Association of Colleges

Creating Excellence in College Governance

AoC Governors' Council

Further Education Colleges Governance development review work programme report and action plan

As the representative body for Colleges across England, AoC is well placed to champion the vital role that governors and senior leaders play in the running of further education institutions and to bring the sector together to develop the necessary support and resources to strengthen expertise in this area. It's gratifying that so many individuals and organisations have been fully involved with this review and are committed to helping create excellence in governance to the benefit of students, Colleges and the communities they serve.

Carole Stott, Chair, Association of Colleges

The Principals' Professional Council see this report and the associated action plan as a useful contribution to the development of effective governance and leadership of our FE Colleges. We look forward to working with partners in strengthening a sector that is enterprising and autonomous, offering the vocational education and skills training necessary for employers and local communities to deliver economic growth.

Nick Lewis, General Secretary, The Principals' Professional Council

The Women's Leadership Network welcomes this report and the positive action being taken to support and promote excellence in governance across the sector. In particular, we are pleased to see actions being taken to address the lack of diversity on Boards and the Network looks forward to supporting Colleges in achieving this aim."

Sara Mogel, Director, Women's Leadership Network

UCU welcomes the publication of this very useful report. Staff governors are an essential part of College governance and we are pleased that governor training will be part of the remit of the Education and Training Foundation. We look forward to working with ETF, the AoC Governors' Council and the National Clerks Network to provide high quality training and support for staff governors.

Sally Hunt, General Secretary, University and College Union

"NUS believes that student governors play a pivotal role in effective College governance and we welcome the steps outlined in this report to support Colleges in maximising the impact that student governors can have on their Boards. We look forward to working with the ETF, AoC Governors' Council and other partners to continue to develop and deliver the Student Governor Support Programme to the sector."

Joe Vinson - NUS Vice President Further Education

AoC Governors' Council

Governance development review work programme, report and action plan.

Conducted on behalf of the AoC Governors' Council by Dr. Susan Pember OBE
Published and Submitted to the Skills Minister on 31.10.2013.

Executive Summary

Creating Excellence in College Governance

Being a governor in Further Education (FE) has never been so important. The challenge of creating the environment for excellence in College governance at a time of rapidly evolving policies is no easy task. The Government has removed much regulation and given back the freedom from central control enshrined in the 1992 Further and Higher Education Act. Alongside this process, the Government has rightly slimmed down the intermediary layers of planning and scrutiny which brings us to the situation where the checks and balances on the use of public funds rest firmly with governors.

While such freedoms set out in the Government's policy documents New Challenges, New Chances and reinforced in Rigour and Responsiveness are welcomed, they inevitably bring uncertainty and insecurity, particularly in the transition from one set of policies and principles to another. The political vision may be of a simpler, more manageable world but the role for governors remains complex. They are accountable to learners, employers and the communities they serve and responsible for effective stewardship of considerable assets.

This report sets out the main issues and barriers to good governance, details immediate action for governors and identifies what support they need and who should supply it. When implemented, it will bring about a step change in governance in England and provide a new focus on system leadership. While our research suggests the current system is not broken, and that there are many diligent and conscientious governors who work tirelessly in support of their Colleges, the increased autonomy and reduced regulation in the FE sector has created the need for governors to step up to new challenges. With increased autonomy comes increased accountability and governors are key to that model.

Part I of the report looks at the current shape of the sector and the changing roles and responsibilities of governors. Governors themselves describe the difficulties that come with rapid change, the lack of clear consensus on the way forward and the need for better communication. There is some complacency in the system even through the intermediary layers between Government and the College have been removed some governors and senior leadership teams still think that existing practice is appropriate. It is now time for governors to determine whether their Board and working methods, including the role of the clerk, are now fit for purpose. To support governors, Ofsted will develop a new governance dashBoard and the Skills Funding Agency (SFA) will work with governors to provide more timely performance and benchmark information.

Part II addresses the question of what defines good governance and what structures are needed to support it.

Part III describes the Governance support and development programme which will fit within the Education Training Foundation (ETF) overall strategy on sector governance. It points to creating a sustainable network (local and national) with resources to help governors develop in their role, undertake governance health checks and help improve their Board, formulating an action plan for their College and navigating their way through the many sets of regulations and duties.

Part IV considers the need for agreed action plans, setting out who does what to ensure challenges are met. Questions are addressed around the help that the AoC Governors' Council can give on issues such as recruitment and succession planning and the pressing need to raise the status of FE governance.

The report sets out the five key themes of good governance which will also be prioritised for the AoC Governance Development Programme: Excellence in Teaching and Learning; Advocacy and Partnership; Accountability; Fitness for Delivery and Value For Money.

Before addressing in detail the key points where action is required, this report looks at the experiences of other sectors in the UK and in other countries such as North America. Research revealed the school and higher education sectors have followed a different path to that of FE, with different support mechanisms for Boards and for leaders. While there are benefits in this structure, there are also downsides in the

form of duplication and loss of consensus view. We concluded that having a single representative body covering governors, clerks and Principals provides a clear single voice for Colleges and ensures that the support and development needs of governors, clerks and senior staff are viewed as a whole. That said, there are areas of work in some sectors that we should adopt rather than reinventing wheels. Organisations that have already determined best practice, and point to programmes we can use, include the Institute of Directors and the Institute of Chartered Secretaries.

The report goes on to address the core issue of how to create the right environment for excellence in College governance and a programme to facilitate this will be delivered through three interlocking strands:

1. Representation and Information for Governors
2. Governance Support Services
3. Governance Development Programme

The importance of a sustainable Governance Development Programme built with the right level of resource and expertise is explained within the report. Including:

- Supporting Colleges to train and develop their own National Leaders of Governance (NLG) and national specialists and aid improvement through the development of an "illumination scheme" where good practice is highlighted and available through the Governance Excellence Library

- Creating the circumstances where there is a "single authoritative voice" for governance which builds, coordinates and provides the underpinning support and development opportunities for governors, principals and clerks to ensure good governance in our Colleges and allow students to excel.

This is a challenging agenda but eminently achievable. The report details action in 20 key areas which will be taken forward by the Association of Colleges Governors' Council (AoCGC), SFA, Education Funding Agency (EFA), Department for Business Innovation and Skills (BIS) and Office of Standards in Education (Ofsted) and, most importantly, individual College governing bodies.

There is a range of issues that need greater clarity, including the role of governors and whether working practices, including the role of the clerk, are effective. The voluntary code is a great start for determining a process for self-regulation but there needs to be clear guidance on new governance and business models. Under-representation and lack of employers in leadership roles on Boards needs to be tackled by Colleges. As identified in the recent BIS report, the lack of recognition of good governance will be corrected by Government and agencies working together to demonstrate the good work governors do. This action will be supplemented by an AoC Beacon Award for good governance. It is also proposed that AoCGC and the Local Enterprise Partnerships Network work together to draft and implement a memorandum of understanding.

The report asks what action is needed, and who should take it, to improve communications. Similarly, on the question of representation and dissemination of information, there is the need for a single authoritative voice to enhance the service. It is clear that the AoCGC can play a major role and other organisations, such as School Governors One-Stop Shop (SGOSS), can support in the sourcing and recruiting of new employer governors.

There is no up-to-date information base on the make-up of Boards but this is to be tackled through a Board survey and supporting a "governance of the future" research programme jointly developed by AoC and the 157 group with other partners.

Clearly, the range of challenges and scope of actions required are considerable, but with well-planned co-ordinated effort to support governors and clerks we will create a standard of governance that will be the hallmark of excellence throughout the education sector.

Contents

Foreword from Governors' Council

In July 2013 we jointly published with the BIS a Review of Governance that concentrated on three matters: the recruitment and succession planning of governors, measures to raise the status of FE governance, and guidance from the Charity Commission on payment to governors. This report follows on from that work and explores how governors can best be supported to carry out the enhanced role set out in recent policy documents. We say "enhanced" not "new" because the changes signal a return to the intentions of the 1992 Further and Higher Education Act that established incorporated Colleges.

In conducting this assessment, we considered not only today's requirements but future needs. This document describes our role as governors – as set out in the regulations – and gives details of actions needed to implement the proposed plan. It also recognises that, to quote from What Makes Great Boards Great (2002), 'Boards are social systems. The most effective Boards invest time and energy in the development of mature relationships and ways of working. It's not rules and regulations; it's the way people work together'. The plan brings together all the different strands to provide the base for future College governance. It also tries, as far as it can, not just to respond to the current fiscal and policy landscape but to set out solutions for strengthening College governance in all circumstances.

The main focus of our work and pivotal to our thoughts is the learner, who has to be at the heart of all that is done in the College. We need to be excellent and demonstrate good governance so that we can inspire our Colleges to provide a service that does our students justice, inspires them to reach their full potential and gives confidence to our partners and stakeholders that they are right to invest in our services.

Good governance can only operate within the framework and regulations which are set down. Therefore we need to be clear in our minds that we do not believe the "system is broken"; in fact there are many instances of exemplary practice. College Boards have operated in ways they felt fitted with what was asked of them. But the main working pattern of existing governance structures and behaviour was designed in the pre-1990s world and the environment has now changed. It is now time to look at how governance should operate in the twenty-first century and review what type of support is required to help facilitate those changes. The timing of this work also allows the sector to respond to Ofsted reports, which have highlighted good and poor governance, and the relationship to the overall College grading.

We believe the benefits of implementing this report and action plan will be significant and will reinforce behaviours and systems of good governance that will set the benchmark for other sectors.

Roger Morris
Chair, AoC Governor' Council

Overview
Methodology and Acknowledgements

1.1 The purpose of the development review project was to consider the implications for governors of the new freedom agenda for Colleges and provide solutions on how governors and clerks can meet their new role.

1.2 This programme of work complements the work recently undertaken by BIS on recognition, reward and payment (published in July 2013) and supports the work of the Governors' Council on establishing a baseline of existing governors' makeup and characteristics, updating the Governors' Code, determining ways to improve community and business responsiveness, creating a governance library and establishing a strategy to support the recruitment of new governors. Sixth Form Colleges are outside the scope of this review, but we have shared our findings with the Sixth Form College Association for them to consider whether they wish to adopt any of the actions or proposals relevant to Sixth Form Colleges.

1.3 The first stage was completed between May and June and the methodology included a review of the literature and existing support materials, research into best practice, and focused meetings with key stakeholders. This final report includes an appraisal of the present system, landscape and support mechanisms and sets out in one place the actions needed to ensure governors, senior College leaders and clerks are adequately and appropriately supported.

1.4 The review took into account the views of as wide a group of people and organisations as possible in the time available and these are listed in Annexe A. The work was steered by the AoCGC, which is made up of governors from each region plus co-opted members. The report also incorporates and is greatly enhanced by contributions from Janice Shiner, Jo Matthews and Kevin McGladdery and the skillful editing of Sue Jones and Ian Nash.

1.5 The report and action plan have benefited considerably from the involvement of governors, principals and clerks, and other key stakeholders who have commented on the drafts and proposed actions, the legacy of material left by Learning and Skills Improvement Service (LISIS) and AoC staff for providing a very effective working environment.

1.6 The work has been internationally benchmarked and when implemented should provide an environment where existing best practice is seen as the norm.

Further Education Today

Shape of Sector

1.7 The FE sector covers learners in Colleges, adult and community learning, work-based learning and apprenticeships. FE provision is delivered by individual Colleges, local authorities, employers, and independent and private providers. There are currently 235 general FE Colleges in England, offering a wide range of full and part-time courses, which may be academic, vocational or work-related. Until recently, the FE College sector could be described as providing post-compulsory education; however, with the raising of the participation age and a new initiative to allow many Colleges from September 2013 to recruit directly 14 to 16-year-olds for the first time this term is no longer applicable. Also, many Colleges have significant numbers of learners pursuing Higher Education (HE) qualifications.

1.8 In recent years the number of General FE Colleges has decreased but student recruitment for 16-19 has remained relatively stable at around 600,000 a year and there has been a growth of partnership and sub-contracting work with many Colleges being the lead sponsor for a local Academies. The fiscal situation has made it more difficult to recruit adult learners as the fee subsidy has been removed for some groups but the sector still has an excellent record of ensuring value for money by educating and training 3 million adults annually.

Regulatory Framework

Government-led Regulation

1.9 All FE Colleges were incorporated, or designated, under the 1992 Further and Higher Education Act. A College's governing body (sometimes referred to as 'the Board', or 'the Corporation') has various statutory, contractual and common law responsibilities. Statutory responsibilities include the employment of staff, the offer of various services and the ownership of assets. Contractual obligations exist with the College's staff, learners and suppliers (including compliance with European procurement regulations). Common law duties include loyalty, good faith, care, diligence and skills exercised by governors due to their fiduciary position on a College's governing body.

1.10 All Colleges are charities. The ten Specialist Designated Colleges are registered charities and all other Colleges are exempt charities. The Charity Commission approves a Principal Regulator who is the BIS Secretary of State. For Sixth Form Colleges, it is the Department for Education Secretary of State.

1.11 Because all General FE Colleges are charities, College governors must comply with the Charities Act 2011, and:

■ Act in accordance with the charity's powers and its charitable objectives as an educational charity

■ Promote the interests of the charity, and ensure that its assets are only used for its charitable purpose of providing education

■ Safeguard the charity's assets

1.12 All FE Colleges are independent and autonomous institutions currently categorised as within the private sector. The Education Act 2011 allows Colleges to determine their own mission and programme of activity and gives flexibility; but alongside greater freedoms there is a need for greater accountability and scrutiny of use of public funds.

1.13 The legal responsibilities of a governing body are set out in its Instrument and Articles of Government. The Instrument covers procedural arrangements and requirements including

membership of the governing body, the eligibility of members, conduct of meetings and the appointment of the chair, clerk and a student and staff governor. The Articles describe the responsibilities of the governing body, the role of its committees, audit arrangements and other matters which the Board believe are important to the effective running of the College. Prior to the Education Act 2011, the Instrument and Articles for all General Further Education Colleges were virtually standard but a governing body now has the freedom and flexibility to change many parts of its College's Instrument and Articles, if it wishes, in order to pursue the College's individual mission and best meet the needs of the community(s) it serves. Schedule 4 of the Act allows 'the governing body of the institution to modify or replace its instrument of Government and articles of Government', subject to compliance with certain key responsibilities.

1.14 However most Colleges have yet to make any substantial change and in general the areas still covered by the articles are:

- Determining and periodically reviewing the educational character and mission of the College, and its activities (including the core activity of teaching, learning and assessment)

- Approving the College's quality strategy

- Ensuring the College's solvency and effective and efficient use of resources, and safeguarding College assets

- Approving annual estimates of income and expenditure

- Responsibility for the conditions of service, appointment, appraisal and dismissal of the principal, senior post-holders and clerk

- Setting a framework for the pay and conditions of service for all other staff

Case study: Freedoms and Flexibilities

City and Islington College - Jack Morris, Chair and Frank McLoughlin, Principal

'City and Islington College commissioned a consultant over three months to consider whether new freedoms and flexibilities created by the Government could be used to review the size and composition of their governing body and its ways of working.

The governing body was about to go through changes such as the retirement of key governors, including the chair and vice chair - both of whom were longstanding members. This was seen as an opportunity to review its current ways of working and be open to new ideas.

The process involved workshops and interviews with the majority of governors. At the first workshop, research around effective governance was analysed and the Board was asked to self-assess itself in terms of the future. At the second, outcomes from the interviews were discussed and the Board agreed a revised set of key priorities.

While the Board had frequently reviewed its work and priorities, the significance of this work was the context of the changing membership and opportunities created by New Challenges, New Chances.

The consultant, who quickly gained trust and credibility, brought not only skills in interviewing and facilitation, but also a wide and deep understanding of the FE sector here and overseas and her experience as a chair in two other sectors - health and charities.'

Self- Regulation

1.15 To demonstrate accountability and to provide assurance that the sector could manage its own affairs, without the need for further statutory guidance, the AoC Governors' Council established the voluntary English Colleges' Foundation Code of Governance ("the Code") that aims to encourage reflection and debate around what 'good governance' means in the context of an individual College's mission and business situation.

The Code:

- Establishes recommended threshold standards of good governance practice expected of all governing bodies in the English FE College sector

- Was developed, and is owned by, the English FE College sector

- Is intended to establish a basis for a flexible governance framework that allows individual governing bodies scope, within the limits set by their Instruments and Articles of Government, to decide for themselves how best to discharge their duties in the interests of their Colleges, and respond to the needs of their learners, the communities they serve and other stakeholders

- Should promote the development of effective governance where leadership of the governing body is given by the chair, supported by the principal, and by the clerk. All governors should engage in rigorous discussion and constructive challenge on a consistent basis, and adopt an open and frank approach to all aspects of the governing body's business.

1.16 The Code recommends that each College that has adopted the Code should state this in the corporate governance statement contained in its annual audited financial statements. Where a College's practices are not consistent with any particular provision of the Code, it should publish in its corporate governance statement an explanation for that inconsistency.

Case study: Governance Fit for Purpose

City of Bath College - Carole Stott, Chair and Matt Atkinson, Principal

'Our College review was primarily to find out whether our approach to governance was fit for the future. We also wanted to assess whether our governance model could move the College from 'good' to 'outstanding'. It was clear from the review that the Board had to be more strategic whilst improving oversight of our core business of teaching and learning.

As a result of the review, we made four key changes, with attendant benefits:

1. *We restructured the Board by having monthly Board meetings and removing our quality and standards and finance and resources committees. As a result, governors need to attend fewer meetings*

2. *We restructured Board meetings and agendas and now consider matters under three headings: strategy, scrutiny and governance*

3. *We reviewed our membership and, to improve our local accountability, appointed 'stakeholder' governors, e.g. senior executives from local organisations such as the social housing provider, to work closely with the College*

4. *We gave some governors stewardship roles as the key link between the executive and Board.*

Benefits of this approach are clear, as governors play a much more central role in strategy development. They have a better understanding of our core business, as we build the financial understanding of the full Board and no longer have teaching, learning and standards considered in isolation by a committee. Also, we are strengthening local accountability by involving key stakeholders in the governance of the College.

Policy Framework

1.17 In December 2011, the Coalition Government published its blueprint for reform of the FE and skills system entitled 'New Challenges, New Chances'. Based around a high-level four-year implementation plan to 2014, the stated aim is 'for a newly confident sector, released from years of confinement, free to excel'. Key elements of the reform system are:

- Students at the heart of the FE and skills system
- First-class advice delivered by the National Careers Service
- A ladder of opportunity of comprehensive vocational education and training programmes
- Excellence in learning and teaching
- Relevant and focussed learning programmes and qualifications
- Strategic governance for a dynamic FE sector
- Freedoms and flexibilities
- Funding priorities through a simplified funding system
- Empowered students making informed choices
- Global FE (international provision by UK FE providers).

1.18 BIS expects Colleges to look at a 'wide range of evolving models, including joint models across the post-14 education sector' when considering the needs of their local areas. Examples of new organisational/business models given by BIS are:

- Setting up companies, trusts, or mutualisation models
- Federations or joint venture models with other Colleges
- Working with employer groups/a university to form a University Technical College (UTC)
- Partnerships to deliver specific training opportunities
- Working with training associations to develop innovative apprenticeship models.

1.19 Any College considering a major change in their delivery model must carry out a 'College Structure and Projects Appraisal'. The triggers set out in *New Challenges New Chances* for such an appraisal range from 'poor/coasting performance' and 'poor financial health' to 'opportunity to think afresh'.

1.20 In terms of freedom and flexibility for Colleges, BIS has adopted a three-strand approach to 'helping Colleges to run their businesses and better respond to the needs of learners, employers and communities'. This involves:

- streamlining
- the landscape
- simplifying systems and processes and deregulation.

1.21 BIS are nearly through their 'freedom and flexibility implementation road-map' from 2010-14:

- 2011/12: Education Act removes College regulation; governing bodies freed to run College businesses; 16-19 payments routed via SFA; consolidated data returns and rationalised Individual Learning Record; no inspection for top providers; action plan for large employers
- 2012/13: Simpler funding system trialled; streamlined quality assurance system to manage provider performance; rationalised learner support; streamlined SFA communications and guidance; Whole College Review outcomes implemented
- 2013/14: Scaled-back SFA with simpler systems and processes; simpler funding system in place; introduction of loans for fees; Single Audit framework in place; new and innovative FE delivery

models in place

1.22 In April 2013, BIS and DfE jointly published 'Rigour and Responsiveness, taking the arguments in 'New Challenges, New Chances' a step further with an action plan to update skills priorities for England. It sets out Government plans for future reform of the skills system, by 'putting rigour and responsiveness at the heart of our Skills system; giving employers more control; creating incentives for all providers to offer excellent, responsive programmes; and taking tougher action to tackle poor provision'.

1.23 The priority areas from 'New Challenges, New Chances' set out in further detail in 'Rigour and Responsiveness' are:

■ Raising standards

■ Reforming Apprenticeships

■ Creating Traineeships

■ Meaningful qualifications

■ Funding improving responsiveness

■ Better information & data

1.24 "Rigour and Responsiveness" also contains a significant announcement on intervention in FE Colleges, including the appointment of an FE Commissioner to act on behalf of the two Departments. The Government's aim is for them to instigate a faster intervention process including new ways of working, for example, through the new category of 'Administered College' with restrictions placed on its freedoms.

1.25 As well as the changes to adult skills policy, 16-19 policy is also going through a radical improvement programme. From September 2013, new 16 -19 study programmes will be introduced, supported by changes to post-16 funding. All 16 to 19-year-old students will follow a study programme, including continuing with English and maths with clear study and/or employment goals reflecting pupils' prior attainment. This should include substantial qualifications (A levels or larger vocational qualifications) or, where appropriate, a traineeship, or extended period of work experience and employability preparation. Study programmes should also include non-qualification activity, such as tutorials or work experience volunteers, relevant to the programme goals.

1.26 Reforms to improve support for young people with special educational needs are currently being considered by Parliament under the Children & Families Bill. These changes coupled with new initiatives allowing Colleges to enrol 14-16 year olds directly are radically changing the make-up of the College sector and are creating an environment where corporate agility is key to College and Board success.

1.27 Local Enterprise Partnerships (LEPs) have a leading role to play in changing the relationship between regulators and businesses locally and have recently been given an enhanced role to determine a strategic skills plan and to determine capital projects for their area. They are business led, making them well placed to identify, understand and address local barriers to enterprise. In July the Secretary of State announced three pilots to consider how effective joint working between LEPs and FE providers can be incentivised to deliver improved skills support for businesses and learners. The three pilots are North-East LEP, Stoke and Staffordshire LEP and West of England LEP. BIS will be developing the approach with pilot areas during 2013/14 and expect pilots to be live, subject to Ministerial approval, in 2014/15. The UKCES is also undertaking research in this area.

Governance Challenges Created by the Landscape

1.28 As can be seen from the above, Colleges work in a complex policy environment and serve multiple interests, represented by various bodies including funding agencies and Government departments (see annex 2). This has created challenges for the sector and for governors which, although not insurmountable, have made the job of being a governor more difficult and requiring enhanced skills.

1.29 The issues and challenges most described by governors and senior staff are the:

- Difficulty faced by governors in interpreting a fast-changing, politically driven policy environment

- Lack of consensus on the most appropriate operating/accountability framework, including how the community (business, local influencers, students and employers) can be sure their College gives value for money

- Uncertainties over the new Ofsted-developed dashBoard and existing methods for putting College data into the public domain, such as FE Choices

- The Foundation Code provides a good platform, but needs refreshing in line with present thinking on governance

- Poor communication between agencies (national and local) and Government. Communication routes unclear and not working

- Undermining of the existing success factor model before it has been replaced, leaving some governors unclear about what they should use to monitor performance in the new complex local landscape and whose information they should consider when setting the College mission and vision

- Uncertainty in governing bodies about how and which benchmarks to use in assessing performance

- Concerns raised by Governors and senior leaders about the boundaries between governance and management

- Recruitment and retention of governors especially business governors

- Time requirement and the need for governors and the senior leadership team to work together to make sure there are efficient and effective working practices.

- Lack of good practice research.

1.30 For "good governance" to flourish, these uncertainties must be addressed. Although the sector can do much for itself, Government and its Agencies need to act. Government and Agencies recognise the tensions and have agreed to work with AoC Governors' Council to tackle the issues and actions that will begin to address the concerns as described in Part Three.

Existing Governance Structures and Areas for Improvement

Governors and Board Structures

Composition of Boards

2.1 There are approximately 4,000 College governors who make up the Boards of English governing bodies. Boards are around 15-20 members and have a mix of skills and experience. College governing bodies have always striven to be as representative as possible of the community(s) they serve, at the same time as securing the desired range of skills, experience and professional backgrounds necessary to properly undertake their corporate responsibilities on a sustainable basis. There has been some recent criticism that Board make-up does not reflect their catchment or sector specialisms and in our July report we set out recommendations which included undertaking a base line survey and using that to inform any action required. As well as the issues of diversity, Colleges report some difficulty in recruiting employer governors and others have no experience in teaching and learning. These issues will be addressed by supporting search committees and, in line with the July report, commissioning work to support recruitment of employer governors.

Board Structures

2.2 Following the Education Act 2011, a governing body now has considerable freedom to re-structure its membership as it sees fit, in order to be as effective as possible in pursuit of its College mission. It is for Boards to determine their size and operational framework, but they must have at least one student governor and one staff governor amongst their members.

2.3 Governing bodies normally operate under a set of 'standing orders', which include rules for the appointment and re-appointment of a governor, procedures for electing governors to the offices of chair and vice-chair, and the arrangements determined by the governing body for committees with delegated responsibilities (for example, for the Audit Committee, Search Committee, Quality & Standards Committee and Finance & Resources Committee). Each governing body should have a named clerk (or 'clerk to the corporation'). The clerk is a member of the College staff or a member of staff appointed by the company the College has subcontracted the work to. Although it is not set out in any statutory guidance, custom practice is that the clerk is responsible for advising the Board with regard to the operation of its powers, procedural matters, the conduct of its business and advising the Board with regard to matters of governance practice.

2.4 This structure has served Colleges well but many Colleges are looking at new models and processes akin to academy trusts, Local Authority cabinet structures involving smaller boards and scrutiny committees, the private sector group structure or mutual organisations. Boards are also reviewing how they work and some have taken forward the principles of "policy" governance. All these structures and ways of working have their merits and it is important when governors consider alternative structures that they clearly decide why and what they want from it before embarking on the change. For example, it is easy to see the benefits of a smaller governing body but by doing so there is a chance of losing community engagement. Therefore consideration not only has to be given to the size and operating model of the governing body but also what mechanisms will be put in place to engage with the local and business communities. Several Boards have asked for advice on new structures, including the role of the clerk, and AoC will provide guidance on the benefits and pitfalls of new governance and business models using the experience of the sector.

Case Study: Small Boards

> **Stockton Riverside College - Steve Cossins, Chair, Mark White Vice Chair, Phil Cook, Principal.**
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> *"We found the facilitated review of our governance structure and processes immensely valuable. We are now in a much stronger position to take our College forward - with a smaller Board, with a much clearer Board sub-structure and with fresh skills to carry out our crucial remit of setting the strategic direction of our College through a process of constructive challenge"*

2.5   The way business is undertaken varies. Ofsted makes a clear link between strong governance and outstanding College performance and also believes the reverse is true. Annex 3 brings together observation extracts from recent outstanding and failing institutions' inspection reports which clearly support Ofsted's view. The way a College Board operates is summarised in the LSIS report written by the late Reg Chapman (Principal); he refers to a number of challenges including the one of 'polite consensus' and notes that frequently good, free discussions take place but rarely the powerful debate over the big issues that research shows is a key feature of high performing teams. He states that there 'often seems to be polite consensus and a wish to avoid conflict and a search for harmony which militates against challenging the status quo'.

2.6   Although this seems innocuous it can lead to devastating results. Governors at recent failed Colleges have commented that they knew something was wrong but did not feel able to speak up and were therefore unable to hold the senior leadership team to account. They were not able to challenge effectively and did not have the data and information to underpin their position. Therefore the regulator funding agencies and College executives must furnish the chair and Board with information that provides governors with the right material to undertake the right levels of "checks and balances". In Northern Ireland the Department produces regular Health Check document to the Governing Bodies and Ofsted to developing a Governors dashBoard. The development programme must give governors the skills and confidence to use this material and the senior leadership teams must be ready to respect and be open to such challenge.

Case study: Improvement and external challenge

> **Knowsley Community College - Mark Flinn, Chair**
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> *'The journey from "unsatisfactory" to "good" over a 14-month period was a tough one and required support at all levels. While governors had full confidence in the new executive team, they recognised that the Board itself needed to change its ways of working, and the support offered by the consultants was invaluable in this respect.*
>
> *The consultants offered the Board similar questions and challenges that the Board gave the executive and the Board now has renewed confidence in its future direction of travel.*

Definition of Good Governance

2.7   Governance is the act of governing – <u>not</u> managing. Governance provides strategic leadership and direction to an organisation. It sets and approves policies and the budget, defines expectations, delegates powers, and verifies performance towards delivering its strategic aims and objectives. The most important aspect is an appropriate division of responsibilities between strategic governance by the governing body and operational management by the College's senior management team led by the principal. This approach would be underpinned by the right level of checks and balances.

Purpose and Principles

2.8   It has been widely accepted that the three different primary purposes of governance are:

- Maximising performance and success
- Representativeness and democracy
- Accountability and compliance

2.9   The Good Governance Standard for Public Services Guide identified six principles of good governance applicable to Colleges. Good governance means:

- Focusing on the organisation's purpose and on outcomes for communities and learners
- The Board performing effectively both as individuals and as a team in defined roles and responsibilities
- Promoting values for the whole organisation and behaving with integrity
- Taking informed transparent decisions and managing risk
- Developing the capacity and capability of the Board to be effective
- Engaging stakeholders and making accountability real.

2.10   These six principles provide a solid base on which to judge whether a Board is effective or not. It is sometimes easier to provide clear evidence of 'bad governance' than demonstrate 'good governance'. Serious failures by a College in the quality of its provision for learners or in its financial sustainability are always ultimately attributable to failings in strategic leadership provided by its governing body for whatever reason.

Evaluation of Good Governance

2.11   'Good governance' can be evaluated in terms of how a College is viewed by those it is accountable to, whether these are Government Departments, funding agencies, independent bodies or perception of the wider community(s) it serves. The Government's 'New Challenges, New Chances' policy agenda builds on the recommendations of a report by Baroness Sharp 'A Dynamic Nucleus: Colleges at the Heart of their Communities' (2011) that Colleges should be accountable to the communities they serve.

2.12   Government has also emphasised the need for Colleges and LEPs to engage together effectively, in order to meet the changing needs of employers, learners and local communities. This role with LEPs will be strengthened through the development of the recent announcement on FE Capital being part of the Local Infrastructure Fund. The UK Commission for Employment and Skills (UKCES) project and the three LEP pilots should begin to highlight good practice.

Providing Assurance

2.13 To be assured that good governance is taking place, the Foundation Code of Governance recommends that a regular effectiveness assessment by a governing body should include consideration of:

- The performance of the College as a whole in meeting its strategic objectives, using appropriate key performance indicators to benchmark performance against comparable Colleges wherever possible
- The governing body should publish its assessment of performance annually
- The reputation of the College and the views of stakeholders
- The performance of the chair and other governors holding office or undertaking defined roles within the governance structure

Case study: Transforming governance

Derby College - Janet Morgan, Chair and Mandie Stravino, Chief Executive

'Following inspection in March 2012, when Leadership and Management was awarded a grade 2 overall and Governance received a grade 3, Derby College undertook a review to transform governance. The resulting plans came into force for the 2012-13 academic year and included:

- *Employment of a clerk with a wider management role, including strategic planning and external affairs, creating an intrinsic link between the corporation and senior leadership team. This meant the corporation received the information it needed to carry out its statutory duties, focusing on the education mission and outcomes. Previously, the corporation employed clerking services from a company.*

- *Appointment of an experienced chair from another region, to support the chair of the corporation in implementing changes. As part of this mentoring role, he attended Corporation meetings to support all members in understanding their role and identifying areas for scrutiny, as well as supporting the clerk in defining her role.*

- *Increased frequency of Board meetings which always include 'Teaching and Learning and Assessment'. Members receive Data DashBoards for each College faculty, enabling them to scrutinise key performance indicators in the context of national averages, trends and targets.*

- *For the 2013-14 academic year the Corporation, which is now smaller in number, includes the Chair of the D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire) LEP and a representative of the largest employer in Derby, Rolls-Royce PLC. These members were actively sought through the search committee in order to ensure the College's accountability to the local community, and respond to future needs of business.'*

The new governors from business brought a refreshed viewpoint and corporate challenge which helped make the College more responsive to need.

2.14 'Good governance' is also reflected in the Office for Standards in Education, Children's Services, and Skills (Ofsted) inspection reports. Annex 3 details extracts from recent inspection reports which demonstrate the link between good governance and performance. Ofsted will shortly be making available to each College governing body an individual, annual 'College performance dashBoard' produced from a variety of data sources, which will indicate areas of strength and weakness to help governing bodies to focus their attention on key opportunities and threats. Colleges such as Stourbridge have already developed their own dashBoard for governors.

2.15 Even with these examples, there is still much confusion about how a governing body demonstrates it is practising good governance and how to assure funders and community that the College is providing value for money and is accountable. Currently there is no single agreed model and much time and energy is being deflected into such discussion. In recent years there have been several false starts and many attempts to determine a standardised model; because of this, a few external partners see Colleges as unaccountable. Some Colleges have addressed these issues by being very transparent, using such methods as placing minutes of meetings and annual reports online, organising an annual meeting in the same way a private company may hold an AGM, commissioning large scale consultation and group exercises with their local communities and documenting and publishing their activity in a way that sets out how its programmes meet the needs of the area. For example, Cornwall has commissioned and published a document that explains the College's contribution to the local economy.

2.16 HE is also addressing the issues in a way that could assist FE; the SFA and universities together have developed an operational framework which sets out how to demonstrate accountability. Although not completely transferable, a single model on similar lines could now be developed, with the SFA and EFA, that sets out principles and values to help Boards show they are demonstrating good governance and are accountable.

Case Study: From Good to Great

John Ruskin College - Alec Stow, Chair and Tim Eyton-Jones, Principal and CEO

'Two years on from the 2011 re-inspection, the College has recorded overall success rates of 89%, level 3 high grades are at 51% and John Ruskin is the first College in the country to achieve the Leaders in Diversity Award. Student applications are at a four-year high and the College is looking forward to a period of sustained growth for the 14 to 19 year age group.

The corporation has further refined its structure and reduced membership to ensure that members use meetings to focus on core issues of quality of teaching and learning, and learner retention, achievement and progression.

A new three-year development plan led by the corporation is titled 'From Good to Great' and has been widely accepted by the College's stakeholders. The initial intervention in governance has proved a significant springBoard for our recovery and continuing success.'

Present Support Structures and related issues

2.17 Most governors rely solely on their College for information and support. Chairs often belong to their regional network, although attendance is patchy, and some do participate in national events. The main point of external support is the AoCGC.

2.18 AoC was established in 1996 by Colleges themselves to provide professional support and be the authoritative voice for FE and of HE delivered in Colleges, based on credible analysis, research, advocacy and consultation with Colleges. It operates through a national head office and nine regional offices working closely with Colleges, Government and a wide range of member networks, through which governors, College staff and students inform and shape AoC policy and activity.

2.19 AoC provides a range of governance information and guidance, including the Foundation Code of Governance, and the Governance Resource Library, on its governance web-site. This material is mainly used by clerks. LISIS provided a series of development events and in the future the ETF working with Governors' Council will determine the programme of support.

2.20 AoC has established the Governors' Council of elected and co-opted serving governors to speak authoritatively on behalf of the College governor community. AoC also includes the National

Committee of the National Clerks' Network (NCN) which represents the views of College clerks. Finally, AoC's Board has established a Governance Portfolio Group of governors, clerks and principals, to undertake governance projects.

2.21 In recent years FE College governors have been offered a large assortment of material and support including website, helpline, LSIS Excellence Gateway, LSIS-run events, limited material on BIS website and AoC regional events. Clerks have been supported through the development of a professional qualification. They have established their own network partially supported by AoC and have they have created and facilitate their own online discussion group through JISC. Other groups such as the 157 Group have contributed to raising standards of accountability and standards through working together to share good and innovatory practice.

Comparison to other Sectors

2.22 Other sectors do have structures to support governance; in HE there is the Leadership Foundation for Higher Education (LFHE) owned by Guild HE and UUK part funded through a HEFCE grant and Committee of University Chairmen (CUC), which represents governors. LFHE has prioritised governance and their website is very informative. They have several well produced publications with clear content on topics like "Getting to Grips with being a Governor" and "Getting to Grips with Information". The Foundation runs a programme for governance. The Higher Education Governance Code developed by CUC is now ten years old and well established within the Higher Education system and is being reviewed in the autumn 2013.

2.23 School governors have a variety of support. The DfE website has a section on leadership and governance with material that covers all the responsibilities of governors and a special section on academies. It is very comprehensive and includes a link to "clerk to governors" www.clerktogovernors.co.uk which is run by a clerk as a blog. The National College for School Leadership has a governance section including a Governors' Handbook and various other links and policies. There is also the National Governors Association (NGA), which is an independent organisation set up to support local authority schools and the School Governors' One-Stop Shop (SGOSS), which was set up by DfE in 1999 and relies on sponsorship and limited DfE funding. This is topped up for special initiatives, for example DfE has asked a group to run a governors recruitment campaign and it is proposed that they also expand their work into FE to help secure more business governors.

2.24 Instead of a voluntary code, DfE has just introduced new statutory guidance which sets out its expectations:

"We have high expectations of governing bodies. They are the strategic leaders of our schools and have a vital role to play in making sure every child gets the best possible education. This is reflected in the law, which states that the purpose of maintained school governing bodies is to 'conduct the school with a view to promoting high standards of educational achievement at the school'.

In all types of schools, governing bodies should have a strong focus on three core strategic functions:

- *ensuring clarity of vision, ethos and strategic direction*

- *holding the headteacher to account for the educational performance of the school and its pupils*

- *overseeing the financial performance of the school and making sure its money is well spent*

These functions are reflected in new regulations for maintained schools coming into force in September 2013."

2.25 The school and HE sectors have different support mechanisms for Boards and leaders. There are some benefits in this form of structure but there are also down sides in the form of duplication and loss of a consensus view. As part of this work we reviewed other sectors and governance support in other countries such as those in North America and concluded that having separate organisations speaking for different parts of a College's organisation is not as strong as the English

model. So, while having a single representative body that covers governors, clerks and principals may be unique, it does provide a clear single voice for Colleges and ensures the support and development needs of governors, clerks and senior staff are viewed as a whole. However, there are areas of work in the other sectors that we should adopt. We should not try and reinvent wheels when others have already determined best practice and should make use of the programmes offered by the Institute of Directors and the Institute of Chartered Secretaries.

Areas for Improvement

2.26   Evidence from this review suggests that chairs and governors are not particularly positive about what has been in place, commenting that it is not always relevant to the issues they face or the format of development is not appropriate and often delivered by the wrong person. They identified a range of activities that they would like to see including opportunities for mentorship and peer support (by more experienced chairs), clear, short briefing papers, masterclasses on 'hot' topics delivered by experts, relevant and expert advice when considering key issues, e.g. merger.   It is notable that when governors and their clerks have contributed to the design of development sessions, with a clear sense of what issues they are trying to address, the level of satisfaction is much higher than when they have attended an event where the content has been determined by someone else.

2.27   Much of the literature that promotes effective governance focuses on the processes by which effective governance is conducted even though it is clear from all the different public and private sector reviews of Boards that is it is not just what Boards do but how Boards work that is important.

2.28   In terms of improving effectiveness, there are numerous good practice guides and advice on the principles of effective governance that draw on all the available evidence. These generally set out checklists of what Boards need to do and the most common response is a series of learning materials that provide governors with the opportunity to enhance their knowledge and skills in specific areas such as legislation, finance, employee relations, setting performance targets, strategic planning etc. Many governors find these useful although comments are made about the timing and location that often does not suit working governors and a frequent criticism is the generic nature of such sessions and the difficulty governors find in relating what is learnt to their own particular College.

2.29   Governors across the public and private sector face a number of difficult challenges not least how to decide how best to ensure that they are up-to-date, dealing with the right things, asking powerful questions and have the right balance between challenge and support. They are expected to horizon scan to ensure the long-term sustainability whilst at the same time confronting the immediacy of governance responsibilities with respect to public accountability, serving the public good and ensuring high standards - all in a climate of growing competition and turbulent change. They need to be able to demonstrate corporate agility.

2.30   If setting the strategic direction for the College is a key role for governing bodies, it is closely followed by the need to have robust processes in place to ensure they can deliver on their scrutiny role. Many Boards seek advice on how best to monitor performance and what information they should request. Anecdotal evidence supports the view that the provision of too much or too little information can be a significant risk to a Board functioning effectively, so the key is to strike a balance between providing sufficient and meaningful information in an easily digestible format and overloading Board members. There is an increasing recognition that paper-based intelligence can only take the Board so far. The Board needs to ensure that that it operates on the basis of a sophisticated blend of soft and hard intelligence. Direct interaction between the Board and key stakeholders, including staff and students, provides this soft intelligence and underpins the development of the College's strategy.

Case study: Good Governance

Brooklands College - Jerry Tapp, Chairman of the Board

"Over three years, the relevance of good governance was embedded into the governing body, as well as the senior leadership (which was renewed completely, as was more than half the governing body).

The need for governors to focus on "governing" rather than either micro-managing or merely rubber-stamping executive decisions was substantially clarified. Governor participation in forming and setting the College's mission, values and strategic focus, ensuring buy-in from the senior leadership was much enhanced.

The relationship between governors and senior leaders is now challenging, but with trust on both sides."

2.31　In summary, governors, principals and clerks require:

- Coordinated support structures which they have developed
- Relevant and timely development programmes which are support through peer based activity
- Clear papers on pros and cons of the argument, with recommendations
- Better Labour Market Intelligence (LMI) for their area and clarification on role of LEPs
- The introduction of formal support or briefing mechanisms from the SFA and/or EFA
- Improved communication between BIS and DfE and chairs/governors
- The NCN to be formalised: presently it is working hard to build capacity for clerks but it is a unfunded voluntary organisation relying on goodwill of members working with national agencies
- More effective promotion of the support available through website and helpline
- The quality issues of existing material to be addressed and an assessment whether they are suitable for governors. Without this, principals will be reluctant to signpost governors to such sites
- Improved navigation between support sites
- Customised College-based development activities.

Looking forward

2.32　It is against this backdrop that governors, clerks and principals are charged with determining their development needs. This is sometimes easier when there has been a 'shock' to the system, i.e. poor inspection, loss of income, major competitor in the area or unplanned resignation of principal or chair. However, outside these 'shock drivers', it is important that all Boards give systematic attention to Board learning and development and the whole Board creates opportunities to reflect on its own performance and effectiveness. It is helpful for Boards to develop a framework of knowledge, skills and competencies that fit the College and the context at that time and that can serve as the basis for development for the whole Board whilst recognising that need and context will change overtime.

2.33　When asked, Boards will generally describe their role as 'providing strategic direction, monitoring performance and ensuring standards are met'. Rarely would governing bodies describe their role as leaders of the organisation and yet it is increasingly recognised that an effective Board has an important leadership role.

2.34 The NHS Leadership Academy, in its work on governance, explains that 'good leadership leads to a good organisational climate and good organisational climates lead, via improved staff satisfaction and loyalty, to sustainable, high performing organisations'. The impact of good leadership on organisational performance as measured by business and commercial success is extremely well evidenced.

2.35 Chairs and chairs of subcommittees such as Finance, Quality and Employer Engagement have a crucial role in governance and often their development is different from Board members and therefore needs enhanced support. The Chair of the Board has considerable authority in determining how a governing body influences the head of the institution with a proactive chair having the opportunity to ensure that the governing body plays a key role in helping shape and influence key strategic decisions. The role of critical friend is also regularly cited as being vital.

2.36 Similarly the skills of a chair and chairs of subcommittees are important for fostering team working between governors, both within and outside the meetings. The ability to chair meetings is vitally important but so is creating an appropriate atmosphere within Boards and between members with the style and skills of the chair being crucial determinants.

2.37 Clerks have a pivotal support role and their future development of skills and expertise will be an important factor in securing strong governance. The recent LSIS report "Clerking in a new era" set outs fully the challenges and any future development programme should try and meet those needs. However this will not be enough; there is a big difference between "best practice" and the "working practice" in most Colleges. Clerks are most effective when they are fully integrated into College life while still retaining their professional integrity and ability when needed to give the Board independent advice. In these Colleges, the clerk is up to speed on both external and internal FE matters and is able to make the right type of connection between issues and activity, therefore able to provide integrated advice to the Board. The reverse of this practice is when the clerk is nothing more than a post box for meeting papers. Most practice sits somewhere in between and may not be appropriate for the present environment.

2.38 Recently a new issue has arisen around "Trusts" and "Groups" where there may be multiple clerks. This matter will be considered by AoC in their work on the benefits and pitfalls of new structures but in the meantime it is important that all Boards consider with their senior leadership team the role and responsibilities of their clerk.

Case study: Governance after Merger

Barnet and Southgate College - David Byrne, Principal, Jill Stansfield, Chair

'The purpose of our commission was to identify what the newly-merged governing body needed to do in order to be effective. Work carried out by the consultant over six months involved one-to-one interviews with all governors, facilitation of a workshop to feedback key messages and a final report on the best way forward. As a result, the Board decided on a Policy Governance model with a much reduced Board and the recruitment of new governors.

During the work, Board members had an opportunity to share concerns about current practice and ambitions for the new College in a confidential environment with someone who was not only skilled in interviewing and facilitation but also had a broad strategic understanding and experience of FE both in England and overseas.

Governors were able to consider their own future in the light of the challenges and opportunities facing the new College and to come to an agreement on the make-up, characteristics and shape of the new governing body. As a result, decisions were determined and owned by the Board. Governors were very positive about the experience and felt they were listened to and that an agreed outcome had been achieved.

This was an ambitious process over a short period and success was dependent on existing governors feeling involved, respected and valued but recognising that the future College required something different from its governing body. This was achieved.'

2.39 All governors need to be able to play their role on the Board and have the confidence to undertake constructive challenge in the way non-executives do in the private sector. Governors also need to undertake an advocacy role and, going forward, Boards need to consider how best to do this. Governors have wide networks that Colleges need to tap into.

2.40 Staff governors, as well as being governors in their own right who should play a full role on the Board, are also an invaluable resource for the Board. Staff governors play a central role in helping the full governing body understand the workings of the College. Their expertise can be utilised to help draft College policies, interpret and present data, and help all governors understand the curriculum and how governing body decisions make a difference to the College.

2.41 The student governor has a special and unique role which needs to be nurtured and developed by the College. Learner perspectives can be the most insightful form of information the Board will receive, as students often know about issues that if left to escalate can have terrible consequences for the College. Students are the defining stakeholders in decisions made by governors and as such should be supported to maximise the impact they can have as student governors. There is much good practice where the Board and College have a strategy to bring on new student governors. The students are supported and given training on public speaking and making an impact. Furthermore, student governor impact has improved where Colleges have actively reviewed and adapted their practice and procedures to ensure greater accessibility for student governors. These Colleges are proud of their students' ability to be active Board members as they see this as part of the employability skills their students will require in the future job market.

2.42 However, some Colleges find the concept difficult and will need further support and persuasion about the benefits of having a strong student voice on the Board. The development programmes for Boards, student governors and leadership teams will pick this point up.

Common Support Themes for Chairs and Governors

2.43 Through all consultations a common theme is the need for good induction when becoming a governor (and then a chair), peer mentorship, clear briefing papers, master classes on hot topics presented by national experts and access to expert advice when needed (for example, before a merger is considered). There is a preference for regional events, if the speakers and contributors have national expertise.

2.44 Many chairs have commented that the format of continuing professional development is often inappropriate and delivered by the wrong person. They say it is most useful when delivered by other governors or national experts, such as the chief executive of SFA.

2.45 They would also prefer information in short, clear briefing sheets. The subjects they would like covered are:

- Overall performance
- Teaching and learning
- Community/employer needs
- Managing senior management team performance
- Advocacy and community relationships
- Getting the best out of the Board
- Infrastructure change including mergers.

2.46 Governor development tends to fall into two types: firstly, opportunities to improve the effectiveness of governance – often focusing on activities to develop teamwork, behaviours or building relationships - and secondly, a need to progress a particular issue, for example the structure and shape of the governing body, succession planning, action following an inspection or strategic positioning. Governors have been clear that they would like a system established that

allows them to call on more experienced chairs or specialists to deliver that activity. There is also growing evidence that this is the most effective governor development delivery method - In-house, designed and developed in conjunction with an external facilitator, based around a clearly articulated purpose (improvement or issue based) and supported by experts who are skilled in facilitation, have a strategic understanding of the sector, experience of governance (preferably across different sectors) and have some understanding of organisational development.

Common Support Themes for Clerks

2.47 Throughout the consultations with clerks, a common theme is the need for a good induction into FE, College business and role of clerks when appointed, regular appraisal followed by support through peer mentorship, access to a resources bank which holds materials that can be customised for their College and briefing events on hot topics. Clerks are concerned that they are often one step behind when it comes to new Government policy and as such require timely briefings on national issues and how they will impact on their College. Clerks also need to be fully integrated into College life and be supported to have a full understanding of the issues facing the senior leadership team.

Their support requirements are:

- Induction
- Mentorship
- Access to a professional network
- Access to a Clerks' Helpline
- Access to web based resource bank e.g. the Governance Library
- Process to share good practice through the "illumination initiative"
- Hot topic briefing sessions regionally or nationally
- Formal training through the continuation of Clerks' Qualification and or access to CIC training.

2.48 Whatever the training and its appropriateness, it is important to recognise that at the heart of "good governance" is sound judgement that comes from open debate in a trusted and respected environment about a spectrum of issues that are often not amenable to uniform guidance. Resolution of these issues requires a governing body that works well together, has sufficient understanding of the issues and, importantly, asks the right questions.

Excellence in Governance: Support and Development Programme

3.1   This proposed programme of support and development has been designed by taking into account the views of governors, principals, clerks and those working with Boards such as UKCES, SFA and EFA. This programme addresses the issues raised by governors and aims to deliver timely and relevant support, through a range of tailored methods, by nationally recognised leaders of governance and relevant experts. The development strand will sit within the Education and EFT overall sector governance and leadership policy. The ETF policy will cover all those organisations that are funded by BIS including those that have a different statutory form from Colleges such as third sector providers, independent and private companies and local authority-led organisations.

Themes

Creating the Environment for Excellence in College Governance

3.2   The programme will be delivered through three interlocking strands:

- Representation and information for governors
- Governance support services
- Governance development programme.

Strand 1 Representation and Information

AoC Governors' Council will:

- Lead on drafting and overseeing the promotion of the Foundation Code
- Facilitate the communication route to and from Government and funding bodies to Colleges and their governing bodies
- Release news alerts and early warning of issues, with advice on action required
- Supply topical, expert and standard briefings
- Provide a governance helpline and Q & A website
- Provide a regional network for locally based support and advice
- Undertake research on governance and disseminate findings, including collecting base information on Board composition.

AoC will set up a Governance Unit to support the Governors' Council nationally and regionally

Strand 2 Support College - Led Activity, Coordinated and Supported by AoC Governors' Council.

AoC Governors' Council supported by the Governance Unit will:

- Support Colleges to recruit new governors and provide national support through SGOSS for recruiting new business volunteers, selection and appointment
- Assist College-led induction for governors, chairs and clerks by providing guidance on:
  - Becoming a governor
  - Roles and responsibilities
  - Regulatory framework
  - Foundation Code
- Arrange mentorship and coaching for chairs, governors, principals and senior staff and clerks

- Disseminate examples of good practice on Board performance and Board self-assessment in relation to:
  - Chair and governors' appraisals
  - Setting performance outcomes
  - College self-assessment
  - Succession planning
  - Leadership analysis
  - Dealing with conflict

- Support building and maintaining successful Board relationships

- Organise discussion forums on topical subjects

- Set up and maintain the Excellence in Governance resource library.

Strand 3 Development

3.3 The College Governance Development Programme will be part of the ETF work on sector governance and, although tailored for College governors, will be open for all to participate. This streamlined offer will concentrate on 5 key themes and is to be coordinated alongside programme strands 1 and 2 above, thus ensuring synergy on issues and preventing duplication. The programme will be led and managed on behalf of the ETF by AoC Governors' Council.

3.4 The main recommendation in this paper is that such an approach which allows governing bodies to develop, design and take ownership of their own development with the support of external expertise is a valuable addition to the menu of development activities and should be supported by the ETF for all governing bodies in the sector.

3.5 Over the last few years, a number of external facilitators have been working with governing bodies to deliver tailored programmes to help governors develop responses to specific challenges and/or develop their leadership capacity and teamwork skills. These requests have come about either through Colleges accessing the Government financial support provided by LSIS for Colleges with an Ofsted grade of 3 or 4 or directly through governing bodies' clerks and principals seeking out particular expertise. Reasons for securing external support have ranged from recruitment of a new principal; succession planning for chair/governors; financial challenges; need to rethink the College's offer; relationship tensions between chair and principal; bringing two governing bodies together post formal merger; poor quality grades; etc.

3.6 From discussions with governors, clerks, principals and sector agencies the following five themes have been prioritised as the focus for briefings, learning materials and the development programme:

1. **Excellence in teaching and learning**
   - Improving teaching, learning and assessment
   - Developing a localised curriculum
   - Supporting specialisation and providing for the needs of 14-16 year olds, including safeguarding
   - Using performance benchmarking to improve learner outcomes.

2. **Accountability**
   - Shaping the vision, mission and strategic objectives
   - Determining what your community requires and how that translates into the College's offer/ programme
   - Reporting on performance.

3. **Advocacy and partnership**
   - Advocacy and representation
   - Identifying and working with strategic partners and key stakeholders to deliver the best for the community.

4   Fit for delivery

- College structures, mergers and acquisitions
- The governance implications of creating commercial subsidiary companies and/or managing academies, UTCs and Studio Schools
- Governance structures and getting the best from your Board.

5   Value for money

- Financial, resource and facilities management in an education and skills environment
- Impact assessment, recognising and mitigating risk.

Programme Client Group

3.7   The client group for this programme is governors, clerks, principals and College staff, such as the finance director and head of quality improvement, who are advising the Board. Principals and senior leaders will also receive support from the ETF leadership programme and it will be important to stop any duplication and that both programmes work collaboratively.

3.8   There are generic skills that will benefit all chairs in their role but, as Colleges come in all shapes and sizes, so do roles for chairs and having something that is specifically tailored to the needs of both the chair and the College is likely to be more successful. Chairs of the Board and sub groups such as finance, quality and employer engagement will be prioritised. Also the student governor will be prioritised. Their term of office is normally shorter and they therefore need to be fully equipped to make a contribution early on in their tenure. They will be offered targeted support in order to be effective as the "learner voice" on the Board.

Delivery Methods

3.9   The five themes will be delivered through a range of activities that are web based, within the College and regional/national events. A vital element will be the development of the Governance Library. The current library is being redesigned to improve accessibility, relevance, clarity of purpose and eventually to add interactivity for the users. It will be renamed as the 'Excellence in Governance Resources Library' and will contain:

- Regular 'Hot Topics' briefings, clarifying action needed by governing bodies
- Short briefings on the five themes identified through the review
- Extended summaries of these topics for greater depth
- Resources and case studies to illustrate good practice
- Links to the Illumination Initiative
- A section on recruitment of governors with links to SGOSS
- A section on governor performance benchmarking linking to the new Ofsted dashBoard, Midas and other benchmarking data
- A repository of templates and sample reports particularly aimed at clerks
- A link to the NUS Student Governor Support Programme
- An interactive space for the governance helpline with FAQs section.

3.10   The contents of the library will be regularly reviewed and quality assured by a small team of specialists and style editors, and a Resource Library Steering Group will direct the development of the library, regularly seeking feedback and keeping ahead of the latest technological innovations that enable the maximum promotion and use of the resources.

3.11   It has become clear through the review that because Colleges have differing governance and business structures, generic events are not always effective. The sector is no longer (if it ever was) a homogeneous set of Colleges and is more and more made up of clusters of institutions that have different things in common. Therefore non-specific content is not particularly relevant to governors and what is needed are tailor-made programmes that are timely, relevant and delivered by experts.

3.12 Research from the NHS Academy shows that leadership development is more effective when it is:

- Close to the current business challenges
- Focused on individuals and teams and the organisation in its environment
- Engaging thought and emotion; action and reflection
- Challenge-led; drawing in relevant theory
- Driven by the needs of tomorrow.

3.13 This is not to say that there is not a place for a wide range of different learning opportunities. The importance of networking, sharing best practice, building peer support - all of which can be achieved through events that encourage governors from different Colleges to come together - should not be undervalued. Similarly where expert technical advice is being provided - estates, legal, financial and regulatory, employee relations etc - there are economies of scale to be gained. What is important, however, is that this advice is able to be interpreted by participants in terms of the challenges and opportunities of the individual College.

Customised Approaches to Board Development

3.14 There are many examples of tailor-made Board development that have been delivered over the last few years by different partners. The common characteristics of effective practice are:

- Co-designed by College and external expert with input of governors, principal, finance director and clerk
- Facilitator works with the clerk to understand the Board, how it likes to work, to manage logistics etc
- Sponsored by a key governor (chair, vice chair, chair of search and governance, chair of quality)
- Starts with a clear purpose - sometimes about improvement, sometimes about specific issue to resolve
- Often starts with briefing by key governor/clerk/principal and involves confidential telephone calls/face-to-face meetings with individual governors
- Usually involves workshops facilitated by a consultant and led by a key governor
- Can involve observing Board/sub-committee meetings
- Feedback provided at all stages to the governor sponsor, clerk and principal
- Culminates in a written report with observations, recommendations and action plan
- Combines practical learning, experiential learning and informed debate
- Signposts to other support materials and helps the Board identify what is useful
- Evaluation for Boards in terms of achieving expectations and for the consultant in terms of contribution.

3.15 External experts bring a range of skills and often include ex-senior members of Colleges and governors who have gone on to develop their own formal skills in facilitation, coaching and mentoring. They have practical governance experience as a governor of a College and other organisations such as charities or other parts of the public sector. Many have been involved in writing support materials for governors and leading seminars on aspects of best practice. Having spoken to a number of external facilitators working in this field, they stated that 'to be successful, it is important that you approach the work with an open mind and do not have ready-made solutions. To be effective and sustainable, the action plans from such reviews and interventions need to be owned by the key players and the full Board. It is important that any process builds capacity in the governance membership to continuously improve and to be able to reflect on their own performance.'

3.16 The approach varies depending on personality and skill-set, but common characteristics include:

Approach

- Takes time to establish a good working relationship by listening and starting from where the College is
- Builds knowledge about College, context, performance and previous governance support
- Spends time building a relationship with chair, governor sponsor, clerk and principal
- Brings experience but never imposes ideas or ways forward - uses the expertise in the room, appreciates the good practice observed and feeds it back
- Aims to build competences, knowledge and understanding and 'leave Board with tools to take things forward'
- Is prepared to deliver difficult messages, always maintaining confidentiality, and work with Board to solve problems
- Takes an action inquiry approach to explore different ways of finding solutions
- Builds an action plan with the Board that is deliverable
- Makes it fun!

Benefits of Customised College - Based Programmes

- Boards have a better chance of getting what they want - having designed the programme of activity and been involved throughout
- Boards feel that they own the process - they are in control
- Support materials are tailored to the Board and the specific needs of the institution
- Boards work with a consultant that is up-to-speed with the College and its developments - so no time wasted
- Better chance of a successful outcome - opportunity to amend or change tack as the process develops
- Better value for money - all governors involved and takes place at time and place to suit governors
- Opportunity to get to know each other and work together on 'real' tasks
- Expert facilitator allows time to ask questions, divert into areas of interest, share practice
- Builds a constructive and trusted relationship between the consultant and the Board that allows difficult issues to emerge and be handled.

3.17 So although there is a role for regional and national events, the delivery method recommended is one based on College-led activity. In recent years this type of delivery has had lasting effect and impact by improving College governance. However, it is important that those who deliver this work are up to date with policy and new ways of thinking. To help establish this activity AoC's Governors' Council working with ETF will establish a register of National Leaders of Governance and Sector Specialist Experts who can support Colleges and be paid to undertake facilitated College-based development.

1. National Leaders of Governance

3.18 National leaders of FE governance will be highly effective chairs of governors or chairs of sub committees who use their skills and experience to support other chairs of governors to improve College performance.

National leaders of governance will work with individual chairs and Boards on:

- Raising College standards and performance
  - Ensuring excellence in teaching and learning
  - Understanding and interpreting benchmarks
  - Delivering for business and the community.

- Providing support and challenge
  - Setting performance outcomes that stretch principals and senior post holders
  - Developing the chair's relationship with the principal.

- Governance processes
  - Developing the chair's leadership, effectiveness and confidence
  - Reviewing governance procedures, protocols and behaviours
  - Mentoring a chair to provide support through a particular process.

2. National Leaders in Specialist Subjects

3.19 National leaders with acknowledged skills in a specialist subject will use their skills and experience to support chairs, Boards and the senior leadership team to improve Board performance and/or support the Board through a change in governance arrangements.

National leaders in specialist subjects could work with individual chairs, Boards and the senior leadership team on:

- Structural change – sponsorship of academies, setting up UTC, mergers, partnerships and acquisitions

- Raising teaching, learning and assessment standards

- Governance processes – changing governance arrangements.

3.20 It will be important to have a register of national specialists that has been tested against criteria that covers sector expertise, governance and facilitation. This will give Boards confidence. Similarly, a process is required that allows for National Leaders of Governance peer support, challenge and quality assurance, as well as formal evaluation.

3.21 A similar process will be created to establish a resource of National Leaders for Clerks.

Building a Sustainable System

3.22 It is important that the development programme is sustainable in the future and that effort is made now to build the right level resource and expertise in the sector. This means:

- Supporting Colleges to train and develop their own national leaders and experts and to aid improvement through the development of an "illumination scheme" where good practice is highlighted and is signposted and available through the Governance Excellence Library

- Creating the circumstances where there is a "single authoritative voice" for governance which builds, coordinates and provides the underpinning support and development opportunities for governors, principals and clerks that they need to ensure good governance in our Colleges which in turn will create the environment for students to excel

- Ensuring Further Education Colleges are positioned to embrace innovative governance concepts and adopt good practice research findings by working jointly with other sectors and groups such as 157 who are experienced in thinking through the next new approach

Action Plan - setting out who does what to ensure challenges are met.

	Issue	Action	Date
Accountability			
1	Lack of agreement about how governors should demonstrate accountability	BIS, SFA and AOCGC to produce a single overall Operating /Accountability Framework similar in nature to the document just produced by HEFCE for HE but tailored and relevant for FE.	Start new FY 14/15
2	No national benchmark material	Ofsted to consult and launch dashBoard on teaching and learning.	Spring 2014
3	Lack of transparency	Colleges to include in their Annual Report statements on teaching and learning and student, employer and community feedback	Summer 2014
4	Confusion over role of LEPs	AoC work with LEP network to agree a memorandum of understanding that details the change of LMI and agrees a working framework	Summer 2014
Strengthening Governance Arrangements			
5	Lack of clarification on roles	AoCGC to update Foundation Code, roles and responsibilities.	New AC year 14/15
6	Lack of understanding on why the sector needs a voluntary code	Governors' Council to consult, launch and engage governors and principals on the value of the Code SFA/EFA to continue to require the principle of "adopt or explain"	Autumn 2013
7	The scope of this review did not cover Sixth Form Colleges but many of the issues are the same, and therefore may benefit from many parts of the support and development programme.	The AoCGC should strengthen its links with the Governance Committee of the Sixth Form Colleges' Association. This will help to ensure that future policy developments and support programmes are informed by a clear understanding of the distinct governance arrangements in place in Sixth Form Colleges. AoCGC to clarify with DfE whether Sixth Form Colleges will be funded to participate in the development programme	Nov 2013
8	Lack of guidance on new governance and business models	AoC to produce guidance on new governance structures - benefits and pitfalls	Spring 2014
9	In light of 8, need to clarify role of clerk/s in new structures	AoCGC to produce guidance and case studies on the different roles and responsibilities of clerks. Colleges to reassess what they need in that role and how it sits within their business structure.	Spring 2014 During 2013/14
10	Under-representation on Boards	Colleges to assess their Board composition and implement the diversity actions.	During 2013/14

11	Lack of employers/ business leaders on Boards	Work with SGOSS on a programme of business governor recruitment	2013-2015
12	Lack of recognition for good governance	AoC to develop a Beacon Award for good governance	2014

Communication

13	No coordinated communication route	BIS to create Regulatory Register of Colleges and communication contact list and agree communication routes.	Complete Dec 2013
14	No communications from funding agencies to chair and Board	SFA/EFA to agree on an improved communication strategy for governors and contribute to an annual conference.	Spring 2014
15	Present AoCGC system relies on a cascade system - which creates consistency issues	AoC to strengthen internal mechanisms and regional structures, including establishing monthly newsletters for governors. AoCGC to establish a communication strategy for the regions.	Autumn 2014

Representation and Information

| 16 | Lack of a single authoritative voice and needed for an enhanced service | AoCGC to:

a) Lead on drafting and overseeing the promotion of the Foundation Code.

b) Facilitate the communication route to and from Government and funding agencies to Colleges and their governing bodies.

c) Release news alerts and early warning of issues, with advice on action required.

d) Supply topical, expert and standard briefings.

e) Provide a Governance Helpline and Q & A website.

f) Provide a Regional Network for locally based support and advice.

g) Undertake research on governance and disseminate findings, including collecting base information on Board composition

AoC to underpin the Governors' Council nationally and regionally with right level of resource to implement this service, | Autumn 2014

Autumn 2013 develop

Start 1st Jan 2014

Autumn 2013 |

	Support Services		
17	Lack of a coordinated approach to support services	AoCGC to: a) Support Colleges to recruit new governors and provide national support through SGOSS for recruiting new business volunteers, selection and appointment. b) Assist College-led induction by providing guidance on: • Becoming a governor • Roles and responsibilities • Regulatory framework • Foundation Code c) Arrange mentorship and coaching for chairs, governors, principals and senior staff. d) Set up an "illumination scheme" and provide methods of disseminating examples of good practice on Board performance and Board self-assessment in relation to: • Chair and governors' appraisals • Setting and monitoring performance outcomes • College self-assessment • Succession planning • Leadership analysis • Dealing with conflict e) Support building and maintaining successful Board relationships. f) Organise discussion forums on topical subjects. g) Set up and maintain the Excellence in Governance Resource Library. h) Produce tailored material for governors, clerks and student and staff governors, including a link to NUS and UCU websites. i) Boards and clerks to promote and communicate governor support material and services to governors	Autumn 2013/15 Develop Autumn 2013 Start 1st Jan 2014
		AoC to underpin the Governors' Council nationally and regionally with right level of resource to implement this service	Autumn 2013

Development Programmes

18	Lack of a Development Programme based on needs of governors and clerks	ETF to consider and agree strategy.
		
		AoCGC to:
		
		a) Coordinate delivery.
		
		b) Set up the process of recruiting and training NLG and NLSS.
		
		c) Deliver the programme outlined in Part Three concentrating on the five themes have been prioritised as the focus for the programme:-
		
		   • Excellence in teaching and learning
		   • Accountability
		   • Advocacy and partnership
		   • Fit for delivery
		   • Value for money
		
		d) Deliver with NUS the Student Governor Support Programme including a tailored day for students and student induction.
		
		e) Deliver with staff representation groups the agreed programme including a tailored day for staff.
		
		f) With NCN deliver the clerks' programme.
		
		g) Design and promote on-line materials linked to ETF web site.
		
		h) Develop a partnership with IOD, ICSA and other agencies so that governors can benefit from their programmes.
		
		i) Open the programme to other parts of the sector
			Develop Autumn 2013
			
			Start 1st Jan 2014
			
			Develop Autumn 2013
			
			Start 1st Jan 2014	

Determining a Research Programme

19	No agreed research and evaluation programmes therefore no up-to-date base information on the make-up of Boards etc. No authoritative research on FE governance	AoC to undertake a baseline survey on the composition of Boards, use of Code etc ETF, AoC with BIS and other interested groups to set up a research programme ETF to set up an evaluation process for the development programme Joint work between AoC and the 157 Group to consider innovative ways around behaviours, engagement and ways of working.	Oct 2013 Results Nov 2013 Report at end of first 18 months in 2015 Start Oct 2013	

Coordination

20	Lack of coordination and resource to undertake support programme	ETF to support programme. AoCGC to provide direction and leadership underpinned by AoC and both nationally and regionally.	Oct 2013	

Summary of Development Programme									
Topic	**Client Group**								
	All Governors	Board Chairs	Chairs Audit, quality, employer engagement	Staff Gov	Student Gov	Clerks	Principals SLT	NGL And NSS	Others and sectors
Information	✓	✓	✓	✓	✓	✓	✓	✓	
Briefings	✓	✓	✓	✓	✓	✓	✓	✓	
Hot issues		✓				✓	✓	✓	
E learning materials and illuminations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Induction	✓	✓ Plus when becoming Chair	✓ Plus when becoming Chair	✓	✓	✓	✓	✓	
Mentoring and coaching	✓	✓	✓	✓	✓	✓	Through the ETF Leadership Programme		Access to NLG, NSS assured list
NGL in Colleges	✓	✓	✓	✓	✓	✓	✓ If joint with Board		Access to list
NSS in Colleges	✓	✓	✓	✓	✓	✓	✓ If joint with Board		Access to list
National events	✓	✓	✓	✓ +1	✓ +1	✓ +1	✓	✓	✓
Regional events	✓	✓	✓	✓	✓	✓	✓		
Qualifications	✓					✓			
Research	✓							✓	With 157 & WLN
Recruitment of governors	New Volunteers								
Access to ICSA and IOD	✓					✓			

Part Five

Annexes

1. Summary of roles and responsibilities

2. Ofsted governance paper on strengths and weaknesses

3. Remit of the review

4. AoC Governors' Council and Governance Portfolio Group members

5. Meetings undertaken

6. Organisations and their acronyms

7. References

Summary of Roles and Responsibilities

Charity Commission	FE Colleges are exempt charities and as such are institutions established as charities which are exempt from registration with, and oversight by, the Charity Commission.
Principal regulator Secretary of State BIS	On behalf of the Charities Commission a Principal Regulator has been appointed. As the Principal Regulator of FE Colleges, the Secretary of State has a duty to do all he reasonably can to promote compliance by the charity trustees with their legal obligations in exercising control and management and the administration of the Charity.
Department of Business, Innovation and Skills (BIS)	Is the sponsoring department for Further Education Colleges and is tasked with setting the policy for skills and training including apprenticeships, direction and determining the use and value for money for public funds.
Department for Education (DfE)	Determines and sets the policy and funding for pre -19 education. DfE is also lead department with Ofsted
Funding agencies	
• The Skills Funding Agency (SFA)	Is a partner organisation of BIS and exists to fund and promote post-19 adult Further Education (FE) and skills training in England , and houses the National Apprenticeship Service (NAS)
• The Education Funding Agency (EFA	is DfE's delivery agency for revenue and capital funding for learners between the ages of 3 and 19, or the ages of 3 and 25 for those with learning difficulties and disabilities)
• Higher Education Funding Council for England (HEFCE),	With the Student Loan Company funds HE delivered by Further Education Colleges ('HE in FE') HEFCE is an 'arm's length body' accountable to BIS
The Board of Governors	The primary purpose of a College's governing body is to determine the educational character of a College and ensure its overall well-being and financial solvency, while pursuing the College's individual mission to support the needs of the community(s) it serves. Governance provides strategic leadership and direction to an organisation. It sets and approves policies, defines expectations, delegates powers, and verifies performance towards delivering its strategic aims and objectives.
Principal and Senior Leadership Team	The principal supported by the senior leadership team implements the Board's vision and mission for the College. The principal is the principle accounting
AoC Governors' Council	The Governors' Council is made up of elected and co-opted serving governors, to speak authoritatively on behalf of the College governor community and lead and manage the support and development programme for governors
Clerks/ Company Secretaries	Each governing body should have a named clerk (or 'clerk to the corporation'.) The clerk is a member of the College staff. Although it is not set out in any statutory guidance the custom and practice is that the clerk is responsible for advising the Board with regard to the operation of its powers, procedural matters, the conduct of its business and advising the Board with regard to matters of governance practice.
Education and Training Foundation	The ETF has been set up to improve professionalism and standards in the further education and skills sector.
Ofsted	The Office for Standards in Education, Children's' Services, and Skills (Ofsted) is independent of Government and reports directly to Parliament. Ofsted inspects and regulates services which care for children and young people, and those providing adult education and skills. Inspections are based on the Common Inspection Framework ('CIF') for further education and skills 2012.

Ofsted Governance paper on strengths and weaknesses

Extracts from recent inspection reports demonstrating what is seen as good practice and what is seen as poor practice.

College 1: Grade 1
Governance Positives:

The governors have used their wide experience and skills in education and business exceptionally well to support the College's development in the local community. They reflect the diversity of the College well and work closely with senior leaders. Governors have a keenly honed understanding of the College's performance and provide a high level of informed challenge. Staff and governors receive regular updates to their training in safeguarding.

College 2: Moved up from Grade 3 to Grade 1
Governance Positives:

The College's strategic priorities are sensible, clearly focused and provide a good template against which progress can be evaluated. Governors receive comprehensive reports from senior managers on key aspects of the College's performance, and are increasingly adept at interpreting these reports to ask searching questions of College leaders. Governors recognise their responsibility for monitoring all aspects of learners' experience, and are improving their understanding by touring teaching areas while lessons are taking place.

College 3: Moved up from Grade 2 to Grade 1
Governance Positives:

The Principal, senior leaders and governors set a very clear strategic direction and have an ambitious vision for the College and its students. Governors are very well informed and provide excellent support to senior leaders. They ask the right questions to ensure managers are sufficiently held to account and their skills and experience are very well matched to the developing needs of the College. Governors meticulously monitor outcomes for learners and the quality of teaching, learning and assessment across the College.

College 4: Moved up from Grade 2 to Grade 1
Governance Positives:

The principal, senior managers and governors are implementing the Colleges clear strategic vision. The governing body is experienced and highly skilled. Governors monitor the performance of learners' outcomes very well, receiving detailed information on results, particularly the progress learners make from their starting points. They offer highly effective support and critical challenge to senior managers. The College's financial health is good with outstanding financial management and control arrangements.

College 5: Moved from Grade 2 down to Grade 4
Governance negatives:

The annual report of the curriculum and quality committee last year failed to provide the previous Board of governors with a clear picture of the poor curriculum performance.

Moving forward:

The recently appointed principal and governors have launched a new mission and vision effectively. These focus on improving teaching, learning and assessment. The new chair of governors, new clerk to the corporation and four new governors bring a revitalised, more focused and stronger set of skills to oversee the College's improvement.

College 6: Moved from Grade 1 down to Grade 4
Governance negatives:

Until recently governors have not monitored the significant deterioration in student performance. The quality of information they receive is improving as is their understanding of overall performance. They recognise that teaching, learning and assessment are areas for improvement but they are unclear what progress has been made. A link governor for safeguarding takes a close interest in the effectiveness of College procedures and governors receive an annual report.

Moving Forward:

Governors share the vision of developing the College's reputation and now understand the major challenges.

College 7: Grade 4 stayed the same
Governance negatives:

Governors regularly receive and analyse performance data, but are less clear about how to challenge standards of teaching and learning. Senior managers and governors confidently state their commitment to make the College a vibrant learning community and the first choice for young people in area. However, whilst this vision is understood by most staff, it is not yet apparent in the standards achieved

Moving forward:

Senior managers and governors have undertaken a range of initiatives to improve outcomes for students and improve the quality of teaching, learning and assessment. Some early signs of improvement are evident, but students' achievements have not improved.

College 8: Moved from Grade 3 down to Grade 4
Governance negatives:

The governing body monitors the College's finances very effectively but its monitoring of the College's academic performance is inadequate. They do not request, or receive, enough information in an easy to interpret format or in a timely enough manner to enable them to monitor the College's progress against key academic targets including success rates. This significantly impedes the degree to which they can effectively challenge the principal and senior managers and hold them to account.

Moving Forward:

The principal and governors provide an ambitious vision for the College and its role in the regeneration of the city centre. Ensure the governing body scrutinises the academic performance of the College, including the performance of different groups of learners, by providing governors with the information they need on academic performance including learner outcomes, and that this information is accurate, timely and easy to interpret. Ensure that all members of the Board receive the training they require to carry out their role effectively.

College 9: Moved from Grade 3 down to Grade 4
Governance negatives:

Governors, while very supportive of the College, have not effectively held senior managers to account for the academic performance of courses. Governors are aware through their monitoring that key performance indicators have not been met but they have not taken sufficiently robust action over time to drive improvements to students' outcomes. The monitoring of performance is insufficiently robust because the targets set are insufficiently specific or measurable and do not enable clear lines of accountability to be established.

Moving Forward:

Ofsted recommendation is to: - significantly enhance the effectiveness of governors in driving improvement. Review the effectiveness of the governing body in holding the College to account for its academic performance

Remit of the Review

Purpose:

The purpose of this review and implementation work will be to support the shared objective of ensuring that College governance is strong, effective and able to meet several related challenges:

- Raising and maintaining high standards in Colleges
- Ensuring Colleges continue to respond to economic change, contribute to local development and prepare students for work or higher level study
- Keeping Colleges viable in a time of austerity and rapid technological change
- Being accountable to learners, communities and employers as well as to Government.

Timescale:

- Draft report July 2013
- Final Report by 18 September 2013
- Business plan to be implemented through 2013-14

Audiences and Clients

- FE Colleges
- AoC and its Governors' Council
- Education and Training Foundation
- DFE and BIS

Accountability

- Reporting to Governors' Council
- Reporting to BIS (six weekly)

Work Streams

1. Define the capabilities that Governing bodies need to be confident in overseeing the performance of Colleges, in managing the performance of their senior team and in meeting the quality, economic, financial and accountability challenges.

2. Appraise the existing way in which individual Governors, Chairs and Sub-Committee Chairs (e.g. Audit, Quality) and clerks obtain information, advice and development to carry out their work, looking at four areas:

   - College staff
   - Commercial services (e.g. law firms)
   - Collective services funded by Colleges (eg AoC)
   - Government funded services

3. Provide opportunities for those involved with College governance to offer their views, including via a survey, face-to-face meetings and social media.

4. Research the way in which comparable bodies to the Governors' Council in other sectors (for example schools, universities, NHS, Housing Associations) obtain information, advice and development.

5. Identify areas where College governance can and needs to improve the way in which information, advice and development is sourced or provided.

6. Evaluate the feasibility and issues involved in creating a professional network of Governors.

7. Recommend action by Colleges, the Governors' Council, the Department and others to make these improvements. Where these recommendations have financial implications, this will be costed but the emphasis will be on practical, affordable and speedy action. We are certain that some measures can be taken that will cost nothing and could save money.

AoC Governors' Council Members:

- Roger Morris (East Midlands Region)Chair
- Mark White (Northern Region) Vice-Chair
- Godfrey Allen (London Region)
- Tony Allen (South East Region)
- Graham Briscoe (West Midlands Region)
- Colin Daniels (North West Region)
- David O'Halloran (Eastern Region)
- Nick Moore (South West Region)
- John Short (Yorkshire and Humber Region)

Co-opted
- Mike Atkinson (Co-opted: Land-based Colleges)
- Eileen Hartley (Vice-Chair, Bilborough Sixth Form College, Nottingham College)
- Carol Jones (Chair, Stoke-on-Trent College)
- Rajinder Mann (Co-opted: Equality & Diversity
- Sheila Selwood (Co-opted: Clerk)
- Jill Wells (Vice-Chair, Leicester College)
- Vacancy (Co-opted: Sixth Form Colleges)

Ex-officio
- Martin Doel (AoC Chief Executive)(Ex officio)
- Carole Stott (AoC Chair)(Ex-officio)
- Michele Sutton (AoC President)(Ex officio)

Governance Portfolio Group Members:
- Mark White (Chair), (Vice-Chair, Stockton Riverside College)
- John Allen (Principal, Lincoln College)
- Tony Allen (Chair, Newbury College)
- Mike Atkinson (Governor, Plumpton College)
- David Carter (Chair, Carlisle College)
- Jim Dickinson, (NUS, Director of Campaigns and Strategy)
- David Jackson (Clerk, Stratford-upon-Avon College)
- Vic Kempner (Vice-Chair, Sussex Coast College Hastings)
- Mike Lee, Chair, Accrington and Rossendale College)
- Roger Marriott (Governor, Bedford College)
- Martin McNeill (Clerk, Bicton College)
- Jenny Morris (Clerk, Worcester College of Technology)
- Mandie Stravino (Principal, Derby College)
- Carole Stott (Chair, AoC Board)
- Gerry Swift, (BIS)
- Joe Vinson, (NUS Vice President [FE])

Focused Review Meetings Held

- 157 Group
- AoC Directors' Strategy meeting
- AoC East Midlands Region EMFEC
- AoC Eastern Region
- AoC Governance Portfolio Group
- AoC Governance Task Group, David O'Halloran, Chair
- AoC Governors' Council
- AoC London Region Principals
- AoC National Clerks' Network, David Jackson and Natalie Watt, Chair and Vice Chair
- AoC North West Region
- AoC West Midlands Regional Committee of Governors and Principals
- AoC Yorkshire and the Humber Region
- AoC, Ben Verinder, Communications Director
- AoC, Carole Stott, Chair of Board
- AoC, Julian Gravatt, Assistant Chief Executive (Research and Development)
- AoC, Martin Doel, Chief Executive
- AoC, Mike Atkinson, Chair of AoC Governance Council: Localism Task Group
- AoSEC Board Meeting at Bracknell and Wokingham College
- Association of Employment and Learning Providers (AELP), John Landeryou, Chief Executive
- Barry Brooks, College Governor and Tribal Education
- BIS, Bobbie McClelland and Gerry Swift, Standards and Qualifications Unit
- Carol Jones, Chair of AoC Governance Council: Quality and Standards Task Group
- ColegauCymru, John Graystone, Chief Executive
- Education and Training Foundation Governance Group including Holex, Niace, Third Sector Alliance, AELP
- Education and Training Foundation, Sir Geoff Hall, Interim Chief Executive
- Education Funding Agency, Peter Lauener, Chief Executive
- Gazelle Network of Colleges
- Higher Education Governance Review, Alan Schofield
- Higher Education Leadership Foundation, Professor Dianne Willcocks, Programme Director for the Governor Support Programme
- Institute of Chartered Secretaries and Administrators (ICSA), Chris Glennie, Business Development Director, Seamus Gillen, Director of Policy
- Jacquie Henderson, Northumberland College Chair
- Janet Scott, SGOSS
- Joanne Dean, AoC, Assistant Governance Manager and Helpline Adviser
- John Boyle, College Governor
- Maggie Galliers, Former AoC President and College Chair
- Mark Wright, AMIE, National Official
- Matthew Hancock MP, Parliamentary Under Secretary of State for Skills, Department of Business, Innovation and Skills and Department for Education
- National Clerks' Conference, London
- National Clerk Network, David Jackson, Natalie Watt

- National Institute of Adult Continuing Education (NIACE), David Hughes, Chief Executive
- National Union of Students (NUS), Gemma Painter, Head of Further Education
- Ofsted
- Principals' Professional Council, Nick Lewis, General Secretary
- Rajinder Mann, Chair, AoC Governance Equality and Diversity Task Group, and Chief Executive, Network for Black Professionals
- Sixth Form Colleges' Association, David Igoe, Chief Executive, and James Kerwin, Deputy Chief Executive
- Skills Funding Agency, Kim Thorneywork, Chief Executive, and Keith Smith, Executive Director, Delivery Division
- Stephanie Mason, Baker Tilly
- Sunita Gordon, College Governor and Guardian Group Head, Education Guardian, Culture & associated Digital Networks
- UCU, Dan Taubman, Further Education National Officer and Angela Nartey
- UK Commission for Employment and Skills UKCES, Michael Davies, Chief Executive
- Virtual Network of 20 Chairs and Principals
- Women's Leadership Network, Sara Mogel, Director

Contributions and Responses received from the above and:

- Campbell Christie, Principal, Bracknell & Wokingham College
- Christine Doubleday, 157 Group, Deputy Executive Director
- Claire Kay, Corporation Secretary, New College Nottingham
- Graydon Thwaite, Member, AoC National Clerks' Network, Clerk to Corporation/College Secretary Leicester College and 157 Group
- James Crabbe, Chair of Corporation, Central Bedfordshire College
- Bill Midgley, Chair of Governors, Tyne Metropolitan College
- Tim Lincoln, BIS, FE Governance Project Working Group
- Jane Murray, Clerk to the Corporation, Lakes College West Cumbria
- Janice Shiner, Consultant
- Jennifer Foote, Clerk to the Corporation, Carlisle College
- Jo Matthews, Governance Associate for AoC and LSIS, Soil and Soul UK Ltd Coaching for Responsible Governance and Leadership
- Kevin McGladdery, Former AoC Governance Manager
- Garry Phillips, Principal and CEO, New College Telford
- John Short, Member, AoC Governors' Council
- Les Watson, Chair of Governors, South Tyneside College
- Linda Barrett, Clerk to Corporation/Director of Policy & Research, Guildford College Group. Clerks' JISC Network
- Lynn Forrester-Walker, FE Advisor, interim manager and College Governor
- Margaret Davey, Acting Chair, East Surrey College, Vice Chair and the Chair of the Learning and Quality Committees
- Mike Atkinson, Governor, Plumpton College
- Paula Grayson, Vice Chair of GFE College, Bell Consultancy
- Penny Lamb, Head of Policy Development, National Institute of Adult Continuing Education, National Institute of Adult Continuing Education (NIACE)
- Peter Lavender, Vice Chair of Governors, North Warwickshire and Hinckley College
- Ra Hamilton-Burns, Clerk to the Corporation, Sussex Downs College
- Sue Ratcliffe, Clerk to the Corporation, Weymouth College

- Ron Hill, Clerk to the Corporation for Calderdale College and Rotherham College of Arts and Technology
- Shelia Selwood, Director of Governance, West Herts College and Francis Combe Academy, Co-Vice Chair National Clerks' Network and AoC Governors' Council Member
- Stephen Lay, Principal, Southend Adult Community College
- Sue Daley, Former Director, Women's Leadership Network
- Vic Kempner, Member, AoC Governance Portfolio Group
- Victoria Platt, Policy and Governance Officer, Sixth Form Colleges' Association

Organisations and their Acronyms

AoC – Association of Colleges

AoCGC – AoC Governors' Council

BIS – (Department of) Business, Innovation and Skills

CIF – Common Inspection Framework

CUC – Committee of University Chairmen

DfE – Department for Education

EFA – Education Funding Agency

ETF – Education and Training Foundation

Gazelle Group – network of Colleges promoting entrepreneurialism

HEFCE – Higher Education Funding Council for England

IOD – Institute of Directors

JISC – Joint Information Systems Committee

LMI – Labour Market Information

LFHE – Leadership Foundation for Higher Education

LSIS – Learning and Skills Improvement Service

LA – Local authority

LEP – Local Enterprise Partnerships

NCN – National Clerks' Network

NGA – National Governors Association

NHS – National Health Service

NLG – National Leaders of Governance

NSS - National Sector Specialists

NUS – National Union of Students

Ofsted – Office for Standards in Education

SGOSS – School Governors One-Stop Shop

SFA – Skills Funding Agency

The 157 Group – group of 29 successful Colleges named after paragraph 157 of the Foster report, which advocated that principals of large successful Colleges should play a stronger role in the sector

UCU – University and College Union

UKCES – UK Commission for Employment and Skills

UTC – University Technical College

UUK – Universities UK

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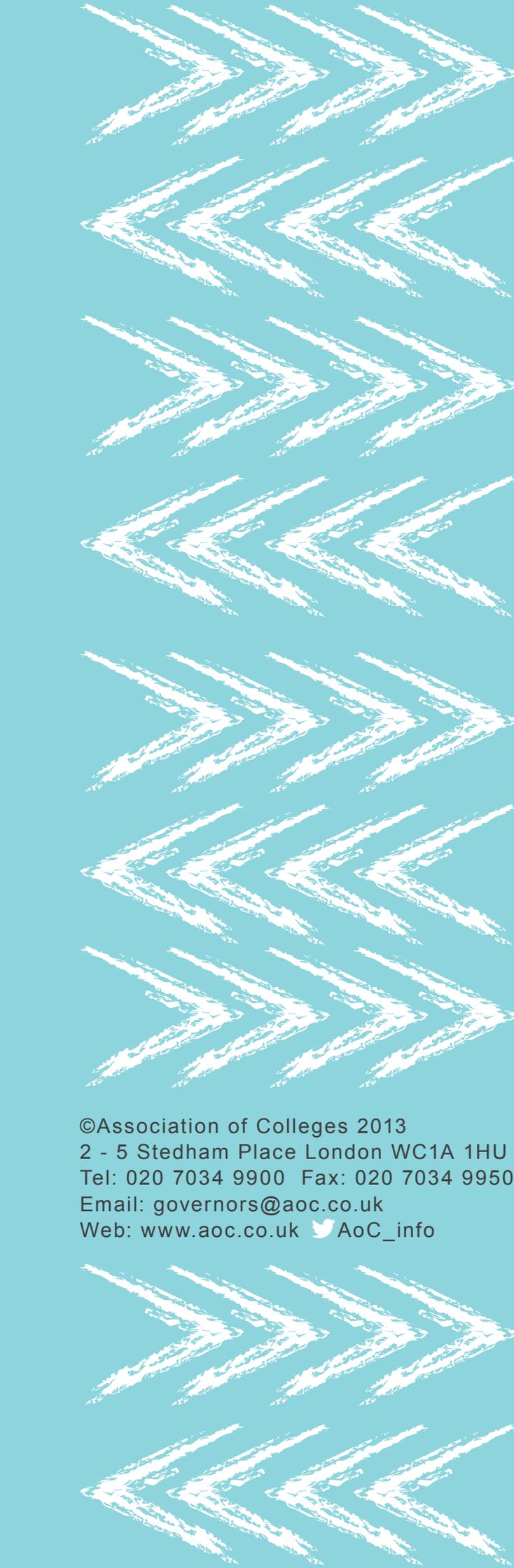
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