

BOARD MEETING

Date of Meeting	29 March 2017
Paper Title	Governance Update
Agenda Item	17.19
Papers	17.19A, 17.19B, 17.19C, 17.19D and 17.19E
Responsible Officer	Gillian Murray, Clerk To The Board
Status	Disclosable
Action	For Noting

1 REPORT PURPOSE

- 1.1 This paper seeks the Board's approval for a range of governance-related matters in relation to the Board Development Plan, changes to Board and Committee Membership, amendments to terms of reference of the Remuneration Committee, agreement of the role description of the Senior Independent Member, a process for evaluating the effectiveness of the Chair and a new Conflict of Interest Policy.

2 RECOMMENDATIONS

The Board is invited to

- **Approve** the External Effectiveness Review and **Approve** the Board Development Plan 2017/18 and **Agree** to the Development Plan 2017/18 being submitted to the Scottish Funding Council with a copy being sent to the Glasgow Colleges' Regional Board.
- **Agree** to the new board member, Robert Fraser, being appointed as a member of the Finance & Resources Committee and to him taking up the position of Chair of that Committee with effect from 1st August 2017.
- **Agree** to the recommendation of the Remuneration Committee that the Remit of the Remuneration Committee be revised as set out in Paper 17.19C
- **Agree** to adopt the role description for the Senior Independent Member as set out in paper 17.19D
- **Agree** to adopt the process for evaluating the effectiveness of the Board Chair as set out in Paper 17.20E

- **Agree** to request the Acting Principal to bring forward a draft Conflict of Interest Policy to a later meeting of the Board
- **Note** the update in relation to the ongoing Section 22 Report.

3 BACKGROUND

3.1 External Effectiveness Review and Development Plan

3.1.1 The recently update Code of Good Governance states 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 at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year’s plan) to its funding body and publish them online”.

3.1.2 In November 2017, the Board agreed the areas to be covered in the review, the process and timescales required. It was agreed that the process would include attendance at a board meeting by the facilitator, one to one discussions with a small sample of board members and staff, a board workshop and a desktop review of corporate documents. An External Effectiveness Review Report was then prepared by the facilitator and discussed by a Sub-Group (membership and remit having been agreed at the Board Workshop). The Report was then finalised and a draft Development Plan 2017/18 created taking account of the development areas identified in the Report.

3.1.3 The four areas for development to be included in the Development Plan are as follows:-

- Quality of the Student Experience
- Develop the Board’s understanding of the College
- Focus of board papers on decisions and more board member debate
- Build the Board as a collective team

3.1.4 Copies of the External Effectiveness Review Report and the Development Plan 2017/18 are attached.

3.1.5 Board Members are invited to agree to the sign off of the External Effectiveness Review Report and the Development Plan 2017/18. If approved, Board Members are invited to authorise the Report and Development Plan to be submitted to the Scottish Funding Council with a copy being sent to the Glasgow Colleges’ Regional Board.

3.2 Committee Restructure

Board members may recall that we had opened recruitment to fill vacancies in our Finance & Resources Committee and Audit Committee. Interviews for new Board Members took place in January. A recommendation was made to the Glasgow Colleges' Regional Board for the appointment of one candidate. Robert Fraser was successfully appointed at the GCRB Board meeting on 26 February 2017 for a period of three years.

Robert has the requisite skills to sit on the Finance & Resources Committee. The current Chair of that Committee, David Newall, is also the Chair of the Board. In the interests of maintaining good governance, the Chair has recommended that he should step down as Chair of that Committee with Robert Fraser taking up the position of Chair. In order to allow Robert an opportunity to shadow one meeting chaired by David, it is recommended that he takes on the position of Committee Chair with effect from 1st August 2017. Thereafter, David will remain as an ordinary member of that Committee.

This means that we still have a vacancy within our Audit Committee. We will open the recruitment process again in the summer.

The Board is invited to agree to the immediate appointment of Robert Fraser to the Finance & Resources Committee with him taking up the appointment of Chair of that Committee from 1st August 2017.

3.3 Remit of the Remuneration Committee

The Remuneration Committee met on 25 January 2017. One of the items on its Agenda was the review of its remit. The Remits of the other Committees had been reviewed in December 2015. The Committee discussed the Remit and recommended changes as set out in the attached Paper.

One of the main changes will be to enable the Remuneration Committee to approve pay awards for the Principal and Senior Managers. However, the implementation of a new Senior Management Pay Policy will set out the criteria to be applied when making such an award. The Pay Policy will be reviewed annually by the Committee with any changes to the Policy being recommended to the Board. In addition, another change is to add the requirement for the Committee to advise the board on the terms of any severance schemes made available to staff or the terms of any individual settlement agreements, if required

The Board is invited to agree to the changes to the Remuneration Committee remit as set out in the attached paper.

3.4 Role of the Senior Independent Member

The College Articles of Governance set out, at 7.4 that “the Vice Chair shall undertake his/her role in accordance with clause A12 of the Code of Good Governance, regarding the role of the senior independent member, as may be amended from time to time.” The reference to clause A12 is a reference to the previous Code of Good Governance. The current reference is to A14 of the Code of Good Governance which is in the following terms.

“A.14 The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the board secretary when necessary (see Annex 1 for the definition of ‘non-executive’). The senior independent member should also be available where contact through the normal channels of chair, principal or secretary has failed to resolve an issue or for which such contact is inappropriate. Further information on the role of the senior independent member can be found in The Guide for Board Members in the College Sector.”

Sandra Heidinger is our Vice Chair and, in accordance with our Articles, she is also the Senior Independent member. Sandra recently attended training on the role of the Senior Independent Member at the College Development Network. One of the outcomes of that session was the circulation of a draft role description for the Senior Independent Member. The purpose of the role description is to ensure that board members are aware of the function of the Senior Independent Member.

The role description is attached, Paper 17. The Board is invited to agree to adopt this role description. Going forward, the role description will form part of the handbook for board members and will be referred to at induction.

Note: The Clerk is aware of the inaccurate references within the Articles of Governance. A review of the Articles is programmed for the summer.

3.5 Evaluation of the Effectiveness of the Board Chair

It is a requirement of the revised Code of Good Governance that the board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. It is further recommended that the evaluation of the board chair should normally be led by the vice-chair/senior independent member

A proposed process for the evaluation of the effectiveness of the board chair and committee chairs is attached. The Board is invited to approve this process.

3.6 Conflict of Interest Policy

As members are aware Glasgow Clyde College is a charity and as such Board members are trustees of a charity. The statutory framework for charities is set out in The Charities and Trustees Investment (Scotland) Act 2005. This legislation also established the Office of the Scottish Charity Regulator (OSCR) which is responsible for regulating charities registered in Scotland. OSCR as part of its role publishes routinely guidance which sets out what trustees must do or must not do within the terms of the 2005 Act.

Board members received the latest OSCR Guidance (June 2016) within their Board Member handbooks. The OSCR Guidance recommends that Charities develop a Conflict of Interest Policy. The Guidance gives details on how trustees should manage conflicts of interest and includes specific information for those appointed to charities from another organisation. The relevant section of the guidance can be found here <http://www.oscr.org.uk/charities/guidance/guidance-and-good-practice-for-charity-trustees/conflict-of-interest>

In order to ensure we are complying with best practice and ensuring we maintain our excellent standards of governance, it is recommended that we develop a Conflict of Interest Policy.

The Board is invited to agree to request that the Acting Principal brings forward a draft Conflict of Interest Policy to an appropriate future meeting of the Board;

3.7 Section 22 Report

Board members were previously advised that the Section 22 Report of Glasgow Clyde College was to be placed before the Scottish Parliament's Public Audit Committee on the 5th and 6th October. In advance of that, board members were further advised that the Section 22 report had been taken off the Agenda due to the ongoing Judicial Review process being taken forward by a former Board Member.

The decision in the Judicial Review was issued on 17 March 2017 and circulated to board members by email. The Public Audit Committee will assign new dates for consideration of the Section 22 Report. Further updates will be provided by email.

The Board is invited to note this update.

3. RISK ANALYSIS

The matters dealt with address Glasgow Clyde College's governance arrangements. By ensuring that these matters are properly addressed GCC

will ensure that its governance meets the expectations of the Scottish Funding Council, Scottish Government, GCRB OSCR and other relevant stakeholders.

4. LEGAL IMPLICATIONS

There are no specific legal implications associated with this paper.

5. FINANCIAL IMPLICATIONS

There are no specific financial implications associated with this paper.

6. REGIONAL OUTCOME AGREEMENT IMPLICATIONS

As per above at 3.

7. HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT

N/A