

## **Corporate Governance**

- This paper asks members to agree to a set of proposals relating to the Board's corporate governance.

## **Recommendations**

- Consider and agree to the proposed Board development programme.
- Agree to the proposal to merge the Access and Inclusion Committee with the Learning Enhancement and Skills Committee.
- Agree that Douglas Mundie should be appointed to the role of Chair of the Finance Committee.
- Agree to the proposals and timing of a new Board effectiveness review.

## **Financial implications**

- There will be some modest running-cost budget requirements in meeting the Board's development needs. There are no financial implications for the Council's programme funds.





**This version of the paper is confidential**

## **Corporate Governance**

### **Purpose**

1. This paper asks members to agree to a set of proposals relating to the Board's corporate governance.

### **Introduction**

2. The following corporate governance issues are covered in this paper:
  - Induction of new Board members and Board development.
  - Remits of SFC's committees.
  - Committee membership.
  - Board effectiveness review.

### **Induction of new Board members and Board development**

3. The addition of seven new members to the Board has increased the total membership to 16 and consequently almost half the members are new. This presents a great opportunity to consider the Board's development in the round and to constructively challenge ourselves to continuously improve. In a recent letter to the Chair, Paul Johnston, the Scottish Government's Director-General Education, Communities and Justice, and our senior sponsor with responsibility for public appointments, encouraged us to take an approach to the induction process that is:

*"...as effective and collaborative as possible and... [to ] foster the development of leadership skills, good governance and partnership working across the entire Board."*

4. We propose that the specific induction programme for new members should be complemented by a broader development programme for the whole Board. We plan to structure the programme over the next year around four main themes:
  - Understanding the strategic environment and the priorities of the Scottish Government.
  - Building effective relationships and collaborative working with stakeholders and other key partner bodies.
  - SFC's strategy and operations.
  - Demonstrating high standards of corporate governance, including the Board's effectiveness, operations and accountability.

5. We have chosen these four themes in part because they support our Strategic Framework commitment to be an “an excellent, outcome-focused public body that provides leadership, inspires confidence, models collaborative working, is committed to continuous improvement, and stewards public resources well.”
6. We propose to deliver the programme through a mixture of sessions, which will include:
  - One-to-one and group briefings for new Board members.
  - Presentations at the scheduled business meetings of the Board from key stakeholders.
  - Facilitated workshops.
  - Visits to colleges and universities and associated partners.
7. The proposed programme for next year is set-out in the attached Annex to this paper. Board members are invited to consider the programme and whether it meets the Board’s requirements.

#### **Other development opportunities**

8. In addition the formal programme of Board development, we can arrange other training and development opportunities at any time for individual members. This may be particularly relevant for chairs of committees or where Board members require fuller briefings to fulfil their committee roles. We can, for example, arrange:
  - **Attendance on relevant training courses, workshops and seminars:** for example, CIPFA provide courses on a range of topics, including governance training, skills for board members, risk management, and managing outcomes across organisations and partnerships.
  - **Internal development opportunities:** briefing meetings with key staff on particular topics, such as Outcome Agreements, funding or the funding methodology.
  - **Attendance at relevant conferences and exhibitions:** for example, attending relevant SFC or sector-led events to enhance knowledge and understanding.
9. Board members are also welcome to attend meetings of any Board committees at any time, as those committee attendances may present development opportunities in themselves. We will circulate a timetable of committee meetings and dates to all Board members.
10. Any Board member who would like to undertake a development opportunity should contact the Clerk to the Council.

## **Remits of SFC committees**

11. We have undertaken a review of the current remits of the Council's committees. They remain fit-for-purpose. However, we believe that it would be worthwhile reviewing the relationship between the Access and Inclusion Committee and the Learning Enhancement and Skills Committee.
12. The Access and Inclusion Committee was established to help develop our strategies for widening access to learning and monitor the implementation of those strategies. However, since the publication of the final report from the Commission on Widening Access (COWA) in 2016, the focus of its work has been mainly on implementation of the recommendations from COWA; while monitoring progress is now undertaken annually by the Board.
13. At the same time, many of the Committee's recent discussions have been about transitions through the learning system, including school engagement, articulation and the learner journey. In all of these areas, there is overlap with the work of the Learning Enhancement and Skills Committee, and there is now a strong argument for merging the two committees to form a single committee for access, learning and skills. The advantage of such a committee is that it would:
  - Be able to take a coherent view of the system of learning as a whole from access to learning, progression through learning, and progression into employment or further study.
  - Be consistent with the approach taken in our Strategic Framework document.
  - Align it more closely with the learner perspective and experience.
14. Board members are invited to consider the proposal to merge the Access and Inclusion Committee with the Learning Enhancement and Skills Committee.

## **Committee membership**

15. The Chair is currently reviewing the membership of Council committees. The aim is to find the optimal arrangement that matches members' skills and experience with the Board's needs, while balancing time commitments. Once the review has been completed, the Chair will advise the board of the revised committee memberships.
16. Following the departure of Marlene Wood in October, there is one urgent appointment that needs to be made – to the Chair of the Finance Committee. At the November meeting of the Committee, the role was undertaken by Douglas Mundie and it is proposed that this appointment now be formalised. The Board is therefore asked to agree that Douglas Mundie should be appointed as Chair of the Finance Committee. The Board should also note that

the Chair has agreed with Douglas Mundie that this arrangement will be reviewed during the course of 2020, once the new membership of the committee is in place.

### **Review of the Board's effectiveness**

17. Periodic reviews of effectiveness are an essential element of good practice in corporate governance, and are intended to contribute to continuous improvement. The Council Board therefore undertakes an annual review of its effectiveness and, triennially, commissions an external evaluation of its governance and effectiveness.
18. Given this point in the cycle of Board membership, we propose an annual review that:
  - Develops a 360° style review, which incorporates feedback from a range of external sources, including Scottish Government.
  - Draws on the wealth of external experience from our new Board members to help identify and implement a new development plan at the meeting of the Board on 30 June 2020. We suggest that the focus should be on developing SFC's leadership role in the system of learning in Scotland and its contribution to Scottish Government priorities.
  - Considers structural aspects of SFC's governance, such as Accountable Officer responsibilities.
19. Our intention is that the review should take place following the April 2020 Board meeting.

### **Risk assessment**

20. A failure to respond to developments in, or demonstrate high standards of, corporate governance is likely to undermine the Council's effectiveness, its credibility and reputation. The recommendations in this paper help to mitigate that risk.

### **Equality and diversity assessment**

21. There are no equality or diversity issues arising from this paper.

### **Recommendations**

22. The Board is asked to:
  - Consider and agree to the proposed Board development programme.
  - Agree to the proposal to merge the Access and inclusion Committee with the Learning Enhancement and Skills Committee.

- Agree that Douglas Mundie should be appointed to the role of Chair of the Finance Committee.
- Agree to the proposals and timing of a new Board effectiveness review.

### **Financial implications**

23. There will be some modest running-cost budget requirements in meeting the Board's development needs. There are no financial implications for the Council's programme funds.

### **Publication**

24. This paper will be published on the Council's website.

### **Further information**

25. Contact: Martin Fairbairn, Secretary to the Council (direct line: 0131 313 6524; email: [mfairbairn@sfc.ac.uk](mailto:mfairbairn@sfc.ac.uk)) or Richard Hancock, Strategy (direct line: 0131 313 6645; email: [rhancock@sfc.ac.uk](mailto:rhancock@sfc.ac.uk)).



## Board development programme 2019-20

### Themes:

- A. Understanding the strategic environment and the priorities of the Scottish Government.
- B. Building effective relationships and collaborative working with stakeholders and other key partner bodies.
- C. SFC's strategy and operations.
- D. Demonstrating high standards of corporate governance, including the Board's effectiveness, operations and accountability.

When	What	Who
December 2019	<p>One-to-one briefings with the Chair and Chief Executive covering:</p> <ul style="list-style-type: none"> <li>• The strategic direction, including long-term challenges and opportunities.</li> <li>• SFC's Strategic Framework.</li> <li>• Key relationships, including with Scottish Government.</li> <li>• SFC's ways of working and values.</li> </ul> <p><i>Themes: A, B, C, and D</i></p>	New members
Board meeting: 5 December 2019	<p>The college sector - the work and strategies of Forth Valley College: Presentation from the College.</p> <p><i>Theme: A</i></p>	All members
Board meeting dinner: 5 December 2019	<p>Discussion with Richard Lochhead MSP, Minister for Further Education, Higher Education and Science.</p> <p><i>Themes: A and B</i></p>	All members
Board meeting: 30 January 2020	<p>Presentation from the Equality and Human Rights Commission.</p> <p><i>Themes: A and B</i></p>	All members

<b>When</b>	<b>What</b>	<b>Who</b>
January/ February 2020	<p>Group briefings with SFC Directors covering:</p> <ul style="list-style-type: none"> <li>• Types of institutions and legal context.</li> <li>• Structure of funding and accountability.</li> <li>• Council governance, including SFC committees.</li> <li>• The research environment.</li> <li>• Innovation.</li> <li>• Climate emergency.</li> <li>• SFC's finances.</li> <li>• College and university finances.</li> <li>• SFC's main funding streams and methods.</li> <li>• Outcome Agreements with colleges and universities.</li> <li>• Sector performance.</li> <li>• The learning environment.</li> <li>• Skills and SFC's partnership with Skills Development Scotland.</li> </ul> <p><i>Themes: A, B, C, and D</i></p>	<p>New members</p> <p>(Existing members may attend any of the sessions)</p>
January 2020	<p>Briefing from the Scottish Government Sponsor and Policy Directorates relevant to our direct portfolio interests and the Enterprise and Skills Strategic Board.</p> <p><i>Themes: A and B</i></p>	New members
Board meeting: 30 April 2020	<p>Understanding the global research context: external presentation.</p> <p><i>Theme: A</i></p>	All members
30 April 2020	<p>Meet the executive: end-of-financial-year reception and discussions with SFC staff.</p> <p><i>Themes: B and C</i></p>	All members
Board meeting: 30 June 2020	<p>Developing a successful, world-leading, coherent and sustainable system of education: discussion with a Scottish Government minister.</p> <p><i>Themes: A and B</i></p>	All members

<b>When</b>	<b>What</b>	<b>Who</b>
Board meeting: 30 June 2020	Developing the Board's leadership role: facilitated workshop to review the results of the Council's effectiveness review.  <i>Theme: D</i>	All members
Board meeting: 3 September 2020	Developments in learning and teaching: external presentation.  The student voice: reflections from the President of NUS Scotland.  <i>Theme: A</i>	All members
Board meeting: 12/13 November 2020	Understanding the rural and islands' environment: implications for learning, research and innovation  <ul style="list-style-type: none"> <li>• Visit to a college or university.</li> <li>• Discussion with relevant regional agency.</li> </ul> <i>Themes: A and B</i>	All members