



CODE OF CONDUCT

FOR GOVERNORS

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COLLEGE CODE OF CONDUCT FOR GOVERNORS

1. INTRODUCTION

1.1 This Code is intended as a guide, to indicate the standard of conduct and accountability which is expected of Governors, to enable them to understand their legal and ethical duties and to assist them both in carrying out those duties and in their relationship with the Governing Body and Principal as the Chief Executive. This Code is therefore aimed at promoting effective, well informed and accountable college governance, and is not intended to be a definitive or authoritative statement of the law or good practice.

1.2 In addition to this Code, Governors are recommended to familiarise themselves with the following documents which can be found on the bespoke Leicester College Governors site :

1.2.1 the College's Instrument of Government;

1.2.2 the College's Articles of Government;

1.2.3 the College's Strategic Plan;

1.2.4 the Financial Memorandum entered into by the College with the CE of Skills Funding;

1.2.5 FENTO – Governor and Clerks Benchmark Standards

1.2.6 the principles laid down by the Committee on Standards in Public Life (Nolan Committee) for those holding public office, namely:-

- *Selflessness* - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- *Integrity*: - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- *Objectivity* - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- *Accountability* - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

- *Openness* - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- *Honesty* - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- *Leadership* - Holders of public office should promote and support these principles by leadership and example.

Appendices 1 (Responsibilities of Governors), and 2 (Background to the changing Statutory Powers and Accountability of the Governing Body) are attached to this Code for reference. They should not be read as an exhaustive statement of duties, powers or provisions, and Governors should refer to the source documents listed above, and those listed on the Governors site. If a Governor is in doubt about the provisions of this Code or any of the source documents, the Director of Governance and Policy should be consulted and, if necessary, professional advice should be obtained. However, ultimate responsibility for the appropriateness of conduct as a Governor of the College and for any act or omission in that capacity rests with the individual Governor.

- 1.3 This Code applies to every committee or working party of the Governing Body and to every subsidiary company or joint venture of the College to which Governors may be appointed.
- 1.4 By accepting appointment to the Governing Body, each Governor agrees to accept the provisions of this Code.

2. INTERPRETATION

In this Code:-

- 2.1 'College' means this College;
- 2.2 'CE of Skills Funding' means the Chief Executive of Skills Funding for England or any successor body;
- 2.3 'Governing Body' means the further education corporation which was established for the purpose of conducting the College;
- 2.4 'Governor', 'Chairman', 'Principal' and 'Clerk' mean respectively the Member of the Corporation of the College, the Chairman of the Governing Body, the Principal of the College and the Clerk of the Governing Body;
- 2.5 all other definitions have the same meanings as given in the College's Instrument and Articles of Government; and

2.6 words importing one gender import any gender.

3. DUTIES

- 3.1 Governors owe a fiduciary duty to the College. This means that they should show it the highest loyalty and act in good faith in its best interests. Each Governor should act honestly, diligently and (subject to the provisions appearing in paragraph 9 of this Code relating to collective responsibility) independently. The actions of Governors should promote and protect the good reputation of the College and the trust and confidence of those with whom it deals.
- 3.2 Decisions taken by Governors at meetings of the Governing Body and its committees to achieve the College's strategic objectives must accord with college values and not be for any improper purpose or personal motive. Decisions taken must always be for the benefit of the College, its students and staff and other users of the College and must be taken with a view to safeguarding public funds. Accordingly, Governors must not be bound in their speaking and voting by mandates given to them by other bodies or persons.
- 3.3 Governors must observe the provisions of the College's Instrument and Articles of Government and in particular the responsibilities given to the Governing Body by the College's Articles of Government. Those responsibilities, including a list of "reserved" responsibilities which are so important that they must not be delegated, are set out in Appendix 1.
- 3.4 Governors should comply with standing orders to ensure that the Governing Body conducts itself in an orderly, fair, open and transparent manner and must keep those standing orders under periodic review.
- 3.5 Governors should also have regard to the different, but complementary, responsibilities given to the Principal as the College's Chief Executive. Whereas it is the Governing Body's function to decide strategic policy and overall direction and to monitor the performance of the Principal and any other senior postholder, it is the Chief Executive's role to implement the Governing Body's decisions, and to manage the College's affairs within the budgets and framework fixed by the Governing Body. Governors should work together so that the Governing Body and the Chief Executive perform their respective roles effectively.

4. ACCOUNTABILITY

- 4.1 Accountability involves an agreed process for giving account of one's actions and being held to account; a systematic approach to put that process into operation; and a focus on explicit results or outcomes.
- 4.2 Governors should recognise that real accountability is concerned not only with reporting on or discussing actions already completed, but also with engaging with stakeholders to understand and respond to their views as the College plans and carries out its activities.

5. STATUTORY ACCOUNTABILITY

- 5.1 Governors are collectively responsible for observing the duties set out in the Financial Memorandum in force at the time. A copy of this document can be obtained from the Director of Governance and Policy.
- 5.2 Although the Education and Skills Funding Agency is the main provider of funds to the College, Governors should note that they are also responsible for the proper use of income derived from other sources, such as the Higher Education Funding Council for England (HEFCE) and the European Union (EU) and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding body and public audit.
- 5.3 The Education and Skills Funding Agency is responsible and accountable to Parliament for ensuring that the uses to which they puts funds are consistent with the purposes for which the funds were given and comply with the conditions attached to them. The Principal, as accounting officer for the College, is also directly responsible and accountable to Parliament, through the Committee of Public Accounts, for the effective stewardship by the College of public funds. The Principal may be required to appear before the Committee of Public Accounts, alongside the chief reporting officer for the Education and Skills Funding Agency, to give an account of the use made by the College of such funds. The Governing Body is accountable to Parliament for ensuring the financial health of the College, and to the Courts for ensuring that the College is conducted in accordance with the Education Acts and the general law.
- 5.4 Board members are charity trustees and must also comply with charity legislation and case law.

6. PUBLIC SERVICE VALUES

Public service values are at the heart of the further education service. High standards of personal and corporate conduct, based on the principles set out in paragraph 1.2.6 of this Code, and the recognition that students and other users of the College's services come first. These are a requirement of being a Governor, and should underpin all decisions taken by the Governing Body.

7. SKILL, CARE AND DILIGENCE

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

8. POWERS

Governors are responsible for taking decisions which are within the powers given to the Governing Body by Parliament under sections 18 and 19 of the Further and Higher Education Act 1992. A summary of those powers is set out in Appendix 2. If a Governor thinks that the Governing Body is likely to exceed its powers by taking a particular decision, he or she should immediately refer the matter to the Director of Governance and Policy for advice.

9. CONFLICTS OF INTEREST

9.1 Governors owe their primary allegiance to the Governing Body and the College. Whatever their category of membership governors should bring no mandate from external sources (see 3.2). Like other persons who owe a fiduciary duty, Governors should seek to avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests and their duties to the Governing Body. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement.

9.2 Governors are reminded that under the College's Instrument of Government they must not take or hold any interest in any of the College's properties or receive any remuneration for their services (save as a member of the College's staff) without the written approval of the Secretary of State for Education and Employment.

9.3 Governors are reminded that under the College's Instrument of Government (Instrument 11) they must disclose to the Governing Body any direct or indirect financial interest they have, or may have, in the supply of work or goods to or for the purposes of the College or in any contract or proposed contract concerning the College or in any other matter relating to the College or any duty which is material and which conflicts or may conflict with the interests of the Governing Body.

9.4 If 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:-

9.4.1 be reported to the Director of Governance and Policy; and

9.4.2 be fully disclosed to the Governing Body before the matter giving rise to the interest is considered.

Governors should withdraw from that part of the meeting at which the matter giving rise to the interest is considered, and on no account may vote in relation to the matter.

9.5 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 offer or receipt of such gifts, hospitality or

benefits should immediately be reported to the Director of Governance and Policy.

- 9.6 The Director of Governance and Policy will maintain a Register of Governors' Interests which will be open for public inspection. Governors must disclose routinely to the Governing Body all business interests, financial or otherwise, which they may have, and the Director of Governance and Policy will enter such interests on the Register. Governors must give sufficient details to allow the nature of the interests to be understood by enquirers. Governors should inform the Director of Governance and Policy whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, Governors should have regard to the meaning given to "interest" in paragraph 8.4 of this Code.

10. COLLECTIVE RESPONSIBILITY

- 10.1 The Governing Body operates by Governors taking majority decisions in a corporate manner at quorate meetings. Therefore, a decision of the Governing Body, even when it is not unanimous, is a decision taken by the Governors collectively and each individual Governor has a duty to stand by it, whether or not he or she was present at the meeting of the Governing Body when the decision was taken.
- 10.2 If a Governor disagrees with a decision taken by the Governing Body, his or her first duty is to have any disagreement discussed and minuted. If the Governor strongly disagrees, he or she should consult the Chairman and, if necessary, then raise the matter with the Governing Body when it next meets. If no meeting is scheduled, the Governor should refer to the power of the Chairman or any five Governors under the College's Instrument of Government to call a special meeting and, if appropriate, exercise it, requesting the Director of Governance and Policy to circulate the Governor's views in advance to the other Governors. Alternatively, as a final resort, the Governor may decide to offer his or her resignation from office, after consulting the Chairman.

11. CONFIDENTIALITY

- 11.1 Because of the Governing Body's public accountability, Governors should ensure that, as a general principle, students and staff of the College have free access to information about the proceedings of the Governing Body. Accordingly, agendas, minutes and other papers relating to meetings of the Governing Body are normally available for public inspection when they have been approved for publication by the Chairman.
- 11.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection, for example, when the Governing Body considers sensitive issues or named individuals and for other good reasons. Such excluded items, will be kept in a

confidential folder by the Director of Governance and Policy, and will be circulated in confidence to Governors. However, staff and student Governors have no right of access to minutes dealing with matters in respect of which they are required to withdraw from meetings under the College's Instrument of Government.

- 11.3 It is important that the Governing Body and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between Governors with a shared corporate responsibility for decisions. Governors should keep confidential any matter which, by reason of its nature, the Chairman or members of any committee of the Governing Body are satisfied should be dealt with on a confidential basis.
- 11.4 Governors should not make statements to the press or media or at any public meeting relating to the proceedings of the Governing Body or its committees without first having obtained the approval of the Chairman or, in his or her absence, the Vice Chairman. It is unethical for Governors publicly to criticise, canvass or reveal the views of other Governors which have been expressed at meetings of the Governing Body or its committees.

12. ATTENDANCE AT MEETINGS

- 12.1 A high level of attendance at meetings is expected so that Governors are able to perform their functions effectively and efficiently.

13. GOVERNANCE DEVELOPMENT

- 13.1 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. New Governors will have access to a mentor if requested. A bespoke and password protected Governors site has been developed on the College's SharePoint platform to enable Governors to have instant access to a comprehensive range of resources aimed at assisting them in their duties.
- 13.2 In order to promote more effective governance, Governors will carry out an annual review of the performance by the Governing Body of its duties and responsibilities, as part of a continuing and critical process of self evaluation. This will involve participation in a Self Assessment process at both Committee and Board level.
- 13.3 To facilitate a regular effectiveness assessment of individual members of the governing body, as required by the English Colleges Foundation Code of Governance, Governors should participate in a process agreed by the Corporation.
- 13.4 The Governing Body should seek to ensure that all Governors are appointed on merit, in accordance with an open selection procedure carried out by the College's Search and Governance Committee. In the main, governors, are drawn widely from the community which the

College serves, having regard to provisions relating to the membership of the Governing Body in the College's Instrument of Government and the need for continuity, balance and a range of appropriate skills and interests.

**Summary of Main Responsibilities
of Governors under the Articles of Government**

Responsibilities

Under Article 3(1) of the College's Articles of Government the Governing Body shall be responsible for:-

- (a) the determination of the educational character and mission of the institution and for oversight of its activities;
- (b) the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets;
- (c) approving annual estimates of income and expenditure;
- (d) the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Clerk (including where the clerk is, or is to be appointed as, a member of staff, his appointment, grading, suspension, dismissal and determination of pay in his capacity as member of staff);
- (e) setting a framework for the pay and conditions of service of all other staff.

Responsibilities which must not be delegated

Article 9 and 10-(1) of the Articles of Government prohibits the Governing Body from delegating the following:-

- (a) the determination of the educational character and mission of the institution;
- (b) the approval of the annual estimates of income and expenditure;
- (c) the responsibility for ensuring the solvency of the institution and the Corporation and for safeguarding their assets;
- (d) the appointment or dismissal of the holder of a senior post;
- (e) the appointment or dismissal of the Clerk (including where the clerk is, or is to be, appointed as a member of staff, his appointment or, subject to article 17(2), dismissal in his capacity as member of staff); and
- (f) the modifying or revocation of the Articles of Government.

“Senior Post” means the post of Chief Executive/Principal and such other senior posts as the Governors may determine for the purposes of the Articles.

Background to the changing Statutory Powers and Accountability of the Governing Body

There have been many recent changes to key legislative and regulatory requirements and relationships that currently impact upon English colleges. There is a fairly rigid and robust framework for compliance and accountability, which has helped to shape the character and size of the college sector over the two decades since incorporation, but these rules keep changing.

Although the provisions of the Education Act 2011 will permit colleges much greater freedoms, including modifying non-core elements of their Instrument & Articles, the greater independence and autonomy being offered by Government are intended to increase their ability to compete effectively and flexibly in a changing marketplace.

With regard to statutory compliance, the freedoms offered to Colleges to modify their Instrument and Articles of Government has in part come about from the Government's wish to not replicate in the Education Act 2011 legislation that already exists elsewhere such as in Charity and Employment Law.

Clerks and Corporations therefore must remain mindful of all aspects of the law that impact on colleges in this area of 'new freedoms'.

A feature of the marketplace in recent years has been the emergence of 'other' providers of further education, with very different models of governance compared to the college sector, and very different cultures and ethos. In some cases these providers are filling market niches, and in others they are in competition with colleges.

Unlike universities, the 'College' title is not currently protected in law, and the use (and misuse) of the term college by other providers has blurred boundaries. Other providers are not necessarily subject to the same legislative and regulatory controls as colleges. For example, a statutory provider of further education is obliged to offer its teaching staff membership of the Teachers' Pension Scheme, whereas a private provider cannot enter its teaching staff into the Scheme; and a 'for profit' provider of further education operating primarily for commercial gain cannot claim the charitable reliefs and treatments afforded an incorporated College.

Other legislation applies equally across Colleges and other providers, such as health and safety, and data protection requirements.

The range of statutory powers as they affect Governing Bodies is becoming more diverse. As such, the Association of Colleges (AoC) has produced a draft paper entitled '**Summary of Statutory and Regulatory Requirements Relevant to College Governing Bodies**'. The document can be found in the Governors Induction and Resource pack on the [Governors Site](#):



I have received a copy of the Leicester College Corporation's Code of Conduct and agree to observe and act upon the contents

Signed:

(Please print name):

Date: