you and your board colleagues must ensure that you understand who you are accountable to and take time to build and maintain relationships of respect and mutual understanding with them. In essence, you are in a position of trust, accountable for delivering a crucial service to those who are funding your college and who rely on it for education and training.

“ Take time to build and maintain relationships of respect and mutual understanding. ”

On occasion you may find that the requirements of those you are accountable to differ and it is hard to balance them. That challenge of ensuring proper balance, taking account of legal and financial responsibilities, is at the core of the job of being a board member.

Some of the key people or organisations that can hold you and your board to account are outlined in the diagram opposite.

### Scottish Ministers

They are the primary funders of the college sector (via the Scottish Funding Council) and they are accountable to the Scottish Parliament for the delivery of education and training in Scotland. Scottish Ministers task the Scottish Funding Council with holding boards to account for delivery of their policies and associated legal requirements, including adherence to the Financial Memorandum and the Scottish Public Finance Manual. In addition, Ministers appoint the chairs of regional college boards and regional boards. They also approve the appointment of other members of those boards (except prescribed members, e.g. principal, staff and student members) and issue guidance on the appointments' process. Ministers

### Key accountability relationships



can, if necessary, remove board members if there is board failure.

## Students

Anyone who attends your college as a student has a right to expect an appropriate quality of education or training in an environment which is safe and supportive. As it is hard for them to hold the board to account individually, you should make every effort to ensure that you listen to the views of students and keep their needs central to the work you do. The students' association is an important body for helping you with that task.

## Scottish Funding Council

This is a public body set up by legislation and tasked by Scottish Ministers with overseeing the detailed relationship with the college and university sectors. This includes deciding on the funding given to individual regional colleges, Regional Strategic Bodies, and the few colleges funded outside the regional arrangements. The Scottish Funding Council also holds bodies in the college sector to account for their financial discipline and delivery of agreed outcomes, as well as the quality of education provided. These agreed outcomes are captured in an Outcome Agreement drawn up between the SFC (or Regional Strategic Body) and the college.

## Regional Strategic Bodies

If your college is assigned, it is accountable to its Regional Strategic Body which has been set up by law to provide funding and ensure high quality and coherent further and higher education in the area. It is important that you and your board colleagues work in close partnership with the other colleges in your region and with the Regional Strategic Body.

## Employees

The senior management team of the college will be responsible for day to day relations with staff but the board, as the employer, is accountable for ensuring the right policies are in place and implemented to fulfil its duty of care and wider responsibilities to its staff. This includes ensuring positive employee relations and trade union dialogue.

## Employers/businesses

Any organisation that relies on the college to provide training and education for its staff will expect an appropriate quality of service. In addition colleges and Regional Strategic Bodies are expected to make a contribution to the wider

skills requirements of their area by tailoring the curriculum, as far as appropriate, to the needs of local employers.

## Regional partners and community

All publicly funded bodies in Scotland are expected to work with other partner bodies in order to make the most of their resources and to deliver real benefits for people and their communities. Colleges are expected to contribute to their local Community Planning Partnership and its Single Outcome Agreement and are expected to reflect its priorities in their own plans.

## Scottish Parliamentary Committees

They have a duty to hold Scottish Ministers to account and, as part of that role, they may from time to time seek information and evidence from colleges. In addition, the Public Audit or the Education and Culture Committees of the Parliament will occasionally hold individual colleges to account if there is evidence of weak management or governance.

## Your personal liability

As a board member you will not be held personally liable for any decisions taken by your board or college as long as any actions you take or decisions you make are done 'honestly and in good faith'. Your board secretary can give you more detailed guidance on this.

## Accountability to other bodies

In addition to the people and organisations listed here, a college is required to operate within a range of other legal frameworks. These include the Office of the Scottish Charity Regulator, the Scottish Public Finance Manual's audit requirements, Freedom of Information legislation, the Ethical Standards Framework and, in some instances, company law. Ask your board secretary for information on bodies that hold your college to account. Further information on topics mentioned here is also available at the following weblinks:

<http://www.oscr.org.uk/>

<http://www.audit-scotland.gov.uk/>

[http://www.gov.scot/Scottish Public Finance Manual](http://www.gov.scot/ScottishPublicFinanceManual)

<http://www.itspublicknowledge.info/home/ScottishInformationCommissioner.aspx>

<http://www.scottish.parliament.uk/parliamentarybusiness/committees.aspx>

[http://www.gov.scot/Topics/Government/PublicServiceReform & Community Planning](http://www.gov.scot/Topics/Government/PublicServiceReform&CommunityPlanning)

<http://beta.nusconnect.org.uk/nus-scotland/>

# What are your main duties?

Your overarching duty is to use your skills, knowledge and time to work as best you can with your chair, fellow board members and staff to ensure that your college fulfils its responsibilities. The power to make decisions and hold staff to account in order to deliver these responsibilities lies with the board as a whole and not any individual board member.

## Basic duties of the board

Provide leadership, direction, and support to the organisation, setting its strategy 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 delivery of 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 college's relevant Financial Memorandum.



As a non-executive body, the board's duty is to ensure the organisation delivers for its funders, students and region; the board does not undertake the day to day work but it ensures it has staff that can do this. The board's role is a strategic one which means it focuses on:

- Deciding what the organisation needs to achieve
- Monitoring delivery of those goals
- If the goals are not being achieved, understanding why and either ensuring the approach is adjusted or changing the goals.

Your board may have its own detailed role description and responsibilities but all boards fulfil the basic duties (see table left).

Your contribution to this collective effort will vary to some extent depending on your own skills and knowledge but all board members must fulfil the following basic requirements:

- Contribute to board discussions in a constructive and supportive manner, explaining your thinking and listening to others
- Scrutinise your organisation's performance and, when necessary, provide challenge to senior staff and fellow board members



- Give the required amount of time to the role, attending meetings unless previously agreed with the chair and be properly prepared for meetings
- Accept and share corporate collective responsibility once the board has made a decision on anything
- Devote time to understanding your organisation and its operational environment
- Take part in an annual board member appraisal process overseen by the chair, taking up opportunities for training to acquire and keep up to date your skills and knowledge
- Represent your board or organisation at college, regional or national events as required
- Build relationships of trust and mutual respect with other board members and senior staff

- Abide by any confidentiality requirements subject to Freedom of Information laws
- Uphold and promote the required standards of behaviour and values.

Staff and student board members will bring particularly useful knowledge and perspective to the board table and are full board members who have all the same rights and responsibilities as their board colleagues.

### Financial stewardship

Pay particular attention to any novel or potentially contentious financial transactions such as the payment of severance or early retirement payments to staff. Additional information on what constitutes good practice when considering severance payments can be found at the following link:

[http://www.audit-scotland.gov.uk/docs/central/2015/nr\\_150402\\_scotlands\\_colleges.pdf](http://www.audit-scotland.gov.uk/docs/central/2015/nr_150402_scotlands_colleges.pdf)

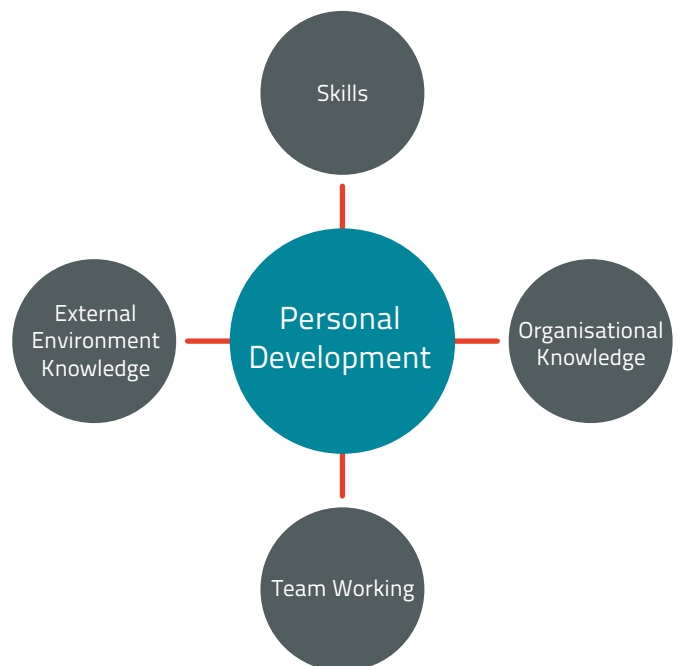
## Board member development framework

As a board member you have a duty to build your knowledge and skills and keep them up to date but you can expect to be supported. You are entitled to ask your chair, board secretary and senior staff to help you identify and build the knowledge and expertise required for the role. This might range from basic information about the role of a board member, information on the college itself, the views of its students and its staff, through to an appreciation of the wider external environment in which the college and its board need to operate.

Being on a college board is a complex job and the good board member never stops building their knowledge and expertise. For that reason the sector has a Development Framework to support board members with written material, newsletters, seminars, checklists, and workshops at college, regional and national level covering the four areas of required development: non-executive skills; organisational knowledge; team working and knowledge of the external environment.

Further information on the training and development support that is available to you can be provided by your chair and board secretary.

## Four pillars of non-executive development



The sector’s national membership bodies, Colleges Scotland and College Development Network, will also offer information and training. Please see:

<http://www.collegesscotland.ac.uk/>  
<http://www.collegedevelopmentnetwork.ac.uk/development-networks/cdn-home>



# How are you expected to behave?



When you accept the post of a board member or chair you take on a public role and you need to abide by the standards of behaviour expected of anyone in such a role. Your behaviour and how it is perceived by others will impact on the reputation of your board and organisation.

## Code of conduct

All board members will be asked to sign your organisation's Board Member Model Code of Conduct. This is a legal requirement; the content of the Code is set down by Scottish Government and you need to make sure you read it and abide by it.

The Code of Conduct is based around Nine Principles of Public Life that apply to everyone who takes on a public role. These are outlined below.

While the chair, board secretary or senior staff should help you understand the Code and can offer advice, *the responsibility for adhering to it is yours alone.*

If anyone believes that you have breached this Code they can complain to the Commissioner for Ethical Standards who is entitled to investigate the circumstances. If s/he believes you have breached the Code s/he is required by law to refer the matter to the Standards Commission which is likely to hold a public hearing into the allegations. This can lead to suspension or even disqualification from the board if you are found to have breached the Code.

Your board secretary will give you more detailed guidance on the Code and you can find more information from the following links:

- <http://www.gov.scot/Model Code>
- <http://www.standardscommissionscotland.org.uk/>
- <http://www.ethicalstandards.org.uk/>

## NINE PRINCIPLES OF PUBLIC LIFE IN SCOTLAND

- Duty/public service
- Selflessness
- Integrity
- Objectivity
- Accountability and stewardship
- Openness
- Honesty
- Leadership
- Respect

## Conflicts of interest

It is vital that board members are trusted to make decisions that are in the best interests of the college rather than being swayed by personal interests or loyalties. In order to maintain that trust you must register any personal interests that could be seen as conflicting with the interests of the college. Your board secretary will maintain this Register. In addition, if you are asked to take part in a board discussion or decision where you have a personal, professional or close family/friend interest which would or could be perceived by others to affect your judgement, you should declare that interest to the meeting and leave the room. The 'objective test' to use for judging if you have a conflict of interest is set down in the Code:

**'...whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a member of a public body'.**

Maintaining the trust of stakeholders is crucial and so remember that it is not just about behaving in accordance with the Nine Principles, you must be seen to do so too.

## Conduct outside the boardroom

Upholding high standards of behaviour applies to any events or meetings you attend as a board member and even sometimes elsewhere if people know you are a board member. For example, make sure you maintain collective responsibility for board decisions, do not disclose confidential information and show respect for staff and fellow board members at all times.



## Staff/board partnership

It is in the interests of both staff and board members to build a healthy relationship of mutual respect and understanding. Your job, along with your board colleagues, is to scrutinise and hold staff to account for delivery of the organisation's objectives but it is also to provide support, guidance and understanding.

Striking the right balance between these two aspects of the role requires judgement and wisdom. Board members who are too close to staff or who just assume that everything is fine may be failing in their responsibilities to funders or students. On the other hand, board members who are too confrontational or too quick to doubt staff will not gain the best from the partnership.

Here are a few tips to maintain a healthy professional partnership with staff:

- Take time to get to know staff as people, remembering that human beings take time to understand and trust each other.
- Maintain a professional relationship which is neither too close nor too distant.
- Remember that your job as a board member is to decide **what** the organisation needs to achieve; **how** it is delivered (the management and operational actions) are the responsibility of staff (although you will sometimes need to understand the how in order to decide on whether your goals are achievable).
- Make sure you and your board colleagues have a chance to discuss and contribute at an early stage to important matters for decision so that staff can take your ideas into account early enough when formulating recommendations for the board.
- Remember if you are unhappy with something staff are doing or a proposal they make, your first port of call is to check whether your fellow board members agree with you. Staff take instruction from the board as a whole, not individuals.
- A good board has a strong framework of performance management measures that track the things that board members care about and want achieved. Make sure your board is not simply measuring the things that are easy to quantify.



- Asking for assurance or evidence that the risks to your business objectives are properly controlled is not a signal that you distrust staff. All boards must have a framework or map of assurance information, often from independent sources, so that they get early warning of problems arising in their college.
- Often the most effective challenge is simply asking for more information or the evidence behind a recommendation or action proposed by staff; equally remember to explain yourself when you challenge something.
- Board members add most value to a board when they bring different experience, information or perspective. Remember to keep building your knowledge and broadening your perspective throughout your time on your board by taking advantage of networking and training opportunities.
- In addition to your relationship with senior staff, it is vital that you have mechanisms for keeping in touch with the opinions and experiences of staff throughout the college – not only the views passed on to you by senior staff.

## Annual appraisals

When you are appointed to a board you become accountable for the proper use of millions of pounds of public money, the provision of good quality education and the employment of many staff. It is therefore unsurprising that the Code of Good Governance requires all boards to undertake a 'robust self-evaluation' of their performance each year, including the effectiveness of their board and committee chairs and individual members.

Those chairs and board members who have been appointed directly by Ministers will also be appraised annually by the Scottish Government. The conclusions of your board's own self-appraisal is likely to be one of the things that informs that process.

Your chair and board secretary will be able to give you more information on your appraisal process. Further information to help you fulfil your role as a board member can be found at the following weblinks:

- <https://www.gov.uk/government/publications/bribery-act-2010-guidance>
- <https://www.gov.uk/equality-act-2010-guidance>
- [http://www.legislation.gov.uk/ Public Interest Disclosure Act 1998](http://www.legislation.gov.uk/Public%20Interest%20Disclosure%20Act%201998)
- <http://www.sparqs.ac.uk/students.php?page=72>
- [http://www.gov.scot/ On Board publication](http://www.gov.scot/OnBoard%20publication)



# Who is there to help you?



Your first source of guidance and advice should be your **Board Chair**. Like you, they are accountable for the delivery of the organisation's duties but, in addition, they have responsibility for ensuring an effective and cohesive board. As part of those responsibilities you can expect them to help you by:

- Welcoming you to the board and making sure you receive adequate induction
- Providing feedback and advice on your contributions
- Ensuring you receive the support and training you require throughout your time on the board
- Encouraging you to make the most of your skills and experience in ways that contribute to board performance.

The **Secretary to the Board** is another key source of support and advice. Board secretaries have a duty to the board as a whole although on a day to day basis they generally report to the chair. They operate independently of senior staff of your college when undertaking this role. Their job is essentially to help the board fulfil its responsibilities and they will help you do this in a number of ways, usually including:

- Organising your induction programme
- Providing detailed information on your obligations and rights as a board member
- Helping you access the training and development opportunities that you require
- Advising you on the business processes used by your board and college.

The **College Principal** will be a fellow board member and is always your main source of information on the day to day business of your college. As the senior member of the executive staff and chief executive of the organisation they are accountable to the board for the delivery of its business objectives and they have responsibility for ensuring that the board receives the information and support it requires. As part of those duties they will help you in:

- Understanding the day to day business of the college, its staff and students
- Having opportunities to engage with staff and students and see the college in operation
- Overseeing the performance of the college
- Being alert to the risks, opportunities and constraints facing the college.

The **Senior Independent Board Member** on your board may also be able to assist you. This is an experienced fellow non-executive board member who will have been designated by you and your board colleagues and is expected, amongst other things, to act as an intermediary with the chair if it is ever required. If your board chooses to have a vice chair, they will sometimes be the same person.

The **Regional Strategic Body** (in multi-college regions) may also be able to offer you advice and information.

There are also a few key sources of advice and information available to you at a national level.

**Colleges Scotland** and **College Development Network (CDN)** are sector bodies set up by colleges in Scotland to respectively represent the



sector's interests and provide national training and development support to it. As a college board member you have access to the resources of both bodies including:

- Briefing notes and regular information on developments affecting the sector, nationally and internationally
- Seminars and conferences covering issues of interest to college staff and board members
- Training events, resources and good practice guides tailored for the needs of college board members.

**NUS Scotland** and **sparqs** (the publicly funded body responsible for supporting student engagement in colleges) can help you:

- Support the student members of your board
- Help other board members make the most of the contribution of student members
- Build a helpful partnership with your students' association.

The **Scottish Funding Council** is charged by Scottish Ministers with ensuring the effective and efficient performance of Scotland's college sector. It works closely with the senior staff of each college and Regional Strategic Body and its personnel meet board members from time to time. Its general oversight of the sector means that it can support board members in a number of ways, including:

- Publication on its website of a range of college performance information and good practice guidance which allows board members to compare their college with others
- Making available the annual Guidance Letters it receives from Scottish Ministers which provide the high level strategic context for colleges.

If, as a board member, you ever have serious concerns about the propriety, regularity or governance of your college, and these cannot be resolved satisfactorily with your board colleagues, the chair or senior independent board member, you should inform the Scottish Funding Council or, where relevant, your college's Regional Strategic Body.

A series of on-line resources providing **further sources of guidance** is being developed to help embed and operationalise the principles set out on the Code of Good Governance for Scotland's Colleges. This will be hosted on the CDN website.

# Notes

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