Shetland Merger Project

Committee	Programme Board
Subject	Recruitment of Non-Executive Members to the Shadow Board and preparation for Board development
Action requested	☐ For information only ☒ For discussion ☐ For recommendation
Brief summary of the paper	An outline process for recruitment of Non Executive Members; an overview of skills and experience available to the new Board; and an outline of Board development needs for the coming programme of work.
Resource implications [if yes, please provide detail]	Yes Board members may require expenses in the short term and will require training/development in the long term.
Risk implications [if yes, please provide detail]	Yes A strong and cohesive Shadow Board is essential to the success of the Merger Project and the long term future of the new entity.
Date paper prepared	24-May-19
Date of committee meeting	30-May-19
Author	Ruth Campbell
Equality and diversity	Yes
Status	Non-confidential
Freedom of Information Can this paper be included in	Yes

Decision requested: Item 1
Approval requested: Items 5.1 and 6.1
Agreement in principle requested: Item 7

1. **Introduction**

   - 7 applications were received for the Non-Executive Member role on the Shadow Board /Board of the new college.
   - 2 applications need to be considered by the Shadow Board for eligibility. Note there was a historic view that current students and staff are ineligible for membership but the 2013 Act is not explicit on this, which could leave scope for local interpretation. One male staff member and one female (mature) student applied who is intending to continue to study in 2019-20. Both could bring significant skills to the merger process. The student applicant has agreed to be involved in any supporting activities she can contribute to anyway, and the staff member will automatically be involved along with all other staff. The analysis of applicant strengths in this paper does not include these applicants, but both are strong candidates in all the fields listed.

   For decision: include these candidates?

2. **Governance and a strong Shadow Board**

   - In the long term, the Board will require a robust membership capable of leading the new organisation in a challenging climate, financially and in demands made on the education sector nationally and locally. It will need sufficient membership to resource a committee structure that meets the Code of Good Governance for Scotland's Colleges and the minimum requirement of committees for Audit; Remuneration; Finance; and Nominations/Appointments.
   - In the short term, the Shadow Board will undertake a complex programme of work at breakneck speed to achieve the merger and the establishment of a new entity.
   - The Shadow Board therefore needs to draw on a wide range of skills and experience. It may be appropriate to begin to shadow the full committee structure of the established Board as soon as membership makes this possible (and with secretariat time identified), in order to allow members time to fully understand each committee's roles and responsibilities. **An outline draft development programme is described (7) to be discussed and developed further once Non Executive Members are appointed.**
   - An overview of the skills and experience of current members and applicants may be helpful at this stage to enable current members to decide whether further recruitment is necessary. An overview is presented below, based on the application form's checklist by which candidates *self*-assessed their level of skill/experience, with the huge caveat that this has been pulled together without personal knowledge of the people involved. The information has been gleaned for current members from their existing Bios, and for applicants, their application forms. So huge apologies if this is lacking depth and overlooks skills members feel they have – and an invitation to give me more information for your Bios if you feel you have more skills and experience to add to your profile. Nevertheless, we do need to consider if there are any gaps in experience and skills that recruitment needs to address.
   - "What makes a good board?" and "How good is our Board?" are questions all good Boards continually ask themselves. The links in appendix 1 are useful reminders that both technical governance of a college which is a company and charity, and leadership of the college's quality, resilience and ethos, require skill and positive behaviours from members.

- A Board Skills Assessment matrix by Deloitte describes a further essential criteria for board membership as "belief in mission". Whilst constructive challenge, diversity of perspectives and ideas is essential in a strong Board, all prospective members must recognise they are signing up to a Board which has the stated purpose of forming the governance body of a single tertiary education body for Shetland.

3. Current and potential new members

3.1 Equalities and diversity overview

- The notes below reflect the overall diversity of the current membership/representation (based on limited knowledge from biographies provided by members for comms purposes) and what it may look like if all eligible applicants were invited to join.
- There is potentially very positive gender diversity. In other respects the future make-up of the Board could be said to reflect the island population but the Board should consider carefully whether further efforts could be made at this stage to strengthen diversity by targeted marketing. Please note that the majority of applicants preferred not to disclose many of the details in the monitoring form.
- Equalities and diversity can also be addressed by ensuring stakeholder engagement reaches groups potentially under-represented at Board level. This is particularly important in relation to young people's views and student engagement beyond the minority representation of a HISA candidate.

	M	F	White	Non-white	16-34	35-54	55+	LGBT	Faith diversity	Disability	Shetland locality
Current Members	5	2	7		1	5	2				
Applicants Definitely eligible / eligibility to be agreed	2 1	3 1	5 2			4 1	1 1				Levenwick, Burra, Lerwick (2), Scalloway

3.2 Skills overview

Current members and representatives:

	Professional experience	Other interests
Glen Gilfillan (Staff)	Accountancy / business development	Sport
Beth Mouat (Staff)	Research / marine environment	
Andrew Anderson (Staff)	Community Learning and Development / human resources	
Rory Gillies (Staff)	IT / Operations	
David Sandison	Seafood / acquaculture	Local politics, boating
George Smith	Education and Further Education, Community Learning and Development.	Local politics
Peter Campbell	Primary education, charity sector	Local politics, sailing
Sorcher Kirker	Student experience and engagement, HISA	

Non-Executive role applicants:

Professional Skills	1 (some knowledge)		2 (experience)		3 (expert)	
Candidate	■	■	■	■	■	**Overall Board Strength**
Academic research	3	2	3		3	**Strong**
Administration		2	3	2	2	**Good**
Campaigning	2	1	2		2	**OK**
Change	2	2	2	2	3	**Good**
Community Affiliation	2	2	2		3	**Good**
Conflict Resolution	1	1	3		2	**OK**
Customer Care	3	2	3		2	**Good**
Development	2	2	2		3	**Good**
Education	2	2	3	1	3	**Good**
Equality & Diversity	2	2	2		2	**OK**
Financial	2	1	2	3	2	**Good**
Fundraising	1	2	3		2	**OK**
Strategic Planning	2		2		2	**Potential gap**
Governance	2	3	2	2	3	**Strong**
Knowledge of FE/HE	1	2	2		2	**OK**
Human Resources		1	3		2	**Potential gap**
Information Technology	2	2	3		2	**Good**
Community knowledge	3	3	2		3	**Good**
Legal		1	3		2	**Potential gap**
Management	2	2	3	2	3	**Strong**
Restructuring or O/D	2	2	3		3	**Good**
Marketing (incl. events)	3	2	3		3	**Good**
Media/PR	3	2	3		3	**Good**
Networks/Alliances	3	2	2		2	**Good**

Policy Implementation	2	3	2		3	**Good**
Property and Infrastruct.		1	2		2	**Potential gap**
Risk Management		2	2		3	**OK**
Training	1	2	3		2	**OK**
Team work	3	3	3	3	3	**Strong**
Critique & Analysis	3	3	3	3	3	**Strong**
Constructive challenge	3	3	3	3	3	**Strong**
Effective communic.	3	3	3	3	3	**Strong**
Sector background	**Tourism**	**NDPB** environment	**3rd sector/ Business**	**Accountant**	**Sea industries**	**Potential gap: arts/creative industries**

- The skills spread across current members and all applicants is good. Potential gaps identified above should be monitored and a review of Board skills and strengths undertaken annually to ensure the Board has relevant skills for its direction.

4. Student representation

- All college Boards will experience turnover in student representation as students move on to new opportunities or come to the end of their tenure as HISA reps. In Shetland, this is a current challenge. Sorcha Kirker's excellent involvement has been widely appreciated and well respected; however she is also moving on to new opportunities.
- The time of year makes local student representation from the outset a challenge. Young people will not be in college during the summer (See item 6 Recruitment Options: future student members are affected in the same way as option 2 if option 1 is selected now). Over the student year, NAFC students are often on courses necessitating their absence from Board meetings.
- There is potential to involve some young people during the summer on an informal basis (e.g. a consultative group that comments on key issues young people feel are most relevant to student interests and feeds into the Shadow Board). We could then develop a dedicated student induction programme for HISA reps once they are appointed. It's reported that, in the past, local reps have sometimes not been actively engaged until as late as January.
- Ongoing work with student groups as well as HISA representatives will be required to overcome the challenges of bestowing the burden of representation onto one or two individuals who will naturally need to prioritise the demands of their courses.

5. Recruitment process

- Recruitment of Board members is described in the Code Of Good Governance for Scotland's Colleges (relevant extract is at Appendix 2)
- Both chairs of the Shadow Board have already seen applications. If all applicants were accepted then the potential Board membership is 12 (or 13 when two HISA reps are confirmed).

Nevertheless a formal process of appointment is required given the responsibilities of the Board.

- An ideal scenario is that new Non Executive members participate in some way in the recruitment of the Principal/CEO Designate, with appropriate support, so that candidates for that post perceive the strength of a full Board supporting their work.
- An appropriate recruitment process could take the following format, based on Principal/CEO Designate candidates being shortlisted mid-June:

Date (tbc indicative)	Process	Action owner
30th May	Current members (or those identified as interim members of "Nominations/Appointments" committee) provided with copies of applications.	Chairs
31st May	Invitation to all eligible candidates and formal response to ineligible candidates.	PM on behalf of chairs
w/b 3rd June	Evening reception for all eligible candidates and all current board members. • Welcome (joint chairs) • Presentation on the role of the shadow Board, responsibilities of governance, expectations re programme of work and time commitments • Overview of "where we are now" and desired outcomes within one year • Q&A – candidates to joint chairs/PM • Social time to mingle with all current members. • Candidates requested to confirm continued interest in joining the Board within the week. • Board members requested to pass views on suitability/objections to Interim N/A committee.	All current members Chairs PM
w/b 3rd or 10th June	• Interim Nominations/Appointments committee or designated members review applicants and decide on appointment; candidates informed. • New Non Exec candidates invited to meet to discuss appointment of Principal/CEO Designate and provided with guidance on sift.	Committee members, PM Candidates, PM
Sift meeting Principal/CEO Des.	Aspen Recruitment propose 21st June (long list interviews in Glasgow 27th June).	Aspen / PM
w/b 24th June	First full Board meeting. Induction process – ongoing.	

6. Recruitment - Options

Option 1	Proceed as outlined above (**4**), with potential to appoint all applicants unless concerns expressed following reception and/or interim committee recommend rejecting any candidate	**Risks** • Diversity – continued effort is required to bring diverse views into the Shadow Board • Student Voice – strong effort must be made in the early autumn with HISA to recruit student representation • Board /merger is inhibited by potential weaknesses in skills / sector coverage **Consequences**

		• All Board members embark on programme of work together • Wide Board membership involved in Principal/CEO Designate recruitment process
Option 2	Appoint a selection of candidates now and immediately seek further applications to strengthen specific areas of representation, skills or experience	**Risks** • Induction becomes a fragmented process (or existing members repeat process for benefit of all getting on the same page together) • Merger programme is slowed by getting late Board joiners up to speed **Consequences** • Potential delays in induction/work programme • Limited participation in Principal/CEO Designate recruitment process
Option 3	Delay appointment until wider field of candidates is achieved (and students return from summer break to allow HISA reps to be appointed)	**Risks** • Candidates for Principal/CEO Designate role perceive gap as weakness in governance • Programme of work suffers and key milestones delayed - potential failure to achieve merger by summer 2020 **Consequences** • SIC and SFC support reduced before merger complete? • Credibility of Shadow Board diminishes with each failure to achieve milestones.

6.1 **Recommendation – Option 1**

7. **Outline induction and development programme for Shadow Board > Board**

Phase 1 = June – August | **Phase 2** = Sept – December | **Phase 3** = ongoing

Good Governance	Design	Decide	Develop (skills & competence)
Effective members Diversity Roles / Committees Succession planning	**1** Board induction pack 🛠️ **2** Equality & Diversity Policy 🛠️ **1** Mission and values statement 🗨️	**1** Terms of office **1** Roles / Committees 🛠️ **1** Scheme of delegated authority 🛠️ **1** Schedule of meetings/annual calendar	**1** Effective meetings 🛠️ 💻 🗨️ **2** Chair / leadership skills 🛠️ 💻 🗨️ **1** Confidentiality /sensitivity awareness 🛠️ 🗨️
Competent and accountable Financially aware and rigorous Democratic Compliant company/charity	**1** Accessible meeting format 🛠️ **1** Accessible financial information format 🛠️ **1** Report and minute format 🛠️ **3** Full range of policies for governance 🛠️	**1** Name of new college/company **1** Standing orders & meetings procedures 🛠️ **1** Constitution 🛠️ **1/2** Company/charity formation **1/2** Board secretary role	**2** Financial literacy 🛠️ 💻 🗨️ **1** Familiarity with committee/board procedures 💻 🏋️
Learner-focused Student voice / parent voice Community aware; inclusive Quality of experience Quality/breadth of curriculum	**2** Student engagement programme 🛠️ **2** Parent engagement programme 🛠️ **2** Local stakeholder map 🛠️	**1** Vision **2** Benchmarks (what success looks like) ✈️	**2** Awareness of national standards ✈️ **1** Awareness of local data 🗨️ **3** Evaluation and research skills 🏋️
Connected Employer / economic drivers National direction Partnerships	**2** Employer engagement programme 🛠️ **2** Partner map 🛠️ **2** Local/national policy connections map 🛠️	**2** Board representation locally/nationally	**2** Repository for resources / archive 🛠️
Strategic and resilient Sector awareness Politically astute Innovative Risk aware; self assessing Funding and opportunity aware	**3** Board self-assessment process 🛠️ **3** Horizon scanning process 🛠️	**2** Over-arching priorities **2** Risk profile **3** Internal/external review dates	**3** Fundraising skills 🛠️ 💻 **2** Innovation ✈️

✈️ **Networking/visits** | 💻 **Online learning packages** | 🗨️ **Board/committee group learning** | 🏋️ **Self-directed learning or via own professional development**
🛠️ **Adapt and develop existing resources or review models from other colleges** (subject to finance for development)

7.1 For agreement in principle subject to further discussion and training needs assessment when new Non Executive members are appointed.

Appendix 1

https://www.cityofglasgowcollege.ac.uk/sites/default/files/External-Review-of-Governance-2017.pdf
(review of a Scottish college's governance highlighting strengths and areas for development which may be useful as a soft benchmark)
https://education.gov.scot/improvement/documents/frwk18-how-good-is-our-college151216.pdf
(see page 15, Education Scotland "challenge questions" for college boards)
https://www.kingsfund.org.uk/projects/francis-inquiry-report/what-makes-board-effective   (focuses on Health Board governance but follows research into characteristics of boards that encountered major problems with practice and performance)
https://www.imd.org/research-knowledge/articles/innovationgovernance/ (if college success criteria includes development and growth, this article is an interesting think-piece)
https://www.cass.city.ac.uk/faculties-and-research/centres/cce/resources/tools-for-success   (Cass Business School specialises in charity governance but the tools for success read across all socially oriented organisations and are easy to read and digest – an ideal induction tool for those new to governance)

Appendix 2 – Extract from "Code of Good Governance for Scotland's Colleges".

Board Member Appointment, Induction and Training
D.17 For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.

D.18 The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections of staff members to the board.

D.19 The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The board secretary should support the chair in the provision of relevant induction for new board members.

D.20 The board must ensure all board members undertake appropriate training and development in respect of their governance role. The board secretary should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The board secretary must keep records of the development activity of board members, including the chair.

D.21 The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.