
Board Development Plan

Purpose

1. The purpose of this paper is to provide the Audit and Compliance Committee with an update on the Board Development Plan.

Recommendations

2. The Committee is invited to note the update.

Financial implications

3. There are no financial implications arising from this update.

Risk assessment

4. There are no risks associated with this update.

Impact assessments

Equality and diversity

5. N/A.

Island communities

6. N/A.

Carbon reduction

7. N/A.

Publication

8. This paper will be published on the SFC website.

Further information

9. Contact: Lynne Raeside, Board Secretary, tel: 0131 313 3526, email: lraeside@sfc.ac.uk

Board Development Plan

Purpose

10. This paper invites members of the Audit and Compliance Committee to **note** an update on the Board Development Plan.

Background

11. In early 2022, Board members were invited to take part in a Board self-evaluation of effectiveness exercise. Periodic reviews of effectiveness by governing bodies are recommended good practice in corporate governance. SFC undertakes an annual review of its effectiveness and, triennially, commissions an external evaluation. The next external evaluation is scheduled for 2024.
12. Following the 2022 evaluation, the following areas for development were identified:
 - Greater ethnic diversity in the Board's membership (recognising of course that Board members are appointed by the Scottish Government).
 - More engagement with business and employers.
 - Providing Board members with opportunities to observe or participate in the work of Council committees (on which they are not members).
 - Providing more space and time to review strategy and performance.
 - Providing members with a greater opportunity to influence the Board's long-term agenda.
 - Reducing duplication in Board papers and considering whether there are other ways to convey the content (such as through presentations).

Update

13. During 2022 several changes have been made to the way in which Board business is conducted in order to reflect the proposed areas for development:
 - Board paper templates have been updated to reduce duplication and more use has been made of presentations to relay content and generate discussion during Board meetings.
 - Board meetings have been held at institutions to allow for engagement with the sector and to develop a better understanding of how institutions engage with local stakeholders, including employers. SFC has also secured a formal position for the SFC Chair on the Scottish Apprenticeship Advisory Board (SAAB) and positions for SFC executive team members on SAAB sub-groups. The ongoing Review of the Skills Delivery Landscape provides an opportunity to secure further support for our recommendation for the establishment of an Employer and Industry Advisory Group that would work across the full

spectrum of coherent provision to research and knowledge exchange and include both employers (levy payers and SMEs) and providers. We have also advertised for external members to join the Skills, Enhancement, Access and Learning (SEAL) Committee.

- Recognising the Board's wish to have more time to review strategy and performance, we have taken a more iterative approach to substantive policy and funding proposals. For example, in relation to funding decisions, we have invited Board members, initially through the Committee structure then at full Board, to consider the principles that lie behind the funding decisions before the final allocations are brought to the Board for approval. This new approach has been welcomed. Similarly, we adopted a more iterative approach to development of the Strategic Plan to allow sufficient time for consideration and comment, inviting Board members to join external engagement sessions as well as feeding in through SFC Board meetings. Our recent Strategy session was deliberately designed to allow more discussion time and we will endeavour to arrange Board agendas to allow sufficient time for discussion on substantive issues.
- Following publication of our Strategic Plan we are developing a performance management system that will help us track progress and achievements against these strategic objectives. This will be aligned with the more detailed activities set out in our annual Operating Plan which is due for completion in early 2023.
- We plan to address the recommendation for greater ethnic diversity on the Board through the forthcoming appointment round. While Board members are appointed by Scottish Ministers and the process governed by Scottish Government guidance, we are working closely with the Scottish Government sponsor team on ways in which we can reach out to a wider audience and encourage applications from more diverse groups. We will also seek advice from the EHRC on how best to reach wider audiences.
- We will seek views from Board members on the long-term agenda at our first meeting in 2023.

Next Steps

14. Board members will be invited to participate in an updated self-evaluation of Board effectiveness in early 2023.

Recommendations

15. The Board is invited to note the update.