EXTERNAL COLLEGE GOVERNANCE REVIEWS: WHAT HAPPENED NEXT?

A CDN Insight Report by
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1. EXECUTIVE SUMMARY

This study has followed up the most recent series of externally facilitated effectiveness reviews (EERs) of the governance of colleges in Scotland by asking what happened next with a sample of seven colleges.

There was unanimous agreement that the process and outcome of an external governance review were useful and provided a catalyst for improvement with some describing the review as '*challenging but very helpful in the end'* and others '*transformational'.*

The centrality of the governance professional in leading governing improvements was evident throughout this study, they played a leading role in shaping the response to the EER and any recommendations made. In some cases, governance professionals reported that they had benefited from a stronger professional status resulting from leading the implementation of post-EER action plans where they were seen as part of the 'leadership of improvement'.

A common approach was the formation of action plans which were used to record and track governance actions arising from the EER and any recommendations. These action plans were used effectively to measure progress and changes made, however in future consideration should be given to adding 'anticipated impact' to any action plan.

Evidence suggests two general responses to the EERs, recognising that there are elements of both aspects in some external governance review reports.

- **Validation, Assurance, Improvement:** This was where the EER presented limited, or no recommendations and the emphasis was on the validation of effective governing practice. However, even in these cases improvement plans were developed to strengthen governing practices.

- **Improvement:** The most common response, this was where the EER presented recommendations for improvement, and provided a catalyst for action to improve governing practice.

It was evident that where boards were 'in transition' this had an impact on the outcome of the EER, usually causing a delay in implementing the actions. Some boards were experiencing significant transition where several elements are changing, this could be a new chair, new principal, new governance professional and / or the appointment of a significant number of new board members.

Although some colleges believed the biggest impact was the validation of existing good practice other colleges reported significant improvements in governing practice and processes, ranging from positive cultural change to more specific elements of governing such as improvements to board member induction and more effective use of strategic KPIs.

Some recommendations were more complex and took longer to achieve, however feedback indicated that these were often the actions that had the biggest impact. Inevitably, given the centrality of the role of the governance professional in responding to the external governance review report, the skills, experience, and confidence of the governance professional were significant factors in achieving change as was the maturity of the relationship and trust between the governance professional and the chair and principal.

Some colleges found bringing in external support to progress action and build momentum for change to be effective.

The *Guidance note on conducting externally facilitated effectiveness reviews*[1] was viewed as being helpful and no changes were suggested.

1   https://bit.ly/EERGuidanceNote

2. AIMS OF THE STUDY

There were two aims for this study. Firstly, to understand the processes and practices that took place following external college governance reviews. Having addressed the first aim, the second aim was to identify the changes in governing behaviour and performance stimulated by external college governance reviews. In other words, what has been the impact of these external college governance reviews?

3. CONTEXT

There are many codes of 'good' governance in existence such as the *Combined corporate code*, the *Charity code* and, specifically for this study, the *Code of good governance for Scotland's colleges*[2].

All codes stress the importance for governing boards of regular self-assessment of the board's performance (usually on an annual basis) and to complement this process, the periodic use of an externally facilitated review of governance.

The *Code of good governance for Scotland's colleges* states:

> **D 24** *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 to five years. The board should determine the timing for this externally facilitated review as part of the annual effectiveness review*

Hill and James (2016)[3], in relation to educational institutions, reported on this approach noting that the credibility of the external facilitation of reviewing was of paramount importance in securing legitimacy and acceptance of forthcoming review reports and recommendations. The point here was that whilst the notion of an external review of governing practice is generally supported, the most useful and productive external reviews were believed to be achieved when the external facilitator is familiar with, in this case, the context and circumstances of governing colleges in Scotland.

2   https://bit.ly/CodeOfGoodGovernanceScotlandsColleges2022

3   Hill, R. and James, I. (2016) *Reviewing the self-assessment of governing body performance in colleges and schools in England* Journal of EMAL Vol 44(5) pp745-756

Although it was for each governing board to decide who it selected to undertake the review, the *Guidance note on conducting externally facilitated effectiveness reviews* sets out the minimum criteria that should be met by the reviewer.

The framework provided by the *Code of good governance for Scotland's colleges* along with the guidance note enabled a degree of comparison between reviews.

The most recent round of external college governance reviews was undertaken in Scotland in 2020/21. A summary account of these reviews was produced by Munro and Hill for the College Development Network (CDN). See *Overview of the external governance effectiveness reviews for Scotland's colleges 2020/21*[4].

4   https://bit.ly/EEROverviewReport2021

4. METHODOLOGY

Given it has been two years since the completion of these external college governance reviews and their receipt by the respective college governing board, it is now appropriate to consider what difference this national exercise of governance review has made to the performance of college governing boards for the benefit of teaching and learning in colleges and the achievement of the responsibilities of the governing board.

Colleges were selected to participate in the study to reflect

- Large to medium sized colleges.
- Assigned and regional college boards.
- A range of providers of the external governance reviews.

Participating colleges were

- Edinburgh College
- UHI Perth
- Dumfries and Galloway College
- North East Scotland College (NESCol)
- City of Glasgow College
- UHI Inverness
- West Lothian College.

We record our thanks for the insight and contribution from the governance professional, principal, and chair of these colleges.

The authors also wish to thank Marianne Philp, governance professional at Fife College, for her advice and encouragement in the undertaking of this study.

Evidence was gathered from

- A review of the External Governance Review report and any subsequent development/action plans that were based on the outcome of the review, including any recommendations;

- Interviews with chair & principal & governance professional carried out during February and March 2023;

- Questions to all board members at the selected colleges to get views in addition to the three key players associated with the processes and practices of governing.
  - Responses were received from 14 board members; this was a low response compared to the number of members invited to respond. There may be a range of reasons for this low response rate, but it is known that a high percentage of members have been appointed since the 2020/21 reviews.

The primary source of evidence for this study was the interviews; the survey was a secondary source and, whilst the response rate is low, the pattern of response is of some interest.

5. EMERGING THEMES FROM EVIDENCE

The contents from the interviews and questionnaire responses are grouped under themes as follows below. We have provided case examples to illustrate ways of working where possible. The anonymity of colleges has been preserved as it was a condition of participating in this study.

Theme 1. Responding to the EER

A consistent finding across all colleges contacted for this study showed the centrality of the governance professional in playing a leading role in shaping the response to recommendations and advice.

To play this role effectively the governance professional needed to work with

- the principal, especially on recommendations linked to revised reporting; revised strategic emphasis and
- the chair, especially on recommendations linked to board conduct and culture.

The formation of action plans in response to the external effectiveness review was a common, though not universally common, approach to tabulating, recording, and tracking governance actions.

The following three examples of tables were provided for this study. These examples focus on action to be taken, rather than impact expected from the action taken.

From discussion with governance professionals, it is anticipated that impact will be identified via annual governing board self-assessment processes.

For future reference, there could be greater merit in tabulating action/changes and anticipated impact arising from the changes in the same table to improve the monitoring process.

Responding to the EER has been described as a trigger/catalyst for change by governance professionals, principals and chairs. This is discussed in more detail in Theme 6 below in relation to governance professionals but the sense of taking an opportunity/responding to a stimulus to make changes was shared throughout the interviews informing this study.

Table A

Recommendation	Action required/Notes	Complete by	Evidence of completion

Table B

Action	Lead	Deadline	Status	Commentary

Table C

Primary and Secondary Recommendations	Action(s) Required	Target Completion Date	Responsible Parties	Status Update / Evidence Collected	RAG Status

Theme 2. Validation, Assurance, Improvement

Evidence from interviews suggests one of two general responses to the EERs, recognising that there are elements of both aspects in some external governance review reports.

Validation and Assurance

One response was to be able to place more emphasis on the validation of effective practice as the EER presented limited or no recommendations for improvement. Obviously, the sense of validation derives from the validator and the evidence gained upon which to judge governance effectiveness. This form of EER '*provided confidence to the Board'* that *'the right things were happening'.* A further example of this type of response to an EER was '*there were no surprises from the EER; no one thing has changed our practice'.*

It was clear that this position was more one of maintaining good practice rather than making changes to reach good practice. However, whilst there were minimal or no recommendations in these case examples, improvement plans were developed to strengthen governing practices and processes further.

Improvement

The second category of response was more common from the evidence gathering. This is where recommendations for improvement have been provided and this has stimulated a focus and desire for action to improve governing practices and processes. In addition, some recommendations have included further training and support for the governance professional. In some cases, this action is summarised as achieving *'broad, positive cultural change'.*

There were two broad responses in this category, both of which are valid and produced positive results,

- The board maintained control and took ownership of the action plan and the monitoring of the plan.

- The board expected the governance professional to progress the actions and report back to a committee and / or the board through a quarterly 'governance update' which reported on progress against a wider board development plan.

Within both categories, the benefit of 'governance benchmarking' was raised. Technically, benchmarking requires evaluating something by comparison with a standard. We accept that there are standards expressed within the *Code of good governance for Scotland's colleges*, but it is a stretch of the meaning of benchmarking to say that benchmarking is provided by the EER. Certainly, it would be expected that the selected EER reviewer(s) should be able to make informed comparisons with wider governing practice, but this should not be labelled 'benchmarking'.

For further information, the *Overview of the external governance effectiveness reviews for Scotland's colleges 2020/21* report highlights examples of effective governance practice, while recognising what works well in one setting might not easily transfer to another.

Theme 3. Implementing and Monitoring

Action following from the EERs was reported to have been monitored in several ways including

- by the governance professional only;

- by the governance professional reporting to a committee, e.g. chair's committee;

- by the governance professional reporting to the governing board.

An important aspect of monitoring action described by governance professionals was building momentum. Change was happening and increasingly change became the expectation. This momentum was easiest where there was consistency of personnel in key roles of governance professional, principal and chair.

This post-EER stage was an opportunity for governance professionals to demonstrate leadership, including strategic influence. In some cases, this necessitated widening the EER action plan to include other items for change which emerged from a closer look at governing practices and processes. In others the EER action plan was embedded in the wider board development plan.

Ownership of the response to the EER was primarily with the governance professional. The achievement of interest from other parties depended on the nature and extent of the recommendations to be addressed. In some cases, *'senior staff worked with the governance professional'* or '*Executive Management Team, governance professional and Chairs' Committee worked together'.* In some cases, chairs were instrumental, in other cases chairs were part of a collective effort. In all cases chairs invested in oversight of the response to the EER.

As reported in the *Overview of the external governance effectiveness reviews for Scotland's colleges 2020/21*:

> *Many college boards, and possibly all boards, are 'in transition' reflecting the dynamic nature of governing as a process and the frequently changing nature of governing boards. However, some college boards are in significant transition where several elements are in flux, including the appointment of a new chair, new principal, new board secretary and / or the appointment of significant numbers of new board members. In such circumstances it may be advisable for the board to formally recognise this transition phase by including it with the college strategic risk register and to formulate an action plan to secure successful and well-managed transition.*

Almost all of the colleges participating in the study had gone through some form of transition either during or since the time of the EER, and this did impact on the outcome, with some governance professionals reporting on delays in the implementation phase. Half of the respondents to the survey had joined the board post EER, highlighting the constant turnover in board membership.

Theme 4. Biggest Impact from EERs

We asked for examples of the biggest impact from EERs. 'Biggest impact' is an elastic term and requires definition for any deeper analysis. However, we were simply looking for those changes arising from EERs that made an impact on the participating interviewees.

Accepting some colleges believed the biggest impact was validation of existing good practice, other colleges in our sample provided the following responses

- The biggest impact has been a new chair, new board members.

- Clearer scrutiny and decision making.

- Connecting reporting to strategic direction.

- Discussing the EER and developing a better understanding of what constitutes effective governance.

- Improved focus on induction and training for board members.

- Improving our minutes and board reports.

- Improved diversity of board membership.

- Use of a KPI dashboard at every meeting.

- Reducing senior staff presentation of reports.

- The centrality of teaching and learning to the board's focus.

- Improved risk register with more robust scrutiny from the audit committee; some improved reporting.

- More critical thinking time built in for the board.

- Significant shift in the culture of the board.

- Having an action plan in place that everyone understands and is committed to.

- It was a catalyst for change in governing behaviours.

Perhaps not surprisingly, the easiest actions to address were where the governance professional could take direct action. It was confirmed that where the governance professional needed to influence others e.g., board chair, principal, senior staff, addressing EER recommendations was less straightforward and took longer.

Theme 5. Harder to achieve from EERs

Some recommendations were more complex and therefore more challenging. These took longer to achieve, but it is interesting to note that feedback indicated that these were often the actions that had the biggest positive impact on the governance of the college.

Other factors that impacted on implementation of the recommendations and associated action plans included COVID restrictions, changes in key players, i.e. chair, principal or governance professional and changes in external environment.

Inevitably, given the centrality of the role of the governance professional to responding to the external governance review report, the skills, experience, and confidence of the governance professional were significant factors in achieving change as was the maturity of the relationship and trust between the governance professional and the chair and principal.

Comments on the hardest to achieve items included

- Developing a set of strategic KPIs and a dashboard.

- Moving towards a culture where more decision making was delegated from the board to the committees.

- Restructuring of the committee arrangements.

- Reviewing the strategic planning process.

- Ensuring board papers remain strategic and focussed.

It is of note that post review bringing in external support was reported to be very effective in reviewing action plans and building momentum for change.

Theme 6. Centrality of the governance professional

The governance professionals identified a number of aspects to their role post external governance reviews. In summary, these points are

- For some governance professionals, the EER acted as a trigger or catalyst to pursue an improvement agenda that already had been forming either formally or informally. This point suggested that in some circumstances, unfortunately the governance professional had not been able to pursue change based on their professional opinion alone. Thus, the EER confirmed the governance professional's perception and priorities for action / improvement. This point is linked to the findings of the study by Hill & Munro *The role and experience of the board secretary as a governance professional in Scotland's colleges*[5] regarding the restricted status of some governance professionals.

- In some cases, governance professionals reported that they had benefited from a stronger professional status resulting from leading the implementation of post-EER action plans where they were seen as part of the 'leadership of improvement'. One way in which this status change was enacted was working closely with newly formed governor groups to oversee creating and implementing of EER action plans. An example of this would be working with a chairs' committee.

- The creation of governance improvement action plans was a way of placing all the improvement actions in one place for ease of reference and the sharpening of the focus on change.

- The additional tasks emerging from the EER, such as the action plan formation, implementation and monitoring placed an additional work task on to already congested working conditions. This links

to the findings of the study by Hill and Munro regarding the nature of terms and conditions for some governance professionals;

- In some cases, governance professionals were working through periods of transition whereby chairs and/or principals were changing and so part of the governance professional's role was to engage new chairs and principals in the process of governance improvement.

- Newly appointed governance professionals reported the usefulness of the EER as a guide to the priorities to be addressed, rather than waiting for an annual governance board self-review to identify any matters for improvement. The EER was 'a good place to start from'.

- Some governance professionals are positively looking forward to the next EER evidenced by 'I know we've improved, and it can be recognised'.

- Some governance professionals were pleased to feel that they were working within a stronger governance framework, evidenced by such examples as 'recommended improvements to our risk register have produced better scrutiny by the audit committee'.

- Some governance professionals felt they could have provided even more leadership in response to the EER if encouraged and/or if there had been some assistance in looking at ways to respond to recommendations.

- It was observed that some EERs did not present any recommendations but included items for consideration. From the governance professionals' perspective, the boundary between 'must' and 'should' or 'might' was not clear enough.

- Some governance professionals were prompted by the EER to pursue professional development either formally by registering for an appropriate qualification and/or seeking professional support.

5   https://bit.ly/CDNBoardSec2021

Theme 7 – Feedback from 14 Board Members

Yes	No	Unsure	Comments
1. Were you a member of the Governing Board at the time of the Review?			
7	7	0	Only seven of the fourteen respondents were on the board at the time of the review, reflecting boards in transition.
2. Did you receive a copy of the external governance review report?			
12	1	1	
3. If you were on the Board at the time, did you consider the external governance review report at a Governing Board meeting?			
9	2	3	
4. Has there been an action plan agreed by the Governing Board in response to the external governance review report?			
11	2	1	
5. If there is a plan in place, has it delivered sustained changes to governing processes and practices?			
9	4	1	Most governing processes and practices required minor adaptation rather than significant change.
			There have been positive changes to the staff support structures for those who are responsible for the management and administration of the governance of the college. There have also been improvements made to the committee structures and reporting systems to the board.
6. If there is a plan in place, are there any actions which have not produced improvement to governing processes and practice?			
2	11	1	Some of the development plan actions have not been commenced / completed. Possibly due to the interim period following changes in board chair.
7. How is the action plan being monitored?			
Board	**Committee**		
12	2		
8. Have you identified any barriers to changing governing processes and practice?			
1	13	0	
9. What value would you place on the external governance review report as a stimulus to improving governing?			
High	**Useful**		
8	6		Excellent review, detailed guidance, and a good strategy to take things forward. Keeps the board focussed.
			The review provides external scrutiny and helps highlight any areas for strengthening governance arrangements.
			All external reviews are helpful given how governance is ever evolving.

6. OVERALL USEFULNESS

There was unanimous agreement that the process and outcome of an external governance review were useful with some describing the review as '*challenging but very helpful in the end'* and others '*transformational'.*

Some EERs provided reassurance and confidence in the governing arrangements leading to fairly minor adjustments in governing practice whereas others identified areas for improvement which, when put in place, had a significant positive impact.

Comments included

- Provided a catalyst for change in governing behaviour.

- Improved engagement with student members.

- Improved use of KPIs.

- It was useful to step back and reflect on governing processes and practices.

- External, independent, and unbiased view on our governance was extremely valuable.

- It was helpful to have the areas requiring attention reaffirmed, and it helped to focus attention on the priority areas.

Thus, there may be two levels on which to consider the usefulness of the external governance reviews.

- Firstly, there is a general feel for how governing is operating post review and whether it seems to be tighter, sharper, better focused on decision making rather than hovering over topics of interest. It has been noted that even the process of an external governance review has, during that process, had the effect of improving governance arrangements.

- On another level, there is the more instrumental way to consider usefulness by checking off each change to governing practice and assessing the impact (anticipated versus actual) and forming a view regarding the extent and benefit of the particular change.

Whichever level is applied, or both, all interviewees recognised the benefits of the external governance review report and its contribution to learners and learning at each respective institution.

7. FOR THE NEXT EERs CYCLE

Participants were happy with the *Guidance note on conducting externally facilitated effectiveness reviews*, but did comment that they would welcome more face to face interaction next time as most of the 2020/21 reviews were conducted virtually during Covid restrictions.

There was broad recognition and understanding that the External Effectiveness Review is intended to be a developmental process not an audit.

Comments included:

- It is important for board members to understand the benefits of an EER in order to secure commitment to the process and the outcome.

- Identification of the priority actions would be useful, e.g. if there are ten recommendations which are the top three? Which would deliver the biggest improvements?

- Incorporating the EER action plan into a broader board development plan is more useful than having separate plans.

- External support post-EER can be effective in implementing the recommendations.

8. CONCLUSION

From the evidence we gathered from documentation, interviews, and responses to a brief questionnaire, we believe there is a consensus that the External Effectiveness Reviews are valuable, and, in many colleges, such reviews have led to significant improvements in governing arrangements. A variety of impacts have been recorded which are clearly beneficial to the achievement of the governing board's responsibilities.

The governance professional plays a key role in developing action plans and leading change. The process and outcome of the EERs has, in some colleges, underlined the importance of the role and strengthened the critical triangular relationship between the chair, principal and governance professional.

Where college boards have been 'in transition' this has delayed the implementation of some of the EER recommendations and possibly compromised the potential impact on the governing arrangements. However, in these circumstances, having an EER in place along with an action plan has been extremely helpful for incoming chairs and governance professionals, giving assurance and a focus on priorities.