

IMPROVEMENT SERVICE BOARD

Terms of Reference





1. Introduction

The Terms of Reference (TOR) detail the specific authority that the Improvement Service (IS) Board has to oversee their delegated areas of responsibility. It sets out the roles, responsibilities, operations, tenure, and obligations, in accordance with the IS Board Governance documents. The purpose of the Terms of Reference is to provide the IS Board, its committee(s) and key stakeholders a common understanding of the scope, objectives and operational processes of the Board, and any legislative requirements.

2. Purpose of IS Board

The IS Board has been established in accordance with the Companies Act 1985. The mission statement of the Company, as set out in the [Members Agreement](#) for the IS Company, is:

“To support, promote and assist in the delivery of excellent public services through learning, sharing and delivering improvement solutions in order to support and assist best practice and greater efficiencies within local authorities and other bodies.”

The IS Board of Directors was established in 2005 in accordance with the [Articles of Association](#) and [Memorandum of Association](#). The IS Board of Directors are bound by the provisions of the [Members Agreement](#). The overarching purpose of the IS Board is to provide direction, governance, and oversight to the work of the IS. The Board is required to determine and promote the company’s mission, vision, and objectives, and to engage in active strategic planning to achieve those objectives.

3. Membership

The IS is a company limited by guarantee, with 34 members – COSLA, SOLACE and Scotland’s 32 local authorities. The [Articles of Association Clause 8.1](#) stipulates that the IS Board of Directors should consist of a maximum of 12, and a minimum of 3, Directors together with the Chief Executive.

As of March 2025, the Board is made up of 9 Directors, one of whom is the Chief Executive. Remaining Board members are drawn equally from COSLA and Solace members. The Chief Executive is the only Executive member of the IS Board, with all other Board members serving as Non-Executive Directors. There are no co-opted or independent Non-Executive Board members on the IS Board.

The maximum term they can serve on the Board is five years.

4. Scope and Responsibilities of the IS Board

The Board's principal responsibilities are:

- ▶ **Strategic clarity:** setting the IS vision, ensuring that all activities contribute towards this vision; maintaining a longer term and externally focused perspective; setting expected standards of behaviour and demonstrating the associated values in the way it works, as outlined in the [IS Board Code of Conduct](#).
- ▶ **Performance:** setting strategic aims and priorities, captured within the IS Strategic Framework with associated priorities; scrutinising, supporting and challenging the IS's policies and performance; providing oversight of culture and health and safety standards.
- ▶ **Efficiency:** approving delegation of authorities within the IS, advising on significant operational programmes or projects; ensuring sound financial management, in accordance with the IS [Financial Regulations and Scheme of Delegation](#).
- ▶ **Capability:** ensuring that the necessary leadership and resources are in place to deliver the IS's aims and long-term success. This includes succession planning and assessing Board effectiveness through a biennial Board self-assessment.
- ▶ **Risk:** setting the Company's risk and opportunities appetite and ensuring associated controls are in place.

In June 2024, the Digital Public Services Board, made up of the IS Board and Scottish Government officials, was stood down in agreement with Scottish Government. This was due to Scottish Government clarifying that £2.7m of the £4.1m Digital Public Services grant, which up until then was provided to the IS by Scottish Government on an annual basis, was ring-fenced in the Local Government Settlement Grant. Furthermore, Scottish Government confirmed that the remaining £1.4m of the grant, which is predominantly for the National Entitlement Card Programme Office, including the concessionary travel element of the National Entitlement Card, would be baselined in the local government grant settlement.

From June 2024, the IS Board assumed responsibility for the governance and oversight of the £4.1M Digital Public Services Grant.

Individual members of the Board provide:

- ▶ Leadership and management in their areas of responsibility as Executive and Non-Executive Directors.
 - The CEO, as sole Executive Director on the Board, has responsibility for management information and clarity on the issues affecting delivery, to enable monitoring and forecasting of performance, and effective decision making.

- All other Board Members, as external Non-Executive Directors, have responsibility for the constructive challenge and scrutiny of the policies of IS Executive Directors in order to help develop proposals on strategy.
- ▶ Effective two-way communications and influence with staff at all levels across the organisation and with members and external stakeholders.
- ▶ Proactive contribution to strategic decision-making, subsequently taking collective responsibility and ownership for IS Board decisions.
- ▶ Drive for improved performance, including constructive challenge and mutual support to other Board members.
- ▶ Reinforcement of IS values through their behaviours and in line with the [IS Board Code of Conduct](#).

5. Powers of the Improvement Service Board

The IS Board is authorised to request information relevant to achieving its purpose and to approve IS policy on strategic matters. The Schedule of Reserved Matters specifically reserved for Board decisions is detailed in [Annex 1](#). The powers of Board Directors, and the delegation of those powers, is set out in detail in the [Director Consent V.4](#)

IS Board decision making is in accordance with the following governance documents:

- ▶ [Articles of Association](#)
- ▶ [Memorandum of Association](#)
- ▶ [Directors Consent V.4](#)
- ▶ [IS Financial Regulations and Scheme of Delegation](#)

6. Meetings

The IS Board meets four times per year, once per quarter. To be considered quorate, the meeting requires half of the current number of Directors serving on the board to be present, including either the Chief Executive or Chair.

In addition, the Board also participate in an annual strategic 'Away Day', approximately 3 Deep Dive workshops per year and our Annual General Meeting.

7. Committees

The Board operates with advice and reports from the IS Audit Committee (The [Terms of Reference can be found here](#)). This is comprised of 2 Board members and a CIPFA Directors of Finance representative nominated by SOLACE.

The Board also has a Remuneration, Appointments and Appeals Committee, which meets as and when required (The Terms of Reference can be found here). This is comprised of 2 Board members, a Society of Personnel and Development Scotland (SPDS) representative and the IS Chief Executive.

8. Expertise

The experience and expertise of the Board is drawn primarily from COSLA and Solace members. The collective skills and expertise of IS Board members falls broadly within the areas below:

1. Strategic Leadership
2. Accountability
3. People Skills
4. Governance and Compliance
5. Digital Development and Business Entrepreneurship
6. Expertise relevant to IS key business areas:
 - Transformation and Improvement
 - Data and Intelligence
 - Digital Services.

The Board Skills Survey provides the Board with clarity on strengths and gaps to allow the Board to ensure the appropriate breadth and depth of skill and expertise is in place and refreshed as required.

At least one member of the IS Audit Committee must have high level financial literacy skills and experience in audit committee practices and risk management frameworks.

9. Chair

The Board Chair in terms of custom and practice, is appointed following their appointment as COSLA President. They remain in the office of Chair of the IS for as long as their COSLA President appointment stands.

In accordance with the [Articles of Association](#), the Chair of the Board of Directors shall preside the meeting, but if the Chair is not present within 15 minutes after the time appointed for holding the meeting and willing to act, the Directors present shall elect one of their number to be Chair.

10. Reporting

The minutes of the IS Board shall be formally recorded and submitted to the Chair and IS Board Directors. The Board actively communicates its activities and decisions to all IS staff. These activities and decisions are recorded and reported from the minutes of the IS Board, the IS Annual Report, the Annual Accounts, and the AGM. The Board also communicates its decisions to all Council Chief Executives and Leaders through a quarterly Newsletter.

11. Review and assessment of the Improvement Service Board

A Board Skills Analysis, initiated and carried out in September 2020, will be carried out on a regular basis. A Board Self-Assessment, initiated and carried out in September in 2020, will be undertaken on an biennial basis.

The IS Board reviews its membership and Terms of Reference annually.

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