

PETROC

**CODE OF CONDUCT
FOR GOVERNORS**

Approved at the meeting of the Board on 7 December 2021

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1. **INTRODUCTION**

- 1.1 This Code is intended as a guide, to indicate the standards of conduct and accountability which are expected of Governors, to enable them to understand their legal and ethical duties and to assist them both in carrying out those duties and in their relationship with the Governing Body and the Principal as the Chief Executive. This Code, therefore, is aimed at promoting effective, well informed and accountable college governance, and is not intended to be a definitive or authoritative statement of the law or good practice.
- 1.2 In addition to this Code, Governors are recommended to familiarise themselves with the source documents listed in the Schedule.
- 1.3 If a Governor is in doubt about the provisions of this Code or any of the source documents, the Governance Advisor should be consulted and, if necessary, professional advice should be obtained. However, ultimate responsibility for the appropriateness of conduct as a Governor of the College and for any act or omission in that capacity rests with the individual Governor.
- 1.4 This Code applies to every committee or working group of the Governing Body and to every subsidiary company or joint venture of the College to which Governors may be appointed.
- 1.5 By accepting appointment to the Governing Body, each Governor agrees to accept the provisions of this Code.
- 1.6 Each Governor by accepting the provisions of this Code agrees that any breach of the code by them may lead to the termination of their appointment as a Member in accordance with Clause 10 of the Corporation's Instrument and Articles of Government.

2. **INTERPRETATION**

In this Code:

- 2.1 'College' means this College;
- 2.2 'College Mission Statement' means the statement set out in this Code or such other mission statement as may be agreed by the Governing Body from time to time;
- 2.3 'College Core Values' means those Core Values set out in this Code or such other core values as may be agreed by the Governing Body from time to time, for example in a Public Value Statement;
- 2.4 'Governing Body' means the further education corporation which was established for the purpose of conducting the College;
- 2.5 'Governor', 'Chair', 'Principal and Chief Executive Officer' and "Governance Advisor" mean respectively the Member of the Corporation of the College, the Chair of the Governing Body, the Principal of the College and the Governance Advisor to the Governing Body;
- 2.6 'DFE' means the Department for Education;
- 2.7 'ESFA' means the Education Skills Funding Agency or any successor body;
- 2.8 'The Code' means the Code of Good Governance for English Colleges Code issued by the Association of Colleges in June 2015;

2.9 All other definitions have the same meanings as given in the College's Instrument and Articles of Government; and

2.10 Words importing one gender import any gender.

3. **AIMS AND VALUES**

3.1 The mission for the future of Petroc is represented through the College Strategy "Petroc 2025 Excellence Through Learning"

3.2 This mission will be achieved through a series of aims and objectives:

- Create outstanding learner achievement in all area
- Transform life chances and employment prospects for all
- Build community and prosperity within Northern and Mid Devon and the wide South West of England
- Boost productivity, innovation and agility of businesses and organisations
- Tackle the climate emergency

3.3 The Core Values adopted by the College, and as set out in the College's Strategy ', are:

- Respect
- Empowerment
- Community

3.4 The College has a 'Team Petroc' approach ways of working which define the methods and capabilities the College will develop, use and display:

- Continuously learning and improving
- Personalised and customer-focused
- Digitally able
- Achieving value for money
- Agile and entrepreneurial

3.5 The College's Mission and values, together with the corporate objectives of the College agreed by the Governing Body from time to time, seek to encapsulate the core purposes and aims of the College. Governors, should have due regard to these purposes and aims, and to the Core Values, when conducting the business of the Governing Body and considering the activities and proposed activities of the College.

3.6 The Governing Body recognises its obligations to all those with whom it and/or the College have dealings, including students, employees, suppliers, other educational institutions and the wider community. In particular, the Governing Body is committed to:

- having close regard to the voice of the learner;
- combating any discrimination within the College on the grounds of the characteristics protected by the Equality Act 2010 ("the 2010 Act) and promoting quality in accordance with its duty under the 2010 Act;
- engaging with the community which the College serves in order to understand and meet its needs; and
- observing its duty under the Education (No.2) Act 1986 to take reasonable steps to ensure freedom of speech for members of the College community and visiting

speakers and its duty under the Counter Terrorism and Security Act 2015 to have regard to the need, when exercising its functions, to prevent people from being drawn into terrorism.

3.7 The Governing Body is also committed to ensuring that it conducts its business in accordance with the highest ethical standards as set out in more detail in this Code.

4. **DUTIES**

4.1 Governors are in a position of charity trustees and as such owe a fiduciary duty to the College. This means that they should show it the highest loyalty and act in good faith in its best interests. Each Governor should act honestly, diligently and (subject to the provisions appearing in paragraph 10 of this Code relating to collective responsibility) independently. The actions of Governors should promote and protect the good reputation of the College and the trust and confidence of those with whom it deals.

4.2 Decisions taken by Governors at meetings of the Governing Body and its committees must not be for any improper purpose or personal motive. Decisions taken must always be for the benefit of the College, its students and staff and other users of the College and must be taken with a view to safeguarding public funds. Accordingly, Governors must not be bound in their speaking and voting by mandates given to them by other bodies or persons (including but not limited to the bodies that elected them).

4.3 Governors must observe the provisions of the College's Instrument and Articles of Government and, in particular, the duty to give immediate notice to the Governance Advisor should they become disqualified from continuing to hold office and also the responsibilities given to the Governing Body by the College's Articles of Government. Those responsibilities, including a list of "reserved" responsibilities which are so important that they must not be delegated, are set out in Appendix 3.

4.4 Governors should comply with the Standing Orders and terms of reference of the Governing Body and its committees to ensure that the Governing Body conducts itself in an orderly, fair, open and transparent manner. Governors must keep those Standing Orders and terms of reference under periodic review.

4.5 Governors should also have regard to the different, but complementary, responsibilities given to the Principal as the College's Chief Executive. The responsibilities given to the Principal by the College's Articles of Government are set out in Appendix 4. Whereas it is the Governing Body's function to decide strategic policy and overall direction and to monitor the performance of the Principal and any other senior post holders, it is the Principal's role to implement the Governing Body's decisions, and to manage the College's affairs within the budgets and framework fixed by the Governing Body. Governors should work together so that the Governing Body and the Principal, as Chief Executive, perform their respective roles effectively.

4.6 Governors should refer to the Governance Advisor for advice relating to the governance functions which are set out in Appendix 4 and have regard to the Governance Advisor's independent advisory role.

5. **STATUTORY ACCOUNTABILITY**

5.1 Governors are collectively responsible for observing the duties set out in the Financial Memorandum which the College has entered into with the ESFA as a condition of receiving public funds. A summary of some of the more important requirements of the Financial Memorandum is set out in Appendix 5.

5.2 Although the ESFA is the main provider of funds to the College, Governors should note that they are also responsible for the proper use of income derived from other sources, such as the Higher Education Funding Council for England (HEFCE), the European Union (EU) and other project income, and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding body and public audit.

Where funding is received directly from HEFCE the College will have a memorandum of assurance and accountability with HEFCE which sets out the basis on which such funding is provided. Where HEFCE funding is received indirectly via a collaboration with a HEFCE funded institution such funding will be subject to obligations contained in the memorandum of co-operation between the College and that institution.

5.3 As accounting officer for the Agency, its Chief Executive is directly responsible and accountable to Parliament for ensuring that the uses to which the ESFA puts its funds are consistent with the purposes for which the funds were given and comply with the conditions attached to them. The Principal, as accounting officer for the College, is also directly responsible and accountable to Parliament, through the Committee of Public Accounts, for the effective stewardship by the College of public funds. The Principal may be required to appear before the Committee of Public Accounts, alongside the Chief Executive of Skills Funding, to give an account of the use made by the College of such funds. The Governing Body is accountable to Parliament for ensuring the financial health of the College, and to the Courts for ensuring that the College is conducted in accordance with the Education Acts and the general law.

6. **PUBLIC SERVICE VALUES**

Although further education corporations are classified as part of the private not for profit sector for government accounting purposes, they remain public bodies in many legal contexts. In particular, public service values are at the heart of the further education service. High standards of personal and corporate conduct, based on the principles set out in Appendix 1 of this Code, and the recognition that students and other users of the College's services come first, are a requirement of being a Governor, and should underpin all decisions taken by the Governing Body.

7. **SKILL, CARE AND DILIGENCE**

A Governor should in all his or her work for the College exercise such skill as he or she possesses and such care and diligence as would be expected from a reasonable person in the circumstances. This will be particularly relevant when Governors act as agents of the College, for example, when functions are delegated to a committee of the Governing Body or to the Chair. Governors should be careful to act within the terms of reference of any committees or working groups on which they serve.

8. **POWERS**

Governors are responsible for taking decisions which are within the powers given to the Governing Body by Parliament under sections 18 and 19 of the Further and Higher Education Act 1992, as amended. A summary of those powers is set out in Appendix 6. If a Governor thinks that the Governing Body is likely to exceed its powers by taking a particular decision, he or she should immediately refer the matter to the Governance Advisor for advice.

9. **CONFLICTS OF INTEREST**

9.1 Like other persons who owe a fiduciary duty, Governors should seek to avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests

and their duties to the Governing Body. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement.

9.2 Governors are reminded that, under the College's Instrument of Government they must disclose to the Governing Body any direct or indirect financial interest they have, or may have, in the supply of work to the college or the supply of goods for the purposes of the College, or in any contract or proposed contract concerning the College, or in any other matter relating to the College or any other interest of a type specified by the Corporation in any matter relating to the College, or any duty which is material and which conflicts or may conflict with the interests of the Governing Body.

9.3 However, an interest does not have to be financial for the purposes of disclosure. If an interest of any kind (including an interest of a spouse, partner or business associate of a Governor or of a close relative of the Governor or his or her partner, spouse or business associate) is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a Governor's independent judgement, then:-

9.3.1 the interest, financial or otherwise, should be reported to the Governance Advisor;

9.3.2 the nature and extent of the interest should be fully disclosed to the Governing Body before the matter giving rise to the interest is considered;

9.3.3 if the Governor concerned is present at a meeting of the Governing Body, or any of its committees, at which such supply, contract or other matter constituting the interest is to be considered, he or she should:

- not take part in the consideration or vote on any question with respect to it and shall not be counted in the quorum for that meeting; and
- withdraw from that meeting where required to do so by a majority of the members of the Corporation, committee present at the meeting.

9.4 For the purposes of clause 9.3 "close relative" includes but is not limited to a father, mother, brother, sister, child, grandchild and step-father/mother/ brother/sister/child.

9.5 Where it is proposed that the Governing Body should grant a member a financial interest (such as a contract for the supply of goods or services) the Governing Body must observe the requirements of the Charities Act 2011. The Governing Body may wish to take legal advice before granting such an interest to a member.

9.6 Governors must not receive gifts, hospitality or benefits of any kind from a third party which might be in breach of the Bribery Act 2010 and the College's anti-bribery policy or be seen to compromise their personal judgement or integrity. Any offer or receipt of such gifts, hospitality or benefits should immediately be reported to the Governance Advisor.

9.7 The Governance Advisor will maintain a Register of Governors' Interests which will be open for public inspection. Governors must disclose routinely to the Governing Body all business interests, financial or otherwise, which they or persons associate with them may have, and the Governance Advisor will enter such interests on the Register. Governors must give sufficient details to allow the nature of the interests to be understood by enquirers. Governors should inform the Governance Advisor whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, Governors should have regard to the meaning given to "interest" in paragraphs 9.3 and 9.5 of this Code.

10. **COLLECTIVE RESPONSIBILITY**

10.1 The Governing Body operates by Governors taking majority decisions in a corporate manner at quorate meetings, including meetings with video-conferencing, and by alternative methods such as written resolutions, in both cases only if so provided for in the Instrument and Articles. Meetings joined by telephone can be facilitated however participation via a telephone link would not be deemed as impacting on quoracy. Therefore, a decision of the Governing Body, even when it is not unanimous, is a decision taken by the Governors collectively and each individual Governor has a duty to stand by it, whether or not he or she was present at the meeting of the Governing Body when the decision was taken.

10.2 If a Governor disagrees with a decision taken by the Governing Body, his or her first duty is to have any disagreement discussed and minuted. If the Governor strongly disagrees, he or she should consult the Chair and, if necessary, then raise the matter with the Governing Body when it next meets. If no meeting is scheduled, the Governor should refer to the power of the Chair or any five Governors under the College's Instrument of Government to call a special meeting and, if appropriate, exercise it, requesting the Governance Advisor to circulate the Governor's views in advance to the other Governors. Alternatively, as a final resort, the Governor may decide to offer his or her resignation from office, after consulting the Chair.

11. **OPENNESS AND CONFIDENTIALITY**

11.1 Because of the Governing Body's public accountability and the importance of conducting its business openly and transparently, Governors should ensure that, as a general principle, students and staff of the College, and the general public, have free access to information about the proceedings of the Governing Body. Accordingly, agendas, minutes and other papers relating to meetings of the Governing Body and its committees are normally available for public inspection once they have been approved for publication by the Chair.

11.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection; for example, when the Governing Body considers sensitive issues or named individuals and for other good reasons. Such excluded items will be kept in a confidential folder by the Governance Advisor, and will be circulated in confidence to Governors save for those Members who have a conflicting interest in the particular sensitive matter. Some confidential items are likely to be of a sensitive nature for a certain period of time only (for example information relating to a proposed commercial transaction or collaboration with another institution). The Governing Body should specify how long such items should be treated as confidential or, if this is not possible, such items should be regularly reviewed to consider whether the confidential status should be removed or whether the public interest in disclosure outweighs that confidential status and the item made available for public inspection. When considering such issues the Governors must also consider the College's publication scheme issued under the Freedom of Information Act 2000 and the principles enshrined in that Act.

11.3 However, staff and student Governors have no right of access to minutes dealing with matters in respect of which they are required to withdraw from meetings under the College's Instrument of Government, unless the other Governors decide otherwise.

11.4 It is important that the Governing Body and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between Governors with a shared corporate responsibility for decisions. In their discussions Governors should employ effective and transparent two way communication, respect one another, college staff and students. Governors should keep confidential any matter which, by reason of its nature, the Governing Body or any of its committees or working groups has resolved should be dealt with on a confidential basis.

11.5 Governors should not make statements to the press or media or at any public meeting relating to the proceedings of the Governing Body or its committees or working groups without first having obtained the approval of the Chair or, in his or her absence, the Vice Chair. It is unethical for Governors publicly to criticise, canvass or reveal the views of other Governors which have been expressed at meetings of the Governing Body or its committees. Private communications between Governors relating to the College can be requested as evidence.

12. **GUIDANCE ON BEHAVIOUR**

The following is intended to provide Governors with clear guidance as to their standards of behaviour, responsibilities and best practice in fulfilling their obligations:

A Governor should:

- Support the aims, objectives and values of the College and promote the interests of the College and its students in the wider community;
- Work co-operatively with other Governors in the best interests of the College;
- Acknowledge that differences of opinion may arise in discussions of issues but, when a majority decision of the Governing Body prevails, it should be supported;
- Base his or her views on matters before the Governing Body on an honest assessment of the available facts, unbiased by partisan or representative views;
- Acknowledge that, as an individual Governor, he or she has no legal authority outside the meetings of the Governing Body and its committees;
- Understand that an individual Governor does not have the right, other than through the Chair and with the Governing Body's agreement, to make statements or express opinions on behalf of Governors;
- Recognise their fiduciary duty to the College, resist any temptation or outside pressure to use the position of Governor to benefit himself or herself or other individuals or agencies;
- Declare openly and immediately any personal conflict of interest arising from a matter before the Governors or from any other aspect of Governorship;
- Respect the confidentiality of those items of business which the Governing Body decides from time to time should remain confidential;
- Take or seek opportunities to enhance his or her effectiveness as a Governor through participation in training and development programmes and by increasing his or her own knowledge of the College;
- Give priority, as far as practical, to attendance at meetings of the Governing Body and its committees;
- Show commitment to equality and diversity, safeguarding/Prevent and the upholding of all other key legislative requirements;
- Have regard to his or her broader responsibilities as a Governor of a public institution, including the need to promote public accountability for the actions and performance of the Governing Body;
- Adhere to the E-communication Protocol.

13. **E-communication protocol**

13.1 Governors will naturally wish to use email to communicate with the College and each other from time to time. When using email in their capacity as a Governor they agree to adhere to the Governor Code of Conduct and the Nolan Standards of Behaviour in Public Life.

Governors should recognise that in using any email in that capacity, whether their own personal account or an identified college email address, that they are subject to adherence to all relevant College policies. If identified as a Governor in their communication any emails may be subject to discovery. All College emails are monitored.

13.2 All Governors will be offered the use of a College email account to assist their work and to aid communication. In particular, the Chair and Vice Chair may find the use of a College email account useful.

14. **Communication**

14.1 When using communication technologies, the College considers the following as good practice:

- The official College email service may be regarded as safe and secure and is monitored. Governors should therefore use only the College email service to communicate with others when in College, or on College systems (e.g. by remote access)
- Whether offline or online communications by Governors should be courteous and respectful at all times; any digital communications must be professional in tone and content
- Users must immediately report, to the Governance Advisor, the receipt of any digital communication that makes them feel uncomfortable, is offensive, threatening or bullying in nature

15. **Training, Briefing and Awareness**

- Governors should take part in e-safety training/awareness sessions, have an up-to-date awareness of e-safety matters and of the current College e-safety policy and practices
- All Governors are responsible for their own use of technology making sure they use it safely and legally and that they do not access any material or system in a way that brings the College into disrepute
- Governors must keep any personal information, such as other Governors' home addresses, emails and telephone numbers, safe and secure at all times in line with Data Protection principles. Where the personal data is no longer required, it must be securely deleted

16. **COMPLAINTS**

16.1 In order to ensure that the affairs of the College are conducted in an open and transparent manner and that the College is accountable for its actions and use of public funds, but also to its employees, its students and the community it serves, it is important for there to be appropriate complaints procedures in place and for these to be well publicised. Governors are reminded of their specific responsibility under the Articles of Government to make rules specifying the procedures in accordance with which employees may seek redress of any grievances relating to their employment, of the importance of having formal complaints procedures in place to handle issues raised by students, former students and third parties and of the legal requirement to have a whistle blowing procedure in place. Employees and other third parties have a right to make a complaint to the Agencies in respect of the College or of any of its decisions, and this right is referred to in the College's relevant complaints and disciplinary procedures. Copies of these procedures can be obtained from the College.

17. **ATTENDANCE AT MEETINGS**

15.1 A high level of attendance of 80% is expected by Governors at meetings of the Governing Body and its committees so that Governors can perform their functions properly.

18. **GOVERNANCE DEVELOPMENT**

- 18.1 The Governing Body shall seek to ensure that all Governors are appointed on merit, in accordance with an open selection procedure carried out by the Search and Governance Committee, and are drawn widely from the community which the College serves so as to be representative of that community. Governors should have regard to the provisions relating to the membership of the Governing Body in the College's Instrument of Government, the need to combat discrimination and to promote equality (as defined by the nine protected characteristics in the Equality Act 2010), and the need to ensure a range of appropriate skills, interests and experience.
- 18.2 Governors must obtain a thorough grounding in their duties and responsibilities by participating in the College's governance induction and ongoing training / briefing programmes, including refresher sessions and workshops.
- 18.3 In order to promote more effective governance, Governors will carry out an annual review of the performance by the Governing Body of its duties and responsibilities (including a review of their own performance), as part of a continuing and critical process of self evaluation.

SCHEDULE - List of source documents

1. the College's Instrument of Government;
2. the College's Articles of Government;
3. the Standing Orders and terms of reference of the corporation and its committees;
4. the Financial Memorandum entered into by the College with the ESFA and the Funding Agreement entered into by the College with the ESFA;
5. the College's Mission Statement and corporate objectives;
6. the College's Strategic Plan;
7. the College's policies that extend to Governing Body members, including the College's policies on equal opportunities and freedom of speech, the anti-bribery policy as required by the Bribery Act 2010, and the College's policy on safeguarding learners.
8. the principles laid down by the Committee on Standards in Public Life (Nolan Committee) for those holding public office, namely:
 - selflessness;
 - integrity;
 - objectivity;
 - accountability;
 - openness;
 - honesty; and
 - leadership.

An extract from the report of the Nolan Committee setting out these Principles in more detail is set out at Appendix 1;

9. the Joint Audit Code of Practice issued by the ESFA;
10. the Code of Good Governance and the UK Corporation Governance Code (formerly the Combined Code on Corporate Governance) published by the Financial Report Council;
11. the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services (Good Governance Standard).

APPENDIX 1

The Seven Principles of Public Life

The following is an extract from the Second Report of the Nolan Committee on Standards in Public Life, May 1995.

SELFLESSNESS

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

APPENDIX 2

Six Core Principles of Good Governance

The following is an extract from the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services, January 2005

12. Good governance means focusing on the organisation's purposes and on outcomes for citizens and service users

- 12.1 Being clear about the organisation's purposes and its intended outcomes for citizens and service users;

12.2 Making sure that users receive a high-quality service;

12.3 Making sure that taxpayers receive value for money.

13. **Good governance means performing effectively in clearly defined functions and roles**

13.1 Being clear about the functions of the governing body;

13.2 Being clear about the responsibilities of the non-executives and the executive, and making sure that those responsibilities are carried out;

13.3 Being clear about relationships between the governors and the public.

14. **Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour**

14.1 Putting organisational values into practice;

14.2 Individual governors behaving in ways that uphold and exemplify effective governance.

15. **Good Governance means taking informed, transparent decisions and managing risk**

15.1 Being rigorous and transparent about how decisions are taken;

15.2 Having and using good quality information, advice and support;

15.3 Making sure that an effective risk management system is in operation.

16. **Good governance means developing the capacity and capability of the governing body to be effective**

16.1 Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well;

16.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group;

16.3 Striking a balance, in the membership of the governing body, between continuity and renewal.

17. **Good governance means engaging stakeholders and making accountability real**

17.1 Understanding formal and informal accountability relationships;

- 17.2 Taking an active and planned approach to dialogue with accountability to the public;
- 17.3 Taking an active and planned approach to responsibility to staff;
- 17.4 Engaging effectively with institutional stakeholders.

APPENDIX 3

Summary of Main Responsibilities of Governors under the Articles of Government

Under the College's Articles of Government the Governing Body shall be responsible:

- (a) for the determination and periodic review of the educational character and mission of the institution and for oversight of its activities;
 - (aa) publishing arrangements for obtaining the views of staff and students on the determination and periodic review of the educational character and mission of the institution and the oversight of its activities;
- (b) for approving the quality strategy of the institution;
- (c) for the effective and efficient use of resources, the solvency of the institution and the Governing Body and for safeguarding their assets;
- (d) for approving annual estimates of income and expenditure;
- (e) for the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Governance Advisor, including, where the Governance Advisor is, or is to be appointed as, a member of staff, the Governance Advisor's appointment, grading, suspension, dismissal and determination of pay in the capacity as a member of staff;
- (f) for setting a framework for the pay and conditions of service of all other staff; and
- (g) for setting the policy by which the tuition and other fees payable to the College are determined (subject to any terms and conditions attached to grants, loans or other payments paid or made by the ESFA).

"Senior Post" means the post of Principal and such other senior posts as the Governors may designate for the purposes of the Articles.

Responsibilities which must not be delegated

The Articles of Government prohibit the Governing Body from delegating the following:

- (a) the determination and periodic review of the educational character and mission of the institution;
- (b) the approval of the annual estimates of income and expenditure;
- (c) the responsibility for ensuring the solvency of the institution and the Governing Body and the safeguarding of their assets;
- (d) the appointment of the Principal or holder of a senior post;
- (e) the appointment of the Governance Advisor (including, where the Governance Advisor is, or is to be, appointed as a member of staff the Governance Advisor's appointment in the capacity as member of staff);
- (f) the modifying or revoking of the Articles of Government;
- (g) the consideration of the case for dismissal, of the Principal, the Governance Advisor or the holder of a senior post unless such function is delegated to a committee of Governors by the Governing Body; and
- (h) the power to determine an appeal in connection with the dismissal of the Principal, the Governance Advisor or the holder of a senior post unless such power is delegated to a committee of Governors by the Governing Body.

The Governing Body may, from time to time, resolve to add other functions which must not be delegated to this list of "reserved" responsibilities.

APPENDIX 4

Summary of main responsibilities of the Principal under the Articles of Government.

Under the College's Articles of Government the Principal shall be the Chief Executive of the College and shall be responsible for:

- (i) making proposals to the Governing Body about the educational character and mission of the institution, and for implementing the decisions of the Governing Body;
- (j) the determination, of the institution's academic activities and the determination of its other activities;
- (k) preparing annual estimates of income and expenditure, for consideration and approval by the Governing Body, and the management of budget and resources within the estimates approved by the Governing Body;
- (l) the organisation, direction and management of the institution and leadership of the staff;
- (m) the appointment, assignment, grading, appraisal, suspension, dismissal, and determination, within the framework set by the Governing Body, of the pay and conditions

of service of staff, other than the holders of senior posts or the Governance Advisor, where the Governance Advisor is also a member of the staff; and

- (n) maintaining student discipline and, within the rules and procedures provided for within these Articles, suspending or expelling students on disciplinary grounds and expelling students for academic reasons.

Summary of the main responsibilities of the Governance Advisor under the Articles of Government

Under the College's Articles of Government the Governance Advisor shall be responsible for advising the Governing Body with regard to:

- (a) the operation of its powers;
- (b) procedural matters;
- (c) the conduct of its business; and
- (d) matters of governance practice.

APPENDIX 5

Summary of Main Provisions of the Financial Memorandum with the Education Skills Funding Agency

Purpose

Many of the obligations placed on Colleges flow from the fact that they receive public funds. The expectations of the principal funding body – the Education and Skills Funding Agency (ESFA) are set out for colleges in the financial memorandum and funding agreement.

The ESFA issues a Financial Memorandum for further education colleges. The Financial Memorandum records the agreement between the Secretary of State, acting through ESFA and the college concerning the amount of funding that will be paid to the college.

Both documents require the governing body to:

- appoint an accounting officer (normally the principal) who is answerable to Parliament for the use of public funds
- appoint an Audit Committee
- demonstrate value for money
- have an effective risk management policy
- properly manage and develop its property and ensure that its premises are properly equipped
- inform the funding body of any risks to the college's solvency or viability or of any instances of fraud or irregularity

Format

The form of the documentation varies because of the different legal basis on which the ESFA fund provision. The ESFA provides funding under the Apprenticeships, Skills, Children and Learning Act (ASCLA) 2009 on the basis of grant – in aid. Such grants are provided subjects to conditions set out in the Financial Memorandum. Funding under the Education Act 2002 is not limited to provision by grant – in aid so the appropriate document is a Funding Agreement which is contractual in nature. The Funding Agreements which ESFA will provide to colleges are broadly similar in nature to those that ESFA has with academy schools.

The ESFA's financial memorandum applies to all ESFA funded FE colleges, with only the financial annexes differing between institutions, unless there is a particular need for special provisions specific to a particular institution.

The ESFA Funding agreements and contracts can be found at GOV.UK - here:

<https://www.gov.uk/government/collections/esfa-funding-agreements-and-contracts>

Key Governor points

Allocation of funds

Funds will be allocated to the Corporation annually provided that the ESFA is satisfied that the Corporation is financially viable and able to deliver education of a reasonable quality meeting the needs of learners and employers and the Corporation has met the previous year's conditions of funding. The Corporation is free to spend its funding as it sees fit provided it fulfils the conditions of funding but funds must not be used to deliver provision in respect of which the Corporation has already received other funding, public or otherwise, unless agreed by the ESFA. The ESFA can require assurance that delivery of provision complies with the Financial Memorandum and require, at the College's cost, evidence to support payment claims.

Financial reporting

The ESFA shall specify the requirements as to the information to be contained in the College's financial statements. Audited financial statements must be provided within five months of the year end. The Governing Body must have an effective policy on risk management and the Governing Body must notify the ESFA, in writing, if at any time there is a risk to the College's solvency and viability.

Audit

The Governing Body shall appoint an Audit Committee and arrange to provide internal and financial statements audit, including regularity audit, in accordance with the Joint Audit Code of Practice.

The Governing Body must investigate and report all significant cases of fraud or suspected fraud

Additional matters

The Financial Memorandum incorporates a number of other clauses on compliance matters, such as health and safety, equal opportunities, data protection and freedom of information, and State Aid.

Interpretation

Nothing in the financial memorandum shall require the Governing Body to act in a manner which would cause the Corporation to cease to be a charity.

APPENDIX 6

Summary of the Statutory Powers of the Governing Body

PRINCIPAL POWERS

Under section 18(1) of the Further and Higher Education Act 1992 a further education corporation[□] may:

- provide further and higher education;
- provide secondary education suitable to the requirements of persons who have attained the age
- of 14 years, or provide secondary education or participate in the provision of secondary education at a school (subject to the consultation with the appropriate local education authority); and
- supply goods or services in connection with their provision of education.

These powers are known as the Corporation's "principal powers".

SUPPLEMENTARY POWERS

Under section 19 of the 1992 Act the Corporation may do anything which appears to it to be necessary or expedient for the purpose of or in connection with the exercise of any of the principal powers conferred by section 18 of the Act, including in particular the following powers:

- to acquire and dispose of land and other property;
- to enter into contracts, including in particular:
 - o contracts for the employment of teachers and other staff for the purposes of or in connection with carrying on any activities undertaken in the exercise of the Corporation's principal powers; and
 - o contracts with respect to the carrying on by the Corporation of any such activities;
- to form, participate in forming or invest in a company or become a member of a charitable incorporated organisation;
- to borrow such sums as the Corporation thinks fit for the purposes of carrying on any activities it has power to carry on or to meet any liability transferred to it under sections 23

to 27 of the 1992 Act (i.e. when the College achieved its corporate independence on 1st April 1993) and, in connection with such borrowing, the power to grant any mortgage, charge or other security in respect of any land or other property of the Corporation;

- to invest any sums not immediately required for the purposes of carrying on any activities the Corporation has power to carry on;
- to accept gifts of money, land or other property and apply it, or hold and administer it on trust, for any of those purposes;
- to do anything incidental to the conduct of an educational institution providing further or higher education, including founding scholarships or exhibitions, making grants and giving prizes; and
- to provide advice or assistance to any other person where it appears to the Corporation to be appropriate for them to do so for the purpose of or in connection with the provision of education by the other person.

The Corporation may also provide facilities of any description (including boarding accommodation and recreational facilities for students and staff and facilities to meet the needs of students having learning difficulties) which appear to be necessary or desirable for the purposes of or in connection with the carrying on of the principal powers.

The powers conferred by section 19 of the 1992 Act are known as “supplementary powers”.