

College Governance

Preamble

This paper provides a brief introduction about being a Board Member which we hope you will find informative and helpful.

There are major changes impacting upon the College – continuing consolidation of the merger with Thurrock & Basildon College in January 2010, the further development of the partnership with the University of Essex to expand our higher education provision, reductions in Government funding in real terms over the next few years, new Capital Builds in Thurrock and Basildon, strengthening of collaborative provision, international development, shared services - and for the future of the further education sector.

Local authorities have responsibility for offering all young people in their area a full choice of 16-18 education with funding coming from the Education Funding Agency. New arrangements also apply for adult learners through the new Skills Funding Agency.

If you require any further information, please do not hesitate to contact Robert Millea, Clerk to the Corporation.

1. *Historical Context*

- 1.1 Between 1974 and 31st March 1993, the Local Education Authority, Essex County Council, based in Chelmsford, was responsible for the oversight and management of the provision of post-16 education in Essex. The County Council had an Education Committee composed of elected representatives, advised by a team of permanent officers, some of whom specialised in further education. The Local Education Authority determined that, in South East Essex, there would not be the rationalisation of post-16 education that had occurred elsewhere in the county, leaving a complex arrangement of selective grammar schools, 11-16 schools, 11-17 schools and 11-18 schools, together with the South East Essex Sixth Form College (now Seevic College) and this College.
- 1.2 Many of the management responsibilities and duties were undertaken centrally by the County Council, notably personnel and payroll, strategic policy making, estates, finance and quality assurance. The Education Reform Act 1990 required Local Education Authorities to give some delegated powers to institutions, which the Governors and senior managers of this College both welcomed and exploited to the full.
- 1.3 The Governing Body of the College, a large group which then included four elected representatives of the County Council and Local Education Authority officers, was responsible for the oversight of a range of second level powers and duties, and of the activities of college managers.

- 1.4 There was hard evidence that the strategic planning and capital investment of Essex County Council had, over the period, operated to the considerable detriment of all educational institutions in South East Essex, in contrast to other areas of the county, particularly in the FE sector.

2. **Legal Context of the Corporation**

- 2.1 Under the Further and Higher Education Act 1992, all further education institutions in England and Wales became independent, charitable corporations on 1st April 1993. The Corporation came into being on 30th September 1992 in order that preparations could be made for the formal transfer of responsibilities on 1st April 1993, when all management powers and responsibilities were vested in the Corporation. The membership structure was laid down by statute and excluded political nominees. This was modified in 2008 to respond to concerns that the structure was restrictive. Within the statutory constraints, the Corporation has the power to determine the size and structure of the Board, which currently comprises the list set out in **Annex A**.
- 2.2 Many of the provisions in the Further and Higher Education Act are brought into effect by orders made by the Secretary of State. In the case of the further education sector the relevant orders are the instrument and articles of government of further education corporations. The instrument and articles of government were modified in 1999, completely revised in April 2001 and revised again in May 2006 and January 2008. Further changes were made in the Education Act 2011 giving Boards more independence and freedom. One effect of the modifications was to change the composition of the governing body. The Corporation is currently required to appoint to three designated categories of membership, as follows:
- business
 - staff
 - student
 - the Principal and Chief Executive can serve as a member of the Board, if she/he so wishes
- 2.3 The Corporation has to secure funding from external agencies to support the activities of the College. Although there is some diversity in the sources of funding, the vast majority is obtained from the Education Funding Agency (through the Local Authority) and the Skills Funding Agency, the bodies set up by Government to distribute those public funds which are allocated for post-compulsory education.

A separate body, the Higher Education Funding Council, provides the funding for higher education, i.e. degree level work and its equivalents. This funding is accessed through the arrangement the College has in its innovative Partnership for Higher Education with The University of Essex.

At present, the Skills Funding Agency requires an annual bid, supported by a three-year Development Plan, which demonstrates that the Corporation is managing the expenditure of public money in accordance with government policy in an effective and efficient manner. The funding methodology is complex and supported by regular external auditing by professional accountants. Members of the Board have an explicit legal responsibility for ensuring the probity, both financial and otherwise, of the managers and staff of the College and of the Corporation itself.

2.4 The duties and responsibilities of both the Corporation and the Principal and Chief Executive (Angela O'Donoghue) are also laid down by the Further and Higher Education Act. **Annex B**, an extract from Learning & Skills Improvement Service¹ training materials, provides a summary of the legal framework for Board members.

2.5 Much of the initial work of the Board was spent clarifying and defining the nature and extent of the powers delegated to the Chief Executive and senior management colleagues.

New members of the Board receive a thorough briefing in these and other issues relating to the responsibilities and liabilities of members of the Corporation, from the Chairman, the Principal and Clerk.

2.6 The Board is supported by the Clerk to the Corporation, who is responsible for organising and servicing all meetings (agendas, minutes, etc.) and other activities of the Corporation, managing communications to and from Members and advising the Chair and the Board on legal and procedural matters.

This post is currently held by Rob Millea of Chaplin Frobisher Welling Limited, an external firm providing Clerkship services, who is supported by an Assistant Clerk, Sue Mack, who is an employee of the College.

3. ***Corporation Meetings and Committees***

3.1 The Board normally meets four times each year, usually in October, December, March and July, and its proceedings and papers are available to staff, students and the public, unless for commercial or other reasons they are designated as confidential. It has twenty members with a quorum of eight.

Meetings are generally held on a Monday evening starting at 18.00, but can be varied to meet particular circumstances. Audit & Risk usually meets at 8.30 am on various days.

Meetings of the Board and its Committees are scheduled across all of the College's three main Campuses.

3.2 The Corporation currently has five Committees:

*Policy & Resources
Committee*

This is the principal committee of the Board, which meets six times a year. It has nine members one of whom is a co-opted member (quorum 4 of which three must be Corporation members) and is chaired by Richard Launder, Chairman of the Corporation.

Audit & Risk Committee

Eight members, of whom three are co-opted external members (quorum 4 of which three must be Corporation members). The committee meets four times each year, and is chaired by Bob Patterson.

¹ The Learning Skills Improvement Service ceased to exist in March 2013 but the Training Materials remain in use.

<i>Curriculum & Quality Committee</i>	Eight members (quorum 4) and meets four times per year. It is Chaired by David O'Halloran, Vice Chairman of the Corporation.
<i>Remuneration Committee</i>	Five members (quorum 3) and meets when required, usually once or twice a year and includes the Chairman of the Corporation. It is chaired by Gwynn Williams, a Corporation Member.
<i>Search & Governance Committee</i>	Six members (quorum 3) and meets as necessary (usually about three times per year) to advise on and assist with the process of recruiting new Corporation Members and other matters relating to governance. It is chaired by Rod Gray, a Corporation member.

The procedures and papers of the Committees of the Corporation are confidential, but the minutes of the Board and its Committees, when approved, are a matter of public record, save for any items of a commercially or otherwise sensitive nature, which the Corporation deems to be confidential, having taken advice from the Clerk.

4. ***The Role of Members***

- 4.1 Membership of the Board is a demanding and responsible role, which attaches to individuals in their own right, not as representatives of any group, organisation or interest. This is made clear to all Board Members and, in particular, to staff and student members.
- 4.2 In addition to meetings, Board members are expected to participate in two Board Development Days each year, usually held in June and October. An annual Schedule of Business is agreed with Members well in advance of the commencement of each academic year for the Board and its Committees.
- 4.3 Board membership places a significant time demand on members. In addition to Board meetings, members are expected to participate in a range of other activities and events of the College. Meetings can be long, particularly when major projects (including new Government initiatives), possible mergers, major Capital Builds etc are under consideration. The College makes every effort to provide full briefing papers for agenda items. Some documents, such as the Strategic Plan, briefings on major capital projects, etc., are weighty and complex. Since 1 September 2013, most papers for the Board and its Committees are provided electronically with members being provided with electronic devices by the College on loan to facilitate their access.

The Board has been provided with a summary of the Role and Responsibilities of Board Members (including Chair, Vice Chair and Chairs of Committees) an indication of the time commitment likely to be involved in belonging to the Board.

- 4.4 The Corporation is responsible for determining the strategic direction of the College and, therefore, the business of Board meetings will typically include:

- ❖ **Urgent operational issues** (if any) – of which the Principal and Chief Executive feels the Corporation should be aware or on which she requires advice.
- ❖ **College finances** – annual financial statements, financial forecasts, budgets for forthcoming years and management accounts with accompanying commentaries.
- ❖ **Strategic planning** – determining the direction and rate of development of all aspects of the College’s activities in the context of both the external environment and performance to date. This also includes consideration of the Accommodation Development Strategy, involving financial, legal and contractual issues, and relationships with other providers in the area.
- ❖ **Student recruitment** – consideration of reports on student enrolments and the implications of trends for the Strategic Plan.
- ❖ **Quality and student achievement** – consideration of reports on the quality assurance processes of the College, particularly the teaching and learning strategy, external inspections (including OFSTED) and student achievements (attendance, retention, success).
- ❖ **External environment** – receiving briefings and considering the implications of developments in the further education sector, in the national political and economic climate or in the local area of South Essex.

4.5 The Corporation seeks to recruit new members who will not only bring objectivity and commitment to education but also enhance the range of expertise and community knowledge of the Board. They are expected to undertake necessary training in order to fulfil their role.

It is a voluntary, unpaid position (save for reasonable out of pocket expenses incurred in exercising the duties) which will provide the rewarding experience of being involved in the oversight of a large organisation which plays an important role in the economic and cultural life of the community of South Essex.

Annex A

F.E. Corporation

Membership as at 19th May 2014

Business Members

Olga Buck
Stuart Burrell
Sally Carr
Yusuf Goolamali
Roderic Gray
Terry Knight
Richard Launder
Elaine Mead
Bryn Morris
Paramjit Singh Narang
David O'Halloran
Bob Patterson
Tom Thompson
Maya West
Gwynn Williams

Total 15

Staff

Bruce Neagus
Rhys Hughes

Total 2

Students

HE Student appointment to be approved 7.7.14
Lewis Wright

Total 2

Principal and Chief Executive

Angela O'Donoghue

Total 1

Total 20

Annex B

Extract from Learning & Skills Improvement Service Governor Training Materials 2012

The Role and Responsibilities of Governors

The main business of the governing body is to determine the educational character of the college and ensure its overall well-being and financial solvency (Source: Instrument and Articles of Government). In brief, the responsibilities of the Corporation are to:

- Determine and periodically review the educational character and mission of the institution and oversee its activities
- ensure the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets
- approve annual estimates of income and expenditure
- oversee the appointment, grading, suspension, dismissal and the determination of pay and conditions of senior postholders and the clerk to the governing body
- set a framework for the pay and conditions of service of all other staff
- approve the quality strategy of the institution

What is the Governing Body Responsible for?

Within the above framework, the role of Members, both individually and collectively, is to

- provide a commitment to supporting the College in its mission
- supply a broad perspective to assist in the College's strategic development
- represent the local and wider community in setting the direction for the College
- supply the insight and experience from a range of expertise and bring to bear it on the College's activities
- set goals for the College and to monitor their achievement

In practical terms, these formal descriptors can be widened to include

- provision of leadership, direction and supervision of the organisation
- ensuring financial integrity and management accountability
- appointment of the Principal and Chief Executive and senior post holders
- determining a framework for the pay and conditions of employment for all staff
- complying with the legal liabilities of the employer, including Health and Safety, Equality and Diversity and Safeguarding
- setting academic direction and targets
- reviewing achievements against objectives
- approving capital expenditure on buildings and equipment
- maintaining a public profile for the College and representing the College within the community
- reviewing the Board's own composition, skills profile and performance

Voluntary members of the governing body may be compared to some extent with non-executive directors of a board of a public company (although they are remunerated as non-executive directors). A board of directors is, however, accountable to the company's shareholders – its owners – who can appoint and dismiss the directors. A college's governing body may give an account of its activities to its local community but is not accountable in the way a board of directors is to its shareholders.

Colleges receive considerable amounts of public funds and governors are responsible for ensuring that funds received from Government are used in accordance with the financial memorandum agreed with the SFA. The Secretary of State has powers to intervene in the affairs of the governing body in certain circumstances. Thus although colleges are local institutions, primarily serving the needs of their local communities, they receive the bulk of their funding from the Education Funding Agency/SFA and have to take account of the educational policies of national government. The Principal and Chief Executive is the Principal Accounting Officer and is ultimately accountable to Parliament, being answerable to the Public Accounts Committee.

The Powers of the Governing Body

The governing body (corporation) 'conducts' the college and has the power to:

- provide further and higher education
- supply goods or services in support of the provision of education
- conduct an educational institution
- provide secondary education to 14-16 year olds in school
- subscribe for or acquire shares in or securities of a company
- participate in or sponsor an Academy Trust
- borrow and invest money
- apply for degree awarding powers
- innovate

It also has powers to acquire and dispose of assets, enter into contracts, and make other arrangements to support its main powers.

The legal power of the governing body resides with the governing body as a whole, not with individual Members. This places constraints on what you can do as a Member:

- as a corporate body, Members should support decisions taken collectively at formal meetings
- no Member should speak on behalf of the governing body unless specifically authorised by the governing body
- all Members share responsibility for decisions
- all Members must respect confidentiality.

Members are non-executive and while the Principal and Chief Executive will consult with the Corporation on issues such as educational strategy and mission of the College and the annual estimates of income and expenditure, the Principal and Chief Executive is responsible for the day-to-day management and running of the College.

Skills Required of Governors

Corporation members should ideally have significant experience/expertise in one or more of the following areas:

- diversity and inclusion
- marketing and business development
- education provision and curriculum
- estates management
- finance and audit
- SMEs
- media and cultural
- personnel and employment law
- governance and risk management
- quality assurance
- community affairs
- legal and regulatory services
- ICT
- Safeguarding

As an institution operating largely on public funds, the College expects both Governors and staff to adopt the values and principles laid down by the Nolan Committee on Standards for Holders of Public Office:

- **Selflessness.** Holders of public offices should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.
- **Integrity.** Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their duties.
- **Objectivity.** In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Accountability.** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate.
- **Openness.** Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.
- **Honesty.** Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership.** Holders of public office should promote and support these principles by leadership and example.