



Board Effectiveness Review 2018/19 & Action Plan 2019/20

Ann Limb
Vice Chair

Agreed by the Board of Trustees on 11 July 2019
For publication on City & Guilds Group website and in Annual Report 2018/19

Process and Timescale

In accordance with the Charity Commission's Charity Governance Code, July 2017, and at the request of the Chair, I was asked, in my capacity as Vice Chair, to undertake, for a second year running, an annual review for the period June 2018 – July 2019 of the effectiveness of the Trustee Board of the City and Guilds of London Institute. I used as a baseline the action plan for 2018/19 agreed by the Board in September 2018 and published on the City & Guilds Group website. The 2018/19 action plan was also subject to a half yearly review in March 2019 and agreed by the Board in April 2019.

Summary conclusions

All Trustees on the Board have experience as NEDs on a range of boards across the public, private and charitable sectors, and **during this year Board capacity, breadth and depth have been further enhanced with the addition of three new Trustees.** In addition to the Group CEO, the Board of the City & Guilds Group now comprises 12 people, the Chair, Vice Chair and 10 members; 7 Trustees have been appointed in the last 18 months; all are also members of the Council of the City & Guilds of London Institute.

In reviewing Trustee Board performance for the year 2018/19, **the overall judgment of Trustees is that significant progress in fulfilling the actions identified in the 2018/19 action plan has been made; the Board remains effective and fit for purpose and has identified areas where further and continuous improvements to performance can be made during 2019/20.**

The Board is balanced and well rounded. It operates in an open, proactive, dynamic, and respectful way. It is well organized, and attendance is good. Capacity has been enhanced by the addition of NEDs with specific expertise in technical and vocational education, human resources, and diversity and inclusion experience; these additional skills and personalities have had a catalytical impact on Trustees of longer standing, encouraging increased engagement in Board matters and Group activities.

Trustees behave professionally, courteously and in an emotionally mature way towards each other and towards the Group CEO and Management Board; this enables Trustees to challenge and scrutinize the Group's Management Board, strategy, finances, and operations in a robust and forthright manner. It is recognized that the new enlarged Board is still 'learning its way' but everyone felt that during 2019, the Board had made significant progress and in the words of one Trustee had 'got into its stride'.

Trustees' relationships with the CEO and the Management Board are professional. Trustees are able to, and do, question the CEO and Management Board and hold them to account. Trustees believe that the Trustee Board/Management Board dynamic could be further improved by ensuring clarity of understanding of the different executive and non-executive roles; by improving Trustee induction processes; by more regular informal contact between the CEO and Management Board and individual Trustees; and by both Trustee and Management Boards working more closely together to create a more evident culture of openness and trust and further embedding diversity of thought and experience across the Group. Trustees believe that the experience of working on the Board provides an opportunity for personal learning and development; some Trustees feel that this creates an opportunity in which Trustees themselves could provide an even greater level of appropriate challenge and scrutiny to each other and to the Management Board. Trustees are unanimously passionate about what the City & Guilds Group does and are proud to be associated with the organization.

Ann Limb 11 July 2019

Action Plan 2019/20

Suggestions for improvements made in his review are ideas that constitute 'fine tuning' in order to further enhance Trustee Board and Management Board performance. The Action Plan uses the recommended format of the Charity Governance Code for larger charities and follows the seven overall principles of good governance highlighted in that guidance.

Principle 1. Organisational purpose			Key outcomes to be evidenced during 2019/20
The board is clear about the charity's aims and ensures that these are being delivered effectively and sustainably. Charities exist to fulfil their charitable purposes. Trustees have a responsibility to understand the environment in which the charity is operating and to lead the charity in fulfilling its purposes as effectively as possible with the resources available. To do otherwise would be failing beneficiaries, funders and supporters. The board's core role is a focus on strategy, performance and assurance.			
KEY OUTCOMES	PROPOSED ACTION FROM 2018/19 REVIEW	BY WHOM	
1.1 The board has a shared understanding of and commitment to the charity's purposes and can articulate these clearly.	Continue to involve Trustees, at the appropriate time, in the shaping of the Group's strategy including mergers & acquisitions, international work, human resources, public relations and communications strategies.	Chair, CEO, Group Director Strategy & Global Business Services, other relevant Group Directors and Corporate Relations Director	Feedback from Trustees to CEO & Management Board that they fully understand and support all the Group's strategies
1.3.2 The board leads the development of, and agrees, a strategy that aims to achieve the organisation's charitable purposes and is clear about the desired outputs, outcomes, and impacts.	Keep the overall Group strategy under constant review; engage the Board, at each meeting, in the process of strategy revision; continue to engage individual Trustees strategically in aspects of Group activities, without Trustees taking on a detailed operational role - this may involve Trustees getting more closely, appropriately, alongside and therefore visible in, different parts of the Management Board's work in a supportive manner.	CEO, Management Board & Trustees	Feedback as above and appropriate Trustee Board engagement with different Management Board members.
1.4.1. All trustees can explain the charity's public benefit	Trustees promote the theory of change process and regularly review agreed impact measures that demonstrate public benefit, notably through supporting development of the City & Guilds Foundation	Trustees, CEO and Corporate Relations Director	Trustees engagement with PRTA, Skills Commissions and Skills for Growth Committee as the Foundation evolves

1.4.2 The board evaluates the charity's impact, measuring and assessing results, outputs and outcomes.	Trustees continue regularly at each Board meeting to scrutinise KPIs and other impact measures in refined performance book.	CEO, Group Director Strategy & Global Business Services	Continuous improvements to performance book.
Principle 2. Leadership Every charity is headed by an effective board that provides strategic leadership in line with the charity's aims and values. Strong and effective leadership helps the charity adopt an appropriate strategy for effectively delivering its aims. It also sets the tone for the charity, including its vision, values and reputation.			Key outcomes to be evidenced during 2019/20
KEY OUTCOMES	PROPOSED ACTION FROM 2018/19 REVIEW	BY WHOM	
2.4.1 The board and individual trustees take collective responsibility for its decisions.	<p>Trustees to provide a greater level of challenge and scrutiny to each other; Trustees to challenge the CEO and Management Board in an open and non-defensive manner in order to ensure decisions are taken robustly and held to collectively</p> <p>Management Board papers to give context and background on issues where newer Trustees will not have prior in depth knowledge or understanding; more experienced Trustees also to assist newer Trustees in this process by helping explain background</p> <p>Trustees to initiate contact with Chair, Vice Chair or CEO, as appropriate, prior to Board meetings to raise points relating to Board agenda items for which they require more information or greater clarity. .</p>	Trustees and Management Board	Board to undertake its 3 yearly external evaluation in summer 2020
2.4.3. In the case of the most senior member of staff (e.g. CEO) the board makes sure that there are proper arrangements for their appointment, supervision, support, appraisal, remuneration and if necessary, dismissal.	<p>Build on succession plan discussions held in 2018 Board and revisit in detail in Board meetings during 2019/20.</p> <p>Board to ensure provision of personal coaching for CEO and other Management board members</p>	Chair, Vice Chair, Chair of Remuneration, CEO and Group Director Employee Experience	Nominations & Remuneration Committees and main Board discussions 2019/20.

<p>2.5.2 The board recognises, respects and welcomes diverse, different and, at times, conflicting trustee views.</p>	<p>Trustees to challenge and scrutinise each other and the CEO and Management Board in an open, robust, non-defensive and constructive manner, commensurate with Group values.</p>	<p>Trustees</p>	<p>As above in 2.4.1</p>
<p>2.5.4 The board, through its relationship with the senior member of staff, creates the conditions in which the charity's staff are confident and enabled to provide the information, advice and feedback necessary to the board.</p>	<p>The Board continues to hold Trustees only meetings – although to review whether timing these immediately prior to the main board meeting is the most suitable time. Each Board agenda to include an item, at the end of the meeting, with only the CEO present - to offer a period of reflection, feedback and evaluation on the meeting.</p> <p>The Board continues to hold a range of meetings over dinner with CEO, Management Board, with each other, and with external stakeholders, some of which are programmed around a theme or business need.</p> <p>Board meetings continue to be held regularly in a part of the Group operating outside London.</p>	<p>Chair, CEO, Management Board and Trustees</p>	<p>Evidence from Trustees and Management Board that closer and more systematic working relationships have been established and are working effectively.</p> <p>Programme of site visits; Board meetings held on C&G premises outside London</p>
<p>2.6.2 Where individual board members are also involved in operational activities, for example as volunteers, they are clear about the capacity in which they are acting at any given time and understand what they are and are not authorised to do and to whom they report.</p>	<p>CEO to hold, as appropriate, one to one meetings/telephone calls with individual Trustees to ensure their expertise is being used appropriately; Trustees to become more closely involved with, and therefore visible in, some parts of the Group's activities, to support the planned programme of activity on culture and theory of change.</p>	<p>CEO, Management Board and Trustees</p>	<p>Evidence from Trustees and Management Board that productive relationships exist.</p>

<p>Principle 3. Integrity The board acts with integrity, adopting values and creating a culture which helps achieve the organisation's charitable purposes. The board is aware of the importance of the public's confidence and trust in charities, and trustees undertake their duties accordingly.</p> <p>Trustees, and the board members collectively, have ultimate responsibility for the charity's funds and assets, including its reputation. Trustees should maintain the respect of beneficiaries, other stakeholders and the public by behaving with integrity, even where difficult or unpopular decisions are required. Not doing this, risks bringing the charity and its work into disrepute.</p>			<p>Key outcomes to be evidenced during 2019/20</p>
<p>KEY OUTCOMES</p>	<p>PROPOSED ACTION FROM 2018/19 REVIEW</p>	<p>BY WHOM</p>	
<p>3.2 The board safeguards and promotes the charity's reputation and, by extension, promotes public confidence in the wider sector.</p>	<p>Trustees engage appropriately in work on culture change and to feed in, (e.g. through one-to-ones suggested above in 2.6.2) to CEO and Management Board, feedback received on the Group's culture and activities, as part of regular contact with City & Guilds Group work.</p>	<p>Trustees</p>	<p>Evidence from Trustees and Management Board that a greater culture of trust has been established and is operating effectively.</p> <p>This to be assessed in 3 yearly external evaluation undertaken in summer 2020</p>

<p>Principle 4. Decision making, risk control</p> <p>The board makes sure that its decision-making processes are informed, rigorous and timely, and that effective delegation, control and risk-assessment, and management systems are set up and monitored.</p> <p>The board is ultimately responsible for the decisions and actions of the charity, but it cannot and should not do everything. The board may be required by statute or the charity's governing document to make certain decisions but, beyond this, it needs to decide which other matters it will make decisions about and which it can and will delegate.</p> <p>Trustees delegate authority but not ultimate responsibility, so the board needs to implement suitable financial and related controls and reporting arrangements to make sure it oversees these delegated matters. Trustees must also identify and assess risks and opportunities for the organisation and decide how best to deal with them, including assessing whether they are manageable or worth taking.</p>			<p>Key outcomes to be evidenced during 2019/20</p>
<p>KEY OUTCOMES</p>	<p>PROPOSED ACTION FROM 2018/19 REVIEW</p>	<p>BY WHOM</p>	
<p>4.6.2 The board regularly monitors performance using a consistent framework and checks performance against delivery of the charity's strategic aims, operational plans and budgets. It has structures in place to hold staff to account and support them in meeting these goals.</p>	<p>The Board to continue to refine the Board performance book.</p>	<p>Group Director Strategy & Global Business Services</p>	<p>Independent assessment by external review in 2020 to give comparator with similar charities and businesses.</p>
<p>4.7.1 The board retains overall responsibility for risk management and discusses and decides the level of risk it is prepared to accept for specific and combined risks</p>	<p>Recognising that the Audit and Risk Committee has delegated responsibility from the Board and regularly reports to the Board on its key risk activities, some Trustees feel it would nonetheless be useful, given that it is clear from Charity Governance Code 4.7.1 that 'the Board retains overall responsibility for risk management' that the Board does a deep dive on a designated risk once a year</p>	<p>Board, Audit and Risk Committee</p>	<p>Board to determine annually one area of risk it would like to undertake a 'dep dive' examination on and this to be included on Board agenda.</p>

Principle 5 Board Effectiveness			Key outcomes to be evidenced during 2019/20
The board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. The board has a key impact on whether a charity thrives. The tone the board sets through its leadership, behaviour, culture and overall performance is critical to the charity's success. It is important to have a rigorous approach to trustee recruitment, performance and development, and to the board's conduct. In an effective team, board members feel it is safe to suggest, question and challenge ideas and address, rather than avoid, difficult topics.			
KEY OUTCOMES	PROPOSED ACTION FROM 2018/19 REVIEW	BY WHOM	
5.5.3 The board has a vice-chair or similar who provides a sounding board for the chair and serves as an intermediary for the other trustees if needed.	Vice Chair to review annual action plan 2019/20 in conjunction with Trustees and external reviewer of Board effectiveness.	Vice Chair, Trustees and external consultancy	3 yearly external evaluation of Board in summer 2020
5.5.4 The board regularly discusses its effectiveness and its ability to work together as a team, including individuals' motivations and expectations about behaviours. Trustees take time to understand each other's motivations to build trust within the board and the chair asks for feedback on how to create an environment where trustees can constructively challenge each other.	<p>Hold a Trustees away day with Management Board so that we have an opportunity for both Boards to get to know each other more effectively.</p> <p>Trustees to challenge and scrutinise each other and the CEO and Management Board more (see 22.4.1 and 2.5.2 above) in an open and constructive manner in order to ensure decisions are taken robustly and held to collectively with feedback from CEO.</p> <p>Enhance and improve the Trustee induction process</p>	<p>Chair, Vice Chair, Trustees, CEO and Management Board and external consultancy</p> <p>Vice Chair, CEO Director Legal Services and governance team</p>	<p>Joint Trustee & Board away day in 2020</p> <p>3 yearly external evaluation in summer 2020</p> <p>Provide Trustee handbook and improve induction process</p>
5.8.2 The board reviews its own performance and that of individual trustees, including the chair. This happens every year, with an external evaluation every three years. Such evaluation typically considers the board's balance of skills, experience and knowledge, its diversity in the widest sense, how the board works together and other factors relevant to its effectiveness.	Vice Chair to review annual action plan 2019/20 in conjunction with Trustees and external reviewer of Board effectiveness.	Chair, Vice Chair and Trustees and external consultancy	Board to undertake its 3 yearly external evaluation in summer 2020

<p>Principle 6 Diversity</p> <p>The board's approach to diversity supports its effectiveness, leadership and decision making.</p> <p>Diversity, in the widest sense, is essential for boards to stay informed and responsive and to navigate the fast-paced and complex changes facing the voluntary sector. Boards whose trustees have different backgrounds and experience are more likely to encourage debate and to make better decisions.</p> <p>The term 'diversity' includes the nine protected characteristics of the Equality Act 2010 as well as different backgrounds, life experiences, career paths and diversity of thought. Boards should try to recruit people who think in different ways, as well as those who have different backgrounds.</p>			<p>Key outcomes to be evidenced during 2019/20</p>
<p>KEY OUTCOMES</p>	<p>PROPOSED ACTION FROM 2018/19 REVIEW</p>	<p>BY WHOM</p>	
<p>6.4.1 The board regularly carries out an audit of skills, experience and diversity of background of its members to find imbalances and gaps and inform trustee recruitment and training.</p>	<p>Having taken a proactive stance to the recruitment of a diverse Board of Trustees in 2018/19, and having regard to the recent employee survey, the Board is now in a strong position to look at the organisations culture and the way in which all aspects of diversity (including diversity of thought/approach) and culture are exercised and evidenced across the Group.</p>	<p>CEO and Group Director Employee Experience, with relevant input from Trustees</p>	<p>Evidence through employee survey for 2020 that good diversity and inclusion practices are embedded and perceived to be embedded.</p> <p>Board to undertake its 3 yearly external evaluation in summer 2020</p>

Principle 7. Openness and Accountability			
<p>The board leads the organisation in being transparent and accountable. The charity is open in its work, unless there is good reason for it not to be.</p> <p>The public's trust that a charity is delivering public benefit is fundamental to its reputation and success, and by extension, the success of the wider sector. Making accountability real, through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes, helps to build this trust and confidence and earn legitimacy.</p>			
KEY OUTCOMES	PROPOSED ACTION FROM 2018 REVIEW	BY WHOM	
7.1 The organisation's work and impact are appreciated by all its stakeholders.	Board to continue to receive regular customer feedback and other quality reviews as part of the Board performance book (see 4.6.2 above)	CEO, Quality Standards Committee, and Group Director Strategy & Global Business Services	Board to undertake its 3 yearly external evaluation in summer 2020 & to obtain comparisons with similar charities and businesses.
7.2 The board ensures that the charity's performance and interaction with its stakeholders are guided by the values, ethics and culture put in place by the board. Trustees make sure that the charity collaborates with stakeholders to promote ethical conduct.	Board supports the work on culture being undertaken to ensure that 'lived' culture is in line with espoused values and stated organisational culture of the Group	CEO and Management Board, with Group Director of Employee Experience and Trustees	Evidence through Board reports and employee survey for 2020 of alignment between espoused values and stated organisational culture.
7.5.2 The board makes sure that there is a strategy for regular and effective	Board to receive data on stakeholder perception surveys and the like undertaken and included in Board performance book	CEO. Group Director Strategy & Global	Evidence in regular Board

<p>communication with these stakeholders about the charity's purposes, values, work and achievements, including information that enables them to measure the charity's success in achieving its purposes.</p>		<p>Business Services & Management Board</p>	<p>performance pack and Board to undertake its 3 yearly external evaluation in summer 2020 to obtain comparisons with similar charities and businesses.</p>
---	--	--	---