



BOARD POLICY MANUAL

Version 9
January 2022

Board Policy Manual

Introduction

The Board of The City of Liverpool College has adopted a version of 'Policy Governance' based on a model of governance developed by John Carver.

Carver believes boards should be concerned primarily with policy setting and performance monitoring and that senior staff should be trusted to run the organisation. The aim of his approach is to free boards from detail in order to concentrate on strategic leadership.

The Board operates by creating and monitoring policies that state its expectations. Each category starts with the Board's broadest statement of its values before moving, level by level, to more specific statements. The four categories are:

- 1) Strategic Aims which define what the organisation should produce, for what people and at what cost benefit (see SA 1);
- 2) Governance Processes – how the board will operate (GP 1-13);
- 3) Board – Principal Delegation delineates the manner in which the Board delegates its authority to the Principal and monitors its use (BP 1-5); and
- 4) Executive Restrictions state which practices, situations or conduct the Board believes must be prohibited in order to safeguard the College operationally, legally and ethically (ER 1-9).

Once the Board feels it has reached a sufficient level of specificity in each category, the Principal is empowered to act on "any reasonable interpretation" of the policies. Via reports to the Board, all Board policies will be monitored on a regular basis to ensure compliance.

The Policy Governance model usually entails most Board decisions being made in full Board meetings so that all governors are involved in all decisions and committees are kept to a minimum needed to help the Board rather than staff. For FE colleges, the Audit Committee is a permanent committee required under the Post 16 Audit Code of Practice. The Board can also establish standing committees and task and finish groups as it decides appropriate.

The Board has also adopted the AoC's Code of Good Governance for English Colleges and reviews this Manual with reference to the provisions of this Code as part of the annual review of the Board Policy Manual.

The previous standing orders and code of conduct have been subsumed within this manual where applicable, the main sections being GP 3,6,9, & 12 (standing orders) and GP 8 (code of conduct).

Clarification and guidance can be obtained from the Clerk:

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BOARD POLICY MANUAL

9th Edition (January 2022)

IMPORTANT NOTES

- 1) Any policy in this Manual may be added to, amended or deleted, by a majority vote of the Board at any time.
- 2) No policy should be read in isolation from the document as a whole.
- 3) The first policy in each section is designed to encompass those that follow.
- 4) Should any conflict between the policies in this document and relevant legislation arise at any time, relevant legislation will take precedence.
- 5) The Board's legal obligations are set out in the College's Instrument and Articles of Government and the Financial Memorandum with the Education and Skills Funding Agency which should be read in conjunction with this Manual.
- 6) Taken together with the Instrument and Articles, these policies are designed to be a comprehensive statement of how the Board operates.
- 7) Budgets, short and long range plans, human resource management practices, course design and all other administrative and course decisions and activities are created by staff from these policies.
- 8) Throughout this document the term 'Board' is used to describe the governing body (Board of Governors) of The City of Liverpool College. Other documents may use different terms such as 'Corporation' (Instrument & Articles of Government), 'Governing Body' (Financial Memorandum) or 'Corporation Board' (previous governance documents such as Standing Orders and Code of Conduct).
- 9) Any reference to any government agency will apply to its successor bodies, where applicable.

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Certain sections of the manual make use of models provided by Eversheds LLP governance advisory service and reproduce Eversheds' wording in whole or in part: GP 8 (Governors' Code of Conduct); GP13 (Complaints against the Board); Appendix 1 (Summary of the Board's Statutory Powers).

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1 STRATEGIC AIMS*

Our Strategic Goals:

- **World-class skills for business** – operating as “the college for business”, with a focus on current need and industry innovations and supporting the post-pandemic recovery and economic growth across the city region.
- **Delivering an outstanding student experience** – tailoring our approach to the needs of our learners, our city and our communities as part of a dynamic partnership with all three.
- **Developing talent for sustainable employment** – upskilling, reskilling and generating the talent of the future through a focus on careers, not courses.

Our Strategic Enablers:

- **Turning disadvantage into advantage** – *recognising* our student cohort and delivering an experience tailored to their needs, taking a student-centred approach (‘the whole student’).
- **Systems thinking by critical thinkers** – changing the *culture* across the College from top to bottom to realise an impact that goes beyond individual actions (‘the whole college’) as a crucial part of the city region’s education and skills system.

**Note: Strategic Aims describe the reason for the organisation’s existence – what it is for – rather than what it does. A comprehensive Strategic Aims statement describes the Board’s expectations in terms of intended effects to be produced, the intended recipients of those effects and the intended worth (cost-benefit or priority) of those effects. All lower level Aims must directly derive from the first, broadest Aim.*

1 OVERARCHING BOARD PURPOSE

The purpose of the Board of Governors of The City of Liverpool College (the Board) is to take decisions which are within the powers given to it by Sections 18 and 19 of the Further and Higher Education Act 1992 (the Act) to ensure that the College:

- (a) achieves suitable outcomes with appropriate cost-efficiency (as specified in its Strategic Aims policies); and
- (b) avoids unacceptable actions and situations (as prohibited in its Executive Restrictions policies).

1.1 Board's Main Powers

The Board's principal powers under the Act (section 18) allow it to:

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

and to do anything which appears to it to be necessary or expedient for the purpose of or in connection with the exercise of any of the principal powers.

The supplementary powers are summarised in appendix 1.

2 THE BOARD'S MORAL AND LEGAL ACCOUNTABILITY

Although the Board operates as an independent legal entity, it holds itself to be ultimately accountable to a "moral ownership" which it defines as the people of Liverpool city region.

2.1 Legal Accountability

The Board believes that it is free to pursue the best interests of the above ownership subject only to recognising its legal accountabilities regarding the proper use of public funds.

- (a) The Principal is directly responsible and accountable to Parliament, through the Committee of Public Accounts, for the effective stewardship by the College of public funds. The Principal may be required to appear before the Committee of Public Accounts, alongside the Chief Executive(s) of the Education Skills Funding Agency (the Skills Funding Agency (ESFA) to give an account of the use made by the College of such funds.
- (b) The Board is accountable to Parliament for ensuring the financial health of the College, and to the Courts for ensuring that the College is conducted in accordance with the Education Acts and the general law.
- (c) FE corporations are charities and the governors of FE corporations are the charity trustees, responsible for the control and management of the administration of their charity and compliance with charity law.

Exempt charities are institutions that are established as charities but which are exempt from registration with, and oversight by, the Charity Commission. The trustees of an exempt charity have the same general duties and responsibilities as trustees of other charities and, as such, are expected to comply with charity law.

Amendments to The Charities Act 2006 Schedule 2 removed the exempt status of certain charities or classes of charity. The charities which remained exempt - including FE colleges in England – were required to have a Principal Regulator or lose their exempt status and register with the Charity Commission

Under the charity legal framework, the Secretary of State for Education is the principal regulator of FE corporations and sixth-form college corporations and has a statutory duty to promote compliance with charity law.

- (d) The Board will govern in accordance with its responsibilities under the College's Instrument and Articles of Government as follows:

Responsibilities of the Corporation	
Article 3(1):	How the Board carries this out
<p>(a) the determination and periodic review of the educational character and mission of the institution and the oversight of its activities;</p>	<p>The Board sets and annually reviews the Strategic Aims of the College which determine its educational mission.</p> <p>The Board also sets and regularly reviews Executive Restrictions which proscribe activities which the Board regards as unethical or imprudent.</p> <p>The Strategic Aims and Executive Restrictions taken together determine the educational character of the College.</p>

Article 3(1):	How the Board carries this out
<p>(b) Publishing the arrangements for obtaining the views of staff and students on the determination and periodic review of the educational character and mission of the institution and the oversight of its activities;</p>	<p>The City of Liverpool College values the views of all staff, students and stakeholders and uses these views as an integral part of the determination and periodic review of the educational character and mission of the College. There are a number of mechanisms, approved and regularly reviewed by the Board, by which the college obtains the views of staff and students.</p> <p>For staff these include: annual staff survey; "Have Your Say" workshops; Principal's briefings; whole College addresses to staff; Joint Negotiating Committee (JNC)); appointment of Staff Governors; policy communication and consultation via staff intranet and executive newsletter; staff emails to the Principal; open forums at each site and "Buzz the Boss".</p> <p>For Students these include: student involvement strategies; student surveys; student representatives; Students' Union; Student Governors; policy communication and consultation via student intranet, Facebook, Twitter, etc.</p>
<p>(c) approving the quality strategy of the institution;</p>	<p>The Board sets quality standards in the form of Strategic Aims that must be accomplished for students and Executive Restrictions against which all College programmes and products are regularly assessed.</p> <p>The Principal determines the quality strategy which reviewed through its Self Assessment Report. The Board approves this strategy subject to satisfactory compliance with its Strategic Aims and Executive Restrictions.</p>
<p>(d) the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets;</p>	<p>The Board's Strategic Aims require that the College provides excellent value for money. The Board's Executive Restrictions [ER 5 & 6] also require effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets. The College's compliance with these requirements is regularly assessed.</p>
<p>(e) approving annual estimates of income and expenditure;</p>	<p>The Board's Executive Restrictions [ER 5 & 6] provide the criteria for approving the annual estimates of income and expenditure.</p>
<p>(f) the appointment, assignment, grading, suspension dismissal and determination of the pay and conditions of service of the holders of senior posts within the framework set by the Board;</p>	<p>The Board governs these matters through the setting and monitoring of Executive Restrictions</p>

<p>“senior post” means the post of Principal and such other senior posts as the members may designate for the purposes of the Articles</p>	
<p>(g) approval of the arrangements for the appointment, assignment, grading, suspension dismissal and determination of the pay and conditions of service of the Clerk within the framework set by the Board;</p>	<p>The Board governs these matters through the setting and monitoring of Executive Restrictions</p>
<p>(e) setting a framework for the pay and conditions of service of all other staff; and</p>	<p>The Board governs these matters through the setting and monitoring of Executive Restrictions</p>
<p>Article 14:</p>	
<p>setting the policy by which the tuition and other fees payable to the College are determined (subject to any terms and conditions attached to grants, loans or other payments paid or made by funding agencies).</p>	<p>The Board governs these matters through the setting and monitoring of Executive Restrictions</p>

Responsibilities which must not be delegated	
Article 7	How the Board carries this out
(a) the determination of the educational character and mission of the institution;	<p>The Board sets and reviews the Strategic Aims of the College which determine its educational mission.</p> <p>The Board also sets and regularly reviews Executive Restrictions which proscribe activities which the Board regards as unethical or imprudent.</p> <p>The Strategic Aims and Executive Restrictions taken together determine the educational character of the College.</p>
(b) the approval of the annual estimates of income and expenditure;	The Board's Executive Restrictions [ER 5 & 6] provide the criteria for approving the annual estimates of income and expenditure as one of its reserved powers.
(c) the responsibility for ensuring the solvency of the institution and the Corporation and the safeguarding of their assets;	The Board's Executive Restrictions [ER 5 & 6] ensure the solvency of the institution and the safeguarding of its assets. The College's compliance with these requirements is regularly assessed.
(d) the appointment of the Principal or holder of a senior post or the Clerk;	The Board takes direct responsibility for the appointment of the Principal and other senior post holders
(e) the modifying or revoking of the Articles of Government;	The Board takes direct responsibility for the modifying or revoking of the Articles of Government.
Article 8(1):	How the Board carries this out
(a) the consideration of the case for dismissal of the Principal, the Clerk or the holder of a senior post unless such function is delegated to a committee of Members of the Corporation; and	The Board or a Board committee would consider any such case.
(b) the power to determine an appeal in connection with the dismissal of the Principal, the Clerk or holder of a senior post unless such power is delegated to a committee of Members of the Corporation.	The Board or a Board committee would determine any such appeal.

CATEGORY: GOVERNANCE PROCESS

GP 3

BOARD COMPOSITION AND SELECTION

3 BOARD COMPOSITION AND SELECTION

The Board is committed to appointing the most capable people to serve as College governors and Board committee members and to ensuring that its composition reflects the diversity of the College's moral ownership – the people of Liverpool city region.

3.1 Board Composition

The Board shall be composed of:

- (a) Up to 18 governors who appear to the Board to have the necessary attitudes and skills to ensure that the Corporation carries out its functions (to be known as "external governors"). 1 should be employed by a subsidiary of the College ("ring fenced external governor" although may be informally referred to as a staff governor).
- (b) At least 1 governor who is a member of staff of the institution appointed as specified in paragraph 2.3 below (to be known as a "staff governor");
- (c) 2 governors who are students at the institution who may be elected by the student body as a whole or nominated by the Student Union (to be known as "student governors");
- (d) the Principal.

3.2 Governor Job Description

The governor job description is shown in Appendix 3.

3.3 External Governor Selection Process and Criteria

The Board will delegate to the Clerk, the Principal and the Chair the process of seeking candidates (other than staff or student governors) from the widest possible range of backgrounds who: reflect the diversity of the community that the College serves; offer the range of expertise and experience deemed appropriate by the Board; and are willing to:

- (a) On appointment, and annually thereafter, complete the approved declaration of interest documentation and confirm continuing eligibility to act as a governor.
- (b) Be committed to the College's Ownership, Mission and Strategic Aims.
- (c) Attend Board meetings, planning and training events.
- (d) Serve in accordance with the Instrument and Articles of Government, the Policy Governance approach and Board policies developed within that model including its Code of Conduct.
- (e) Work from a visionary perspective in the best interests of the people of the Liverpool city region as a whole.
- (f) Encourage links with College stakeholders and the people of Liverpool city region in their ownership capacity.
- (g) Delegate operations to the Principal within Board policy.
- (h) Leave office or retire graciously when in the best interests of the College
- (i) Maintain current knowledge of further education issues
- (j) Demonstrate effective interpersonal and communication skills
- (k) Demonstrate critical thinking skills in decision making
- (l) Demonstrate the ability to remain open minded during deliberation of current issues
- (m) Demonstrate the ability to work collaboratively with others

- (n) Exhibit professionalism

Before seeking to fill any vacancy consideration will be given to the skills, experience and knowledge of existing governors and will aim to ensure that candidates are recruited who will strengthen the mix of abilities in the Board. Applicants may be invited to meet with the Clerk and Principal and/or Chair.

Recommendations for appointments will go to the Board for approval.

3.3.1 External Governor Term of Office

The term of office for external governors is normally 4 years but may be for a lesser period if approved by the Board. When considering the length of term of office on appointment, the Board will take into account the expiry dates of existing governors, to ensure optimum Board capacity is maintained.

3.3.2 External Governors' Eligibility for Re-appointment

External governors shall be eligible for re-appointment. The Board will review the current and future priorities of the Board along with the contribution of existing governors prior to recommending their re-appointment, especially if they have already served two terms of office. Re-appointments would usually be for a term of 4 years but may be for a lesser period if agreed by the Board.

3.4 Staff Governor Selection Process

The Board may appoint at least two members of staff as governors: one should be a directly employed member of staff ("staff governor") and the other should be a member of staff employed by a subsidiary company of the College ("ring fenced external governor"). Appointment of members of staff as governors will follow the same process as external governors – when a vacancy occurs, it will be advertised and a shortlist of candidates will be invited for interview with a small panel of governors.

3.4.1 Staff Governor/Ring Fenced External Governor Term of Office

The term of office for a staff governor is four years or until employment ends if that is sooner.

3.5 Student Governor Selection Process

The Student Union shall elect a president who may also serve as a student governor for the duration of their term of office. This would be in addition to their role as Student Union president, with a clear distinction between the roles. For the other student governor position, the Clerk will seek a nomination from the Student Engagement Manager.

3.5.1 Student Governor Term of Office

The term of office for a student governor will not exceed 4 years and will end upon their ceasing to be a student at the College, or the end of their term as Students' Union President

3.6 Chair and Vice-Chair Selection Process

The governors shall appoint a Chair and Vice-Chair from among their number. Neither the Principal nor any staff or student member shall be eligible to be appointed Chair or Vice-Chair, however, they will be eligible to vote in elections.

The Clerk shall seek nominations for the offices of Chair and Vice Chair prior to the meeting at which the appointment is to be made. Each nomination must be proposed and seconded by other governors. Where there are two or more candidates for a particular office then the Clerk will conduct a ballot at the meeting otherwise the election will proceed on a show of hands.

If both the Chair and Vice-Chair are absent from any meeting of the Board, the governors present shall choose one of their number to act as Chair for that meeting, provided that the governor chosen shall not be the Principal or a staff or student governor.

The Chair or Vice-Chair may resign his or her office at any time by giving notice in writing to the Clerk.

At the last meeting before the expiry of the term of office of the Chair or the Vice-Chair, or following the resignation of the Chair or Vice-Chair, the members shall appoint a new Chair or Vice-Chair, as the case may be, from among their number.

3.6.1 Chair and Vice-Chair Terms of Office

The Chair and Vice-Chair shall normally hold office for a period of 2 years.

The Chair or Vice-Chair retiring at the end of his or her term of office shall be eligible for re-appointment. Chairs or Vice Chairs should ordinarily serve no more than four years in either position. Any re-appointment should be considered in the context of developments to the Code of Good Governance for English Colleges.

3.7 Board Committee Member Selection Process

Governor membership of Board committees is approved by the Board. The Chair of the Board shall have delegated authority to agree changes to committee membership prior to Board approval, having consulted with the committee Chair. Committees may co-opt appropriate persons to fill designated places previously agreed by the Board. The relevant expertise of such co-opted Committee members can make a valuable contribution to the work of the committee. Appointments of co-opted Committee members do not require the approval of the full Board, provided that the Chair or Vice-Chair of the Board approves the appointments and the appointments are reported to the Board.

3.7.1 Co-opted Committee Member Status

Co-opted Board Committee members are not governors but are bound by the Code of Conduct and rules relating to disclosure of interests as for governors.

3.7.2 Co-opted Committee Member Term of Office

The term of office of co-opted Committee members is normally 2 years and such members shall be eligible for re-appointment.

3.7.3 Committee Chair and Vice Chair Selection and Terms of Office

Each committee shall elect a Chair and Vice Chair who will serve for a period of two years. If, for any reason, neither the Chair nor the Vice Chair are able to attend any meeting then the remaining members will agree a Chair from amongst their number for the duration of the meeting.

3.8 Task and Finish Group Member Selection Process

Task and Finish Groups will usually be established to focus on a specific area which the Board has identified as requiring additional assurance or scrutiny, although they may be established for other purposes. Task and Finish Groups will normally have defined objectives and timescales. A Chair will be appointed from among the Group, ordinarily for the duration of the Task and Finish Group. The Chair will be responsible for selecting members aligned with the focus of the Group. Duration of membership will be defined by the priorities of the Group. Membership of the Group does not require Board approval, but the Chair of the Group should report to the Board, the Chair and the Principal on a regular basis.

3.9 Ineligibility for Board Membership

Instrument 7 lists reasons that render an individual ineligible to be a governor. In summary these are:

- a) Under 18 years of age (except as a student governor)
- b) The Clerk to the Board
- c) A member of staff (other than as a staff governor or Principal)
- d) A person who is an undischarged bankrupt or subject to a bankruptcy restrictions order
- e) A person who has made a composition or arrangement with creditors
- f) Anyone who would be disqualified as acting as a charity trustee in accordance with the Charities Act 2011 or successor legislation from time to time.
- g) Where the Board has reasonable grounds for believing that that person presents a significant risk to the health, safety or welfare of children or vulnerable adults.

Governors are required to inform the Clerk immediately if they become disqualified from continuing to hold office as a governor under any of the reasons listed.

3.10 Suspension

See GP 8 (8.13) – Governors' Code of Conduct.

3.11 Termination of Membership

A governor or co-opted committee member may resign his/her office at any time by giving notice in writing to the Clerk to the Corporation.

If at any time the Board (or committee) is satisfied that any governor or co-opted committee member:

- (a) has been absent from meetings of the Board or Board committee for a period longer than 6 consecutive months without the permission of the Board or Committee Chair; or
- (b) is unfit or unable to discharge the functions of a governor or that it is not in the best interests of the Corporation for the governor to continue to hold office

the Board may by notice in writing to that person remove him/her from office and thereupon the office shall become vacant.

Any person who is a governor by virtue of being:

- (a) a member of the staff (including the Principal) of the institution; or
- (b) a student of the institution

shall cease to hold office if he/she ceases to be a member of the staff or (as the case may be) a student of the College; and thereupon the office shall become vacant. This includes the Student Union President.

4 THE BOARD'S ROLE

The Board, acting on behalf of the people of Liverpool City Region, will take direct responsibility for ensuring that a wise and reasonable interpretation of their best interests is translated into organisational performance.

Accordingly, the Board will take direct responsibility to create:

4.1 Ownership Connection

The connection between the people of Liverpool City Region as 'moral' owners of the College and the operational organisation. [See Policy GP 2 – Moral Accountability].

4.2 Written Board Policies

Written Board policies which address the broadest levels of all organisational decisions and situations.

- (a) **Strategic Aims:** what specified results the College must produce for which people with what cost-efficiency.
- (b) **Executive Restrictions:** the boundaries within which all executive activity must take place to avoid unacceptable risk to the College's business and ethical health.
- (c) **Governance Process:** the manner in which the Board must carry out its work.
- (d) **Board-Principal Delegation:** the manner in which the Board delegates authority to the executive and monitors its use.

4.3 Assurance of Performance

Assurance of successful organisational and Board performance as defined by Board policies, including the appointment, grading, suspension or dismissal and pay and conditions of service of the Principal and other Senior Post Holders, the approval of arrangements for the appointment, grading, suspension or dismissal and pay and conditions of service of the Clerk, and election of Chair and Vice Chair. The Chair's performance will be reviewed by the Board regularly.

4.4 Board Approvals

Reports and assurances required by regulatory authorities and other relevant bodies, and items which the Board has decided are so important that it wishes to retain direct approval.

5 THE CHAIR'S ROLE

The Chair, as a specially empowered member of the Board, assures the integrity of the Board's process and, on occasion, represents the Board to outside parties.

Accordingly:

5.1 Chair's Responsibility for Board Conduct

The Chair ensures that the Board behaves consistently within its own rules and those legitimately imposed upon it from outside the organisation.

- (a) Meeting discussion content will be on those issues which, according to Board policy, clearly belong to the Board to decide or to monitor.
- (b) Information which is for neither monitoring performance nor Board decisions will be avoided or minimised and always noted as such.
- (c) Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

5.2 Chair's Authority

The authority of the Chair consists in making decisions that fall within any reasonable interpretation of the Board's policies on Governance Process and Board-Principal Delegation, with the exception of (i) those functions which, under the Articles of Government, the Board is not allowed to delegate, or (ii) those functions for which the Board has specifically delegated its authority to others.

- (a) The Chair has no authority to make decisions about policies created by the Board within Strategic Aims and Executive Restrictions policy areas. Therefore, the Chair has no authority to supervise or direct the Principal unless delegated by the Board
- (b) The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to her or him.
- (c) The Chair may delegate this authority, but remains accountable for its use.

5.3 Vice-Chair's Authority

The Vice-Chair shall assume the role and authority above in the Chair's absence and is assigned responsibility for dealing with any complaint concerning the Chair.

6 THE CLERK'S ROLE

The Clerk is accountable to the Board for providing independent expert advice and services to enable excellent governance in accordance with the law and the Board's policies. The Board is responsible for the approval of arrangements for the appointment, grading, suspension or dismissal and pay and conditions of service of the Clerk.

6.1 Expert Advice

The Clerk will advise the Board with regard to:

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

If the Board or any governor is in doubt about the Board's compliance with provisions of the Board's Code of Conduct or any of the Board's policies or any superior legislation, the Clerk should be consulted and, if necessary, professional advice should be obtained. The Clerk or Chair may obtain advice on behalf of the Board but any expenditure incurred may not exceed £10,000 per issue upon which professional advice is sought without seeking prior approval.

6.2 Board and Committee Meeting Clerking

The Clerk will act as clerk for all Board and committee meetings in accordance with **GP 9** and all other relevant Board policies.

6.3 Integrity and Safekeeping of Board Documents

The Clerk will ensure the integrity and safe-keeping of all Board documents and records.

6.4 Dealing with Complaints Against the Board

The Clerk is responsible for handling complaints against the Board, as set out in **GP 13**.

6.5 Register of Governors' Interests

The Clerk will maintain the Register of Governors' Interests which will be open for public inspection.

6.6 Eligibility Declaration

The Clerk will ensure that governors declare their eligibility to act as a Board member and are aware of the need to report any changes.

6.7 Dealing with Breaches of the Code of Conduct

The Clerk will monitor adherence to the Code of Conduct and respond to any breaches in accordance with **GP8**.

6.8 Nominations

The Clerk will provide support for Board elections and nominations as follows:

- (a) Assist the work of the Board including meeting applicants as required.

- (b) Request nominations for student governors.
- (c) Seek nominations for the offices of Chair and Vice Chair prior to the meeting at which the appointment is to be made.

6.9 Personal data

In carrying out his or her role, the Clerk may process personal data concerning governors, co-opted committee members and prospective governors in line with the Privacy Statement.

6.10 Resolving Difficulties

The following options are open to the Clerk if his or her advice is being disregarded or overruled and the proper conduct of the Board is being put at risk.

6.10.1 Within the College

The Clerk should make every effort to resolve the matter through the avenues available to him or her within the College and be certain that the reason for his or her concerns is understood. Where appropriate, some or all of the following steps may have to be taken:

- (a) The reason for the concern to be put in writing and sent by the Clerk to the Chair and the Principal;
- (b) The Chair of the Audit Committee to be informed if the issue comes under the terms of reference of that Committee;
- (c) The Clerk's concerns to be reported to a meeting of the Audit Committee or the full Board and to be recorded in the minutes.

6.10.2 With External Assistance

If the matter cannot be resolved within the College, the Clerk may seek external assistance as follows:

- (a) The Clerk may consult the College's auditors
- (b) The Clerk may independently seek legal advice if there is disagreement about whether an action may be unlawful. Any expenditure incurred may not exceed £5000 per issue upon which legal advice is sought.
- (c) If no action results from the steps above, and if the Clerk is of the opinion that the grounds for concern still present a threat to the proper governance of the College, then the Clerk should make a formal recommendation to the Board. The Chair or Vice Chair, as appropriate, would then seek advice from the funding agencies and would report that advice and its implications to the Board.

The funding agencies and the Board would not expect any such steps taken in good faith by the Clerk in these circumstances to be grounds for disciplinary action under the College's disciplinary procedures.

7 GOVERNING STYLE

The Board will observe good governance principles with an emphasis on (a) the six core principles of good governance (see 7.8 below) (b) outward vision rather than an internal preoccupation, (c) encouragement of diversity in viewpoints, (d) broad strategic leadership more than administrative detail, (e) clear distinction of Board and Principal roles, (f) collective rather than individual decisions, (g) future rather than past or present, and (h) proactivity rather than reactivity.

7.1 Board Discipline

The Board's Governance Process policies incorporate procedures which allow the Board to enforce upon itself whatever discipline is needed to govern with excellence and conduct itself in an orderly, fair, open and transparent manner.

Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board will annually review and can change its Governance Process policies at any time, it will observe them scrupulously whilst they are in force.

7.2 Group Responsibility

The Board will cultivate a sense of group responsibility.

7.3 Connection

The Board will direct, control and inspire the College through the careful establishment of written policies that reflect the College's values and will support the delivery of the College's strategic aims.

7.4 Focus on Long Term Impact

The Board's major focus will be on the intended long term impacts outside the organisation, not on the means of attaining those effects.

7.5 Board Development

Continual Board development will include induction of new governors in the governance process and periodic discussion of process improvement. Induction will include familiarisation with:

- (a) The College's Instrument and Articles of Government;
- (b) The Policy Governance approach and the Board's policies and Principal monitoring reports created in accordance with that model;
- (c) The College's Strategic Plan;
- (d) The relationship between the College and its funding bodies;

7.6 Equality and Diversity

The Board recognises its obligations to all those with whom it and/or the College has dealings, including students, staff, suppliers, other educational institutions and the wider community. In particular, the Board is committed to valuing diversity and combating any discrimination within the College, as set out in the Board's Strategic Aims and its Executive Restrictions policy on Equality and Diversity [ER 4].

7.7 Board Self Assessment

The Board will conduct an overall whole Board performance review each year as well as occasional meeting reviews.

7.8 Six Core Principles Of Good Governance

Extracted from the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services, January 2005

- 1. Good governance means focusing on the organisation's purposes and on outcomes for citizens and service users**
 - 1.1 Being clear about the organisation's purposes and its intended outcomes for citizens and service users;
 - 1.2 Making sure that users receive a high quality service;
 - 1.3 Making sure that taxpayers receive value for money.
- 2. Good governance means performing effectively in clearly defined functions and roles**
 - 2.1 Being clear about the functions of the governing body;
 - 2.2 Being clear about the responsibilities of the non-executives and the executive, and making sure that those responsibilities are carried out;
 - 2.3 Being clear about relationships between the governors and the public.
- 3. Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour**
 - 3.1 Putting organisational values into practice;
 - 3.2 Individual governors behaving in ways that uphold and exemplify effective governance.
- 4. Good Governance means taking informed, transparent decisions and managing risk**
 - 4.1 Being rigorous and transparent about how decisions are taken;
 - 4.2 Having and using good quality information, advice and support;
 - 4.3 Making sure that an effective risk management systems is in operation.
- 5. Good governance means developing the capacity and capability of the governing body to be effective**
 - 5.1 Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well;
 - 5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group;
 - 5.3 Striking a balance, in the membership of the governing body, between continuity and renewal.
- 6. Good governance means engaging stakeholders and making accountability real**
 - 6.1 Understanding formal and informal accountability relationships;
 - 6.2 Taking an active and planned approach to dialogue with accountability to the public;
 - 6.3 Taking an active and planned approach to responsibility to staff;
 - 6.4 Engaging effectively with institutional stakeholders.

Note: This code of conduct has been adapted in part from the model published by Eversheds LLP.

8 GOVERNORS' CODE OF CONDUCT

This code is intended as a guide for governors to indicate the standards of conduct and accountability expected of them in their role.

The Board commits itself and its members to adherence to the College's Instrument and Articles of Government, the Financial Memorandum which the College has entered into with the Education and Skills Funding Agency, and the Nolan Principles of Public Life (see box below), as well as lawful, well informed and accountable governance.

The Nolan Principles of Public Life [extract from the 2nd report of the Nolan Committee on Standards in Public Life, May 1996]

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

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

Honesty

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

Leadership

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

This code also applies to every Board Committee or working party, including Task and Finish Groups, and to every subsidiary company or joint venture of the College to which governors may be appointed.

8.1 Individual Governor Responsibility

Ultimate responsibility for the appropriateness of conduct as a governor and for any act or omission in that capacity rests with the individual governor. Acceptance of appointment as a governor will be construed as acceptance of this Code. Governors must obtain a thorough grounding in their duties and responsibilities by participating in the College's governance induction and training programmes, including regular refresher workshops.

Governors are required to be flexible in the conduct of their responsibilities and duties ensuring the balance of "oversight" of the College and its business is seen as a positive contribution, whilst ensuring that governance does not interfere with the day-to-day operation of the management of the College.

8.2 Best Interests of the Ownership

Governors must act in good faith in the best interests of the ownership to promote and protect proper use of public funds, the good reputation of the College and the trust and confidence of those with whom it deals.

8.3 Skill, Care and Diligence

A governor should in all his/her work for the College exercise such skill as he/she possesses and such care and diligence as would be expected from a reasonable person in the circumstances.

8.4 Loyalty

Governors are in the position of charity trustees and as such owe a fiduciary duty to the College. This means that they must have loyalty to the ownership, mission and Strategic Aims of the College, and act honestly, diligently and independently, unconflicted by loyalties to other organisations or persons including self-interest. Decisions taken must always be for the benefit of the College, its students and staff and other users of the College and must be taken with a view to safeguarding public funds. Accordingly, governors must not be bound in their speaking and voting by mandates given to them by other bodies or persons; it is not a representative role.

8.5 Avoidance of Debt

Governors must avoid conflict of interest with respect to their fiduciary duty to the College including:

8.5.1 Interest in College Properties

Governors will not take or hold any interest in any of the College's properties.

8.5.2 Remuneration

Governors will not receive any remuneration for services (save as a member of the College's staff) without the written approval of the Charities Commission.

8.5.3 Gifts, Hospitality and Benefits

Governors must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Any such activity may be deemed a criminal offence as defined in the Bribery Act

2010. Any offer or receipt of such gifts, hospitality or benefits should immediately be reported to the Clerk.

8.6 Disclosure of Interest

A Register of Governors' Interests will be maintained by the Clerk to the Board and shall be open for public inspection during normal office working hours. Governors must disclose routinely the nature and extent of all direct or indirect business interests, financial or otherwise, which they or (so far as they are aware) their spouses or partners, children or other close relatives may have in:

- (a) the supply of work or goods to or for the purposes of the College;
- (b) any contract or proposed contract concerning the College, or in any other matter relating to the College; or
- (c) any duty which is material and which conflicts, or may conflict, with the interests of the Corporation.

Governors should also disclose any non-financial personal interests such as membership of other public bodies and institutions, trusteeships of a trust where the governor (or other person connected with him/her) may be a beneficiary, or membership of a closed organisation.

If, at any time, an interest is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a governor's independent judgement, then the interest, financial or otherwise, should:

- (a) be reported to the Clerk; and
- (b) be fully disclosed to the Board before the matter giving rise to the interest is considered (see GP9 section 9.15).

Trade union membership does not require disclosure.

Governors must give sufficient details to allow the nature of the interests to be understood by enquirers and should inform the Clerk whenever their circumstances change and interests are acquired or lost.

Completion of a register of interest and declarations of interest at meetings apply to co-opted committee members and senior staff as well as to governors.

8.7 Principal's Responsibilities

Members should have regard to the different, but complementary, responsibilities given to the Principal as the College's chief executive (see Board-Principal Delegation BP0-5). Whereas it is the Board's function to decide strategic policy and overall direction and to monitor the performance of the Principal and other senior post holders, it is the Principal's role to implement the Board's decisions, and to manage the College's affairs within the framework (executive restrictions) set by the Board. Governors should work together so that the Board and the Principal perform their respective roles effectively and in the best interests of the College.

8.8 Collective Responsibility

8.8.1 Respect for Board Authority

The Board operates by governors taking majority decisions in a corporate manner at quorate meetings. Therefore, a Board decision, even when it is not unanimous, is a decision taken by the governors *collectively*. As long as the Board is operating in

accordance with all requirements legitimately imposed upon it, governors will support the legitimacy and authority of the Board's final decision on any matter, irrespective of a governor's personal position on the issue or whether or not he/she was present at the meeting of the Board when the decision was taken or has completed their term of office or resigned.

8.8.2 Use of Individual Authority

Governors may not attempt to exercise individual authority over the organisation.

- (a) Governors' interaction with the Principal or with staff must recognise the lack of authority vested in individuals except when explicitly authorised by the Board.
- (b) Governors' interaction with the public, press or other entities must recognise the same limitation and the inability of any governor to speak for the Board except to repeat explicitly stated Board decisions. Governors should not make statements to the press or media or at any public meeting relating to the proceedings of the Board or its committees without first having obtained the approval of the Chair or, in his or her absence, the Vice Chair. Governors should not publicly criticise, canvass or reveal the views of other governors which have been expressed at meetings of the Board or its committees.

8.8.3 Disagreeing with a Board Decision

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

8.9 Confidentiality

It is important that the Board and its committees have full and frank discussions in order to take decisions collectively. To do so there must be trust between governors, with a shared corporate responsibility for decisions. Governors will respect the confidentiality appropriate to issues of a sensitive nature. Governors should in particular keep confidential any matter which, by reason of its nature, the Chair or the Board, or the Chair or members of any Board Committee or Task and Finish Group are satisfied should be dealt with on a confidential basis.

8.10 Preparation for Meetings

Governors will be properly prepared for Board meetings.

8.11 Attendance

8.11.1 A high level of attendance at meetings of the Board is expected so that governors can perform their functions properly. Attendance at both Board and Committee meetings is recorded and monitored by the Clerk, and regularly reported to the Board.

8.11.2 In exceptional circumstances the Board may permit the use of video/teleconferencing facilities to be used by governors. Whilst a governor is using such

facilities and can hear proceedings and be heard by the meeting, he/she shall be deemed to be attending the meeting and be counted as part of the quorum.

8.12 Accountability

Governors may take on roles which are additional to the role which they have in common with every other governor in respect of assisting the Board's policy development or monitoring but will always be accountable to the whole Board for this work.

8.13 Breaches of Code of Conduct

A governor breaching this Code may be removed in accordance with Section 9.(2)(a) of the Instrument of Government. A co-opted member of a Board committee breaching the code may also be removed from office. The Board's process for handling any instances of breaches is set out below.

8.13.1 Process for Handling Breaches of the Code of Conduct

Any potential or actual breach of the code of conduct (the code) should be referred to the Clerk who shall immediately notify the Chair of the Board. The Chair, in consultation with the Clerk and the Principal, shall decide whether further investigation is necessary (and, if so, how this should be carried out) and whether the matter should be referred to a specially composed Committee (the Committee).

The Chair may suspend the governor or co-opted committee member who is alleged to have breached the code (the person concerned) pending any investigation and meeting of the Group.

The purpose of any investigation is to ascertain facts, as far as possible, to judge whether a Committee should consider the alleged breach of the code of conduct.

Any governor asked to attend an investigation, has the right to be accompanied by a person of their choice.

The role of the investigating officer is to:

- Gather evidence from all parties involved
- Establish the facts promptly
- Take statements from available witnesses
- Identify and focus on the facts that are relevant to the allegation(s)
- Advise the governor of the allegations and the investigation
- Ensure confidentiality is preserved by all people at all times
- Provide written accounts of all meetings
- Interview witnesses where necessary to ensure all facts have been established.
- Prepare a written report detailing the findings of the investigation and collating all papers.

Following completion of the investigation the report will be submitted to the Chair of the Board who will consider whether there is evidence/a reasonable belief that the code of conduct has been breached and to refer to a Committee.

If there is no evidence/reasonable belief of a breach of the code of conduct, no further action will be taken and all parties concerned will be notified accordingly.

Where a meeting of the Committee is to be scheduled, the governor will receive written notification of the hearing date, not less than 5 working days in advance, and will be provided

with a copy of the investigation report including all statements and papers relating to the allegation(s).

The meeting shall be attended by a minimum of three Committee members, the Clerk, and the person concerned. The governor concerned has the right to be accompanied by a person of his/her choice.

At the meeting, the governor concerned shall have the opportunity to state his/her case in full. Both the governor concerned and the Committee shall have the right to examine witnesses. The governor concerned shall be entitled to be present at the meeting for all parts of the meeting other than any Committee discussion or voting that takes place after the hearing of the relevant facts.

The Committee shall decide whether or not to recommend to the Board that the governor concerned should be removed from office. In either case, the Clerk shall notify the governor concerned of the Committee's decision in writing as soon as practicable after the meeting and, in any event, within fourteen days. The Committee's decision shall appear as a confidential item at the next appropriate Board meeting.

A governor or co-opted committee member removed from office shall have the right to appeal against the Committee's recommendation before it is approved by the Board. The person should inform the Clerk of their intention to appeal within five working days of being sent the Committee's recommendation. The appeal will be heard by three governors who were not involved in making the original recommendation.

A confidential meeting at which an appeal against a recommendation of removal from office is to be considered shall be convened by the Clerk giving at least seven days' notice in writing to all parties entitled to attend the meeting. The person concerned has the right to be accompanied by a person of his/her choice. The person concerned shall be entitled to be present for all parts of the meeting dealing with the appeal, other than any discussion or voting that takes place after the hearing of the appeal. The Clerk shall notify the person concerned in writing as to whether the appeal has been upheld or rejected as soon as practicable after the meeting and, in any event, within fourteen days.

The decision of the Board regarding the recommendation it receives from either the Committee or the appeal panel will be final.

CATEGORY: GOVERNANCE PROCESS

GP 9

PLANNING AND CONDUCT OF BOARD MEETINGS

9 PLANNING AND CONDUCT OF BOARD MEETINGS

To fulfil its purpose with a governance style consistent with its policies, the Board will use a rolling planning calendar which covers all elements of its role – including regular review of Strategic Aims and other Board policies - and seeks to have the Board continually improving its performance through education, evaluation and enriched input and deliberation.

The Board will seek to ensure that its meetings are as efficient and open as possible while respecting appropriate confidentiality.

9.1 Board Business Planning Cycle

The Board's annual planning cycle will start at the last Board meeting of the academic year with the Board deciding upon its calendar of meetings and agendas for the following year to cover all elements of its role (see **GP 3**).

9.2 Governors' Development

A programme for governors' development related to the College's Strategic Aims (see **SA 1**) will be drawn up annually.

9.3 Meeting Frequency

The Board shall normally meet at least twice a term, and shall hold such other meetings as may be necessary.

9.4 Special Meetings

A special meeting of the Board may be called at any time by the Chair or at the request in writing of any five governors. Where the Chair or, in his/her absence, the Vice-Chair so directs on the ground that there are matters demanding urgent consideration, it shall be sufficient if the written notice convening the meeting and the proposed agenda are given within such period, being less than seven calendar days, as he/she specifies.

The reason for such special meetings shall be clearly specified in the notice sent to governors.

9.5 Agenda Items

Any governor may ask for an item to be included on the agenda provided that he/she advises the Clerk at least 10 days prior to the meeting. Governors should provide any supporting papers for despatch with the agenda unless the Chair agrees that there are good reasons for papers to be sent out later.

9.5.1 Items of ‘Other Business’

Normally only urgent items will be allowed as ‘Other Business’. It shall be for the Chair to determine whether an item may be included under this heading or deferred to the next full meeting.

9.6 Circulation of Agendas and Papers

The agenda and papers shall normally be circulated by the Clerk at least seven calendar days before the date of the meeting.

9.6.1 Circulation of Items Concerning the Clerk’s Employment

If it is proposed to consider at any meeting the remuneration, conditions of service, conduct, suspension, dismissal or retirement of the Clerk, the Principal in consultation with the Chair (and not the Clerk) shall, at least seven calendar days before the date of the meeting, make arrangements to send to the governors a copy of the agenda item concerned, together with any relevant papers.

9.7 Board Approvals

The agenda will be ordered to enable the Board to deal with its business as expeditiously as possible. Items for approval will be accompanied by appropriate monitoring assurances to evidence compliance with Board policies. As well as those reports and assurances required by law or contract, the Board will determine which other documents are so important that they will also require direct approval by the Board. [see **ER 9 section 28.9**]

9.8 Senior Post Holder Appointment, Evaluation and Remuneration

Where there is a vacancy or expected vacancy in a senior post the Board shall determine the arrangement for the advertisement, selection and appointment of a successor. Recruitment of the Principal should normally involve a panel of five Board members including the Chair or Vice Chair plus an independent, person as outlined in DfE/ESFA requirements and be subject to full Board approval.

Where there is a vacancy in a senior post or where the holder of a senior post is temporarily absent, until that post is filled or the absent post holder returns, a member of staff: may be required to act as Principal (see BP4 – 17) or in the place of any other senior post holder and if so required, shall have all the duties and responsibilities of the Principal or such other senior post holder during the period of the vacancy or temporary absence.

Senior Post Holder pay will be decided following a review of performance against agreed targets and may require advice from a Remuneration Committee. Any changes to terms and conditions (including pay) will be communicated to the Human Resources Director by the Clerk to ensure all governance processes have been followed.

The College has adopted the AoC Senior Post Holder Remuneration Code.

9.9 Annual Board Self Assessment

The Board will carry out an annual Board self assessment, based on a review of Board activity in comparison to policies in the Governance Process and Board-Principal Delegation categories (see GP 7 section 8.7).

9.10 Quorum

Meetings of the Board shall be quorate if the number of governors present is at least 40% of the members eligible to vote on an item as determined in accordance with the Instrument of Government, rounded up to the nearest whole number. If the number of governors assembled for a meeting of the Board does not constitute a quorum, the formal meeting shall not be held. If, in the course of a meeting of the Board, the number of governors present ceases to constitute a quorum, the formal meeting shall be terminated. If a formal meeting cannot be held for lack of a quorum, the Chair may call a special meeting as soon as convenient. In exceptional circumstances (e.g. global pandemic), the Board may approve a temporary change to quoracy.

9.11 Attendance

The Clerk will maintain a register of attendance for all meetings.

Where a governor is unable to attend a meeting they should notify the Clerk or Lead Officer as early as possible and such apologies will be recorded in the minutes.

9.12 Voting at Meetings

Every question to be decided at a meeting of the Board shall be determined by a majority of the votes of the governors present and voting on the question. Where there is an equal division of votes the Chair of the meeting shall have a second or casting vote.

9.12.1 Necessity for Formal Vote

Not all decisions need to be taken by formal vote. The Chair will normally ask governors, at the conclusion of a discussion, for their agreement to the proposal in question. There would only be call for a vote if there were clear differences of opinion.

Where a formal vote is taken the Clerk shall take a record of the number of votes cast for and against, together with any abstentions.

9.12.2 Secret Ballot

Where appropriate the Board may agree to such a vote being conducted by secret ballot. The Clerk will be responsible for the conduct of the ballot including the counting of votes cast and the announcement of the outcome.

9.12.3 Proxies and Written Resolutions

A governor may not vote by proxy. A resolution in writing agreed by a simple majority of the governors who would have been entitled to vote upon it had it been proposed at a meeting shall be effective so long as:

- (a) every eligible governor receives a copy of proposed resolution;
- (b) the Chair is satisfied use of the written resolution procedure is justified;
- (c) it is contained within an authenticated document received by the Clerk within 14 days of the circulation date; and
- (d) A simple majority of governors has signified its agreement to the resolution

If a simple majority of votes is not received in the specified period then the written resolution will lapse.

9.12.4 Age Limitation

A student governor under the age of 18 shall not vote (and cannot count in the quorum) on any question concerning any proposal:

- (a) for the expenditure of money by the Board; or
- (b) under which the Board, or any governors, would enter into any contract, or would incur any debt or liability.

9.13 Openness

The Board wishes to be as open as possible in keeping with being a body that operates in the public interest.

9.13.1 Public Access to Meetings

The Board wishes to be as open as possible in keeping with being a body that operates in the public interest, and has both staff and student governors on the Board, but it also needs to bear in mind that much of its business can be commercially sensitive. In some circumstances, the Board may agree by special resolution to admit members of the public, students or staff to address the Board, to be decided at the commencement of its meetings. Anyone wishing to do so should contact the Clerk, ideally one week before the date of the Board meeting.

9.13.2 Pre-approved Staff attendance at Meetings

Designated Senior Post Holders, and such other College staff as the Principal may require to present reports and to provide information, may attend Board and committee meetings without further approval.

9.13.3 Public Access to Agenda and Papers

A copy of the Board agenda and papers and the minutes of Committee meetings other than those deemed confidential, will be held at the Learning Exchange to be available for inspection on request. Confidential papers will be held separately by the Clerk.

Non-confidential minutes of Board and committee meetings will be published on the College website.

9.14 Confidentiality

There will be occasions when Board papers or minutes will not be made available for public inspection in whole or in part; for example, when the Board considers sensitive issues or named individuals or for other good reason outlined below.

9.14.1 Confidential Items

The Board shall determine at the end of each meeting those matters that it deems confidential and the reasons for that decision. Such items will normally fit under one or more of the following categories:

- (a) Personal information relating to an individual;
- (b) Information provided in confidence by a third party who has not yet authorised its disclosure;
- (c) Financial or other information relating to procurement decisions, including that relating to the College negotiating position;
- (d) Information relating to the negotiating position of the College in industrial relations matters;
- (e) Information relating to the financial position of the College where the Board is satisfied that disclosure might harm the College or its competitive position;
- (f) Legal advice received from, or instructions given to, the College's legal advisors;
- (g) Information planned for publication in advance of that publication.

When determining confidentiality governors will also consider the College's publication scheme issued under the Freedom of Information Act 2000.

9.14.2 Review of Confidential Items

Some confidential items are likely to be of a sensitive nature for a certain period of time only (for example, information relating to a proposed commercial transaction or a collaboration with another institution).

Requests to release such items after 12 months will be reviewed by the Chair and Clerk and any requests granted will be reported to the Board.

9.15 Avoiding Conflicts of Interest

When the Board is to decide upon an issue about which a governor has an unavoidable financial or direct conflict of interest, that governor shall absent herself or himself without comment from not only the vote, but also from the deliberation, and shall not be counted in the quorum present at the meeting in relation to a resolution on which he/she is not entitled to vote. In the case of the Principal, this shall include absenting her/himself as a governor from discussions regarding his or her performance assessment and remuneration (see 9.16 below).

Where the interest is non-financial or indirect it shall be a matter for the remaining governors to determine whether the governor concerned can take part in the debate or remain in the meeting. If it is judged that the interest is sufficient to require the governor concerned to withdraw from the debate (and, if required, the meeting), that governor will not count towards the quorum in relation to that item.

This clause shall not prevent the governors considering and voting upon proposals for the Board to insure the governors against liabilities incurred by them arising out of their office or the Board obtaining such insurance and paying the premiums.

The Board will have to ask the Charity Commission to authorise a decision in advance if:

- it is going to involve any benefit to a trustee (governor) that hasn't already been authorised;
- the conflict of interest is serious but there's no alternative way forward that will remove it;
- most or all of the trustees (governors) share the conflict of interest

9.16 Withdrawal of Principal, Clerk, Staff and Student Governors

Staff governors and, where applicable, the Clerk and the Principal, together with any other staff present, must withdraw from any part of a meeting which is discussing their own remuneration, conditions of service, promotion, conduct, suspension, dismissal or retirement, re-appointment or appointment of their successor.

Staff governors must withdraw from that part of any meeting considering the pay or conditions of service of all members of staff, or all members of staff in a particular group, if acting as a representative of all staff, or the class of staff being considered (whether or not on behalf of a recognised trade union).

At the discretion of the other governors present, staff governors may be asked to withdraw when discussing staff matters relating to individual members of staff senior to themselves.

A student governor may take no part in consideration of staff matters and may be asked to withdraw from the meeting for the duration of such items.

9.17 Reconsideration of Past Decisions

No resolution of the governors may be rescinded or varied at a subsequent meeting unless its reconsideration appears as a specific item of business on the agenda for that meeting.

9.18 Minutes

At every ordinary meeting of the Board the minutes of the last meeting shall be taken as an agenda item and, if agreed to be accurate, approved as a true record by the Board.

Separate minutes shall be taken of those parts of meetings from which the Clerk or staff or student governors have withdrawn. The Clerk, staff or student governors shall not ordinarily be entitled to see the minute(s) or any papers relating to that part of the meeting from which they were required to withdraw.

10 BOARD COMMITTEE PRINCIPLES

Committees of the Board, when used, will be assigned so as to reinforce the Board's work and never to interfere with delegation from the Board to the Principal.

Accordingly:

10.1 Role of Board Committees

Committees are to help the Board do its job, not to help or advise the staff. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation.

10.2 Board Committee Authority

Committees may not speak or act for the Board nor exercise authority over the Principal or other staff except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the Principal.

10.3 Applicability of this Policy

This policy applies to any group which is formed by Board action, whether or not it is called a committee and regardless whether the group includes governors. It does not apply to committees formed elsewhere in the College.

CATEGORY: GOVERNANCE PROCESS

GP 11

BOARD COMMITTEES & TASK AND FINISH GROUPS

11 BOARD COMMITTEE STRUCTURE AND CONDUCT

A Board committee's existence and terms of reference will come from either the Articles of Government or the Board itself.

The only Board committees are those set out in this policy. Unless otherwise stated, a Board committee ceases to exist as soon as its task is complete.

11.1 Committees

The Group Audit Committee is a permanent committee required under the Articles of Government. Other committees may be established as the Board decides appropriate.

11.2 Committee Meeting Frequency

Each committee will normally meet at least once per term but the Chair of the committee may call additional meetings as required.

11.3 Committee Agendas and Papers

Each Committee's agendas will be developed in accordance with the terms of reference it has been given by the Board and follow an annual calendar of business for the fulfilment of those terms. The Clerk will normally distribute committee agenda and supporting papers 7 calendar days prior to the meeting.

11.4 Committee Chair and Vice-Chair

Each committee shall elect a Chair who will normally serve for a period of two years.

The Chair retiring at the end of his or her term of office shall be eligible for re-appointment although the Chair would not usually serve for more than four years in either position. Any re-appointment should be considered in the context of developments to the Code of Good Governance for English Colleges.

If, for any reason, the Chair is unable to attend any meeting then the remaining members will agree a Chair from amongst their number for the duration of the meeting. Committees may also appoint a Vice Chair.

11.5 Role of Committee Chair and Vice-Chair

11.5.1 Committee Chairs' Responsibility for Committee Conduct

Committee Chairs ensure that the Committee operates only within its Terms of Reference and that any discussion content will be on those issues which, according to Board policy, clearly belong to the Committee to investigate or monitor and subsequently report to the Board. Committee Chairs are responsible for ensuring that deliberation is fair, open, and thorough, but also timely, orderly, and kept to the point

11.5.2 Committee Chairs' Authority

Committee Chairs have no authority to make decisions about policies created by the

Board within Strategic Aims and Executive Restrictions policy areas. Therefore, Committee Chairs have no authority to supervise or direct the Principal unless delegated by the Board

11.5.3 Committee Vice-Chairs' Authority

A Committee Vice-Chair shall assume the role of the Committee Chair in the absence of the Committee Chair and is assigned responsibility for dealing with any complaint concerning the Chair.

11.6 Committee Quora

If the number of members assembled for a meeting of any committee does not constitute a quorum, the formal meeting shall not be held. If, in the course of a meeting, the number of members present ceases to constitute a quorum, the formal meeting shall terminate. If a formal meeting cannot be held for lack of a quorum, the Chair of the Committee may call a special meeting as soon as convenient.

11.7 Committee Minutes

Updates from Committees will be included on the Board agenda and the minutes made available to all governors, with the usual exceptions for conflicts of interests.

11.8 Committee Terms of Reference

11.8.1 Group Audit Committee

The Committee must advise the Board on the adequacy and effectiveness of the Board's assurance framework. The audit committee must play a robust role in good stewardship and risk management and may refer to the ESFA's guidance on the scope of work of audit committees and internal auditors in college corporations. In addition, the Committee advises and supports the Board in explaining, in its annual accounts, the measures taken to ensure it has fulfilled its statutory and regulatory responsibilities. The College Accounts Direction sets out the ESFA's specific requirements including the required format of the Board's statement of corporate governance and internal control.

Membership

At least three members, a majority of whom must be governors, but must not include the Chair or Principal and should not include members of staff who are governors. The Group Audit Committee must ensure that it maintains its independence and objectivity when considering the appointment of members.

The Group Audit Committee must include individuals with an appropriate mix of skills and experience to allow the Committee to discharge its duties effectively. Collectively, members of the Committee should have recent, relevant experience in risk management, finance, and assurance. The abilities of the membership of the Group Audit Committee should reflect the needs of the corporation and should extend to expertise in all relevant financial and non-financial areas. The Committee will be most effective when staffed by individuals who are prepared to support, challenge, and warn the board of governors.

The Group Audit Committee must not adopt an executive role.

The internal auditor shall be entitled to attend and speak at all meetings of the Committee (but not to vote), as shall the financial statements auditor, the funding auditor and any external advisors where business relevant to them is being discussed.

Senior management should also be invited to attend meetings of the Committee, particularly where their area of responsibility is under discussion, and shall be entitled to attend and speak at such meetings but not to vote.

The Committee may invite the Board's advisors or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).

The Principal and other designated Senior Post holders may not be members of the Committee but other members of staff may sit on the Committee provided they do not have significant executive, management, financial or budgetary responsibilities.

The Chair and Vice-Chair of the Committee will be selected by the Committee.

Declarations of Interest

Procedures relating to disclosure of interest apply at Committee meetings as they do at Board meetings.

Meeting Cycle

The Committee will meet at least once each term. If the Committee fails to meet three times in a year it will explain why in its annual report.

The internal auditor, funding auditor or financial statements auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavour to comply with such requests.

The Group Audit Committee must notify ESFA immediately of the resignation of auditors, or in the rare circumstance where the corporation removes the auditors, before the expiry of their term of office. Where auditors have resigned, other than at the end of their agreed term, the Group Audit Committee must copy to ESFA an explanation from the auditors. Where the corporation elects to remove the auditors, the Committee must notify ESFA of these reasons. A change in auditor at the expiry of their agreed term of office does not require notification to the ESFA by the corporation.

The Committee must ensure that there is regular retendering of the external audit service. The Committee should consider the quality of the audit service required as well as the price. Corporations should ensure that the external audit contract is put out to tender at least every 5 years, though for the avoidance of doubt this does not necessarily require a different firm of auditors to be appointed.

Lead Officer

Clerk to the Board

Delegated Powers

To co-opt up to 2 persons with relevant expertise onto the Committee.

The Committee shall be entitled to scrutinise any activity within its terms of reference, which may involve engaging a third party to assist. The Committee must have the access all the information and explanations it considers necessary, from whatever source, to fulfil its remit.

The Committee shall be entitled, whenever it is satisfied that it is appropriate, to go into confidential session and to exclude any, or all, participants and observers, except the Clerk to the Committee.

The Chair of the Audit Committee has the authority to engage the services of appropriate professional services to carry out an investigation into any alleged fraud or financial irregularity. This authority is for up to £5000 for any alleged incident. Higher amounts must be approved by the full Board.

Quorum

3 members of the committee, of whom at least 2 must be governors

Terms of Reference

- 1) To assess and provide the Board with an opinion on the adequacy and effectiveness of the corporation's assurance arrangements, framework of governance, which may include a Board assurance framework, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets. The Committee should take a holistic view with all aspects and systems, financial and non-financial, being in scope depending on their impact and effect on the corporation.
- 2) To consider the development of members and ensure appropriate training to ensure their skills and knowledge are up to date. Where the Committee identifies a gap in its existing skillset, training and development should be provided to address this in the first instance.
- 3) To advise the Board on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant, internal audit and other assurance providers (as applicable) and establish that all such assurance providers adhere to relevant professional standards.
- 4) To inform the Board of any additional services provided by the external auditor, reporting accountant, internal audit (as applicable) and other assurance providers (as applicable) and explain how independence and objectivity are safeguarded.
- 5) To review and consider the reports of the external auditor, reporting accountant, internal audit (as applicable) and other assurance providers (as applicable), and monitor the implementation of recommendations to agreed timescales.
- 6) oversee the corporation's policies on and processes around fraud, irregularity, impropriety and whistleblowing*, and ensure:
 - the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity
 - that investigation outcomes are reported to the audit committee
 - that the external auditor (and internal auditor if applicable) are informed of investigation outcomes and other matters of fraud, irregularity and impropriety, and that appropriate follow-up action has been planned/actioned
 - that all significant** cases of fraud or suspected fraud, theft, bribery, corruption, irregularity, major weakness or breakdown in the accounting or other control framework are reported to the ESFA, and other relevant funding authority, as soon as possible
 - risks around fraud have been identified and controls put in place to mitigate them.

- produce an annual report for the Board, summarising the Committee's activities relating to the financial year under review, including:
 - o a summary of the work undertaken by the Committee during the year
 - o the number of the meetings held in the year, and attendance records for each Group Audit Committee member
 - o any significant issues arising up to the date of preparation of the report
 - o any significant matters of internal control included in the reports of audit and assurance providers
 - o details of the date of appointment of the external auditors and the remaining term of the contract
 - o the Committee's view of its own effectiveness and how it has fulfilled its terms of reference
 - o the Committee's opinion on the adequacy and effectiveness of the Board's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets

The annual report to the Board must be submitted to the corporation before the statement of corporate governance and internal control in the annual accounts is signed.

* Corporations should refer to the whistleblowing requirements set out in their funding agreements.

**Significant fraud is usually where one or more of the following factors are involved:

- there is likely to be great public interest because of the nature of the fraud
- or the people involved
- the sums of money are in excess of £10,000
- the particulars of the fraud are novel or complex.
- the fraud is systematic or unusual in nature

11.8.2 Group Finance Committee

1) The Group Finance Committee is a committee of the Corporation established under the terms of clause 4 of the Articles of Government.

2) The Group is defined as The City of Liverpool College and any subsidiary or joint ventures.

Purpose of the Committee

3) The role of the Group Finance Committee is to advise the Corporation on:

- i. the financial health and solvency of the Group, including scrutiny of the management accounts, cash position and performance against the budget agreed by the Corporation Board;
- ii. performance against the financial recovery plan;
- iii. the financial strategy of the Group;

4) The Committee is required to fulfil its responsibilities set out in these terms within the terms of the appropriate Financial Regulations, capital planning and estates policies and procedures, and in compliance with the requirements of the Financial Memorandum between the Corporation and the Skills Funding Agency (or any successor funding body).

Membership and Operation

- 5) The Committee shall consist of a minimum of three members appointed by the Corporation. Membership of the Committee may also include up to two persons who are not members of the Corporation but who have been co-opted by the Corporation to add to the skills and expertise available to the Committee and provide an independent view, i.e. as a Co-opted Member.
- 6) The Chair of the Corporation's Audit Committee is not eligible for membership of this Committee.
- 7) The quorum shall be three members. The quorum is the minimum number of members of the Committee necessary to conduct the business of the Committee.
- 8) The Committee shall be served by the Clerk to the Corporation.
- 9) The Committee Chair and Vice Chair, if not appointed by the Corporation, may be elected by the members of the Committee and shall be governors of the College.
- 10) In the event of the Chair or Vice Chair of the Committee being unable to attend, the remaining members shall elect one of their members as chair for the meeting.
- 11) The Chair shall have the power to invite other individuals to attend any meeting if deemed appropriate to the business. Lead members of the Strategic Leadership Team whose area of responsibility includes matters relative to the Detailed Responsibilities of the Committee listed below may be expected to attend meetings of the Committee.
- 12) The lead officer for the Committee shall be the Group Deputy Chief Executive (Finance & Commercial), and the standing attendance of the Principal & Group Chief Executive shall be required.
- 13) The Committee is entitled, wherever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules of quoracy) to exclude any, or all, participants and observers, except the Clerk to the Corporation.
- 14) The Committee will undertake an annual review of its performance and of these terms of reference, and recommend any changes needed to the Corporation for approval.

Detailed Responsibilities

- 15) Subject to the detailed requirements of the College's Financial Regulations, the Committee shall consider and advise the Corporation on the following specific matters:

Finance

- (a) the annual estimates of income and expenditure, other budgets and the financial forecasts for the College and the Group on a consolidated and unconsolidated basis.
- (b) the management accounts of the College, and of any subsidiary trading company or joint ventures, and to also advise the Corporation on the year-end accounts of the same.

- (c) strategic matters with a financial implication concerning the College and any subsidiary trading company or joint ventures.
- (d) the financial elements of the risk management policies in the College and any subsidiary trading company or joint ventures, including insurances.
- (e) any relevant taxation issues.
- (f) investments and borrowings, including treasury management policies.
- (g) the content of the Financial Regulations and to undertake an annual review of the same.

Capital Planning

- (h) oversight of the proposed and planned capital expenditure for the Group, considering the financial and strategic implications of recommendations of College managers concerning premises and facilities refurbishment and development of the Group.

16) The Committee is also tasked with the following matters of detail:

- (a) advising College management on the format and presentation of regular reports for the Corporation that reviews the financial position of the Group.
- (b) making recommendations to Corporation on the policy by which the tuition and other fees payable to the College are determined (subject to any terms and conditions attached) to grants, loans or other payments paid or made by the Skills Funding Agency or any successor body.
- (c) making recommendations to the Corporation on financial policies in relation to capitalisation, depreciation, treasury management, College investment and borrowings.

Delegated Functions

- 17) The Committee:
- (a) has the authority of the Corporation to investigate any activity within its Terms of Reference; and
 - (b) may be requested to investigate anything by the Corporation within the Committee's Terms of Reference.

The Committee may obtain independent professional advice in accordance with the Corporation's procedures.

11.8.3 Remuneration Committee

Membership

Three external governors and should not ordinarily include the Chair or the group Audit Committee to maintain independence and balance of power.

Purpose of the Committee

To advise the Board on Senior Post Holder pay and performance. To review performance against agreed targets.

Meeting Cycle

As required but at least annually.

11.9 Special Committee to consider Dismissal of a Senior Post Holder

The membership of a Special Committee convened to consider potential disciplinary action or possible dismissal of a senior post holder will be determined by the Chair of the Board, or in his or her absence Vice-Chair, or a majority of the governors.

The Special Committee shall consist of at least 3 governors. However, the Chair of the Board, Vice-Chair, Principal and staff and student governors shall not be eligible for membership of the Special Committee. The Special Committee will make recommendations to the Board.

11.10 Task and Finish/Working Groups

Task and Finish/Working Groups will be established under the direction of the Board with the group reporting to the Board regularly. The Groups will have defined objective and/or timescales as set out in each Group's inaugural meeting. The Groups will appoint a Chair from among the number. The Chair will usually remain in position for the duration of the group. Membership of each Group will be determined by the Chair on the basis of what that Group's current focus is. Quorum will be three governors/co-opted members. Agendas will be agreed with the Chair and circulated to the Group before the meeting. Minutes will be taken at each meeting of a Group and agreed at the following meeting, along with a report on actions arising from the previous meeting. At all times the Group remains under the direction of the Board and shall be assigned so as to reinforce the Board's work and never to interfere with delegation from the Board to the Principal.

12 GOVERNANCE RESOURCES

The Board will use reasonable resources to maintain and develop its capacity to govern with excellence.

12.1 Board Skills and Knowledge

The Board will prioritise the induction of new and prospective governors in accordance with GP 7 section 8.5, as well as the maintenance and development of existing governors' skills and knowledge.

12.2 Governor-College Links

Governors will be offered the opportunity to link with a curriculum or business support area to enhance their knowledge of the College. Further details of the system are outlined in Appendix 5. Governors will also be advised of Principal's Briefings and other events across the college such as student celebrations, end of year events and exhibitions.

12.3 Board Support

The Board will ensure it has adequate support services.

12.4 External Relations

Mechanisms will be developed as required to enable the Board to listen to external viewpoints and values.

12.5 External Monitoring Assistance

The Board may wish to commission external monitoring reports not covered by existing audit. The Chair will gain assurance of affordability from the Principal.

12.6 Marketing

The Board may wish to make use of marketing to recruit new governors or aid communication with its owners.

12.7 Expenses

It is recognised that governors voluntarily give up their time, without pay, to undertake their duties on behalf of the College. However, governors are entitled to claim expenses for travel and subsistence and other costs incurred by them on their official College duties (for example child care and parking costs) in line with the College's procedures for reimbursement.

12.7.1 Governor Expenses Policy

The policy is available on the governance portal.

13 COMPLAINTS AGAINST THE BOARD

A complaint against the Board or an individual governor should be addressed to the Clerk to the Board who will deal with the matter as appropriate. The response to such a complaint will include details of the arrangements for pursuing the matter with an appropriate independent body.

A complaint against the Clerk should be forwarded to the Chair of the Board.

13.1 Procedure

A complaint against the Board, a governor or the Clerk may be made by an individual, a business or an organisation.

- (a) Complaints against the Board or a governor should preferably be made in writing and addressed to:

The Clerk to the Board of Governors, The City of Liverpool College, The Learning Exchange, Roscoe Street Liverpool, L1 9DW.

- (b) The complainant will be expected to state clearly the nature of the complaint and, if appropriate, provide copies of any related documentation.
- (c) The Clerk will
 - i. promptly acknowledge receipt of the complaint
 - ii. depending on the circumstances, either investigate the complaint personally, or arrange for an appropriate person or organisation to investigate the complaint
 - iii. endeavour to provide a response to the complainant within 15 working days and if this is not possible provide the complainant with an interim statement.
- (d) The written response of the Clerk will include details of any arrangements for pursuing the matter with an independent body (eg the Education Skills Funding Agency (ESFA)).
- (e) The Clerk will keep the Chair (or, in the case of a complaint against the Chair, the Vice-Chair) informed of the situation, and will provide the Board with a written statement of the nature of the complaint and the response at the next meeting. Such a report will be circulated to governors within 15 working days of the response of the Clerk to the complainant so that governors are aware of the situation.
- (f) When carrying out an investigation of a complaint against the Board or an individual governor the Clerk shall have the authority to refer issues to the College's auditors or other appropriate advisors.
- (g) A complaint against the Clerk should be forwarded to the Chair of the Board for investigation and response. Letters for the attention of the Chair of the Board to be addressed to:

The Chair of the Board of Governors,
c/o The Principal
The City of Liverpool College
The Learning Exchange
Roscoe Street,
Liverpool L1 9DW

- (h) The approach to be adopted by the Chair of the Board in investigating and responding to a complaint against the Clerk will be similar to that outlined above with regard to complaints against the Board and individual governors.
- (i) In the case of a complaint against the Chair, the Clerk will inform the Vice-Chair who will be responsible for dealing with the complaint along similar lines to that outlined above with regard to individual governors.
- (j) In the case of a complaint against the Board and the Clerk, the matter shall be referred to the College's Internal Auditors for consideration.

13.2 Complaints to Higher Authorities

The Board notes that students, employees and third parties have the right to make a complaint to a higher authority in respect of the College or any of its decisions. Under the ESFA's Procedure for dealing with complaints about Providers of Education and Training (April 2010) the ESFA:

- must investigate "all allegations of irregularity (unlawful or unethical conduct, financial malpractice, equality and diversity issues and health and safety risks to staff, learners or the public);
- can investigate quality or management of learning provision, undue delay or non-compliance with published procedures, poor administration by the Provider, equality and diversity issues (except where there is a more appropriate mechanism for dealing with the matter through the court or tribunals or other organisations), health and safety concerns and complaints made by learners following HE courses in FE colleges.

CATEGORY: BOARD - PRINCIPAL DELEGATION

BP 1

CONNECTION BETWEEN THE BOARD AND THE PRINCIPAL

14 CONNECTION BETWEEN THE BOARD AND THE PRINCIPAL

The Board's sole official connection to the operation of the organisation will be through the Principal.

14.1 Board Decisions

Only Board decisions are binding on the Principal.

Accordingly:

14.1.1 Non binding instructions

Decisions or instructions from individual governors or Committees or Task and Finish Groups are not binding on the Principal except in rare instances when the Board has specifically authorised such exercise of authority (for example in the Audit Committee's terms of reference).

14.1.2 Refusal of Requests

In the case of governors or Committees requesting information or assistance without Board authorisation, the Principal can refuse such requests that require, in the Principal's opinion, an excessive amount of staff time or funds or are disruptive.

14.2 Management of Senior Post Holders

The line management of senior post holders below Principal level is delegated to the Principal, but the Board remains responsible for the appointment, grading, suspension, dismissal, pay and conditions of service for all senior post holders as well as their performance targets and evaluation.

15 THE PRINCIPAL'S ACCOUNTABILITY

Because the Principal is the Board's link to operational achievement and conduct, the authority and accountability of staff is the responsibility of the Principal.

Accordingly:

15.1 Instructions to Employees other than the Principal

The Board will not give instructions to staff who report directly or indirectly to the Principal other than where prescribed in Board Committee terms of reference or as a direct consequence of Board policies. [Note: The Clerk reports directly to the Board.]

15.2 Evaluation of Other Employees

The Board will not evaluate, either formally or informally, any staff other than the Principal and other Senior Post Holders and the Clerk.

15.3 Evaluation of Principal's Performance

The Board will evaluate the Principal's performance based on organisational achievement of the Board's Strategic Aims within its Executive Restrictions.

15.4 Principal's Responsibilities under the Articles of Government

The Principal's responsibilities under the College's Articles of Government are shown below and will be fulfilled in accordance with the Board's policies.

"Article 3.(2):

- a) making proposals to the Corporation about the educational character and mission of the institution and implementing the decisions of the Corporation;
- b) the determination of the College's academic and other activities;
- c) preparing annual estimates of income and expenditure for consideration and approval by the Corporation, and the management of budget and resources within the estimates approved by the Corporation;
- d) the organisation, direction and management of the institution and leadership of the staff;
- e) the appointment, assignment, grading, appraisal, suspension, dismissal and determination, within the framework set by the Corporation, of the pay and conditions of service of staff, other than the holders of senior posts or the Clerk, where the Clerk is also a member of the staff; and
- f) maintaining student discipline and, within the rules and procedures provided for within these Articles, suspending or expelling students on disciplinary grounds or expelling students for academic reasons."

All the Board's policies are regularly monitored according to a published schedule but may also be monitored by the Board at any time. The Principal is also obliged to inform the Board of any actual or anticipated non-compliance with any Board policy.

16 DELEGATION TO THE PRINCIPAL

The Board will direct the Principal through written policies which prescribe the organisational Strategic Aims to be achieved, and describe situations and actions to be avoided, allowing the Principal to use any reasonable interpretation of its policies.

Accordingly:

16.1 Strategic Aims Policies

The Board will develop policies instructing the Principal to achieve specific results for specific beneficiaries at an appropriate cost.

These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Strategic Aims (See SA0).

16.2 Limits set in Executive Restrictions Policies

The Board will develop policies ('executive restrictions') which define the limits of the powers the Principal may exercise. (See ER 1 to 9).

16.3 Authority to Use Any Reasonable Interpretation

As long as the Principal uses *any reasonable interpretation* of the Board's Strategic Aims and Executive Restrictions he or she is authorised to establish all further policies and take any other decisions or actions as appropriate.

Such decisions of the Principal shall have full force and authority as if decided by the Board.

16.4 Impact of Board Policy Changes

The Board may change its Strategic Aims and Executive Restrictions, thereby shifting the boundary between Board and Principal powers. However, as long as any particular delegation is in place, the Board will respect and support the Principal's choices.

17 COVER FOR PRINCIPAL

The Principal has a designated deputies. For short-term, planned absences, the Principal shall have authority to delegate responsibilities accordingly. For other short-term absences the Chair will assign responsibilities. Where the Principal's absence is expected to be longer than one month*, the Board will approve suitable arrangements dependent on the circumstances at the time.

The Clerk will inform the ESFA in accordance with the Financial Memorandum (appendix 2) or equivalent.

** The time periods stated are advisory and intended to be applied flexibly depending on the circumstances.*

18 MONITORING THE PRINCIPAL'S PERFORMANCE

Systematic and rigorous monitoring of the Principal's performance will be solely against the organisational achievement of the Board's Strategic Aims and operation within the boundaries established in the Board's Executive Restrictions.

Accordingly:

18.1 Purpose of Monitoring

The purpose of monitoring is to determine the degree to which Board policies are being met.

18.2 Monitoring Data

The Board will receive monitoring information by one or more of three methods:

- (a) internal report, in which the Principal provides interpretations and compliance information to the Board;
- (b) external report, in which an external, disinterested third party assesses compliance with Board policies; and
- (c) direct Board inspection, in which a designated governor or governors assess compliance with the appropriate policy criteria.

18.3 Standard for Compliance

The standard for compliance shall be *any reasonable interpretation* of the Board policy being monitored. The Board is the final arbiter of reasonableness, but will always judge with a "reasonable person" test rather than with interpretations favoured by individual governors or by the Board as a whole.

18.4 Scheduling Reports

All policies which instruct the Principal (Strategic Aims and Executive Restrictions) will be monitored at a frequency and by a method chosen by the Board. At a minimum, these will be monitored annually; however, the Board can monitor any policy at any time by any method. Compliance information that has already been provided will be referenced in the annual monitoring report.

CATEGORY: EXECUTIVE RESTRICTIONS

ER 1

OVERARCHING EXECUTIVE RESTRICTION

19 OVERARCHING EXECUTIVE RESTRICTION

The Principal cannot:

- Infringe UK or EU legislation
- Act outside the Instrument and Articles of Government for Further Education Corporations, the Financial Memorandum between the Education and Skills Funding Agency and the College and the Post 16 Audit Code of Practice
- Act in a way which conflicts with College policies or ethos or otherwise damages the reputation of the College

CATEGORY: EXECUTIVE RESTRICTIONS

ER 2

TREATMENT OF STUDENTS AND MEMBERS OF THE PUBLIC

20 TREATMENT OF STUDENTS AND MEMBERS OF THE PUBLIC

With respect to students and members of the public accessing the College, the Principal shall not cause or allow conditions, procedures, or decisions which are unsafe, unhealthy, unsupportive, discourteous, or unnecessarily intrusive.

Furthermore, the Principal:

20.1 Estate Accessibility and Safety

Shall not operate an estate that fails to offer appropriate accessibility and safety.

20.2 Service User Information

Shall not allow service-users to be uninformed about what may be expected and what may not be expected from the service offered.

20.3 Student Views

Shall not operate without regularly considering, responding to and acting upon student views and suggestions for improvements.

20.4 Safety and Safeguarding

Shall not allow college users to be in an unsafe environment, and shall not allow children and vulnerable adults to be without appropriate protection.

20.5 Quality Improvement

Shall not operate without strategies for securing continuous improvement based on Self Assessment and action planning.

20.6 Risk Management

Shall not operate without strategies for risk management.

20.7 Student Discipline

Shall not operate without rules and procedures for maintaining student discipline including suspending or expelling students on disciplinary grounds or expelling students for academic reasons.

20.8 Student Union

Shall not allow the Student Union to operate without appropriate support and supervision.

20.9 Awareness of this Policy

Shall not fail to ensure that students and other regular users accessing the College are informed of their protection under this policy and how they can make their views known if they believe they have not been accorded a reasonable interpretation of this protection.

21 TREATMENT OF STAFF

With respect to the treatment of staff, the Principal may not cause or allow conditions which are discriminatory, unfair, undignified, disorganised, or unclear.

Furthermore, the Principal:

21.1 Human Resource Policies and Procedures

Shall not operate without written human resource policies and procedures which are clear to staff.

21.2 Staff Awareness

Shall ensure that staff are made aware of the existence of these policies.

22 EQUALITY AND DIVERSITY

The Principal shall not allow or condone any actions or procedures within the jurisdiction of the College which may have an adverse impact on any individuals or groups in respect of gender or marital status, race, disability and/or learning difficulties, sexual orientation, transgender/gender re-assignment, religion or belief, age or other protected characteristics.

Furthermore, the Principal:

22.1 Policies

Shall not operate without written staff and student policies that promote the importance of the above equality and diversity statement.

22.2 Resources

Shall not operate without an appropriate level of resources to support the diverse range of students' learning needs.

CATEGORY: EXECUTIVE RESTRICTIONS

ER 5

FINANCIAL CONDITION AND ACTIVITIES

23 FINANCIAL CONDITION AND ACTIVITIES

With respect to actual, ongoing financial condition and activities, the Principal shall not act outside the terms of the College's Financial Regulations or otherwise cause or allow the development of financial jeopardy or a material deviation of actual expenditure from Board priorities established in its Strategic Aims policies.

Furthermore, the Principal:

23.1 Expenditure

Shall not expend more funds than have been received in the financial year to date unless the debt guideline (below) is met.

23.2 Debt

Shall not allow the College to be indebted in an amount greater than can be repaid by certain, otherwise uncommitted revenues within sixty days.

23.3 Long-Term Reserves

Shall not use any long term reserves.

23.4 Financial Controls

Shall not receive, process or disburse funds under controls which are insufficient to meet the standards of the Board-appointed auditors, relevant funding bodies, the relevant Audit Code of Practice and public audit.

23.5 Record Retention

Shall not fail to retain all records necessary to verify the provision delivered by the College or its sub-contractors in accordance with the College retention policy and statutory time limits.

23.6 Informing ESFA in Case of Deterioration of Financial Position

Shall not fail to notify the funding agencies in writing if at any time there is a significant deterioration in its financial position.

23.7 Settlement of Payroll and Debts

Shall not fail to settle payroll and debts in a timely manner.

23.8 Government Payments and Returns

Shall not allow tax payments or other legal payments or returns to be overdue or inaccurate.

23.9 Purchase or Commitment Limit

Shall not make a single purchase or commitment of greater than the limits allowed in the Financial Regulations. Splitting orders to avoid this limit is not acceptable.

23.10 Guarantees and Indemnities

Shall not give any guarantees or indemnities other than in the normal course of business.

23.11 Debt Recovery

Shall not fail to pursue debts in accordance with terms of business.

23.12 Board Seal Authentication

Shall not fail to ensure the authentication of the seal of the Board by:

- (a) the signature of the Chair, Vice-Chair or Principal or of some other governor authorised either generally or specially by the Board to act for that purpose; and
- (b) the signature of any other governor.

24 FINANCIAL PLANNING AND BUDGETING

The Principal shall not cause or allow financial planning for any financial year, or the remaining part of any financial year, to deviate materially from the Board's Strategic Aims, risk financial jeopardy, or fail to be derived from a multi-year plan.

Furthermore, there will be no financial plans that:

24.1 Unacceptable Financial Condition and Activities

Risk incurring those situations or conditions described as unacceptable in the Board's policy "Financial Condition and Activities" (ER5).

24.2 Presentation of Financial Plans and Budgets

Omit credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

24.3 Board Budget

Fail to provide reasonable resources for the Board to conduct its business.

24.4 Tuition and Other Fees

Omit to set tuition and other fees payable to the College.

25 ASSET PROTECTION

The Principal shall not allow corporate assets to be unprotected, inadequately maintained, unnecessarily put at risk or inappropriately used, or fail to fulfil legal obligations in respect of insurance.

Furthermore, the Principal:

25.1 Plant and Equipment Maintenance

Shall not allow plant and equipment to be insufficiently maintained.

25.2 Exposure to Liability Claims

Shall not unnecessarily expose the organisation, its Board or staff to claims of liability.

25.3 Conflict of Interest Protection

Shall not make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over £5,000 without having obtained comparative prices and quality. Orders shall not be split to avoid these criteria.

25.4 Intellectual Property, Information and Files

Shall not fail to protect intellectual property, information and files from loss or significant damage.

25.5 Technology Systems Maintenance

Shall not fail to upgrade technology systems as required for adequately fulfilling their functions.

25.6 Fraud or Irregularity

Shall not fail to investigate and report to the funding agencies all significant cases of internal and external fraud or suspected fraud or irregularity.

25.7 Bribery

Shall not fail to have adequate procedures in place to prevent bribery.

25.8 Investments and Holdings

Shall not change the Treasury Management Policy and shall not invest or hold operating capital in insecure instruments, including uninsured bank accounts and bonds of less than the ratings outlined in the Financial Regulations/Treasury Management Policy, or in non interest-bearing accounts except where necessary to ensure ease of operational transactions.

25.9 Public Image and Credibility

Shall not endanger the College's public image or credibility or allow activities that contradict the College's ethos and values.

25.10 College Identity

Shall not change the College's name or substantially alter its identity in the community without Board approval.

25.11 Subsidiaries

Shall not create, purchase or dissolve any subsidiary company without Board approval.

25.12 Property

Shall not acquire, encumber or dispose of land or buildings without Board approval.

25.13 Accommodation Strategy

Shall not operate without an accommodation strategy that has regard to guidance issued by the funding agencies.

25.14 Capital Project Expenditure

Shall not exceed the approved capital estimate for each major element of a capital project and shall not make material changes to the approved budget for those elements with a value exceeding that stipulated in the Financial Regulations.).

26 PAY AND BENEFITS

With respect to employment, pay, and benefits to employees, consultants, contract workers and volunteers, the Principal shall not cause or allow jeopardy to financial integrity or to public image.

Furthermore, the Principal:

26.1 Own Pay and Benefits

Shall not change his or her own pay and benefits or those of other senior post holders.

26.2 Geographic and Professional Market

Shall not establish pay and benefits which deviate materially from the geographic or professional market for any posts.

26.3 Termination Payments

Shall not make termination payments to employees other than for the purposes of meeting contractual requirements.

26.4 Pay and Benefit Obligations

Shall not create pay and benefit obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.

27 COMMUNICATION AND SUPPORT TO THE BOARD

The Principal shall not permit the Board to be uninformed or unsupported in its work.

Furthermore, the Principal:

27.1 Monitoring Information

Shall not neglect to submit monitoring information required by the Board (see policy on Monitoring Principal Performance) in a timely, accurate and comprehensible fashion, directly addressing provisions of Board policies being monitored.

27.2 Policy Non Compliance

Shall not fail to report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

27.3 Decision Information

Shall not neglect to submit unbiased information required periodically by the Board in making its decisions, or let the Board be unaware of relevant trends.

27.4 Incidental Information

Shall not allow the Board to be unaware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material external and internal changes.

27.5 Board Non-Compliance with Board Policies

Shall not fail to advise the Board if, in the Principal's opinion, the Board is not in compliance with its own policies on Governance Process and Board - Principal Delegation, particularly in the case of Board behaviour which is detrimental to the working relationship between the Board and the Principal.

27.6 Board Non-Compliance with Financial Memorandum

Shall not fail to advise the Board if at any time he/she considers that any action or policy under consideration by the Board is incompatible with the terms of the Financial Memorandum. Where the Board determines to proceed despite the Principal's advice, the Principal should consider the Board's reasons and, if he/she still considers that the action proposed is in breach of the Financial Memorandum, the Principal should inform the ESFA's accounting officer in writing of the position.

27.7 Information Presentation

Shall not present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.

27.8 Communications Mechanism

Shall not fail to provide a workable mechanism for official Board, officer, Committee or Task and Finish Group communications.

27.9 Board Approvals

Shall not fail to supply, along with applicable monitoring information, all documents and decisions required to be approved by the Board according to law, regulation, contract or Board edict including (but not limited to):

Board Approvals

Approval	Legal/Statutory or Retained	Approval	Legal/Statutory or Retained
Annual Budget	Legal/Statutory	Redundancy & Redeployment Policy	Retained
3 Year Financial Plan	Legal/Statutory	Financial Regulations	Retained
Financial Statements (Annual Audited Accounts)	Legal/Statutory	Anti-slavery statement	Statutory
Staff Disciplinary/Suspension & Dismissal Policy	Legal/Statutory	Trade Union recognition	Retained
Grievance Procedure	Legal/Statutory	Sub-contracting policy	Statutory
Student Union Constitution	Legal/Statutory	Investment Policy (Treasury Management Policy)	Retained
Student Union Annual Accounts	Legal/Statutory	Environmental & Sustainability Policy	Retained
Tuition Fee Policy (from 2015/16 this will include policy on financial support for students)	Legal/Statutory	Staff Recruitment and Selection Policy**	Retained
Board Policy Manual	Legal/Statutory	H&S Policy	Statutory
Strategic Plan	Legal/Statutory		
Quality Improvement Plan (as part of PIAP)	Legal/Statutory		
SAR	Legal/Statutory		
Accommodation Strategy	Legal/Statutory		
Risk Management Plan	Legal/Statutory		
Appointment of Auditors & Letters of Engagement	Legal/Statutory		
Internal Audit Plan	Legal/Statutory		
Appointment, grading, suspension, dismissal and determination of pay and conditions of service for SPHs and Clerk.	Legal/Statutory		
Framework for the pay and conditions of service of staff other than SPH	Legal/Statutory		
Anti-Fraud*, Anti-Bribery* and Whistleblowing policies/procedures	Legal/Statutory		
Single Equality Scheme	Retained		
Safeguarding Policy	Statutory		

SUMMARY OF THE BOARD'S STATUTORY POWERS

Principal Powers

Under Section 18(1) of the Further and Higher Education Act 1992 the Corporation (= Board) may:-

- (a) provide further and higher education;
- (b) provide secondary education to persons who have attained the age of 14 years, or provide secondary education or participate in the provision of secondary education at a school and
- (c) supply goods or services in connection with their provision of education.

These powers are known as the Board's "principal powers"

Supplementary Powers

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

- (a) the power to acquire and dispose of land and other property;
- (b) the power to enter into contracts, including in particular:-
 - (i) contracts for the employment of teachers and other staff for the purposes of or in connection with carrying on any activities undertaken in the exercise of the Corporation's principal powers; and
 - (ii) contracts with respect of carrying on by the Corporation of any such activities.
- (c) the power to form, participate in forming or invest in a company or become a member of a charitable incorporated organisation provided that the ESFA consents;
- (d) the power to borrow such sums as the Corporation thinks fit for the purposes of carrying on any activities it has power to carry on or to meet any liability transferred to it under Sections 23 to 27 of the 1992 Act (i.e. when the College achieved its corporate independence on 1st April 1993) and, in connection with such borrowing, the power to grant any mortgage charge or other security in respect of any land or other property of the Corporation.
- (e) power to invest any sums not immediately required for the purposes of carrying on any activities the Corporation has power to carry on;
- (f) power to accept gifts of money, land or other property and apply it, or hold and administer it on trust for, any of those purposes;
- (g) power to do anything incidental to the conduct of an educational institution providing further or higher education, including founding scholarships or exhibitions, making grants and giving prizes; and
- (h) provide advice or assistance to any other person where it appears to the Corporation to be appropriate for them to do so for the purpose of or in connection with the provision of education by the other person.

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

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

Note that, as the result of a new section 19A inserted by the Apprenticeships, Skills, Children and Learning Act 2009, from 1 April 2010, in exercising their functions under sections 18 and 19, Corporations must:

- (a) have regard, amongst other things, to the objective of promoting the economic and social well-being of the local area, and
- (b) in doing so, have regard to any guidance issued by the Secretary of State about co-operation with a view, directly or indirectly, to advancing that objective.

SUMMARY OF MAIN PROVISIONS OF THE FINANCIAL MEMORANDUM

(adapted from a summary provided by Eversheds LLP in their model code of conduct)

The government requires the Skills Funding Agency to enter into an agreement set out in a financial memorandum with the College for the purpose of regulating its relationship in financial and related matters and setting out the terms and conditions on which public funds will be paid to the College.

A revised financial memorandum was published by the then Learning and Skills Council (LSC) in December 2006 and became effective from 1 August 2006. This set out the framework of relationships and responsibilities between Colleges and the Council. The Financial Memorandum has since been novated to the Education Skills Funding Agency (ESFA), so references to the LSC within the Financial Memorandum will be taken to apply to the ESFA.

The Memorandum is divided into two parts. Part 1 contains the general terms and conditions under which the ESFA funds colleges. A summary of the main provisions of Part 1 appears below. Part 2 consists of any specific conditions which might apply to the College and is the subject of individual annual notification.

Important points to note in relation to Part 1 are as follows:-

Preamble

The financial memorandum stresses that the ESFA and colleges need to work in partnership and to have a relationship based on trust. The financial memorandum sets out the conditions upon which funding is provided by to colleges under a grant-in-aid relationship as opposed to one of contract. Funding is assumed to be continuous, requiring deliberate action to end it. The form of the financial memorandum is largely dictated by Treasury requirements and the former LSC's own financial memorandum with the government. It reflects the ESFA's responsibilities for public accountability over the funds it provides to colleges, however, the expectation is that colleges will take full control of their financial affairs.

Colleges' expectations of the ESFA

The financial memorandum confirms that the ESFA will act reasonably on the basis of the evidence available and on its objective analysis of that evidence. It will be open and transparent with colleges and other stakeholders and (even though this would not necessarily be required by the general principles of public law) it will give reasons for all its decisions.

Legislation

In the financial memorandum the ESFA sets out the terms and conditions on which it pays funds to the college. However, the memorandum also recognises that nothing in it will require the College to act in a manner which would cause it to lose its charitable status or which would be inconsistent with its instrument and articles of government. Note that from 2008 the then LSC became the "principal regulator" responsible for monitoring colleges' compliance with charity law, under the Charities Act 2006.

Responsibilities of the ESFA

The chief executive of the Education Skills Funding Agency, as accounting officer under the ESFA's financial memorandum with the government, is accountable to Parliament for ensuring that the uses to which the Council puts its funds comply with the conditions attached to them. The accounting officer must be satisfied that the College has appropriate arrangements for sound governance, financial management, securing value for money and accounting, and that the College's use of public funds is consistent with the purposes for which the funds have been given.

Responsibilities of the College

The financial memorandum does not repeat the College's wide responsibilities under statute and the instrument and articles. However, Boards are reminded that they are responsible for ensuring that the College's funds are used only in accordance with its powers under the then Learning and Skills Act 2000, the financial memorandum and any other conditions that the ESFA may from time to time impose. The Board must ensure it uses its discretion reasonably and takes into account any relevant guidance on accountability or propriety issued from time to time by the ESFA, the National Audit Office or Parliament. The Board must require the Principal to take personal responsibility to ensure that there is compliance with the financial memorandum and the terms and conditions referred to above. The Principal as accounting officer may be required to appear before the Parliamentary Committee of Public Accounts on matters relating to the College's use of public funds and College funds. The Principal is responsible for advising the Board if at any time he/she considers that any

action or policy under consideration by the Board is incompatible with the terms of the financial memorandum. Where the Board determines to proceed despite the Principal's advice, the Principal should consider the Board's reasons and if he/she still considers that the action proposed is in breach of the financial memorandum, the Principal should inform the ESFA's accounting officer in writing of the position. The Clerk also should intervene when he/she considers that the Board is acting inappropriately or beyond its powers, in which case the Clerk may need to seek external advice.

Allocation of funds

The ESFA will notify the College in writing of the allocation of recurrent funds as soon as possible in advance of the academic year to which they relate, ideally at least four months in advance. The ESFA will seek to maximise the College's discretion to use the ESFA's funds in achieving the Council's objectives as agreed with the College. On occasion the ESFA may allocate funds to the College for a specific purpose, in which case the College must apply such funds only for that purpose.

The College must not apply public funds to provision for which it has already received other funding and it must not use the ESFA's funding to make claims for any European source of funding, in each case without obtaining the ESFA's written consent.

Payment of funds

The ESFA will make payments to the College monthly in accordance with a funding profile for the year. The ESFA may be prepared to make exceptional ad hoc payments to the College.

Capital Transactions

The College should manage its property having regard to the guidance issued by the ESFA. The College will normally be required to apply the proceeds of asset sales to investment in land and buildings and it must seek independent professional advice before disposing of these. The College must obtain the ESFA's consent to capital transactions where the total cost or proceeds exceed £1.5 million or 5 per cent of the College's annual revenue, whichever is the lesser. The College must seek to secure the best obtainable value for money on disposal of property to a third party. Where such building may have been acquired with public funds the ESFA may require the College to surrender some or all of the proceeds.

Borrowing

The College must seek the ESFA's prior written consent for any borrowing by itself or its subsidiaries, save that the ESFA gives consent for unsecured borrowing of up to 5 per cent of the College's total annual income and for secured borrowing up to a cumulative maximum of 5 per cent of the College's total annual income in order to finance construction, refurbishment or purchase of land and buildings which are offered as security.

Contingent liabilities

The College must not give any guarantees or indemnities other than in the normal course of business.

College companies

The College must seek the consent of the ESFA to participate in companies providing education funded wholly or partly by the ESFA.

Financial reporting

The College must keep proper accounting records and prepare financial statements in accordance with the ESFA's requirements. Copies of the College's audited financial statements must be supplied to the ESFA and be made available to members of the public on request.

The College must have an effective risk management policy, including appropriate insurance arrangements, having regard to ESFA guidance.

The College must notify the ESFA in writing if at any time there is a significant deterioration in its financial position. The ESFA may require the College to put in place a suitable recovery plan.

Audit

The Board must appoint an audit committee and arrange for internal and financial statements audit in accordance with the ESFA's Audit Code of Practice. The ESFA may from time to time carry out audits at the College and its subcontractors, as may the National Audit Office. The College must retain all records necessary to verify the provision delivered by it or its sub-contractors for six years after the end of the funding period. The College must investigate and report to the ESFA all significant cases of internal and external fraud or suspected fraud or irregularity.

Procurement and contracting

The College must comply with all relevant UK and European regulations.

Payments to employees on termination of employment

Payments made to employees on the termination of their employment should normally only be for the purposes of meeting contractual requirements, exceptions must be justified by explicit and quantified reference to value for money. The College must avoid spending public funds on settlements where disciplinary action would have been more appropriate. The College must take professional advice and the terms of any final agreement should be agreed by the Board. The cost of settlements must be declared in the College's financial statements.

Provision of information

The College must provide the ESFA with the information it needs in order to meet its responsibilities and European funding requirements. In requesting information the ESFA will act reasonably and consider information previously supplied by the College to the ESFA or others with whom the SFA can share information.

The ESFA will have regard to the cost and timescale of provision of the information and, where appropriate, its confidentiality. However, if the College does not provide information to the ESFA appropriately it may carry out investigations or use reasonable estimates to exercise its functions. The College must notify the ESFA's chief executive in writing of the vacating or filling of the positions of Chair of the Board, Principal and Clerk.

Repayment

If the ESFA overpays the College as a result of its use of estimates, the ESFA reserves the right to recover any overpaid funding. If the College does not comply with any conditions attached by the ESFA to the payment of funds the ESFA reserves the right, in exceptional circumstances, to require the College to repay all or part of those funds.

THE CITY OF LIVERPOOL COLLEGE

EXTERNAL GOVERNOR JOB DESCRIPTION

1 *Framework*

Governors (members of the Board) have a leadership and ambassadorial role.

The legal framework under which the Board operates is summarised in Appendix 1. Collectively, governors contribute their professional and general management skills to the Board in a non executive role.

Governors are required to be flexible in the conduct of their responsibilities and duties, ensuring that the balance of “oversight” of the College and its business is seen as a positive contribution, whilst ensuring that governance does not interfere with the day to day operation and management of the College.

2 *Main Duties*

- a) Be an ambassador for the College by promoting its role in education, training and economic regeneration.
- b) Take an active interest in further education in general and the College in particular.
- c) Uphold good governance principles and comply with the provisions of the following documents:
 - Instrument & Articles of Government
 - Financial Memorandum between the Skills Funding Agency and colleges
 - The Board Policy Manual
 - Governors’ Code of Conduct (contained within the Manual) which covers declaration of any relevant business, financial or personal interests as well as the 7 principles of public life drawn up by the Nolan Committee
- d) Ensure the College operates in an inclusive manner and that the Board reflects diversity.
- e) Participate actively and constructively in meetings of the Board and appropriate committees. Give due priority to attending meetings and familiarising yourself with relevant documentation.
- f) Actively seek to ensure the effectiveness of the Board and its Committees.
- g) Assist in the formulation and monitoring of the College’s Strategic Plan which provides the essential framework for the internal management of the College.
- h) Set measurable annual targets to support the College’s one year business plan and budget.
- i) Participate, on occasion, in appointment of Senior Post Holders.
- j) Recognise and understand the Board’s role in providing health and safety leadership.
- k) Participate in governor induction and training events as necessary.
- l) Attend College events such as award presentations and open evenings, to meet learners and staff and gain an appreciation of the work of the College.
- m) Act in the best interests of the College at all times and not speak or vote as if mandated by other persons or bodies.

January 2022

**PERSON SPECIFICATION FOR
THE CITY OF LIVERPOOL COLLEGE GOVERNORS**

EQUALITY AND DIVERSITY	Be committed to diversity and equality of opportunity.	Essential
EXPERIENCE	Will most likely be employed in a senior position in the public or private sector, or be from the voluntary or community sector. Certain vacancies may require professional qualifications to ensure the Board has a balance of skills, such as legal, financial or human resource management.	Essential
TIME COMMITMENT	Available to attend meetings of the Board, relevant Committees and strategic planning, training or other applicable events. Able to allocate sufficient time for reading of documentation in advance of meetings.	Essential
SKILLS		
Interpersonal Skills and Team work	Ability to work positively with others, and debate, whilst maintaining a constructive atmosphere	Essential
Communicating and Influencing	Able to express ideas clearly and listen actively to other viewpoints. Able to communicate effectively	Essential
Planning and Organisation	Able to set realistic targets and plan a course of action to achieve goals that can be monitored. See and create opportunities.	Essential
Drive to achieve and determination	Have energy/enthusiasm necessary to be effective and the tenacity to overcome obstacles	Essential
Strategic Perspective	Have a broad-based view of issues and events and be able to perceive their long term impact.	Essential
Intellectual and technical ability	Able to absorb sometimes complex information, demonstrate a knowledge and understanding of facts, and to think laterally and arrive at pragmatic solutions.	Essential
Leadership	Able to motivate others and inspire confidence to achieve objectives.	Essential

The Legal Framework

The powers of the Board are specified in the Further and Higher Education Act 1992, Sections 18 and 19. In summary, the Board's powers are to:

- provide further and higher education
- supply goods or services in connection with the provision of education
- conduct an educational institution
- provide facilities appearing to it to be necessary to support its principal powers
- acquire and dispose of land and property, enter into employment and other contracts, borrow (with ESFA approval) and invest money, accept gifts and fund scholarships and prizes

Detailed regulations under which the Board should operate are set down in the Instrument & Articles of Government for Further Education colleges, January 2008.

The main responsibilities of the Board [under Article 3 (1)] are:

- determination and periodic review of the educational character and mission of the College and oversight of its activities
- approving the quality strategy
- effective and efficient use of resources, the solvency of the College and safeguarding its assets
- approving annual estimates of income and expenditure
- appointment, grading, suspension dismissal and determination of pay and conditions of service of senior post holders and the Clerk
- setting the framework for the pay and conditions of service of all other staff

The Financial Memorandum sets out the relationship between the Education Skills Funding Agency (ESFA) and the colleges which it funds.

Governor Link System

Governor – College Link System

The Governor-College link system is intended to improve communication, provide governors with an insight into curriculum and support areas, and enhance their understanding of matters that come before the Board.

The benefits of linking governors with areas of College activity include:

- Extending governors' knowledge of staff, students and the breadth of curriculum delivery and other provision;
- Familiarising governors with the College's physical environment;
- Providing an opportunity for staff and students to meet informally with governors
- Helping governors develop in-depth knowledge of areas of College activity (including quality issues and targets)
- Allowing governors to use their skills and experience to benefit the College directly in specific areas

There is no standard way in which the system should operate. What follows is therefore guidance rather than prescription.

To be effective, governor links should:

- Have a clear focus
- Enable governors to feel they are making a useful contribution
- Encourage contact with staff other than Executive members who are already well known to governors
- Not be onerous for either governors or staff ie minimise additional meetings or paperwork
- Offer flexible arrangements suited to individual need

How this might operate in practice:

An initial meeting should be set up with the relevant manager and possibly the Management Team. At this meeting the governor can have a tour of facilities, be briefed on the work and priorities of the curriculum area/department and discuss how the link will work in practice. Governors would expect to be briefed with performance information.

It is the responsibility of the manager to initiate and maintain contact. They should bear in mind that governors have several other areas of commitment beyond their role in College and this should be taken into account when arranging meetings or giving advance notification of events etc.

If these commitments make it difficult for the governor to attend meetings of events in working times the manager should consider whether there are other mechanisms for providing information such as telephone, email, written briefings etc.

In between meetings, alert the governor to any significant developments in the School/Department.

The Governors and the manager should identify the frequency of meetings that would be most appropriate. Suggestions include:

- One Management Team meeting per year.
- One Departmental meeting per year (where applicable)
- A Department strategic or similar planning event
(If possible, where applicable, agenda items for the above meetings/events should include curriculum, resource and reviews of performance targets so that the link governor sees how the faculties/depts monitor, review and plan for improvement).
- Open Days, end of year events, student celebrations etc. *It is essential to give early notice of such events.* The Clerk should also be included so that the details can be circulated to other governors who may wish to attend.
- Events which enable the Governor to meet staff/students in an informal setting.

In addition, governors should receive copies of any good news stories, bulletins, newsletters or other documents which illustrate the work of the curriculum area/department.

Words of Caution!

The Principal and staff are responsible for the operational management of the College. The development of links for governors aims to improve their awareness of the College but should not lead into areas of decision making which are more properly matters for College managers. Similarly, managers and governors should take care to ensure link arrangements are not used as a means for the representation of particular curriculum or other interests at Board level.

BOARD POLICY MANUAL

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Education Skills Funding Agency (ESFA)	Government agency that funds and regulates 16-18 and adult further education and skills training in England. Formed from merger of ESA and SFA in 2017 and those agencies replaced the Learning & Skills Council from April 2010.
Financial Memorandum	Sets out the terms and conditions under which the Skills Funding Agency provides funds to colleges.
Financial Regulations	The College's internal procedures to ensure proper financial controls.
Further and Higher Education Act 1992	The act which set up further education colleges as independent institutions (previously came under local authority control), the relevant Sections being 18 & 19.
Instrument & Articles of Government	Legal basis of rules under which the Board must operate. Set out in Order made by Secretary of State, most recently January 2008.
Liverpool City Region	Liverpool plus the boroughs of Halton, Knowsley, Sefton, St Helens and Wirral.
Post 16 Audit Code of Practice	Issued by ESFA Identifies mandatory audit requirements, minimum terms of reference and expected agenda for the Audit Committee and sets out common standards for college and auditors.
Quorum	The minimum number of governors/committee members required to be present at a meeting for it to be properly constituted and take decisions. The quorum for each Committee is stated in its terms of reference.
Self Assessment Report (SAR)	Annual review of strengths and areas for improvement, carried out at course, curriculum, business support and cross-college levels (including Governance). The College level SAR is required to be submitted to the ESFA in December each year and is considered in detail during Ofsted inspection.
Senior Post Holder	Senior members of staff who are directly appointed by the Board. It is up to the Board to decide which posts are designated as 'senior posts'. At LCC they are the Principal and Vice Principals.