

Inverness College

Externally Facilitated Effectiveness Review (Autumn 2020)

Final Report : 29 January 2021



Reviewer : Prof. Ron Hill
ron.hill@stir.ac.uk



W: www.cdn.ac.uk

Name of College : Inverness College

Externally Facilitated Effectiveness Review

Contents

1. Introduction

- 1.1 The Code of Good Governance for Scotland's Colleges, dated 2016, (the Code) sets out the principles of good governance for colleges in Scotland.
- 1.2 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 governing board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.
- 1.3 The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.
- 1.4 The Code states that the college governing 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*'. This externally facilitated governance review was established to meet this expectation.
- 1.5 '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.

2. Methodology

- 2.1 The effectiveness review included various approaches aimed at building up an overview of the governing board's effectiveness. The components of the review process were
 - Initial meeting with the Chair, Principal and Board Secretary to agree the scope of the review and the overall project plan (8 September 2020)
 - Observation¹ of Board meeting (6 October 2020) and Audit Committee (15 September 2020)

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

- Desk review of core governance documentation, including agendas and reports and minutes.
- Interviews with the Chair, Principal, Board Secretary, Vice Chair/Senior Independent Member, Student Governors, Staff Governor (12, 21,23 October 2020)
- Board survey to seek Members' views of governing processes (completed 5 Nov 2020)
- On-line event to test review conclusions and recommendations (28 January 2021)

3. Executive Summary

3.1 The governing board is successfully moving through a period of challenge (strategic direction and financial health) and change in board membership (6/16 new governors within the last 12 months) together with a new Board chair and a new governance professional, both starting in 2020. A new Chair of the Audit Committee is to be appointed. The Board has recently successfully addressed a Financial Recovery Plan and is now developing a strategy for the next three years.

3.2 As it is relevant to the context for this review,

- (i) the Inverness College Chair is newly in office (Jan 2020) and the Inverness College Board Secretary is also newly in post (April 2020). Given the consequences of Covid-19, this has been a particularly difficult period to begin positions of responsibility for the governing of Inverness College;
- (ii) A new Chair of the Audit Committee is currently being recruited;
- (iii) There is new leadership for the University of the Highlands and Islands which, given its strategic and funding role for Inverness College, has consequences for the confidence and clarity of the governing board of Inverness College

3.3 The governing of Inverness College is generally of a good standard.

3.4 The effectiveness review has highlighted several areas where improvements would enable more effective decision making in the achievement of the governing board's responsibilities. In summary these improvements are as follows:-

- The achievement of a strategic business report which supports the implementation of the board's strategic objectives
- The achievement of a more influential, learner-focused Audit and Risk Committee
- A review of the committee structure and committee performance to ensure each of the standing committees assist the governing board in the achievement of its responsibilities;
- Development of more board creative time to support formal governing board decision making
- Development of college senior staff to achieve the production of succinct, analytical, accountable written reports with clear recommendations to the governing board

on-line 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.

- Ensure the reporting format includes ‘learner and learning implications’ and ‘financial health implications’
- Development of better focused governing agendas addressing the implementation of the college’s strategic and operational objectives in relation to targets, timescales, strategic expectations.
- Ensure strategic management accounts are presented, with analytic commentary, to every governing board meeting
- Embedding an annual review of compliance with the principles of the Code of Good Governance for Scotland’s Colleges

4. Effectiveness Review against the Code for Good Governance in Scotland’s Colleges

4.1 Leadership and Strategy

- 4.1.1 This review has taken place at a time for transition for Inverness College having completed the previous strategic planning period 2017/2020. The previous plan established a clear framework for the direction of the college. Performance indicators were established and published on the college website for 2017/18 & 2018/19.
- 4.1.2 The governing board is now considering the strategic direction for the coming three years. This process should be complete by Spring 2021, following consultation with communities and stakeholders. The board has established a process and a timetable for this fundamental task.
- 4.1.3 The development of strategy by the governing board should be accompanied by appropriate reporting to the board presenting progress and any variance from intended outcomes. ‘Workstream progress’ should be replaced by a comprehensive business report (including financial health) which identifies strategic objectives, target performance and timescale, actual performance, variance, impact to date, management intervention options (if required). Consideration of improved reporting could take place alongside the strategic planning exercise.
- 4.1.4 Mix of board membership appears to be relevant and balanced from the governor skills matrix. However, the detailed profile was only available for 10 of the 16 board members. A further four board members are currently being recruited with skills priority of audit, legal, further & higher education, finance, risk management.

4.2 Quality of the Learner Experience

- 4.2.1 From board meeting observation, interviews and questionnaire responses, the quality of the student experience is central to the operation of the governing board.
- 4.2.2 The governing board has established a Learning, Teaching and Research Committee. Responses from the governance questionnaire include *‘the executive report on the progress and success of the students and the feedback we have*

from the national benchmarks is that we are amongst the highest performing colleges in the sector’.

- 4.2.3 The student voice, as demonstrated by the contribution to the board meeting, is well-presented and received. The board receives a written report from Inverness College Students’ Association Report (e.g. 6 October 2020) which is comprehensive and very informative. Like all reports to the college governing board, the report would benefit from ‘impact’ i.e. going beyond description.
- 4.2.4 Reporting to the governing board and committees can be lengthy and inconsistent in style. Consideration should be given to including a mandatory section ‘learner and learning implications’ to assist board members. A board member has suggested in response to the governance questionnaire that a ‘student impact’ section be included with college policies.
- 4.2.5 The governing board benefits from the contribution of its two student members and two staff members.

4.3 Accountability

- 4.3.1 The governing board has established the following committees to provide scrutiny and specialist consideration
- Audit
 - Finance and General Purposes
 - Human Resources
 - Learning, Teaching and Research
 - Chairs Committee (Remuneration, Search)
 - New Campus Project Board
 - Longman Disposal Board
- 4.3.2 In general board and committee meetings (from evidence provided, observation and interview) are well-organised, purposeful and achieve some impact. Responses to the governance questionnaire² and interviews suggest a review of committee arrangements and contribution to the achievement of board responsibilities would be welcomed. Consideration could be given to the formation of a Finance and Resources Committee (combining Finance and General Purposes Committee and Human Resources Committee). ‘Resources’ should be considered as ‘resources for learning’.
- 4.3.3 There are mixed views from respondents to the governance questionnaire regarding the quality of reporting to the governing board. The range includes ‘the excellent quality of reports’ and also ‘too lengthy and wordy and recommendations can be woolly at times’. It is the opinion of the reviewer that the reports are generally too wordy and descriptive. Reports could be improved by more analysis, clearer messages and specific recommendations.
- 4.3.4 There is scope for further contribution by the governing board / committee by refinements to senior staff reports as follows:-
- Revising the business report (see 4.1.3.)

² 8 responses were received to the governance questionnaire – a 47% response rate.

- Improve report recommendations – from approve/note to a clearer connection with the subject of the report
 - Evolve report content from largely positive news to an actual account with professional insight
 - Restrict senior staff talking through reports and thus using up governing board member time for discussion
 - Every effort should be taken to achieve higher quality / low density reporting.
- 4.3.5 It would be beneficial to conclude meetings with a reflection on the impact of the meeting for students and for staff. Notes of these reflections could be recorded in brief on the minutes of the meeting.
- 4.3.6 The governance section of the college website is mostly current, well-presented and informative. Perhaps a higher profile could be given to encouraging interest in becoming a new college governor, including the positive aspects of serving as a college governor.
- 4.3.7 Accepting a change in board secretary during 2020, the minutes of board and committee meetings could be improved by the coding of decisions for future reference. Decisions should be recorded in a way which explains what has been approved, or declined, or supported, or noted, plus effective date where relevant.

4.4 Board Effectiveness

- 4.4.1 This is an aspiring governing board which achieves impact through technical knowledge support, community understanding, ambition, pace, governing culture, and its procedural decision making.
- 4.4.2 Board members appreciate ‘collective responsibility’ in decision making. Board members provide constructive challenge and support at governance meetings, holding the senior college staff to account.
- 4.4.3 The board has addressed recent financial difficulties through the achievement of a Financial Recovery Plan. This is a considerable achievement and has lifted the confidence of the governing board. A governance questionnaire respondent stated *‘financial recovery has given us a great deal of information on our position’*.
- 4.4.4 Observation of the Audit Committee suggested that one or two Co-opted External Members could add insight and rigour to the committee’s deliberations.
- 4.4.5 Equality and diversity, Safeguarding and Health & Safety annual reports would benefit from a strategic action plan with expected outcomes, timescales and monitoring arrangements.
- 4.4.6 Governor development records for 2019/20 show a very limited pattern of activity, principally mandatory training for GDPR. One governor has completed induction. A strategic away was held in January 2020. There is currently no governor development programme for 2020/21 at the time of writing (November 2020).
- 4.4.7 Current member induction arrangements appear based on a deficit model. A review of the member induction programme towards a more developmental

model should assist new members with a better understanding of their role and an understanding of Inverness College for students, staff and stakeholders. The induction programme should address induction knowledge, activities and outcomes for the first nine months of board membership.

- 4.4.8 A review of compliance with the principles of the Code of Good Governance undertaken by Members in December 2020 identified a number of areas where improvements to governing practice could be achieved. In future years, it is hoped that full board participation in reviewing compliance with the Code can be arranged. Members could consider the development of stretch targets for aspects of the Code to move beyond basic compliance.

4.5 Relationships and Collaboration

4.5.1 The relationship between Inverness College with the University of the Highlands and Islands may benefit from a joint IC/UHI review to ensure clarity of purpose and effectiveness of operation for Inverness College. Through interview, observation and some responses to the governance questionnaire there is an expressed desire to understand and address the relationship between UHI and Inverness College. Central to developing board members' appreciation of the relationship between Inverness College and UHI is improved communication (a) from UHI to Inverness College board and (b) better sharing of UHI strategy and operational performance within Inverness College at board level.

4.5.2 The examples of external contacts and engagement by senior college staff appears organised, relevant and appropriate. The pattern and impact of stakeholder relationships could be reviewed on a regular basis by stakeholder mapping as a development exercise with the governing board to ensure senior staff time and energy is spent in the most effective ways in relation to accountabilities and strategic intentions.

5. Recommendations

	Most recommendations are 'desirable'. However, the recommended revision to the business report should be given high priority.
1	To accompany the development of the next strategic plan, to develop a comprehensive business report, for each board meeting, with improved accountability for college performance to date and including variances from agreed targets, management interventions where necessary, and anticipated impact.
2	The development of a more influential, learner-focused Audit Committee through review of learner-facing systems and controls
3	Consideration of a wider membership for the Audit Committee to include a Co-opted External Member (or two) to achieve an independent and informed opinion.

4	A review of the committee structure and committee performance to ensure each of the standing committees assists the governing board in the achievement of its responsibilities
5	Development of more and regular board creative time to support formal governing board decision making through the use of sessions to explore ways to address relevant educational and community development questions
6	To support the newly appointed Board Secretary, develop a programme (which may include a mentor) to assist the first year in office.
7	To support the newly appointed Chair of the Governing Board, develop a programme (which may include a mentor or mentors) to assist the achievement of the role.
8	Development of college senior staff to achieve the production of succinct, analytical, accountable reports with clear recommendations to the governing board
9	Ensure the reporting format includes 'learner and learning implications' and 'financial health implications'
10	Seek to improve the clarity of the relationship with UHI through a review process. This process should prioritise the removal of uncertainty and lack of clarity between UHI and IC and search for ways to achieve a productive relationship.
11	Consideration could be given to the formation of a new committee 'Finance and Resources' (to combine Finance and General Purposes Committee & Human Resources Committee)
12	To develop strategic action plans for the following annual reports – Health & Safety, Equality and Diversity, Safeguarding
13	Review the working relationship between the college governing board and UHI to ensure clarity, engagement and contribution for the Inverness College governing board.
14	Implementation of the plan to address aspects of the Code of Good Governance. It is suggested that a review of progress is undertaken every three months to check on progress and any issues arising from implementation.

Annex 1

Document Review

Annual Audit Committee report to the Board of Management 2018-19

Board of Management Agenda and Papers – 6 October 2020

Equality and Diversity Annual Report 2019/20
Safeguarding Annual Report 2019/20
Health and Safety Annual Report 2019/20
Strategic Plan 2020-25 – indicative planning timeline
2020-2025 - Draft Strategic Aims
Internal Audit Annual Report 2019/20
Student Engagement Strategy 2017/20
Access and Inclusion Strategy 2017/20
Board of Management Induction Handbook 2019
Board of Management Induction Checklist 2018
UHI Academic Partner Board Members' Information Pack
Board members skills profile 2020
Board member profiles 2020
Board member training record 2019/20
Board of Management Committee Membership - August 2020
Review of Code of Good Governance (January 2021)