GCRB | Glasgow Colleges' Regional Board

Board Meeting

Date of Meeting	Monday 29 August 2016
Paper Title	Board Evaluation and Member Appraisal
Agenda Item	14
Paper Number	BM1-K
Responsible Officer	Robin Ashton, Executive Director
Status	Disclosable
Action	For Approval

1. Report Purpose

1.1. To note the arrangements for board evaluation and approve the process for member and Chair appraisal for 2016 as recommendedby the Nominations and Remuneration Committee.

2. Recommendations

2.1. The Board is invited to

- **note** the guidance on evaluating Board and member effectiveness provided within the Code of Good Governance for Scotland's Colleges;

- **note** the draft revisions being made to the Code of Good Governance for Scotland's Colleges and in particular, the additional requirements to evaluate the performance of assigned college Chairs and to undertake an externally facilitated evaluation of Board effectiveness;

- **note** the proposals made for GCRB board evaluation arrangements for the 2016/17 academic year;

- **consider** and **agree**, subject to any amendment, the processes described below for appraisal of the GCRB Chair, appraisal of committee chairs, appraisal of individual members and appraisal of assigned college chairs; and

- **note** that board training requirements will be identified through the proposed self-evaluation survey.

3. Background

3.1. The Nominations and Remuneration Committee's terms of reference state that:

- the Committee is responsible for ensuring that the Board reviews its effectiveness annually; and

- the Committee shall make recommendations to the Board in relation to a process for

evaluating the effectiveness of the board chair and the committee chairs.

3.2. The Code of Good Governance for Scotland's Colleges requires that:

- 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.

- 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.

- 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.

3.3. Revisions to the Code of Good Governance for Scotland's Colleges are currently being considered. A draft version of the updated Code which was recently consulted upon added the following additional guidelines to the Code:

- The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the Board.

- The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.

3.4. GCRB therefore needs to consider and agree arrangements for the following activity :

- the self-evaluation of the effectiveness of the Board and its Committees and arrangements for an externally facilitated evaluation of Board effectiveness.

- individual performance reviews of GCRB Board member performance, which include specific arrangements for the committee chairs;

- performance reviews of the assigned college Chairs if this is specified within the new Code of Good Governance; and

- a performance review process for the GCRB Chair undertaken by the vice-chair/senior independent member.

3.5. The following sections consider each of the above in turn.

4.   Self-evaluation of the effectiveness of the Board

4.1. In relation to Board self-evaluation arrangements, members should note that Colleges Scotland are developing a model Effectiveness Review Framework to support boards in organising an externally facilitated evaluation of Board effectiveness. A draft version of this framework is provided as Annex 1.

4.2. This framework seeks to provide guidance based on what is accepted best practice for externally validated governance reviews, and there is an expectation that externally

validated reviews for all Boards will be undertaken and completed by the end of December 2016.

4.3. To enable GCRB review activity to be completed by December 2016, it would be prudent to begin GCRB evaluation activity as soon as possible and in advance of the next GCRB Board meeting on October 31st. Therefore, despite the fact that the development work being undertaken by Colleges Scotland is not yet finalised and further changes may impact on GCRB evaluation arrangements, it is suggested that the process for Board self-evaluation is begun.

4.4. The foundation of board effectiveness reviews is normally a survey of board members themselves. Given the content of the draft model Effectiveness Review Framework, it is proposed that a survey will be issued in September to Board members covering the topics set out in the code of good governance.

4.5. In terms of specific survey questions, the draft model Effectiveness Review Framework being developed by Colleges Scotland includes a set of suggested prompts for Board evaluation.

4.6. Annex 2 provides a draft set of statements for the GCRB survey which take account of the Colleges Scotland suggested prompts, but which are adapted to reflect GCRB's role as a regional strategic body. Members will be asked to agree or disagree with the listed statement and survey respondents will also be provided with an opportunity to comment within each section and identify any development needs.

4.7. Whilst this survey is being implemented a report providing options on who should externally validate the Board self-evaluation will be provided to the next meeting of the Nominations and Remuneration Committee on the 10th October 2016.

5.   Proposals for appraisal of the GCRB Chair

5.1. Since the Chair of GCRB is a Ministerial appointment, formal appraisal of the GCRB Chair is performed by the Scottish Government. However, it is good practice that feedback is provided from the Board as a whole on its perception of the GCRB Chair's performance. It is proposed that:

- Board members complete a survey on the GCRB Chair's performance;

- that feedback is collated by GCRB management and is shared with the Vice-Chair;

- the Vice-Chair subsequently meets the GCRB Chair to discuss the collated feedback; and

- The GCRB Chair provides a copy of that document to the Scottish Government for use in the formal appraisal.

5.2. Scottish Government advice provided to the Executive Director suggests that the performance of regional college chairs will be evaluated in December 2016 and that the evaluation period will thereafter relate to a calendar year (having previously related to the financial year). It is therefore suggested that the GCRB arrangements for appraisal of the GCRB Chair are completed by end of November at the latest so that they can feed in to the Scottish Government led appraisal process.

6.   Proposals for appraisal of individual members

6.1.   In 2015/16, a brief appraisal of each member was conducted by the Interim Chair with each member after she took up post. It is proposed that GCRB continue to operate a similar process on an annual basis. The key components are:

- each member is asked to complete a brief self-appraisal prior to the meeting;

- a meeting is held between the GCRB Chair and the member during which key points are discussed and any relevant actions agreed;

- After the meeting, the GCRB Chair shares her draft appraisal with the member and the appraisal is signed by both the member and the GCRB Chair.

6.2.   Annex 3 provides a draft self-appraisal proforma for members' consideration.

6.3.   It is suggested that these appraisal discussions take place over September and October.

7.   Proposals for appraisal of assigned college Chairs

7.1.   Revisions to the Code of Good Governance for Scotland's Colleges are currently being considered, and included within these is a requirement that the performance of assigned, incorporated college chairs is evaluated by the regional strategic body.

7.2.   If this provision remains within the new Code of Good Governance when it is published, then it is suggested that for individual members who are also assigned college Chairs, that a similar process is followed as for individual members but that feedback from assigned college Board member evaluation activity is used to inform discussions (in the same way that GCRB member feedback is used to inform the evaluation of the GCRB Chair). To enable this to be achieved, the timescale for the appraisal of assigned college Chairs could be extended towards the end of the Calendar year.

8.   Proposals for appraisal of committee chairs

8.1.   Primarily to inform the GCRB Chair's appraisal of members who are Committee chairs, it is proposed that:

- As part of their own annual self-evaluation, committees hold a discussion without their Chair present to allow consideration of the Committee Chair's performance;

- A member of the Committee meets with the Committee Chair to discuss the Committee's observations. This feedback is then is used to inform discussions and compliment the individual member self-appraisal during the appraisal meeting between the GCRB Chair and the Committee Chair.

8.2.   It is suggested that these appraisal discussions take place during the Committee meetings planned for October.

9. Summary of Board and member evalution activity and timesclaes

9.1. The table below presents an overview of the suggested Board and member evalution arrangements as described above:

Evaluation Activity	Aug	Sept	Oct	Nov	Dec
Self-evaluation of the effectiveness of the Board		▓			
Appraisal of individual members		▓	▓		
Appraisal of assigned college Chairs				▓	
Appraisal of committee chairs			▓		
Appraisal of the GCRB Chair by GCRB		▓	▓		
Appraisal of the GCRB Chair by Scottish Government				▓	▓
Externally facilitated evaluation of Board effectiveness			▓	▓	▓

10. Risk Analysis

10.1. This paper addresses the risk that the Board does not provide effective support for and challenge to GCRB.

11. Legal Implications

11.1. There are no specific legal implications arising from this paper.

12. Financial Implications

12.1. There are no new financial implications arising from this paper.

13. Regional Outcome Agreement Implications

13.1. There are no specific implications for the Regional Outcome Agreement associated with this paper.

Annex 1 - Draft Colleges Scotland Guidance on Conducting External Effectiveness Reviews

Scope

1. It is suggested that, as a minimum, the effectiveness review should cover the areas in the Code of Good Governance. This may change slightly following the current review of the Code but the existing areas are -

    ➢ **Leadership and Strategy**
    ➢ **Student Experience**
    ➢ **Accountability**
    ➢ **Board Effectiveness**
    ➢ **Individual Effectiveness**
    ➢ **Relationships and Collaboration**

2. A board may choose to add to those areas if it so wishes.

3. The process of the review itself should include a number of steps -

Process
1. Board to agree the areas to be covered in the review (all areas of the Code as a minimum), the format and timescales required
2. Recruit the independent reviewer who is to provide external validation

3. Board members, and senior staff who work closely with the board, provide their views to the reviewer on (a) board performance to date (b) areas for future development using a proforma/questionnaire. This process can be done in different ways
   i. A Board workshop is held that results in an agreed summary of views ; or
   ii. Members and senior staff complete the proforma/questionnaire individually (see Annex A for an example of a simple proforma); or
   iii. The reviewer undertakes 1 to 1 interviews with some or all board members and staff based on the proforma/questionnaire.

4. The reviewer pressure tests the views expressed at step 3 by, as a minimum,
   o Observing at least one Board meeting
   o Undertaking a desktop review of
      o a sample of board and committee remits, minutes, agendas and papers
      o sample of corporate documents to examine alignment between corporate objectives, the objectives of supporting strategies such as HR, estates and finance and the performance information coming to the board and its committees
      o the risk register and a sample of recent audit reports
      o the current board and board member development plans, appraisal and induction processes and the skills matrix used
      o recent staff, student or stakeholder surveys and any board responses
   o If step 3iii above is not chosen, conducting 1 to 1 interviews with a sample of board members and senior staff including a staff and student board member.

5. The board is given an opportunity to discuss and comment on the reviewer's findings and to

draw up an action plan for areas of development over the next 12 months.

6. A final report is provided by the reviewer to the board and the board chair writes to the Good Governance Steering Group and either the Regional Strategic Body (for assigned colleges) or the Scottish Funding Council (all other boards)
    i.   Confirming completion of the externally validated effectiveness review
    ii.   Explaining any areas of non-compliance with the Code of Good Governance and what action is in hand
    iii.   Noting any key areas where the Board already complies with the Code but is choosing to develop its governance further over the next 12 months

External Validation

4. It is common across the public and private sectors for annual governance self-evaluations to be alternated every few years by an external review that is independent of the organisation and is used as a means of validating/calibrating the board's view of itself. A number of companies and individuals undertake this work. It is for each Board to decide who it wishes to contract with but the successful person should meet the following minimum criteria -

   - A clear understanding of how to undertake an external governance review of the type required;
   - Independent of the board and the college/ strategic body being reviewed;
   - Expertise in board governance with knowledge of college sector governance issues and the requirements placed on its boards;
   - An ability to provide rigorous challenge to the board while developing a constructive relationship with it.

5. Each Board will agree the terms of the contract with their reviewer but, as a rough guide, if the reviewer were asked to undertake steps 4, 5 and 6 above, this might require 5-8 days of their time.

6. This Guidance Note complements the Board Member Development Framework issued to the sector in November 2015.

Annex 2 - Draft Survey Prompts for 2016/17 GCRB Board and Committee Evaluation

Survey respondents will be asked to agree or disagree with the following comments (i.e. agree strongly, agree, disagree, disagree strongly). Survey respondents will also be provided with an opportunity to comment and/or provide examples, and to identify any development needs.

LEADERSHIP & STRATEGY

- We determine the strategic vision of the region.
- Our performance management system is adequate, identifying KPIs, and we monitor progress.
- Relevant stakeholders are engaged in compiling the Outcome Agreement.
- We have regard to the social and economic needs of our area.

STUDENT EXPERIENCE

- The quality of the student experience is central to our decisions.

ACCOUNTABILITY

- We are accountable to the public for provision of education that enhances social and economic wellbeing
- We ensure funds are used economically, efficiently and effectively
- Our decision making is transparent, informed, rigorous and timely.

BOARD EFFECTIVENESS

- Our Board agendas focus on the right things and we have sufficient time for proper discussion
- We have a culture of open debate, constructive discussion between board members and everyone contributes well
- We have the right balance of skills, experience, independence and knowledge to fulfil our role effectively
- We abide by collective responsibility, taking decisions in the interests of the region
- Staff and student members are treated as full board members
- Our new members receive formal induction tailored to their needs
- We review the board's effectiveness annually using a robust self-evaluation process

COMMITTEE EFFECTIVENESS

- Our Committee is effective, has an impact and makes recommendations which are adopted by the board
- Our Committee agendas focus on the right things and we have sufficient time for proper discussion
- Our Committee has a culture of open debate, constructive discussion between Committee members and everyone contributes well
- Our Committee has the right balance of skills, experience, independence and knowledge to fulfil its role effectively

INDIVIDUAL EFFECTIVENESS

- Board members understand their roles and responsibilities and provide constructive challenge
- The Chair provides effective leadership of GCRB
- GCRB management is effective in serving the Board
- The board secretary provides appropriate governance support

RELATIONSHIPS AND COLLABORATION

- We promote effective partnership working with the assigned colleges
- We address local needs and national priorities, promoting mutual trust and respect with local, national public and private partners
- We communicate our activities to internal and external stakeholders to ensure transparent and effective governance
- We encourage strong and independent student associations
- We promote positive employee relations including ensuring effective dialogue and consultation with staff and recognised trade unions

Glasgow Colleges' Regional Board: Individual Board Member Evaluation

Name of GCRB Member: _____

Introduction

Scottish Government guidance on board member appointments requires evidence of annual performance assessment. It is also the case that performance evaluation forms part of members terms and conditions of appointment and is also part of the Code of Good Governance for the sector.

As a basis for an appraisal discussion with the GCRB Chair, members should consider their performance over the past year and identify in the table below areas of strength and areas for further development.

In undertaken this self-evaluation task, members should consider aspects such as their:

- level and effectiveness of participation in meetings, understanding of key issues;
- focus upon the organisation's purpose and outcomes;
- contribution to governance issues;
- understanding of the role of the Board and Board membership;
- demonstration of Good Governance through values and behaviour;
- communication and leadership skills; and
- external networking.

Areas of strength	Areas for further development
• • •	• • •

Attendance Record: (completion by GCRB Executive):

Attendance at GCRB Meetings: [ ] of possible [ ] = [ ]

Key Discussion Points and Agreed Actions (if any):

I confirm that I have met the member to discuss his/her performance, and that the member's performance as a member of the Glasgow Colleges' Regional Board has been satisfactory.

Signed:_____(Chair of the GCRB)

Date:_____