

The Further Education Funding Council

The College Governor

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March 2000

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Last updated

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Preamble

This pack is for everyone who wishes to know what being a college governor involves. You may, however, be reading it because you are already considering becoming a governor, or perhaps you have already become one and want to know more before you start your work. We welcome and value your interest, and hope you will find the information which the pack contains helpful.

The government's White Paper, *Learning to Succeed*, published in June 1999, sets out proposals for a new framework for post-16 learning based on partnership and co-operation between individuals, businesses and communities, as well as institutions. The new arrangements place the learner at the heart of the policy and process of delivery. Colleges have a hugely significant role in these developments.

Colleges make a vital contribution to the progress, prosperity and social and economic regeneration of their local communities and the country as a whole. They do this through the success of their students: colleges are the major providers of adult education nationally, there are twice as many 16–19 year olds in colleges than in schools, and colleges are increasingly involved in providing higher education.

Colleges are large organisations, and often need to be run using principles found in business. A college is big business. Although there are some broad categories into which colleges can be placed, because different client groups are served and geographical locations vary widely, no two colleges are the same. College annual turnovers range from less than £2 million to over £40 million. In many communities the college is one of the largest employers in the area.

So working as a governor in a college is a significant way for you to contribute directly to the well-being of your community. Your contribution to the college's success is all the more important, given the changes and challenges that further education now faces under the government's agenda. These include:

- responding to the national agendas for raising standards and achievement, lifelong learning and the need for social inclusion
- anticipating and meeting the rapidly changing needs of industry and commerce
- working in successful partnership with employers, employees, community groups and other educational providers
- harnessing the new technologies to make teaching and learning accessible, exciting and effective
- finding ways of working successfully with the new groups of students coming to college for the first time.

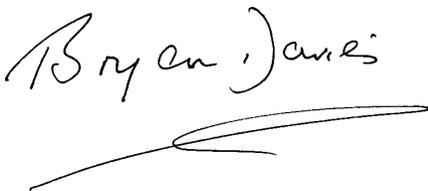
By becoming a governor in our sector you will join a body of like-minded people significantly involved in active public service on behalf of the community, helping colleges spend to the best effect considerable sums of public money and ensuring that students get a good deal.

The sector is carrying huge responsibilities for the wider society, and the government, acting on its behalf, demands that we extend and enhance educational opportunity in the learning society.

You have the opportunity to make an important contribution to this essential and hugely satisfying work. Thank you for joining us in our enterprise as we seek to meet the challenges and opportunities that lie ahead.

You can help make the difference. Not only for the college and its students, but also for the local community and businesses, and the country as a whole.

Welcome aboard.

A handwritten signature in black ink that reads "Bryan Davies". The signature is written in a cursive style with a long, sweeping underline.

Lord Davies of Oldham
Chair, FEFC

Induction

Induction briefing for new college governors
About the governing body
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Updated

March 2000
March 2000
March 2000
March 2000

Induction Briefing for New College Governors

Welcome!

The importance of the further education sector is increasingly recognised for the significant contribution it makes to the success and development of its students and, through that, to the achievement of national objectives in education, training and employment. It is one of the fastest changing areas of education, and your decision to contribute to its continuing development and success is a welcome one.

Colleges became independent as a result of the Further and Higher Education Act 1992. Each college has its own controlling body which has ultimate responsibility for the success of the college. There are a variety of terms to describe it. These include **corporation**, **board** or **governing body**. For individual members the terms **corporation member**, **board member** or **governor** are used. In this document we have used the terms interchangeably while generally favouring the use of 'governing body' and 'governors' where possible.

Over the coming years, we expect to see many new college governors taking up their role. For some of you, much of what is contained in this induction briefing will be very familiar. For others, new to the work of governing bodies, it may be unfamiliar territory.

This induction briefing is designed to help you find your way in the early days of working as a college governor. If you are to make your mark and contribute effectively you need to find your feet as quickly as possible. The information in the briefing is designed to provide you with what you require for a successful start and to complement the induction you should expect from your college. We hope it will also encourage you to look for more detailed information when you decide you want to know more about a particular topic or procedure.

The document concentrates on your role as a governor, and how to play your full part in the work of the governing body.

We hope you find the briefing useful and that you enjoy working through it; we also hope that it helps ensure that you find your time as a governor in further education both stimulating and satisfying.

Ind1 About the Governing Body

1 Why have a governing body?

The Further and Higher Education Act 1992 requires that there should be a governing body for any college in the further education sector.

The governing body of a college is there to represent **the interests of the local community** in particular and **public interest** in general. It is there to oversee the way the college is run and to make sure it delivers what its community needs, in a way that reflects the highest professional and ethical standards, and makes effective use of the resources it has available. It is accountable for the financial solvency of the college, its sound management and the quality of the service it provides. It is also accountable for the proper use of the public funds entrusted to it and for the proper business management of the commercial activities of the college.

The governing body is there to:

- ensure the college thrives as an organisation while maintaining prudent control of its funds and assets
- make a significant contribution to what the college does to ensure the success of its students
- help the college maintain a long-term focus while working on its shorter-term goals and plans
- help the college respond to local requirements within the context of regional and national needs
- ensure that the business aspects of a college operation prosper.

2 What personal qualities does a governor need?

A good governing body reflects the community it serves, and so it thrives on diversity, bringing together a wide range of people with different personalities, backgrounds, lifestyles, skills and experience. However, the members of a good governing body share the same distinguishing qualities:

- commitment to education and training, and to the success of the college's students
- willingness to contribute to the life and well-being of the college and its community
- commitment to strengthening links of the college with its business and local communities

- dedication to acting openly, honestly and with integrity
- determination to get results by innovation and enterprise.

It follows that governors also need the time and energy to turn their commitment into active involvement.

3 What are the instrument and articles of government?

Each college has an instrument of government that sets out the arrangements for membership and meetings of the governing body and its committees. Each college also has articles of government which provide a framework for the conduct of the college. The articles of government define the responsibilities of the governing body and the principal (and the extent to which those responsibilities can be delegated), and various matters relating to staff and students.

4 What is the composition of the governing body?

Governing bodies vary in size and in the balance between the various types of members they have. The categories of members that go to make up the governing body are as follows:

business members: those who are, or have been engaged or employed in business, industry or any profession or in any other field of employment relevant to the activities of the institution.

co-opted members: those co-opted by the members of the board who are not themselves co-opted members.

staff members: members of the staff of the institution elected and nominated by the staff of the institution.

student members: students at the institution elected and nominated by students at the institution.

parent members: parents of students under the age of 19 years at the institution elected and nominated by other such parents.

local authority members: members nominated by such local authorities as the board may nominate.

local community members: those nominated by a body or bodies within the local community nominated by the other members of the board.

principal: the principal of the institution (unless he/she chooses not to be a member). In practice nearly all principals are members of the board; where they are not, they have the right to attend board meetings though they cannot vote.

Council nominees: the Further Education Funding Council (the Council) can nominate two additional members and observers in exceptional circumstances.

foundation members (mainly for former voluntary sixth-form colleges): nominated by a diocesan board of education or the trustees under the trust deed or Charity Commissioner's Scheme relating to the institution.

The '**instrument and articles of government**' outline the various categories of governor that a college should have in the governing body. If you have not received a copy from the clerk, you must ask for one. All governors should be supplied with a copy of the instrument and articles, so that they are well versed in their responsibilities. Governors may fit into more than one category: for example, a parent who is also a local businesswoman, but for purposes of membership they will have been identified as one or other, rather than both. Governing bodies will also want to make sure they have achieved a reasonable balance in terms of gender, age and ethnicity to reflect both the local community and the range of students at the college. For example, sixth-form colleges may wish to have a higher number of parent governors to reflect the student population.

5 How does the governing body work?

Each governing body has a **chair** and **vice chair**, elected by its members; and a **clerk** to the governors, appointed by the governing body, who ensures that minutes of meetings are taken, prepares the papers, and advises the chair and the governing body on the proper procedures for governance. In some cases, the clerk is not a member of college staff but an external appointment, usually part-time, or, part of an agency, such as a solicitors' firm, engaged to carry out the role. The roles of the chair and the clerk are illustrated in sections A5 and A6 of this guide.

It is rarely possible for governing bodies to get through all the work they need to do at meetings of the full board. As a matter of practicality they delegate much of their work to committees. These committees may be advisory or decision-making, as determined by the board. Governing bodies may also delegate their work to the chair of the governing body or principal of the college.

Governing bodies are required to have the following committees:

- a **search committee** to advise on the appointment of members of the corporation
- an **audit committee** to advise on matters relating to audit arrangements and systems of internal control.

Until recent changes to the articles of government, governing bodies were also required to have:

- a committee or committees relating to finance and employment policy; this is often called the **finance and general purposes committee**
- a **remuneration committee** to advise on the payment of senior staff.

Having these committees is no longer a requirement. The intention of this change is to reinforce the fact that college governing bodies have ultimate responsibility for ensuring the financial well-being of their colleges and for determining appropriate employment policies and procedures.

However, in line with good practice, the Council would encourage boards of governors to establish such committees, although the governing body will remain ultimately responsible for matters considered by such committees.

Governing bodies may also set up other committees to deal with areas of work they feel require more thorough consideration than is available at full board meetings. Examples might be an estates and buildings committee or a student liaison committee. Governing bodies are increasingly looking to establish quality committees (sometimes known as standards committees), involved in monitoring student achievements and/or the college's processes for quality assurance and improvement. Special committees may also be formed to perform specific functions such the dismissal of a senior post holder.

In all the work they do, one key principle applies throughout; the **importance of distinguishing between governance and management**. The role of governors is to oversee the way the college carries out its work and to provide strategic direction; they are not there to manage the college or involve themselves in its day-to-day operations. The management of the college remains the responsibility of the principal, within the broad framework of policies and accountabilities set out and monitored by the governing body.

6 What does being a college governor actually involve?

There is no universally agreed role description for a governor, but the work involves:

- **attending governing body meetings:** these are held at least termly and are often held more frequently. The governing body determines the day, time and place. How long a meeting last depends largely on the frequency of meetings and the view of the chair; the range is from a somewhat brisk hour or so up to a more expansive three hours. Your governing body will have guidelines on what constitutes an acceptable minimum for an individual's attendance at board meetings; if you are not sure about this, ask the clerk
- **attending committee meetings:** most committees also meet termly, in a cycle to fit in with full governing body meetings. New governors often find it helpful to seek to be appointed to at least one committee; this is where much of the real work is done, and the meetings tend to be less formal so that participation is easier. It is an effective way of familiarising yourself with the workings of the governing body and of getting to know your fellow governors
- **reading through the papers in preparation for each meeting:** clerks are required to send papers out at least a week in advance, so that governors have time to do their preparation. This should not take more than one or two hours

- **self-assessment and inspection:** the governance of the college is included in the quadrennial inspection of the college by the Council's inspectors. Governing bodies are expected to conduct an assessment of their own activities to be included in the college's self-assessment report which is validated by inspection. Many governing bodies now set themselves annual targets against which to assess their effectiveness in governing the college.

You may also be asked to attend 'away days' where the governing body deals in depth with a particular issue, or to liaise with a particular part of the college, in order to provide the governing body with greater understanding of the college's work, and the college with a stronger link with the governing body. Governors are also welcome participants in college events or in fostering links with business and the local community on behalf of the college.

New governors will be offered induction by the college which may involve the provision of written induction materials such as copies of key documents and briefing meetings with key people associated with the college. This is an important starting point and most governors find that investing sufficient time in induction pays dividends later.

What has been described so far are the activities that constitute the formal part of the role of a governor. However, arising from such activities are many of the rewards of being a governor. One example is the opportunity to see the work of students in art exhibitions, plays, projects and fund-raising activities. There may also be the opportunity to see students at work and interact with them in workshops, studios, kitchens and training restaurants. Most governors relish such opportunities and find the whole experience rewarding and satisfying.

Ind2 Legal and Procedural Matters

1 What are the legal powers and duties of a governing body?

The powers and duties of a governing body derive from the Further and Higher Education Act 1992. A power is something the governing body is entitled to do if it chooses, a duty is something it must do.

The powers and duties are specified in the Act, instrument and articles, trust deeds, directions by the Secretary of State and relevant education law.

The **powers** of a governing body as specified in the Act are summarised below. You will find more information about them in section A.

Powers of the governing body:

The main powers it has are:

- to provide further and higher education
- to supply goods or services in support of the provision of education
- to conduct an educational institution.

It is also empowered to provide the facilities it considers necessary and to acquire and dispose of assets, enter into contracts and other arrangements in order to support its main powers.

The **duties** of the governing body as outlined in the Act are summarised below; you will find more detail in the instrument and articles themselves and in section A.

Duties of the governing body:

The governing body is responsible for:

- determining the educational character and mission of the college and overseeing its activities
- ensuring the effective and efficient use of resources and safeguarding its assets
- overseeing the employment arrangements for senior postholders, and the framework for pay and conditions of other staff
- ensuring the financial health of the college and approving the annual estimates of income and expenditure
- appointing the clerk.

2 What about liability?

It is possible that **legal action** might be taken against a governing body of a college, including **claims for damages**. Examples might include discrimination, unfair dismissal, breach of contract and injury. In general, such decisions of an incorporated governing body are not the actions of individuals, but of

the corporate body. It follows, therefore, that individual governors are very unlikely to be personally liable. Most governing bodies are covered by insurance against claims.

The Department for Education and Employment (DfEE) is unaware of any case to date where an individual governor has been held financially liable for his/her actions. Such liability might arise as a result of negligence. It follows, therefore, that governing bodies should ensure that they act with prudence and seek professional advice where appropriate. In particular, if the governing body delegates authority to the chair, or to any individual member, the terms of delegation should be spelt out clearly and the person or persons to whom the delegation is made should ensure that they understand the limits of their powers to act for the governing body.

Certain **key practical steps** will help reduce the chances of difficulty:

- understanding the powers and duties the governing body has
- ensuring that meetings are properly conducted and minuted
- ensuring that personal interests are declared and recorded in a register, the **register of interests**
- seeking professional advice to support decision-making wherever it is needed
- ensuring that governors and others have the opportunity to express their concerns or dissenting views: **'whistle-blowing' policy**
- establishing a **'code of conduct'**.

3 **Integrity in working practices**

All governing bodies are encouraged to draw up and adopt a code of conduct for their members and to consider how they will respond to serious complaints or expressions of concern. A register of interests should be completed by members and maintained by the clerk for review by interested parties.

Governors need to ensure they are fully aware of the code of conduct for their college, and to use their influence to ensure high standards of conduct, personal integrity and independence of judgement. When acting as governors, they must put the interest of the college ahead of their own interests or those of any other group with which they are involved. The move in sector colleges towards openness and accountability in working practices is fully in line with the recommendations of the Nolan Committee's report, *Standards in Public Life*.

4 **Corporate status**

The governing body is a corporate body. For individual governors, this means:

- once decisions are taken collectively at formal meetings, all governors should respect the decision even if they do not agree with it
- no governor can speak on behalf of the governing body unless specifically authorised by the governing body to do so
- accountability for decisions is shared by all board members, not by individuals.

It also has implications for the way that governors go about their business, which should include:

- a willingness to work co-operatively with other governors in the college's best interests
- respecting corporate decisions once they have been taken, whatever one's personal view of the matter
- respecting any decision that a matter should remain confidential to the board.

All governors have an equal right to participate and to state their views, while respecting those of others.

5 Procedures

To be effective, governing bodies will need to work within the law and the rules that they have agreed for themselves. The law is set out mainly in the Further and Higher Education Act 1992 and the college's instrument and articles of government. Rules may have been agreed and set out in the governing body's standing orders.

Standing orders are the rules and regulations that the governing body has adopted to guide the way it conducts its meetings. The sorts of things they deal with are listed below.

Standing orders cover:

- election of chair and vice-chair
- how meetings are convened
- voting
- publication of agendas and minutes
- terms of reference for committees
- non-attendance and the lapsing of membership
- declarations of personal interest.

Once the rules are adopted, it is the responsibility of the chair, with the support of the clerk, to make sure they are followed. New governors will need to have a copy of the governing body's standing orders upon appointment.

Standing orders may not conflict with, or alter, the instrument and articles of government or other relevant law.

6 Quoracy

One of the trickier challenges faced by many governing bodies and committees is the issue of quoracy.

The instrument specifies the 'quorum', that is, the number of members who need to be at a meeting of the governing body for its proceedings and the decisions it takes to be valid and binding. If a meeting is not quorate, or sufficient members depart during a meeting to make a meeting inquorate, then it ceases immediately. No further business may be conducted at that meeting.

In order to be quorate, meetings of the governing body require at least 40% of the membership numbers to be present, regardless of the category of member. Vacancies are included in the total membership number when determining quoracy. If there are 20 members, including four vacancies, then eight members must be present throughout each meeting.

So it is crucial that governors understand the importance of letting the clerk know in advance if they will be unable to attend a meeting, or will have to leave early. Their absence might have the effect of making a meeting inquorate; if the clerk is warned in advance, he/she can at least attempt to make other arrangements.

The provisions relating to the quorum for a meeting of the governing body do not relate to meetings of a committee of the governing body. The terms of reference of any committee should deal with the question of the quorum. They should also deal with membership. Except where a special committee is convened to examine the case for dismissal of a senior post holder, it is possible to include persons who are not governors on committees of the governing body.

7 Declarations of interest

As well as ensuring that personal interests are declared and recorded in the register of interests, governors who have a financial interest in a matter under discussion must declare that interest before the discussion starts and take no part in the discussion. In addition, they cannot be counted as part of the 'quorum' so once again it is important to alert the clerk in advance that there will be the need to declare an interest.

Ind3 Introducing the Sector

1 Post-16 education and training in England

The Department for Education and Employment (DfEE) is the government department responsible for policy on education and training in England. After the age of 16, when education is no longer compulsory, young people have a variety of choices. Some 70% stay in full-time education either at school (usually known as sixth-form education) or at further education colleges. Others go to work or enter a place on a government sponsored training programme. Young people who decide to stay on in education at the age of 16 usually move into further education. The majority of students in further education, however, are adults studying part-time.

2 What is a further education college?

Further education colleges mainly focus on providing post-school education. They are funded mainly by the public purse through the Further Education Funding Council (the Council). No two colleges in the sector are the same. Some are **specialist colleges** covering a particular area such as art and design, or agriculture, or meeting the needs of a specified group of students, such as mature students or those with a particular disability. Others – by far the majority – are **general further education colleges** offering a wide range of programmes covering vocational and academic studies, and running through from introductory levels to advanced and degree-level work. One college will concentrate on vocational courses, another – usually a **sixth-form college** – on academic subjects. Because of their often strong vocational bias, general further education colleges are more strongly influenced by the nature of the local community, and its industry and commerce, than most educational institutions.

3 Further and higher education

Higher education (HE) is the term used to describe courses at degree level or its equivalent. Courses at this level can be run by universities or colleges. Further education (FE) refers to all other post-school courses. While further education colleges offer mainly FE courses, many offer HE as well. Equally, universities can offer FE courses, if they choose. However, only universities have degree-awarding powers.

4 Names and types of colleges

The name a college has may indicate the type of college, but often it is only of historical significance. A technical college, a tertiary college, a college of further education and a college of arts and technology will all be offering the same sorts of courses. They will all be classified as general further education (GFE) colleges. The only complication is tertiary colleges, a term originally used where all post-16 courses were placed in one institution, the college. However, few genuine tertiary colleges still remain, and for classification purposes they are counted among GFE colleges, which form by far the largest group in the sector, making up over 60% of colleges.

The next-largest group is the sixth-form college (SFC), offering mainly GCE A level and GCSE courses. These make up about 25% of the sector.

5 The students

Around 4 million students attend college each year. About 20% are full-time students, most of them aged 16-19. The remaining 80% are part-time students, usually adults, often in employment. Their patterns of attendance can vary enormously, for example one or more days or evenings a week for the full year or an intensive one-week course. Most full-time students come to the college to study, but an increasing number of part-time students study in outreach or community centres near where they live, or at their place of employment.

Colleges vary considerably in size. Some GFE colleges attract over 20,000 students, many of them part-time. Specialist colleges are often small, with as few as 200 full-time students. Sixth-form colleges range from 350 to over 1850 full-time students. Their students are usually full-time 16-19 year-olds.

6 What do colleges do?

Colleges offer a wide variety of courses and services for their customers. These include:

- courses for the general public, full-time or part-time, vocational or academic, including a significant amount of higher education
- courses for industry and commerce, often tailor-made to meet the needs of business
- training for people on various government-sponsored schemes, for example New Deal and Modern Apprenticeships
- work-based assessment and franchised provision in collaboration with employers
- help for students wishing to improve their basic skills in literacy and numeracy, or to learn English as their second language
- help for students who have special learning needs or a particular disability
- leisure and general interest courses, sometimes not leading to a qualification and usually part-time.

Colleges also offer other services, including:

- consultancy and advice to industry and commerce, including training needs analysis
- facilities such as halls and playing fields for hire to external organisations

- help for schools, for example access to specialist facilities or staff, or courses for pupils ready for further education or excluded from schools.

Colleges sometimes set up their own separate company to market themselves and their services. The greatest diversity is usually, but not always, found in GFE colleges.

7 How are colleges funded?

The secretary of state for education and employment has the principal responsibility in government for direct funding of the further education sector. The amount of money available for allocation is determined by the secretary of state for education and employment in consultation with the Treasury.

The Council has the task of allocating the funds put at its disposal by parliament to the colleges.

In 1998-99 the Council distributed over £3 billion to 435 colleges in the further education sector to cater for 4 million students, the majority of whom were adults studying part-time.

The Council believes that the most important aspects of learning are:

- initial guidance to ensure that a student is on the course best suited to his/her needs and abilities
- teaching and learning together with successful completion of the course of study
- achievement of the qualification being pursued.

The vast majority of the funds which go to colleges support these three aspects.

The Council recognises that some courses are more expensive to run than others. This is reflected in the funding for these courses.

In general, the funding to colleges is expected to cover 75% of the cost of delivering the course. Colleges are expected to recover the remaining 25% by charging fees. However, the Council covers the costs of fees for all young people aged 16-18 studying full-time, and for other groups who cannot afford to pay. The Council also provides funds to enable colleges to support students with learning difficulties and/or disabilities, and for a number of other initiatives such as support for childcare costs and help to allow colleges to widen participation by recruiting new students from disadvantaged groups.

8 Qualifications

Colleges have a considerable range of freedom in the qualifications they can offer their students. They can choose from a wide range of examining and validating bodies, some of them statutory, some charitable and some commercial, all offering qualifications. There are around 20,000 qualifications available for Council funding.

The main types of qualifications funded by the Council are:

- 1 **general educational qualifications**, comprising a range of subjects at GCSE/GCE A level,
- 2 **General National Vocational Qualifications (GNVQs)**, which combine vocational and general education, and provide a path to both further education and employment. GNVQs are designed to develop the skills and understanding needed in broad areas such as business or engineering,
- 3 **National Vocational Qualifications (NVQs)**, based on occupational standards and developing the particular skills and knowledge needed to be able to perform effectively in specific occupations, such as call-centre worker or plasterer.

In fact, most students in the sector take qualifications that fall outside these three main groups. These are qualifications offered by national awarding bodies, such as the Assessment and Qualifications Alliance (AQA), Oxford Cambridge and RSA Examinations (OCR), City & Guilds, and the Edexcel Foundation; or by professional bodies such as the Institute of Chartered Accountants; or by organisations that offer no qualifications for themselves but set out to regulate the standards of others, such as the Open College Network.

Colleges select the qualification they want from the extensive and often overlapping range offered by examining boards and validating bodies. These organisations set down the criteria that students must meet in order to achieve the qualification, and the requirements the colleges must satisfy if they wish to be approved to run the course. They also seek to maintain quality control and standards by appropriate cross-checking and the use of external examiners and verifiers.

The government has published its intentions with regard to the reform of the qualifications structure for the majority of 16-19 year old students. The new curriculum is referred to as Curriculum 2000 and involves advanced GNVQ and GCE A levels being based on six units of similar size and scope so that standards of student performance can be compared. The new structure will encourage students to study more subjects and to mix academic and vocational study. The new curriculum will be widely available from September 2000.

9 Levels of work

One of the useful spin-offs from NVQs is a way of grouping qualifications according to broad levels of achievement, as follows:

entry level: the basic level of skill needed before embarking on more formal study

level 1: foundation level, basic skills for working in semi-skilled jobs

level 2: intermediate level, equivalent to GCSE; giving students access to further study or to employment in semi-skilled jobs

level 3: advanced level, equivalent to GCE A levels; giving access to technician or supervisory jobs, or to HE

level 4: higher education, equivalent to degree-level study; giving access to higher-level technician and junior management jobs

level 5: post-graduate, or equivalent professional levels of study; senior management jobs.

In the interests of giving students the opportunity to progress to the level of their potential, many colleges set out to offer courses from entry level up to at least level 4.

10 Quality, standards and inspection

Quality in further education relates chiefly to the students' experiences in the college and **standards** relate to the levels of achievement expected of and reached by students. Improving quality and raising standards should be a prime aim of all colleges. Most governing bodies have devoted more of their time of late to looking at how this aim is best achieved. All colleges should have a policy on quality assurance and governors should expect to see regular reports on student retention on courses and achievements of qualifications.

The Council's inspectorate conducts **inspection** of colleges on a four-yearly cycle. The outcomes, together with key performance indicators, are used by the Council to fulfil its duty to ensure that satisfactory arrangements exist to assess the quality of education provided by colleges.

The overall aims of the Council are to ensure that provision funded by the government is fit for its purpose, to recognise high standards and excellence and to encourage continuous improvement throughout the sector.

In 1998, the Council formulated a **quality improvement strategy** to support colleges in raising the standards of their work. Since its publication, the Council has:

- asked colleges to set targets for student retention and achievement
- published benchmarking data for student retention and achievement rates
- provided additional time for college inspectors to work with colleges
- established a quality improvement unit to take forward the introduction of the standards fund by the secretary of state for education and employment
- extended arrangements for re-inspecting unsatisfactory provision.

By establishing the **standards fund**, the government has signalled both its strong commitment to further education and its expectation that all colleges will strive to improve their performance year-on-

year. After consulting colleges on the use of the standards fund, four strands of activity were agreed. These will provide funding to support:

- immediate action by those colleges causing concern or judged to be in need of additional support
- post-inspection action plans for all inspected colleges
- training for governors, principals and teachers
- the dissemination of good practice.

Much of the sector's work inspected in 1998-99 was judged to be of high quality. Where provision was judged to be unsatisfactory it was concentrated in a few poorly performing colleges. Most colleges are responsive and effective institutions. They provide valued service to their communities, offering a broad curriculum of interest to young people and adults. Over 90% of teaching observed by inspectors was judged to be at least satisfactory, including 65% which was good or outstanding. Student achievement levels have risen by 4%, according to performance indicators data collected by the Council. This gain has been made without detriment to student retention and against a background of widening participation and a 2% increase in Council-funded students attending colleges. Most encouragingly, the greatest gains, sometimes approaching 10%, have been improvements in the performance of the worst 25% of colleges.

General guidance

Updated

Learning and Skills Council
Further education sector bodies
Legal framework
Role of the Council
Funding the sector

March 2000
March 2000
March 2000
March 2000
March 2000

Gen1 Learning to Succeed

Learning to Succeed: a New Framework for Post-16 Learning was published on 30 June 1999. It proposes the establishment of the Learning and Skills Council (LSC) for England. This Council will deliver all post-16 education and training (excluding higher education) and assume responsibility for:

- funding colleges from the Further Education Funding Council (FEFC)
- advising the government on the National Learning Targets from the National Advisory Council for Education and Training Targets (NACETT)
- funding modern apprenticeships, national traineeships and other government-funded training and workforce development from Training and Enterprise Councils (TECs)
- developing, in partnership with local education authorities, arrangements for adult and community learning
- providing information, advice and guidance to adults
- working with pre-16 education sector to ensure coherence across all 14–19 education.

The Learning and Skills Bill, embracing the proposed changes, was published on 16 December 1999 and subject to the parliamentary process, is expected to receive royal assent in July 2000.

Learning and Skills Council

The FEFC will cease to exist on 31 March 2001 and the LSC, with its 47 local arms will fund current FEFC-funded institutions and all other post-16 providers. The proposed arrangement will be a more integrated approach to post-16 funding and the proposed demand-led framework will be the major strength of the new arrangement.

Inspection

Post-16 quality assurance and inspection currently operate on a sector basis. The inspection arrangements are as follows:

- the 1,800 school sixth forms are inspected by the Office for Standards in Education (OFSTED) as part of a whole-school inspection
- the 425 further education colleges are inspected by the Council's inspectorate

- TEC-funded training by providers and the education and training elements of the 18–24 New Deal options are inspected by the Training Standards Council, a subsidiary company of the TEC National Council
- inspection of LEA arranged adult education services is the responsibility of OFSTED.

The new arrangements envisage a rationalisation of these existing inspection arrangements:

- OFSTED will be responsible for the inspection of provision for 16–19 year olds in schools and colleges
- for post-19 provision in colleges and for work-based provision for all age groups, there will be a new independent Adult Learning Inspectorate (ALI)
- adult and community education will be inspected by the ALI, as will appropriate provision within the ambit of the University for Industry (Ufi)
- the two inspectorates will work together, where appropriate, to conduct a joint inspection programme for sixth form, further education and tertiary colleges.

The arrangements for the LSC and the ALI will be finalised through the Learning and Skills Bill. Colleges are asked to adopt these guidelines until such time as other guidance is made available.

Gen2 Further Education Sector Bodies

Colleges

At February 2000, there are 425 colleges in the further education sector. The colleges vary enormously, but are generally categorised into five ‘families’.

General further education colleges

This category covers 276 colleges, which, generally, provide a broad range of courses, both full-time and part-time, day and evening. In some areas of the country, local schools do not have sixth forms, and the college is, therefore, the provider of all 16-18 education; those colleges are often referred to as ‘tertiary colleges’.

Many of these colleges have particular areas of work for which they have a particular reputation and draw students regionally or nationally. A few are highly specialised, but do not fit naturally into any other category.

The annual budget of a general further education college is typically around £11 million, within a range from under £2 million to over £40 million. Student numbers range from a college with 450 full-time and 350 part-time students, to one with 4,000 full-time and over 70,000 part-time students.

Sixth-form colleges

Luton Sixth Form College was the first to be created in England, in 1966; there are now 105. The majority of these colleges were established by the local education authorities, but 18 were established by the Roman Catholic Church and a further four by some form of benefactor.

Until 1993, sixth-form colleges were, in effect, the sixth-form provision for all local schools, and all students were full-time, aged 16 to 18. Since 1993, sixth-form colleges have been able to recruit part-time and adult students, but they remain primarily for 16-19 year-olds.

The annual budget of a sixth-form college is typically around £3.5 million, within a range from £1.5 million to £10 million. Student numbers range from a college with 350 full-time and no part-time students, to one with 1,850 full-time and over 9,000 part-time students.

Agriculture and horticulture colleges

There are 24 colleges that specialise in agriculture and horticulture. Whilst originally these colleges may have been established to provide courses for the farming industry, it is perhaps more accurate now to describe them as providing for the land-based sector. Whilst these colleges do still provide courses to support the traditional needs of the farming community, they will also offer courses in management, engineering (such as machine maintenance), etc.

In some parts of the country this provision is made by the local general further education college and, in a few cases, as part of the provision of a university.

The annual budget of an agriculture and horticulture college is typically around £4.5 million, within a range from £2 million to £9 million. Student numbers range from a college with 200 full-time and 300 part-time students, to one with 900 full-time and 5,000 part-time students.

Art and design colleges

There are seven colleges that specialise in art and design.

The annual budget of an art and design college is typically around £3 million, within a range from £2 million to £5 million. Student numbers range from a college with 450 full-time and 350 part-time students, to one with 1,000 full-time and 1,500 part-time students.

Specialist designated institutions

There are 13 institutions which were established to serve particular purposes, serving an area well beyond the immediate locality of the college, and often nationally. It is not possible in a few words to describe these institutions adequately; their only common feature is that they are different.

Other bodies

The further education sector, made up of colleges funded through the Council, is shaped, influenced and served by a number of other bodies. In the normal course of carrying out their duties, governors are likely to come across the activities of many of these bodies through their interaction with colleges. The list of such bodies is long, but the chief ones are listed below:

The Department for Education and Employment (DfEE) is the government department responsible for policy on education and training in England. Over recent years the department has taken many initiatives that impact on further education, many of which are described in:

- the Green Paper *The Learning Age: a Renaissance for a New Britain* (1998)
- the White Paper *Learning to Succeed: a new framework for post-16 learning* (1999)
- *Improving Literacy and Numeracy: a Fresh Start - The Report of the Working Group Chaired by Sir Claus Moser* (1999)
- *National Learning Targets for England for 2002* (1998)
- *Second Report of the National Skills Task Force: - Delivering Skills for All* (1999)
- *Learning for the Twenty-first Century: First Report of the National Advisory Group for Continuing Education and Lifelong Learning* (1997).

The Association of Colleges (AoC) is the representative body for further education colleges, established by colleges themselves to provide a voice for the further education sector at a national level. The membership includes colleges of all types – general further education, sixth-form, agricultural, art, design and performing arts, and other specialist categories. Membership covers colleges in England, Wales (through affiliation arrangements with Fforwm) and Northern Ireland (through the Association of Northern Ireland Colleges). Some 98% of colleges in the three countries are in membership. The AoC offer advice and guidance to governors, and a helpline service on governance matters.

The Qualifications and Curriculum Authority (QCA), as the regulatory body for public examinations and publicly funded qualification, will take the lead in designing and developing a coherent national framework of qualifications which meets the needs of education and training, both individuals and employers. It will define and maintain clear and high standards of quality assurance expected of awarding bodies.

As one of a number of bodies committed to enhancing quality in education, QCA aims to help raise national standards of achievement. This includes promoting greater access to and participation in education and training, enhancing lifelong learning opportunities, creating ways of giving credible national recognition for all learners, and developing ways of increasing achievement in literacy, numeracy and key skills generally.

QCA's functions and responsibilities include: accrediting and ensuring the quality of all publicly funded qualifications offered in colleges and workplaces; carrying out research to support its policy proposals and to evaluate their effectiveness; providing information, support and guidance for education and training practitioners; monitoring international developments and comparators to ensure the early adoption of best practice; promoting quality and coherence in education and training to increase lifelong learning opportunities and the creation of a learning society.

The Further Education Development Agency (FEDA) is a government-sponsored agency for post-16 education and training. The agency runs programmes to improve the expertise and performance of teachers and trainers, to develop the capability of institutions and organisations, and it undertakes research to inform policy and practice.

The Further Education National Training Organisation (FENTO) was recognised by the secretary of state for education and employment, in consultation with the secretaries of state for Northern Ireland, Scotland and Wales, in November 1998. FENTO is the nationally recognised body for standards for the FE sector in the United Kingdom. The organisation is committed to setting standards for all aspects of work in further education and covers support staff, managers and governors/boards of management, as well as teaching staff.

Governors should also be aware that there are other bodies which from time to time produce advice, guidance and useful publications on matters relating to further education. These include:

- professional associations for college staff, including:

- Association of Principals of Colleges (APC)
- Association for College Management (ACM)
- Association of College Registrars and Administrators (ACRA)
- National Association of Principal Agricultural Education Officers (NAPAEO)

- trade unions, including:
 - National Association for Teachers in Further and Higher Education (NATFHE)
 - Association of Teachers and Lecturers (ATL)
 - UNISON

- Sixth Form Colleges' Employers' Forum (SFCEF)

- Basic Skills Agency (BSA)

- awarding bodies

- Training Standards Council (TSC)

- Office for Standards in Education (OFSTED).

Collaboration and partnerships

With the encouragement of the government and the Council, colleges are now embarked on collaboration and partnerships with other agencies in an effort to deliver lifelong learning, with major priorities to widen participation, increase achievement, raise standards and address skills needs in their area.

The learning partnerships involve collaboration between colleges, local education authorities, training and enterprise councils and careers services; they may also include higher education institutions, the Employment Service, employers, and voluntary and community bodies, depending on local circumstances. More details can be found in section D1.

Many colleges are also involved in collaboration with other colleges and with schools to broaden the curriculum available to post-16 students. Post-16 consortia can usually offer a greater number of courses and more subject combinations and there is a wider range of routes for progression. Successful collaboration can reduce unnecessary duplication of provision, courses can be provided more economically, and there is increased stability in planning the provision because of the larger number of students.

Gen3 Legal Framework

Further education legislation

The framework for the current organisation of further education in England was established under the Further and Higher Education Act 1992, which is referred to hereafter as the Act. The Act is referred to as **primary legislation**.

The effect of the Act was to create a large number of independent colleges with exempt charitable status, funded mainly by the public purse through the new Further Education Funding Council.

The Act as passed in 1992 has been amended by subsequent legislation; in particular, the further education provisions have been amended by the Disability Discrimination Act 1995; Education Act 1996; Employment Rights Act 1996; School Standards and Framework Act 1998; and Teaching and Higher Education Act 1998. The Learning and Skills Bill will make further amendments.

Many of the provisions in the Act are brought into effect by orders made by the secretary of state. These orders, which include the instrument and articles of government of further education corporations, are called **statutory instruments** and are referred to as **secondary legislation**.

Finally, the Department for Education and Employment issues circulars and administrative memoranda that give guidance on legislation. That guidance is accompanied usually by a statement to the effect that it should not be relied on as a definitive interpretation of the legislation. In some instances, guidance has been tested in court; the results of such court actions also enter into legislation as 'case law'.

The effect of the Act

Until 1 April 1993 local education authorities maintained the vast majority of further education colleges and sixth-form colleges in England. The exceptions were colleges that did not relate to a single local education authority: those serving a national role (such as the Workers' Educational Association) were grant-aided by Government; and those that had served a cross-London role (such as the City Literary Institute) were grant-aided by the London Residuary Body.

As a result of the Act, all those colleges that had been grant-aided, all the sixth-form colleges and most further education colleges were brought into the new further education sector. The responsibility for funding transferred from the local education authorities to central government, to be administered on behalf of government by the Further Education Funding Council.

The colleges in the new sector

In many local education authorities there was an adult education service which operated separately from the local colleges. Typically, this service provided short evening courses, using schools and

community centres, and only rarely did such services have substantial dedicated premises. The Act was framed so as to leave those services with the local education authorities.

The colleges brought into the new sector were defined as either:

- a further education corporation (initially around 430 colleges). This category comprised colleges with various descriptions, including colleges of further education, technical colleges, agricultural colleges, colleges of art and design, tertiary colleges and sixth-form colleges; or
- a designated institution (initially around 35 colleges). This category comprised those colleges not maintained previously by a local education authority and the former voluntary aided sixth-form colleges.

Beyond those broad definitions, however, there are many, and important, differences in the legal status of individual colleges. Designated institutions include colleges governed by trust deeds (religious or secular), companies limited by guarantee and unincorporated associations. Further education corporations are all established by the secretary of state for education and employment, with powers defined by the Act. However, there are further education corporations that are in part governed by trust deeds. It is important, therefore, that governors are fully aware of the status of their college.

Other legislation

The Further and Higher Education Act 1992, and associated secondary legislation and guidance, are the basic legislation for governors when exercising their specific functions in running a further education college. Governors also, however, have functions as employers and are in a position similar to that of the director of a company. Governors are, therefore, also subject to legislation relating to such things as employment, data protection, equal opportunities, disability discrimination, sex discrimination, race relations, and health and safety.

Conclusion

The above demonstrates the complexity of the legislation relating to further education colleges; governors will wish to exercise due caution and take appropriate advice when considering any such issues.

Gen4 Role of the Council

The Further Education Funding Council was established by parliament, and its role was determined by parliament.

In summary, the role of the Council is to make sure there are further education opportunities throughout England to meet the needs of students, including those with learning difficulties and/or disabilities.

The main ways in which the Council seeks to fulfil this role are:

- funding colleges to enable them to provide further education courses. The Council distributes over £3 billion annually
- assessing the quality of further education provision. This includes the quality of teaching and of learning, but also includes the quality of management, of governance and of the facilities available
- ensuring that colleges are aware of and can contribute to government policies, as well as ensuring that the government is aware of the role and potential of the sector
- working in partnership at local, regional and national level with a wide variety of partners, including colleges, employers, local authorities and government agencies.

The Council has in place a regional review process through which it regularly assesses college performance. This process was formalised in April 1998 through the publication of Council Circular 98/12, *The Council's Approach to Identifying Colleges Requiring Additional Support*. Regional reviews take place three times a year. Reviews consider concerns the Council might have, for example, about a college's financial position, strategic planning, education provision or adequacy of data. After each review, the college principal receives a letter outlining the Council's level of concern. Where the college is identified as requiring additional or exceptional support, this letter is also copied to the chair of governors. The Council's aim is to ensure that financial and other practical support enables colleges causing concern to improve performance rapidly and that colleges displaying signs of deteriorating standards are promptly assisted.

For those colleges which the Council's regional teams have identified as requiring exceptional support, the Council's executive team will:

- appoint a member of the executive team as the lead director responsible for any action the Council takes in respect of the college
- consider what further support might be offered to the college by the regional team and whether a meeting between a member of the executive team and the principal, and where appropriate the chair of governors, of the college would be beneficial

- consider what action the executive team should take to try to resolve matters at the college
- consider the impact of continuing difficulties at the college on the Council's duty to provide sufficient and adequate facilities for further education.

In these cases, the Council's approach features the following:

- colleges may be asked to prepare and implement an action plan
- the Council may agree to alter its payment profile on a temporary basis to allow colleges time to consider their future and/or secure external funding support
- the Council may ask for the advice of its regional committee on the extent to which the college's provision is required in order for the Council to fulfil its statutory duty to ensure adequate and sufficient facilities
- the Council may make it a condition of funding that a college take specific measures to overcome its problems
- the Council may set out for the college its view of the options which are open to the governing body
- the Council does not deviate from its published criteria for making funding allocations and providing other forms of financial support.

The Council has also established a quality improvement unit to take forward its quality improvement strategy and the allocation of the standards fund. The standards fund was introduced by the government to raise standards in the sector. The aims of the unit are to:

- continue to develop systems for the early identification of colleges performing poorly
- investigate and report on the extent of academic failure in colleges performing poorly
- monitor and report on colleges' progress in raising standards
- manage the allocation of the standards fund and monitor its use
- take a lead in administering accreditation and disseminating good practice.

The unit's work is fully integrated with the regional review mechanism to ensure additional help and resources are available to colleges as they undertake quality improvement work.

Using the standards fund to implement the Council's quality improvement strategy and to meet government priorities will be a significant feature of the Council's future work.

In using the standards fund, the Council intends to recognise and reward excellence, and also to enable colleges to have access to funds to help them to secure improvement. The standards fund will be allocated under four broad strands:

- strand 1 will provide funds for those colleges which are identified by the Council as causing concern in relation to their work so that rapid improvements can be made
- strand 2 will provide funds for colleges which have been inspected during the current cycle of inspections beginning in September 1997 to support post- inspection action plans which aim to remedy weaknesses and build on strengths
- strand 3 will be used to support continuing professional development for teachers, training for principals and aspiring principals, and training for governors
- strand 4 will provide funds for those colleges which demonstrate outstanding practice, including those which achieve FEFC-accredited status or are recognised by ministers as 'beacon' colleges, to support them in using their experience and expertise for the benefit of others.

Colleges need to be mindful of the lifetime of the standards fund. Allocations to the Council for financial years 1999-2000 and 2000-01 have already been made and announcements will be made about allocations for the third year of the fund. Colleges that are not eligible for support under strand 2 in financial year 1999-2000 will become eligible when they have been inspected. At this time they may also be eligible for funding under strand 4.

The Council's general approach is to invite colleges to prepare costed action plans for the activities that they propose to undertake. These will underpin the allocation of funding and the monitoring and evaluation activities necessary to ensure effective use of the standards fund. To avoid duplication of time and effort, the Council prefers colleges to prepare a single costed action plan covering all activities for which funding is sought.

Gen5 Funding the Sector

This section outlines the respective roles of the secretary of state for education and employment, funding councils, training and enterprise councils and local authorities in funding further education, and European Union funding that may be available to colleges.

Secretary of state for education and employment

The secretary of state for education and employment has the principal responsibility in government for direct funding of the further education sector. The amount of money available for allocation up to the year 2001-02 by the Council is determined by the secretary of state for education and employment in consultation with the Treasury as part of the comprehensive spending review and is subject to approval by Parliament.

The Further Education Funding Council

The main task of the Council is to allocate funds put at its disposal by Parliament to the colleges in the further education sector. In making its funding decisions the Council has regard to colleges' strategic plans and its own aims and objectives as notified to the sector. The Council also funds some further education provision in higher education institutions and, through sponsorship arrangements made by further education colleges, in other colleges and institutions not in the sector. The chief executive is the accounting officer for the Council which means he/she is accountable to Parliament for the public funds put at his/her disposal

The Higher Education Funding Council for England

The Higher Education Funding Council for England's (HEFCE's) principal responsibility is for funding higher education provision at universities and colleges of higher education.

The HEFCE also funds higher education provision in the further education sector. Colleges receiving such funding are accountable to HEFCE for the proper use of those funds.

Training and Enterprise Councils

Each Training and Enterprise Council (TEC) is an independent company operating under a performance contract with the DfEE. Their principal aim is to foster economic growth and to contribute to the regeneration of the communities they serve, with a special focus on strengthening the skills base and helping local enterprises to expand and compete effectively.

Further education and vocational training are key elements in many aspects of the work of TECs. The DfEE has given TECs the responsibility for distributing substantial government funding for

programmes designed to meet local needs for education and training. In further education colleges, the most significant programmes funded by TECs include modern apprenticeships and national traineeships.

Local education authorities

Local education authorities (LEAs) are responsible for ensuring there is adequate provision of further education for courses that fall outside of the responsibility of the Council. This type of education is sometimes described as 'non-vocational' or 'recreational'. A substantial amount of this provision takes place in sector colleges.

Under proposals contained in the government's White Paper Learning to Succeed, the role of TECs and LEAs in funding programmes in further education will pass to the proposed new Learning and Skills Council.

European funding

The European Union (EU) provides significant funds in support of education and training in various ways:

- through the European Social Fund (ESF), which currently supports:
 - training for the long term unemployed, for the 16-25 year-old age group, for women returning to work, for migrant workers and for people with disabilities
 - promotion of areas substantially lagging behind the rest of the EU
 - promotion of areas seriously affected by industrial decline
 - combat against long-term unemployment and social exclusion
 - adaptation to industrial change
 - rural regeneration
- through the European Regional Development Fund (ERDF) in designated disadvantaged areas, including rural areas
- through projects designed to promote co-operation in education and training between member states, such as LEONARDO which is aimed at improving and developing the quality of vocational training in the member states, and SOCRATES which facilitates exchanges of experience and information between member states in the field of education.

More information on European funding can be found on the European Commission website at <http://www.cec.org.uk>.

The Council's funding methodology

Background

Before the Council introduced its methodology, funds were allocated on the basis used by local education authorities (LEAs) when they were responsible for the institutions, namely the numbers of enrolments on courses each year. This approach did not take account of the extent to which students dropped out of their courses or failed to achieve their qualifications.

The Council's funding methodology was designed to address the shortcomings of previous approaches to funding. For example, in addition to student numbers, it also takes into account both the initial guidance and assessment received by students, and the effectiveness of institutions in supporting student learning and achievement.

Funding units

The education and training for which an institution receives funding from the Council is expressed in terms of a measure called the funding unit, rather than in full-time equivalent enrolments. Standard values of units are generated by an institution for the following elements of each student's learning programme:

- entry activities, defined as 'all activities leading to the enrolment of a student on a learning programme'. The units may be claimed only for students with whom the institution has entered into a learning agreement, signed by both parties, setting out the student's primary learning goal and the support the institution has agreed to provide to help the student achieve it, and confirming that in reaching the agreement the student has had the benefit of adequate initial assessment and guidance
- on-programme activities, defined as 'all activities of learning and accreditation of achievement, including assessment, general and specific student support services and enrichment activities'. Programmes are defined in terms of qualification aims (for example, national vocational qualifications (NVQs), general certificate of education (GCE level qualifications). The standard value of units available for each qualification has a component which reflects the length of the programme (the 'basic on-programme' units) and a component which reflects its relative cost (the 'cost-weighting factor'). For example, the cost of an engineering programme is greater than the cost of a business studies programme. The length of each programme is defined in terms of 'guided learning hours'. These are intended to represent the time during which an institution directly incurs expenditure in support of a student's programme. The on-programme units are accumulated term-by-term for each term wholly or partly completed by the student. If, for example, a student on a one-year programme dropped out during the second term, the institution would be able to claim on-programme units for only the first two terms of the year.

- achievement, for which a list of eligible qualifications and achievements is provided in Circular 99/01 *Tariff 1999-2000*. The list comprises, in the main, qualifications externally accredited by validating bodies such as Oxford Cambridge and RSA Examinations (OCR), City & Guilds and the Edexcel Foundation. College certificates without external accreditation are eligible specifically to recognise the achievements of students with learning difficulties and, for the present, certain other specialised qualifications

Tuition fee remission

Institutions and LEAs are free to set their own tuition fee policies, subject to the requirement of the secretary of state that fees may not be charged to students aged 16-18 in full-time education. For the purposes of the funding agreement, '18' means 'under 19 on 31 August of the calendar year in which the student commences a programme of study'. In addition, to promote access to further education by people on low incomes and to encourage basic education, units may be claimed by institutions that remit 100% of the tuition fee to certain groups of students, that is, those receiving unemployment benefit or means-tested state benefits and their unwaged dependants, and students taking a programme of adult basic education (ABE) or English for speakers of other languages (ESOL).

Childcare support

These units may be claimed for students who are either receiving, or who are unwaged dependants of persons receiving, unemployment benefit or means-tested state benefits, and students taking programmes of ABE or ESOL. The childcare support units may be claimed where an institution provides either creche or playgroup facilities at no cost, or meets 100% of the cost incurred in securing the provision of childcare during the student's programme of study.

Additional support

This is defined as 'any activity which provides direct support for learning to individual students, which is over and above that which is normally provided in a standard learning programme which leads to their primary learning goal'. The additional support is required to help students gain access to, progress towards and successfully achieve their learning goals. The need for additional support may arise from a learning difficulty and/or disability or from literacy, numeracy or language support requirements.

Widening participation

A widening participation uplift may be claimed for any student who is recruited from an area with a postcode which is in a ward considered to be relatively more deprived. The Council uses an index based on the index of local deprivation produced by the Department of Environment, Transport and the Regions (DETR) as a proxy measure for educational disadvantage. Students living in the 15% most deprived local authority wards attract additional funding. The average uplift factor is 6% and is applied to entry, on-programme and achievement units. In addition, a widening participation uplift

factor of 9% may be claimed for people living in supported accommodation, irrespective of their postcode.

There is evidence that for some groups of people, participation and achievement in learning of all kinds is low and whilst some of these students will live in areas which qualify for the widening participation uplift, others will not. It is proposed that local provision from certain groups will qualify for a widening participation uplift of 6%. These groups are:

- the homeless
- those living in hostels and residential centres
- those with mental health problems
- travellers
- those in or who have recently left care
- those whose statutory education has been interrupted, for example, by pregnancy or parenthood
- asylum seekers
- refugees.

In addition, subject to consultation, students taking basic skills courses and students whose provision is part-funded by the European Social Fund (ESF) will be eligible for the widening participation uplift.

The Council will be consulting the sector on a proposal to replace the current widening participation method for 16-19 year-old students with a system for determining eligibility based on previous educational achievement. This would be implemented from 2000-01.

Sum of units

The total number of units generated by each student varies according to the type of programme followed, their success at the end of it, and the degree of financial and other support made available by the institution. The total activity being supported by funding from the Council at an institution can then be expressed as the sum of units generated for each student. In the same way, the funding agreement between the Council and each institution specifies the minimum number of funding units which the institution has agreed to generate in return for the funds allocated to it.

The standard values of units available for each element of a student's programme are set out in a tariff. The Council has established a tariff advisory committee (TAC). Membership of the TAC is made up of senior staff from colleges and other institutions funded by the Council. The TAC advises the chief executive of the Council on the elements of provision to be differentiated for funding purposes, and on

the value of units to be assigned to each element in the light of research and consultation with institutions.

Specific guidance

Section A: Governance matters

| | Updated |
|---|------------|
| Governing body – roles and responsibilities | March 2000 |
| Membership and appointments | March 2000 |
| Conduct of business | March 2000 |
| Relationship with the Council | March 2000 |
| Role of the chair | March 2000 |
| Role of the clerk | March 2000 |
| Role of the principal | March 2000 |

Section A: Governance matters

A1 Governing body – roles and responsibilities

1 What is the governing body responsible for?

1.1 In general terms the governing body is responsible for the overall functioning of the college. It is accountable for the quality of the service to its students and their welfare, the financial health of the college and the proper use of public funds and sound management.

2 What are the specific powers?

2.1 The Further and Higher Education Act 1992 specifies the powers of the governing body.

2.2 The principal powers are to:

- provide further and higher education
- (in certain circumstances) provide secondary education to pupils in the fourth key stage
- supply goods or services in connection with the provision of education.

2.3 In order to exercise their principal powers the governing body may:

- conduct an educational institution
- provide facilities which appear to the board to be necessary to support its principal powers which could include providing boarding accommodation and recreational facilities for students or staff
- acquire and dispose of land and other property, enter into employment and other contracts, borrow subject to FEFC approval and invest money.

3 What are the duties of the governing body?

3.1 What the governing body must do and how it should carry out its business are set down in the college's own articles of government. Each college in the sector funded by the Council operates under articles of government or, at some designated colleges, an equivalent document.

3.2 Each college has an instrument of government that sets out the arrangements for membership and meetings of the governing body and its committees. The articles of government define the responsibilities of the governing body and the principal (and the extent to which those responsibilities

can be delegated), and various matters relating to staff and students. It is important that governors obtain a copy of, and are conversant with, the articles of government for their own college.

3.3 In general, the duties of the governing body are:

- to determine the educational character and mission of the college and ensure that there are effective means of knowing whether the college is being properly managed to fulfil its mission
- the effective management of resources to ensure the solvency of the college and the safeguarding of its assets
- to approve annual estimates of income and expenditure
- appointment, grading, suspension, dismissal and determination of pay and conditions of service of the holders of senior posts and the clerk to the governing body
- to set a framework for the pay and conditions of service of all other staff.

4 What are the considerations for individual governors in carrying out their responsibilities?

The seven principles of public life

4.1 A governor of a college is a holder of public office and in carrying out the roles and responsibilities should abide by the seven principles of public life, as recommended by the Nolan committee's report, Standards in Public Life. In summary the principles are:

- selflessness: holders of public office should take decisions solely in terms of public interest and not in the interests of themselves their family or friends
- integrity: holders of public office should not place themselves under any obligation to a third party which might influence them in the performance of their public duties
- objectivity: all decisions involving awarding of contracts, benefits or rewards should be made on merit
- accountability: holders of public officer are accountable to the public for their actions and should submit themselves to the appropriate scrutiny
- openness: all decisions taken should be as open as possible
- honesty: holders of public office have a duty to declare any private interests relating to their public duty and resolve conflicts so as to protect the public interest

- leadership: holders of public office should promote and support these principles by leadership and example.

Fairness in the decision-making process

4.2 There is an obligation on governors in taking their decisions to act reasonably with regard to natural justice. Whilst such criteria may seem self-evident, there is a risk that on occasion they may be neglected, especially when difficult decisions have to be taken quickly, and when important procedural safeguards could be overlooked and/or full consideration curtailed. A decision made by a governing body may be subject to judicial review and the governing body might see its decision set aside by the courts in the event of an adverse finding. Where staffing issues are involved, the governing body's decision may also be subject to the findings of employment tribunals.

Personal liabilities of governors

4.3 The law relating to the personal liabilities of governors is complex and its interpretation is ultimately a matter for the courts. However, governors should satisfy themselves that they understand their own position in their particular college. Some important aspects are that governors should:

- be satisfied that a course of action proposed is in accordance, as appropriate, with the college's articles of government or memorandum and articles of association and, in the case of a registered charity, is within the terms of the trust deed, or scheme, regulating the charity
- not bind the college to a course of action it cannot carry out or act outside the college's powers
- seek to ensure that the college, or any enterprise company run by the college, does not continue to operate if it is insolvent
- seek to persuade fellow governors, and register dissent, if they are concerned that an action would be contrary to any of the above; governors are entitled to vote against any resolution put before the board and have their position recorded in the minutes
- act honestly, diligently and in good faith, noting that to do so reasonably could require taking professional advice in appropriate circumstances
- avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests and those of the college, particularly where those interests are financial.

4.4 It is desirable to take out insurance against the costs of any charge of negligence that may be made against the governors in carrying out their duties.

Considerations in decision-making

4.5 Governors nominated by particular groups must not speak or vote at meetings as if they are delegates of the group by whom they were nominated. Whilst the composition of the governing body is intended to ensure that the views of a wide range of interests are available to the governing body, the instrument states that no governor may be bound by mandates given to him/her by others. Each governor must take a view on each matter coming before him/her on the merits of the issue in hand. The strength of the governing body will depend on the quality and variety of individual contributions made to its discussions by each governor. Such contributions will not just be at formal meetings, but also through working parties and committees looking at particular issues on behalf of the governing body.

4.6 Once a matter is determined, individual governors are expected to be bound by the collective decision of the governing body. Only the chair, the principal or the clerk should make statements on behalf of the governing body, unless the governing body approves otherwise. Governors who voted against a resolution should respect the decision of the majority and not actively undermine the decision of the governing body.

Disclosure of interests

4.7 Any governor who has a financial interest in any matter under discussion by the governing body must:

- declare that interest to the governing body before any discussion of the item
- not take part in the discussion
- not form part of the quorum
- not vote.

He/she is not required to withdraw physically from the meeting, although this may be advisable so as not to inhibit discussion.

4.8 Declaration of interest may also be required under company law for governors of those colleges conducted as companies. If a governor is unsure as to whether personal interest may be involved or whether or not it would be appropriate to withdraw from the meeting for the discussion of that item, he/she should seek advice from the clerk.

4.9 The rules on financial interest are waived in the case of any consideration by the governing body of the need for insurance against liabilities arising out of the governors' office.

4.10 The instrument also specifies that no governor may take or hold any interest in any college property or receive any remuneration for his/her services, other than as a member of staff, without the written approval of the secretary of state for education and employment.

Level of information needed

4.11 Governors will need to have the following information from the executive of the college:

- standing information
 - the college's instrument and articles of government
 - a copy of any relevant standing orders
 - committee terms of reference and membership
 - any codes relating to the conduct of the governing board's business
 - a schedule of delegated authorities
 - a timetable of business
 - a register of members' interests
- monitoring information
 - regular financial reports
 - regular reports on decisions taken under authority delegated to the chair, chief executive or committees
 - reports on committee business
 - annual information on the achievement of any targets set in relation to governance systems.

4.12 Governing bodies will need to receive and regularly review the following:

- the conduct of their own business
- the annual cycle of governing body and committee business
- arrangements for reporting decisions made under delegated authority
- standing orders
- the policy and arrangements for training members

- terms of reference and membership of committees.

4.13 Governing bodies will also seek professional advice from time to time, for example on legal, accountancy or property issues. Governors, other than the principal, who are themselves members of relevant professions will wish to contribute to debate on those issues, but should be clear that any comments they make do not constitute professional advice.

5 What are the consequences of not carrying out the roles and responsibilities properly?

5.1 The secretary of state for education and employment may intervene, on the advice of the Council, by virtue of section 57 of the Act in the event of mismanagement or breach of duty. If the secretary of state considers that the affairs of any college within the sector have been or are being mismanaged, he/she may remove all or some of the governors and/or modify the instrument of government. Similarly, the secretary of state may act on any complaint made to him/her that a governing body has failed to discharge any duty imposed on it. Action could include declaring the governing body in default, and giving such directions as he/she thinks fit with which the governing body would be required to comply. An additional order to the instrument, made in October 1999, allows the Council to nominate two members of the governing body, or two observers to attend meetings.

6 Where can governors find further guidance?

Sections 18, 19, 57 and 68 of the Further and Higher Education Act 1992.

Circular 99/48 Financial Memorandum.

Instrument and articles of government.

Circular 99/30 Instruments and Articles of Government: Modifications.

Circular 99/17 Arrangements for considering complaints to the Council.

Education (Government of Further Education Corporations) Regulations 1992.

The report of the Nolan Committee, Standards in Public Life.

Standards for the Board, Institute of Directors, 1999

Section A: Governance matters

A2 Membership and Appointments

1 Who is responsible?

1.1 The governing body is responsible for appointing governors. The search committee is responsible for advising the governing body on the appointment of members of the board, but this does not apply to designated colleges, which are not required to have a search committee. Where the governing body is not quorate, the secretary of state for education and employment is responsible for appointing to the governing body. Although principals are not required to serve on the governing body, the normal expectation is that they would do so. However, principals *must* attend all governing body meetings.

2 What is the composition of the governing body?

2.1 For further education colleges the composition of the governing body is set out in the instrument of government of the college. Following amendments to the instrument of government the composition of the governing body is as follows:

- the minimum number of governors is 12, the maximum is 20
- not more than seven governors who are, or have been, engaged or employed in business, industry or any profession, or any other field of employment relevant to the activities of the institution
- not more than three governors co-opted by the board. The governors on the governing body determine who the co-opted members should be
- at least one governor, but not more than three, who is a member of the staff of the college elected and nominated by the staff
- at least one governor, but not more than three, who is a student at the college
- not more than two governors who are parents of students under the age of 19 at the college, elected and nominated by other such parents or by a recognised association representing such parents
- at least one, but not more than three, members nominated by such local authorities as the college may nominate

- at least one, but not more than three, members nominated by bodies within the local community nominated by other members of the governing body
- the principal unless he/she chooses not to be a member.

In addition to the required membership, the Council can now nominate two members of the governing body, which may result in the total number of members exceeding 20.

2.2 Transition arrangements have ensured that no serving governor will be required to step down in order for the governing body to conform to the new arrangements.

2.3 Governing bodies which are up to strength at present, and cannot yet accommodate members from the new categories introduced by the recent amendments to the instrument of government, might find it beneficial to invite observers from these categories to attend meetings in order to ensure good communications and a smooth transfer to the new arrangements.

3 What are the considerations for making appointments?

3.1 The process for making appointments should be open and transparent, taking into account the seven principles of public life (see section A1). The governing body will need to take advice on appointments from its search committee. It may be appropriate for the search committee to draw up job descriptions and person specifications, which will assist the governing body in making objective appointments on merit. The governing body should also consider reviewing its existing membership to identify any gaps in skills, such as marketing, personnel, accountancy and audit.

3.2 The governing body should also give some consideration to the gender, age and ethnicity of the community served by the college and try to ensure that the governing body reflects that community.

3.3 Generally no one under the age of 18 (other than student governors) or over the age of 70 is eligible for appointment. However, a person over the age of 70 can be appointed if a majority of the governing body approves.

3.4 The governing body will need to ensure there are appropriate procedures for the election of staff and student members. Members of staff are not eligible to be members of the governing body except as an elected staff member or as principal. Equally a student is ineligible to be a member of the governing body except as a student member

3.5 The clerk to the governing body cannot be a member.

3.6 Anyone who has been adjudged bankrupt or has a criminal record is prevented from being appointed to the governing body or continuing as a member.

4 How does an appointment come to an end?

4.1 Appointment comes to an end in accordance with its conditions but the term of office of a governor should not exceed four years. Governors retiring at the end of their term of office are eligible for reappointment. Although the Nolan Committee recommended that members should not serve more than two terms of office, what is more important is to ensure that appointments are made on merit.

4.2 A governor can resign at any time, by giving notice in writing to the clerk to the corporation.

4.3 The governing body can remove a governor from office if it is satisfied that he/she has been absent from meetings for a period longer than six consecutive months without permission of the governing body or that he/she is unable or unfit to discharge the function of a governor.

4.4 Staff and student members of the governing body cease to be governors if they leave the college. For more information on governors who become students please refer to section B1, paragraph 3.3.

5 Can colleges pay allowances to governors?

5.1 The governing body has the power to pay governors such travelling, subsistence or other allowances as it may determine, but shall not without the approval in writing of the secretary of state pay allowances which remunerate the governors for their services as governors.

6 Where can governors find further guidance?

The instrument and articles of government

Circular 99/30 Instruments and Articles of Government: Modifications

Inspection evidence

Governors' knowledge and training

There are well-established arrangements for induction of new governors, which include a visit to the college prior to appointment in order for potential governors to assess their own skills and experience against the college's perception of what they expect from governors. Regular training opportunities are provided for serving governors, although the college believes that increased use of external courses for governors is now necessary. Briefings have been held for governors through some of the papers that have been submitted to them (e.g. on target setting). Governors are knowledgeable about central government and FEFC policies.

Governors have undertaken a skills audit. The clerk maintains a skills database and updates as necessary. The Search Committee uses the audit in order to identify 'gaps' in the collective experience of the governors and seeks nominations accordingly.

In 1998, the governing body wished to strengthen its academic monitoring experience. A nationally known expert in these matters was recruited as a governor and the head of learning resources from the nearby university was co-opted. Some industrial governors are also familiar with quality matters, especially the business excellence model. One has experience in implementation of extensive quality systems, in a large industrial setting.

Section A: Governance matters

A3 Conduct of Business

1 Who is responsible?

1.1 The articles of government establish the respective roles and responsibilities of the governing body, the principal and, in the case of general further education and tertiary colleges, the academic board.

1.2 The governing body and its committees are responsible for the conduct of the college's business. In particular, the governing body is responsible for the overall conduct and oversight of the college's business. The principal is responsible for the day-to-day management of the college.

2 How is the conduct of business determined?

2.1 The instrument of government establishes certain rules of procedure for the conduct of meetings of governing bodies. Individual governing bodies may wish to supplement these to cover aspects of procedure not dealt with in the instrument. Such rules may be in the form of bye-laws which the governing body is empowered by the articles to make with regard to the government and conduct of the college. For effectiveness, individual governors need to be familiar with the procedures for their own college. It is the responsibility of the clerk to the governors to interpret the rules and to advise the governing body or a committee if at any time it appears that the governing body, or a member of the governing body, is in breach of them.

2.2 The principles applying to the conduct of meetings of the governing body will be the same as those applying to a well-conducted meeting of any committee, board of directors or other similar board. Most items of business should be supported by a written report. The instrument of government lays down rules on certain matters:

- members may not vote by proxy or by way of postal vote
- once a resolution is made it cannot be varied or rescinded at a subsequent meeting unless it appears as a specific agenda item
- staff members (including the principal) must withdraw from any part of a meeting discussing:
 - their remuneration, conditions of service, promotion, conduct, suspension, dismissal, or retirement

- the appointment of the principal's successor
- the appointment, remuneration, conditions of service, promotion, conduct, suspension, dismissal or retirement of a member of staff senior to themselves (if other governors so resolve)
- student members must withdraw from any part of a meeting, if required to do so by one or more governors, where there is consideration of the appointment, remuneration, conditions of service, promotion, conduct, suspension, dismissal or retirement of a member of staff and in any event may not participate in discussion of such matters and may not vote
- student members who are under 18 may not participate in decisions on financial and contractual matters
- the principal may attend and speak at any meeting even if he/she is not a member of the governing body.

2.3 On other matters, the chair will be expected to use his/her judgement on the detailed conduct of the meeting, with advice from the clerk as appropriate.

2.4 The instrument lays down specific rules regarding the minimum frequency of meetings, the notice required to summon them, the circumstances in which special meetings may be called and the circulation of papers for meetings.

3 What are the principles regarding access to information about the proceedings of the governing body?

3.1 The general principle applies that there should be access to information about the proceedings of the governing board for students and staff of the college and members of the public. The agenda, draft minutes if cleared by the chair and the signed minutes of meetings, together with the papers considered at meetings, must be available for inspection by students, staff and members of the public. The exception to this rule would be in the case of material relating to named members of staff or students, to prospective members of staff or students, to matters of financial negotiation or to matters which the governing body itself may, from time to time (at its discretion), decide to treat on a confidential basis.

3.2 It is for the governing body, with the advice of the clerk, to decide whether any items on an agenda are to be regarded as confidential. If it so decides, every governor is bound by that decision and should not divulge to any person who is not a member of the governing body any aspect of the governing body's consideration of the issue, except as may be authorised by the governing body. In order not to inhibit access to information about other items of business taken at the same meeting, it is normal practice to minute confidential items separately. The instrument requires this to be the

case for items where staff or student members have been required to withdraw, and they are not entitled to see the minutes of that part of the meeting. There may be occasions when the governing body decides that confidentiality extends only to the discussion of an issue, and not to the decision at the conclusion of that discussion. In those circumstances the decision or resolution on the item could be minuted in the normal way.

3.3 It is for the governing body to decide whether to invite persons other than governors to attend meetings from time to time as observers or as participants in, or advisers on, particular items of business. Such persons should normally be asked to withdraw from any discussion of business that has been deemed confidential unless invited to advise the governing board on the item in question. It is likewise for each governing body to determine its own policy on access by the public or press to its meetings.

3.4 Up to two observers from the Council may attend meetings, including meetings of any committee.

3.5 The instrument specifies that the governing body must make available, to any person wishing to see it, a written statement of its policy regarding both:

- attendance at committee meetings by those who are not committee members, and
- the publication of the minutes of committee meetings.

4 What is the quorum for a meeting of the governing body?

4.1 In most colleges, for a meeting of the governing body to be quorate the overall number or proportion of governors determined by the instrument as being the minimum to form a quorum must be present. That minimum is set at 40% of the total membership number to be present, regardless of the category of member. Vacancies are included in the total membership number when determining quoracy. The rules on quorum apply not only at the start of a meeting, but at any point during the meeting when the numbers present change as a result of members leaving early.

5 What is the role of committees in the conduct of business?

5.1 The recently modified articles remove the requirement for a remuneration committee and one or more committees to deal with employment policy and finance matters. Governing bodies are required to establish two new statutory committees: a search committee and an audit committee.

5.2 The Council's financial memorandum with colleges requires that colleges shall establish, amongst other committees:

- a remuneration committee

- a committee or committees to advise on financial matters and employment policy.

These requirements ceased to be mandatory from 1 August 1999.

5.3 Although the requirement to have in place a remuneration and finance committee is removed, the Council encourages colleges to continue with the current practice.

5.4 In respect of the **search committee**, the modified article specifies that the corporation:

- shall establish a search committee to advise on the appointment of members of the corporation and other matters relating to membership and appointments which the corporation may remit to them
- shall consider the advice of the search committee before appointing any member of the corporation (other than the principal)
- may make rules specifying the procedures for the conduct of the search committee
- shall make available for inspection by any member of the public during normal office hours a copy of any such rules, the remit of the committee and its advice to the corporation.

5.5 The modified articles specify that the corporation must establish an **audit committee** which:

- will advise on matters relating to the corporation's audit arrangements and systems of internal control
- must consist of at least three persons
- may include employees of the corporation other than those in senior posts (that is, senior postholders are excluded but other staff are not)
- shall operate in accordance with any requirements of the Council.

5.6 The establishment of an audit committee is already a requirement under the terms of the financial memorandum between colleges and the Council. Further details are given in the Council's *Audit Code of Practice*, which specifies that the audit committee:

- should have terms of reference set by the corporation
- should consist of between three and five members, with a minimum of three.

5.7 The *Audit Code of Practice* recommends that, to maximise the audit committee's independence and objectivity, the following people should not be members of the audit committee:

- those with executive responsibilities in the college at senior level (as well as the principal and the senior management team, this may include other senior staff with significant responsibilities, for example for college financial, personnel or student record systems)
- members of the college finance committee or equivalent
- the chair of the governing body
- governors with significant interests in the college.

5.8 The council has recently consulted colleges on proposed changes to its financial memorandum with colleges. The new financial memorandum states that the audit committee must include at least one person, whether a governor or not, with relevant financial/audit expertise.

5.9 The restrictions on the membership of committees for categories of governing body members and external members (persons who are not members of the corporation) have been removed in the modified articles, with the following exceptions:

- the principal and other senior postholders (whether governing body members or not) may not be members of the audit committee
- the principal, staff and student members may not be members of a **special committee** convened to examine the case for dismissal of senior postholders. The chair and vice-chair of the corporation are also not eligible for membership of this committee. Persons who are not members of the corporation (that is, external members) are also excluded.

5.10 The compositions of the **selection panel** required to appoint a principal and the special committee appointed to examine the case for the dismissal of a senior postholder have both been changed. The revised membership requirements are:

- the selection panel for the appointment to the post of principal is increased to a minimum of five members of the corporation, including the chair and/or vice-chair. For other senior posts, the minimum is four, made up of three corporation members and the principal
- the special committee for the dismissal of a principal or other senior postholder must have, at least three corporation members (from a previous membership of five).

6 How should governors monitor the conduct of business?

6.1 When delegating its functions, the governing body should be aware that it must comply with the articles, which in most cases follow certain principles:

- the governing body may not delegate its functions in relation to:
 - the determination of the educational character and mission of the college
 - approval of the annual estimates of income and expenditure
 - ensuring solvency of the college and the corporation and safeguarding its assets
 - the appointment and dismissal of the principal and the clerk of the corporation
 - varying or revoking the articles of government
- the governing body may not delegate powers it does not itself possess, such as those specifically assigned by the articles of government to the principal.

In any event, delegation of a function to a committee does not remove the ultimate responsibility of the governing body for decisions taken on its behalf.

6.2 Corporate governance involves ensuring that the governing body has systems in place to monitor action taken on its behalf. This will usually be discharged by receiving regular reports from all committees of the decisions they have taken.

6.3 The governing body must annually review its decision-making processes and such reviews must be recorded in the minutes.

7 Where can governors find further guidance?

Circular 99/48 Financial Memorandum.

Instrument and articles of government.

Circular 99/30 Instruments and Articles of Government: Modifications.

Circular 99/17 Arrangements for considering complaints to the Council.

The Council's *Audit Code of Practice* (issued as an accompaniment to Circular 98/15).

Education (Government of Further Education Corporations) Regulations 1992.

Inspection evidence

A meeting of the full governing body started promptly. There were 13 members present out of 17. There are currently four vacancies. However, the governing body had decided to reconstitute itself with only 13 members.

Although the agenda was lengthy, the meeting was conducted crisply. It lasted one-and-a-half hour.

There were detailed papers for the meeting. All sent out in advance. No papers were tabled. The self-assessment report was presented separately. The papers included the minutes of all committee meetings, to which each of the committee chairs spoke. Most of them did so concisely. The finance manager gave an excellent, clear commentary on the draft financial statement and reports and the financial report for the last quarter.

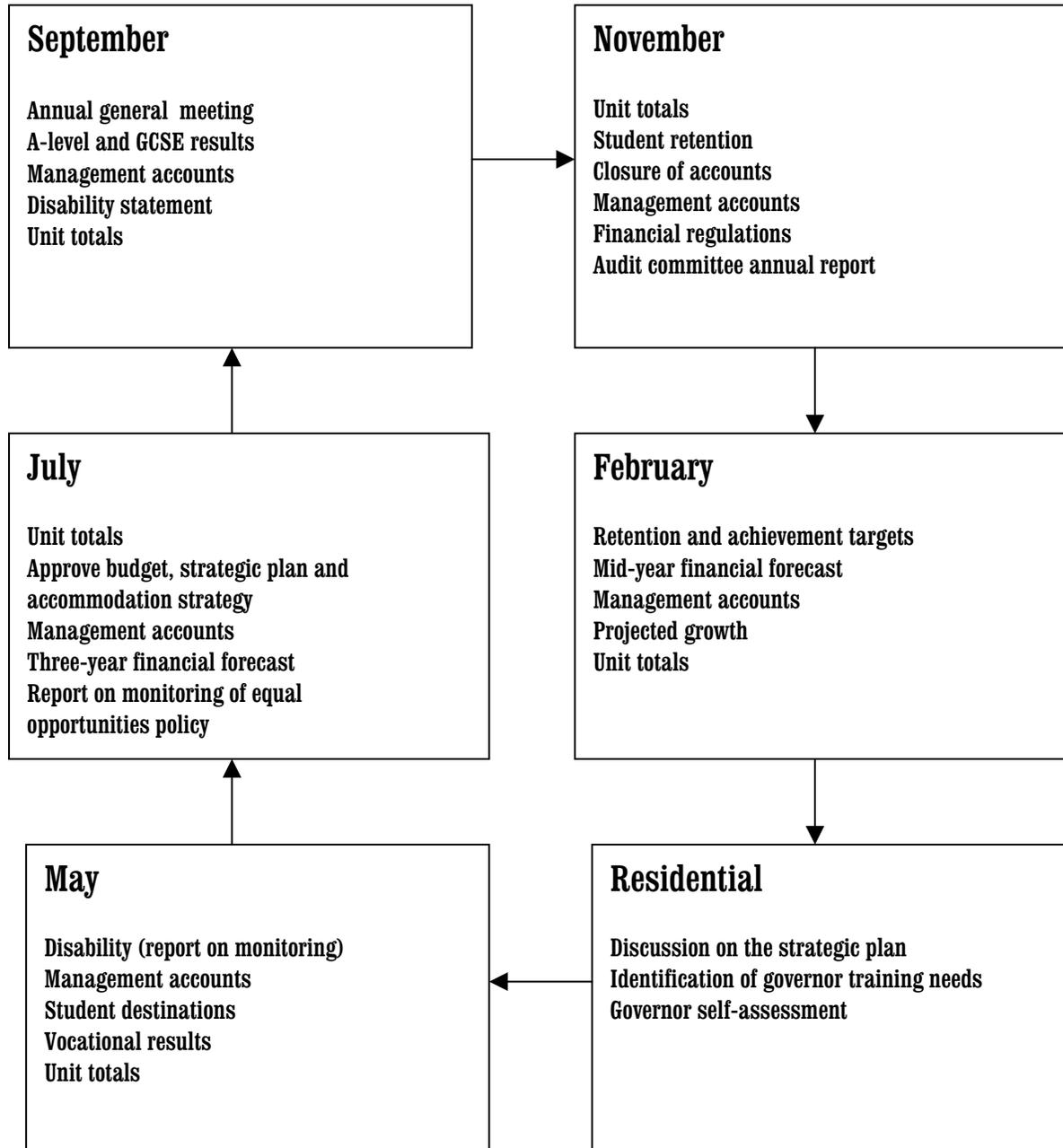
The corporation received a very detailed report on progress in meeting targets in the operating statement. This dealt with every target. The principal spoke to this report, reporting only on the targets that had not been met. Members asked questions at this point and throughout the meeting. The student member, who is President of the Guild, was invited to speak at appropriate points in the meeting.

The atmosphere in the meeting was friendly, businesslike and enthusiastic. Relationships between members and staff are very good.

Inspection evidence

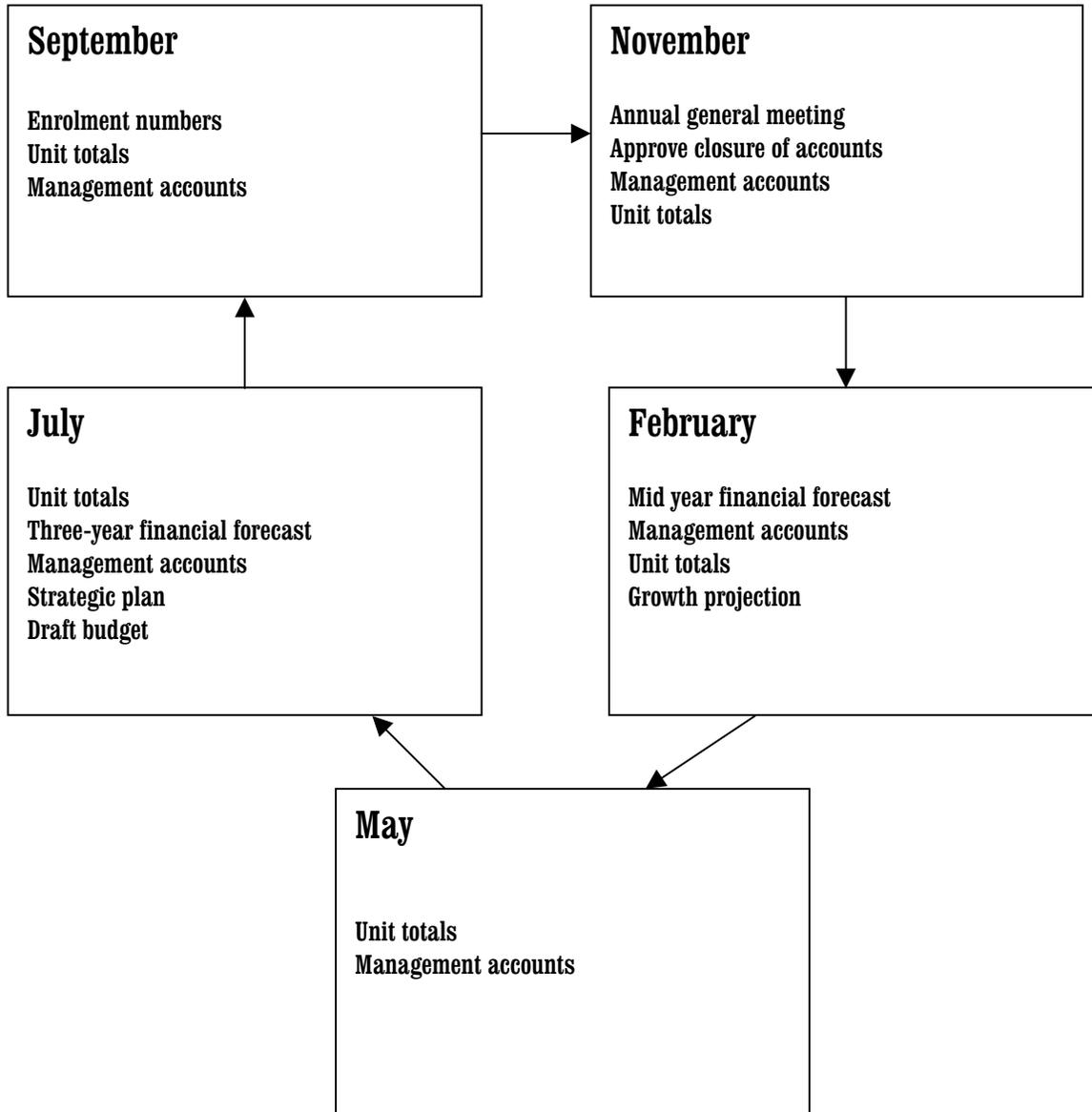
There is a newly formed curriculum and quality committee set up in response to a weakness identified in the self-assessment report. It has the responsibility to ensure that policies and procedures are in place for continuous improvement in the curriculum and overall quality of services at the college; responsibility for setting targets for retention, achievement and progress have been delegated to this committee.

Sector Example
Knowsley Community College Cycle of Meetings
Governing body meetings

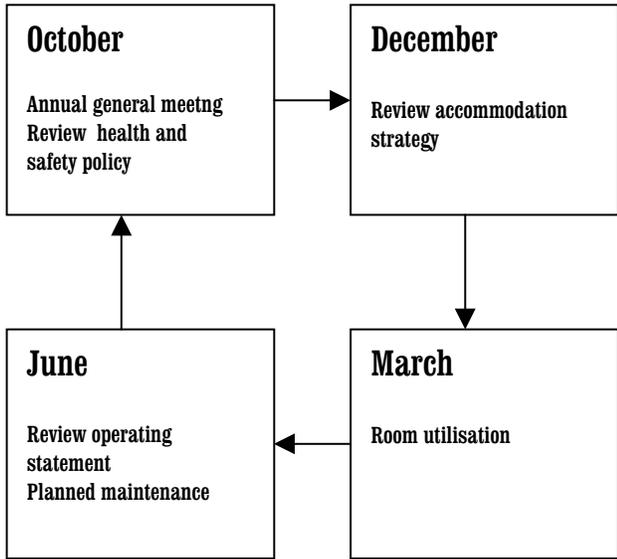


Reports or presentations at each meeting on current issues and progress of strategic objectives

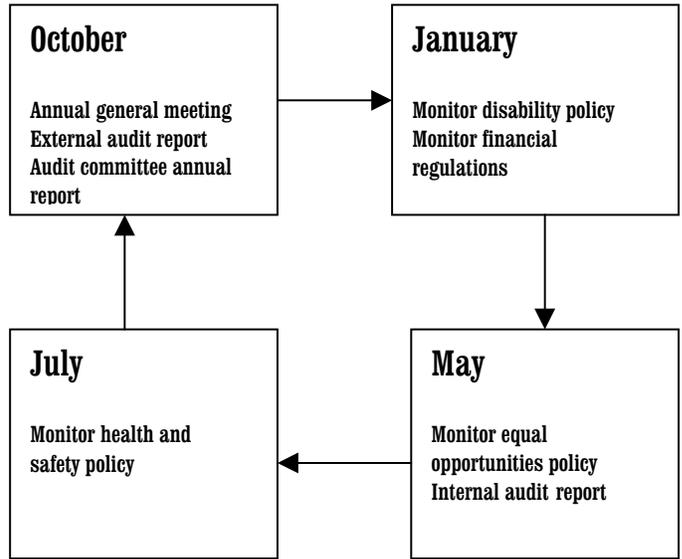
Finance and general purposes committee



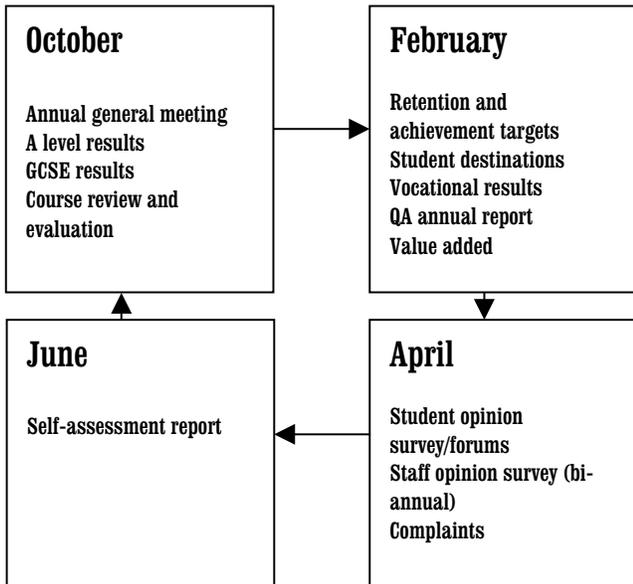
Buildings committee



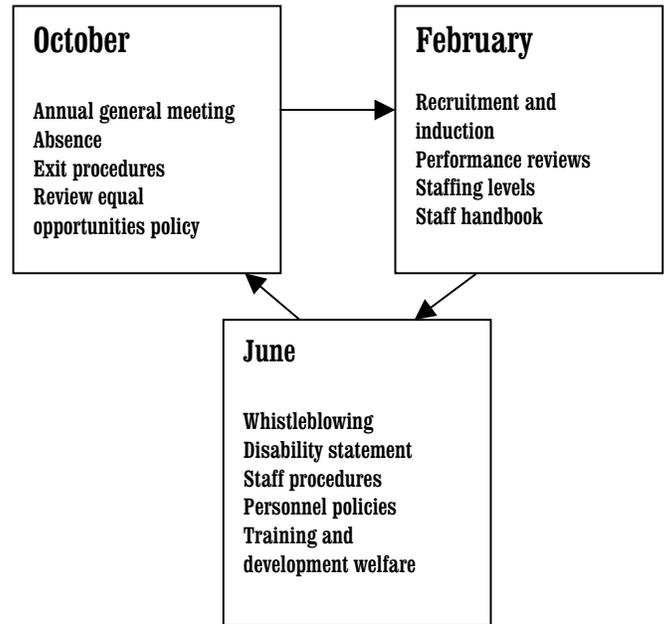
Audit committee



Quality monitoring committee



Human resources committee



The Search and other committees meet as necessary during the year

Section A: Governance matters

A4 Relationship with the Council

1 What is the relationship between the governing body and the Council?

1.1 Every contact between a governing body and the Council constitutes some form of relationship. Some of these will arise directly from legislation, others will arise from the day-to-day work of the sector, and some will arise from consultation on issues of mutual interest. Whilst the main contact between colleges and the Council is through the principal (as accounting officer), contacts with the governing body are important to both parties.

2 Who is responsible?

- governors:

should make every effort to respond to invitations from the Council to participate in events or to comment on proposals

may wish to familiarise themselves with relevant circulars and other guidelines.

- principal:

should ensure that the governing body is aware of the activity of the Council, and that the governing body endorses, where appropriate, responses to consultation by the Council.

3 Why is this relationship important?

3.1 The Council has a legal duty to ensure that further education is provided, and relies substantially on sector colleges to make that provision; indeed, over 95% of the funds which the Council distributes goes to sector colleges. The Council, therefore, cannot fulfil its legal duties unless governing bodies fulfil theirs.

3.2 The Council also has a significant responsibility in offering advice to the secretary of state on the development of further education and the role that further education can play in the development of government policies. To be able to give informed advice to the secretary of state, the Council often asks principals and governing bodies to share their particular experiences.

3.3 For most governing bodies, well over 75% of the college's annual income comes from the Council. Any changes in the Council's funding has, therefore, a significant effect on colleges.

3.4 Governing bodies rely on the Council to offer sound and robust advice to government, to represent the sector's interests at the highest level, and to seek additional funds from government to enable the sector to develop and flourish.

4 What procedures are in place to support this relationship?

4.1 The Council has committed itself to openness in the way it conducts its business. It has published a code of conduct to be followed by its members and its staff. In particular, the Council is committed, wherever appropriate, to consult with the sector before introducing any significant change.

4.2 The Council publishes an annual report, and holds an annual general meeting, to which all chairs of governing bodies are invited. The Council also arranges regional events at which governors can meet with the Council chair, chief executive, senior staff and members of regional committees. Governors are invited to serve on the full Council and its committees, including those established for specific short-term projects (for example, the Kennedy committee on widening participation). Governors are also invited to attend general seminars, and chairs of governing bodies receive copies of appropriate Council publications.

4.3 The Council has been careful to respect the independence of colleges, and has not, for example, required colleges to provide copies of minutes of governing body meetings. Only rarely has the Council sought permission for its staff to meet individual governing bodies (other than to enable inspectors to present their report). However, if it considers it necessary, the Council has, from October 1999, the right to nominate up to two members to a further education corporation, and to have up to two observers at meetings of corporations and their committees.

4.4 The purpose of accreditation is to encourage colleges to achieve high standards of performance and accountability and to maintain these over time. It aims to clarify and recognise the achievement of objectives which should appeal to all colleges regardless of their strategic aims and the type of provision they offer to students. In fulfilling the criteria for accreditation, colleges will be expected to demonstrate to the Council that they have established comprehensive, effective and rigorously applied systems of management control and quality assurance covering all aspects of their work. The achievement of accreditation will signal a confidence, shared by the Council and the accredited college, that standards will be maintained over a long term.

4.5 Colleges, for their part, often invite Council staff to college events, such as speech days, and occasionally offer Council staff the opportunity to participate in governor training events.

5 What key questions should governors ask about the relationship between the governing body and the Council?

Does the Council get sufficient opportunity to explain its policies to governors?

Are Council circulars and other documents readily available to governors?

Does the governing body get sufficient opportunity to pass comment to the Council?

Are governing body members involved in Council business, for example as members of committees?

Has the governing body considered the issues relating to accreditation?

6 Further guidance

Circular 93/12 The Council's Aims.

(Proposed revisions to The Council's Aims Circular 98/05).

Circular 96/24 Conduct of the Council's Business.

Circular 98/22 Accrediting colleges.

Section A: Governance matters

A5 Role of the Chair

1 What is the role of the chair?

1.1 The articles of government of each college do not specifically cover the role of chair except for dealing with:

- suspension and dismissal of senior postholders
- calling meetings and approving minutes of meetings prior to publication
- situations where there is an equal division of votes.

Other than these the chair has the same powers as other governors.

1.2 However, the chair will be responsible for ensuring that the governing body fulfils its duties in:

- articulating its vision
- maintaining and developing the ethos of the college
- setting corporate objectives
- assessing the performance of the principal
- establishing high standards of integrity
- monitoring the financial health of the college.

1.3 The chair is responsible for providing effective leadership of the governing body. As chair of its meetings he/she should promote its well-being and efficient operation, in association with the clerk, by:

- ensuring the efficient conduct of the business of meetings of the governing body by following established procedures for the conduct of business
- taking care that the business of committees of the governing body is reported appropriately
- ensuring that the views of all members are sought at meetings of the governing body and that members work together effectively as a corporate body

- being satisfied that the seven principles of public life are being observed in all business of the governing body
- exercising the right of a second or casting vote where there is an equal division of votes on a particular issue.

2 How is the chair chosen?

2.1 The chair and vice chair must be chosen from amongst those governors who are not employed or studying at the college. This is usually achieved through elections. Their period of office is for the governing body itself to determine. The chair and the vice-chair are eligible for reappointment at the end of their period of office.

3 Are there other expectations of the chair?

3.1 It is an implicit expectation in the successful development of the role of the chair of governors that the governing body will authorise the chair to act on its behalf between meetings and to report items of chair's actions to the governing body at its regular meetings, particularly action agreed with the principal on matters delegated by the governing body.

3.2 The chair may be called upon from time to time to act as an ambassador for the college by representing the governing body to other external bodies, or attending public functions or other such occasions as appropriate.

4 What is the nature of the relationship between the chair and the principal?

4.1 The two most important roles within the governance and management of a college are chair and principal respectively. A critical element in the effectiveness of both the governing body and the college is the establishment of a constructive working relationship between the chair and the principal. This relationship will vary, depending on the personalities involved, but both should aspire to be mutually supportive while maintaining a professional relationship at all times. Through leadership of the governing body the chair plays a key role in the business of the college but must take care not to be drawn into day-to-day executive management issues which are the proper remit of the principal. The chair leads the board and the principal leads the staff. Clarity in their respective roles is essential for the proper functioning of the college.

4.2 The board of governors' main function is to provide overall strategic direction, involving strategic planning, objective setting and appropriate delegation. The principal and senior staff are responsible for achieving the objectives and strategies by the day-to-day management of the college. It is for this reason that the Council's inspection framework makes a clear distinction between governance and management, with each being awarded a separate grade.

4.3 The Association of Colleges (AoC) has developed a consultation service specifically for colleges of further education. This has been used where there are difficulties in the relationship

between the chair and principal. The conciliators have all been briefed by the Advisory, Conciliation and Arbitration Service (ACAS).

5 How can the chair and principal best work together for the benefit of the college?

5.1 It is incumbent on the chair and the principal to reach an understanding of their respective roles, guided by the aim of securing the well-being of the college. This well-being also rests in substantial measure on the development of mutual trust, with the principal having the necessary executive authority to manage the college, whilst recognising that this authority must be founded, especially when major or contentious issues are concerned, on the support of the chairman and more widely of the governing body. Such support can only be secure if there are proper arrangements for consulting the chair and keeping him/her informed.

6 What arrangements for consultation between the principal and chair have been found to be effective?

6.1 The Association for Principals of Colleges (APC) in its submission concerning the relationship between chair and principal to the Council's working group on governance suggests:

- briefings
- formative discussions to share and test out ideas
- updating on key events and progress which have occurred since the previous meeting
- informal exploration of differences of opinion as they arise
- agenda setting, in partnership with the clerk
- early warning of problems which are arising for the college
- the opportunity for informal discussions relating to working practice.

7 Where can governors find further guidance?

Instrument and articles of government.

Guide for College Governors, FEFC, 1994.

Guide for members of governing bodies of universities and colleges in England, Wales and Northern Ireland, Committee of University Chairmen, 1998.

Practical guidelines on the principal governor interface, Association of Colleges, 1997.

Inspection evidence

There are close and appropriate working relationships between senior managers and governors. The chairman of governors maintains good contact with the principal to discuss developments in college business and to provide support. Chairs of committees similarly liaise closely with the relevant senior manager for their area of concern. The latter often attend committee meetings. Clear procedures for the appraisal of senior postholders are in place and are working.

Section A: Governance matters

A6 Role of the Clerk

1 Who is the clerk?

1.1 The clerk to the governing body is appointed by, and is accountable to, the governing body. The clerk is responsible for ensuring that the business of the governing body is conducted smoothly and efficiently; that the governing body operates within its powers; and that the governing body follows agreed and proper procedures.

2 Who is responsible?

2.1 The governing body:

- is responsible for the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the clerk. For further education governing bodies, this responsibility cannot be delegated.

3 What are the principles underlying the role of the clerk?

3.1 Changes to the instrument and articles of government of colleges have been designed to strengthen the role and independence of the clerk. All governing bodies should aspire to conduct their business effectively and to follow the best principles of good governance. The clerk has an important role in ensuring that such principles are followed and advising the governing body accordingly.

3.2 The clerk must be able to offer impartial advice to the governing body, and must ensure that the proceedings of the governing body and its committees are recorded fully and accurately. It follows from this that the clerk should have administrative skills and a detailed understanding of the law and procedures affecting college governance. To be fully effective, the clerk should also have sufficient understanding of further education to be able to follow discussion at meetings of the governing body and its committees. Clerks should also be allowed to attend conferences and obtain suitable training as necessary to perform their function effectively.

3.3 In a number of colleges, the role of clerk has been combined with another post within the college. Whilst this may have the advantage that the clerk understands the business of the college, it makes it more important that all parties understand and respect the need for the clerk to be independent in his/her duties. In order for the clerk to be independent, certain roles within the college, such as director of finance, are not compatible with that of the clerk. Examples might be director of finance or personal assistant to the principal or other senior managers.

3.4 Other colleges have taken the view that the independence of the clerk can be best assured by appointing someone from outside the college, usually a consultant with the relevant expertise or a local professional such as a solicitor.

3.5 All college governing bodies must ensure that the appropriate arrangements are in place to ensure the independence of the clerk.

4 What are the duties of the clerk?

4.1 The clerk has the right to attend any meeting of the governing body or any meeting of any committee established by the governing body except where his/her remuneration, conditions or service, conduct, dismissal or retirement are to be considered.

4.2 The clerk will be responsible for:

- ensuring that the conduct of the business of the governing body, and of individual members, accords with the high standards expected of those in public office, and, in particular, maintaining a register of interests
- planning the business of the governing body and its committees. This will include:
 - timetabling of meetings
 - preparation for meetings, including agendas
 - commissioning and distribution of papers
- ensuring that meetings of the governing body and its committees are properly run, including ensuring that governors can receive appropriate advice and that the meetings are minuted properly
- ensuring that governing body members are appointed and replaced in accordance with the instrument and articles of government.

5 What key questions should governors ask about the role of the clerk?

Is there a role description for the clerk which is approved by the governing body and subject to regular review?

Has the governing body considered how the independence of the clerk is assured?

Does the clerk have a role description separate from that covering other duties within the college?

Is the clerk sufficiently independent of the governors and senior staff in the college?

Does the clerk have sufficient expertise in the administration of governing body business and adequate understanding of matters relating to the provision of further education?

Does the clerk have sufficient support to carry out the role?

Does the clerk have ready access to legal advice when it is required?

Are arrangements in place for appraisal of the clerk?

Does the clerk receive any training or further professional development?

Does the clerk have access to relevant associations or professional bodies should he/she so wish?

6 Where can governors find further guidance?

Instrument and articles of government.

A Guide for Clerks, FEFC, March 1996

Association of College Registrars and Administrators (ACRA) regional network meetings

Section A: Governance matters

A7 Role of the Principal

1 Who is the principal?

1.1 The principal is the most senior member of staff employed by the college and is the chief executive and accounting officer for the college which means he is accountable to parliament for the distribution of funds put at his disposal.

2 What is the role of the principal?

2.1 The articles of government establish the principal as chief executive of the college. This gives the principal overall responsibility for its executive management and makes him/her personally accountable to the governing body for the exercise of that responsibility.

2.2 The principal is empowered to undertake the day-to-day direction of the college, not only in relation to his/her specific responsibilities as set out in the articles, but also in relation to those matters which the governing body may from time to time decide to delegate to the principal.

2.3 The principal must not, however, determine matters reserved for the governing body (see section A1) although he/she will be expected to advise the governing body on all important matters.

3 What is the principal's relationship with the governing body?

3.1 In summary, there are four distinct aspects to the principal's relationship with the governing body:

- as an employee of the governing body, personally accountable to it for the proper discharge of his/her responsibilities as chief executive and for implementing the decisions of the governing body
- as the governing body's professional adviser on the running of the college
- as accounting officer for the college
- as a member of the governing body with full voting rights (unless he/she decides not to be a governor).

3.2 The designation of the principal as chief executive is intended to highlight the difference between the role of the governing body and its members, and that of its senior paid officer. The broad parallel in industry and commerce is that of the managing director or chief executive of a company,

who effectively runs the business but is answerable to a board of directors which exercises general oversight of the company's performance and development.

3.3 The governing body, having appointed a chief executive and having provided the necessary framework in terms of policy and budget, should then expect the person appointed to manage the college effectively. Governors should as far as possible avoid becoming involved in the detail of the principal's management of the college.

3.4 In practice, the effectiveness of the relationship between the governing body and the chief executive will be strongly influenced by the nature of the working relationship achieved by the chair of governors and the principal (see section A5).

3.5 The principal is, ex officio, a member of the governing body and appropriate committees unless he/she decides to exercise the right not to be a member. If the principal chooses not to be a governor, he/she would nevertheless normally be expected to attend all the meetings of the governing body. The principal's right to attend and speak at governing body meetings if not a governor is established in the instrument of government.

4 What are the principal's responsibilities?

4.1 The articles of government define specific responsibilities for the principal. The following paragraphs exemplify the core responsibilities as set out in the articles. The articles of some colleges may give additional responsibilities to the principal, and governors should refer to their college's own articles for details of these.

Management responsibilities

4.2 Section A1 describes the governing body's obligation to determine both the educational character and the mission of the college. The principal's responsibilities include making proposals for these matters. As the process of forward planning and development is continuous, the principal has a responsibility to ensure that issues relating to the colleges' future development are brought before the governing body at the appropriate time and with relevant advice. In particular, the principal will play the leading role in updating and developing the college's strategic plan, which will provide the main focus for forward planning and developmental discussion.

4.3 Once the governing body has decided on a course of action, it is for the principal, as the chief executive officer of the college, to carry out its decisions personally, or to ensure that they are implemented by the appropriate manager within the college organisation.

4.4 The articles make the principal responsible for the organisation, direction and management and leadership of the staff of the college. This includes appointments, assignments, grading, appraisal, suspension, dismissal, and determination within the framework set by the corporation of the pay and conditions of service of staff other than senior postholders. The principal is responsible for the effective working of the college structures and systems. He/she will no doubt from time to time wish to seek advice of the governing body on management matters.

4.5 The duties of staff are mostly determined through the college's structures, strategies and systems, which are established under the direction of the principal. These include the organisation and composition of the senior management team and the organisation of all other college staff into other appropriate structures such as sections, divisions, departments or faculties.

4.6 The governing body, in exercising its oversight, will wish to assure itself that sound management arrangements are in place and, in particular, to consider and approve proposals for the senior management structure. The prime responsibility for the organisation and operation of such arrangements rests, nonetheless, with the principal.

Accounting officer

4.7 The Council and the governing body will require the principal to take personal responsibility, which may not be delegated, for ensuring the proper and effective operation of financial, planning and management controls and for giving effect to the governing body's policies for securing the efficient, economical and effective management of all the college's income, assets and expenditure.

4.8 By virtue of the financial memorandum between the Council and the college, the principal is designated as the accounting officer for the public funds made available to the college.

4.9 The duties of an accounting officer are onerous. The accounting officer is responsible for ensuring that public funds are spent only on the purposes for which they are given and in accordance with any terms and conditions attached to them. These terms and conditions include those set out in the financial memorandum. As accounting officer, the principal may be required to appear before the Committee of Public Accounts, alongside the chief officer of the Council, on matters relating to the funds paid by the Council to the college and the use made by the college of such funds. The principal has a duty to report to the Council should the governing body adopt a policy or commission an action which is incompatible with the terms of the financial memorandum or which would infringe the requirements of propriety or regularity.

4.10 The principal is responsible for advising the governing body in writing if it is considering any action or policy which is incompatible with the terms of the financial memorandum or would infringe the requirements of propriety or regularity. The principal is also responsible for advising the governing body in writing if the governing body appears to be failing to act where required to do so by the financial memorandum, or where required to meet the requirements of propriety or regularity. The report should include a reference to the principal's duty to report to the Council should the governing body seek to overrule his/her advice. Where the governing body determines to proceed despite the advice of the principal, the principal should consider the reasons the governing body has given for its decision. If after considering the reasons given by the governing body the principal still considers that he/she could not defend such a policy or action then he/she should advise the chief officer of the Council in writing of the situation at the college. The Council would not consider the provision of such a written report to the governing body or the notification of the Council as grounds to take disciplinary action or suspend a principal.

Resources and staff

4.12 The principal, as chief executive, is personally accountable to the governing body for the proper management of the budget and resources of the college within the financial estimates approved by the governing body. The articles make particular reference to the responsibility of the principal for preparing the annual estimates of income and expenditure for consideration by the governing body. This would include undertaking the necessary discussion and negotiations with the Council, the TEC, the LEA and other relevant bodies concerning funding. It is for the governing body to decide what other management information it requires to enable it to discharge its overall financial responsibilities, including ensuring the solvency of the college.

4.13 Proposed changes to the Council's financial memorandum with colleges require the governing body to receive, at least termly, a report that reviews the college's financial position. Such reports should show the current position of the college with respect to its budget, highlight variances from the agreed operating plan and include schedules showing:

- the income and expenditure account
- the balance sheet
- a cash flow statement
- the number of staff in post
- the number of students on roll.

4.14 In addition, in order that it may be assured of the solvency of the college, the governing body should receive a cash flow forecast for the forthcoming period.

4.15 Subject to the general framework established by the governing body for the pay and conditions of staff, the principal is responsible for the appointment, assignment, grading, appraisal, suspension, dismissal and determination of pay and conditions of all staff other than the senior postholders. In other words, the personnel function within the college is under the direction of the principal, subject only to guidelines established by the governing body and to other detailed provisions in the college articles of government.

Academic management

4.16 The principal is responsible for decisions relating to the college's academic and other activities. In general further education colleges and tertiary colleges, the principal chairs the academic board.

4.17 The principal carries overall responsibility for student discipline. This includes suspension or expulsion of students on disciplinary grounds. The principal is also responsible for implementing any

decisions relating to the expulsion of students because of the standard of their work or for other academic reasons.

5 What key questions should governors ask about the role of principal?

Does the principal keep the governing body sufficiently well informed on matters for which it has responsibility?

Is the professional advice offered by the principal well informed and accurate?

Are decisions of the governing body implemented effectively?

Does the principal carry out the role of accounting officer for the college satisfactorily?

Is the principal's leadership of the college conducive to the college meeting its strategic aims and objectives?

6 Where can governors find further guidance?

Instrument and articles of government.

Circular 99/48 The Financial Memorandum.

Inspection evidence

At each meeting of the governing body, the principal's report to governors uses the following performance indicators:

Eight widening participation performance indicators - targets and actual enrolments of:

- 1 Disengaged/disaffected 14-16
- 2 New Deal students
- 3 Students with learning difficulties and disabilities
- 4 Community based programmes
- 5 IT in the community
- 6 Basic skills at work
- 7 Programmes for the unemployed
- 8 Entry and foundation-level students.

Sixteen college performance indicators with targets:

- 1 Tariff units earned vs. target
- 2 Proportion of funding devoted to key skills (additional support)

- 3 New courses started vs. scheduled
- 4 Analysis of yearly enrolments
- 5 Retention (FT/PT/yr1/yr2)
- 6 Applications from school leavers vs. previous years
- 7 Overall achievements
- 8 Contribution to national targets
- 9 Spend against budget
- 10 Net current assets
- 11 Average unit of funding
- 12 Number of working days lost from illness/other absences
- 13 Accommodation: actual vs. target usage
- 14 Part-time hours against budget
- 15 Full-time teaching staff deployment against target
- 16 Governor attendance (target 80%).

As a result, the (termly) principal's report is firmly based on quantified evidence rather than a discursive and general report on progress. This is much appreciated by governors.

Specific guidance

Section B: Student related issues

| | Updated |
|---|------------|
| Student matters | March 2000 |
| Students with learning difficulties and/or disabilities | March 2000 |
| Curriculum and qualifications | March 2000 |

Section B: Student related issues

B1 Student Matters

1 Who is responsible?

1.1 Governors:

have a number of responsibilities in respect of: the admission, assessment, examination and discipline of students; ensuring the production of a college charter; and, where one exists, in some aspects of the activities of a students' union. Governors may choose to delegate those responsibilities to committees or the principal. Therefore, the governors:

- *must* ensure that any of their functions or roles which are delegated to others are undertaken correctly
- *should* ensure that the college has prepared and produced a college charter to complement the charter for further education, and expect to receive information relating to the college charter
- *might wish* to develop their relationship with the students' union beyond that covered by the articles of government

1.2 Principal:

is responsible for the maintenance of student discipline, for the suspension or expulsion of students on disciplinary grounds and for the expulsion of students for academic reasons.

1.3 Academic board:

the articles of government require that colleges, other than sixth-form colleges and some designated colleges, must have an academic board which may include staff and students. The academic board has responsibilities in respect of the conduct of students and must be consulted before the governors make any rules with respect to the conduct of students, including procedures for suspension and discipline. The academic board:

- *must* advise the principal on procedures for the expulsion of a student for an unsatisfactory standard of work or other academic reason
- *should* advise the principal on arrangements for the admission, assessment and examination of students

- *might wish* to establish committees including persons who are not members of the academic board.

1.4 Students:

an association of the generality of students of the college formed to further the educational purposes of the college and the interests of students as students is described in the articles of government as a students' union. A students' union:

- *must* conduct and manage its affairs and funds in accordance with a constitution approved by the governors
- *must* present audited accounts annually to the governors
- *should* play an important role in promoting social and other activities for students and in the welfare of students
- *may* be recognised by the governors as an association eligible to nominate student members of the governing body.

2 What is the students' charter?

2.1 The students' charter is a document which all colleges are required to prepare, setting out what a student, or prospective student, can expect of the college, and what the college will expect of the student.

2.2 The students' charter will explain what information a student should expect to receive before enrolling and when attending the college.

2.3 Finally, the students' charter will explain how a student can complain about the college if things go wrong.

3 How should governors be involved?

3.1 The instrument and articles of government of a college provide for students to have a voice on the college's governing body. They also gives the governing body a formal role in ensuring the proper conduct of any college's students' union.

3.2 A wide range of other arrangements are used to ensure that students benefit from the whole experience of an academic community. These include bodies representing particular interest groups within the college – often subject-based – and clubs and societies. The governing body may wish to ensure that these interest groups are able to voice their opinions, and individual governors may wish to take part in some of the events organised by, and for, students.

3.3 A student of a college can only be appointed as a governor of the college in the capacity of student governor. Other governors may, once appointed, become part-time students of the college. If a governor (other than a student governor) wishes to study full-time at the college, they must resign as a governor.

4 What information should governors receive?

4.1 The governing body will receive annually the information on examination performance which the college is required by law to publish. Most colleges now produce an annual report, setting out the main achievements in the year and the ambitions for the future.

4.2 The governing body will also wish to receive information on the achievement of its strategic plan, and in particular, details of student recruitment and retention.

4.3 Increasingly, the governing body will wish to understand the contribution made by the college to the wider learning society.

4.4 The governing body will also wish to be kept informed of disciplinary incidents of students, although only rarely would they expect to receive details of individual cases.

4.5 The governing body will wish to receive a copy of the college's charter for its students. The main information included in the charter will be:

- contact details
- the facilities available
- the courses and qualifications available
- arrangements for students with learning difficulties and/or disabilities, including support available and arrangements for access to buildings
- details of achievement by students and where students go upon leaving the college
- information on the college's vision and mission, and on the results of external inspection of the college
- details of fees and charges which may apply to particular courses, including arrangements for overseas students
- information on the type and source of any financial support which might be available to students, including transport arrangements and residential accommodation
- information on how to resolve any difficulties.

5 What key questions should governors ask?

5.1 The governing body should see the college as a learning community in which they, as governors, have a role, as do staff and students. To understand whether that community is in good health, the following key questions might be asked.

Are arrangements in place, and used, through which students can make their views known to the governing body?

Is the students' charter in place, comprehensive and easily understood?

Are student governors effective? Are arrangements in place to offer training to student governors?

Does the college provide a wide range of enrichment activity for students – social and sporting?

Is there an effective students' union?

Has the college set challenging targets for student retention and achievement, and are those targets being achieved?

Are individual governors involved in events arranged by, and for, students?

6 Where can governors find further guidance?

The college's students' charter.

Section B: Student related issues

B2 Students with Learning Difficulties and/or Disabilities

1 Who is responsible?

1.1 the Council:

- the Further and Higher Education Act 1992 requires the Council to secure facilities for further education. When discharging this duty, the Council is required to have regard for the requirements of students with learning difficulties and/or disabilities.

1.2 Governors:

- *must* ensure that the college has procedures in place which cater for students with learning difficulties and/or disabilities, in terms of curriculum provision and facilities
- *should* be aware of the funds available for improving the facilities for students with learning difficulties and/or disabilities
- *may wish to* be informed of changes in legislation which affect the provision for students with learning difficulties and/or disabilities.

1.3 Principal:

- is responsible for managing the day to day issues affecting students with learning difficulties and/or disabilities, such as:
 - correct assessment of additional support requirements
 - identifying additional technology to enhance the learning experience
 - publication and update of disability statements on an annual basis.

2 What are the principles underlying the issues affecting these students?

Additional funds

2.1 Colleges may claim additional funding units for direct costs associated with the support needs of individual students. The additional support bands presently range between £107 and £18,800.

Disability statements

2.2 The Disability Discrimination Act 1995 places a duty on the Council to require colleges, as a condition of grant, to publish annual disability statements. A disability statement is defined as a statement containing information about the provision of facilities for education made by a college in respect of people with disabilities.

Information technology

2.3 Developments in information technology will enable students who previously might have had difficulties accessing further education to achieve learning goals. Colleges may wish to devote some funds towards improving the information technology facilities for students with learning difficulties and/or disabilities.

3 What should governors' involvement be?

3.1 The governing body will expect the principal to ensure that arrangements are in place to facilitate the learning of students with learning difficulties and/or disabilities.

3.2 The governing body will also want to be informed of improvements and additional funds available to integrate these students into the college.

3.3 The governing body will need to be aware of the impact any recommendations will have on the strategic plan and accommodation strategy of the college.

4 What information should governors receive?

4.1 The governing body should receive a report confirming that the college has met its obligations with regard to the production and publication of the disability statement.

5 What key questions should governors ask?

Is there a college policy relating to provision for students with learning difficulties and/or disabilities?

What additional funds are available from the Council relating to these students and whether these funds are used to enhance the learning experience for students?

6 How should governors monitor the activities of the college in relation to students with learning difficulties and/or disabilities?

6.1 The governing body should ensure that disability statements are sent to the Council.

6.2 The governing body may wish to ensure that the college is meeting its requirements in relation to students with learning difficulties and/or disabilities.

7 How does the Council use disability statements?

7.1 The Council uses disability statements to ensure that the sector has met its legal requirements in relation to students with learning difficulties and/or disabilities.

8 Where can governors find further guidance?

Circular 99/07 Funding Guidance.

Circular 99/05 Annual Report to the Secretary of State.

Circular 99/40 Arrangements for Students with Learning Difficulties and/or Disabilities Requiring Provision in 2000-01.

Circular 99/01 Guidance on the Tariff for 1999-2000.

Circular 92/08 Establishment of the FEFC and Letter of Guidance from the Secretary of State.

Duties and Powers (October 1996).

9 Calendar

31 October 20XX Send two copies of the college's disability statement to the Council.

Section B: Student related issues

B3 Curriculum and Qualifications

1 Who is responsible?

1.1 The articles of government give governors responsibility for the determination of the educational character and mission of the college and oversight of its activities. The educational character of the college is taken to mean the college's broad purpose and strategic direction, the nature of its educational programme, the pattern of its courses, any special characteristics of the range of subjects taught, the overall ethos of the college, its admissions policy and its relationship to the community it serves.

1.2 The success of its students must be of paramount concern to all colleges. Students are most likely to be successful if the courses they follow are appropriate to their needs. The range of courses and qualifications offered by a college, often referred to as the curriculum, should therefore be a central concern of the governing body if it is to achieve its mission.

1.3 Governors:

- *should* have an overview of the college's curriculum
- *may wish to know* how the college's provision meets the local and wider agenda, including government targets for economic development, addressing skills shortages and social inclusion.

1.4 Principal:

- will have responsibility for the planning, delivery and development of the curriculum.

2 What is the curriculum in further education?

2.1 Unlike the situation in schools, there is no national curriculum in the further education sector. Instead, there are many different courses and qualifications that can be followed by a variety of modes of attendance, to a range of levels, in a variety of settings.

3 What qualifications are available?

3.1 The qualifications available in further education colleges fall into one of four broad categories:

- general education
- general vocational education

- job-related training
- non-vocational or leisure courses.

The Council can fund courses which lead to qualifications in the first three categories and these, together with courses from which students can progress to them, are included in schedule 2 of the *Further and Higher Education Act 1992*. General education comprises General Certificate of Education advanced level (GCE A/AS level) and General Certificate of Secondary Education (GCSE) single-subject courses. Vocation related education comprises the General National Vocational Qualification (GNVQ) and awards with similar aims. These are usually available at several levels. Occupational or job-related training is mainly linked to National Vocational Qualifications (NVQs). There are also more traditional certificates awarded by trade and professional bodies. These are available from the most basic level of competence (entry level) up to postgraduate and full professional standard (level 5), although the majority are offered at levels 2 and 3.

3.2 The Qualifications and Curriculum Authority (QCA) is developing a national qualifications framework against criteria established for assessing the quality of awarding bodies and qualifications. It has begun the process of accrediting the qualifications available to the further education sector. The DfEE is responsible for approving qualifications within Schedule 2 based on advice by the QCA.

3.3 As the QCA reviews the qualifications available, the Council is revising the list of qualifications it can fund. A process of listing all qualifications individually is underway. The aim of the process is to ensure that all qualifications comply with rigorous standards of performance and quality assurance, and are provided by approved awarding bodies.

3.4 The government has now published its intentions with regard to the reform of the qualifications structure for the majority of 16-19 year-old students. The new curriculum is referred to as Curriculum 2000. Pilot studies have tested a revised model for GNVQs, and a new qualification for key skills, both of which will be widely available from September 2000. The structure of both the advanced GNVQ and GCE A levels will in future be based on six units of similar size and scope, so that standards of student performance may be compared. In addition, an advanced subsidiary qualification (developed by National Training Organisations (NTOs) for each occupational area), based on three units and representing the first half of the full A level, will enable students in the first year of their A level course to pursue additional subjects. The new qualification in key skills, i.e., communication, application of number, and information technology, will be available to all students at a level appropriate to their abilities. The key skills qualification will be offered up to level 4. The new structure will enable students to study more subjects and to mix academic and vocational study.

3.5 The Council has consulted colleges about a new system of funding for the programmes of full-time students aged 16-19, to allow the reform of qualifications to take effect. In addition, extra funding will be given to colleges to help them provide the tutorial support, key skills and extra-curricular enhancement necessary for a full-time course of study for young people. These reforms will demand curriculum development and planning skills of a high order. Support for staff engaged in

development work will come from a variety of sources. The DfEE has established a generous fund to support the development of key skills. A consortium headed by the Further Education Development Agency manages this support programme. Two million pounds from the government's standards fund for further education is to be available for support for other curriculum reforms.

3.6 The Council has worked with a group of colleges to test the feasibility of linking funding to a unit-based structure of qualifications. Following the success of this limited investigation ministers have approved the continuation of the work, in which the Council will continue to work with the QCA. Colleges will now be asked to investigate the extent to which existing programmes for adult learners could be encompassed within a unit-based structure of qualifications.

4 How does the Council use data on qualifications?

4.1 Information on qualifications underpins many of the Council's own objectives. The information provided by colleges on issues such as the uptake of vocational and other qualifications shows the extent to which national education and training targets are being met and the sector's contribution to the development of a skilled workforce. Information available on qualifications is also used to assess the extent to which people participate in different types of further education.

5 What should governors' involvement be?

5.1 Governing bodies may wish to keep abreast of developments in the curriculum, national policies on qualifications and changes to the national framework of post-16 qualifications and their implications for the college. Some examples might be:

- the implementation of the government's policy for new qualifications at A level to be introduced in 2000
- responding to the national skills task force
- examining what contribution the college is making to address skills shortages in, for example, information and communications.

6 What key questions should governors ask?

6.1 The governing body may wish to ask the college's senior management team about its response to the impending changes to the curriculum for post-16 students. Some questions the governors might like to ask include:

To what extent does the college's present curriculum and the qualifications offered address the needs of the local area?

Is there likely to be a financial implication for the college to implement the changes to the curriculum entitlement of full-time 16-18 year-old students?

What would be the consequences for the college of the introduction of a unit-based curriculum?

How will performance be monitored and analysed during the introductory phase of new developments?

7 **Where can governors find further guidance?**

Circular 99/33 Curriculum 2000.

Report of the Stage 2 Working Group, FEFC, 1999.

Quality and Standards in Further Education in England, 1998-99, FEFC, 1999.

Specific guidance

Section C: Responsibilities of governors

| | Updated |
|-------------------------------------|------------|
| Strategic planning | March 2000 |
| Quality and standards | March 2000 |
| College inspection | March 2000 |
| Accommodation strategies | March 2000 |
| Financial forecasting | March 2000 |
| Financial management and monitoring | March 2000 |
| Audit | March 2000 |
| Data issues | March 2000 |
| Governing body as employer | March 2000 |
| Equal opportunities | March 2000 |

Section C: Responsibilities of Governors

C1 Strategic Planning

1 Who is responsible?

1.1 Governors:

are responsible for the educational character, mission and solvency of the college under the articles of government, having particular concern for the development and pursuit of medium- to long-term objectives. Therefore, the governors:

- *must* approve the strategic plan (including the budget) - the signature of the chair of governors is requested to accompany plans shared with the Council
- *should* be involved in setting the overall objectives (including financial objectives) and reviewing their implementation - arrangements for doing so should be agreed with the principal
- *might wish to* be kept informed of other associated planning issues, such as plans for achieving accreditation.

1.2 Principal:

- is responsible for the implementation of the strategic plan and operational management of the college, offering guidance to the governing body on the issues arising from this responsibility.

2 Why plan strategically?

2.1 The future direction of the college and its solvency, for which the governors are responsible (see above), are both determined by sound strategic planning. Strategic plans form the basis for effective management of an institution and play a key part in a college's relationship with other bodies, particularly the Council and lifelong learning partnerships¹.

3 What are the principles underlying strategic planning?

3.1 The Council's strategic planning framework for colleges is intended to embody a number of basic principles about good planning practice. Essentially, it focuses on the need to establish effective relationships between areas of activity and the resources associated with them. For example, it:

¹ comprising local post-16 education and training providers.

- brings together objectives and the resources necessary to achieve them
- takes account of the sensitivity of objectives to variations in resources
- reflects the relationship between a college and its external environment
- reflects the relationship between areas of activity within the college
- is a rolling process in which the plan is regularly reviewed and updated
- sets out in more detail in the annual operating statement, the college's objectives for successive years of its plan
- provides a basis for monitoring performance.

4 What should governors' involvement be?

4.1 Governing bodies will expect the principal to ensure that arrangements are in place for producing the college's strategic plan. The governing body may wish to ask the following key questions.

What is the planning framework and timetable for producing the plan?

Who is responsible for preparing particular aspects/sections of the plan?

What guidance is available for staff in departments/sections of the college responsible for contributing to the plan?

What are the arrangements for co-ordinating particular aspects of the plan, including the financial forecast and accommodation strategy?

What are the arrangements for liaison with other relevant bodies such as the local lifelong learning partnership?

4.2 The governing body itself should agree on how it wants to be involved in the strategic planning process. However, the signature of the chair of governors² is requested to accompany strategic plans or updates to provide evidence of the governing body's approval of the content of the plan and its involvement in the planning process.

² National Audit Office recommendation, following a review of financial management and control in colleges.

5 What information should governors receive?

5.1 To assist colleges in the development of their strategic plans, the Council publishes guidance in the form of a framework of the information it wishes to receive. This framework has been reviewed in the light of responses received during a Spring 1999 consultation. A full strategic plan, covering all elements of the framework, is requested on a three-year cycle with updates in intervening years (subject to any further requirements of the proposed Learning and Skills Council³) – see calendar in section 11. More detailed information on strategic planning is set out in Council circulars sent to college principals.

5.2 Governing bodies should expect a full strategic plan to include:

- a statement of a college's key aims and purposes (its 'mission')
- an analysis of the needs for further education provision in the locality (or a description of the college's contribution to meeting the needs identified by the lifelong learning partnership), including an assessment of demographic data and labour market information and an analysis of the college's current student population
- the key objectives for the college over the next three years following a review of progress towards the objectives set in the previous plan
- a broad outline of the education provision that the college intends to make, including a strategy for information and learning technology
- a human resources strategy, outlining the college's approach to staff planning and development
- a description of the arrangements for quality assurance
- projected student numbers for the next three years
- an accommodation strategy, setting out the college's plans for estate management and development
- a financial forecast for the next three years linked to the other elements of the plan and including a sensitivity analysis
- an operating plan covering the subsequent college year (the first year of the strategic plan)
- an analysis of the main risks to the achievement of the plan.

³ outlined in the government's White Paper *Learning to Succeed* (June 1999).

5.3 Governors should expect financial information be linked directly to elements of the plan. The sensitivity analysis relating to financial information should be linked to the analysis of risks to the achievement of the plan.

5.4 When significant risks to the achievement of the plan are identified, governors may wish to see evidence of contingency plans or options related to, for example, different levels of income. Such arrangements will help decision-making in the event of adverse financial or other circumstances arising.

6 What key questions should governors ask?

6.1 Well-developed strategic planning processes provide a firm foundation for a successful college. Governing bodies will wish to ask key questions of the executive to assure themselves that the plan is soundly based.

Is the plan realistic and achievable?

Are the strategies contained in the plan in line with the college's mission?

Is the plan responsive to the needs of the local community and labour market?

Will the plan enable the college to provide high-quality learning experiences for its current and potential students?

Does the plan satisfy the requirements of the council and other stakeholders?

Will the plan form a basis which will enable the college to make well-judged applications for funding from a variety of sources?

7 How should the governors monitor the plan?

7.1 It is essential that progress in implementing the strategic plan is monitored and the plan itself rolled forward. The governing body's responsibilities mainly involve the assessment of progress towards broad strategic objectives, rather than operational details. This might be achieved by establishing a range of indicators of success, of which the Council's college performance indicators may form a part. Information that governors might find helpful includes:

- overall performance of the college against its target number of funding units agreed with the Council
- analyses of student recruitment, including comparisons of actual student numbers against projections
- comparisons of the college's student profile with the community or communities that it serves

- student continuation rates and levels of achievement, and any significant variations between programmes in relation to those indicators
- evidence of employer and student satisfaction with the education provided
- information available from inspection and self-assessment reports.

7.2 The governing body may wish to assess the appropriateness of these indicators for their college. The governing body will wish to agree appropriate reporting arrangements with the college principal and establish a timetable that will link to the regular financial monitoring arrangements and enable the results of reviews to influence subsequent plans and updates.

8 How does the Council use strategic plans?

8.1 College strategic plans provide one of the main sources of information to the Council. Information from them is assessed against student and employer demand to evaluate the extent to which the Council is meeting its duty to ensure sufficient and adequate facilities for further education in local areas and nationally. Individual college plans provide the basis for recurrent funding and capital projects and a context for assessing the quality of education. An analysis of plans provided by colleges also informs the Council's advice to the secretary of state on the funding needs of the sector, the type and range of provision, and the sector's financial health.

9 Where can governors find further guidance?

Circular 99/25 Strategic Plans including Financial Forecasts.

Circular 99/32 Strategic Planning 2000 and Beyond.

Appropriate regional director.

10 Checklist

Have the arrangements for governing body's involvement in the development and approval of the plan (including a timetable) been agreed with the principal?

Has the governing body agreed a timetable with the principal for monitoring the implementation of the plan throughout the year?

Has the governing body agreed the range of indicators of success that will be used to monitor the college's performance and implementation of the plan?

Has the governing body approved the appropriate annual strategic planning information (including financial forecast) to be shared with the Council?

Has the appropriate strategic liaison with other bodies, such as local employers and lifelong learning partnerships, been incorporated into the development of the plan?

Has the governing body identified the major risks to the achievement of the plan and considered appropriate contingency arrangements necessary for a worst-case scenario?

11 Calendar

Strategic planning: three-year rolling programme

| <u>Year</u> | <u>Term</u> | <u>Planning activity</u> |
|-------------|-------------|---|
| 1 | Autumn | Monitor effect of marketing and recruitment on early enrolments; set targets for retention and achievement |
| | Spring | Review previous year's performance against targets; provide strategic planning data and commentary to the Council for funding (Year 2). |
| | Summer | Approve full three-year strategic plan (including budget for Year 2 and three-year financial forecast) and provide to Council. |
| 2 | Autumn | Monitor effect of marketing and recruitment on early enrolments; set targets for retention and achievement. |
| | Spring | Review performance against targets (Year 1); provide strategic planning data and commentary to Council for funding (Year 3). |
| | Summer | Approve budget (Year 3) and provide strategic plan update to Council. |
| 3 | Autumn | Monitor effect of marking and recruitment on early enrolments; set targets for retention and achievement. |
| | Spring | Review performance against targets (Year 2); provide strategic planning data and commentary to Council for funding (following year). |
| | Summer | Approve budget (for following year) and provide strategic plan update to Council. |

Repeat cycle

Section C: Responsibilities of Governors

C2 Quality and Standards

1 What do the terms quality and standards mean in further education?

1.1 Quality in further education relates chiefly to the students' experiences in the college. Monitoring of quality concentrates on aspects such as the extent to which the experience meets students' needs, the care with which students are placed on courses, the support and guidance provided to them, and the skill with which they are taught.

1.2 Standards in further education relate to the levels of achievement expected of and reached by students. Monitoring of standards includes considering the breadth and depth of the curriculum, what students are expected to achieve in assessment tasks, the rigour displayed in marking and grading their work, how assessments are moderated, and examination results.

1.3 Raising standards and improving the quality of students' experiences should be prime aims in all colleges.

2 Who is responsible?

2.1 Governors:

are ultimately responsible for the educational character and the quality of education provided by the college. Therefore, the governing body:

- *must* satisfy themselves that sound arrangements are in place to assure the quality and standards of the college's work
- *should* expect to monitor the college's performance and ensure that any changes necessary to bring about improvement are implemented and thus ensure that standards are maintained or raised
- *would* normally expect to approve a college policy for quality assurance
- *should* expect to take part in annual self-assessment and, where appropriate, any arrangements for inspection
- *might* wish to receive regular reports from the academic board, appropriate committee or management team on the outcomes of the quality assurance process. The governing body must decide what and when it wishes to receive such reports. For example, regular reports on student retention and achievement; an action plan to address weaknesses with an update at regular intervals

- *will* be expected to consider and formally approve annual targets for student retention and achievement and monitor their college's progress towards achieving them. This does not mean that corporations are expected to consider all targets at programme or section level. They may, however, want to ensure that appropriate attention has been paid to targets that have been set for areas of poor performance.

2.2 Principal:

is responsible for ensuring that quality assurance systems/procedures are in place. For example, a policy, a process for evaluating courses, a self-assessment process, a procedure for target-setting against performance indicators.

Should report regularly to the governing body on the quality of provision and on the standards achieved by students.

3 Why get involved in quality?

3.1 If the governing body is involved in quality assurance, governors should feel more confident that they are:

- fulfilling their responsibilities for the quality of education
- ensuring that the college is seeking to improve its services
- keeping abreast of trends in students' achievements and retention
- monitoring the fulfilment of the college's mission
- contributing to the government's agenda of raising standards.

4 What are the principles underlying quality assurance and improvement?

4.1 The Council's framework for assessing the quality of provision recognises the progress that many colleges have made in developing self-critical quality assurance procedures to improve the standards of their provision. The central purpose of inspection is to evaluate the rigour and accuracy of the judgements made by colleges in their self-assessments. In addition the quality improvement strategy encourages and supports improvements in quality and emphasises the promotion of good practice. The key objectives are therefore:

- a process of rigorous and accurate self-assessment
- a quality policy and associated control which are understood and supported by staff
- a system which takes account of the views of students, employers, the community and other external organisations

- the setting, monitoring and reviewing of standards and targets
- a system which meets the quality control needs of examining and validating bodies
- to address weaknesses by action planning which leads to measurable improvement
- the promotion of good practice
- linked programmes of staff appraisal and development.

5 **What should governors' involvement be?**

- approval of the quality policy
- setting and monitoring of annual targets for students' achievements and retention
- involvement in the college's annual self-assessment
- involvement in governors' own annual self-assessment
- receipt of regular reports on quality matters
- ensuring that appropriate action is being taken to address issues of concern.

6 **What information should governors receive?**

- regular reports and analysis of students' achievements and retention (also possibly attendance and punctuality)
- an annual self-assessment report
- regular information on a range of key performance indicators, especially performance against annual targets for retention and students' achievements, particularly focusing on the range of students' backgrounds and which groups are under-represented
- performance against charter commitments
- summary information on associated staff appraisal and development
- progress on the implementation of action plans.

7 What key questions should governors ask?

What is the college quality policy?

How does the college assess its own performance?

How rigorous is the self-assessment process?

How is the college performing in relation to national benchmarks?

How do particular groups of students within the college perform?

Which students or what courses are performing below national benchmarks?

How is the college performing against its charter commitments?

What action is being taken to improve poor performance?

What progress has the college made in implementing its post-inspection or other action plans?

What staff development activities are being undertaken to help improve performance?

How does the college perform in relation to accreditation criteria?

8 How should governors monitor quality improvement?

8.1 It is necessary for governors to monitor the progress that the college is making against any action plans, and to monitor how the college is performing against its own targets and national benchmarks. Information to assist this would include data on performance against:

- self-assessment action plans
- annual targets for retention and achievement
- national benchmarks
- accreditation criteria
- charter commitments.

9 How does the Council use inspection reports and quality improvement information?

- to encourage the continuous improvement of the quality of provision and the raising of standards
- to identify colleges in need of support
- to assist the dissemination of good practice throughout the sector and the identification of issues of national significance
- to provide evidence in support of accreditation of colleges
- to inform decisions on the allocation of standards (and other) funding?

10 Where can governors find further guidance?

Circular 97/12, Validating Self-assessment.

Circular 97/13, Self-assessment and Inspection.

Circular 97/22, Joint Working: Audit and Inspection.

Circulars 98/21 & 98/37, Quality Improvement Strategy.

Circular 98/22, Accrediting Colleges.

Circular 98/41, Applying for Accredited Status.

Circular 99/08, Guidance on Target-setting.

Circular 99/24, Use of the Standards Fund.

Circular 99/30, Instrument and Articles of Governance: Modification (paras. 47 & 48).

Annual Reports of the Quality Assessment Committee.

Chief inspector's annual reports.

Quality Assurance: Notes for Governing Bodies, FEFC, 1996.

Benchmarking Data 1995-96 to 1997-98.

Performance Indicators 1997-98.

Publications of information on students' achievements for neighbouring schools and colleges (DfEE requirements – see FEFC Circular 98/24 Secretary of State's Requirements for the Publication of Information).

Charter for Further Education 1993, DfEE.

The college inspector can provide useful guidance to governors.

FEFC College Inspection Reports will also provide useful reading.

11 Checklist

Has a policy for quality been approved?

Have annual targets for students' achievements and retention been set and monitored?

Has the college self-assessment report been shared with and approved by governors?

Have governors been involved in assessing their own performance?

Are reports on quality matters regularly presented to governors?

Has the governing body considered having a specific governor to take responsibility for pursuing standards issues?

Has the establishment of a 'standards committee' been considered?

Is appropriate action which will lead to quality improvement being taken by college management to address issues of concern?

What has the college done to address weaknesses in performance, for example courses that perform below national benchmarks?

Inspection evidence**The work of the governing body's curriculum and standards committee**

The committee was set up in 1993 to advise the board on curriculum and quality issues. The chair of governors chairs the committee and the college believes this gives important messages within the college on the importance placed by governors on these matters. Six other governors, including the two student governors and the academic staff governor, sit on the committee. Two members of the college's academic board join them. The terms of reference of the committee have recently been revised to focus on recommending annual targets for retention and achievement, and on ensuring that effective mechanisms are in operation for monitoring curriculum-related aspects of college performance.

The work of the committee is reported to the board each term by one of the board members (in addition to the board's receipt of the minutes).

As well as a wide range of summative reports, the committee selects a number of course areas each year for detailed monitoring reports. The reasons for selecting courses include:

- issues in inspection or self-assessment report action plans
- issues relating to specialist resources
- poor enrolment, retention or achievement
- new curriculum developments in the college.

Section C: Responsibilities of Governors

C3 College Inspection

1 Who is responsible for the quality of education provided by colleges?

1.1 In general terms, the governing body is responsible for the overall functioning of the college and ensuring that there is effective management of its resources. It is accountable for the quality of the service to its students and their welfare, the financial health of the college, sound management and the proper use of public funds.

2 Why are colleges inspected?

2.1 The Further and Higher Education Act 1992 give the Further Education Funding Council (the Council) the duty to ensure that satisfactory arrangements exist to assess the quality of education provided by colleges within the sector. Its aim is to promote improvements in quality.

2.2 Three levels of quality assurance are recognised within further education:

- quality control, which is the responsibility of the individual college
- examinations and validation, which are controlled by external bodies
- external assessment.

It is this final element which it falls to the Council to provide and which is described here.

2.3 The Council adopts two approaches to fulfil its function in relation to external assessment:

- the use of performance indicators
- quality assessment based on inspection.

2.4 The overall aims of the inspection framework developed by the Council are to:

- ensure that provision funded by the government is fit for the purpose
- recognise high standards and excellence
- encourage continuous improvement throughout the sector.

2.5 It is the view of the Council that these aims should be achieved through:

- the regular inspection of colleges
- the publication of inspection reports
- the requirement for colleges to develop action plans to build on strengths and to address identified weaknesses following an inspection
- links between inspection outcomes and funding
- the re-inspection of areas where weaknesses outweigh strengths.

3 Are there agencies other than the Council that inspect college provision?

3.1 Governors should also be aware that there are agencies other than the Council's inspectorate that, from time to time, inspect aspects of the college's provision.

3.2 If the college provides higher education funded by the Higher Education Funding Council for England (HEFCE) this may be inspected by the Quality Assurance Agency as part of its programme of higher education inspections.

3.3 If the college acts as a training provider with work funded through TECs, such as government sponsored training, including aspects such as the New Deal, provision may be inspected by the Training Standards Council.

3.4 If the college has child-care provision this may be inspected by OFSTED.

3.5 Awarding and validating bodies will also require to be assured that if a college is offering their awards the college is fulfilling its obligation to deliver courses according to the regulations set by the awarding body. This often entails visits from verifiers, assessors or external examiners.

4 What framework is used by the Council to inspect colleges?

4.1 The first inspection framework was established by the Council in 1993. It was planned that every college would be inspected on a four-yearly basis, and between 1993 and 1997 a full cycle of inspection was carried out, with every college in the sector being inspected.

4.2 Towards the end of this first full cycle of inspections the process was reviewed and during 1997 a new framework was introduced after consultation. The new framework acknowledges that the primary responsibility for quality assurance rests with the colleges. The new arrangements:

- place a greater emphasis on college self-assessment
- give considerable attention to teaching and learning and to students' achievement

- enable a more selective approach to be taken to the inspection of particular programme areas and other aspects of college provision
- include the involvement of the Council's auditors in the inspection process.

4.3 The new inspection framework has, as a key element, the college's self-assessment. A significant part of the process of inspection lies in the validation of that self-assessment. The main purposes of the inspection are defined as:

- validation of the college self-assessment
- raising of standards through continuous improvement
- benchmarking of performance with similar provision in the further education sector
- dissemination of good practice and the identification of issues of national significance.

5 What is involved in self-assessment?

5.1 A key part of the new framework is the production by the college of a self-assessment report prior to the inspection. This report helps to determine the scope of the college's inspection by informing the planning of the inspection itself between the inspection team and the college. It also provides the starting point for assessments by inspectors and is referred to in the inspection report.

5.2 The college self-assessment report should be an assessment by the college of the quality of students' experience, the standards achieved and the effectiveness of its own governance, management and quality assurance arrangements, taking due account of the college's mission aims and objectives, within the context of national aims and objectives for further education.

5.3 The self-assessment report is one of the most significant documents for a college. Although the Council is not prescriptive about its format, guidance is provided as to its expectations of the process of the development of the report and its general content. There is a clear requirement that this document should be integral to the strategic/operational planning and other quality assurance processes of the college. In addition, it should be comprehensive and evaluative, reaching judgements about the strengths and weaknesses of provision based on evidence which is explicitly referenced and includes relevant internal and national performance indicators. Colleges are expected to award grades to areas of provision in the same way that inspectors do.

5.4 Time should be taken in the preparation of the self-assessment report to review the current situation by considering the evidence available, reaching objective conclusions about the strengths and weaknesses of the college and identifying actions which should be taken to ensure continuous improvement. The production of the report should include contributions from all the functional areas of the college, including the governing body, with each area identifying its own strengths and weaknesses in the light of robust evidence, and preparing its own action plans to build on strengths and remedy weaknesses.

6 How is the inspection carried out?

6.1 Once the college has been notified of an inspection the process will be planned in consultation with the college and will reflect the college's pattern of provision. The college is expected to appoint an internal college nominee who will oversee the process and work closely with both the inspection team and the management of the college.

6.2 The new framework is designed to have a 'light touch'. In practical terms this means that only a limited number of curriculum areas are inspected. The self-assessment work undertaken by the college is validated by direct observation of teaching and learning, and consideration of students' work and their achievement. All cross-college areas are inspected, but inspectors will normally focus on specific parts of the self-assessment to validate it by observations, by assessment of quality assurance and its outcomes, and by discussions with individuals and groups. Inspections normally last for one week.

6.3 During the inspection, the inspectors will reach judgements on the strengths and weaknesses of the areas they inspect and will grade the area using a five-point scale, (see table 1, below).

Table 1. Inspection grades

| | |
|---------|--|
| Grade 1 | Outstanding provision which has many strengths and few weaknesses. |
| Grade 2 | Good provision in which the strengths clearly outweigh the weaknesses. |
| Grade 3 | Satisfactory provision with strengths but also some weaknesses. |
| Grade 4 | Less than satisfactory provision in which the weaknesses clearly outweigh the strengths. |
| Grade 5 | Poor provision which has few strengths and many weaknesses. |

6.4 A grade is assigned to each programme or substantial curriculum area which is inspected. Grades are primarily based on the quality of teaching and learning and students' achievement. These areas will also contribute towards the grading of support for students, resources and quality assurance. Governance and management are assigned separate grades. In addition, the inspectors will reach a judgement and comment on the effectiveness of the college self-assessment. The judgement is based on:

- the comprehensiveness and consistency of the self-assessment
- the rigour of the process to produce the report
- the accuracy of the findings of the report
- the effectiveness of the action plan to build on strengths and to remedy weaknesses.

6.5 Inspection teams are supported by representatives of the Council's audit service. During a college inspection, the auditors and inspectors will carry out assessment activities, jointly consider evidence and participate in moderation meetings. The aim of the process is to reach agreed judgement about the college's governance and management. The audit service's conclusions on whether governance and financial management at the college are good, adequate or weak will be included in the published inspection report.

7 How are the inspection outcomes reported?

7.1 A full inspection always results in the publication of a college inspection report. Additionally, inspectors discuss their findings with the college staff and principal, who is asked to invite the chair of governors to the feedback session. Challenges to inspection findings are dealt with in accordance with arrangements put in place by the Council's quality assessment committee.

7.2 The report is normally published within ten working weeks of the end of the inspection week, and is presented using standard headings. The college's own assessment of itself is referred to in the report, as is the agenda followed by the inspectors to validate the self-assessment. The final section identifies the inspectors' judgements about the effectiveness of the college self-assessment, the main strengths and weaknesses and the priorities for action. In addition to the published report the audit service presents a separate report of its findings. This is not published by the Council.

7.3 Following the issue of both the inspection report and the audit report, the college is required to provide a written response to the Council outlining its plans to address any weaknesses identified in the report. These responses are monitored by both inspectors and auditors. Provision which is graded 4 or 5 is re-inspected and re-graded when the weaknesses in the provision have been addressed by the college. Provision judged by auditors to be weak is re-audited.

8 What key questions should governors ask about the college inspection?

How will governors be involved in the preparation of the governance section of the self-assessment report?

Has the college prepared a robust self-assessment report?

How will individual governors be involved in the inspection?

Have all necessary preparations been made to facilitate the inspection?

Is the governing body prepared for the inspection of its own activities and effectiveness?

9 Where can governors find further guidance?

Circular 97/12 Validating Self-Assessment.

Circular 97/13 Self-Assessment and Inspection.

Circular 97/22 Joint Working: Audit and Inspection.

Inspection Handbook, FEFC, 1998.

Inspection evidence

The Performance and Development Review Committee, and through it the governing body, pay thorough attention to a whole range of issues related to students performance. These include: retention, achievements and enrolments; special projects/task groups on specific topics, for example retention; reviews of college policies and equal opportunities and enrolments. There is clear evidence that not only are these matters reported but they are discussed thoroughly and appropriate action is recommended. Issues raised at the committee are followed through. The governors and the college managers give careful attention to target setting and review of progress against targets. In this way the committee and the governing body obtain a sound grasp of key issues related to non-financial performance indicators and are well informed about them.

Section C: Responsibilities of Governors

C4 Accommodation Strategies

1 Who is responsible?

1.1 Governing bodies

are responsible for the educational character, mission and solvency of the college under the articles of government, having particular concern for the development and pursuit of medium- to long-term objectives. As a key part of that mission, college governing bodies are required to keep the property assets under review. Therefore, the governing body

- *must* approve the accommodation strategy (which is part of the strategic plan) and the budgetary consequences of that plan - the signature of the chair of governors is requested to accompany the strategic plan and accommodation strategy shared with the Council
- *must* approve the **capital projects**, and the **property acquisitions** and **asset sales** which result from the accommodation strategy, and the sources and uses of funds arising from these activities
- *should* be involved in setting the overall educational, financial and property objectives of the accommodation strategy and reviewing their implementation - arrangements for doing so should be agreed with the principal
- *might wish to* be kept informed of other associated planning issues, such as plans for the arrangements for the post-investment review, which reports upon the results achieved by projects.

1.2 Principal

is responsible for the implementation of the accommodation strategy and operational management of the college, offering guidance to the governing body on the issues arising from this responsibility.

2 Why plan strategically

- 2.1 The future direction of the college and its solvency, for which the governing body is responsible (see above), are both determined by sound strategic planning. Strategic plans for accommodation adjust the asset base of the college to make it more effective, more efficient and more economical in its function of providing the physical plan for the provision of educational delivery.

This forms a vital aspect of the basis for effective management of an institution and plays a key part in a college's capacity and capability to deliver educational provision.

3 What are the principles underlying the provision of an accommodation strategy?

3.1 The Council's planning framework for accommodation strategies is intended to embody a number of basic principles about good planning practice. Essentially, it focuses on the need to establish effective relationships between areas of activity and the resources associated with them. For example, it:

- brings together the objectives of providing educational delivery for the planned numbers of students on courses and the proposed teaching methods, and assesses the property resources necessary to achieve them
- calculates the need for floorspace, specifying the efficiency of workplace use associated with that calculation
- identifies realistic options for the alteration of size and quality of the assets of the college to fulfil the academic plans of the college
- identifies the need for capital projects (involving, for example, new buildings, and/or the refurbishment of existing buildings, often with the demolition of existing buildings or the sale of assets)
- proposes how these projects will be funded, for example identifying how the resources arising from asset sales may be earmarked for new buildings or refurbishment, and identifying the size and nature (secured or unsecured) of the bank borrowing necessary to finance the college's projects and plans
- sets out a realistic timescale for the achievement of the accommodation strategy (usually three to five years) which links to the college's strategic planning cycle
- is a rolling process in which the accommodation strategy is regularly reviewed and updated
- sets out in detail the college's objectives for successive years of its plan
- provides a basis for monitoring performance.

4 What should governors' involvement be?

4.1 The governing body will expect the principal to ensure that arrangements are in place for producing the college's accommodation strategy. The governing body may wish to ask the following key questions.

What is the planning framework and timetable for producing the accommodation strategy?

Who is responsible for preparing particular aspects/sections of the strategy?

What guidance is available for staff in departments/sections of the college responsible for contributing to the strategy?

What are the options under consideration? How do these affect the college's capacity and financial forecast?

What are the arrangements for taking into account the changing patterns of educational delivery within the accommodation strategy?

4.2 The governing body itself should agree how it wants to be involved in the accommodation strategy planning process. However, the signature of the chair of governors is requested to accompany strategic plans or updates to provide evidence of the governing body's approval of the content of the plan and its involvement in the planning process.

5 What information should governors receive?

5.1 To assist colleges in the development of their strategic plans, the Council publishes guidance in the form of a framework of the information it wishes to receive. This framework has been reviewed in the light of responses received during a Spring 1999 consultation. A full strategic plan, covering all elements of the framework, is requested on a three-year cycle subject to updates in intervening years. More detailed information on strategic planning is set out in Council circulars sent to college principals.

5.2 The governing body should expect an accommodation strategy to include:

- a link to the strategic plan statement of a college's key aims and purposes (its 'mission')
- a summary derived from the strategic plan analysis of the student numbers
- a forecast of the on-site daytime guided learning hours arising from these student numbers
- a calculation of the floorspace requirement arising from the changing educational provision and teaching and learning provision that the college intends to make.

5.3 Governors should receive either a statement that the existing assets of the college are considered adequate in quality and sufficient in their scale to cope with existing and forecast demands, or:

- the detailed description of specific and realistic options for the alteration of size and quality of the property assets as required to fulfil the academic plans of the college
- a set of costed proposals consisting of capital projects (involving, for example, new buildings, and/or the refurbishment of existing buildings, often with the demolition of existing buildings or the sale of assets)
- specific proposals about the funding of these projects (for example identifying how the resources arising from asset sales may be earmarked for new buildings or refurbishment, and identifying the size and nature (secured or unsecured) of the bank borrowing necessary to finance to the college's projects and plans)
- a realistic timescale for the achievement of these plans (usually three to five years).

5.4 When significant risks to the achievement of the plan are identified, the governing body may wish to see evidence of contingency plans or options related to, for example, different levels of income. Such arrangements will help decision-making in the event of adverse financial or other circumstances arising.

6 What key questions should governors ask?

6.1 Well-developed strategic planning processes provide a firm foundation for a successful college. The governing body will wish to ask key questions of the executive to assure themselves that the plan is soundly based.

Are the strategies contained in the plan in line with the college's mission?

Is the preferred option realistic and achievable?

What is the fallback plan if the preferred option is not achievable?

Will the plan improve the college's capability to provide high-quality learning experiences for its current and potential students?

Does the plan satisfy the requirements of the council and other stakeholders?

Will the plan form a basis which will enable the college to make well-judged applications for funding from a variety of sources?

7 **Where can governors find further guidance?**

Circular 97/19, Guidance on Accommodation Strategies.

Circular 97/37, Guidance on floorspace management in Further Education colleges.

8 **Checklist**

Have the arrangements, including a timetable, for the governing body's involvement in the development and approval of the plan been agreed with the principal?

Has the timetable for monitoring the implementation of the plan been set?

Has the accommodation strategy been shared with the Council, following approval by the governing body?

9 **Calendar**

The calendar is the same as the strategic planning calendar as outlined in C1.

Section C: Responsibilities of Governors

C5 Financial Forecasting

1 Who is responsible?

1.1 Governors:

- *must* approve institution's strategic plan. The financial forecast is an integral part of an institution's strategic plan as it expresses in financial terms the cost of implementing the strategic plan and shows the income and expenditure associated with the projected levels of activity; it should always be considered as part of the strategic plan. The governing body has statutory responsibility for approving the annual budget (which should be the first year of any forecast), ensuring the solvency of the college and the corporation and for safeguarding assets. These responsibilities cannot be met without having appropriate financial forecasting and monitoring in place. Therefore the governing body:
- *must* approve the financial forecast (in forecasts sent to the Council the principal is requested to sign a certificate stating that the forecast has been approved under procedures drawn up by the governing body)
- *must* consider the financial consequences of any decisions, for example whether to undertake building projects, and will need financial forecasts to enable them to do this
- *must* form a view on the financial health of the college and whether further action needs to be taken to improve the position
- *should* be involved in setting financial objectives, targets and milestones in reaching those objectives and in reviewing their implementation through receipt of regular management accounts
- *might*, depending on the financial situation of the college, wish to review underlying financial plans for example, for specific departments or areas of activity

1.2 Principal:

is responsible for preparing the budget for consideration by the governing body and for the implementation of the strategic plan (including the financial forecast).

2 Why are financial forecasts needed

2.1 The governing body needs to meet their statutory responsibilities of ensuring the solvency of the institution, which cannot be achieved without sound financial planning.

3 What are the principles underlying financial forecasting?

3.1 Governors will wish to set corporate objectives and financial targets as the framework according to which senior management is to draft the strategic plan. In preparing the strategic plan for an institution, the income and resource implications should be considered at all stages and incorporated in the budget and financial forecasts. This will involve the relevant members of the senior management team working closely together and testing the effect of assumptions until a robust plan has been drawn up for approval by the governing body.

3.2 A key part of financial forecasting is sensitivity analysis and contingency planning. In preparing the strategic plan the institution should assess the principal risks to achieving the strategic plan. These risks should be costed and consideration given to what steps might be taken to mitigate the effect of these risks. These steps should be set out in costed contingency plans. A risk might be so significant that an institution will wish to prepare a complete alternative financial forecast showing the effect of the adverse condition occurring and how the institution will cope with it. The Council has found that many institutions do not pay sufficient attention to sensitivity analysis and contingency planning.

4 What should governors' involvement be?

4.1 The principal role of the governing body is to set the framework of policies and strategies within which the institution should operate and to monitor progress in implementing agreed policies and strategies. It is for the senior management team to carry out the implementation. Governors should, therefore, expect to:

- set corporate objectives, financial targets and milestones
- approve the budget for the coming year
- approve the financial forecast for the next three years
- carry out a self-assessment of the financial health of the college
- approve the contingency plans accompanying the forecast
- review progress in achieving the budget and forecast through consideration of monthly management accounts
- approve changes to the budget and revisions to the forecast as the financial year progresses.

5 What information should governors receive?

5.1 The Council issues guidance each year on preparing strategic plans and financial forecasts in the format required by the Council. The guidance is normally issued in the format of a circular and supplement. The governing body would find it helpful to apprise themselves of the content of the circular, which addresses forecasting assumptions and key changes.

5.2 In their review of institutions' financial forecasts the Council's regional finance directors consider the institution's self-assessment of its financial health, the financial targets and objectives set and the degree of sensitivity analysis and contingency planning carried out by the institution. They provide written feedback to the institutions. The governing body will wish to see this feedback from the Council.

5.3 In considering the budget for the coming year and the financial forecast the governing body should expect to see:

- the strategic plan for the forecast period and the operating statement for the budget period
- a statement of assumptions made by management
- specific targets for
 - cash days in hand
 - current ratio
 - staff costs as percentage of income
 - level of reserves to be maintained
 - premises costs
 - credit control
- the operational allocation for FEFC funding for the coming year
- funding offers from other bodies such as the HEFCE, Training and Enterprise Council and local education authorities
- the planned contribution from different areas of activity
- sensitivity analyses and contingency plans
- forecast income and expenditure account and balance sheet on an annual basis
- a 12-month forward monthly cash flow forecast.

6 What key questions should governors ask?

6.1 The governing body needs to seek assurance that the budget and forecasts will be met and will enable the strategic plan to be achieved. The following key questions may be asked:

Are the underpinning assumptions reasonable and do they follow guidance?

Have all risks been considered?

Is appropriate action being taken to address variances from the approved budget and forecast?

If areas of the institution's activity are not making a financial contribution and are being subsidised by others, is this with their approval and is it in line with the institution's objectives?

7 How should governors monitor the forecasts?

7.1 In monitoring progress against a budget and financial forecast the governing body should expect to see a monthly report which includes:

- narrative
- variances against budget
- results for the period compared with budget
- cumulative results compared with budget
- an out-turn forecast
- commitments
- the balance sheet for the period
- variances against budgeted balance sheet
- the forecast balance sheet
- details of virements
- a 12-month forward cash flow forecast
- performance against targets
- the number of staff employed
- the number of units achieved.

8 How does the Council use institutions' financial forecasts?

8.1 The financial forecasts are used for a number of purposes. The Council anticipates that the forecast will primarily be used for internal planning and monitoring purposes by colleges. The

Council's regional teams will review each forecast in conjunction with the strategic plan, accommodation strategy and other information. The aim of the review is to come to a view on the financial health of the college and determine whether any concerns are raised. The team will also consider whether they concur with the college's self-assessment of its financial health.

8.2 The Council aggregates all financial forecasts to give an overall picture of the financial health of the sector. These aggregated figures are reported to the Council each December. They are also used to contribute to advice given to the secretary of state for education and employment.

8.3 It is important that each college's forecast represents a realistic view of the college's position. This will assist in preparing a realistic view of the financial health of the sector.

8.4 The aggregate data is also used to enable the Council to respond to ad-hoc queries from colleges and from the DfEE.

9 Where can governors find further guidance?

Circular 99/25 Strategic Plans including Financial Forecasts.

Management Accounts for FE colleges: A Guide for Governors and Senior Managers, FEDA, 1995.

10 Checklist

Has the governing body assessed the principal risks to achieving their strategic plan?

Has the governing body considered how these risks can be controlled and what steps they could take to mitigate the effect of the risks?

Have the resource implications of the strategic plan been clearly set out and incorporated in the budget and financial forecasts?

Does the strategic plan and operating plan include SMART (specific, measurable, achievable, realistic and timed) objectives that the governors can monitor the college's performance against?

Does the strategic plan include clear financial targets and economic performance indicators?

Have targets been set for the following key indicators:

- cash days in hand
- current ratio
- operating surplus
- retained surplus
- surplus as a percentage of income
- staff costs as a percentage of income?

Is the governing body aware of the financial contribution made by the various parts of the college (schools, departments, faculties) and are some courses/areas subsidised by others?

Has the governing body approved the budget for the coming year, before the start of the year?

Has the governing body assessed the principal risks to achieving that budget and are contingency plans in place?

Has the governing body approved the financial forecasts for the next three years?

Has the sensitivity of the assumptions underlying those forecasts been considered and has the governing body considered what action would need to be taken in order to mitigate those sensitivities?

What information is the governing body relying on when it is discharging its responsibility for the solvency of the college?

Does the governing body receive regular reports of out-turn against budget and do these reports include detailed explanations of variances between out-turn and budget?

Does the governing body feel comfortable with these explanations?

Do the reports include revised forecasts of out-turn for the financial year, forecast year-end balance sheet and a 12-month rolling cash flow forecast?

Does the governing body understand why the forecasts have been revised?

Do the reports include the latest measures for the performance indicators set by the governing body?

If targets are not being achieved, has action been taken to bring the college back on course?

At the end of each year does the finance committee receive a report which compares the outcome with forecasts made during the year, and are they satisfied with explanations given for the differences?

11 Calendar

Activity calendar - key financial returns

| <u>Month</u> | <u>Planning activity</u> |
|--------------|--|
| February | Formal full review of forecast out-turn for year (as minimum once a year). |
| May | Council guidance on strategic plans and financial forecast. Council guidance on accounting policies. |
| June | Institution preparation of budget and forecast. Finance committee approval of budget and forecast. |
| July | Governing body approval of budget and forecast. Submission of forecasts and strategic plans to Council. |
| September | Publication of benchmarks from previous years' accounts. Audit of annual accounts may commence. |
| October | Individual feedback from Council on financial forecast. Finance committee consider annual accounts. |
| November | Governing body approve annual accounts, receive audit opinion and consider management letter on accounts. |
| December | Publication of benchmarks from forecasts on Council website. Submission of audited accounts to Council. |



Repeat cycle

Section C: Responsibilities of Governors

C6 Financial Management and Monitoring

1 Who is responsible?

1.1 As set out in *Financial Monitoring: Notes for Governing Bodies*, the governing body have responsibility for the following financial matters:

- the solvency of the college, that is to say, that the college has sufficient cash to pay its staff and suppliers
- approving the college's annual budget
- securing value for money
- ensuring financial matters are always taken into account when making decisions
- safeguarding the college's assets
- operating an audit committee
- giving an annual account of their stewardship of the college's funds
- ensuring that there are adequate management controls in place to enable them to discharge their other responsibilities.

1.2 The framework within which the governing body fulfil their responsibilities is derived from:

- requirements under the *Further and Higher Education Act 1992* and colleges' articles of government
- the financial memorandum between the Council and colleges, and
- each college's financial regulations.

2 What is the financial memorandum?

2.1 The Council's financial memorandum with colleges is set out in Circular 99/48 *The Financial Memorandum*. This document is, in fact, part 1 of the financial memorandum, which sets out the general terms and conditions of the agreement under which the Council provides funds to colleges. Additional terms and conditions are set out each year in the Council's funding agreements with individual colleges (part 2 of the financial memorandum).

2.2 The responsibilities of the governing body which relate to financial management and accountability, as set out in the financial memorandum, include:

- ensuring the solvency of the college and the safeguarding of the College's assets
- setting a framework for pay and conditions of service of all staff
- ensuring that the financial, planning and other management controls, including controls against fraud and theft, applied by the college are appropriate and sufficient to safeguard public funds
- securing the efficient, economical and effective management of all the college's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in the college is not put at risk
- ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- planning and conducting its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure
- approving an annual budget before the start of each financial year
- setting the policy for determining tuition fees
- in the case of further education corporations, acting only within the powers given in sections 18 and 19 of the Act.

2.3 The financial memorandum is reviewed and updated from time to time, in consultation with colleges.

3 When is the Council's consent required for a transaction?

3.1 The financial memorandum specifies certain transactions for which colleges are required to obtain the Council's consent. These are:

- significant land and buildings transactions
- unsecured borrowing arrangements
- secured borrowing arrangements.

3.2 The governing body needs to be aware that the general consents set out in part 1 of the financial memorandum for such transactions may not apply to certain colleges. The withdrawal of a

general consent will be set out in part 2 of the financial memorandum or in correspondence from the Council.

4 What changes are to be notified by colleges to the Council?

4.1 Colleges are specifically required to notify the Council in writing of any of the following changes:

- any significant deterioration in financial position
- the intention to carry forward a major change in the nature or location of the college
- the vacating and the filling of the following positions:
 - chair of the board
 - principal
 - clerk
- when the principal will be absent from the college for an extended period, the name of the person who will be discharging the principal's responsibilities during his/her absence.

5 What are financial regulations?

5.1 Each college should have financial regulations, which set out what decisions the governing body or committees will take and what has been delegated to management.

5.2 The financial regulations should be reviewed annually and amended as necessary to ensure they reflect the college's current structure and arrangements. The governing body should approve the financial regulations and any amendments to them.

5.3 Financial regulations will include procedures and requirements for:

- purchasing and expenditure
 - authorisation limits
 - tendering/quotation thresholds
 - requisitioning
 - receipt of goods and services
 - making and accounting for payments to suppliers
 - policy of prompt payment of suppliers
- payments to staff
 - payroll
 - travel and subsistence

- income
 - income generation
 - receiving and accounting for cash cheques and other receipts
 - credit control
- banking and cash
- assets and security
- management and financial accounts
- receipt of gifts and hospitality
- fraud and irregularities (reporting responsibilities)
- appointment of internal and external auditors.

5.4 The above list is not exhaustive. In addition, the financial regulations will set out certain responsibilities and rights of access relating to:

- approval of financial regulations
- the role of the accounting officer
- individual staff (e.g. all required to read and comply with financial regulations and meet expected standards of probity)
- delegated authorities
- roles of certain teams of staff (e.g. purchasing, finance).

6 Who is responsible for approving the annual budget?

6.1 The governing body should approve the college's annual budget. To enable them to do this they should receive the following information:

- a statement of the assumptions made in the budget
- a list of the most important actions the college has to get right to deliver the budget; for example to enrol a certain number of students; a quantified sensitivity analysis is an important element here
- evidence to support key assumptions and estimated figures

- the projected income and expenditure account, balance sheet position and cash flow for the year.

6.2 This should be done before the start of the financial year.

6.3 It is useful for the governing body to be aware of the college's budget-setting timetable. As a matter of good practice, the budget-setting timetable should be integrated with the strategic and operational planning timetable.

6.4 The operational plan and budget will represent the first year of the college's rolling three-year strategic plan, including the three-year financial forecast. This is contained in section C5, on financial forecasting.

6.5 Sufficient time should be built into the budget-setting timetable to allow the governing body to assess whether the budget demonstrates that the college can:

- deliver its operational/strategic plan
- operate within the financial targets agreed by the corporation to represent safe limits within which to operate (i.e. to maintain or improve its financial health).

6.6 Guidance on setting financial targets is set out in:

- *Financial Monitoring: Notes for Governing Bodies*
- the annual circular on strategic plans, including financial forecasts, and
- specific guidance on financial forecasting.

7 Who is responsible for monitoring performance against budget?

7.1 At least once a term the governing body should be provided with:

- a report which compares the budgeted income, expenditure, balance sheet, cash flow and other key figures (for example number of staff in post and numbers of students and units achieved) with the actual results up to the end of the preceding month. Any significant variances between out-turn and budget should be highlighted and explained
- a revised financial forecast for the rest of the year, comprising income and expenditure account, balance sheet and cash flow statement
- a cash flow forecast covering at least the next 12 months.

7.2 Members of the finance committee will normally wish to receive this information monthly. If the financial situation of the college becomes critical, the governing body may want to receive this information monthly.

7.3 The governing body will need to be aware of the underlying financial position of the college when determining whether a particular course of action is in the college's interests.

7.4 When the governing body is asked to make a decision it should be provided with a clear statement of the financial implications of the decision and of any alternative courses of action. The governing body may wish to ask for all papers presented to them to contain a section setting out these details.

8 Does the Council expect to receive colleges' annual financial statements?

8.1 Under the terms of the financial memorandum, each college is required to prepare annual financial statements, obtain an external audit opinion on them and send them to the Council within five months of the financial year-end of 31 July.

8.2 Guidance on preparing financial statements is set out in the Council's annual circular on sector accounting policies. This includes a set of model financial statements. Each year, the Council consults the major providers of external audit services and sector representative associations on this guidance.

8.3 A statement of recommended practice (SORP) for higher education institutions was issued in June 1994. This SORP is being revised to cover both higher and further education institutions and will provide a further source of guidance for colleges.

8.4 Colleges are required to produce an electronic version of their audited financial statements and send this to the Council with their audited financial statements. This electronic version is the data source which the Council uses when it produces information on the financial performance of the sector or of individual colleges or groups of colleges. For example, these data are used when making submissions to ministers or publishing benchmarking information for the sector.

9 Who is responsible for approving annual financial statements?

9.1 The college's financial statements must be approved by the corporation and should be signed and dated as follows:

- the members' report should be signed and dated by the chair of governors on behalf of the corporation
- the balance sheet should be signed and dated by the principal and one other member of the corporation, usually the chair of governors (the footnote to the balance sheet should state

the range of pages included in the financial statements and the date of approval by the full corporation)

- the corporate governance statement should be signed and dated by the principal.

9.2 The above statements should normally be signed on the same date. They must also be signed on or very shortly before the date on which the college's external auditors sign and date their audit report.

9.3 Following a combination of two or more colleges (merger), the governing body in existence at the date on which the financial statements are due to be signed is required to approve and sign the financial statements relating to each of the former separate colleges.

10 Do colleges have to provide a corporate governance statement?

10.1 Colleges are required to include a corporate governance statement in their financial statements. *The Combined Code on Corporate Governance* was published in 1998, based on the recommendations of the Cadbury, Rutteman and Hampel Committees. The code covers the whole system of internal control, including internal financial control. The Turnbull working party published additional proposals in April 1999, *Internal Control: Guidance for Directors of Listed Companies Incorporated in the United Kingdom*. The final report of the Turnbull working party was published in September 1999. *The Combined Code: A Practice Guide* contains the latest guidance.

10.2 Colleges are required to include a statement on corporate governance in their audited financial statements. This is an area where guidance and recommendations are still being developed. The Council will provide updated guidance in its annual circular on sector accounting policies.

11 Do annual financial statements have a standard audit opinion?

11.1 The external auditor's opinion on a college's financial statements is based on the external audit opinion expressed on companies' financial statements. In addition, the audit opinion includes specific assurances on the use of Council and other funds, as follows:

'In our opinion funds from whatever source administered by the college for specific purposes have been properly applied for the intended purposes and, where relevant, managed in accordance with appropriate legislation for the year ended 31 July 20XX.

In our opinion funds provided by the Further Education Funding Council have been applied in accordance with the financial memorandum and any other terms and conditions attached to them for the year ended 31 July 20XX.'

11.2 College governors may wish to satisfy themselves on a regular basis during the financial year that Council and other funds provided for specific purposes are being applied for the purposes intended.

12 Do external institutions have different arrangements?

12.1 The majority of external institutions (EIs) funded by the Council are local education authority (LEA) maintained and do not prepare financial statements. Independent (non-LEA maintained) EIs do prepare financial statements but the audit opinion does not include the above assurance on the use of Council funds. For this reason, all EIs are required to provide the Council with a separate audited assurance on the use of funds.

13 Calendar

13.1 The calendar is identical to the calendar outlined in section C5.

Extract from Internal Control: Guidance for Directors on the Combined Code, published by the Institute of Chartered Accountants in England and Wales (September 1999)

Assessing the effectiveness of the company's risk and control process

Some questions which the board may wish to consider and discuss with management when regularly reviewing reports on internal control and carrying out its annual assessment are set out below. The questions are not intended to be exhaustive and will need to be tailored to the particular circumstances of the company.

1 Risk assessment

- does the company have clear objectives and have they been communicated so as to provide effective direction to employees on risk assessment and control issues? For example, do objectives and related plans include measurable performance targets and indicators?
- are the significant internal and external operational, financial, compliance and other risks identified and assessed on an ongoing basis? (Significant risks may, for example, include those related to market, credit, liquidity, technological, legal, health, safety and environmental, reputation and business probity issues).
- is there a clear understanding by management and others within the company of what risks are acceptable to the board?

2 Control environment and control activities

- does the board have clear strategies for dealing with the significant risks that have been identified? Is there a policy on how to manage these risks?
- do the company's culture, code of conduct, human resource policies and performance reward systems support the business objectives and risk management and internal control system?
- does senior management demonstrate, through its actions as well as its policies, the necessary commitment to competence, integrity and fostering a climate of trust within the company?

- are authority, responsibility and accountability defined clearly such that decisions are made and actions taken by the appropriate people? Are the decisions and actions of different parts of the company appropriately coordinated?
- does the company communicate to its employees what is expected of them and the scope of their freedom to act? This may apply to areas such as customer relations; service levels for both internal and outsourced activities; health, safety and environmental protection; security of tangible and intangible assets; business continuity issues; expenditure matters; accounting; and financial and other reporting.
- do people in the company (and in its providers of outsourced services) have the knowledge, skills and tools to support the achievement of the company's objectives and to manage effectively risks to their achievement?
- how are processes/controls adjusted to reflect new or changing risks, or operational deficiencies?

3 Information and communication

- do management and the board receive timely, relevant and reliable reports on progress against business objectives and the related risks that provide them with the information, from inside and outside the company, needed for decision-making and management review purposes? This could include performance reports and indicators of change, together with qualitative information such as on customer satisfaction, employee attitudes etc.
- are information needs and related information systems reassessed as objectives and related risks change or as reporting deficiencies are identified?
- are periodic reporting procedures, including half-yearly and annual reporting, effective in communicating a balanced and understandable account of the company's position and prospects?
- are there established channels of communication for individuals to report suspected breaches of laws or regulations or other improprieties?

4 Monitoring

- are there ongoing processes embedded within the company's overall business operations, and addressed by senior management, which monitor the effective application of the policies, processes and activities related to internal control and risk management? (Such processes may include control self-assessment, confirmation by personnel of compliance with policies and codes of conduct, internal audit reviews of other management reviews)
- do these processes monitor the company's ability to re-evaluate risks and adjust controls effectively in response to changes in its objectives, its business, and its external environment?
- are there effective follow-up procedures to ensure that appropriate change or action occurs in response to changes in risk and control assessments?
- is there appropriate communication to the board (or board committees) on the effectiveness of the ongoing monitoring processes on risk and control matters? This should include reporting any significant failings or weaknesses on a timely basis.
- are there specific arrangements for management monitoring and reporting to the board on risk and control matters of particular importance? These could include, for example, actual or suspected fraud and other illegal or irregular acts, or matters that could adversely affect the company's reputation or financial position.

(This publication can be obtained directly from the Institute or can be viewed on the internet on icaew.co.uk/internalcontrol)

Section C: Responsibilities of Governors

C7 Audit

1 Who is responsible?

1.1 Governors

are responsible for ensuring that the financial planning and other management controls, including controls against fraud and theft, applied by the college are appropriate and sufficient to safeguard public funds, and also for securing the economical efficient and effective management of the college so that risk to public funds is minimised. The governing body must

- *ensure* there is a sound system of internal control in the college
- *appoint* separate internal and external auditors for the college
- *establish* an audit committee to advise the governing body on how its responsibilities are being met.

1.2 Principal:

as accounting officer is personally responsible for ensuring the proper and effective operation of the systems of controls established by the governing body.

2 Why do governors have these responsibilities?

2.1 The investment of public funds in the college makes the governing body accountable to parliament, through the Council and the department, for the stewardship of these funds. The public nature of the governing body's role in this stewardship, the good name of the college and the interests of its students demand high standards of conduct. The existence of a rigorous framework of audit and internal controls can assist governors in this process. In May 1998, the Council published an *Audit Code of Practice* which provides guidance on how the governing body can establish and maintain this framework.

3 College external auditor

3.1 The basic role of the external auditor is to report on the truth and fairness of the income and expenditure for the year and the financial position of the college and any subsidiary companies shown in the financial statements. The external auditor must also be concerned with the requirements of the Council to report on:

- the regularity of transactions, that is that any terms and conditions attached to the funds provided to the college, including those in the financial memorandum between the Council and the college, have been complied with
- the accuracy of the college's funding unit claims and individualised student record (ISR) data.

3.2 The external auditor's work normally results in two types of report: a formal opinion on the financial statements and also on funding unit claims and ISR data; and a management letter which reports any significant matters arising and recommends improvements. There may be separate management letters arising from the audit of the financial statements and the audit of funding unit claims and ISR data. Management letters should be addressed to the governing body through the audit committee. The management letter following the audit of the financial statements should be made available to the governing body, with management responses, before approval of the financial statements, and copied to the Council.

4 College internal audit service

4.1 The role of internal audit is to provide a service to the governing body and college managers by giving assurance and comfort on the adequacy and effectiveness of the college's system of internal control. To be effective, internal audit needs to be distinct and separate from college management and external audit. This enables internal audit's advice to be independent. To achieve this, almost all colleges have contracted with an external organisation to provide an internal audit service. Colleges' internal audit services must operate in accordance with HM Treasury standards for internal audit. These are set out in the *Government Internal Audit Manual (GIAM)*. The Council's *Audit Code of Practice* provides guidance for colleges and their internal audit services on the provision of an appropriate internal audit service.

4.2 In order to provide assurance to the governing body on the college's system of internal control, the scope of internal audit work needs to cover the whole of the college's activities and systems. To achieve this, the internal audit service is required to identify all the college's systems through an audit needs assessment. The analysis of systems and the assessment of risk associated with these systems should lead to the internal audit service determining the audit needs of the college. This then forms the basis of strategic and annual internal audit plans. It is not necessary for each system to be reviewed annually. The strategic internal audit plan should set out when systems will be reviewed over a cycle of three to five years. An annual internal audit plan will provide the detailed scope of reviews to be undertaken in each year of the cycle.

4.3 It is important for the governing body to approve the audit needs assessment and internal audit plans so that all governors are fully aware of the basis of the assurance they will receive from the internal audit service. There is no simple answer to the appropriate level of internal audit resources needed for a college. However, experience has shown that, even for the very smallest colleges, annual budgets of 20 days represent the absolute minimum resource to provide an appropriate level of assurance for the governing body. The actual level of resource for each college will depend on factors such as:

- the complexity and variety of its educational provision, including college companies and collaborative provision
- the turnover of the college, the extent of delegation and the degree of decentralisation of the operation of systems
- previous audit experience of the adequacy of systems and staff, their newness and degree of recent, ongoing or planned change.

4.4 Much of the useful work of the internal audit service will be through reports produced on each assignment. These assignments may have involved the review of several distinct systems within the annual internal audit plan. In addition the internal audit service should provide the governing body with an annual report containing an objective assessment of whether systems and controls are working properly. The governing body can then know the extent to which they can rely on the college's system of internal control and managers can know how reliable are the systems and controls for which they are responsible. This assessment should be accorded by the governing body the same significance as the report of external audit on the annual statement of accounts and should be available to the governing body at the time of its consideration and acceptance of the external audit report and the signing of its responsibility statement.

5 Audit committee

5.1 The role of the audit committee is to provide the governing body with authoritative advice on matters relating to audit and internal control. To provide this advice, members of the audit committee must have relevant skills and expertise. Many colleges have ensured such expertise is available to the audit committee by co-opting people with relevant skills, who are not governors, to the audit committee. Proposed changes to the Council's financial memorandum with colleges include a requirement that the audit committee must include at least one person, whether a governor or not, with relevant financial/audit experience.

5.2 The audit committee's position within a college's structure of governance is challenging in that it may on occasion examine evidence that is critical of the college's governance, management and professional advisers. To maximise the audit committee's independence and objectivity, some governors should not be asked to serve on the committee. This includes those who are also members of staff with executive responsibilities at the college, including the principal, and also the chair of the governing body and the members of the finance committee or equivalent.

5.3 The audit committee should operate within terms of reference which have been approved by the governing body. The Council has provided model terms of reference in the *Audit Code of Practice*. The governing body should ensure that it does not compromise the audit committee's independence by adding additional terms of reference which require the audit committee to adopt an executive role.

5.4 The frequency of meetings of the audit committee is a matter for the governing body to

determine. Evidence suggests termly meetings are needed, but the scheduling should take account of the need to operate regularly and frequently as part of the governance of the college, the timing of audit work and the need to sustain the interests of the audit committee members. The clerk to the governing body should normally service the audit committee. However, where the clerk also has financial responsibilities at senior management level within the college, the governing body should consider the need for an alternative to ensure the independence of the clerk and the committee. The head of internal audit should normally attend all meetings and the head of external audit should attend, at least once a year, where a management letter or other report is being discussed. Senior managers of the college should attend as required to provide information and give their views. The committee should, when it is satisfied it is appropriate, go into confidential session and exclude any, or all, non-members or observers.

5.5 The main tasks of the audit committee will be to:

- advise the governing body on the appointment, reappointment, dismissal and remuneration of the college's external auditor and internal audit service, and the scope and objectives of their work
- ensure co-operation between the internal audit service and the external auditor
- advise the governing body on the audit needs assessment and internal audit plans
- advise the governing body on internal audit assignment reports and annual reports, on control issues in external audit management letters arising from the audit of the financial statements and the audit of funding claims and ISR data, and on management's response to these
- advise the governing body on relevant reports by the National Audit Office (NAO) and the Council
- monitor the implementation of auditors' recommendations by management
- monitor the effectiveness of the college's auditors, at least annually
- produce an annual report for the governing body, which contains the audit committee's advice on the effectiveness of the college's system of internal control.

5.6 The audit committee's annual report for the governing body should summarise the committee's work during the year. The annual report should contain the committee's advice to the governing body on the effectiveness of the college's system of internal control. This advice should be based on the results of the work of the college's external auditor and internal audit service and the report should incorporate any significant matters arising from the work of the auditors.

5.7 The AoC has issued model terms of reference for audit committees.

6 What should governors' involvement be?

6.1 The governing body should, on the advice of the audit committee:

- approve the appointment of the college's auditors and the terms of reference for their work (these will be set out in formal letters of engagement)
- approve the internal audit service's audit needs assessment and strategic and annual internal audit plans
- receive and approve external audit management letters, internal audit annual reports and relevant reports by the NAO and the Council
- receive and approve the minutes of audit committee meetings
- receive and approve the annual report of the audit committee.

7 What information should governors receive?

7.1 Governors should receive copies of:

- the audit needs assessment and internal audit plans
- external audit management letters, internal audit annual reports and relevant reports by the NAO and the Council
- the annual report of the audit committee.

8 The role of the Council

8.1 The Council is accountable to parliament for the public funds it disburses to colleges. The existence of a proper framework for audit within colleges is an important part of the Council's mechanisms for ensuring that public funds are safeguarded. The requirements for audit in colleges are established through the Council's financial memorandum with colleges. The Council's audit service assesses the adequacy and effectiveness of colleges' systems of internal control by performing reviews of colleges' governance and management arrangements. The Council seeks to minimise duplication of effort by seeking to rely upon the work of colleges' auditors. In this regard, the Council has rights of access to colleges' auditors and their working papers. The Council's audit service receives copies of colleges' internal audit annual reports and external audit management letters. The Council's audit service also undertakes reviews of the work of colleges' internal audit services and reviews external auditors' work on the audit of final funding unit claims.

8.2 The Council seeks to promote good practice in audit throughout the sector by publishing annual circulars containing model financial statements and accounting guidance and guidance on the

audit of funding unit claims and ISR data. In addition, the Council has published an *Audit Code of Practice* which:

- provides an overview of accountability within the sector
- sets out the requirements in respect of college audit committees, and internal and external audit
- sets out guidance and good practice to enable governors, managers and colleges' auditors to meet the requirements and maximise the value-for-money of the services colleges receive from their auditors.

9 **Where can governors find further guidance?**

The Council's *Audit Code of Practice* (issued as an accompaniment to Circular 98/15)

The college's financial memorandum with the Council.

10 **What questions should governors ask?**

Has the governing body approved terms of reference for the audit committee which reflect the Council's guidance?

Does the audit committee have within its membership a person, whether a governor or otherwise, with relevant financial/audit experience?

Does attendance at the audit committee include representatives of the college's auditors and the college's managers with responsibility for the systems which have been subject to review by the auditors?

Has the governing body approved the internal audit service's audit needs assessment and strategic and annual plans?

Have the college's internal auditors produced an annual report and does this highlight any significant weaknesses in the college's systems of internal control?

Have the college's external auditors produced a management letter on the audit of the college's financial statements and/or the audit of the final funding unit claim and ISR, and does this highlight any significant weaknesses in the college's systems of internal control?

Has the audit committee produced an annual report for the governing body containing the committee's advice to the governing body on the effectiveness of the college's system of internal control?

Section C: Responsibilities of Governors

C8 Data Issues

1 What data sources on students are available in further education?

1.1 The primary source of data in the further education (FE) sector is the individualised student record (ISR). This contains information for each student enrolled at the college together with details of each qualification that the student is studying, and each qualification that the student has obtained when he/she comes to the college. In the case of adult students the qualification on entry data will be incomplete in some cases.

1.2 In colleges, the ISR is extracted from the college's management information system (MIS). This will usually contain some college-specific information in addition to the information requested by the Council in the ISR.

1.3 Associated with the ISR is the qualification database which contains information on all qualifications available in the further education sector. This database can be searched independently and is also an integral part of the ISR because the ISR only holds summary information about the qualification and cross refers the qualification database for more detail.

1.4 Typical items included in the ISR are the name, post code (extremely useful for geographical mapping), sex of the student, date of birth and details of any benefits being claimed. The qualification database includes the title of the qualification as specified by the awarding body, the name of the awarding body, the notional NVQ level of the qualification (levels 4 and 5 are typically higher education qualifications although some NVQs fall into these two levels; level 3 covers GCE A level, advanced GNVQs and level 3 NVQs and similar vocational qualifications; level 2 covers GCSEs and intermediate GNVQs and equivalent vocational qualifications; level 1 covers the remaining qualifications). The qualification database also contains funding information such as the number of funding units available for the on-programme element of a student's programme where he/she is studying for this qualification.

2 What help is given by the Council to aid colleges in the task of collecting data?

2.1 The Council provides the qualification database to the college as a computer programme. It also provides validation software which allows the college to check whether there are any errors in individual student records before returning them to the Council.

2.2 The Council also provides a funding program which uses the ISR and the qualification database input and produces an estimate of the number of funding units generated by the college as the output.

3 What requirements are placed on colleges to provide data on students?

3.1 The annual timetable for data and software is as follows:

- qualification database and validation software provided by the end of October
- first ISR return of the year, being a snapshot of students enrolled as at 1 November, returned to the Council by the first Monday of December
- software updated in early summer
- first all-year return of ISR data, with a reference date of 31 July returned to the Council by the first Monday of September
- during the autumn, the college's external auditors review the credibility of the all-year data
- final ISR return for the year made by the college by the beginning of February; this is the previous all-year return augmented with achievement data and is linked to the final funding claim for the year. The external auditor will have confirmed that the July and December ISR returns are consistent.

4 What about data on staff?

4.1 Colleges also return the staff individualised record (SIR) annually at the end of the academic year. This includes individual records (but without names) for each member of staff, together with broad details of their function and qualifications.

5 Are there other requirements?

5.1 Colleges also return the finance record and a strategic plan.

5.2 There are three main sets of financial data to be returned to the Council:

- a three-year financial forecast as part of the strategic plan
- the audited financial statements
- the finance record, which comprises the data in the financial statements in disk format.

5.3 It is expected that the first year of the financial forecast will be the budget that the governors have agreed for that year. The later years will be the corporation's forecasts based on planned activity as set out in the strategic plan.

5.4 The audited financial statements and finance record are due to be returned to the Council by 31 December each year. The audit of the financial statements will tie in with the autumn review of the credibility of all-year data.

5.5 The Council requests strategic plans from institutions on the basis of a three-year rolling programme, with update information in the intervening years. This is dealt with more fully elsewhere in section C1 Strategic Planning. Full strategic plans and updates (which are collected in July each year) include requests for projected student numbers and details of significant withdrawals of provision. This information is also requested in spring each year as part of the annual funding process. Strategic plans are the only source of projected student number information and are, therefore, likely to be of interest to governors.

5.6 Calendar

| | | |
|--------|--------|--|
| Year 1 | Spring | Student projections and withdrawal information |
| | Summer | Full three-year strategic plan |
| Year 2 | Spring | Student projections and withdrawal information |
| | Summer | Strategic plan update |
| Year 3 | Spring | Student projections and withdrawal information |
| | Summer | Strategic plan update |

Repeat cycle

5.7 Student number estimates are requested for the current academic year and projections for the forthcoming three years of the strategic plan. This is to give a broad indication, in terms of volume, of the educational programmes each institution is developing/reducing. The current-year estimates are available through this data collection process earlier than figures from the ISR. Following a spring 1999 consultation with colleges, the Council is undertaking work to develop a standard method of using ISR data to create a baseline from which colleges can make their student projections by different categories to those currently requested.

6 How do governing bodies benefit from the collection and analysis of these data?

6.1 Governors are likely to be interested in a range of analyses produced by the college MIS system on a regular basis. These might include information on the current performance of the college in terms of recruitment, retention and achievement, and a summary of the financial position of the college.

6.2 Governors are also likely to be interested in Council analyses which refer to the individual college. There are three of these: performance indicators, benchmarking and summary of accounts.

6.3 Performance indicators are published by the Council in September of each year and show five indicators for each college. The key ones are the retention and achievement performance of the college as a whole. Colleges are sent their performance indicators, calculated by the Council from ISR returns, before publication.

6.4 In order to understand the performance indicators in more detail the Council now publishes benchmarking information in August of each year. The benchmarking information provides a reference point against which colleges can assess their own performance and set targets for improvement. The Council does not publish benchmarking information by individual college but it has provided details of the method of how the calculations are done. Colleges are able to buy commercial software which will generate the information for the individual college which can then be compared with the published national benchmarking information. The benchmarking information again focuses on retention and achievement data but provides more detail than performance indicators. In particular it provides analysis of different levels of qualification and for different types of student.

6.5 Each year the Council publishes, in a circular, a summary of each college's audited financial statements which provides key operating information such as turnover, operating surplus and current ratio. More detailed information is published on a floppy disk which is issued to each college.

6.6 The circular provides the average and range of a number of key financial ratios. It also provides the Council's views on the acceptable range for some of these ratios. Governors can compare the position of their own college with similar colleges.

6.7 The Council publishes regional, college type and sector data from the financial forecasts, along with the student number information supplied as part of the strategic plan, but does not publish individual college data. Governors are able to assess the college's performance in certain key indicators against those for similar colleges.

6.8 Further benchmarking data comparing an individual college's returns with those of that college's type in the region and sector are made available to college principals as part of the feedback on the college's financial forecasts.

6.9 Extracts from individual colleges' audited financial statements are published each year.

6.10 For forecast information the January 1998 and 1999 strategic plan circulars and the regional booklets for those years are available. Forecast information was not published in earlier years.

7 What questions should governors ask?

Does the college make its returns to the required timetable?

How do the college's retention and achievement rates compare with those of other similar colleges – overall in the performance indicators, and in detail using the benchmarking data?

How do the college's enrolment figures and funding units for the current year compare with projections and/or targets?

How do the college's financial accounts and forecasts compare with those of other colleges?

8 Where can governors find further guidance and information?

Circular 98/43 College Accounts.

Circular 97/35 College Accounts.

Circular 96/29 College Accounts.

Circular 95/30 College Accounts.

ISR Institution Support Manual, 1999-2000, May 1999.

ISR Executive Summary, 1999-2000, May 1999.

SIR College Support Manual, 1998-99, June 1999.

Performance Indicators, 1997-98, September 1999.

Benchmarking Data, 1995-96 to 1997-98, September 1999.

Section C: Responsibilities of Governors

C9 Governing Body as Employer

1 Responsibility of governors as employers

1.1 The vast majority of staff working in colleges are employed by the governing body under contracts issued on the governing body's behalf. This includes both teaching and support staff, and, depending on the size of the college, will amount to a significant number of employees in a diverse range of jobs with different conditions of service. The governing body is responsible for meeting all legal requirements relating to the employment of staff.

2 Who is responsible?

2.1 Governors:

- is responsible for appointing, grading, suspending, dismissing and determining pay and conditions of service of the principal, other senior post holders and the clerk to the governing body
- is responsible for designating senior posts
- is responsible for setting a pay and conditions framework for all staff. Governing bodies are also responsible for determining the remuneration packages of senior postholders and have an overall duty to ensure that the payments systems in use are fair and comply with relevant legislation. For pay purposes staff are normally grouped as follows:
 - lecturing staff
 - management spine staff (in some colleges)
 - business support staff
 - manual workers (possibly assimilated into the business support staff group).
- is responsible for putting into place procedures for deciding the pay and conditions of service of the chief executive/principal, the senior staff (as defined by the board) and the clerk to the board; dealing with the appointment of senior staff and their suspension or dismissal; hearing appeals relating to the dismissal for disciplinary reasons of other

staff; hearing staff grievances not resolved at earlier stages of the procedure; agreeing management development programmes for senior postholders

- *should* be aware of the legislation affecting the employment of staff.

2.2 Principal:

is responsible for employment issues for all staff (other than senior post holders and the clerk), within the framework set out by the governing body.

3 The need for a set of procedures on the employment of staff

3.1 The governing body is responsible for meeting all legal requirements relating to the employment of staff. These requirements include:

- meeting national insurance and PAYE regulations
- complying with employment legislation affecting the appointment, employment and dismissal of staff
- meeting the requirements, as they affect employers and employees and others, of other legislation such as that on health and safety at work, equal opportunities and race relations, data protection and the disclosure of criminal convictions.

3.2 The board should agree, after consultation, a set of procedures and policies on issues affecting staff. These should include:

- the pay and conditions framework for all employees
- any staff code, or other set of rules, with which staff are contractually required to comply
- recruitment and appointments arrangements
- procedures for suspension, discipline and dismissal of staff, including arrangements for hearing appeals
- staff grievance procedures
- equal opportunities employment policies
- arrangements for consultation with associations and trade unions representing staff
- arrangements for regular communications with staff on employment issues and for providing a personnel service to all employees

- arrangements for staff development and appraisal
- whistle-blowing policy.

4 **What are the principles underlying the role of the governing body as an employer?**

4.1 The rights and duties of employers derive from:

- common law, which is the body of law developed by courts and which therefore can be modified by courts
- statute law, which comprises acts of parliament and is subject to interpretation and application only by the courts
- European law provisions, which derive from the Treaty of Rome, directives and regulations, and decisions of the European Court of Justice.

5 **Appointment of principal (and senior post holders)**

5.1 Arguably, the appointment of the principal is the most important responsibility that governors undertake. Certain provisions for such appointments are laid down in section 6 of the articles of government.

5.2 Good practice in the sector includes:

- the use of assessment centres supervised by professional recruitment experts
- utilising the services of an assessor such as a senior and successful principal (serving or recently retired) or other equivalent senior educationalist. Such assessors should be present throughout the process from job specification, through long and short listing, to the appointment interview itself
- ensuring job and person specifications are likely to meet the needs of the institution and attract a suitable field of candidates.

5.3 In most cases candidates are likely to be senior post holders in sector colleges. Information about the performance of the college in which candidates are serving currently will be available in the public domain, for example, inspection reports, performance indicators and college accounts. Selection panels should have regard to such information, interpretation of which will be a key role for the assessor.

5.4 In the case of colleges in the exceptional support category, the Council will wish to be informed of the selection arrangements for permanent (or acting) principals and will comment on

them. The Council may choose to exercise its power to nominate an observer to attend meetings of the selection panel.

Dismissal of principal (and senior post holders)

5.5 If the dismissal of a senior post holder, including the principal, might be appropriate, the matter must in accordance with the articles be referred to a special committee of the governing body. The role of the committee, which should be convened as soon as practicable, is to examine the case for dismissal, and make recommendations to the governing body. The special committee must consist of at least three members of the governing body. The articles of government states that the chair, vice chair, principal, and staff and student members are not eligible for membership. This committee must prepare a written report to the governing body, and copy it to the member of staff to whom it relates. The member of staff has the right to make representations to the governing body, accompanied by a friend. It is for the governing body to consider the recommendations of the special committee and take such action (including dismissal) as they consider appropriate.

5.6 Fortunately such occasions are rare but the governors should expect to receive clear and authoritative advice from the clerk who should consult the corporation's legal advisers.

6 How should the governing body act in its role as an employer?

6.1 As an employer, the governing body should directly influence and establish management development programmes for the chief executive/principal and, possibly, other senior postholders. To ensure the success of such a programme the implications of the college's strategic plan for the development of the skills and knowledge of employees should be explicit; college management should seek to identify and meet new needs as they arise; and the governing body (or one of its committees) should monitor the competence of its management and ensure that its workforce is being developed.

6.2 The governing body may wish to put into place procedures to ensure that organisational development takes place by addressing issues such as:

- developing processes for bringing about and implementing change
- assessing organisational effectiveness and developing improvement plans
- organisation structure and design
- bringing about cultural change
- designing effective communication processes
- building effective work groups and multi-disciplinary teams
- managing the implementation and organisational implications of information technology (IT)

- developing effective work practices, for example clarifying roles and responsibilities and rules for dealing with conduct and capability in complex situations, and setting work group objectives
- stimulating innovation and creativity
- developing problem-solving and effective decision-making processes
- managing interpersonal and intergroup conflict
- ensuring fair employment practices.

6.3 Governing bodies need to recognise the important role played by trade unions in the college environment. Many staff will be members of trade unions, and in developing employment policies and procedure it will be important to ensure proper consultation with the trade unions. The governing body should ensure arrangements are in place to provide for an effective dialogue with the trade unions, and to enable consultation to take place at the earliest possible opportunity on any issue that is likely to affect staff. The governing body will deal with the recognition of appropriate trade unions.

6.4 Governing bodies will need to ensure that there are in place policies for the promotion of equal opportunities in the employment field. Recruitment procedures must be robust, to ensure that all appointments are made on merit and do not discriminate either directly or indirectly on grounds of race, sex or disability. As a large employer in the area, a college's equal opportunities policy should include as one of the aims having a workforce that reflects the local community. Policies on training and development should ensure that opportunities are made available to all staff, and it will be important to have a procedure to enable the college to comply with its obligation to make reasonable adjustments in interviewing, employing and retaining employees with a disability, under the Disability Discrimination Act 1995.

6.5 The governing body has responsibility for ensuring that a college is a healthy and safe environment for its employees to operate in. The Health and Safety at Work Act 1974 obliges corporations to ensure that they prepare, and revise regularly, a written statement of their general policy on health and safety. All employees must be advised of what this policy is and of the arrangements for its implementation. This Act also places an obligation on the governing body to ensure the safety of persons who are not employees, including students and members of the public, and contracted workers.

6.6 Governing bodies hear appeals that arise in dismissal situations. This may be delegated to the principal except in the case of senior postholders.

7 What information should the governing body receive regarding its role as an employer?

7.1 The governing body should be aware of the contract of employment between itself and its employees which sets out the detailed terms and conditions on which an employee is employed.

8 What key questions should the governing body ask, as an employer?

What is the turnover in the various categories of staff and what are the reasons for leaving?

Is there a policy in place for continuous development of staff?

Were any members of staff dismissed, and on what grounds?

What trade unions currently operate amongst the college staff and should the college consider offering them a recognition agreement?

Are there any health and safety concerns which the governing body should be aware of?

Is all the equipment checked regularly, and is there a contingency fund for its maintenance?

Are the premises safe for employees and other users?

9 How should the governing body monitor its role as an employer?

9.1 An employee who has been dismissed may seek a remedy at common law and/or under statute. This could prove expensive and therefore governing bodies should monitor any decision to dismiss staff.

9.2 The governing body should be made aware of any staff development policies in place and ensure that they reflect the strategic plan of the college.

9.3 As legislation changes, the governing body should be aware of any new legislation that may come into force.

10 How does the Council use information received regarding governing bodies as employers?

10.1 The Council does not regularly receive information regarding the role of governing bodies as employers. However, the financial forecast sent by colleges contains information on the pay costs they incur.

11 Further guidance

11.1 Employment law is a complex and rapidly changing area. Governors should ensure that they have access to appropriate advice.

12 Checklist

Is there a set of procedures for the employment of staff and does it contain all the suggested areas above?

Is the Health and Safety at Work Act 1974 prominently displayed for employees' information?

Is there a clear procedure in place for disciplinary and appeal hearings?

Are there procedures in place to dismiss staff?

Is there a human resource plan?

Is there a strategy for training and development?

Is there a procedure for reviewing all staffing policies and procedures?

Section C: Responsibilities of Governors

C10 Equal Opportunities –Promoting Diversity

1 Who is responsible?

Colleges have a duty to ensure that their staff reach all students effectively thus helping them to achieve as much as they possibly can. The student body in any college is diverse. Promoting diversity in the workforce will help to ensure students needs are met.

1.1 Governors:

are responsible for:

- determining the educational character and mission of the institution and for oversight of its activities
- determining the pay and conditions of service of senior postholders and the clerk
- setting a framework for the pay and conditions of all other staff.

1.2 Principal:

is responsible for

- making proposals to the governors about the educational character and mission of the institution
- management of staff (other than senior postholders and the clerk) within the framework set by the governors
- maintenance of student discipline.

2 What is covered by the term “Equal opportunities”?

2.1 Governors should consider how the college is responding to four key responsibilities:

- to ensure no unfair discrimination
- to act positively where appropriate
- to ensure awareness of diversity issues

- to promote the college's ability to respond to a diverse student body and community at large.

3 **How do we ensure that there is no unfair discrimination?**

3.1 Most governors will be aware in general terms of legislation about discrimination on the grounds of gender, race or disability. There is also legislation about discrimination on other grounds, such as trade union membership. All this legislation is backed up by regulations, guidance and case law, and is subject to frequent revision or addition. It is unrealistic for governors, or senior staff, to expect to be fully aware of the current position. What governors should ensure, therefore, is that key staff have, within their job description, a requirement to be aware of discrimination issues as they affect particular areas of the college's activities.

3.2 It is important to note that the term used is 'unfair discrimination'. This acknowledges that there will be many circumstances in which discrimination takes place, but it is not unfair. A simple example might be a job interview: the role of the interview panel is to choose – discriminate – between the candidates. What the panel should not do is to make that choice on grounds which are not justified – for example, to reject candidates because they are female.

3.3 It is the area of staffing which leads to most complaints. This is usually either on selection for appointment or promotion, or selection for redundancy. There is substantial guidance on good practice, and those with responsibility for personnel issues should have opportunities to attend training courses.

3.4 Many organisations already recognise that a requirement that a post is full-time, or that the hours are fixed, will deter some people from applying. It is important that any such requirements are really essential. However, the same questions should be asked of any requirement that is applied to a post.

3.5 More difficult is the situation where a number of candidates meet the essential criteria, and some form of sifting is necessary to provide a short-list. If the sifting is done on the basis of choosing those candidates with more experience, or higher qualifications, is that going to perpetuate discrimination against particular groups?

3.6 It is not only in these areas that discrimination against staff can take place.

Case study

The six staff in one department held meetings weekly. Normally the meeting was in college, but once a month it was held in a local public house, to give a more sociable atmosphere. One member of staff felt unable to attend those meetings due to personal values based on cultural background.

3.7 There can also be discrimination against students, for example in the recruitment procedures, in the facilities or support available, and in the recruitment literature.

4 What is meant by 'acting positively'?

4.1 We are all more enlightened in our attitude to equal opportunities than was the case in the past. That does not mean that there are still no issues - the Macpherson Report into the murder of Stephen Lawrence is a stark reminder of that - neither does it mean that the injustices of the past have been addressed. It takes many years for change to become embedded. There has been an increase since 1993 in the number of female principals, but there are only two black principals in the 400+ further education sector colleges. This gives women and black staff insufficient positive role models, and their aspirations may, as a result, be reduced.

4.2 Governors must ensure that the college does not unfairly discriminate, but they should also consider what measures could be introduced in order to redress past discrimination, or present inequality of opportunity.

4.3 Governors may aspire to achieve a situation where the staffing of an institution reflects the community it serves. This may seem attractive, and is clearly measurable, but governors should be very clear about the basis of any such approach. For example, is the community served by the college its current student body, its potential student body, or the whole of the local community? If, for example, it is agreed that 63% of the potential student body of the college is female, is it sufficient if 63% of the staff in total is female? Or should there be similar representation in both teaching and support functions, at all levels, and in all subject areas?

4.4 One example of positive action might be to ensure that advertisements for vacancies, or for courses, are placed in media accessed by minority groups, and in languages other than English.

5 How does the governing body ensure awareness of issues?

5.1 Governors can begin with themselves. The governing body should reflect its community. For some colleges, there may be a case for establishing an equal opportunities committee, with external

membership. Individual governors, and in particular those serving on the search committee, may wish to undertake training.

5.2 Governors may consider that reports on recruitment of students, and on staffing and staff training, should include details relevant to equal opportunities. 'What is the impact on equal opportunities?' may not always be the first question that should be asked, but it might be an early one.

6 What should governors' involvement be?

6.1 Governors should demonstrate by their own actions that they are committed to equal opportunities. They should, then, expect the same commitment from the staff of the college, and from the students.

6.2 With imagination, the decisions of governors can have a major impact on their community.

Case study

A college was intending to build a new centre in a part of the city with a large ethnic community, primarily serving that community. Members of the community were involved in the specification of the centre, and the tender for building work included a requirement that the contractor must be a significant employer of members of that community.

7 Where can governors find further guidance?

7.1 There is a great deal of literature on equal opportunities, and governors may find some of the publications of the Equal Opportunities Commission helpful in developing their own strategies.

7.2 The Council, together with NATFHE, the Association of Colleges (AoC) and the Black Managers Network, has established a *Commission for Black Staff in Further Education*. The Commission intends to provide an interim report in summer 2000 and a final report in January 2001, describing the current position of the employment of black staff in colleges, and strategies for encouraging recruitment, development and career progression for those staff.

7.3 The Council will assist colleges in tackling this issue through training for staff and governors, providing support for staff from ethnic minorities and monitoring.

Specific guidance

Section D: Issues affecting colleges

Collaboration and partnership
Funding initiatives
Capital related funds

Updated

March 2000

March 2000

March 2000

Section D: Issues Affecting Colleges

D1 Collaboration and Partnership

1 What is collaboration and partnership?

1.1 Although further education sector colleges are independent bodies, they will work with other bodies in a variety of ways, and for a variety of reasons. It is not uncommon for a college to be involved with 50 or more other parties, including other colleges, schools, universities, local authorities and employers. The status of these relationships will vary. In broad terms, collaboration might be defined as an arrangement where two or more organisations agree how to make best use of their joint resources. This might involve joint purchasing, or an agreement on shared delivery, or might involve discussion on curriculum matters to ensure that a broad curriculum is available. Partnership might be seen as a more formal arrangement, such as a joint bid for external funding. Collaboration and partnership often develop over time, and in some cases may lead to the merging of institutions.

1.2 The impact of the global economy on the world of work and education also means that colleges are increasingly extending their collaborative arrangements with partners overseas. The general principles set out in this section will in the main also apply to these partnerships. In addition, separate and more detailed guidance is to be available by the AoC.

2 Who is responsible?

2.1 Governors:

- *must* approve substantial collaborative and partnership activity as part of the college's strategic plan
- *should* be aware of the range of activity of the college
- *may wish* to be involved directly, for example as members of partnership steering groups.

2.2 Principal:

- *must* ensure that any partnership or collaborative activity is consistent with the college's strategic plan and mission, and that the Board is kept fully aware of such activity
- *should* ensure that the college is aware of, and contributes appropriately to, initiatives for joint working.

3 Why is collaboration and partnership important?

3.1 The Council, together with other national partners, including the Department for Education and Employment (DfEE), the Local Government Association (LGA), the TEC National Council and the Careers Service National Association (CSNA), is committed to promoting collaborative working between post-16 providers. These national partners have recognised the significant added value of working in partnership, particularly to tackle under-participation and to raise standards in post-16 education and training. It is also recognised that partnerships can lead to more cost-effective ways of delivering provision.

4 What might be involved?

4.1 Colleges may develop collaborative arrangements in a number of ways, including:

- project-specific collaboration – as an example, the ‘Kennedy’ widening participation partnerships were established with the specific objective of tackling under-participation in local areas. Project-specific partnerships very often are in receipt of initiative funding from the Council or other funding sources to achieve their objectives
- longer-term collaboration – many colleges have developed mutually beneficial partnership arrangements with other post-16 providers, many of which have resulted in rationalisation of provision. As an example, colleges may share a centre of excellence in a particular programme area, combining resources to offer an enhanced curriculum jointly
- lifelong learning partnerships – since July 1999, lifelong learning partnerships have been established in every area of the country. The aim of the learning partnerships collectively is to enable all key post-16 providers in the locality to bring greater coherence to post-16 education and training.

5 What are lifelong learning partnerships?

5.1 In the summer of 1998, the Council, the LGA and the TEC National Council established a national protocol which recognised a shared commitment to:

- raising educational standards
- improving the quality of provision
- increasing choice and enhancing the quality of guidance
- encouraging suitable broadening of the curriculum
- improving cost effectiveness
- ensuring access to local provision

- encouraging coherence of local planning and avoiding wasteful duplication of provision.

5.2 The national partners, which now include the CSNA, considered that the best way of delivering this agenda was through effective, robust partnership arrangements across post-16 education. As a consequence, the lifelong learning partnerships were launched by the secretary of state for education and employment in January 1999. The primary purpose of the learning partnerships, which have been established in every area of the country, is to bring coherence to post-16 education and training. There are 107 learning partnerships in England.

5.3 The learning partnerships' core membership comprises further education colleges, local education authorities, training and enterprise councils and careers services. They are, however, expected to extend their membership beyond the core partners to reflect local needs and circumstances and may include, for example, higher education sector representation, the Employment Service, employers, and voluntary and community bodies. The leadership of the learning partnerships varies across partnerships. In each case, a lead must be identified to be accountable for partnership funding and to take a convening role.

5.4 A Partnership Fund of £25 million in 1999-2002 is available, allocated by government offices, to:

- promote collaboration, especially between schools, colleges and providers of work-based training for 16-19 year olds
- pump-prime learning partnerships' arrangements.

5.5 The partnerships' broad objectives are to widen participation in learning, increase achievement, improve standards and address skills needs in their area. To achieve these objectives, the partnerships will:

- coordinate local action – all learning partnerships are to produce local learning plans which set out arrangements for creating a more coherent, effective and accessible set of local arrangements for learning, careers advice and guidance, and student support
- develop local targets – all learning partnerships will set local targets, reflecting the national learning targets, which identify how the broad objectives of the partnerships will be achieved.

6 **How should the governing body be involved in the learning partnerships?**

6.1 Involvement in the learning partnerships will vary, depending on circumstances. Governing body involvement should, however, include:

- consideration of the learning partnership's draft local learning plan, in particular whether the objectives of the partnership reflect the broad thrust of the college's strategic plan
- consideration of the local targets developed by partnerships, in particular the college's contribution to the targets, whether these are achievable and whether they reflect the needs of the community
- receiving regular reports from the principal on the progress the learning partnership is making against its plan and targets.

6.2 The developing role of the learning partnerships will impact significantly on colleges' work in the future. It will be expected that colleges' strategic plans broadly reflect the objectives and targets of the learning partnerships. Where colleges' own activities and initiatives are likely to impact significantly on the locality, it will be expected that these are endorsed by the learning partnerships.

7 **Where can governing bodies find further guidance?**

The Lifelong Learning Partnerships Remit, January 1999.

The National Partnership Protocol, November 1998.

Guidance on Target Setting and Action Planning (available from government offices).

Guidance on Partnership Evaluation.

Case study

Five colleges in North Hampshire have established a collaborative framework whereby chairs and principals meet termly and, in addition, briefing/development sessions are scheduled annually for all the members, principals and clerks to corporations. This is a helpful networking forum for members.

Inspection evidence

The college council, which meets four times a year, is a committee of the corporation. Its extensive and wide-ranging membership (about 60) includes students, staff, HE and community representatives, school and business representatives and three local members of Parliament, as well as senior managers and nominees of the corporation. The College Council provides a two-way forum for ideas, consultations and questions. Attendance is about 50% at each meeting. Suitable candidates for board membership whose skills profile does not fit current requirements are sometimes nominated to the College Council as an interim measure. Each year, one of the College Council's meetings is opened to the public. It is usually well attended by the public and includes the opportunity for pertinent questions to be asked of the governors and college management.

Section D: Issues Affecting Colleges

D2 Funding Initiatives

1 Who is responsible?

1.1 Governing body:

is responsible for ensuring that the funds from the Council are used only in accordance with the terms of the Act, the financial memorandum of the Council and any conditions which the Council may from time to time attach to its funding. The governing body is also responsible for meeting the conditions attached to any grant income received from, or contracts entered into with, any other bodies.

1.2 Principal

as chief executive and accounting officer of the college, is personally accountable for the proper management of the budget and resources of the college. With the governing body, the principal is responsible for ensuring that any payments from the Council are used only for the purposes for which they are given and in accordance with the financial memorandum or other conditions attached to Council funds.

2 Why are there special funding initiatives?

2.1 Special funding initiatives are designed to target additional resources at specific areas of work which may be focused on particular government or sector priority. Funds are usually additional to recurrent funding and may be available for two purposes:

- to support a specific project over several months such as the widening participation strategic partnership projects
- for a one-off purchase, for example information technology equipment for students with disabilities.

2.2 Conditions will be attached to the funds.

2.3 Colleges may be invited to apply for project funds, or funds may be allocated on a formula basis. Where applications are invited, colleges may be required to work in collaboration with other institutions. Partnerships are increasingly likely to be lifelong learning partnerships, although other partnership arrangements may be appropriate. For administrative purposes, a college may be acting as a lead organisation for a partnership and may be required to channel funds for the project to partners. Payments may be paid in instalments, in a lump sum or through the college's recurrent funding allocation.

3 What should governors' involvement be?

3.1 Governing bodies will expect the principal to take responsibility for preparing any application for funding, for negotiating with any potential partners and for ensuring that funds are spent appropriately and within the required timescale. However, governing bodies will want to be assured that what is being proposed is feasible and within the college's capacity to deliver without adversely affecting the work of the college or students' experience.

3.2 The governing body itself should agree how it wants to be involved in the planning and monitoring of the college's involvement in funding initiatives. However, the governing body may wish to ask some key questions:

- how will involvement in the funding initiative contribute to the college's strategic plan/ the college mission?
- what impact might involvement in the initiative have on the day-to-day running of the college?
- what opportunities does the initiative present for collaboration?

4 What information should governors receive?

4.1 Governing bodies should receive information on any project funds applied for and the proposed partnership arrangements where appropriate. Governing bodies should already receive information on the lifelong learning partnership's plans and targets and should be able to advise on the appropriateness of any project specific partnership arrangement. Any impact on the college's strategic plan should also be identified.

4.2 Governing bodies should expect to receive regular reports on progress: the reports should include:

- progress with project plans and targets where appropriate
- details of income and expenditure, including any funds to be channelled to partner institutions.

5 What key questions should governors ask?

Is the project consistent with the college's strategic plan?

Is it feasible in terms of the day-to-day running of the college?

Has sufficient staff time at the appropriate level been dedicated to manage and support the project?

What are the timescale and expenditure profile for the project?

Will the project meet the needs of the local community or the local partnership?

Have the appropriate partners been involved?

Does the project present opportunities for further partnership work?

Are the college's plans for the funds appropriate and will they result in the intended outcomes?

Can the work supported by the funds be linked to existing college work or other projects to add value?

If it is a requirement that the college be able to sustain the work after Council funding has ceased, is this feasible?

What arrangements are there for steering the project and sharing information with partners?

Is the audit committee confident that internal systems to monitor and support expenditure are sufficient?

Has the project achieved what it set out to do? What has been the impact?

6 Where can governors find further guidance?

Circular 99/48 The Financial Memorandum.

Effective collaboration in post-16 education, FEFC, September 1998

Circular 98/10 Applications for Funding for Strategic Partnerships to Widen Participation.

7 Checklist

Have the arrangements, including a timetable, for the governing body's involvement in the development and approval of the plan been agreed with the principal?

Has the timetable for managing and monitoring the initiative been set?

Has the appropriate liaison with key partners such as the TEC, local employers and lifelong learning partnerships taken place?

Section D: Issues Affecting Colleges

D3 Capital-Related Funds

1 What capital funding is available?

1.1 Capital project support for new projects estimated to cost £100,000 or more is currently offered as a grant calculated on the basis of a lump sum of £50,000 plus 35% of total eligible project costs above £100,000. This grant is payable over three years to 31 March 2002.

2 What criteria should governors ensure are met?

2.1 When considering a capital project the governing body should ensure that

- the project is consistent with the strategic plan and the accommodation strategy
- the college is financially viable after taking account of its contribution to the project
- the college is able to demonstrate that appropriate planning permission for the proposal will be or has been obtained
- the college is able to demonstrate that it has examined whether better value for money might be obtained by private sector investment and participation in the provision and subsequent management of the project.

3 What wider issues should the application address?

3.1 The governing body should be aware of whether the college has addressed the following issues:

- does the project help serve the needs of the college's normal recruitment area?
- is there under-utilised space in neighbouring colleges serving the same market?
- to what extent might the project jeopardise the financial viability of neighbouring colleges and have these colleges been consulted about the project?
- have appropriate collaborative ventures been considered and, where appropriate, has the development been considered in terms of the local planning of provision?

- does the project engender wasteful competition, for example a duplication of expensive facilities within a locality or a replication of courses resulting in uneconomic working groups?

4 Does the project require the college to borrow?

4.1 Where a proposal requires the college to obtain a borrowing facility the governing body needs to be informed of:

- the nature of the loan
- any potentially onerous conditions
- whether the interest rate is reasonable.

5 What does the Council take into consideration?

5.1 The governing body should be aware that the final assessment of the project by the Council takes into consideration issues of adequacy and sufficiency.

5.2 The Council takes account of relevant quality assessments. The Council will not support a proposal where the specific curriculum provision affected by the project has been classed during inspection as having more weaknesses than strengths (grade 4 or 5 on the inspection grading scale). The college needs to demonstrate that it has satisfactorily addressed the shortcomings identified during the inspection.

5.3 The Council will consider:

- the cost of construction per square metre
- the value for money of the project
- evidence that the project proposal has fully addressed the efficient use of floor space and facilities in the college's accommodation strategy.

6 Meeting the requirements of the Disability Discrimination Act 1995

6.1 The Council has allocated £12 million over the period 1999-2002 specifically for the purpose of improving access and facilities for students with learning difficulties and or/disabilities. Colleges have been invited to apply for grants up to £50,000 towards the cost of eligible works on a matched-expenditure basis for projects or works costing up to £100,000 in July 1999. It is anticipated that a further round of applications will be invited during the year 2000.

7 Is any fee support available for large capital projects?

7.1 Fee support of up to £100,000 on a matched pound-for-pound basis may be available to support the consultancy fees incurred by colleges undertaking feasibility studies for large rationalisation projects and public private partnership projects where the capital costs are estimated to exceed £5 million.

8 Is capital support available for residential projects?

8.1 The Council does not provide financial assistance towards residential schemes except in the case of projects to develop, improve or remodel residential facilities for students with learning difficulties and/or disabilities.

9 Where can governors find further guidance?

Circular 99/26 Capital Project Support Arrangements, 1999-2002

Specific guidance
Section E: Evaluation and training

Evaluation of governors
Training and development for governors

Updated

March 2000
March 2000

Section E: Evaluation and Training

E1 Evaluation of Governors

1 What is evaluation?

1.1 There needs to be some measure that the governing body conducts its business in accordance with the instrument and articles of government, fulfils its responsibilities under its financial memorandum with the Council and is operating effective corporate governance arrangements.

2 Who is responsible?

2.1 Governors

- *should* monitor their performance, both individually and collectively, to ensure that they provide an effective, efficient and timely service to the college.

3 Why is it important to evaluate the governing body's performance?

3.1 It is important to evaluate the governing body's performance to ensure that the college is receiving the best service from its governors.

4 What are the principles underlying evaluation of governors?

4.1 The main principles underlying evaluation are to ensure that the governing body conducts its business in accordance with the instrument and articles of government and fulfils its responsibilities under its financial memorandum with the Council.

5 How can the governing body use evaluation?

5.1 The governing body can use the outcomes of the evaluation of its performance to decide if its actions reflect the aims and purposes of the college. It can also use the findings to inform itself on what training or development activities are needed to improve its performance.

6 What factors should be monitored to evaluate governors' performance?

6.1 It is recommended that when governors are to be appointed, a person specification should be drawn up for each vacancy. This specification could then be used subsequently to aid individual governors in the assessment of their performance.

6.2 The main indicators which can be used to evaluate the governing body's performance include:

- the composition of the governing body in terms of the skills and attributes governors bring to it
- the operation of the governing body and delegation to its committees
- the suitability of the clerking arrangements
- decision-making procedures, including public access to information and openness
- procedures for determining the college's educational character and mission
- strategic planning procedures
- procedures for ensuring the solvency of the college and safeguarding its assets
- financial monitoring and consideration of the financial consequences of decisions.

7 What information do governing bodies require to aid their evaluation?

7.1 Governing bodies should expect to see regular updates and/or reports on their performance against targets. If there is a risk of targets not being met, the clerk should warn the governors so that they may assess how to amend the situation.

8 What key questions should governors ask on evaluation?

What objectives have been set for the year?

At which meetings will the performance against target be monitored?

What are the options where objectives have not been met by the end of the year?

Are decision-making processes reviewed annually and recorded in the minutes?

If the governing body is not meeting its objectives, what changes would ensure that the objectives are met?

Am I an effective contributor to meetings and am I meeting my obligation to the staff and students at this college?

9 How should the governors monitor and evaluate their performance?

9.1 Governing bodies need to set SMART (specific, measurable, achievable, realistic, timed) objectives regarding their contribution as governors of the college. At the end of the year, governors should assess their performance against the objectives. If objectives were not fully met there should be analysis of the reasons and proposed remedial action for the future.

10 How does the Council use the evaluation of governing bodies?

10.1 The Council’s inspectors and auditors inspect all aspects of the governing body’s work as part of the college inspection. They do this by confirming, or otherwise, the college’s own self-assessment report.

10.2 The Council uses an evaluation of the effectiveness of the governing body as part of the evidence to assess whether the college is ready for accreditation.

11 Further guidance

Circular 97/12 Validating Self-assessment.

Circular 97/22 Joint Working: Audit and Inspection.

Circular 98/22 Accrediting Colleges.

Circular 98/41 Applying for Accredited Status.

12 Checklist

Have SMART objectives been set at the beginning of the year?

Are there monitoring meetings held throughout the year to assess the governing body’s likelihood of achieving the objectives which were set?

Once the objectives are met, are they assessed to see if they were sufficiently challenging and whether they should be modified for the next year?

Are all the governors contributing to discussions effectively?

Inspection evidence

The corporation has developed extensive self-evaluation methodologies. It assesses its own work through a 132-question questionnaire to members. Each member self-evaluates their contribution on a separate questionnaire. Each meeting of the governing body and its committees is evaluated at its end through a simple eight- point evaluation form.

Sector example

Some governing bodies are developing a set of criteria to aid evaluation. Here is an example from Hills Road Sixth Form College, Cambridge taken from criteria the college is developing for the evaluation of both governance and management.

Draft criteria for evaluation of performance of a governing body:

- does the governing body and its committees have adequate terms of reference?
- are the committees sufficient and appropriate?
- is there a regular cycle of meetings which is relevant to the efficient discharge of college business and are adequate minutes kept of such meetings and of decisions made?
- are the minutes publicly displayed?
- is governors' attendance regularly monitored and reviewed?
- does the governing body have a search committee which maintains a database of potential appointees to the governing body?
- are adequate induction and training procedures for new governors in place?
- does the governing body maintain an accurate and up-to-date list of members' interests which is open to public scrutiny?
- has the governing body appointed a suitably qualified clerk with an appropriate job description?
- has the governing body established a regular cycle of self-assessment as a mechanism for maintaining and raising quality and standards?

- has the governing body ensured that effective self-assessment is well integrated in the college's strategic planning and quality assurance cycles?
- does the governing body receive regular data on student recruitment, retention, achievement and progression?
- are all governors and staff involved in the strategic planning process?
- has the governing body encouraged a culture of constructive criticism in which weaknesses can be reported openly and attention focused on improvement?
- does the governing body have robust procedures for making judgements and have such judgements proved to be well-founded by independent validation?
- has the governing body approved adequate arrangements for the appointment, pay and conditions of service, appraisal and professional development of all members of staff?
- does the governing body have the means to make an accurate assessment of the quality of teaching and learning, student guidance and support?
- is there a sufficient range of college policies, procedures and documentation in place and are these regularly monitored, reviewed and formally renewed by the governing body?
- have the governors established regular and relevant links with the college's staff?
- do members of the governing body have adequate arrangements for their own training and development in the context of the college's needs and national, regional and local priorities?
- does the governing body have arrangements in place to

ensure the accountability, efficiency and probity of the college's functions?

- does the governing body encourage an appropriate spirit of enterprise within the college?
- has the governing body developed an appropriate succession plan for governors?
- does the governing body have written procedures for the conduct of the search committee?
- is the governing body aware of the need for succession planning for senior postholder appointments?
- does the governing body receive regular data to enable it to discharge its duties with regard to solvency, the safeguarding of assets and the effective and efficient use of resources?
- does the governing body have a formal policy determining who may or should attend meetings and the publication of the minutes of committee meetings?
- does the governing body have a code of conduct and has it approved a process for responding to requests for information and complaints, including concerns about the conduct of the governing body?
- has the governing body made established expectations relating to the conduct of staff?
- has the governing body approved a code of practice on whistleblowing that enables concerns to be raised confidentially inside, and if necessary, outside the college?
- does the governing body have procedures in place for ensuring that an effective system of internal financial control is maintained?

Sector example

Other colleges have produced a questionnaire addressed to all members of the governing body and college management team. Here is an example from Weston College, a general further education college.

PART 1

Effective Governance

The main features of an effective governing body have been listed below. Please rate how you consider the governing body measures up against each indicator on a scale of:

| | | | | | |
|-----------|-----------|------|------|------|-----------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| Excellent | Very good | Good | Fair | Poor | Very poor |

Please write the appropriate number indicating your personal measure of the governing body for each indicator.

1 The right balance of skills and expertise among its members

A governing body should have members with strategic awareness, objectivity, communication skills, customer focus, impartiality, and a willingness to make decisions

2 The community it serves is reflected in its membership

Governing bodies need to pay serious attention to their membership to ensure they reflect the local community and college customers

3 Governing body procedures for appointing new members

4 Sound working relationships between the chair and the chief executive

5 Working relationships with the senior management team (SMT)

It is essential that a good working relationship between the governing body and the SMT is established. Each party must have a clear understanding of their respective roles

6 Efficient operation – overall

7 Efficient operation – working as a team

8 Efficient operation – effective time management and delegation

Governing bodies have a lot to do, and limited time. They should identify the priority issues in which they need to be directly involved and delegate the rest to committees, working groups or individuals

9 Efficient operation – agendas

Carefully planned agendas which focus on the most important items

10 Efficient operation – clerking

A clerk who can organise meetings and papers efficiently, and ideally provide information and procedural advice

11 Efficient operation – chairing

Purposeful chairing, bringing out the best in all governors, keeping a brisk pace and ensuring that decisions are properly taken and clearly understood

12 Efficient operation – minutes

Clear minutes setting out points for action

13 Efficient operation – consultancy/advice

Participation by appropriate outsiders – to give advice, to make a presentation

14 Appropriate information

The governing body needs to agree the type and amount of information required to ensure they can carry out their role effectively

15 Communication

The governing body and senior managers need to consider how best to communicate decisions to college staff

16 Common purpose

The governing body and senior managers need to develop a shared view, a corporate response to decision-taking and individual responsibility for collective decisions

17 Own performance monitored

How effectively does the governing body monitor itself?

18 Governing body members trained and developed

How well do you perceive the level of training and development of the governors?

19 College knowledge

Governors should get to know their college

PART 2
Self-assessment

These are some further basic statements governors need to reflect on and then grade using the five-point scale

| | | | | |
|----------------|-------------------|-------|----------------|----------|
| 1 | 2 | 3 | 4 | 5 |
| Strongly agree | Strongly disagree | Agree | Neutral/unsure | Disagree |

20 The governing body effectively oversees the college’s strategic direction, including the determining of the educational character and mission of the institution, and contributes fully to the strategic planning process

21 The governing body effectively monitors its own performance

22 The governing body effectively monitors the college performance

23 The governing body conducts its business in accordance with the instrument and articles of government

24 The governing body fulfils its responsibilities under the financial memorandum with the Council

- 25 The governing body is effective
- 26 The governing body's committees are effective, with their effectiveness annually reviewed by the governing body
- 27 The role of committees is clear
- 28 The governing body receives sufficient detailed reports of committee meetings
- 29 Members fully understand the governing body's key performance indicators
- 30 Members fully understand the college's key business performance indicators
- 31 Governors periodically reconsider their role and responsibilities in relation to public money, students, staff and the local community
- 32 The governing body receives sufficient financial information to ensure the effective and efficient use of resources, the safeguarding of assets and the solvency of the institution
- 33 The governing body approves annual estimates of income and expenditure in appropriate detail
- 34 The governing body receives sufficient detailed reports for members to be assured of the quality of provision
- 35 The college continues to achieve its corporate aims as outlined in its mission statement and/or corporate plan
- 36 The governing body communicates effectively with management, staff and outside interests
- 37 The local community is actively involved with the development of the college
- 38 The governing body secures the appointment, appraisal and development of senior staff and determines their conditions of service and pay

39 The governing body sets a framework for the pay and conditions of all other staff

40 New members of the governing body receive a thorough induction into their role

41 The governing body has an effective and appropriate policy on governor training

42 Governing body members receive appropriate training

PART 3

Additional questions

43 Do you consider there are any other features which are important for effective governance which have not previously been considered?

44 Are there any important actions that can be taken immediately to improve the effectiveness of the governing body which have not previously been identified?

45 Please identify any additional training needs you may have.

PART 4

Overall grade

46 Having completed the questionnaire, how would you grade the performance of the governing body overall?

| | | | | |
|-------------|------|--------------|------------------------|------|
| 1 | 2 | 3 | 4 | 5 |
| Outstanding | Good | Satisfactory | Less than satisfactory | Poor |

Inspection evidence

Governors have carried out a process of self-assessment over the last three years. The process has evolved and been refined as part of the annual review of how the board has done against the previous assessment.

The exercise is based upon a set of criteria which individual governors assess on a six-point scale.

Out of this process, governors identify a limited but realistic number of key objectives to be addressed for the following year. The most recent review of the process suggested the need for external views. This has now been adopted.

Section E: Evaluation and Training

E2 Training and Development for Governors

1 Why do governors need training and professional development?

1.1 Governors bring to the role a wide range of experience and expertise, and knowledge of their responsibilities is likely to vary widely. Expectations of the role have developed since the incorporation of colleges and new demands are being placed upon governors. Governors will want to keep up to date so that they can discharge their responsibilities with confidence. Any training or professional development provided for governors will need to complement and supplement governors' current knowledge and skills.

1.2 Special consideration may need to be given to meeting the training needs of staff, student and parent governors, who may be less familiar with the work of governing bodies than those in other categories of the governing body's membership

2 Who will provide opportunities for training and professional development?

2.1 Colleges should ensure they provide appropriate training opportunities, especially an induction programme for new governors, and provision for those requiring to develop their skills and expertise in particular areas such as finance and audit. Many governing bodies have found it useful to allocate mentors to new governors from existing experienced governors. Some governing bodies also take part in training events linked to developments in the further education sector and government policy more generally. There is considerable scope for colleges to come together locally or regionally to ensure sufficient support for governor training events.

2.2 Many training providers working in the education and training sector currently provide training and opportunities for further development for governors. However, the take-up and quality of such offerings are variable.

2.3 The Council's chief inspector has established a governor-training group to advise on training and development activities. The group has taken account of the outcomes of a survey on training undertaken by the Department for Education and Employment. The findings indicated that while colleges provided induction there was a need for a greater consistency about the minimum level of information that all governors receive. In addition, the survey showed that, although training courses were available, governors were not always aware of these. The survey outcomes also recorded that any plans for governor training would need to take account of the fact that governors are unpaid volunteers and many have full-time employment. This would necessarily limit the time governors would have available to attend training events.

3 Who sets the standards for governor training and development?

3.1 The Further Education National Training Organisation (FENTO) is the national training organisation charged with setting the occupational standards for all those working in the further education sector. FENTO is presently producing standards for governors, working in close co-operation with those offering training and development opportunities.

4 What opportunities are likely to be available?

4.1 The Council intends that every governor will be enabled and encouraged to participate in a programme of development, either through self-study, or through facilitated delivery. The delivery of training will be assisted by the provision of supporting material to enable trainers to deliver suitable training to governors. The development programme will be modular and is likely to include modules on:

- induction
- financial responsibility
- strategic planning
- human resource management
- curriculum and quality
- the role of the audit and search committees and the role of the clerk to the corporation.

5 How do governors know what professional development they may need?

5.1 The process of self-assessment, which most governing bodies carry out either as part of their preparation for external inspection or as part of the college's annual cycle of quality assurance, is likely to indicate areas for development. Governors can, therefore, use this process to identify training and development needs. It may be possible for a governing body to work with those in the college responsible for staff development to develop a training plan for the governors which takes account of their differing needs. For example, members of the specific committees or those with particular responsibilities are likely to require development related to their particular needs and, of course, their own experience and expertise.

6 What information should governors expect to receive about opportunities for professional development?

6.1 Normally the clerk to the governing body or the college management will inform governors about the training available and about any new initiatives in development activities for governors. Governors can often also access training opportunities provided for the staff of their own college.

Sector example

BASINGSTOKE COLLEGE OF TECHNOLOGY INDUCTION PROGRAMME

INDUCTION PROGRAMME FOR NEW BOARD MEMBERS

Aims:

- to provide the member with an overview of the roles and responsibilities of the board of corporation
- to acquaint the member with the context, framework and constraints within which the college/further education sector operates
- to introduce the member to college managers and staff, structures and systems
- to introduce the member to college educational activities
- to establish and clarify the role and activities of/opportunities for an individual board member.

Information/documentation provided in advance:

- the College Governor (Council publication)
- instrument and articles of government
- standing orders

- financial memorandum
- college strategic plan
- college budget.

With small groups, most sessions will be conducted as ‘information giving’; opportunities will be taken with larger groups to introduce more interactive activities.

Each session will be evaluated as to content, format and appropriateness. Suitable modification will be made within the cycle of one programme and for the future.

PART 1

Length – approximately 3 hours

Timings to suit the participants – the following is an example:

| | | |
|----------|---|-------------------|
| 11.15 am | Introductions Aims of the programme officer | Staff development |
| 11.20 am | The role and responsibilities of the board of corporation, including the sub-committee structure governing body | Clerk to the |
| 11.35 am | Introduction to the documentation queries and clarification governing body | Clerk to the |
| 11.45 am | The College – a ‘snapshot’ including management structures/committees, statistics (academic) | Vice principal |
| 12.15 pm | LUNCH (+ Mentors) Opportunity to discuss the | |

role of the individual board member and the needs of new members

Staff and principal

13.30 pm Tour of the college (main sites) services manager

Estates

14.30 pm Review/Evaluation governing body

Clerk to the

Establish a convenient and officer

Staff development

appropriate timetable for part 2 of the Induction Programme, including completion of pre-session questionnaires

PART 2

i. Programme of visits (scheduled over an academic year) to delivery Schools and Support Departments to meet managers and staff and learn about the different areas of work. The focus is on the needs of new members and mentors, but in addition these visits are available to existing members as 'refresher' events.

ii. Board and college staff development sessions

A board of corporation staff development programme is published annually. In addition, copies of the college staff development calendar are updated and copied to members on a monthly basis. The latter are short sessions (approximately 1–1½ hours in length) and, in addition to providing briefings/awareness opportunities, these enable members to meet college staff in a different forum.

iii. External events of particular relevance to new members are circulated and arrangements made for attendance.

ON-GOING DEVELOPMENT OPPORTUNITIES FOR BOARD MEMBERS

It is appreciated that all board members – whether new or established – require support to discharge their responsibilities effectively, not least as a result of the continually changing environment in which further education

colleges operate.

The following list has been identified as information and activities currently available to board members. In addition, development and training needs identified by individual board members, or by the board as a whole, will be supported.

- i. Awareness raising of national issues relating to the context, framework and constraints within the further education sector.

By means of publications/copies to members, including
 - FEFC Council News Clerk
 - FEFC Region Committee News
 - FEFC, HEFCE, AoC Circulars – index of headings/full documents supplied on request (six-monthly)
 - Press cuttings (six-monthly)

- ii. External staff development activities and conferences aimed at board of corporation chairman/members – Clerk/
Staff
development officer
details of appropriate events are provided, bookings and travel arrangements made

- iii. College staff development – delivered by college Staff
development officer
managers or external guest speakers

- iv. Access to School and Support Department ‘Away Days’* - details of appropriate events to be Staff
development officer
provided (attendance as presenters or participants)

- v. ‘Away Days’ for the board of corporation and Clerk
Principal
Vice principals
Staff
college managers – usually twice a year, one of which focuses on strategic planning activities whilst the summer term event includes the
development officer
annual governance self-assessment review

* As relevant to members attached to specific schools/support departments.

Inspection evidence

The student governor attended the NUS conference for student governors and this resulted in a growth in confidence. The student governor also built up a network of supportive contacts and now feels better prepared to participate in meetings of the governing body and to understand the specialist language and jargon involved.

Glossary
Contacts

| | |
|----------------|---|
| A level | Advanced level |
| A S | Advanced Supplementary |
| ABE | Adult Basic Education |
| ACAS | Advisory, Conciliation and Arbitration Service |
| ACM | Association of College Managers |
| AoC | Association of Colleges |
| AQA | Assessment and Qualifications Alliance |
| APC | Association of Principals of Colleges |
| ATL | Association of Teachers and Lecturers |
| BSA | Basic Skills Agency |
| CSNA | Careers Service National Association |
| DETR | Department of Environment, Transport and the Regions |
| DfEE | Department for Education and Employment |
| ESF | European Social Fund |
| ESOL | English for Speakers of Other Languages |
| EU | European Union |
| FE | Further Education |
| FEFC | Further Education Funding Council |
| FENTO | Further Education National Training Organisation |
| GCE | General Certificate of Education |
| GCSE | General Certificate of Secondary Education |
| GFE | General Further Education |
| GIAM | Government Internal Audit Manual |
| GNVQ | General National Vocational Qualification |
| HE | Higher Education |
| HEFCE | Higher Education Funding Council for England |
| ICA | Institute of Chartered Accountants |
| ISR | Individualised Student Record |
| IT | Information Technology |
| LEA | Local Education Authority |
| LGA | Local Government Association |
| MIS | Management Information System |
| NACETT | National Advisory Council for Education and Training Targets |
| NAO | National Audit Office |
| NAPAEO | National Association of Principal Agricultural Education Officers |
| NATFHE | National Association of Teachers of Higher and Further Education |
| NTO | National Training Organisation |
| NVQ | National Vocational Qualification |

| | |
|--------------------|--|
| OCR | Oxford Cambridge and RSA Examinations |
| OFSTED | Office for Standards in Education |
| QCA | Qualifications and Curriculum Authority |
| SFC | Sixth form College |
| SFCEF | Sixth Form College Employers' Forum |
| SIR | Staff Individualised Record |
| SMART | Specific, Measurable, Achievable, Realistic, Timed |
| SORP | Statement of recommended practice |
| TAC | Tariff Advisory Committee |
| TEC | Training and Enterprise Council |
| the Council | The Further Education Funding Council |
| TSC | Training Standards Council |
| Ufi | University for Industry |

Association of College Registrars and Administrators

North Kingston Centre
Richmond Road
Kingston upon Thames
Surrey
KT2 5PE
Tel: 020 8541 4940

Association of Colleges

5th Floor
Centrepoint
103 New Oxford Street
London
WC1A 1DD
Tel: 020 7827 4600

Association of Principals of Colleges

1 Heath Square
Boltro road
Haywards Heath
West Sussex
RH16 1BL
Tel: 01444 472499

Association of Teachers and Lecturers

7 Northumberland Street
London
WC2N 5DA
Tel: 020 7930 6441

Basic Skills Agency

Commonwealth House
1 – 19 New Oxford Street
London
WC1A 1NU
Tel: 020 7405 4017

Commission for Racial Equality

Elliot House
10-12 Allington Street
London
SW1E 5EH
Tel: 020 7828 7022

Department for Education and Employment

Sanctuary Buildings
Great Smith Street
Westminster
London
SW1P 3BT
Tel: 0870 0012345

Department for Education and Employment

Moorfoot
Sheffield
S1 4PQ

Equal Opportunities Commission

Overseas House
Quay Street
Manchester
M3 3HN
Tel: 0161 833 9244

Further Education Development Agency

Citadel Place
Tinworth Street
London
SE11 5EF
Tel: 020 7962 1280

**Further Education Funding
Council for England**

Cheylesmore House
Quinton Road
Coventry
CV1 2WT
Tel: 024 7686 3000

NACETT

Dunford Lodge
Storth Lane
Ranmore
Sheffield
S10 3HN
Tel: 0114 2597580

**Further Education Funding
Council for Wales**

Linden Court
The Orchards
Ty Glas Avenue
Llanishen
Cardiff
CF4 5D
Tel: 029 2076 1861

National Audit Office

Buckingham Palace Road
Victoria
London
SW1W 9SP
Tel: 020 7798 7000

**Higher Education Funding Council
for England**

Northavon House
Coldharbour Lane
Bristol
BS16 1QD
Tel: 0117 9317 317

**National Association for Teachers
in Further and Higher Education**

27 Britannia Street
London
WC1X 9JP
Tel: 020 7837 3636

**Institute of Chartered Accountants
in England and Wales**

PO Box 433
Chartered Accountants Hall
Moorgate Place
London
EC2R 6EA
Tel: 020 7920 8100

National Union of Students

Nelson Mandela House
461 Holloway Road
London
N7 6LJ
020 7561 6500

Qualifications and Curriculum Authority

Newcombe House
45 Notting Hill Gate
London
W11 3JB

Scottish Funding Council

Donaldson House
97 Haymarket Terrace
Edinburgh
EH12 5HD
Tel: 0131 313 6500

SKILL

336 Brixton Road
London
SW1 7AA
Tel: 0800 328 5050

TEC National Council

10th Floor
Westminster Tower
3 Albert Embankment
London
SE1 7SX
Tel: 020 7735 0010

University for Industry

Room 18, Ground Floor
Caxton House
Tothill Street
London
SW1H 9NA
Tel: 020 7273 5355

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| | |
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