Association of Colleges

Promoting. Representing. Supporting.

Governors' Council

Code of Good Governance for English Colleges

Professional: Prudent: Passionate

March 2015

Contents

Foreword

The English college system is amongst the best in the world and has a central role in supporting the attainment of young people and adults, preparation for employment and further study, continued skills development and economic growth. It supports the aspirations of its students, both for their own sake and to serve the needs of society and the economy. It also plays a major role in shaping democratic, sustainable and inclusive communities.

These well-defined purposes create the need for governance structures and practices which involve engaging with staff, students, parents, other education partners and the business community, and allow governors and trustees to be able to demonstrate the public benefit which is the basis for our exempt charity status.

Compared with many countries in the world, English colleges enjoy an exceptional degree of autonomy. This independence is a corner stone of our system and lies at the heart of the sector's success. It will continue to be of the highest importance as the sector becomes increasingly innovative and entrepreneurial in meeting the education and skills needs of the nation.

That is why college governance is not a static concept; many colleges, for example, now have group structures including academy and subsidiary boards and this has been reflected in this new code. Excellence in governance is at the centre of the English college sector and the need to demonstrate exemplary governance practices will be even more important as the sector continues to diversify and innovate.

We have consulted with a wide range of stakeholders to draw up this Code of Good Governance as a way of supporting college governors and senior leadership teams in developing and maintaining excellence. The Code has been developed by the sector for the sector.

By adopting and implementing the Code, boards will publicly demonstrate their leadership and stewardship in relation to their own college, protect its reputation and that of the wider sector and provide appropriate assurance to key stakeholders.

More importantly, adopting the new Code is an opportunity to rethink and refresh approaches as the sector strives to be at the forefront of best practice in governance. It signals a willingness to enter into a new era of governance with the energy and commitment to ensure the very highest standards for our stakeholders.

The Code contains:

- An initial statement of the core values and expectations that provide the context for the way in which college governance is conducted.
- The 10 principal governance responsibilities that support the values and are vital to successful implementation.

- More detailed consideration of each principal responsibility.
- A list of references and links to source documents and good practice examples.

With the continuing trend for greater transparency and 'student/customer' protection, we cannot stress enough the importance of being proactive in providing this assurance if we are to avoid future legislative or regulatory creep.

As autonomous bodies it is for individual colleges to take forward the Code as they see fit but our suggestion is that you may wish to consider adopting the new Code at your summer board meeting, building it into college governance procedures and processes, assessing and commenting each year in annual reports and periodically undertaking a governance effectiveness review.

Notwithstanding substantial competition in our sector, there is a strong mutual interest for governing boards to work together to support our collective reputation. A failure of governance at one college reflects on us all, and it is more important than ever for us to work to the values and expectations of the Code.

Carole Stott
Chair of Association of Colleges

Mark White
Chair of the Governors' Council

The Code

The Code is written to support governance practice, which in turn will help colleges work successfully towards meeting their mission and strategy. The Code needs to be read alongside the college's Instrument and Articles of Government and the relevant legal and regulatory requirements. The Code is based on a set of shared values and expectations and boards will work within the 'spirit' of the Code as much as its 'letter'. As a sector our approach to governance is to be committed and pro-active.

This Code has been developed for general further education colleges (GFECs), sixth form colleges (SFCs) and foundation colleges. The word 'colleges' refers to all parts of the college sector unless otherwise stated.

The term board has been used throughout to cover governing bodies, corporations and trusts.

The term principal includes the role of 'accounting officer' under the financial memoranda of the funding agencies. The post may also be known as the chief executive.

The principal regulators are the Secretary of State for the Department for Education (DfE) and the Secretary of State for the Department for Business Innovation and Skills (BIS).

Adoption of this code is voluntary. The Code sets out principal responsibilities and practices which any college within the sector will need to adopt in order to show that it is conducting its business in the best interest of its students and funders. Adoption of the code should not limit innovation in governance or stifle the dynamic nature of colleges.

The Code uses the normal "must and should" convention for governance codes. A "must" is an area of activity which is covered by statute and/or is the minimum expected by the principal regulators and funding agencies. Activities which exceed these basic requirements and represent good or enhanced governance practice are described as 'should'.

Acknowledging the multiplicity and autonomy of the sector, boards are free to achieve the expectations of the 'must' and 'should' statements in whatever manner they see fit. Where a board has adopted the Code, but for good reason does not comply with particular provisions within it, the board should explain its rationale and how its approach meets the spirit of the Code.

Recognising the importance of ensuring all colleges meet funding requirements, the funding agencies will continue with the current funding condition that English colleges either adopt this AoC Code of Governance or alternatively have due regard to the UK Corporate Governance Code. Each college should state its adoption of the Code in the corporate governance statement contained in its annual audited statements.

This Code itself will be reviewed regularly to ensure that it remains fit for purpose. This will normally take place, every three years.

The Core Values of College Governance

High quality further education, which commands public confidence and promotes the reputation of individual colleges and the sector, must rest on a number of shared values. By implementing such values the board can: ensure quality education and training for its students; demonstrate public benefit; provide the basis for its own effectiveness; support college autonomy; support the sustainability of the service and enhance the reputation of the sector; and, by example, demonstrate dynamic leadership.

A failure to adopt and implement a set of agreed values has implications beyond the college concerned, by potentially undermining the collective reputation of all colleges and the wider sector.

In setting out core values, the Code adopts and builds on the *Seven Principles of Public Life* which provide an ethical framework for the personal behaviour of governors. In addition, given the specific nature of further education, the Code also adopts the values and behaviours of being:

- Respectful,
- Professional,
- Prudent, and
- Passionate about education and good governance.

The Code is based on the following expectations of good governance, which illustrate the values and beliefs of college governors and trustees:

- Putting the student first; promoting high expectations and ambitions for students and staff.
- Ensuring inspirational teaching and learning.
- Creating a safe environment for students to learn and develop.
- Providing strong leadership to both the senior team and the community the college serves.
- Setting the strategy and acting as guardians of the college's mission.
- Demonstrating accountability to students, parents, staff, partners, employers, funders, trustees and other stakeholders, including publishing accurate and timely information on performance.
- Listening to students, parents, employers and staff.
- Ensuring the achievement of equality of opportunity and diversity throughout the college.
- Using the college's autonomy and independence to meet local education and skills needs.

The Ten Principal Responsibilities of Good Governance

To implement and embed the above values and expectations in the college, governors, trustees, and senior leaders will undertake to:

1. Formulate and agree the **mission and strategy** including defining the ethos of the college.

2. Be **collectively accountable** for the business of the college taking all decisions on all matters within their duties and responsibilities.

3. Ensure there are **effective underpinning policies and systems,** which facilitate the **student voice.**

4. Foster **exceptional teaching and learning.**

5. Ensure that the college is **responsive to workforce trends** by adopting a range of strategies for engaging with employers and other stakeholders.

6. Adopt a **financial strategy and funding plans** which are compatible with the duty to ensure sustainability and solvency of the college.

7. Ensure that **effective control and due diligence** takes place in relation to all matters including acquisitions, subcontracting and partnership activity.

8. Meet and aim to exceed its statutory responsibilities **for equality and diversity**.

9. Ensure that there are organised and **clear governance and management** structures, with well-understood delegations.

10. Regularly **review governance** performance and effectiveness.

1 Strategy and Leadership

1.1.   The board provides the overall strategic leadership for the college. The board must formulate and agree the mission and strategy including defining the ethos of the college. The board should consider setting down its aspirations for the college in a vision.

1.2.   The board must formally approve the strategic plan. This plan should cover all aspects of the college's work including partnerships and subsidiary companies. The board should ensure that the plan is realistic and underpinned by an affordable financial strategy.

1.3.   The strategic plan should be based on an assessment of need. The plan should adequately reflect the interest and views of students, parents, employers and the community. Board members should be able to explain the underpinning rationale and be familiar with the supporting evidence base and with the results of any horizon scanning exercises.

1.4.   There is an expectation by the principal regulators that, where assessments indicate serious issues that could affect future sustainability, all options are considered and a Structure and Prospects Appraisal is completed.

1.5.   As a contribution to its mission and public good, the board should consider its approach to, and have oversight of, its corporate social responsibility.

1.6.   In order to ensure successful implementation, the board must be clear how performance will be measured. It should identify and adopt a set of key performance indicators (KPIs) that cover financial health, teaching and learning, student experience and outcomes, staff performance and stakeholder opinions.

1.7.   The board should also consider establishing an annual operating plan that identifies those aspects of the strategic plan being implemented in any particular year.

1.8.   Board members should monitor and scrutinise the college's activities effectively, including using external benchmarks, challenge shortfalls in performance, and ensure that weaknesses are addressed.

1.9.   The mission and strategy should be published, refreshed annually, and reviewed at least every three years through a process that involves key stakeholders.

1.10.   The board may wish to go further and amplify the mission along the lines of a 'public benefit statement', describing how the college aims to add value to the social, economic and physical well-being of the communities it serves.

2 Collectively Accountable

2.1.   The board must be collectively accountable for the business of the college, taking all decisions on all matters within its duties and responsibilities.

2.2.   Members of boards must comply with the legislation relevant to their legal form of incorporation. Board members are charity trustees and must comply with charity legislation and case law.

2.3.   The board must set out its primary responsibilities in the Instrument and Articles of Government, which should be published widely and be known to all governors. These responsibilities should be supported by a schedule of delegation which sets out how each responsibility is to be met and by whom, including those items which the board delegates to the principal.

2.4.   The board must seek assurance that it meets all legal and regulatory requirements imposed on it as a corporate body, and college compliance should be kept under regular review.

2.5.   The board should conduct its affairs as openly and transparently as possible; consulting fully on its plans and delivery. The general principles and requirements of the Freedom of Information Act must apply, so that staff and students have access to all appropriate information about the board's proceedings.

2.6.   Public reporting is important and contributes to confidence in the sector. An annual members' report and audited financial statements should be made widely available both internally and externally.

2.7.   The annual members' report should be published and include a section that sets out the governance arrangements - including the extent to which this Code has been adopted - and the policies on public disclosure.

2.8.   The board should ensure that students and the public are given honest, accurate and timely information about all aspects of provision and that the board has the necessary information to be able to challenge, where necessary, the executive.

2.9.   There should be clear and published complaints and whistleblowing procedures. The board should receive regular reports on the number and types of complaint and how complaints are resolved.

2.10.   Board members are required to fulfil their duties in line with accepted standards in public life. Board members must avoid conflicts of interest and act solely in the interests of the college at all times.

2.11.   Governors, whose views are not consistent with the decisions of the board as a whole, must abide by the principle of collective decision-making and stand by the decisions of the board.

3 Policies, Systems and the Student Voice

3.1.   To secure implementation of the agreed strategy, the board must ensure there are effective underpinning policies and systems in place.

3.2.   The board must endorse a set of appropriate policies that describe how the strategy is being implemented. Examples of what may be covered include: access, recruitment, teaching and learning, assessment and validation, use of technology, reward and recognition for students, careers advice and progression, quality and standards, enrichment and citizenship. DfE has set out guidance on this matter for 16-19 education.

3.3.   The board, through constructive and supportive challenge, should monitor policy implementation.

3.4.   The board must be assured that there are management-led systems in place to provide the very best affordable learning experience for every student including those undertaking learning activity off-site or provided under a subsidiary or partnership arrangement.

3.5.   The board must have close regard to the voice of its students and the quality of the student experience, which should be central to all board decisions.

3.6.   Students should be actively engaged in the college and ways should be found to ensure that the student voice is heard through both college and student led processes. The board should receive regular reports on how students are being engaged and what impact their voice is having on college life.

3.7.   The board must provide a safe environment and have a robust and regularly assessed and monitored safeguarding policy. This policy may also include the duties arising from the Counter-Terrorism and Security Act 2015 (or they could be covered in a separate policy).

3.8.   The board should ensure student complaints are effectively addressed and that summary reports are produced and considered (at least annually) on student complaints and appeals.

4 Teaching and Learning

4.1.   The board must foster exceptional teaching and learning. The board must, where appropriate, seek to secure coherent provision for students that leads to further learning or apprenticeships and/or employment. The board must ensure appropriate mechanisms are in place for effective oversight of the quality and inclusivity of the learning experience.

4.2.   The board should ensure the college's self-assessment report is benchmarked against national norms and is detailed enough to provide governors with the assurance they need that the learning experience is being monitored and the appropriate learning resources have been made available.

4.3.   The board should look to the executive to provide external validation of any internal observation reports and, where weaknesses are found, make sure the executive quickly takes action.

4.4.   The board should be alert to college issues and use various methods to meet with students, staff, parents and employers, such as learning walks and having link governors.

4.5.   In agreeing the human resource/workforce strategy, the board should ensure it reflects the ethos of the college and aids excellence in quality, teaching, learning and assessment, and is affordable.

4.6.   The board should be aware of new initiatives in teaching and learning, including blended and/or virtual learning and, through careful appraisal, consider their adoption. The board must be aware of the expectations of external bodies and in particular their expectations of good quality. Board members should be able to explain how they benchmark quality and student achievement.

4.7.   The board must see the results of student surveys and be able to monitor improvement plans.

4.8.   To ensure a quality learning experience, the board should use best practice when overseeing the recruitment, development and performance of teaching and support staff. Appropriate key performance indicators (KPIs) should be developed to monitor quality and progress.

5 Responsiveness

5.1.   The board must ensure that the college is responsive to the community and relevant employment trends including building strong two-way relationships with Local Enterprise Partnerships and other employer-led local groups. To facilitate student progression to further study or employment, the board should ensure the college has in place a range of strategies for engaging with employers and other stakeholders.

5.2.   The board should ensure that the college is well informed about the various local, national and business stakeholders it serves, including having a dialogue with the colleges and universities that are engaged in partnership and progression.

5.3.   The college should have systems in place which facilitate engagement with external stakeholders regularly, proactively and effectively so that it can identify and prioritise their present and future needs for education and training and discuss how they can best be met. These relationships need to be two-way.

5.4.   Stakeholders comprise all those organisations, individuals and groups of individuals that the board intends should benefit from the college's services. They might include: prospective students, schools, colleges and universities, parents, local and regional authorities, employers of all sizes and their representative bodies, including local enterprise partnerships and other public service agencies such as Jobcentre Plus, healthcare, police and prison services.

5.5.   The main purpose of these discussions is to ensure the college's programme is relevant and seen to be responsive to local needs and the needs of the students whose next step will be further progression into college, university, work-based apprenticeships and/or employment. The board should also consider community use of the college's assets and facilities.

5.6.   The board should publish on the college website (at least annually) an account of the college's engagement with the main communities that it serves; the progress made towards meeting their needs for education and training and how it aims to meet future needs.

5.7.   The board should ensure that arrangements are in place to assess the extent to which the stakeholders served by the college are satisfied with the services provided. Each college should discuss with stakeholder and community representatives the coverage and timing of its reporting, and should offer them opportunities to discuss its reports more fully.

6 Financial Strategy & Audit

6.1.   The board must adopt an affordable financial strategy and plans which are compatible with the duty to ensure sustainability and solvency of the college. The board must set and approve the annual budget. Responsibility for its approval must be reserved for the collective decision of the board, without delegation.

6.2.   The board must adopt effective systems of control and risk management that promote value for money, efficient use of the capital estate and technology, meet mandatory audit requirements, and produce accurate and quality-assured college data.

6.3.   The board must ensure compliance with the funding agencies' financial memoranda and must understand and meet the conditions of funding, as set by the funding agencies and other funders.

6.4.   The board must inform the funding agencies of any "materially adverse" change in the college's circumstances.

6.5.   Colleges must have financial regulations and appropriately documented delegations and procedures, approved by the board, which specify its financial responsibilities and authority and those of its committees and its staff.

6.6.   The board should ensure that they have confidence in the arrangements for the provision of accurate and timely financial information and, therefore, also in the financial systems used to generate such information.

6.7.   Day-to-day financial control should be exercised by the staff of the college under delegation from the board and principal. Responsibility for financial management and advising on financial matters is generally delegated through the principal to a senior member of staff such as a director of finance (or equivalent).

6.8.   The board must ensure that a statement on internal controls explaining the risk management arrangements that are in operation is contained in the corporate governance section of the audited financial statements.

6.9.   The board must comply with the funding agencies mandatory requirements relating to audit including adherence to the Joint Audit Code of Practice (JACOP), which sets out the minimum requirements. The board should approve an annual audit plan linked to the college's risk register and be confident in the expertise and quality of any internal auditors engaged by the college. The board should consider using different sets of expertise for different audit requirements.

6.10.   The audit committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the college's governance, risk management and internal control framework and produce an annual audit report for the board.

6.11.   The board must ensure effective arrangements are in place for the management and quality assurance of data. This assurance should include a statement on data quality from the audit committee.

6.12.   The board should use the college annual report to account to all stakeholders for the performance and prospects of the college as well as to demonstrate compliance with statutory and regulatory requirements.

7 Partnership

7.1.   Colleges are dynamic and progressive. They grow, innovate and adapt to the changing circumstances. This responsiveness should be encouraged because, going forward, collaborative and partnership relationships will be central to ensuring the college's financial sustainability. The board should facilitate and enable this activity.

7.2.   In establishing partnerships or new business acquisitions, the board must ensure effective governance arrangements and put in place appropriate control, reporting and delegation systems.

7.3.   The board should ensure that particular scrutiny is exercised on new and external activities with significant potential financial or reputational risks. Where such activities involve commercial transactions, care must be taken to ensure that arrangements conform to the requirements of charity law and regulation.

7.4.   New ventures (such as setting up a multi-academy trust, acquiring new companies or creating colleges in other countries) present colleges with both opportunities and significant challenges and risks. The board must ensure that not only does it approve such strategic developments, but also that the executive produces regular reports on the performance of all strategic partnerships and external businesses.

7.5.   For all subsidiary entities, (for example separate operating companies or charitable trusts) the board should:

- Ensure that the entity's board possesses the attributes necessary to provide proper stewardship and control;
- Appoint suitably qualified directors or trustees to the entity who are not members of the board or staff/students of the college; and
- Ensure that the entity's board conducts business in accordance with a recognised and appropriate code of governance.

7.6.   Where the board governs a group structure, the board should be clear about its responsibilities in relation to any other corporate governance arrangements and associated reporting and should document and publish these relationships.

7.7.   In relation to subcontracting, partnerships and other forms of college collaboration, the board should agree the authorisation requirements for approving such arrangements, including the circumstances where board approval is required.

7.8.   The board must ensure all college policies, particularly those on safeguarding are actively implemented in the subsidiaries and partnerships.

7.9.   The board must be assured that the student voice is heard through all partnership activities.

8 Equality and Diversity

8.1. The board must meet and should aim to exceed its statutory responsibilities for equality and diversity through its own actions and behaviour in all aspects of its affairs. The board must promote equality and diversity throughout the other nine principal responsibilities.

8.2. The board should approve and review the college's equality and diversity strategy and adopt agreed performance indicators for implementation.

8.3. The board has a number of legal obligations in relation to equality and diversity which it must understand and comply. These go much further than avoiding discrimination and require the active promotion of equality in a number of defined areas. The board must therefore ensure that agreed policies are progressed and actioned throughout the college. The board may also wish to consider advice issued by government departments and other agencies on equality, diversity and safeguarding.

8.4. As a minimum, the board should receive an annual equality monitoring report detailing work during the year, identifying the achievement of agreed objectives and summarising data on equality and diversity that colleges are required to produce (e.g. on staff recruitment and promotion).

8.5. The board should ensure that the HR strategy takes into account equality and diversity. Specific equality and diversity responsibilities fall on the remuneration committee (or equivalent) in respect of the determination of pay and other rewards. This committee's report to the board should explain how its decisions take account of the college's equality and diversity policy.

8.6. The board and, where it exists, the search committee (or equivalent) should agree its own approach to equality and diversity in relation to appointing new members, and should take full regard of the implications of the college's overall equal opportunity and diversity policy, including any measurable objectives that may be relevant.

8.7. It is important that the board reports fully on its actions on equality and diversity in the operation of governance. The annual report should include a description of its policy, including any measurable objectives, and should outline progress on implementation. For those colleges that produce a separate equality and diversity report that addresses such matters, a simple cross reference would be sufficient.

9 Effective Governance Structures

9.1.   The board must ensure that there are organised and clear governance and management structures, with well-understood delegations and authorities, and that governors are capable, knowledgeable and supported.

9.2.   The board and its committees should be of an appropriate size and have the appropriate balance of skills, experience and knowledge to enable them to discharge their duties and responsibilities effectively.

9.3.   The principal should be a governor, but subject to the articles of government may elect not to serve. The board must include student and staff governors and appoint a clerk. The clerk should be independent, report directly to the board, and have the appropriate skills and experience to facilitate effective governance.

9.4.   The full board should meet as often as is required to undertake its responsibilities. The board should have rules for the conduct of its meetings. Members should attend all meetings where possible, and the board must establish the number and category of members constituting a quorum.

9.5.   There should be a presumption of openness and engagement, with all matters open to discussion by the whole board. Occasionally there will be matters where specific governors should not be party to discussions; these should be dealt with either by 'conflict of interest' declarations, or by enforcing agreed policy on the confidentiality of business.

9.6.   The board may delegate some of its activities to committees and/or the chair, but should agree a formal schedule of matters reserved for collective decision.

9.7.   At a minimum this should include final decisions on:

- Vision, mission and strategy.
- The review and approval of the college's annual revenue and capital budgets and cash forecasts together with its audited financial statements.
- The appointment and (if necessary) dismissal of the principal, senior post holders or the clerk.

9.8.   The board should determine in writing the terms of reference, membership and delegated authority of all committees and set clear arrangements for their reporting back.

Remuneration of Senior Post Holders

9.9.   The board must determine the pay and conditions of service of the principal, other senior post holders and the clerk and may establish a remuneration committee to advise the board. Remuneration decisions should be informed by benchmarking data and by a recent performance appraisal.

9.10.   Where severance payments are under consideration, advice should be taken from the external auditor to ascertain the legitimacy of any proposed payment. The reports on matters to do with remuneration and severance should provide sufficient detail to enable the full board to satisfy itself that the recommendations and resulting decisions made have been compliant with its policies. In line with the funding agreement, the board must draw any payments to the attention of the college's regulatory auditors.

The Chair

9.11.   The chair is responsible for the leadership of the board and ultimately to the stakeholders for its effectiveness. The chair should take particular care that the board observes the values of college governance, as set out in this Code.

9.12.   The board must appoint a chair from amongst its external members. One or more vice-chairs or deputy chairs should be appointed to act in the absence of the chair. The process by which the chair is nominated and elected should be agreed by the board as a formal part of the college's governance procedures and s/he should have a role description agreed by the board.

9.13.   The chair is a non-executive role and should not be drawn into day-to-day management. S/he should promote the effective and efficient operation of the board, ensuring that members work together effectively.

9.14.   The chair should foster a supportive and constructively challenging working relationship particularly between the chair, the principal and the clerk but also involving other members of the board and the senior leadership team.

9.15.   The chair should ensure that there is effective communication between the board and all its stakeholders, both internal and external.

9.16.   The chair is responsible for providing support to the principal and the clerk as required, and for leading the regular assessment of their performance, drawing on the views of other governors.

Board Members

9.17.   Board members should be committed and contribute proactively to meetings, and be seen as advocates of the college. They should bring their knowledge and expertise to the table and be there to support and challenge the executive by ensuring the student interest is always put first.

9.18.   All members should be able to allocate sufficient time to undertake their duties effectively. The board should agree an indication of the time expected of its members together with an appropriate role description.

9.19.   Members must act in the best interest of the college, rather than selectively or in the interests of a particular constituency. Members must act with honesty, frankness and

objectivity, taking decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

9.20.   The board should satisfy itself that plans are in place for an orderly succession of its membership, so as to maintain an appropriate balance of skills and experience with the progressive refreshing of key roles. The board must have the power to remove any of its members from office and must do so if a member breaches the terms of his/her appointment.

The Principal

9.21.   The principal must be responsible for the executive management of the college and its day-to-day direction. S/he should understand and respect the role of the board and ensure that appropriate matters are bought to the board taking advice of the clerk and senior leadership team as necessary. The specific responsibilities of the principal in relation to board business must include:

- Ensuring that board decisions are implemented through the college's management structure.
- Advising the board as required.
- Undertaking the role of the accounting officer.

9.22.   The principal is also responsible for prompt and coherent management reports to governors on the college's activities and prospects, including the emergence of major new risks and opportunities; and for facilitating appropriate opportunities for board members to see first-hand the work of the college and meet with students and staff.

The Clerk

9.23.   The board must appoint a person to act as the clerk to the corporation. In dealing with board business, the clerk should be solely responsible to the board and have a direct reporting line to its chair. The board must protect the clerk's ability to carry out his/her responsibilities, including appropriate training and development and ensuring adequate time and resources to undertake the role effectively.

9.24.   The clerk must inform the board if s/he believes that any proposed action would exceed its powers or involve regulatory risk or (where the clerk has other management responsibilities at the college) if there is a potential conflict of interest between his/her clerking and management roles.

Board Member Appointments, Term of Office, Induction and Training

9.25.   The board should adopt a formal and open policy for recruiting governors. This policy should include:

- A regular review of the existing board to ensure that it has the appropriate diversity of

skills, experience, and backgrounds to provide strong governance, and to identify any need for new governors with particular skills.

- The process for searching for new governors and for selecting applicants.
- The process for the nominating and appointing staff and student governors.

9.26.   The board may set up a search committee that could undertake a variety of functions on behalf of the board. This could include reviewing board membership and succession planning, operating the recruitment procedure, undertaking an assessment of board performance, board member development and dealing with employment or contractual issues for the clerk, including recommending his/her appointment.

9.27.   The process and criteria by which a chair is appointed should be agreed by the whole board. The process should be undertaken by the search committee or a group established for the purpose. The board must also confirm the appointment where it has been carried out by a sub-group or committee.

9.28.   The search committee should produce an annual report which describes the work of the committee, including the board's recruitment policy and practices, a description of its policy on equality and diversity and any measurable objectives that it has set together with progress in their implementation. If there is not a separate report then the college's annual report should cover these areas.

Term of Office

9.29.   All members, excluding the principal, should be appointed for a given term, which should be renewable subject to satisfactory performance. Renewal should not be automatic and should only take place after proper consideration of the governor's attendance, contribution to the work of the college and assessment against the skills audit. Governors should not normally serve for more than two terms (or a maximum of eight years) except where subsequently undertaking a new and more senior role, for example as chair. There are variations in the length of term for which chairs are appointed - whether it is annually or after a four year term, reappointment should only take place after consideration is given to college need and performance.

Board Member Remuneration

9.30.   Boards should adopt policies and procedures for reimbursing the travel and other incidental expenses of members. Boards must seek Charity Commission approval if they wish to remunerate external members for being a trustee/governor.

Training and Induction

9.31.   The chair and clerk should ensure that new board members receive a full induction on joining the board, and should regularly refresh their skills and knowledge through development activities and briefing funded by the college.

9.32.   All board members should ensure that individually and collectively they have or acquire sufficient understanding of the work of the college and the educational landscape to be able to engage fully in the affairs of the board. The clerk should keep records of the development activity of all board members.

10 Review of Governance Performance

10.1.   The board must regularly review its effectiveness ensuring continuous improvement, thereby not only enhancing its own performance but providing an example to the college. The review should include an assessment of performance against the values and principal responsibilities set out in this Code.

10.2.   The board should define in writing and regularly review the respective responsibilities of the chair, the principal, the clerk and individual governors.

10.3.   The board should annually reflect on the extent to which its committees have met their terms of reference and remain fit for purpose.

10.4.   In addition, the board must conduct a regular, full and robust review of its effectiveness and that of its committees, the starting point for which should be an assessment against this Code.

10.5.   The board should set out in writing and regularly review agreed governance procedures, often described as Standing Orders. These should include levels of delegated authority and of any sub-delegations.

10.6.   In reviewing its effectiveness, the board should reflect on the success of the college as a whole in meeting strategic objectives and associated performance measures and the contribution the board has made to that success.

10.7.   The board should, where possible, benchmark its performance and processes against other comparable colleges and relevant institutions outside the FE sector.

10.8.   Account should be taken of the views of the executive and relevant bodies and of staff, parents, trustees, employers and student communities. Any review should include an external perspective, for example by using a suitable external facilitator or a suitably experienced governor and/or clerk from another college. The timing should be in line with the production of the college annual self–assessment.

10.9.   Acting on the outcomes of effectiveness reviews is as important as undertaking them. The outcomes and associated actions should be published widely, including in the annual report.

References and Links

The Code

Nolan: Seven Principles of Public life: Selflessness Integrity Leadership Openness Honesty Objectivity Accountability

UK Corporate Code: which sets what is expected of Governors and Trustees:- https://www.frc.org.uk/corporate/ukcgcode.cfm

The Higher Education Code of Governance December 2014

Charities Commission Code http://www.governancecode.org/summary-code-of-governance

1   Strategy and Leadership

BIS Guide for Governors

Higher Education Operating Framework

Department for Business, Innovation and Skills (BIS) Guidance for Structure and Prospects Appraisals

The Further and Higher Education Act 1992 established FE colleges as independent corporations.

The Education and Skills Act 2008 had the effect of raising the age of participation in education or training - whether at school, college or with an employer - to 17 from 2013 and to 18 from 2015.

The Apprenticeships, Skills, Children and Learning Act 2009 led a machinery of government change which split FE policy between two government departments.

The Act also created the formation of the Skills Funding Agency (SFA) and the Young People's Learning Agency (YPLA) which between them took over the responsibilities of the Learning & Skills Council (LSC) in April 2010.

2   Collectively Accountable

College Instrument and Articles of Government. The Education Act 2011 led to a series of further changes, including the abolition of the YPLA and the creation of the Education Funding Agency (EFA). The 2011 Act also removed much of the statutory guidance around colleges and gave back many of the freedoms of the 1992 Act

Guide for school and academy governors

3   Policies and systems and the student voice.

Statutory Policies for 16-19

Counter Terrorism and Security Act 2015

Prevent guidance consultation

'promoting British Values'.

KPI's for staffing might include: payroll as a percentage of income; sickness absence, retention and vacancy data; the results of staff surveys; dashboards and other benchmarking data such as pay and conditions and development activity

4   Teaching and learning

Ofsted

Ofqual

Quality Assurance Agency for Higher Education

Policies

Study programmes;

Allowing colleges to enrol 14-16 year olds;

Apprenticeships;

Careers advice;

'Students at the heart of the system';

Review of Vocational Education – the Wolf Report

5   Responsiveness.

Horizon Scanning- UK Commission for Employment & Skills (UKCES)

Colleges in their Community

it's about work … Excellent adult vocational teaching and learning

LEP's Plan

Core City Agreements

Using Labour Market Intelligence in a College Context: A guide for leaders of further education colleges, March 2015, AoC and UKCES document

6   Financial strategy and Audit

Skills Funding Agency (SFA)

Education Funding Agency (EFA)

Higher Education Funding Council for England (HEFCE)

Student Loans Company (SLC)

Accounts Direction Handbook.

Financial memorandum and related documents

The Statement of Recommended Practice: Accounting for Further and Higher Education (FE/HE SORP)

Joint Audit Code of Practice (JACOP) sets out how the funding agencies will work together and how colleges should demonstrate assurance.

The financial reporting requirements are set out in the funding agencies' Accounts Direction

Introducing a new funding system based on student loans

Benchmarking

Mides,

Ofsted Data Dashboards

7   Partnerships

Academies

Setting up a Multi Academy Trust

Subcontracting

Merger

8   Equality and diversity.

Equality and Human Rights Commission

Women's Leadership Network

Network of Black and Asian Professionals

9   Effective governance

Rigour and Responsiveness BIS 2013

Strengthening intervention through the creation of the office of the FE Commissioner

FE Commissioner Annual Reports

Creating Excellence in Governance**:-** http://www.aoc.co.uk/sites/default/files/Creating_Excellence_in_College_Governance_0.pdf

All matters to do with Governance AoC: College Governance**:**

Research and Development: Education Training Foundation

Remuneration of Governors
Charity Commission for approval - see the guidance from BIS. (page 21)

10   Review of governance performance

College Governance**:**

Board Reviews