The Corporation of Craven College Code of Conduct for Governing Board Members

1. Introduction

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

1.2 In addition to this Code, Governors are recommended to familiarise themselves with the source documents listed in **Appendix 1**.

1.3 If a Board (Corporation) Member is in doubt about the provisions of this Code or any of the source documents, the Director of Governance should be consulted and, if necessary, professional advice should be obtained. Ultimate responsibility for the appropriateness of conduct as a Board Member of the College and for any act or omission in that capacity, however, rests with the individual Board Member.

1.4 This Code applies to every committee or working party of the Governing Board and to every subsidiary company or joint venture of the College to which Governors may be appointed.

1.5 By accepting appointment to the Governing Board (the Corporation), each Governor agrees to accept the provisions of this Code.

1.6 Each Governor by accepting the provisions of this Code agrees that any breach of the Code by them may lead to the termination of their appointment as a Member in accordance with clause 10 of the Corporation's Instrument and Articles of Government.

2. Interpretation

2.1 This document applies to and refers to the Corporation of Craven College and its members. The terms Governor and Governing Board are used interchangeably with the words Member and Corporation.

2.2 For purposes of this Code words importing gender import any gender and all other definitions have the same meaning as given in the College's Instrument and Articles of Government. In this code: 'Code of Good Governance' means the AoC-Code-of-Good-Governance.pdf issued by the Association of Colleges and revised from time to time;

- **Accountability Agreement** means the agreement issued by the Department for Education which sets out the accountability framework, including national skills priorities, governance requirements, and the terms and conditions with which providers must comply in return for public funding.
- **Accountability Statement** means the annual statement, approved by the Corporation, which sets out how the College will contribute to national, regional and local skills priorities in return for public funding, in accordance with the requirements of the Department for Education
- **College** means this College;
- **College Mission Statement** means the statement [set out/referred to] at **clause 3** of this Code or such other mission statement as may be agreed by the Corporation from time to time;
- **College Core Values** means those Core Values set out at **clause 3** of this Code or such other core values as may be agreed by the Corporation from time to time, for example in a Public Value Statement[1]];

- **Corporation/Board** means the college corporation which was established and designated by the Secretary of State for the purpose of conducting the College;
- **Corporation/Board Member, Chair, Principal and Director of Governance** mean respectively the Member of the Corporation of the College, the Chair of the Board, the Principal/Chief Executive of the College and the Director of Governance;
- **"DfE"** means the Department for Education;
- **"Secretary of State"** means the Secretary of State for Education.

3. **Aims and Values**

3.1 Governors are expected to promote the core purposes and aims of the College as set out in the Statement of Purpose set out below.

Our Vision

Craven College will be recognised as a leading provider of Further and Higher Education in the region, nationally and internationally.

Our Contribution

Craven College will contribute to social, economic and environmental well- being, changing lives for the better by enabling people of all abilities to fulfil their potential in work and in the community through high quality professional, technical and general education.

Our Values

As an employer and learning organisation, we will conduct our business by following the values of 'Unlocking potential, changing lives".

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

- having close regard to the voice of the learner
- combating any discrimination within the College on the grounds of the characteristics protected by the Equality Act 2010 ("the 2010 Act") and promoting equality in accordance with its duty under the 2010 Act
- engaging with the community which the College serves in order to understand and meet its needs
- observing its duty under the Education (No.2) Act 1986 to take reasonable steps to ensure freedom of speech for members of the College community and visiting speakers and its duty under the Counter Terrorism and Security Act 2015 to have regard to the need, when exercising its functions, to prevent people from being drawn into terrorism.

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

3.4 Public service values are at the heart of the education service. High standards of personal and corporate conduct based on the principles set out in Appendices 1 and 2 of this Code, and the recognition that students and other users of the College's services come first, are a requirement of being a Governor, and should underpin all decisions taken by the Governing Board.

4**. Duties**

4.1 Governors are in the position of charity trustees and as such owe a fiduciary duty to the College. This means that they should show it the highest loyalty and act in good faith in its best interests. Each Governor should act honestly, diligently and (subject to the provisions appearing in paragraph 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.

4.2 Decisions taken by Governors at meetings of the Corporation and its committees must not be for any improper purpose or personal motive. Decisions taken must always be for the benefit of the College, its students and staff and other users of the College and must be taken with a view to safeguarding public

funds. Accordingly, Governors must not be bound in their speaking and voting by mandates given to them by other bodies or persons (including the bodies that elected them).

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

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

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

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

5**. Statutory Accountability**

5.1 Governors are collectively responsible for observing the duties set out in the Accountability Agreement which the College has entered into with the DfE as a condition of receiving public funds.

5.2 Although the DfE is one of the main providers 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 Office for Students (OfS) and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding Board and public audit. Where funding is received directly from OfS the College will have a funding agreement with OfS which sets out the basis on which such funding is provided. Where OfS funding is received indirectly via a collaboration with a OfS funded institution such funding will be subject to obligations contained in the memorandum of co-operation between the College and that institution.

From November 2022 colleges were reclassified into the central government sector. This decision had immediate effect. Following the reclassification, colleges (and their subsidiaries) are now part of central government. They continue to be self-governing charities regulated by the Secretary of State but are now subject to the framework for financial management set out in Managing Public Money (MPM). MPM and its associated guidance sets out requirements for everyone working in central government to manage and deploy public resources responsibly in the public interest.

5.3 The Secretary of State is directly responsible and accountable to Parliament for ensuring that the uses to which the DfE puts its funds are consistent with the purposes for which the funds were given and comply with the conditions attached to them. The Principal, as accounting officer for the College, is also directly responsible and accountable to Parliament, through the Public Accounts Committee ("PAC"), for the effective stewardship by the College of public funds. The Principal may be required to appear before the PAC, alongside the Secretary of State, to give an account of the use made by the College of such funds. The Corporation is accountable to Parliament for ensuring the financial health of the College, and to the Courts for ensuring that the College is conducted in accordance with the Education Acts and the general law.

6. **Skill, Care and Diligence**

A Governor should in all their work for the College exercise such skill as they possess and such care and diligence as would be expected from a reasonable person in the circumstances. This will be particularly

relevant when Corporation Members act as agents of the College, for example, when functions are delegated to a committee of the Governing Board or to the Chair. Corporation Members should be careful to act within the terms of reference of any committees on which they serve.

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

8**. Conflicts of Interest**
8.1 Like other persons who owe a fiduciary duty, Corporation Members 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 Board. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement.

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

8.3 If an interest of any kind (including an interest of a spouse / partner /business associate / close relative of the governor) is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a Governor's independent judgement, then:

8.3.1 the interest, financial or otherwise, should be reported to the Director of Governance.

8.3.2 the nature and extent of the interest should be fully disclosed to the Governing Board before the matter giving rise to the interest is considered

8.3.3 if the Governor concerned is present at a meeting of the Corporation, or any of its committees, at which the supply, contract or other matter constituting the interest is to be considered, the Governor should:

- not take part in the consideration or vote on any question with respect to it and shall not be counted in the quorum for that agenda item
- withdraw from that Corporation or committee meeting where required to do so by a majority of the members of the Corporation or committee present at the meeting.
- If, as a consequence of this provision, the meeting becomes inquorate, no decisions can be taken and the meeting can be advisory only.

8.4 For the purposes of clause 8.3 "close relative" includes but is not limited to a father, mother, brother, sister, child, grandchild and step-father / mother / brother / sister / child.

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

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

8.7 The Director of Governance will maintain a Register of Governors' Interests which will be open for public inspection. Governors must disclose routinely to the Corporation all business interests, financial or

otherwise, which they or persons associated with them may have, and the Director of Governance 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 whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, Governors should have regard to the meaning given to “interest” in paragraphs 8.3 and 8.5 of this Code.

9. Collective Responsibility

9.1 The Governing Board operates by Governors taking majority decisions in a corporate manner at quorate meetings, including meetings held by video conferencing as provided for in the Instrument and Articles. Therefore, a decision of the Governing Board, even when it is not unanimous, is a decision taken by the Corporation members 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 Board when the decision was taken.

9.2 If a Governor disagrees with a decision taken by the Governing Board, his or her first duty is to have any disagreement discussed and minuted. If the Governor strongly disagrees, they should consult the Chair and, if necessary, then raise the matter with the Governing 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. If appropriate, this power should be exercised, requesting the Director of Governance to circulate the Governor’s views in advance to the other Corporation Members. Alternatively, as a final resort, the Governor may decide, after consulting the Chair, to offer his or her resignation from office.

10. Openness and Confidentiality

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

10.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection; for example, when the Corporation considers sensitive issues or named individuals and for other good reasons. Such excluded items will be kept in confidential records by the Director of Governance, and will be circulated in confidence to Governors, save for those Governors who have a conflicting interest in the particular sensitive matter. Some confidential items are likely to be of a sensitive nature for a certain period of time only (for example information relating to a proposed commercial transaction or collaboration with another institution). The Governing Board should specify how long such items should be treated as confidential or, if this is not possible, such items should be regularly reviewed to consider whether the confidential status should be removed or whether the public interest in disclosure outweighs that confidential status and the item made available for public inspection. The Board Members must also consider the personal data that is contained within the excluded items in accordance with the Corporation’s obligations under the UK GDPR and the Data Protection Act 2018 (“Data Protection Laws”) and whether or not disclosure of that personal data would be in breach of the Data Protection Laws or the rights and freedoms of the individual(s) in question. When considering such issues the Governors must also consider the College’s publication scheme issued under the Freedom of Information Act 2000 and Environmental Information Regulations 2004.

10.3 However, staff and student Governors have no right of access to meeting papers or minutes dealing with matters in respect of which they are required to withdraw from meetings under the College’s Instrument of Government.

10.4 It is important that the Governing 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 should keep confidential any matter which, by reason of its nature, the Chair or members of any committee of the Corporation are satisfied should be dealt with on a confidential basis.

10.5 Governors should not make statements to the press or media (including social media and networking platforms) or at any public meeting relating to the proceedings of the Governing Board or its committees without first having obtained the approval of the Chair or, in their absence, a Vice Chair. It is unethical for Governors publicly to criticise, canvass or reveal the views of other Governors which have been expressed at meetings of the Governing Board or its committees.

10.6 Governors should make arrangements for the proper handling and disposal of board papers and it is recommended that printed papers are returned to the Corporation Secretary for secure shredding when no longer required. Board papers will be stored electronically for Governors to access before and after each meeting.

11. Complaints

11.1 Accountability is at the heart of public service bodies and it is important That the affairs of the College are conducted in an open and transparent manner. To this end governors should be aware of the systems in place to deal with employees' grievances and matters relating to their employment. Governors should also be aware of the College's complaints procedure, including the right of any complainant, who feels that a complaint has not been dealt with appropriately by the College to inform the DfE. Members' attention is also drawn to the College Public Interest Disclosure Procedure ('Whistleblowing') and the fact that an allegation of inappropriate behaviour by a governor may be dealt with under this procedure.

11.2 Under the DfE's Accountability Agreement with colleges (Section 3, clause 19.3), students, employers and other third parties have a right to make a complaint to the DfE in respect of their College or any of its decisions. Governors in particular are reminded that under the DfE'sprocedure for dealing with complaints about post 16 education and training provision (November 2018) the DfE:

- **can** investigate complaints about quality, management or experience of education and training; undue delay or noncompliance with published complaints procedures; poor administration; the quality of assessments; equality and diversity issues (except where there is a more appropriate mechanism for dealing with the matter through the courts or tribunals or other organisations); advanced learner loans; apprenticeship providers from employers; and from employers, parents or other third parties on behalf of apprentice(s).

- **will not** investigate complaints about issues that are more than 12 months old (except for exceptional cases related to advanced learner loans); examination results, grades, marks, assessment outcomes or curriculum content; individual employment issues; governor or other voluntary employment issues; contractual or commercial disputes or arrangements; disputes between an employer and a provider in relation to the apprenticeship levy; matters which are the subject of legal action or matters that are better investigated by the police; the cancellation or reimbursement of advanced learner loans (which should be referred to the student loan company); claims for compensation, a refund of fees or costs incurred when a learner has to transfer to another provider; issues classified as serial; or allegations of fraud, financial irregularity, whistleblowing and allegations of incentives and inducements (which should be directed to the allegations team); and safeguarding concerns.

11.3 Complaints made by learners following HE courses in FE colleges are directed to the Office of the Independent Adjudicator for HE.

12. Attendance at Meetings

A high level of attendance and adequate preparation for meetings of the Governing Board and its Committees is expected so that Governors can perform their functions properly. The Corporation has set a target of 75%80% attendance at all Corporation and 80% at Committee meetings in any year.

13. Governance Development

13.1 The Governing Board shall seek to ensure that all Governors are appointed on merit, in accordance with an open selection procedure carried out by the Corporation's Search Committee, and are drawn widely from the community which the College serves so as to be representative of that community. The Corporation should have regard to provisions relating to the membership of the Governing Board in the College's Instrument of Government, the need to combat discrimination and to promote equality, and the

need to make available a range of necessary skills and experience to ensure that the Corporation carries out its functions under the College's Articles of Government.

13.2 Governors must obtain a thorough grounding in their duties and responsibilities by participating in the College's governance induction and training programmes, and taking other opportunities to extend their knowledge of the College and the education sector.

13.3 In order to promote more effective governance, Governors will carry out an annual review of the performance by the Governing Board of its duties and responsibilities, as part of a continuing and constructively critical process of self-evaluation. Governors are expected to participate in the Governors' annual performance appraisal scheme as agreed by the Board from time to time. Board Members are required to commission an external review of governance every three years.

14. Review of Code
This code shall be kept under review by the Director of Governance and referred to the governing Board for amendment as required.

Schedule to Code of Conduct
List of Source Documents

- the College's Instrument and Articles of Government
- the Standing Orders and Conflicts of Interest Policy
- the Committee Terms of Reference
- the Accountability Agreement entered into by the College with the DFE
- the College's Statement of Purpose
- the College's Strategic Plan
    - College Financial Handbook.
    - Managing Public Money.
    - Charity Governance Code.
    - DfE Governance Guide.
    - Current AoC Code of Good Governance.
    - Framework for auditors and reporting accountants of collegez
    - OfS conditions of registration

7. the College's policies that extend to Corporation members, including the College's policies on equal opportunities, the anti-bribery policy as required by the Bribery Act 2010, the College's policy on receiving gifts and hospitality, the College's policies on safeguarding learners and the College's policy on preventing people being drawn into terrorism.

8. the principles laid down by the Committee on Standards in Public Life (Nolan Committee) for those holding public office, namely:
    - selflessness
    - integrity
    - objectivity
    - accountability
    - openness
    - honesty
    - leadership

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

9. the Framework for auditors and reporting accountants of colleges - GOV.UK issued by the DfE

10. the Association of Colleges' Code of Good Governance for English Colleges

11. the Good Governance Standard for Public Services published by the Independent Commission on Good Governance in Public Services (Good Governance Standard). An extract from the Good Governance Standard setting out the six core principles of good governance is set out at Appendix 2.

Appendix 1

The Seven Principles of Public Life

The following is an extract from the Second Report of the Nolan Committee on Standards in Public Life, May 1996.

Selflessness
Holders of public office should take decisions solely in terms of public interest and not in the interests of themselves their family or their friends.

Integrity
Holders of public office should not place themselves under any obligation to a third party which might influence them in the performance of their public duties.

Objectivity
All decisions involving awarding contracts, benefits or rewards should be made on merit.

Accountability
Holders of public office are accountable to the public for their actions and should submit themselves to the appropriate authority.

Openness
All decisions taken should be as open as possible.

Honesty
Holders of public office have a duty to declare any private interests relating to their public duty and resolve conflicts so as to protect the public interest.

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

Appendix 2

Six Core Principles of Good Governance

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

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 Board
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 system is in operation.

5. Good governance means developing the capacity and capability of the governing Board 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 Board, 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.

Appendix 3

Summary of Main Responsibilities of Governors under the Articles

Under the College's Articles of Government, the Governing Board shall be responsible for the following functions: -

1. The determination and periodic review of the educational character and mission of the institution and the oversight of its activities.
2. Approving the quality strategy of the institution.
3. The effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets.
4. Approving annual estimates of income and expenditure.
5. the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts and the Director of Governance.
6. Setting a framework for the pay and conditions of service of all other staff.
7. Setting the policy by which the tuition and other fees payable to it are determined (subject to any terms and conditions attached to grants, loans or other payments paid or made by the DfE).

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

Responsibilities which must not be delegated

The Articles of Government prohibit the Governing Board from delegating the following: -

1. the determination of the educational character and mission of the institution
2. the approval of the annual estimates of income and expenditure
3. the responsibility for ensuring the solvency of the institution and the Corporation and the safeguarding of their assets
4. the appointment of the Principal or holder of a senior post

5. the appointment of the Director of Governance
6. the modification or revocation of these Articles of Government
7. the consideration of the case for dismissal of the Principal, the Director of Governance or the holder of a senior post, other than to a committee of members of the Corporation
8. the power to determine an appeal in connection with the dismissal of the Principal, the Director of Governance or the holder of a senior post, other than to a committee of members of the Corporation.

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

Appendix 4
Summary of Main Responsibilities of the Principal under the Articles of Government

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

1. Making proposals to the Governing Board about the educational character and mission of the institution, and for implementing the decisions of the Governing Board.
2. The determination of the institution's academic and other activities.
3. Preparing annual estimates of income and expenditure for consideration and approval by the Governing Board, and for the management of budget and resources within the estimates approved by the Governing Board.
4. The organisation, direction and management of the institution and leadership of the staff.
5. The appointment, assignment, grading, appraisal, suspension, dismissal, and determination, within the framework set by the Governing Board, of the pay and conditions of service of staff, other than the holders of senior posts or the Director of Governance, where the Director of Governance is also a member of the staff.
6. Maintaining student discipline and, within the rules and procedures provided for within the Articles, suspending or expelling students on disciplinary grounds and expelling students for academic reasons.

Summary of Main Responsibilities of the Director of Governance under the Articles of Government

Under the College's Articles of Government, the Director of Governance shall be responsible for advising the Corporation with regard to:

1. The operation of its powers
2. Procedural matters
3. The conduct of its business; and
4. Matters of governance practice.

Appendix 5
Summary of the DFE's College Funding Framework

The DFE implemented a new accountability framework in Spring/Summer 2023 which introduced Accountability Agreements, a 2-part document setting the overall expectations of providers in return for the DFE's funding investment.

The agreements are formed of a main terms and conditions document and schedules. Background on the structure of the Education and Skills agreements can be found on DFE Education and Skills agreements 2019 to 2020 Whilst structured slightly differently, the Accountability Agreements for relevant colleges and local authorities, essentially adhere to the same principles.

Further information about Accountability Agreements can be accessed here:
DFE college and local authority accountability agreements - GOV.UK (www.gov.uk) College and local authority accountability agreements - GOV.UK

Schedule 7 of the Accountability Agreement sets out the key issues for Corporation Members to take account of. Nevertheless, all governors should ensure that they have reviewed and are familiar with the Accountability Agreement in its entirety and any other DfE agreement that applies to the College.
The government's reforms to further education have been implemented through changes to funding, accountability and governance arrangements overseen by the Department for Education (DfE).

Further education colleges receive public funding subject to the DfE's education and skills agreements/conditions of funding and associated accountability agreements, which set out the terms and conditions under which funding is provided.

As part of these arrangements, colleges are required to prepare and publish an annual accountability statement, approved by the Corporation, explaining how the college will contribute to national, regional and local skills priorities (including those identified through Local Skills Improvement Plans (LSIPs) and the statutory local needs duty).

The framework is supported by funding-specific schedules and governance requirements, including those relating to financial governance and assurance. In particular, compliance with the College Financial Handbook is a condition of funding, and colleges are required to prepare and submit audited annual reports and financial statements in line with the College accounts direction. Audit and regularity assurance requirements are set out in the Framework and guide for external auditors and reporting accountants of colleges.

Colleges should expect DfE agreements, accountability requirements and associated guidance to be updated from time to time (often in line with the annual funding cycle) and should ensure that governance, financial management and strategic planning remain aligned to the current framework.

Appendix 6
Summary of the Statutory Powers of the Governing Board
Principal Powers
Under section 18(1) of the Further and Higher Education Act 1992 a further education corporation may: -

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

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

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

1. To acquire and dispose of land and other property.
2. The power to enter into contracts, including in particular:
    - 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
    - contracts with respect to the carrying on by the Corporation of any such activities
3. To form, participate in forming or invest in a company or become a member of a charitable incorporated organisation
4. 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.

5. To invest any sums not immediately required for the purposes of carrying on any activities the Corporation has power to carry on
6. To accept gifts of money, land or other property and apply it, or hold and administer it on trust for, any of those purposes
7. 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
8. To provide advice or assistance to any other person where it appears to the Corporation to be appropriate for them to do so for the purpose of or in connection with the provision of education by the other person.

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

The powers conferred by section 19 of the 1992 Act are known as "**supplementary powers".**