

THE ENGLISH COLLEGES' FOUNDATION CODE OF GOVERNANCE

FOREWORD

Perhaps more than at any time for a generation, a thriving Further Education and Skills system is central to achieving the Government's ambitions for Britain. The work of Colleges and other providers can give more British businesses access to the skills they need to prosper, and to create new jobs and new growth. Communities up and down the land can be brought together through the power of learning, and millions more adults and young people can be shown that their own talents and efforts can give them, and their families, the chance of a better, more fulfilled life.

No College that listens first and foremost to the people it serves can go far wrong. That is why this Foundation Code of Governance for English Colleges places such emphasis on the role of governors in ensuring that the voice of local communities is clearly heard when key decisions are being taken, whether it is articulating the needs of local employers, the wishes of voluntary groups or indeed the aspirations of young people for a brighter future.

By working collectively and collaboratively to produce this new Code, Colleges and organisations across the Further Education sector have, for the first time, taken real shared ownership of good governance and shown a willingness to embrace increased levels of responsibility for their own affairs. Self-assured, autonomous Colleges will be able to create the space to listen to the people they serve and respond flexibly to the challenges of a new, lightly regulated environment. So I hope they will take full advantage of the new opportunities that this Code offers.

The Foundation Code is an important milestone in making Colleges more locally accountable and in freeing them to respond more effectively to local learners, employers and community partners.

That is why I commend the Code so warmly to you.

John Hayes

Minister of State for Further Education, Skills and Lifelong Learning, Department for Business, Innovation and Skills, and Education

INTRODUCTION

- The College Foundation Code of Governance (“the Code”):
 - establishes a common set of recommended threshold standards of good governance practice expected of all governing bodies of Colleges in the English FE College sector.
 - has been developed, and is owned by, the English FE College sector, which provides a rich mix of academic and vocational education. As autonomous institutions incorporated by the Further & Higher Education Act 1992, Colleges have the freedom to innovate and respond flexibly to the requirements of individuals, businesses and communities.
 - is intended to establish a basis for a flexible governance framework that allows individual governing bodies scope, within the limits set by their Instruments and Articles of Government, to decide for themselves how best to discharge their duties in the interests of their Colleges, and respond to the needs of their learners, the communities they serve and other stakeholders.
 - should promote the development of effective governance where leadership of the governing body is given by the Chair, supported by the Principal, and by the Clerk. All governors should engage in rigorous discussion and constructive challenge on a consistent basis, and adopt an open and frank approach to all aspects of the governing body’s business.
 - will in due course be supported by separate information, guidance, and general principles to promote the development of effective governance across the College sector.
- It is recommended that each College should report that it has adopted the Code in the corporate governance statement contained in its annual, audited financial statements. Where a College’s practices are not consistent with any particular provision of the Code, it should publish in its corporate governance statement an explanation for that inconsistency.

1 THE ROLE OF THE GOVERNING BODY

- 1.1 Every College should be headed by an effective governing body, led by an elected Chair, the members of which (the “governors”) are collectively responsible for formulating strategy by identifying strategic priorities and providing direction within a structured planning framework. The governing body provides overall strategic leadership and takes all final decisions on strategic matters affecting the College.
- 1.2 The governing body is responsible for determining the College’s mission, educational character, values and ethos. Governors have a collective and unambiguous leadership role in fostering an environment that enables the College to fulfil its mission, for the benefit of learners and the community it serves.

- 1.3 The governing body ensures compliance with the statutes, ordinances and provisions that form the College's governance, regulatory and accountability framework, and must comply with the requirements of the College's Instrument and Articles of Government.
- 1.4 The governing body should ensure that the respective functions of governance and management, and the roles and responsibilities of the Chair, the Principal, the Clerk and individual governors, are clearly defined. Role descriptions should be made available and kept up to date. These should include an assessment of the time commitment required to undertake the role, both for governors generally and for the Chair and other governors holding offices or undertaking defined roles within the governance structure.
- 1.5 The governing body should establish, and require governors to follow, a Code of Conduct, which has regard to the accepted standards of behaviour in public life of leadership, selflessness, objectivity, openness, integrity, honesty and accountability.
- 1.6 Governors should exercise their responsibilities in the best interests of the College, rather than selectively or in the interests of a particular constituency, setting an example to their colleagues and stakeholders.
- 1.7 The governing body should ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, and risk assessment and management, are established and monitored. The Chair should ensure that the governing body receives appropriate, timely and high-quality information in a form that allows it to monitor and scrutinise the College's activities effectively, and to challenge performance where required.
- 1.8 The governing body is accountable to its learners, to the wider community it serves, and to other stakeholders. It should have close regard to the voice of its learners. It should agree and maintain a public value statement that describes how the College seeks to add value to the social, economic and physical well-being of the community it serves. It should take steps to ensure that information on the activities of the College is made widely available and to forge effective relationships with stakeholders.

2 STRUCTURE AND PROCESSES

- 2.1 The governing body should determine the size and composition of its membership in accordance with its College's Instrument and Articles of Government. It should aim to:
 - 2.1.1 Achieve an appropriate balance of skills, experience, and knowledge;
 - 2.1.2 Acknowledge the value of refreshing its membership;
 - 2.1.3 Have due regard for the benefits of diversity;
 - 2.1.4 Establish its own clear rules for the appointment and re-appointment of governors. These rules should be publicly available.

- 2.2 The governing body should ensure that governors have, between them, the necessary skills and experience to enable the governing body to undertake its role effectively on a sustainable basis. It should undertake a regular skills analysis as needed to identify areas of expertise in which it may be deficient, and develop strategies to make good any deficiency. It should plan for succession for the office of Chair and other offices held by governors.
- 2.3 The governing body should require that an induction programme is in place, which ensures that all new governors receive full induction to their roles and responsibilities. All governors should be expected to undertake further training and development, and opportunities for this should be provided regularly on an individual and collective basis.
- 2.4 The governing body's business should be conducted to allow open discussion and debate. Information and papers should only be restricted when this is considered necessary to protect the interests of the College or the wider public interest, including the observance of contractual obligations or disclosing an individual's personal details.
- 2.5 The governing body's business should be conducted in accordance with agreed rules and procedures (often described as standing orders), which it should review and update on at least a biennial basis, and which should be publicly available

3 REVIEWING AND REPORTING PERFORMANCE

- 3.1 A regular effectiveness assessment by a governing body should include consideration of:
- 3.1.1 The performance of the College as a whole in meeting its strategic objectives. Appropriate key performance indicators should be used to benchmark the College's performance against comparable Colleges, wherever possible. The governing body should publish its overall assessment of performance annually;
 - 3.1.2 The reputation of the College and the views of stakeholders;
 - 3.1.3 The performance of the Chair and of other governors holding offices or undertaking defined roles within the governance structure.
- 3.2 The governing body should undertake a formal self-evaluation of its effectiveness as frequently as it determines is appropriate, but at least every three years.
- 3.3 The Chair should ensure that the performance and effectiveness of all governors is assessed on an ongoing basis.