

The Education Training Foundation

External Board Effectiveness Review – Executive Summary & Conclusion

Prepared for

EAST SUSSEX COLLEGE GROUP

JULY 2023

EXECUTIVE SUMMARY

The Education Training Foundation (ETF), in partnership with the Institute of Directors (IoD), were asked to undertake an independent review of the board of East Sussex College Group in October 2022.

The objective of the review was to gain an understanding of the strengths of the board and the areas that need development. It also aimed at facilitating collaborative effort between the reviewer and members to co-design pathways to improving the effectiveness of the board. The framework and methodology used to undertake the review was developed by ETF and IoD in collaboration with governance experts and stakeholders in the Further Education and Training sector.

The review focused on direct observations of the Board in action (one full Board meeting, one informal committee Chairs' Group meeting and 5 Committee meetings) The contemporaneous views of most governors were analysed through survey and 1:1 interviews. In total 21 interviews were conducted including the Chair, independent members, students, and staff governors, the governance professional, senior postholders and a selection of external stakeholders.

At the request of the College, the Reviewer noted the outcomes of the recent internal audit which checked Board compliance with the AOC Code of Governance and therefore did not repeat it. A significant sample of 2022/23 governing documents and papers was evaluated.

This executive summary should be read in conjunction with the full report as the report contains important contextual information, rationale and evidence for all the recommendations made. It should be stressed that the reviewers have only commented on what they observed which may or may not be reflective of meetings generally.

Principal Strengths

Despite a significant churn in Board and Executive team membership, the College is demonstrating much maturity in Governance Effectiveness following an extensive review of its membership, structures, processes, and ambitions. The College has already achieved GOOD in every aspect of its recent Ofsted Inspection and has a Financial Health rating of Good as of 2021/22. Within the past 12 months, the Board has confirmed a credible strategy to facilitate the College's long-term success.

The Chair and the Board are committed to ongoing improvement through aspiring to exemplary governance. Members are enthusiastic and generally demonstrate good levels of challenge and support. The Chair is seen as visionary and competent, is well regarded and valued by all members of the Board. He is approachable, inclusive in his approach and highly committed to the success of the College.

The Director of Governance is also highly regarded by members and has led an impressive review of Governance structures and processes during 2022/23, ready for implementation in 2023/24. The new governance structure has new, clearly defined terms of reference, delegation powers and cycles of business. The Director of Governance also leads proactive and continuous governance

self-assessment highlighting all areas for improvement in an effective governance improvement plan. Board papers are timely, and minutes are thorough and rapidly produced.

Relationships and communication between Board members are good. Board behaviours are effective, and the Board is committed to demonstrating College values, alongside Nolan principles. Board members receive regular updates via the informal Chairs' Group and regular newsletters as well as relevant input from the Executive, the Chair and the Director of Governance in both Committee and Board meetings. Despite the relative short tenure of some members, most members can demonstrate a clear understanding of the College's strategic direction, vision, and mission. A thorough review of Board structures in 2022/23 has resulted in a significantly improved committee structure for 2023/24, with roles and responsibilities very clearly defined. Powers of delegation are clear, and the Board has moved the importance of the student voice to centre stage in all its work. Students and staff will join committees across the Board's new structure (except for Audit, Risk & Compliance).

Stakeholder relationships are positive. The Board is actively seeking ways to enhance Stakeholder relationships by discontinuing Local Boards and replacing them with locality focused Stakeholder Engagement Panels. The College Group is an active member of FE Sussex, frequently seeking new areas for collaboration.

The membership of the Board is committed to improving its diversity and can demonstrate the need to adhere to their EDI values in many of their deliberations.

There is robust debate, when necessary, especially around the Board's' key accountabilities. Of particular note is the attention and risk analysis being given to the planned Estates Transformation Programme and the development of a 5-year financial plan.

The Board is well positioned to lead the College through its next stage of development and to position the College Group as the provider of choice for their geographical area. The Board has effectively demonstrated its commitment to embrace continuous improvement and the measures taken during 2022/23 are pertinent, building a firm foundation in process and practice.

2023/24 will see the Board moving their focus away from conformance to more proactive performance.

Principal Areas for Improvement

The Board is keen to continue its journey to exemplary governance and has already committed to improve its committee structure for 2023/24. However, owing the recency of many member appointments, (only 5 members for 2023/24 have over 3 years' service on the Board and 6 new members were appointed in 2022) this has inevitably created a reduction in historical knowledge of the College's journey to date, and at the same time created a need for an enhanced and more targeted training programme for governors. Student and staff governors have shorter tenures so the need for their training is particularly time pressured. The Board is not yet fully engaging its staff and student governors, mainly due to their recent appointment.

The majority of members feel that the Board does not devote sufficient time to strategic discussion relative to other items. Many feel that the transformation of governance arrangements has dominated the time available during meetings. Members also wish to see more explicit links between the vision and strategy and the student voice.

Having needed a significant focus on policies and processes, many members feel that a rebalance is now required to make Governance even more effective. The focus of agendas going forward needs this rebalance to allow more time for discussion of strategic issues. Policy updating has been over dominant. Much work has been done to reduce paper overload but more still needs to be done to ensure members have sufficient time to digest the contents. Overall, members feel that meetings are too action orientated with not enough focus on impact.

Too many members have an insufficient knowledge of the Curriculum Strategy & Plan and overall students' outcomes.

The chairing of committees has varied in its style and effectiveness, with some new committee chairs assuming roles in the new structure. These new chairs will also have staff and student governors to incorporate into their responsibilities in 2023/24 and would benefit from some rapid orientation and more informal opportunities to share experiences in the Chairs' Group.

The College has four senior post-holders with all role holders, except the CEO, relatively new in post. Unfortunately, one of the team is now leaving post in August 2023, creating further discontinuity. The Board can demonstrate its responsibility for their appointment, remuneration and dismissal. Apart from the CEO, the Board's accountability for each senior postholder's pay, objective setting and regular performance management is less visible.

In the light of the recent turnover of Board and Executive Team membership and the level of Board and executive vacancies, more overt succession planning for key posts, particularly for the Chair, committee chairs and CEO would be valuable. The Board should be sufficiently cognisant of the risks associated with high turnover of key role holders. For example, in September 2023, there will be new committee chairs for 'Resources, Culture & Impact' and 'Curriculum, Skills & Quality' and a new Executive Team lead for Curriculum and Quality. The Executive Lead for Finance joined the College earlier in 2023 and the COO has been in post for less than a year.

The role of the Director of Governance in supporting the new committee structure is now key, avoiding the temptation of evaluating its effectiveness too early in the annual cycle. Orientation and training from September 2023 onwards are pressing.

Many plans are already in place for governors to understand the skills needs more fully of relevant national, regional and local employers. However most members would like to have further direct

engagement with employers and other key stakeholders to seek their perception of the College's responsiveness and to be assured that employers needs are being met.

Most members feel that the Board does not devote sufficient time to strategic discussion relative to other items. They feel that the transformation of governance arrangements has dominated much of the time available during meetings.

CONCLUSION

In summary, the Board of ESCG has many positive attributes. The Chair effectively leads a highly committed group of governors eager to move to a more strategic performance led focus. There is a combined willingness to improve, and the Board has mechanisms in place to do this. The required pace of embedding the new committee structure and to improving consistency is well understood. There is much work in progress for 2023/24 but it is too early to judge the impact overall.

The External Review of Governance report will be carefully considered by the Governance, Performance & Reputation Committee at its next meeting on 30th October 2023, at which point key themes, actions and priority focus areas will be identified, with a view to incorporate these into the Governance Improvement Plan for the year ahead. This meeting will follow the Board's Strategy Planning Day, which has been scheduled for 13th October 2023, at which point key strategic priorities for the year ahead will have been explored, along with an assessment of the Board's level of risk appetite. Any key insights as output of this event will also be incorporated into the Governance Improvement Plan for 2023/24, with a view for a final draft to be submitted for approval at the 14th December 2023 Board meeting.