



West Lothian College

External Validation of Board Effectiveness Self- Assessment

March 2017



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West Lothian College

External Validation of Board Effectiveness Self-Assessment

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Introduction

Background

In 2016 Colleges Scotland issued a revised Code of Good Governance for Scotland's Colleges ("the Code"). The Code is a revision of a previous governance code published in 2014. It sets out the principles of good governance expected from colleges. Observation of the Code is a requirement for all colleges who receive funding from the Scottish Funding Council (SFC).

Under the Code, colleges are required to conduct periodic externally-validated reviews of the effectiveness of the Board. SFC produced guidance setting out the expectations and suggested methodologies for undertaking such a review.

Scope

Scott-Moncrieff was commissioned by West Lothian College ("the College") to undertake an externally-facilitated review of its Board effectiveness, against agreed aspects of the 2016 Code of Good Governance for Scotland's Colleges. Our approach takes full cognisance of and complies with SFC's guidance.

Our approach

Our approach to delivering our work was as follows:

- An initial planning meeting with the Chair, Principal, Assistant Principal and Board Secretary to agree the approach to our review and the focus of our activity. This agreed to look at specific areas in more detail, rather than a broader review in less depth. This resulted in focus on the areas perceived as most useful to the College;
- Desk-based validation and review of the Board's self-assessment exercise, verifying the Board's self-assessment report to a range of supporting documentation;
- Surveying all Board Members to ascertain their views and perceptions;
- One to one interviews with half of the Board, including the Chair, Committee Chairs, staff and student representatives and other Members;
- Observing the December 2016 Board meeting; and
- Discussing our findings and recommendations with Board Members in a pre-Board session in March 2016.

Acknowledgements

We would like to thank all Board Members and staff consulted during this review for their assistance and co-operation.

Good governance

Governance is the system by which organisations are directed and controlled. The purpose of governance is to “facilitate effective, entrepreneurial and prudent management that can deliver the long-term success of [the organisation]”.¹ The 2016 Code of Good Governance for Scotland’s Colleges outlines that the “overarching purpose of good governance for Scotland’s Colleges is to:

- Lead the college and set its strategic direction and values;
- Ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency; and
- Deliver high quality of learning and outcomes.”

The Code was developed collaboratively, with representatives from the Scottish Funding Council, colleges, teaching staff and students. The Code states that it “has been written in a way that is mandatory and anticipates compliance”. It defines five principle areas of good governance within colleges, as follows:

- Leadership and strategy
- Quality of student experience
- Accountability
- Effectiveness
- Relationships and collaboration.

Compliance with “the spirit of the Code”

All colleges in receipt of SFC funding are required to comply with the Code as a condition of their grant funding, including “the spirit of the Code”.² This requirement means accountability covers both the code wording as expressed as well as the underlying ethos and principles. In effect, this means colleges should act in a way perceived as being in keeping with the Code, even where some aspects may have limited or no overt guidance therein. This is a principles-based approach which requires sound professional judgement.

¹ UK Corporate Governance Code 2016

² Code of Good Governance for Scotland’s Colleges

Conclusion and recommendations

West Lothian College demonstrates a high degree of Board effectiveness in the areas subject to review. In both process and in practice, the Board and its Members work collectively and cohesively to support the College's strategic objectives and to deliver effectively for students and wider stakeholders.

The College's Board effectiveness self-assessment shows a good level of self-awareness. It also identifies actions arising through which the Board can continuously develop. This supports ongoing improvement and a commitment to the spirit of self-review and advancement. The issues identified in the self-assessment as potential development areas include:

- Ongoing development of staff & student awareness and engagement with the Board, beyond existing and established structures
- Further work on Chair and Member appraisal and development arrangements
- Work on skills, diversity, specialisms and supporting ongoing effectiveness of the work of the Board and its committees, including in Membership, recruitment and induction.

The recommendations arising from our external validation reflect continuous improvement opportunities and not fundamental problems with existing arrangements. They underpin the conclusion that the West Lothian College Board is effective and committed to ongoing development.

Wider dimension issues

There are also some areas arising from our work which raise relevant Board issues, but which are not under the College's direct control. In particular:

- The Board has lost some Members in relatively quick succession from a commercial/industry background, and has found it more challenging than previously to recruit replacement Members. It seems this has been at least partly driven by ONS reclassification and perceived related centralisation. Departing Members and potential new recruits have cited concerns over a dilution of local control and influence. This is also set in the context of Members volunteering their time and expertise, often driven heavily by the desire to contribute to their local community.
- Whilst several of those involved in the nationally-coordinated induction activities found it useful and positive, some reported reservations about aspects of the timing, duration, and "pitch" of these sessions. This included questions over coordination and stakeholder commitment after several presenters pulled out (reportedly at very short notice). There was commitment and appreciation amongst Board Members for the principal of robust induction and training, but a feeling that this needed to be as efficient and effective as possible.

These are issues which may be worthy of further consideration at a national level.

Recommendations

The recommendations and areas for potential improvement within West Lothian College arising from our review are summarised as:

- Taking forward the areas of potential improvement arising from the Board’s own self-assessment into a structured, SMART action plan. This should be subject to periodic review and scrutiny by the Board.
- More avenues for semi-formal and information student engagement, ensuring this extends beyond the good work being done with the office holders of the Students’ Association. Walkarounds, student lunches and informal “drop ins” could help Members get more of a feel for day to day business within the College.
- Considering whether a periodic (eg quarterly) Board and Committee “Chairs’ Forum” would help with the conduct and coordination of business. This semi-formal forum has proved helpful and welcomed in a range of public sector bodies across Scotland.
- More accessible summaries of Board activity and key decisions, such as including key points in the college newsletter, on social media, and linking to the relevant areas of the website for minutes/papers.
- SMART actions arising from Board Member appraisals, to ensure scrutiny and support of agreed development actions. This will help realise benefits on an individual and Board-wide basis.

We have also identified some related issues in our 2016/17 Corporate Governance internal audit report in relation to (i) review and update of register of interests, (ii) annual reports from all Committees being presented to the Board for review and approval, to support the annual governance statement, (iii) the reporting requirements of the Nominations and Remuneration Committees being explicitly confirmed in the ToRs, and (iv) actions arising from committee evaluations should be formally documented and tracked until completion. These are being reported to the College through the established assurance framework.

Main Findings

In this section we have summarised the review findings, detailed some of the areas of good practice identified within West Lothian College, and have set out continuous improvement opportunities. This is structured to reflect each of the five principles of good governance as defined in the Code. It is worth noting that this is not a complete list of all activities being delivered by the College across these five principles, but reflects the areas of focus agreed as part of scoping this review.

ACTION: We were pleased to note the College reflected on development actions as part of completing its own effectiveness self-assessment. We encourage the Board to take forward the areas of potential improvement arising from its own self-assessment into a structured, SMART action plan. This should be subject to periodic review and scrutiny by the Board.

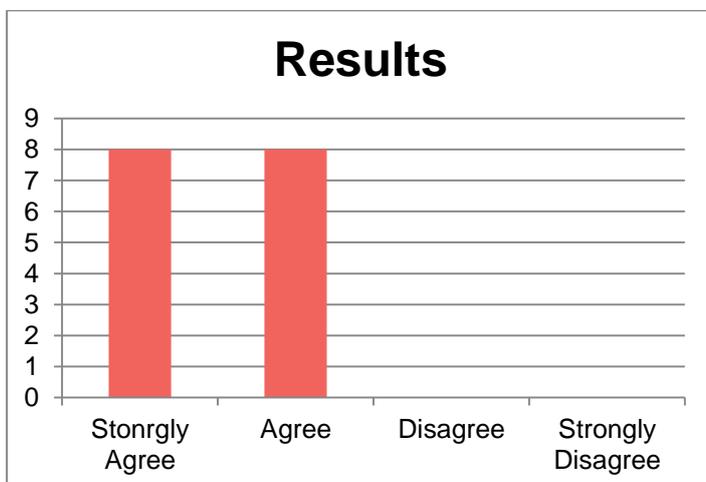
Leadership and strategy

Good Governance Criteria: “We determine the vision, direction, educational character, values and ethos of the college”

The Regional Outcome Agreement (ROA) sets out the College’s vision, aims, priority outcomes and outputs for the academic year. The ROA is further supported by a suite of eight corporate strategies (Estates, Financial, ICT, Curriculum, Marketing and Corporate Communications, Procurement, Organisational Development, and Quality Improvement and Learner Engagement). These set out the longer-term objectives of the College. The Board is actively involved in determining the vision and direction of the College during the annual development and agreement of the College’s ROA and regular review and approval of supporting strategies.

This view was well reflected in the feedback we received through our Board Member survey (Diagram A), and reinforced in the 1-to-1 interviews held with a range of Members. There is also regular reporting on progress, achievements and impacts. Overall, the view from Members and from available documentation supported the College’s self-assessment. It demonstrates a Board which does well to balance involvement, scrutiny and leadership at the top tier of governance along with a trust and willingness in senior management and college staff to take forward that direction and strategy in practice.

Diagram A – We determine the vision, direction, educational character, values and ethos of the college



Source: Scott-Moncrieff, from the results of the survey of West Lothian College Board Members

The Board and its committees are supported by detailed Terms of Reference (ToR). These document respective roles and responsibilities. Each committee Chair provides an oral update of committee business/performance and reports the minutes of every committee meeting to the following Board meeting. This ensures that Board Members are kept abreast of key issues and actions, as well as ensuring Members have the ability to question or provide comments on any matters considered by the various committees.

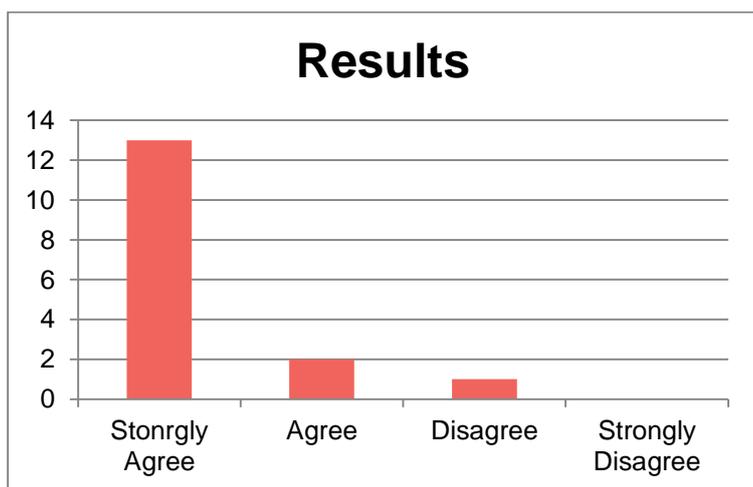
Good Governance Criteria: “We have effective systems in place to monitor performance”

An annual report is produced and presented to the Board by the Audit Committee, detailing the committee’s work and any reportable issues during the period. However, a formal annual report to the Board is not being completed by the other four sub-committees (Finance & General Purposes, Learning & Teaching, Remuneration, and Nominations). The completion of annual committee reports are good practice, including within the education sector, as they provide the Board with assurance that the Committee has fully discharged its delegated responsibilities throughout the year. This help to inform the sign off of, for example, the College annual governance statement.

The College has multiple platforms through which it monitors and measures its performance. These include (but are not limited to) the ROA, strategic objectives, student attainment levels, and student survey results. Performance reporting responsibilities are captured within Board and Committee ToRs; for example, performance in relation to learning and teaching is monitored through the work of the Learning and Teaching Committee. Key issues and areas for noting are then reported back to the Board. Our testing confirmed that ROA objectives are well aligned with corporate strategic objectives and performance monitoring information is being provided to the Board and its committees as required by their ToR.

Board and committee Members are actively engaged in performance reporting and have the opportunity to routinely scrutinise the quality of performance data being presented, along with the overall performance results themselves. This was reflected in the feedback we received through our Board Member survey (Diagram B) and was supported by the 1-to-1 interviews.

Diagram B – We have effective systems in place to monitor performance



Source: Scott-Moncrieff, from the results of the survey of West Lothian College Board Members

The one disagreement recorded in the survey response was explored during the relevant 1-to-1 session. This was identified as being a concern in relation to over consultation with students and the risk of “survey fatigue”. The Member concerned was complimentary about the performance monitoring and engagement processes, but

was conscious of the need to ensure the Board does not start receiving information based on insufficiently representative feedback and on which it then makes decisions. This issue in general has been recognised by the College, including through the self-assessment process.

As an example of translating performance monitoring arrangements into continuous improvement actions, the College has worked to improve the participation and success rates of student from deprived areas. Related course completion rates have increase from 64% to 73% between 2012 and 2015. The College has stated its intention to continue the development of participation and success rates, particularly within deprived areas, and shows commitment to working with Community Planning Partners to this end (as set out later in this report).

Quality of student experience

Good Governance Criteria: “The voice of students and the quality of their experience is central to our decisions”

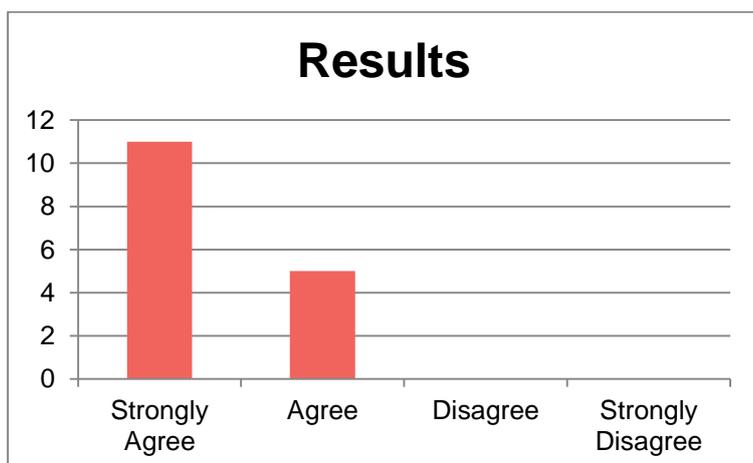
The quality of the student experience has come across as being central to the work of West Lothian College. The Learning and Teaching Committee (LTC) is the lead for reviewing student development and activity, and its ToR was revised last year to strengthen its role in relation to the ROA and to put the learner at the centre of its agenda.

The College’s Students’ Association has recently been restructured to reflect a model promoting leadership, participation, and engagement. The Students’ Association is well resourced and has a clear role to represent student views. It consists of a President (sabbatical), seven Vice-Presidents, and a support mechanism through a comprehensive system of class representatives.

The Student President and a Vice-President are Members of the Board and LTC. They provide an update to every Board and relevant committee meeting and are routinely invited to provide comments or insights on papers and issues being considered. We ensured the Student President was included as part of our 1-to-1 interviews and the findings reinforced the positive nature of student involvement with the work of the Board, and indeed the wider college management team.

That the Board believes the student voice is core to the decisions it makes is reinforced through our survey of Board Members (Diagram C) and the 1-to-1 interviews. The Board has recently revised its meeting agenda to incorporate the Students’ Association Report within the core business section of its meetings, alongside the Chair and Principal’s report. This was done partly to signify the importance of the Students’ Association Report to the Board. Also, the Board Member local induction programme has been revised to include a briefing session with the Students’ Association. This ensures newly-appointed Board Members engage directly and hear from student representatives as part of their induction. This has both a practical and symbolic element, and helps develop links across the Board Membership (including outwith the formal Board meeting environment).

Diagram C – The voice of students and the quality of their experience is central to our decisions



Source: Scott-Moncrieff, from the results of the survey of West Lothian College’s Board Members

Each academic year, the College encourages students to provide student experience feedback. Students can also feedback any issues or grievances via the complaints process. The College has an up-to-date, approved Complaints Policy and procedure which takes cognisance of the requirements of the Scottish Public Sector Ombudsman.

The findings of student surveys are reported to the LTC. The findings of the surveys are used to develop action plans to strengthen good practice as well as address areas for improvement. The LTC will provide the Board with an update of student survey findings following the agreement of action plans. The Students' Association and class representatives distribute survey outcomes to the student body via various methods such as newsletters, on the college plasma TV screens, College Facebook page, and 'You Said, We Delivered' posters.

ACTION: Going forward, continuous improvement could be supported by more avenues for semi-formal and information student engagement, ensuring this extends beyond the good work being done with the office holders of the Students' Association. Walkarounds, student lunches and informal "drop ins" could help Members get more of a feel for day to day business within the College.

Accountability

Good Governance Criteria: “The Board’s decision making processes are transparent, properly informed, rigorous and timely”

As noted above, the Board regularly monitors the College’s performance against its regional outcome agreement. The roles and remits of the Board and its sub-committees set out responsibilities for delivering the agreed outcomes of the College. Each committee Chair provides an oral update of committee business/performance and reports the minutes of every committee meeting to the following Board meeting. This approach helps support constructive dialogue and communication between the Board and its sub-committees. 1-to-1 interviews reported this as working well in practice.

Board and committee Members are provided with relevant reports to support effective decision making. As noted in the College’s self-assessment, Members have the opportunity to review the quality of management information provided to them at the end of each meeting and during the annual self-evaluation process. Members have confirmed that requests to amend management reports (eg for formatting and to support continuous improvement) were actioned by management throughout the financial year.

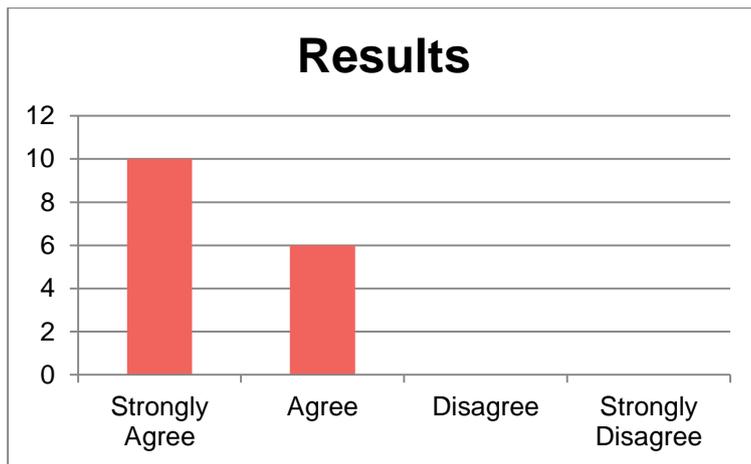
Board papers, minutes and other relevant documentation (including committee paperwork) are available to those within and external to the College. This supports transparency and accountability. The independent Board Secretary collates and issues Board and committee papers a week in advance of meetings, in paper and electronically, providing Members with sufficient time to read and scrutinise management reports prior to meetings. Minutes are taken by the Board Secretary and actions agreed during meetings are also recorded within these minutes. Members then track the implementation of actions and decisions. Our survey, 1-2-1 interviews and related testing confirmed these arrangements.

The Board and its sub-committees are required to undertake annual self-evaluations to identify good practice and potential areas for improvement within the structure and format of the committees and its meetings. The 2016 Board and committee self-evaluation results demonstrated that Members felt they were provided with appropriate opportunities to contribute effectively at meetings and they also feel empowered to ask questions and challenge information provided to them that is not clear or understood. Members strongly feel they work together as a collective to achieve a common purpose which has had a positive impact on Member participation at meetings.

Risk management supports a shared understanding of key areas of challenge and the need for effective decision making. The College’s Financial Regulations assert that the Board has responsibility for ensuring there is a risk management strategy and a common approach to risk across the College. This is achieved through the development and implementation of a formal, structured risk management process. The College’s Risk Policy states that the Board of Governors should set the tone and influence the culture of risk management within the College, including by establishing the College’s risk appetite. The Audit Committee has delegated responsibility for the ongoing monitoring of the College’s risk register and for plays a key role in scrutinising the strategic risk register. The Audit Committee Chair provides the Board with a Strategic Risk Register update at every Board meeting, ensuring oversight and scrutiny at the most senior levels.

The College’s strong position in the accountability principle as set out by the Code is reflected in the views of Board Members obtained through our survey (Diagram D) and 1-to-1 interviews.

Diagram D – The Board’s decision making processes are transparent, properly informed, rigorous and timely



Source: Scott-Moncrieff, from the results of the survey of West Lothian College’s Board Members

Other positive aspects in terms of accountability include the Board appointing a Senior Independent Member with a specific remit to act as a “check and balance” within the governance framework, the advisory role played by the independent Board Secretary on a range of matters as required, and a wide suite of documentation available on the College website covering governance, performance, scrutiny outcomes and financial information.

ACTION: To support wider communication and understanding of the work and outcomes from the Board, the College could consider more promotion and accessible summaries of Board activity and key decisions, such as including key points in the college newsletter, on social media, and linking to the relevant areas of the website for minutes/papers.

Effectiveness

Good Governance Criteria: “Our Board and committees have the right balance of skills, experience, independence and knowledge of the college to fulfil their role effectively” and “All Board Members undertake training tailored to their needs (including committee training) and new Members receive induction training”

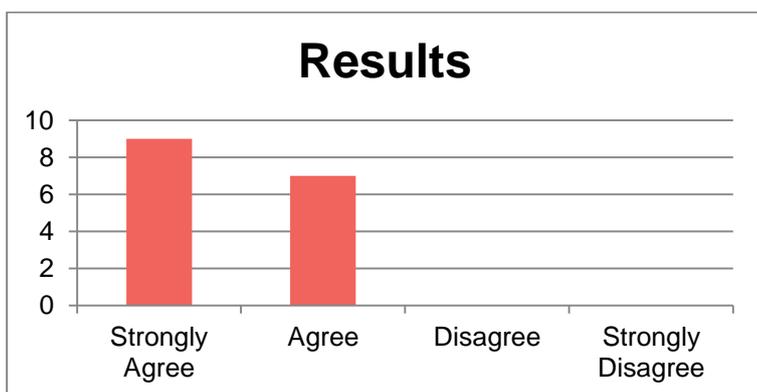
West Lothian College has a strong Board, both by design and taking cognisance of the current Membership. The mix of new and extant Members has provided consistency and continuity alongside some fresh approach and challenge.

There is a skills matrix for the Board and a clear understanding of the need to ensure a balanced and rounded Membership to allow it to function efficiently and effectively. This draws on public, private and third sector expertise, alongside representation by the Principal, staff Members and students.

The College recently undertook a recruitment exercise to appoint new Board Members. The College targeted Members whose skills and experience would supplement the existing skills mix of Members, as well as ensuring sufficient skills and expertise going forward. The skills and experience of the Board is reviewed by the Nominations Committee on at least an annual basis.

Board Members believe the Board has the appropriate skill, experience, independence and knowledge to be effective (Diagram E). In 1-to-1 interviews and in our wider validation work, we noted that the College has faced challenges through losing some Members in relatively quick succession from a commercial/industry background, and it has found it more challenging than previously to recruit replacement Members. It seems this has been at least partly driven by ONS reclassification and perceived related centralisation. Departing Members and potential new recruits have cited concerns over a dilution of local control and influence.

Diagram E – Our Board and committees have the right balance of skills, experience, independence and knowledge of the college to fulfil their role effectively



Source: Scott-Moncrieff, from the results of the survey of West Lothian College’s Board Members

Where there are identified skills gaps (eg recent/relevant financial expertise on the Finance Committee, as caused by a recent resignation), this has been identified and taken forward by the Board. The option to co-opt Members to address such problems is a mechanism the College is open to in principle and selectively pursues in practice.

The Nominations Committee has a clear role in ensuring appropriate skills and experience across the Board and its committees, in responding to any quoracy issues, and in ensuring appropriate equality and diversity in appointments.

ACTION: There has been a programme of Board Member appraisals to support continuous improvement. We recommend that SMART actions are agreed from these appraisals, to ensure scrutiny and support of agreed development actions. This will help realise benefits on an individual and Board-wide basis.

The College has also developed a comprehensive induction programme for new Board Members. The programme runs over a six month period and is tailored to suit the specific needs of the new Member. An induction timetable is developed for new Members and they have the opportunity to meet with the Board Secretary and/or Chair to review the training programme and identify any further training or development needs. Diagram F (below) indicates positive views amongst Board Members of the induction and ongoing training they receive. The 1-to-1 interviews reinforced this view, with Members stating that they felt comfortable and able to seek support if required. The coordinating role of the Board Secretary in this respect was noted and seen as a positive aspect, including her maintenance of a development plan to identify any emerging training needs. The briefing session on new accounting standards is a good example in the Board’s self-assessment of this in action.

Diagram F – All Board Members undertake training tailored to their needs (including committee training) and new Members receive induction training



Source: Scott-Moncrieff, from the results of the survey of West Lothian College’s Board Members

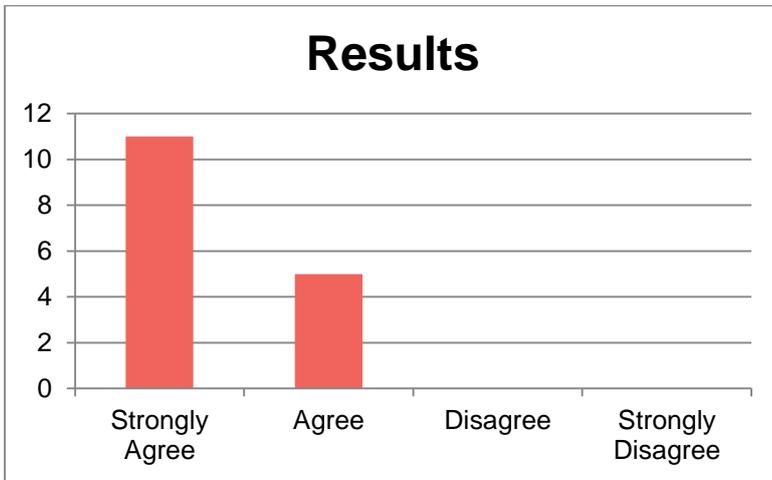
Good Governance Criteria: “The Board Chair provides leadership and ensures Board effectiveness”

The Board Chair was appointed at the end of June 2016, after an Interim Chair was in place following the resignation of the previous Board Chair. An appraisal of the Board Chair has yet to take place, although this has been scheduled for June 2017. The Chair appraisal will be led by the nominated Senior Independent Person and will include gathering feedback through the annual Board and Committee self-evaluation process. The findings from our Board effectiveness review will also inform the process. Responses to our survey (Diagram G, below) demonstrates that Board Members feel the Board Chair is undertaking his role effectively in providing clear leadership and ensuring Board effectiveness. This was reinforced in the 1-to-1 meetings with a range of Board Members.

The observations suggest the Board Chair has an open and inclusive approach. He also acts as a Chair for a Scottish territorial health Board, after a long career in local government in executive positions (including as Chief Executive). His wider FE experience allows him to draw on various direct and observed experiences of

Board working, in both formal and practical terms. His working career in the West Lothian area also provides a context to the opportunities and challenges facing West Lothian College.

Diagram G – The Board Chair provides leadership and ensures Board effectiveness



Source: Scott-Moncrieff, from the results of the survey of West Lothian College’s Board Members

ACTION: More widely, the College should consider whether a periodic (eg quarterly) Board and Committee “Chairs’ Forum” would help with the conduct and coordination of business. This semi-formal forum has proved helpful and welcomed in a range of public sector bodies across Scotland. This could be an additional means for the College to continuously improve its effectiveness.

Relationship and collaboration

Good Governance Criteria: “Our decision making reflects our commitment to working in partnership with others”

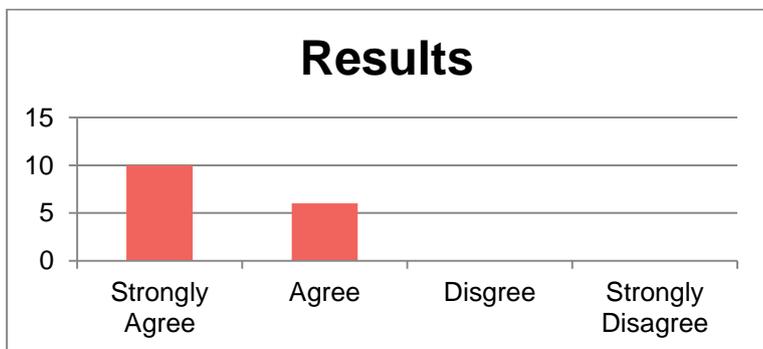
The College is engaged in a range of partnerships across the communities and areas it serves. These partnerships include employers, local authorities, community groups, unions, and student representatives. The College plays a lead role in the delivery of the Regional Outcome Agreement and is a key Member of the Community Planning Partnerships (CPP). The CPP is a key - although not sole - mechanism through which the College works collaboratively and strategically with other bodies to deliver effective outcomes.

The College’s 2016 Education Scotland review found that the College works effectively with its partners. We confirmed the Board is actively involved in promoting partnership working. This has been a key focus at Board strategic away day discussions in 2016. Representatives from the Community Planning Partnership attended away day events and contributed to discussions. Partnership working initiatives are also apparent at senior and operational management levels of the organisation.

The Board routinely monitors partnership working performance via several methods. This includes through monitoring ROA performance, and reviewing and scrutinising the Principal’s Report which incorporates a standing section on partnership working.

Our survey indicates that Board Members believe the College is using its partnerships to develop and improve collaborative working (Diagram H). The presence on the Board of current and former West Lothian Council executive leadership also reinforces the close working relationship between the college and the local authority, which is a critical partnership for the College’s success.

Diagram H – Our decision making reflects our commitment to working in partnership with others



Source: Scott-Moncrieff, from the results of the survey of West Lothian College’s Board Members

The College has demonstrated a commitment to supporting the communities it serves, supporting the economic and social development of these areas. The College has a strong relationship with West Lothian CPP, which is nationally recognised as demonstrating good practice. The partnership allows the College to deliver in key local outcomes for the community as well as national ambitions set out by Scottish Government.

The College has worked to improve the participation and success rates of student from deprived areas and has seen course completion rates increase from 64% to 73% between 2012 and 2015. The College has stated its intention to continue the development of participation and success rates within deprived areas and is committed to working with Community Planning Partners to support equality of opportunity and help drive successful

outcomes for disadvantaged students. Examples of this include the College currently expanding provision within local communities such as Boghall, West Calder and Polbeth.

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