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**Employment
and Learning**
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GUIDE FOR GOVERNORS OF FURTHER EDUCATION COLLEGES

September 2008

Foreword

It gives me great pleasure to be able to say a few words by way of introduction to this revised guide for governors of further education colleges. The Department is extremely grateful for the commitment and dedication displayed by college governors over the past years and, now that the mergers have taken place, is fully committed to providing as much support as possible to assist them in fulfilling the challenging and rewarding responsibility of leading the new colleges. This guide forms part of that support.

It is my view that the further education sector is absolutely central to the development of the modern Northern Irish economy. Today's employers need a responsive public education and training system to supply the skills they need and our schools, colleges and universities must understand these needs if they are to contribute fully to our economic progress. This is the guiding principle of the Department's strategy for the sector, *Further Education Means Business*, and I believe that, because of their unique position within our education system, the further education colleges are very well-placed to respond to this call.

The colleges have always been focal points within our communities, whether by providing a traditional academic education (GCSEs and A levels) for people who have been out of education for a while or who felt that school sixth forms were not for them, whether providing local people with courses to stimulate and educate, or whether providing education and training for people keen to learn a trade and enter the job market. It is this diversity that is their strength and the reason why they are such a vibrant part of the fabric of the communities they serve.

The responsibility upon new governors is therefore substantial: the new colleges have a wider reach than their predecessors and must serve a larger area without losing their local identities, employers and the community must be engaged with

developments at the college and, above all, the quality of education and training offered by the colleges must be maintained and enhanced if the further education sector is to play the role in our economic system that it is best placed to play, as an interface between a diverse range of people acquiring skills and the employers seeking people with those very skills.

I commend this guide for governors as an aid to achieving these goals.

Aideen McGinley
Permanent Secretary

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1. INTRODUCTION

1.1. Background

Institutions of further education in Northern Ireland have diverse origins and traditions, but share a common purpose of providing high quality education and training.

The governing body of each of these institutions carries a major responsibility for ensuring the effective management of its education and training provision, and for planning its future development. The governing body, together with the principal as chief executive, constitutes the highest level of decision-making and has ultimate responsibility for all of the affairs of the college. This guide is intended to assist governors in fulfilling their roles effectively.

1.1.1. What is a Further Education College?

Further education (FE) colleges mainly focus on providing post-school education. They are funded mostly by the public purse through the Department for Employment and Learning (DEL). FE colleges offer a wide range of programmes covering professional & technical and academic studies, from introductory levels to advanced- and degree-level work, and recreational courses. In light of their traditionally strong vocational focus, FE colleges are more influenced by the nature of the local community, and its industry and commerce, than most other educational institutions.

In the academic year (August to July) 2006/07, there were around 207,000 enrolments on courses provided by the sector, including around 31,000 full-time enrolments and approximately 120,000 part-time enrolments on professional and technical courses. In addition, there were over 55,000

enrolments on non-professional and technical courses, including a wide range of leisure, culture and hobby courses. The majority of full-time enrolments are in the 16-19 age-group, while most part-time students are over 19. There was a 20% increase in the number of mature enrolments (aged 26 and over) between 1998/99 and 2005/06.

1.1.2. Some Recent History

In the last ten years or so the Northern Ireland further education sector has seen some far-reaching changes, most notably the passage of The Further Education (Northern Ireland) Order 1997 which removed the (then 17) further education colleges from the control of the education and library boards and set them up as free-standing corporate entities, each under the control of a governing body now appointed by the Minister for Employment and Learning.

In 2001, the Assembly Committee for Employment and Learning conducted a wide-ranging review of education and training for industry in Northern Ireland, examining the full range of training organisations and educational establishments and the ways in which they did — or did not — align with the needs of business. The committee made a number of recommendations to the Department for Employment and Learning concerning the future role of the FE sector, which led the Department to initiate a fundamental review culminating in the publication in 2004 of *Further Education Means Business*, the Department's strategy for the future of the sector. The central aim of the strategy is to ensure that the educational and training needs of learners and of the Northern Ireland economy are being met by the further education sector.

Further details of the content of *Further Education Means Business* are contained in chapter 2 of this guide. The sixteen colleges were merged to

form six regional colleges in August 2007. The first readers of this revised guide will also be amongst the first governors of the newly-restructured sector and will be responsible for the efficient and effective governance of much larger establishments than was previously the case.

1.2. The Role of the Governing Body

The governing body of a further education college is a corporate entity which is responsible for the overall functioning of the college. It has a statutory duty of ensuring that the college delivers or arranges for the delivery of suitable and efficient further education to students of the college. To this end, it is responsible for the quality of the service the college provides to its students and their welfare, the financial health of the college, the proper use of public funds, and for securing the effective management of the college. The governing body also has responsibility for agreeing and monitoring the progress of the college's strategy and in providing leadership to the college through the use of effective governance processes.

It must be stressed that the role of the governing body is not to manage the college – that is the executive's role, overseen by the principal; the governing body is there to ensure that appropriate standards of good management are adhered to, that the college operates within the confines of the law, that any decisions taken conform to the educational character, aims and mission of the college, and that all appropriate factors, such as government policy and the needs of local business and the local community, are taken into account as part of its decision-making process.

1.3. Purpose and Status of the Guide

This guide describes the main powers and responsibilities of the governing body, offers advice on the principles of good governance and provides

background information on the further education sector. It has been written with the needs of newly-appointed governors in mind, especially those who have not previously been involved with further education. Experienced governors may also find it of value, particularly in view of the important changes brought about through the review of further education.

The text of this guide, covering such a diverse sector, cannot encompass the distinct developments of the legal status of each college. What it has to say is general rather than particular. While all reasonable care has been taken to ensure the accuracy of the information provided in this guide, no responsibility can be accepted for any errors. The authoritative definition of the powers and responsibilities of governors is that set out in the relevant legislation and in the instrument and articles of government of each college. Matters of interpretation of the law are ultimately for the courts to determine. The guide has no special status and is not a legally authoritative text.

1.4. Overview of the Guide

This guide has been written in such a way to function both as a reference tool, to be dipped in and out of, and as a structured introduction to the roles, powers, and information required to be an effective member of the governing body of a further education college. It should be read and understood in conjunction with any training undertaken, as well as direct experience of governing body activities.

The body of the guide begins (chapter 2) with a picture of the further education sector in Northern Ireland, its purpose and role, and a description of the system in which colleges operate. Types of courses and qualifications are covered, and the policy direction of the Department for Employment and Learning for the sector and the programmes it operates to achieve its aims is covered in some detail.

Chapter 3 covers legal issues: the primary legislative framework in which colleges operate, the powers and duties of governing bodies and the Department and other important legislative constraints on colleges' activities.

The proper conduct of governing body business is discussed in chapter 4. This chapter outlines the general rules and conventions which enable the governing body to ensure the proper governance of the institution. Included is a brief outline of the code of conduct for the governing body which discusses public appointments policy and the tenure and qualifications of governors.

In chapter 5, attention turns to the behaviour expected of the individual governor. It focusses in particular on the "Nolan principles", drawn up in 1994 by the Committee on Standards in Public Life.

Student matters are discussed in chapter 6. These include the students' charter, issues of interest to students with disabilities, student discipline and the role of the students' union.

The remaining five chapters discuss the particular roles and responsibilities of the governing body, and provide information to help it fulfil them.

Chapter 7 covers strategic planning, the importance of putting in place ambitious and achievable targets for the delivery of the college's medium- to long-term strategy. It focusses on the central strategic management tool used by the governing body: the college development plan.

Chapter 8 discusses the governing body's role in overseeing the college's activities as a whole. The importance of good information gathering and

presentation is stressed, to assist the governing body in monitoring the progress of the college against its development plan. The means by which progress can be measured in terms of the quality of the college's academic provision is also discussed.

Chapter 9 discusses human resource issues. The college's most precious asset is its staff and the governing body has responsibilities for appointing senior staff, agreeing a framework for the appointment and management of non-senior staff and ensuring that equal opportunities and fairness are integral to these processes.

Chapter 10 deals with the effective use of physical resources, the importance of maintaining a viable estates strategy and ensuring that health and safety considerations are always taken into account.

Finally, chapter 11 covers financial matters, including accountability, planning and monitoring expenditure and departmental funding. The governing body is accountable for the effective use of public funds and must ensure that proper planning and recording mechanisms are in place, as well as ensuring that value for money is achieved at all times.

1.5. Induction and Training

Following appointment, the college principal will contact each new governor so that an induction programme may be arranged. This should include a briefing on the organisation and structure of the institution and its allocation of managerial roles and responsibilities. The Department also arranges and runs induction seminars for new governors.

There is no better way of a governing body getting to know a college than by visiting it during term time and meeting the staff and students. However,

governors should not become involved in matters that are properly the responsibility of the college management.

It is essential that each governor has a copy of the college's instrument of government and articles of government. The secretary to the governing body must therefore make arrangements to ensure that all new governors are provided with copies on appointment. Governors should ensure that they have, for reference purposes, the following documents, specific to each college:

- the college's instrument and articles of government;
- the most recent college development plan;
- the most recent annual report;
- the most recent financial forecast and current budget;
- key personnel policies and procedures;
- the college's equality scheme; and
- the college's freedom of information policy document.

New governors should also obtain the following documents issued by the Department for Employment and Learning, which set out the framework for the college's financial, accounting and audit procedures:

- financial memorandum;
- accounts direction; and
- audit code.

A copy of The Further Education (Northern Ireland) Order 1997 may also be useful. All UK and NI legislation can be found at the statute law database (www.statutelaw.gov.uk).

The governing body secretary will be able to arrange for copies of all these documents to be obtained.

1.6. Further Information and Feedback

There are several documents referred to in the text of this guide to which governors may wish to refer. These and other documents which may be of interest are listed in Appendix 1. These are available from either the college or the Department for Employment and Learning, or by using the electronic links provided.

The governing body secretary is another excellent source of information regarding governing body business and you should approach him or her with any queries you might have. The Department itself will also be pleased to deal with any such queries or comments.

This guide is a developing document, developing with changes in the sector, in the legal framework and in the policies adopted by the Department. Any feedback you may have on the guide itself in the light of your experience as a governor would be very welcome. Please send any comments to the Department's Further Education Corporate Governance and Accountability branch at Adelaide House, 39-49 Adelaide Street, Belfast, BT2 8FD, or e-mail frances.hazell@delni.gov.uk.

2. THE FURTHER EDUCATION SECTOR IN NORTHERN IRELAND

2.1. Introduction

Further education (FE) is defined in legislation as full-time and part-time education other than higher education (HE) for persons over compulsory school age.

Colleges cater for a wide range of the population from school pupils — through the implementation of the policy for 14- to 19-year olds — to adults up to and beyond retirement age. Increased participation is being encouraged by more flexible course provision at all levels, an increased use of new technology in teaching and learning and through open and distance learning.

While the Department sets the strategic direction for the FE sector as a whole in Northern Ireland, it is for each individual college to establish its own strategy, and to develop a curriculum offering and other services to meet the needs of learners and employers in its local area. The overall strategic direction for FE in Northern Ireland is articulated in the *Further Education Means Business* strategy document.

The Department maintains regular contact with colleges through formal and informal meetings at individual college level, and through attendance at sector-wide meetings and conferences.

With effect from 1 August 2007, the sixteen previous FE colleges in Northern Ireland merged to form six larger regional colleges. While the number of college campuses delivering courses locally will not change, the larger colleges will help to enhance the sector's profile as a provider of high-quality services, will improve colleges' ability to influence local and regional

economic planning and will strengthen their ability to provide a coordinated approach to the delivery of courses at all levels.

The six colleges are:

Belfast Metropolitan College incorporating Belfast Institute and Castlereagh College;

Northern Regional College incorporating Causeway Institute, East Antrim Institute and North East Institute;

North West Regional College incorporating Limavady College and North West Institute;

South Eastern Regional College incorporating East Down Institute, Lisburn Institute and North Down & Ards Institute;

Southern Regional College incorporating Armagh College, Newry & Kilkeel Institute and Upper Bann Institute; and

South West College incorporating East Tyrone College, Fermanagh College and Omagh College.

2.2. Further Education Means Business: the Department's Strategy for the Sector

In response to the Assembly Committee for Employment and Learning's inquiry into Education and Training for Industry in September 2001, the Department undertook a major review of the FE sector in Northern Ireland, in order to make policy proposals for the future development of, and strategy for, the sector.

The review findings formed the basis for a range of proposals which were published for public consultation in the document *Further Education Means Business*¹ in March 2004. That consultation period closed at the beginning of August 2004 and the response to the document was, broadly, very positive. *FE Means Business* clearly identified the FE sector as the primary agent of lifelong learning in Northern Ireland.

2.2.1. Main Elements of the Strategy

The strategy will deliver key elements of the Department's wider skills strategy. It will also make a significant contribution to the delivery of the *Economic Vision for Northern Ireland*², which stresses the importance of increasing the skills and qualifications of the Northern Ireland workforce at all levels, and recognises that the FE strategy is one of the main mechanisms through which this will be achieved.

The main elements of the FE strategy can be summarised as follows:

- The *clarification of the aim and objectives of the sector*. Three main objectives have been identified for the sector:
 - strengthening economic development;
 - enhancing social cohesion; and
 - promoting lifelong learning.

- A more *demand-led approach to provision*, with an emphasis on developing the skills required by employers, in order to address the needs of the Northern Ireland economy and advance the employability and social development of FE students.

¹ www.delni.gov.uk/index/consultation-zone/archived-consultations/archived-consultations-2004/fe-means-business-for-people-communities-economy-ni-2

² www.detini.gov.uk/cgi-bin/downutildoc?id=936

- A *revised funding model* which improves the ability of the colleges to meet the strategic objectives of the Department, to respond to local and regional needs, and which removes competition between colleges whilst enabling clear monitoring of expenditure and performance.
- The development of *meaningful and structured working relationships with key partners* such as schools, higher education institutions, employers, private sector training organisations, and the community and voluntary sector.
- *Enhancing the performance of the sector.* The Department will work with the sector to address inconsistencies in performance between achievements across the sector and conduct benchmarking to assist with improving the overall performance.
- The *restructuring of the sector* through a series of mergers to take full advantage of economies of scale in investment (particularly significant at the more advanced levels of study) while continuing to ensure ease of access for those studying at lower levels.

2.2.2. Implementation of the Strategy

Implementation of the *FE Means Business* strategy is now well underway; it is estimated that implementation of the strategy in its entirety will be completed by the end of 2008. Successful delivery will require the cooperation and involvement of a wide range of people within the sector, schools, universities, the community and voluntary sector and employers, as well as other government departments (notably the Department of Education and the Department of Enterprise, Trade and Investment).

Based on the main elements of the FE strategy outlined above, a high level implementation programme³ has been published. This outlines the programme of thirteen projects that has been established to deliver all aspects of the strategy. A newsletter, “Moving Forward” is also issued and is available from the DEL web-site at the following address:
www.delni.gov.uk/index/publications/pubs-further-education.

2.3. Further Education Provision

Colleges offer a wide variety of education and training opportunities to an equally wide variety of learners. A curriculum made up of professional and technical courses at all levels of study, as well as recreational and leisure courses, is offered to learners over 16 years of age. Increasingly, colleges also work in partnership with post primary schools to deliver the curriculum entitlement framework to 14- to 16-year olds (see section 2.6).

In broad terms, colleges aim to address three important areas through their curriculum offering:

- economic development through the provision of courses designed to meet the needs of the local and regional economy;
- personal development through opportunities for further study and learning at all levels in preparation for working life and into retirement; and
- social development, allowing people from different community backgrounds to participate on a wide range of courses at all levels.

³ www.delni.gov.uk/index/publications/pubs-further-education/fe-means-business-implementation_plan.

Colleges also provide a range of services to employers and their employees.

2.3.1. Breadth of Provision

Courses provided by colleges can be characterised as falling into two broad groupings:

- professional & technical education and training, and academic education; and
- community education, including pre-vocational courses and recreational or leisure courses.

Regarding professional and technical provision, the *Economic Vision for Northern Ireland* and the Department's skills strategy, *Success Through Skills*⁴, both emphasise that increasing skills levels and improving participation in education and training are vital elements in contributing to a strong regional economy. As part of this, *Further Education Means Business* identifies FE colleges as key players in the development of economic and workforce development. To this end, the Department will expect colleges to increasingly align their curriculum to meet the needs of the economy, employers and individual learners. This will be abetted by keeping in regular contact with employers and becoming involved with local workforce development forums that have been established in each of the six new college areas with a remit to articulate the skills needs of employers.

The FE sector has witnessed an overall increase of 29% in total professional and technical enrolments between 1998/99 and 2006/07.

⁴ www.delni.gov.uk/index/publications/pubs-sectoral/skills-strategy-ni

Enrolments have also risen by 29% in the same period in the six areas identified as areas of priority skills need: computing; construction; electronics; hospitality, catering & tourism; manufacturing engineering; and software engineering.

It is within this context that colleges are expected, in planning their curriculum over the next few years, to:

- increase the proportion of total college provision in the six priority skill areas;
- increase the proportion of total college provision that is at level 2 and above (see section 2.4 for details of qualification levels);
- increase the proportion of total college provision that is at level 3 and above;
- increase the proportion of total college provision that is in the National Qualification Framework (see section 2.4);
- increase the proportion of total college provision that is in professional and technical areas; and
- increase the provision of the essential skills of literacy and numeracy (see section 2.5).

As well as meeting the needs of employers and supporting the economy, colleges offer a wide range of courses which can be described as non-professional and technical. Many of these courses are recreational, although, increasingly, they can lead to qualifications or units of qualifications. These courses are an important aspect of provision, not only because they can be a stepping stone to further qualification-based courses, but also because they introduce a strong community dimension to the college.

2.3.2. Modes of Study

Colleges offer a mixture of full-time and part-time courses. In general terms, most students attending full-time courses are under the age of 19, whereas most students attending part-time courses tend to be over 19 years of age. The main modes of study in FE colleges include the following:

- full-time courses;
- part-time courses (day and/or evening);
- sandwich courses (courses with one or more extended periods of placement in work within a period of full-time study, where the work is an integral part of the assessed award, and where the student may be employed or sponsored by an employer);
- day and block release (part-time release from employment);
- open learning workshops;
- short courses for industry;
- computer based learning; and
- distance learning courses using e-learning techniques.

2.4. Qualifications

2.4.1. The National Qualifications Framework

Two regulatory authorities are responsible for the regulation of qualifications within Northern Ireland: the Council for the Curriculum, Examinations and Assessment (CCEA) and the Qualifications Curriculum Authority (QCA).

The CCEA is responsible for the regulation of all qualifications within Northern Ireland apart from National Vocational Qualifications which are regulated by the QCA. It is a non-departmental public body reporting jointly

to the Department of Education in Northern Ireland and to the Department for Employment and Learning. The QCA is also a non-departmental public body, with headquarters in England and a regional office in Belfast. Both bodies work in collaboration with the Welsh regulatory authority to operate the National Qualifications Framework (NQF).

These authorities are responsible for ensuring that qualifications meet a rigorous quality assurance standard before being accredited into the framework. The accredited qualifications are placed at the appropriate levels on the NQF and the framework is regularly reviewed to ensure the suitability and availability of qualifications to meet the needs of learners, employers and the economy. Once they are accredited into the NQF, the qualifications are subject to regular monitoring by the regulatory authorities.

The overall aim of the NQF is to assist learners in making informed decisions about the qualifications they need, by comparing the levels of different qualifications and identifying clear progression routes to their chosen career.

The NQF aims to:

- promote access, motivation and achievement in education and training, strengthening international competitiveness;
- promote lifelong learning by helping people to understand clear progression routes;
- avoid duplication and overlap of qualifications while making sure all learning needs are covered; and
- promote public and professional confidence in the integrity and relevance of national awards.

All accredited qualifications in the NQF are listed on the national database of accredited qualifications (NDAQ) and can be accessed using the following link: www.accreditedqualifications.org.uk.

There are three broad types of qualification included in the NQF:

- *National Vocational Qualifications* (NVQs) are work-related, competence-based qualifications. They reflect the skills and knowledge needed to do a job effectively and show that a candidate is competent in a particular area of work. NVQs were first introduced in the 1980s and since then they have been regularly monitored.
- *Vocationally-Related Qualifications* (VRQs) serve a range of purposes in different occupational sectors and at different levels and vary in terms of size and assessment arrangements. These qualifications primarily prepare people for work by developing the skills and knowledge needed in the workplace.
- *General Qualifications* (GQs) are the broad group of qualifications normally used to assess pupil attainment throughout secondary education and typically include the General Certificate of Secondary Education (GCSE) and the General Certificate of Education (GCE) at A and AS levels. Both of these qualification types are also available in applied subjects that support learning applicable to working life.

All accredited qualifications are awarded an NQF level. If a qualification shares the same level as another, they are broadly similar in terms of the demand they place on the learner. However, qualifications at the same level can still be different in terms of content and duration.

The nine levels of the NQF are shown in *table 2.1*. The table also highlights how the current levels broadly compare to levels set out in the Framework for Higher Education Qualifications.

Table 2.1: The National Qualifications Framework

National Qualifications Framework		Framework for Higher Education Qualifications (FHEQ)
Previous levels (with examples)	Current levels (with examples)	
5 Level 5 NVQ in Construction Management ⁵ Level 5 Diploma in Translation	8 Specialist Awards	D (doctoral) Doctorates
	7 Level 5 Diploma in Translation	M (masters) Masters degrees, postgraduate certificates and diplomas
4 Level 4 NVQ in Advice and Guidance ⁵ Level 4 National Diploma in Professional Induction Skills Level 4 BTEC Higher National Diploma in 3D Design Level 4 Certificate in Early Years	6 Level 6 National Diploma in Professional Production Skills	H (honours) Bachelor degrees, graduate certificates and diplomas
	5 Level 4 BTEC Higher National Diploma in 3D Design	I (intermediate) Diplomas of higher education and further education , foundation degrees and higher national diplomas
	4 Level 4 Certificate in Early Years	C (certificate) Certificates of higher education
3 Level 3 Certificate in Small Animal Care Level 3 NVQ in Aeronautical Engineering A levels		
2 Level 2 Diploma for Beauty Specialists Level 2 NVQ in Agricultural Crop Production GCSEs Grades A*-C		
1 Level 1 Certificate in Motor Vehicle Studies Level 1 NVQ in Bakery GCSEs Grades D-G		
Entry Entry Level Certificate in Adult Literacy		

⁵ Revised levels are not currently being implemented for NVQs at levels 4 and 5.

2.4.2. Vocational Qualifications Reform Programme

The vocational qualifications reform programme covers the whole of the UK. The broad scope of the programme is to bring about the reform of vocational qualifications across the four nations and to introduce a revised unit-based, credit-rated qualifications framework for England, Wales and Northern Ireland (Scotland has already developed its own credit and qualifications framework). The content of this framework will be informed by sector qualifications strategies, which outline the current and future learning and qualifications needs of employers.

The intention is to develop vocational qualifications that are:

- *responsive*: they are seen by employers as keeping pace with their skills needs;
- *flexible*: they allow people to update their skills and keep them updated;
- *understood* by employers and individuals, increasing transparency in the labour market;
- *progression-oriented*: individuals can build their skills and qualifications over time and use them to gain access to further learning and training opportunities; and
- *inclusive*: people can get credit for informal learning as well as learning undertaken in more formal situations.

2.4.3. Proposed Qualifications and Credit Framework

In November 2005 the UK regulatory authorities received a joint ministerial remit to proceed with tests and trials of a new Qualifications and Credit Framework (QCF) from 2006 to 2008.

The proposed framework will be a unit-based qualification framework underpinned by a system of credit accumulation and transfer. Designed to recognise a wider range of learner achievements than the National Qualifications Framework, it aims to be:

- more responsive to employer and learner needs;
- demand- and market-led;
- simple, flexible and with currency for learners; and
- under-pinned by a credit system that recognises the achievement of units and qualifications.

A unit is a 'bite-size chunk' of learning for which credit will be awarded. All units within the proposed framework will be given a level and credit value. Credits awarded for each individual can be combined using rules of combination to form qualifications.

The aims of the QCF are to provide a simple navigable structure — reducing overlap and duplication — to rationalise the proliferation of current qualifications and to meet the needs of the economy. It will support an individual record of learner achievement with the aim of ensuring that no learning will be lost: all learning will contribute towards a qualification.

The test and trials will engage learners across a range of settings, including colleges, workplaces and community-based providers. The results of the trial will show whether the framework will be sufficiently flexible, inclusive and easy to navigate and understand. The trial will be critically analysed and evaluated before decisions are taken about full implementation.

2.5. Essential Skills

In addition to the provision described above, FE colleges are major providers of the Essential Skills of literacy and numeracy. More recently, provision has also been piloted in the third Essential Skill area of Information and Communications Technology (ICT).

The *Essential Skills for Living*⁶ strategy was launched in October 2002 in response to the findings of the International Adult Literacy Survey, which showed that almost 25% of adults in Northern Ireland performed at the lowest levels of competence in literacy. Northern Ireland compared poorly with other EU countries, such as Belgium (18%), Germany (14%), the Netherlands (11%), and Sweden (8%). The Strategy is designed to enable adults to improve their overall quality of life, their personal development and their employment opportunities.

The current target for the Strategy is, by March 2011, for the achievement of 38,000 qualifications in literacy and numeracy and 4,000 in ICT.

The strategy has four main themes:

- to increase awareness of and drive up demand for educational and training provision through effective promotion;
- to put in place an infrastructure which will enable adults to improve their skills and gain recognised qualifications;
- to improve the quality of teaching in literacy and numeracy across all provision; and
- to increase the capacity for provision by securing funding and coordinating planning and delivery.

⁶ www.delni.gov.uk/essential_skills_for_living-3.pdf

Since the launch of the strategy, significant progress has been made on all four themes.

A range of Essential Skills qualifications in literacy and numeracy from Entry Level 1 through to Level 2 are now in place. During the 2007/08 academic year the Department carried out a pilot involving 600 participants to consider the implications of delivering ICT as a third Essential Skill. The pilot is continuing during the 2008/09 academic year, when it is envisaged that approximately 1,200 learners will take part. It is likely that ICT as the third Essential Skill will be rolled out from September 2009.

A major promotional campaign featuring the 'Gremlins' was launched in May 2003. The campaign was very successful and, coupled with providers' own marketing efforts, has resulted in over 32,000 Essential Skills qualifications being achieved to date. However, after five years, the Gremlins campaign has now run its course and, from September 2008, a new promotional campaign will be launched to replace it.

In 2005/06 Frontline Consultants were commissioned to carry out an interim appraisal of the Essential Skills Strategy to investigate how it was working and to inform future policy and provision. Frontline concluded that the Strategy was making an immediate difference to individuals and should make a longer term difference to society and the economy.

The Essential Skills Strategy is now over five years old and much progress has been achieved to build the infrastructure and improve quality and capacity. It is now entering a new phase which will focus on engaging employers and those people already in employment as well as targeting the hardest to reach groups in society.

2.6. New Deal for 18- to 24-year olds and 25+ year olds

The New Deal was introduced in 1998 as part of the Government's welfare-to-work initiative. It aims to assist unemployed people, through accredited training and work experience, to move from benefits into employment. Colleges deliver, and receive funding for, aspects of the New Deal.

All people aged 18 to 24 are eligible for and required to participate in the New Deal when they have been claiming Jobseeker's Allowance for 6 months or more. After receiving advice and guidance for up to six weeks, claimants must take one of the following options:

- employment: a subsidy is paid to an employer when they recruit a New Deal participant for a permanent job;
- full-time education and training, which lasts up to one year and includes essential skills delivered by FE colleges, a period of work experience, mandatory training (leading to a qualification) and job searching;
- a placement in the voluntary sector; or
- a placement with an environmental organisation.

People aged 25 or above who have been unemployed and claiming Jobseeker's Allowance continuously for 18 months or more, or have had a claim to Jobseeker's Allowance for 18 out of the last 21 months, are required to participate in New Deal 25+. There are three options following a period of advice and counselling:

- employment: a subsidy is paid to an employer when they recruit a New Deal participant for a permanent job;
- a period of preparation for employment, including work experience in the private, public, voluntary, environmental or community sectors; or

- full-time education and training, which lasts up to one year and includes essential skills delivered by FE colleges, a period of work experience, mandatory training (leading to a qualification) and job searching.

2.7. 14-19 Education Provided by the Further Education Sector

In line with the recommendations contained in the Department's skills strategy and *FE Means Business*, and the Department for Education's post-primary review⁷, the two departments have agreed to jointly consider their policies for 14- to 19-year olds. Both departments have agreed to focus on the major issues in such a way as to promote:

- greater coherence and planning of provision at regional and local levels;
- the development of a curriculum framework which ensures greater choice for all young people, including enhanced access to vocational and occupational provision;
- enhanced emphasis on specific provision related to economic needs;
- a much higher profile for information, advice and guidance for young people, including greater clarity about progression routes;
- better value for money by reducing duplication and making best use of existing resources;
- more effective use of the substantial ICT investment in the schools and FE sectors to promote the potential of e-learning; and
- improved community relations.

2.7.1. Vocational Enhancement Programme

DEL and DE are working together to ensure the recommendations contained in *FE Means Business* and the Costello report are fully realised.

⁷ Future Post-Primary Arrangements in Northern Ireland, DENI, January 2004. Use the following link for more details: [link to the Costello report at the DENI web-site.](#)

The recommendations from both reports aim to enhance the profile of professional and technical education and promote the need for collaboration amongst schools, colleges, the voluntary and community sector and private training organisations in the interests of pupils and students alike.

These recommendations and a number of key education reforms under the Entitled to Succeed (e2s) programme — including the revised curriculum, assessment arrangements and the entitlement framework — have prompted both departments to develop the pilot Vocational Enhancement Programme (VEP).

The VEP pilot aims to introduce a framework that will support local collaboration between schools and FE Colleges to expose 14- to 19-year olds of all abilities to a range of learning experiences which includes both academic subjects and professional & technical education. Many of the modules, units and options offered by the VEP will provide coherent progression routes into higher education, FE, training and/or employment. The purpose is to widen the pathways provided by 14-19 education and training and to ensure that young people are made aware of all the career choices available to them.

The programme was first piloted in September 2004⁸ and extended in subsequent years. In the 2007/08 academic year all 6 colleges and 209 post-primary schools, (including 30 special schools), are involved in the VEP, offering 12,099 vocational education opportunities to students through FE colleges and 396 pupils through 9 training organisations.

2007/08 is the final year that support for school/FE collaboration will be based on a college-led model of collaboration, where funding is paid

⁸ See www.delni.gov.uk/lstda_voc_programme.pdf for an independent evaluation of the first year of the programme.

through DEL and the VEP is managed and administered, in the main, by FE colleges. From September 2008, the responsibility for the funding and administration of the replacement of the VEP will pass from DEL to DE and the schools. In anticipation of the introduction of the Entitlement Framework, DE will move collaborative arrangements between post-primary schools and vocational providers onto a purchaser/provider footing, where schools will decide from where they will purchase provision.

A full evaluation of the VEP pilot 2005-2008 will be available in December 2008. Achievement data gathered from CCEA is currently being analysed and other data sources are being investigated. As the evaluation progresses, the findings will inform the way ahead for the VEP replacement in the 2008/09 academic year and the shape of the Entitlement Framework from September 2013. The VEP programme will also provide the Department with evidence to inform the future policies regarding 14- to 19-year old provision and a model for future FE/school collaboration.

The current aims of the programme are to:

- extend the breadth of education available to 14- to 16-year olds to provide a better choice, including the provision of professional and technical options;
- develop post-16 routes within well-articulated lines, providing better progression from key stage 4 through to the age of 19;
- stretch young people of all abilities by offering vocational modules which tie in with academic studies;
- provide coherent progression routes into HE, FE and training and/or employment;
- ensure the provision of training in basic competence, skills, knowledge and attributes to equip young people with the skills employers want; and
- develop a new vocational brand to reflect achievement on vocational programmes.

2.8. The Department's Development of Curriculum Policy

The Department's policy will have completed, and consulted upon, curriculum policy proposals, including many aspects of FE provision outlined above earlier in 2008. In particular, proposals focussed on ensuring that college provision is increasingly based on qualifications in the National Qualification Framework, and on achieving the most appropriate balance between professional and technical provision and provision that supports social inclusion.

The consultation will inform new curriculum policy that will be implemented on a phased basis from the start of the 2008/09 academic year.

2.8.1. Access to Further Education

Increasing learner access to FE provision will continue to be an important issue for colleges to address. Although the college structure has been reduced to six colleges, there are no plans to close any college campuses or outreach centres, which ensure ease of access throughout Northern Ireland. In addition, the Department is developing proposals to enable colleges to contract with other providers, such as the voluntary and community and private sectors, to provide a range of mentoring and support services to learners, particularly those learners who may be reluctant, for whatever reason, to avail of mainstream FE provision.

2.8.2. Use of Information and Communications Technology

The Department has invested significantly in information and communications technology (ICT) in recent years. Over the period 1999/00 to 2004/05 inclusive, £2.65m in staff development funding was distributed

across the sector to enhance the ICT skills of lecturing staff. Over the period 1999/00 to 2006/07, almost £30m in capital equipment funding has also been allocated to colleges to enhance their ICT infrastructures, with a particular focus on increasing access by both learners and staff to industry-standard, internet-enabled computers. This funding is in addition to the colleges' own financial commitment. A new capital funding policy and guidelines for the production of an information and learning technology (ILT) strategy, operational plans and an impact analysis report, were issued to the sector in December 2006 and have applied to all ILT activities and purchases in the six colleges since August 2007.

2.8.3. E-Learning

The Department's e-learning programme will help to shape the vision for e-learning within the FE sector. It aims to develop a baseline for e-learning provision across the sector by capitalising on the significant investment to date, by rationalising current provision and by developing and implementing proposals to increase e-learning capacity.

It has been developed both to build on previous investment and to further enhance the infrastructure which business and industry increasingly require as they look to the sector as a key provider in terms of personnel and company development. The demand for tailored and flexible provision outside normal term-time and business hours is likely to increase. It is therefore vital that e-learning is more deeply embedded within the sector.

The six new colleges have submitted the first of their three-year ILT strategies and operational plans. These documents clarify the roles and responsibilities of the colleges' partner organisations as well as areas of collaboration and set out the college's strategy for reaching IQRS, the standard by which the Department will measure standards.

The Department has also commissioned the Regional Service Centre for NI to produce an ILT training needs analysis of all FE sector staff, which will contribute to the development of a new staff development funding policy. Running parallel with this, and in support of recommendations made in *FE Means Business* and the *Success Through Skills*, a blended learning funding model will also be developed in the FE sector.

In addition, the Department is also providing capital support to the tertiary (further and higher) education sector through the Northern Ireland Regional Area Network (NIRAN) which addresses the networking demands of colleges and universities by providing high levels of broadband access on a financially more efficient basis than was previously available. NIRAN was completed on schedule and within budget in November 2004.

The Department has recently funded upgrades to the network to facilitate increasing levels of broadband access.

2.9. Promoting Good Relations

In July 2003, the Department issued a cultural diversity working document to all FE colleges to assist the sector by providing a practical starting point for the promotion of good relations, which is a statutory legal requirement arising from the Northern Ireland Act 1998.

In tandem with this working document, the Department provided financial support totalling £150,000 for three cultural diversity pilot projects, which ended in March 2005. These pilots aimed to promote good relations by providing opportunities for students and staff from differing identities, backgrounds and traditions to develop and enhance relationships of trust and understanding, and promote mutual respect in every aspect of college life.

Following the completion of these pilots, the Department engaged the Education and Training Inspectorate to undertake an evaluation and identify best practice. To complement this work, the Association of Northern Ireland Colleges also commissioned research to identify 'chill factors' within FE colleges, and to generate practical suggestions on how these may be addressed, as well as promoting equality of opportunity and encouraging good practice.

The Department is supporting the dissemination and roll-out of best practice in this area across the FE sector, over a 12-month period. The necessary preparatory activities have been taken forward during the 2006/07 academic year to allow colleges to embed cultural diversity in policies, procedures and the curriculum from September 2007.

3. THE LEGISLATIVE FRAMEWORK

3.1. Introduction

Further education (FE) in the UK is a devolved matter, with separate arrangements in place for England, Northern Ireland, Scotland and Wales. The current arrangements for further education in Northern Ireland were established by The Further Education (Northern Ireland) Order 1997 (“the 1997 Order”), which removed the colleges from the control of the education and library boards to become self-governing incorporated bodies with effect from 1 April 1998. A copy of the 1997 Order containing all subsequent amendments can be downloaded by using the following direct link: [link to the FE \(NI\) Order 1997](#).

The 1997 Order also made a number of provisions for the role and powers of the Department and the constitution, conduct, powers and duties of governing bodies, the most important of which are described in this chapter.

3.2. Definition of Further Education

The principal purpose of all colleges in the sector is to provide further education. Further education is defined by Article 3 of the 1997 Order as:

- a. full-time and part-time education suitable to the requirements of persons over compulsory school age (including vocational training); and
- b. organised leisure-time occupation provided in conjunction with the provision of such education.

The Order also defines further education in such a way as to differentiate between education after compulsory school age which is provided in

schools and that provided in colleges. Thus, education provided for 16- to 18-year olds in schools which also provide for pupils of compulsory school age is regarded as secondary education.

3.3. Duties and Powers of the Governing Body

Article 13 of the 1997 Order places the following duties on the governing body of each college:

- a. to secure the efficient and effective management of the college; and
- b. to ensure that the institution provides, or secures the provision of, suitable and efficient further education to students of the college with regard to the provision of education and the educational needs of industry and commerce and the community in that area. In meeting these obligations the governing body should have regard to the requirements of persons over compulsory school age that have learning difficulties.

Articles 14, 15 and 16 of the 1997 Order set out the powers of the governing body and certain restrictions placed upon those powers. The main powers are:

- a. to provide further, higher and, under particular circumstances, secondary education;
- b. to charge fees and to provide students with appropriate financial or other assistance;
- c. to manage the institution;
- d. to supply goods or services in connection with their provision of education, including making available their facilities and the expertise of their staff;

- e. to do anything appearing to be necessary or expedient for the purpose of or in connection with exercising any of the powers conferred on it in relation to such provision, including:
 - i. providing ancillary facilities;
 - ii. acquiring and disposing of land and other property;
 - iii. entering into contracts, including employing staff;
 - iv. borrowing and investing sums of money and accepting gifts (subject to certain conditions); and
 - v. doing anything incidental to the conduct of an institution providing further or higher education.

3.4. Powers of the Department

Articles 4 to 9 of the 1997 Order set out the principal powers of the Department in relation to the further education colleges, primarily to fund the colleges and apply conditions, appoint the governing body, establish new FE colleges, recognise existing institutions as FE colleges and to amalgamate or discontinue existing FE colleges. The 2007 college mergers were effected under Article 7 (amalgamation).

The governing body is the ultimate authority within the college. All aspects of the governing body's responsibilities are, however, subject to the duty of the Department to intervene to prevent the unreasonable exercise of functions. This duty derives from Article 101 of the Education and Libraries (Northern Ireland) Order 1986⁹ which is applicable to all colleges in the sector and empowers the Department, after consultation, to give directions to the governing body of an institution of further education as to the exercise of any power conferred or any duty imposed on the governing body under any provision of the education orders. While it is difficult to offer a precise definition of what is an unreasonable act, the courts have tended to lower

⁹ Use the following link: [Link to Article 101 of the 1986 Order](#).

the threshold of unreasonableness so that it can be used more effectively to control administrative action. The Department also has similar powers to direct colleges in ordinary circumstances, although the exercise of this power would rarely, if ever, be employed.

The Department may also intervene by virtue of paragraph 4 of Schedule 3 to the 1997 Order, in the event of mismanagement or breach of duty. If the Department considers that the affairs of a college have been, or are being, mismanaged, it may remove all or some of the governors and/or modify the instrument of government. New members shall be appointed to the governing body in place of those so removed. Similarly, the Department may act on a complaint that a governing body has failed to discharge any duty imposed on it. This action might include declaring the governing body in default, and giving directions with which the governing body would be required to comply.

There is also an obligation on governors in taking their decisions to act reasonably with regard to natural justice. While such criteria may seem self-evident there is a risk that on occasion they may be neglected, especially when difficult decisions have to be taken quickly and when important procedural safeguards could be overlooked and/or full consideration curtailed. A decision made by a governing body may be subject to judicial review and the governing body might see its decision set aside by the courts.

3.5. The Instrument of Government and Articles of Government

The constitution and procedures of the governing body are covered by Articles 11 and 12 and Schedule 3 to the 1997 Order. Each governing body has an instrument of government and articles of government which set out its constitution and conduct, respectively. The Department makes available

as advice a model copy of each of these documents, but each individual governing body agrees its own version and submits it to the Department for approval. These documents have a legal status and must be observed. A copy of the model instrument and articles is available on the DEL website (www.delni.gov.uk/index/publications/pubs-further-education/fe-college-model-instruments).

Changes to the instrument and articles of government of colleges may be initiated at any time by the college or the Department, but all changes are subject to the approval of the Department. The procedures for this are set out in Article 12 of the Further Education (Northern Ireland) Order 1997. Schedule 3 to the 1997 Order sets out further constraints on the contents of the instrument and articles of government.

The instrument and articles of government are discussed more fully in chapter 4; it is most important that governors obtain a copy of, and are familiar with, the instrument and articles for their own college.

Governors also have responsibilities under the law other than those defined in the instrument and articles of government. In particular, they have responsibility for preventing discrimination and promoting equality of opportunity (see chapter 9) and for ensuring health and safety (chapter 10).

3.6. The Financial Memorandum

The Department's financial memorandum¹⁰ sets out the terms and conditions under which it makes funding available to colleges. It makes requirements regarding the accounting and audit procedures and details of these are provided in supplementary documents issued as appropriate by the Department. The financial memorandum has two purposes:

¹⁰ A copy can be found at www.delni.gov.uk/index/publications/pubs-further-education/fe-01-08.

- to ensure that the funds made available for the delivery of further education by colleges are used effectively and efficiently and only used for the purposes for which they have been allocated; and
- to set out the respective responsibilities of the Department and of the college, especially with regard to the planning, budgeting and control of resources.

Chapter 11 expands on the purpose and main features of the financial memorandum.

3.7. Charitable Status

Colleges have been granted charitable status by the Inland Revenue. This status carries both benefits and obligations.

It will be up to each college to establish the extent to which it can benefit from charitable status but, generally speaking, the following benefits apply:

- certain exemptions from capital gains tax and income and corporation taxes;
- the ability to recover income tax deducted from gifts under deed of covenant and receipts under gift aid; and
- exemption from inheritance tax for donors to institutions.

The members of the governing body of a college which has been recognised as a charity are also trustees of the charity. Governors, by virtue of their position as trustees, have a duty to ensure that the college acts in accordance with its duties and powers as set out in Articles 14 and

15 of the 1997 Order and in accordance with its instrument and articles of government.

Obligations to which the governors must have regard in relation to the charitable status of the college and their responsibilities as trustees include the following:

- applying the property and income of the college only for the defined charitable purposes;
- acting only within their legal powers. If in doubt as to whether actions contemplated may take them outside the law, the governing body should seek the advice of its own legal advisers;
- taking particular care in organising the trading activities of a college, as these may not be regarded as charitable;
- managing and protecting the property of the college; and
- responding to the requirements of the Inland Revenue for information and returns.

3.8. Company Law

The question of whether a college should also register as a company under the Companies Orders is a matter for the college to determine having taken advice from its legal and financial advisers.

The accounting and auditing policies for all colleges and institutions in the sector have been drawn up by the Department in such a way as to be compatible with the requirements of the Companies Orders. Colleges which decide to register as companies limited by guarantee will also have to comply with certain other statutory requirements including:

- the laying of accounts before an annual general meeting of the company;
- the delivery of the accounts to the company registrar;
- the filing of an annual return and directors' particulars with the company registrar;
- maintaining the statutory books of the company including the register of members and the register of directors; and
- the appointment of a person as company secretary (normally the secretary to the governing body).

3.9. College Companies

Under the provisions of Article 14(j) of the 1997 Order, the governing body is empowered to form or promote, or to join with any other person in forming or promoting, companies within the meaning of the Companies (Northern Ireland) Order 1986. It is important that any company so formed is clearly under the control of the college; the governors of the college should therefore form the majority of the directors of the company. The memorandum and articles of the college company must be approved by the Department and include a requirement that profits from the company are covenanted to the college itself. The DEL financial memorandum also requires that the college principal is responsible for all finances of the college, including those of any college company.

3.10. Tax Status

The majority of college activities are exempt from or are outside the scope of value added tax (VAT). As a result, colleges are unable to recover most of the input VAT they pay on the purchase of goods and services. To the extent that they have taxable activities (e.g. making standard-rated supplies to students or members of the public) it will be for each college to determine

in accordance with the current threshold whether it is liable to register for VAT with the appropriate local VAT business advice centre. If a college finds that it is required to register, it will be a partly exempt trader and will have to negotiate a partial exemption method for VAT recovery with the advice centre.

The decision to grant charitable status means that colleges will enjoy certain valuable exemptions from corporation and income taxes and capital gains taxes. Colleges may recover the income tax deducted by a donor on gifts received under deeds of covenant or through the gift aid scheme. Like other employers, colleges must deduct income tax and national insurance contributions from payments they make to their employees.

3.11. Other Legislation

Governors of incorporated colleges are also subject to employment law and legislation on data protection, freedom of information, equal opportunities, race relations, fair employment, health and safety and Section 75 of the Northern Ireland Act 1998.

4. STRUCTURE, MECHANICS AND CONDUCT OF THE GOVERNING BODY

4.1. Introduction

In broad terms, the primary means by which a governing body acts is by making decisions within the constraints of legislation and good practice and ensuring that those decisions are acted upon. The previous chapter set out the legal framework within which the governing body makes decisions. This chapter deals with the mechanics of the governing body which assist and constrain decision-making: its structure, procedures and practices.

Much of the practice outlined in this chapter comes under the ambit of legislation. For the avoidance of criticism or challenge and for the purposes of good governance in general, it is essential that governing bodies have regard to the principles set out in this chapter and observe the strictures and guidelines contained here when conducting all aspects of their business.

Governing bodies are entrusted with public funds and therefore have a particular duty to observe the highest standards of corporate governance at all times and to ensure that they are discharging their duties with due regard for the proper conduct of public business. There are also great benefits to a governing body from effective and accountable governance arrangements. The governing body is the highest level of decision-making in the college and has a responsibility to lead by example. It must act and be seen to act in accordance with the highest standards of propriety at all times.

The guiding principles are that a governing body should:

- observe the highest standards of integrity and objectivity in the transaction of all its business, and particularly in the management of funds;
- ensure that the college acts within its proper authority, as delineated by legislation, the instrument and articles of government and the financial memorandum;
- wherever possible, follow a policy of openness and transparency;
- be accountable for the activities of the organisation and for the stewardship of public funds; and
- maximise value for money by ensuring that services are delivered in the most effective, efficient and economical way.

4.2. Composition of the Governing Body

Paragraph 2(1) of Schedule 3 to The Further Education (Northern Ireland) Order 1997 (“the 1997 Order”) delineates the parameters of membership of a governing body and this is reflected in each college’s instrument of government. The governing body consists of between 12 and 18 members, of whom:

- a. at least half shall appear to the Department to be, or to have been, engaged or employed in business, industry or any profession;
- b. one shall be the college principal;
- c. one or two shall be staff members, elected by their colleagues;
- d. one shall be a student of the college, elected by fellow students;

- e. two shall be nominated by the local education and library board as people with an interest in educational or community activities; and
- f. up to two may be co-opted by the existing members.

The issue of governing body composition will now be subsumed in the forthcoming Review of College Governance.

4.3. The Appointments Process

Public appointments in Northern Ireland are regulated or monitored by the Office of the Commissioner for Public Appointments for Northern Ireland (OCPA NI). The Department, in the interests of following and promoting good practice, voluntarily subjects the appointment process for publicly-advertised competitions to OCPA NI monitoring. All these appointments must therefore adhere to the OCPA NI code of practice, a copy of which may be found at the following web address:

www.ocpani.gov.uk/codemay07new.pdf.

Appointments to the governing body are public appointments by virtue of the fact that they are made through the exercise of selection and choice by a minister or a government department. All of the categories of membership set out above are filled by a ministerial appointment, although they are selected in different ways. Vacancies in category (a) are advertised widely and members selected through a public competition involving application and interview processes. The college principal is an *ex officio* member, sitting on the governing body by virtue of his or her position. The staff and student members are elected by their colleagues and fellow students under a process set out by the governing body.

The relevant education and library board or boards provide the Department with names of those members it would like to nominate under category (e); nominated people must have an interest in educational or community activities. The governing body may recommend members for appointment to the Department under category (f) if it feels that gaps exist in its skills breadth and balance that can be filled by recruiting additional members. Staff or students may not be co-opted in this way, however.

4.4. Eligibility, Tenure and Removal from Office

Governors will receive a formal letter of appointment from the Department. With the exception of the principal, they will be appointed for a fixed term of office which may not exceed four years and which will be specified in the letter of appointment. A governor's membership lapses at the end of that period, but he or she is eligible for reappointment under normal circumstances for a further term.

A governor may resign at any time by giving notice in writing to the secretary of the governing body. The membership of a governor who is the principal of the college or a staff or student member lapses if and when he or she ceases to be the principal, a member of the staff or a student at the college, as the case may be.

Schedule 1 to the instrument of government sets out the criteria specifying when a person would be ineligible to serve as a governor. These include holding membership of another governing body, being removed from a governing body and being convicted of a criminal offence and sentenced to imprisonment of at least three months. All governors must also undergo background checking under the provisions of Part V of the Police Act 1997.

The instrument of government also defines the circumstances in which a governing body must exercise its power to seek to have a governor removed from office. These circumstances include but are not restricted to:

- when a governor has been absent from meetings for more than six consecutive months without the governing body's permission;
- when a governor breaches the code of conduct or fails to declare conflicts of interest in an appropriate or timely manner; and
- when a governor is unable or unfit, in the view of the governing body, to discharge the functions of a governor.

The Governing Body does not have any formal power to remove one of its members from office. If a governor has become a person to whom the previous paragraph applies, or any other circumstances set out in the instrument of government that require that person's removal, the governing body should notify the Department accordingly.

The Department has the power (paragraph 4 of Schedule 3 to the 1997 Order) to remove and replace any or all of the members of a governing body if it appears to the Department that the college's affairs are being or have been mismanaged. Article 101 of the Education and Libraries (Northern Ireland) Order 1986 also empowers the Department to remove and replace any or all members if the governing body fails to implement directions issued under the terms of that article, or to prevent the unreasonable exercise of its powers. Governors will wish to note, however, that, since the colleges were incorporated in 1998, the Department has never had cause to take such drastic action.

4.5. Role of the Chair

The chair of the governing body has a particular responsibility for providing effective strategic leadership to the governing body and for ensuring it discharges successfully its overall responsibility for the activities of the college as a whole. He or she has a key role to play in ensuring that the governing body works effectively. That role will include:

- providing leadership to the governing body, welding together the individual governors into a cohesive team, to enable it to carry out its responsibilities effectively;
- ensuring that the governing body does not get involved in matters that are properly the preserve of management. The governing body should remain focussed on the bigger, strategic picture;
- enabling all governors to make a full contribution to the affairs of the governing body and ensure that it acts as a team. This includes a role in ensuring that all members, when appointed, are fully briefed on the terms of their appointment and on their duties and responsibilities;
- appraising the performance of governing body members on an annual basis and discussing and resolving any issues arising from that appraisal;
- ensuring that key and appropriate issues are discussed by the governing body in a timely manner;
- ensuring that the governing body has adequate support and is provided with all the necessary information on which to base decisions;

- ensuring that in reaching decisions the governing body takes proper account of statutory and other requirements and constraints. The recommendations of college management should be accepted only when the chair is satisfied that the governing body has fully considered all the issues, including any guidance issued by the Department;
- obtaining professional advice for the governing body, when necessary;
- representing the views of the college to the general public;
- encouraging and embodying high standards of propriety; and
- promoting the efficient and effective use of staff and other resources throughout the organisation.

Communication between the college and the Department will usually be through the principal. Where the issue is one between the governing body and the Department, this will normally be through the chair or the secretary, except where the governing body has agreed that an individual member should act on its behalf. Nevertheless, an individual member may seek access to the Department on any matter which he or she believes raises important issues relating to his or her duties as a member of the governing body. In such cases the agreement of the rest of the governing body should normally be sought.

The chair should ensure that all members of the governing body, when taking up office, are fully briefed on the terms of their appointment and on their duties, rights and responsibilities. All governors should each have a copy of:

- the college's instrument and articles of government;
- the most recent college development plan;
- the most recent annual report;
- the college performance measures;
- the most recent financial forecast and current budget;
- key personnel policies and procedures;
- the college's equality scheme;
- the college's freedom of information policy document; and
- the DEL financial memorandum, accounts direction and audit code.

It is an implicit expectation in the successful development of the role of the chair that the governing body will authorise the chair to act on its behalf between meetings and to report items of chair's action to the governing body at its regular meetings, particularly action agreed with the principal on matters delegated by the governing body.

4.6. Role of the Secretary

The secretary to the governing body is responsible for organising the proper conduct of the governing body's business. The person appointed to the post must not hold another post within the college at the same time. The importance of the independence of the secretary was emphasised by the Northern Ireland Audit Office in their 1999 report, "Corporate Governance and Financial Management in Colleges of Further Education". Members of the governing body (including the principal and staff members) may not also act as secretary to the governing body.

The appointment of the secretary is made by the governing body. The secretary works directly for the governing body and is answerable to it for the proper discharging of his or her duties. The secretary provides independent advice to the governing body and should work closely with the

chair and principal in managing the governing body's business. Specific duties would include:

- summoning meetings;
- preparing agenda and papers;
- taking minutes of meetings;
- advising the chair on procedures;
- ensuring that the decisions of the governing body are conveyed to those with a responsibility to implement them (though any communication with staff of the college must be made via the principal); and
- undertaking correspondence on behalf of the governing body.

It is therefore essential that the secretary is very familiar with the instrument and articles of government, any standing orders and any relevant guidance provided by the Department. The Learning and Skills Development Agency (NI), with the support of the Department, provides training for secretaries and secretaries are encouraged to take up such opportunities.

The secretary is an important conduit for communication between the principal and the chair. It is essential to the smooth running of the college that the principal and the governing body are aware of each others' needs and concerns. The position should not normally arise, for example, where a matter appears on an agenda for a meeting of the governing body without the prior knowledge of the principal. The principal and the chair should also normally see any correspondence received by or issuing from the secretary.

4.7. Delegation of Functions

It is necessary in practice for the governing body to delegate some of its work to committees, to the chair of the governing body or to the principal. Initially it is for each governing body to establish its own policy on this,

including the number, membership and terms of reference of any committees established in addition to an audit committee, which is mandatory under the terms of the 1997 Order, and the finance and general purposes committee.

The main responsibilities of the principal are also set out in the articles of government. Chapter 8 of this guide discusses the role of the principal and presents advice for promoting an effective working relationship between the governing body and the principal.

The articles of government also stipulate areas where the governing body must not delegate its functions:

- a. the determination of the mission and the educational character of the college;
- b. the effective use of resources, the solvency of the college and for safeguarding its assets;
- c. approval of the annual estimates of income and expenditure;
- d. the appointment, discipline, conduct, grievance, suspension, dismissal and setting of the pay and conditions of service of senior staff, although pay and conditions may be delegated to a third party; all colleges have signed up to collective negotiating arrangements through the Association of NI Colleges, who engage with the relevant representative bodies;
- e. approving a framework for the pay and conditions of service of staff, other than senior staff, and arranging for the negotiation of such with the recognised representatives of such staff;

- f. approving the arrangements for the appointment, promotion, discipline, conduct and grievance of staff, other than senior staff; and
- g. ensuring that there is an efficient and effective appraisal system for the principal and staff operating in the college.

4.8. Committees

The articles of government require all colleges to establish an audit committee and a finance and general purposes committee. The purpose of the audit committee is to scrutinise the activities of the college and the governing body itself, with a particular regard for financial accountability. It is the route through which internal and external audits of the college are carried out. The role of the finance and general purposes committee is to ensure that there is a close focus on college finances at the governing body level, including cash-flow and projected income and expenditure accounts.

The 1997 Order also empowers the governing body to establish other committees to undertake particular functions on its behalf. All such committees should operate within procedures, rules and bye-laws approved by the governing body as to membership, quorum, frequency, calling of meetings and such matters. In most respects, the rules applying to the governing body also apply to committees, although account needs to be taken of restrictions on membership of some committees applying to the chair, the principal and the staff and student governors. The minutes of any committee meeting should be circulated to all members of the governing body within ten days of the meeting, either as the agreed or draft version, subject to any confidentiality rules. The full governing body should also adopt the minutes of committee meetings.

The articles of government provide for the optional creation of a staffing committee and an education committee, as well as an academic board. The role of a staffing committee is to oversee the principal's responsibility for the appointment, terms and conditions of employment, discipline and dismissal of all staff other than senior staff. It agrees and monitors the framework within which the principal discharges this responsibility. The education committee oversees the college's curricular provision, with a focus on its quality and appropriateness for the community served by the college. The role of the academic board, where a governing body chooses to set one up, is to advise the principal on the general oversight of the academic work of the college, such as admission, assessment and examination of students, curriculum development and staff development and provisions for suspension or expulsion of students for academic reasons.

The governing body may also set up other committees by requesting to the Department that the college's articles of government be amended accordingly. Provision also exists in the articles of government for temporary committees to be set up, for which no amendment need be made to the articles of government.

4.9. Conduct of Meetings

The principles applying to the conduct of meetings of the governing body will be the same as those applying to a well-conducted meeting of any committee, board of directors or other similar body. Most of the items of business should be supported by a written report; minutes should be taken of all decisions, to be certified at the following meeting.

The articles of government establish certain rules of procedure for the conduct of meetings of the governing body and committees in relation to

quorum, conduct of meetings, declarations of interest, withdrawal and access to papers. Individual governing bodies may wish to supplement these to cover aspects of procedure not dealt with in the articles. Such rules may be in the form of standing orders which the governing body is empowered by the articles to make with regard to the government and conduct of the college. Individual governors need to be familiar with the procedures for their own college which may vary in detail. It is the responsibility of the secretary to the governors to interpret the rules and to advise the chair if at any time it appears that the governing body is in breach of them. Any standing orders should also be reviewed on a regular basis.

4.10. Professional Advice

All governing bodies will, from time to time, have reason to seek professional advice on matters before them. Governors, other than the principal, who are themselves members of these professions, should avoid being put in the position of offering such advice to the governing body. In their role as governors, they should contribute to debate on the basis of their broad professional experience but should stop short of offering a professional opinion which might determine a particular course of action.

Formal professional opinion should be sought from the governing body's appointed professional advisers in the appropriate field who can then be held liable for the quality of the advice provided. Examples of professional advice sought by colleges could be in connection with issues of a legal, accountancy or a surveying nature.

4.11. Access to Papers and Confidentiality of Proceedings

The general principle applies that students and staff of the college, and members of the general public, should have access to information about the proceedings of the governing body. A copy of the agenda, the approved minutes and any final document or other paper considered at the meeting must be available for inspection by students, staff and members of the public as soon as possible; the articles of government also require such papers to be posted on the college's web-site. Governors should also be mindful, in matters relating to access to papers and confidentiality, of their obligations under the Freedom of Information Act 2000¹¹ and the Data Protection Act 1998¹².

Exceptions to this could be in the case of material relating to named members of staff or students (including ex-employees or students), to matters of financial negotiation or to matters which the governing body itself may, from time to time, decide to treat on a confidential basis.

4.12. Monitoring the Performance of the Governing Body

The governing body should develop a basis for the regular monitoring of its own performance in carrying out its responsibilities, and identify and record any areas where development or training for governors might be helpful and agree a basis for providing these. The Department supports the activities of the Learning and Skills Development Agency for Northern Ireland in working with governing bodies to identify areas where training would be useful and in delivering appropriate training to meet those identified needs.

¹¹ Please use the following link to view the Act: [link to the Freedom of Information Act 2000](#).

¹² Please use the following link to view the Act: [link to the Data Protection Act 1998](#).

Such self-assessment will involve:

- agreement of the purpose of the evaluation;
- agreement of areas to be evaluated, e.g. strategic objectives, conduct of meetings;
- use of structured questionnaires;
- establishing targets for areas in need of improvement;
- repeating self-assessment to evaluate improvements; and
- identifying training needs particularly where areas for improvement are identified or there have been changes in membership. Governing bodies are then responsible for arranging suitable training to meet any identified development needs.

4.13. Performance Assessment, Training and Development

In *Further Education Means Business*, the Department indicated the intent to enhance the training and development programme for governors. New governors are invited to attend an induction session arranged by the Department; however, governors themselves — and the governing body as a whole — are responsible for ensuring that their other training and development needs are met.

It is also a requirement that each governing body, on an annual basis, formally assesses the performance of each member, including that of the chair. This provides each governor with an opportunity to identify areas where they might require some form of training, as well as those areas where they have exhibited a particular strength. This information is useful both to the governing body, as a form of self-assessment of its strengths and weaknesses, and to the Department, as it provides an assurance that each governor appointed by the Minister is fulfilling his or her role effectively. The chair will be assessed by a combination of fellow governing

body members and a senior officer in the Department, while other members will be assessed by the chair.

5. ROLES AND RESPONSIBILITIES OF THE INDIVIDUAL GOVERNOR

The individual governor, in addition to his or her corporate responsibilities as a governing body member, also has individual responsibilities to observe the highest standards of integrity, as is appropriate to a publicly-appointed position. New governors will have received, along with their minute of appointment, a document setting out terms and conditions of appointment, which provide some details of the requirements of the position.

The governing body is, for legal purposes, the embodiment of the college and, as such, is the body responsible for its assets, as well as the body liable for any legal action. Governors, however, are indemnified by the Department against any individual civil liability, as long as they act honestly and in good faith. By following the tenets set out in this chapter and in the guide as a whole, each governor can be confident that their actions are in accordance with these principles.

5.1. The Nolan Committee's Seven Principles of Public Life

Public concern about the financial probity of members of parliament and other holders of public office led to the setting up in 1994 of the Committee on Standards in Public Life¹³ (chaired first by Lord Nolan and later by Lord Neill). The Nolan Committee made important recommendations relevant to the governance of further education institutions including:

- the appointment and training of governors;
- openness;
- codes of conduct;
- conflicts of interest;
- whistle blowing; and
- the limits of commercial confidentiality.

¹³ To access the Committee's web-site, please use this link: www.public-standards.gov.uk

At the heart of these recommendations is the notion that institutions which are entrusted with public funds should demonstrate high standards in corporate governance and the conduct of public business. The committee drew up seven principles of public life as a yardstick against which public service may be measured:

Selflessness: Holders of public office should take decisions solely in terms of the interest of the public. They should not do so in order to gain financial or other material benefits for themselves, their families 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 appointments, awarding contracts, and recommending individuals for rewards and benefits, holders of public office should make choices on merit alone.

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 this.

Honesty: Holders of public office have a duty to declare any private interest relating to their public office 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.

The committee's work has had a significant impact on the further education sector. Many of its recommendations have been adopted and these core values underpin various provisions in the instrument and articles of government. Governors can help encourage a positive approach to governance by closely following the spirit of the Nolan principles in the way they administer the governance of the college.

5.2. Code of Conduct

All members of the governing body are required by the instrument of government to uphold and abide by a code of conduct as a condition of appointment. Governing bodies should therefore ensure that a code of conduct is maintained and disseminated to all governors. A model code prepared by the Association of Colleges and highlighted as good practice in the second report of the Committee on Standards in Public Life¹⁴ has been adapted slightly and included as appendix 2 of this guide.

5.3. The Governor's Individual Contribution

The role of the governor is a demanding one, but observance of the following principles and practices will assist a governor in fulfilling the requirements of the position in line with good practice.

¹⁴ Second Report of the Committee for Standards in Public Life: Local Public Spending Bodies (May 1996): www.public-standards.gov.uk/publications/2nd_report.aspx

Broadly, each governor should act in good faith, while observing the procedures and powers of the governing body, as set out in the instrument and articles of government, and recognising that their position is part of a corporate whole. Governors should approach decisions with care, by ensuring that they are well-prepared for each meeting — carefully reading minutes and any other correspondence — and by assiduously probing executive proposals in a constructive way. The strength of the governing body will depend on the quality and variety of individual contributions made to its discussions by each governor. Such contributions will not only be made at formal meetings, but also through working parties and committees looking at particular issues on behalf of the governing body.

Governors should only agree to a particular course of action if they are satisfied that it is in the best interests of the college and its students. This may involve asking questions which may appear overly simplistic; however, it is often answers to simple questions which are the most informative. Governors should also be wary of agreeing with a decision only because it reflects the majority opinion within the governing body, if they have not convinced themselves that all realistic alternative courses of action have been fully considered and that the decision is supported by relevant evidence.

The articles of government state that a governor shall not be bound by mandates given to him or her by others. Governors nominated or elected by particular groups should not speak or vote at meetings as if delegated by the group that nominated or elected them. Each governor must take a view on each matter on its merits and with the overall interests of the college in mind, rather than that of themselves or of any organisation or body associated with them.

Once a matter is determined, individual governors are expected to be bound by the collective decision of the governing body. Only the chair, the principal or the secretary should make statements on behalf of the governing body unless the governing body approves otherwise. Members should not deal directly with staff, including senior staff, as this is part of the chair's or the principal's role, as appropriate.

Much of the more detailed work of the governing body is carried out at the committee level and governors are encouraged to join committees to demonstrate a collective responsibility for the actions and decisions of the governing body.

5.4. Conflicts of Interest and Withdrawal from Meetings

Each college is required by the instrument of government to maintain a register of members' interests. The purpose of the register is to record any material interests that each governor holds which could be perceived to have a bearing on any decisions coming before the governing body.

Each member is required to enter all business interests held, their membership of any public bodies, any positions held that might give rise to a perceived conflict of interest, the names of any relatives who work at the college and a declaration of any significant political activity undertaken in the five years prior to appointment.

It is the responsibility of each governor to ensure that their entry in the register is kept up-to-date. An opportunity to update entries in the register should form part of the agenda of each full governing body meeting.

If any issue coming before the governing body has, or could be perceived to have, the potential to conflict with the members' stated interests held in the

register, that member should declare the interest and withdraw from discussion of the issue. There will be instances when the potential conflict of interest is not clear cut; on these occasions, members should discuss the issues with the chair in advance of the meeting. If the potential conflict is not felt to be prejudicial to the issue up for discussion, the member need not withdraw; however, a member should withdraw from the discussion of any issues where there is a possible personal financial benefit or any financial benefit to his or her friends or relatives.

The principal, staff and student members must also withdraw from discussions when the issue concerns their position as a principal, member of staff or a student, as the case may be. Schedule 4 to the instrument of government sets out the conditions under which these members are required to withdraw.

5.5. Expenses, Allowances and Remuneration

The Department is very appreciative of the time and expertise given to colleges by governors and sees value in the tradition of governors of educational institutions providing their services on a voluntary and unpaid basis. Remuneration of governors is, however, an issue that the Department is reviewing. The 1997 Order has been amended to allow governors to be remunerated, with the Department's approval, as well as to be reimbursed for travelling and subsistence costs. At the moment, only payments in respect of travel and subsistence can be made. No other remuneration is allowed, including to any governor for his or her status as a director of a college company.

In this context, governing bodies will need to approve a schedule of allowances, which properly reflect the costs incurred. These should not exceed any rates which the Department may determine. Thus a governing

body may, for example, decide to pay its governors a reasonable overnight allowance when they are required to stay away from home to conduct college business. The most recent published rates can be accessed using this link: www.delni.gov.uk/index/publications/pubs-further-education/fe-07-04.

5.6. Gifts and Hospitality

Governors occupy high-profile positions in the college and may from time to time be offered gifts or hospitality by other people or organisations. In these situations, the governor should consider whether to accept the offer would in any way be seen as influencing his or her approach to any issue facing the governing body. Any gifts or hospitality that are accepted should be recorded in the register of interests.

The governing body should maintain guidelines on the proper approach to dealing with gifts or hospitality. Governors may also find it helpful to discuss with the chair or the secretary to determine whether to accept would be in any way inappropriate.

6. STUDENT MATTERS

The governing body should never lose sight of the fact that its first and foremost responsibility is to the students — and potential students — of the college. The main purpose of the roles of the governing body set out in the remainder of this guide, for example improving the quality of provision, ensuring that it meets the needs of employers and ensuring financial solvency and accountable financial practice, is to promote the interests of people studying at the college and those who would benefit from studying at the college.

Students who attend further education colleges and those who would benefit from doing so will have very different perceptions and experience of the education system as a whole. This reflects the diverse nature of the education and training offered by colleges, as well as the varied reasons people have for studying at a college. While this heterogeneity may complicate the decisions the governing body needs to take when considering, for example, marketing issues, it also presents colleges with an opportunity to contribute to strengthening the social fabric of the communities through the interaction of people from diverse backgrounds as part of college life.

This chapter sets out those mechanisms through which the governing body engages with the student body.

6.1. The Charter for Further Education

The charter for further education sets out the level of service which students, employers and members of the local community can expect from colleges and also specifies where complaints should be addressed if service standards are regarded as unsatisfactory.

Colleges have prepared and published their own charters to complement and reinforce the areas covered in the charter for further education. Each charter states publicly the service standards which the college has set for itself.

It is essential that the governing body is involved in the process of drawing up and reviewing the college's charter. The charter for further education indicates clearly that students can expect colleges to publish governors' names, and explain their role and how to contact them, normally through the secretary to the governing body.

Each college should have complaints procedures in place in the event of dissatisfaction with the standards of teaching or any other service provided by the college. The governing body will wish to consider at what stage, and through what procedure, it should become involved in complaints arising from the provision of services within the college. The charter for further education makes clear that students, employers or members of the local community can, in circumstances in which it is considered that the college is behaving unreasonably or not doing its job properly, take a complaint to the Department. If the complaint is justified, the Department can insist that things are put right.

The charter for further education was published in 1996 and predates both the incorporation of the sector in 1998 and the recent restructuring. The charter still, however, has effect. It will be revised and updated in the near future.

6.2. Individualised Student Learning Agreement

In 2001/02 the Department for Employment and Learning requested colleges to introduce an Individualised Student Learning Agreement (ISLA) for each student. The ISLA is essentially a document setting out for each student his or her programme of study and the various milestones within the programme together with the support provided, not only in terms of tutorial support, but also the additional equipment and assistance provided for students with learning difficulties and/or disabilities. Likewise, the document sets out the responsibilities of the student with regard to his or her role in the management of their learning programme. The rationale for the ISLA is that the document will focus on the quality and extent of the education experience the student can expect and, as such, this will be to the mutual benefit of the student and the college.

In 2007 the Department reviewed the usefulness of a hard copy document in today's technological age and has recently set up a steering group of stakeholders from within the sector to develop a prototype e-ISLA, which would be incorporated within each college's virtual learning environment. This new e-ISLA will take account of new developments such as the Unique Learner Number and will be accessible by both students and the college faculty.

In response to representations from the FE sector the Department is considering ways in which its existing funding model can be modified to facilitate the use of blended and distance learning.

6.3. Students with Learning Difficulties and/or Disabilities

Each college has a duty under the 1997 Order to have regard to the further education needs of students who have learning difficulties and/or disabilities.

In addition, The Special Educational Needs and Disability (Northern Ireland) Order 2005¹⁵ makes it unlawful for a college to discriminate against people with disabilities in the student services it provides, including physical access and access to the curriculum. It is unlawful to discriminate in the arrangements it makes for determining admissions to the institution, in the terms on which it offers to admit a potential student to the institution or by refusing or deliberately omitting to accept an application for admission to the institution.

Furthermore, the Disability Discrimination Act 1995¹⁶ makes it unlawful for a college to discriminate against employees and in the accessing of goods, facilities and services available to the public such as conference facilities, college training restaurants and sporting facilities.

The financial memorandum requires each college, as a condition of grant, to publish a disability statement in accordance with guidance provided by the Department. The statement should set out the college's policies for students with disabilities or learning disabilities and what special provision is made available.

The governing body should expect to receive information from the principal about the number of students with learning difficulties and/or disabilities, and about the college's capacity for providing for them, including such

¹⁵ Available by using the following link: [The Special Educational Needs and Disability \(Northern Ireland\) Order 2005](#).

¹⁶ Available by using the following link: [Disability Discrimination Act 1995](#)

matters as access to and suitability of buildings, special equipment and other support arrangements aimed at identifying and making reasonable adjustments which support access to the curriculum. It will wish to ensure that all its facilities and services are compliant with the relevant legislation.

6.4. The Student Member

The governing body of each college includes one member elected by the students of the college from the student population. The student member can bring a particular perspective to issues relating to the governance of the college. Whilst there should be provision for students to have an appropriate opportunity to raise matters of proper concern to them either directly to the governing body or via the student member, the governing body should avoid being drawn into discussion of individual complaints unless absolutely necessary. It should also be restated, however, that the role of the student member is not to represent the views of students, but to act with the best interests of the college in mind, while bringing a particular perspective — that of a typical student — to governing body discussions.

6.5. The Students' Union

Many colleges have a students' union or council. Students' unions have an important role in promoting social and other activities and many are also concerned with the welfare of students. The students' union will also be able to assist in promoting the process by which the student member of the governing body is elected. In recognition of these roles, the union may receive income in the form of a grant from the college.

The student union is an autonomous body. However, in view of the income which it may receive from the college and its importance in the life of the college, some aspects of the union's activities are a matter for the

governing body. The union must conduct and manage its affairs and funds in accordance with a constitution approved by the governing body, and the governing body must be asked to approve any amendments subsequently proposed. The constitution must include a requirement for the students' union to present audited accounts annually to the governing body.

While the governing body will wish to encourage the students' union to manage its own affairs, it may, nevertheless, find it appropriate to offer advice, from time to time, based on its own experience of financial management. It may also wish to consider the possible advantages of offering the college's own internal and external audit arrangements to the students' union if help is requested.

6.6. Student Support

Financial support is sometimes available from education and library boards for certain students following courses of further education. This may include travel passes, further education awards and educational maintenance grants. The availability of such support is a matter for the individual student and his or her board. The Western Education and Library Board deals with such support on behalf of all the boards.

The Department also makes funding available to colleges through the following streams: access funds, the Care to Learn scheme and Additional Support Funds. Access funds are intended to provide assistance for students over the age of nineteen who face particular financial difficulties and who might otherwise be inhibited from attending the college. These funds may not be used to help overseas students. The criteria for allocating access funds are a matter for each governing body to determine within a framework of guidance provided by the Department. The Care to Learn scheme offers childcare assistance to young parents below the age of 20

and Additional Support Funds aim to assist disabled students who require additional help with accessing Further Education provision.

6.7. Student Discipline, Suspension and Appeals

The articles of government provide for the governing body, after appropriate consultation, to make rules with respect to the conduct of students, including procedures for suspension and expulsion for misconduct. The principal is responsible to the governing body for the maintenance of student discipline, within the rules and procedures set out in the articles of government for the expulsion of students for academic reasons. Where one exists, the academic board also has an advisory role to the principal in the matter of disciplinary procedures for academic reasons.

The principal is also empowered by the articles of government to expel, without notice, any student for gross misconduct or similarly serious cause, and to suspend a student for offences of general or habitual misconduct, pending further consideration of an expulsion. In these circumstances, the student has the right to receive written confirmation of the action taken which sets out the grounds for the decision. The governing body must also be informed as soon as possible.

In all cases, any student suspended or expelled has the right of appeal to the governing body. The governing body may make standing orders which set out the procedures to be followed in the event of such appeals being received.

7. STRATEGIC PLANNING

7.1. Introduction

The articles of government define the respective roles and responsibilities of the principal, the governing body and its committees. They place responsibility on the governing body for determining, within the framework of the 1997 Order, the educational character and mission of the college. In exercising this responsibility, the governing body will wish to take into account the advice and guidance received from college management, particularly the principal, one of whose duties is to make proposals to the governing body about these aspects of college governance. Governors should establish, in concert with the principal, a broad framework within which the college is to operate and develop and ensure that it is the right one for the community served by the college.

The educational character of the college is the college's broad purpose and strategic direction, the nature of its educational programme, the pattern of its courses, any special characteristics of the range of subjects taught, the overall ethos of the college, its admissions policy and its relationship to the community it serves. This includes the balance of provision within the college in terms of the volume and breadth of:

- general professional and technical provision;
- training provision;
- general academic provision;
- higher level provision; and
- recreational or leisure course provision.

While the educational character of the college is a complex, multi-faceted concept, there is benefit in producing a simplified mission statement which

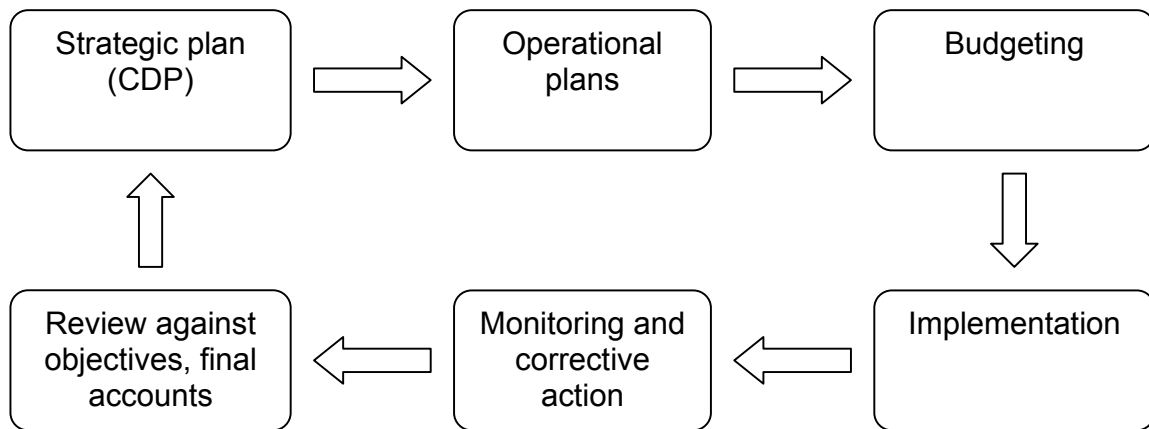
encapsulates the aims of the college and the direction of its development. The Department encourages each college to have and to publicise such a mission statement.

7.2. College Development Plans

While the governing body will rely on the principal to discharge a continuing responsibility for the operational management of the college and to offer guidance to the governing body on the issues coming before it, governors will have a particular concern for the development of the college in pursuit of medium- and long-term strategic objectives. It is a requirement of the 1997 Order that each college produces and monitors the implementation of a college development plan (CDP) for this purpose. The CDP and financial forecasting data will influence and guide all the other major decisions coming before the governing body. Having a robust plan in place will enable the governing body to make informed strategic decisions and manage its resources in accordance with its strategic priorities.

The CDP process forms part of a larger, cyclical, annual framework of strategic planning, implementation, monitoring and review – see figure 7.1 for the basic elements of this cycle. This process will be conducted within a broader context of the Department’s strategic and policy direction for the sector, as well as being guided by the college’s educational character and mission statement.

Figure 7.1: Strategic planning and implementation cycle



Guidance on the production of CDPs was developed in September 1997 by a working group made up of representatives of the Department and the further education sector. The main aims of the CDP were identified as follows:

- to contribute to the continuous improvement in the quality of the provision for students and other customers by involving the college in planning and review processes which include the regular review of college objectives, standards and targets and the production and implementation of a rigorous quality assurance system;
- to enable the governing body of the college to make corporately the informed strategic decisions which are necessary to ensure that the college fulfils its mission statement and manages its resources in ways which help it achieve its strategic aims; and
- to provide the Department with strategic information on the college's strategic objectives and targets.

In addition, it was considered that the CDP should meet additional objectives of both the governing body and the Department:

It will provide the governing body and the college as a whole with:

- a clear statement of its mission;
- a set of strategic aims, objectives and targets;
- an analysis of the effectiveness of its quality assurance systems and procedures;
- an overall review and evaluation of its progress in meeting previous strategic targets;
- an overview of its strengths and weaknesses;
- a translation of its strategic objectives into detailed operational objectives and operational plans at programme level to improve the provision for its students and other customers;
- assistance in the formulation of its marketing strategy; and
- relevant information in a format which is supportive to strategic decision-making, including decisions on resource allocation and capital expenditure.

It will provide the Department with:

- the rationale underpinning proposed college developments;
- strategic information on the FE sector as a whole;
- assistance in making judgements about the proper use of public funds;
- assistance in the assessment of the resource requirements for the sector; and
- assistance with making strategic decisions about the scope and balance of the provision by the sector.

Each year the Department states the strategic objectives and priority areas for the sector when it invites colleges to submit their college development plans. In addition, colleges will have their own individual targets for improving the quality of provision and meeting the needs of the communities they seek to serve, which are encapsulated and developed through the CDP process, year on year. The intention is that the college development planning process should enable colleges to focus on these objectives and targets and facilitate regular analysis of its performance.

Article 20 of the 1997 Order requires that the CDP should cover the next following financial year and the succeeding two financial years and should contain, for each of those years:

- a. an estimate of the number of students at the college;
- b. a statement of the courses of further and higher education which the governing body proposes to provide or secure the provision of;
- c. a statement of the capital expenditure proposed by the governing body and an estimate of the recurrent expenditure and income of the governing body; and
- d. such other matters as may be determined by the Department.

The framework of the development plan embodies a number of basic principles about good planning practice. It reflects the relationship between a college and its external environment and between different areas of activity within the college, and establishes links between objectives set for these activities and the use of financial and human resources necessary to achieve them. The CDP should also take into account the sensitivity of objectives to variations in circumstances and resources; in essence, it paints a picture of where the college would like to be, as set out in its high-level strategic statements, constrained by the environment in which it operates and the resources available to it.

The plan should include an annual operating statement which sets out the college's objectives for the coming year and details the process by which the plan is regularly reviewed and updated to ensure that it is achieving those objectives, including arrangements for monitoring performance. The 1999 Northern Ireland Audit Office report "Corporate Governance and Financial Management in Colleges of Further Education"¹⁷ made particular recommendations with regard to college development planning, which continue to embody valuable guidance. The report recommended that:

- the college development plan and financial planning process should be linked explicitly to ensure that resource allocation is in line with college business priorities;
- the college development plans should include a manageable number of strategic objectives – between 8 and 12;
- the college development plans should set a clear hierarchy of priorities;
- the objectives set in the college development plan should relate to measurable targets which can then be monitored systematically;
- the colleges should plan over the full timescale of three years required for the plan; and
- operational plans which link to the college development plan should also be prepared for each faculty or functional area.

The use of these recommendations will assist the college in producing a valuable management tool for assessing its strengths and weaknesses and setting realistic targets for development, and will enable the Department to identify trends within the sector as a whole as well as within individual colleges.

¹⁷ Further information can be found by using this link: [the 1999 report at the NIAO web-site](#).

The college development planning process has been revised to coincide with the college mergers. In previous years, the Department has not had an approval role for the plans; from now on, the Department will, effectively, contract with the colleges through the CDP to deliver agreed levels of provision, with budgets set accordingly. The plan will be funded in advance, based on agreed performance indicators set out in the CDP, to shift the key determinant of funding levels from historical student data to policy-based, strategic considerations. From the 2008/09 academic year onwards, progress against agreed objectives will be assessed and used to inform funding allocations for that and subsequent years. Chapter 11 provides details of how the Department's funding is allocated.

The process takes place between February and May each year. It is essential that progress in implementing the plan is monitored by the governing body and that the plan itself is updated every year. This can be achieved through an evaluation and review of the college's current objectives and the establishment of revised or updated objectives for the coming year. The contents of the plan, as an embodiment of the implementation of the governing body's over-arching strategy for the college, should also function as a set of constraints within which decisions are taken at each meeting of the governing body.

Additional advice to the sector on the development of college plans may be disseminated at specially convened meetings of the Department which the Department may call at its discretion. At these meetings those present will discuss progress by the sector towards strategic objectives, priorities for action, resource allocations and efficiency issues.

7.3. Annual Report

The financial memorandum, which sets out the financial relationship between the Department and each college, places a requirement on each college to prepare an annual report detailing its achievements in the previous year, particularly with regard to the challenges which it set itself in the college development plan. The governing body must consider and approve this document. The annual report should be published and will be useful for:

- the college itself, by informing staff, governors and students about how the college is progressing as an organisation and by assisting the rolling forward of the college development plan for the year ahead by providing a stock-take of current progress and performance;
- the college's relationships with the outside world, by demonstrating, for example, how the needs of the local community and local businesses were identified and the extent to which they were met, and by providing an excellent means of raising the profile of the college; and
- the Department, in forming a view of trends across the sector, assisting the identification of emerging issues and priorities and monitoring progress towards key objectives and strategies.

The 1997 NIAO report also recommended that the governing body should include a statement in the annual report to confirm that it has complied with relevant standards or codes of corporate governance. The governing body could also include the results of any self-assessment exercises in the report.

7.4. External Relationships

An understanding of the college's role in the community in which it is situated and in the development of broader regional interests, such as a successful economy and an active labour market, is fundamental to effective strategic planning and should be reflected in the CDP. The governing body will wish to have a clear idea of what it sees as its function within this broader environment. The governing body of an efficiently run college will ensure that the principal and other senior staff are aware of what demand exists for particular courses, enabling appropriate provision to be made, as well as being aware of broader social and economic needs. The governing body will therefore wish to have available a range of information to inform broader strategic decisions. This includes an awareness of the direction of government policy for the sector, as well as local conditions specific to each college.

Key external relationships which would contribute to the development of the college's strategy would include those with other education and training providers in the area — in particular with universities in the delivery of higher education provision in colleges and with schools in the delivery of policies for 14- to 19-year olds — local councils, planning agencies and employers' organisations, and sector skills councils and workforce development forums. Constructive and reciprocal links with these bodies would assist the governing body in assessing the region's skills and training needs and in ascertaining what other provision was available in the area.

7.4.1. Meeting the Needs of the Community and Equality Issues

Under the terms of the 1997 Order the governing body is required to have regard to the educational needs of the community in which it is situated. In carrying out this duty the college should take account of the particular

needs of groups such as the unemployed, women who wish to return to the workplace and persons who have had limited access to education in the past. This in many respects is the 'hard end' of further education because such students are more difficult to attract than the student on a higher education course or the student on a leisure course. It is vital, however, that colleges pay due regard to the needs of all persons within the community and match provision to these needs.

Embedding a culture of lifelong learning in all sections of the community is a key policy objective of the Department and colleges have a vital role to play in helping to ensure that this objective is achieved. Whilst the Department can provide the necessary financial incentives, it looks to colleges to play a major role in breaking down barriers to access and participation and make further education part of everyday life.

Many students and potential students view entry to a college as a daunting step. This may be because their previous educational experience has left them with feelings of failure and apprehension about returning to study or, at the other extreme, they may feel that they have all the qualifications they require and have no need of further study. The college will need to consider the needs of both in developing its strategies and approaches to marketing the college as the focal point for learning within the community.

Offering courses at locations other than on the main college campus can often result in increased enrolment as this may be more accessible than a campus which is some distance away from potential students. However, in choosing to establish such provision the college needs to take care to ensure that the venue is neutral and accessible to all sections of the community.

The ways in which the college markets itself are crucial for matching supply (courses, trained students) with demand (potential students, employers). Effective marketing requires that the college has a 'finger on the pulse' and is aware of the needs of the community. This requires not only knowledge of the socio-economic profiles of the community but also knowledge of its education and training needs. These are often difficult to quantify precisely but colleges will find it useful to:

- examine demand for current provision offered by the college;
- use information such as the Northern Ireland Census reports¹⁸ and the Department's annual Labour Market Bulletin¹⁹;
- maintain close links with schools in the area, local councils, local business employers, employers' organisations and community groups;
- maintain close links with workforce development forums and other agencies gathering information about the local labour market;
- provide opportunities for governors to inform college management of employers' and business needs; and
- examine how the college is perceived in the community – whether there are any barriers which might hinder individuals from using the college and whether there are any actions the college can take to address these.

Some colleges find it useful to appoint an officer specifically responsible for developing these links whereas others leave it to individual departments within the college. It is a matter for the college which approach it decides to adopt but central to both is the need for the college to be pro-active within its community in terms of promoting further education and in identifying any changes which it needs to make to college provision. Colleges may also

¹⁸ Available from the NI Census web-site: www.nicensus2001.gov.uk/nica/public/index.

¹⁹ For access to the bulletin, please use the following link: [link to the DEL Labour Market Bulletin](#).

find it useful to survey the attitudes of students of the college to inform future policies for widening access and enhancing participation.

The college also has an obligation to ensure that its services are accessible to all sectors of the community. In pursuit of this, the governing body should ensure that there are systems and procedures in place to monitor participation across the community. The process of drawing up the CDP is an ideal opportunity for this review to take place.

All colleges are subject to the statutory equality duty imposed by Section 75 of the Northern Ireland Act 1998²⁰, which requires colleges to produce and publish an equality scheme setting out how that duty will be met.

The duty is to have:

- due regard to the need to promote equality of opportunity between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation; between men and women generally, between persons with a disability and without, and between persons with dependants and persons without.
- and without prejudice to the obligations set out above, to have regard to the desirability of promoting good relations between persons of different religious belief, political opinion and racial group.

A detailed procedure for the enforcement of these duties is set out in Schedule 9 of the 1998 Act. Public authorities are required to produce an equality scheme stating how they propose to fulfil these duties. The 1998 Act provides that equality schemes produced by public authorities must

²⁰ The Northern Ireland Act 1998 can be viewed by using the following link: [link to the Northern Ireland Act 1998](#).

conform to any guidelines as to form and content issued by the Equality Commission²¹.

Under The Special Educational Needs and Disability (Northern Ireland) Order 2005²², colleges — as providers of education, training and related services — are required not to discriminate against students or prospective students with disabilities. The 2005 Order places a duty on colleges to make a reasonable adjustment when a disabled person is placed, or likely to be placed, at a substantial disadvantage in comparison with a person who is not disabled. The duty to make reasonable adjustments is an anticipatory duty owed to all disabled people and students and is particularly relevant in respect to buildings, whether these are owned, rented or leased.

It is good practice for organisations to conduct what is termed a community audit. In the context of further education this may involve:

- reviewing the extent to which the make up of the organisation reflects the make up of the community it seeks to serve and the development of actions to redress any imbalance;
- making sure that venues, especially out-centres, are neutral and available to all sections of the community; and
- using local community networks to keep in touch with community needs.

7.4.2. Meeting the Needs of Employers

The main aim for the further education sector, as set out in the Department's *Further Education Means Business* strategy document, is to

²¹ Guidance can be obtained from the Equality Commission for Northern Ireland's web-site: www.equalityni.org.

²² This Order can be accessed using the following link: [link to The Special Educational Needs and Disability \(NI\) Order 2005](#).

develop its status as a key resource for economic and workforce development in Northern Ireland. It is therefore essential that governing bodies are aware of developments within the economic sphere, particularly the needs of employers, both present and future, when agreeing their overall strategic direction as presented in the college development plan.

Business members of the governing body are likely to have valuable informal contacts through which the college's partnership with local industry and business can be strengthened. This can provide opportunities not only to hear what services local business wants from the college, but also to explain what the college has to offer and what it is planning for the future. The governing body may also wish to consider more formal arrangements to ensure that it is keeping in touch with the local community in general and local employers in particular. This might take the form of regular meetings with, for example:

- the local chamber of commerce;
- the Institute of Directors;
- the Confederation of British Industry in Northern Ireland; and
- Invest Northern Ireland.

7.5. Conclusions

The college development plan is the main tool through which the governing body makes and monitors strategic plans on a year-by-year basis, given the shift in emphasis on the funding of the sector by the Department from a model based on historical student volume data to one based on meeting the strategic aims and objectives which are set out in the college's CDP (see chapter 11 for more details of the new funding model). It is therefore essential that the governing body is assured that all relevant factors have been considered as part of its preparation.

The needs and aspirations of employers and of the local community will need to be linked to the courses and services offered by the college. This requires reliable and valid sources of information to ensure that the strategic direction of the college is the right one for the community it serves, and this will best be achieved by engaging with various bodies who collect and analyse such data, along with groups such as employers' federations who hold direct stakes in the level of skills in the local and regional supply chain.

Strategic planning is an iterative process, with aims and objectives being modified annually to reflect prevailing circumstances and the progress the college has made to date. Effective monitoring systems are central to the success of strategic planning and the next chapter discusses the means through which the governing body can ensure that it can react to developments as they arise, as well as to gather the information required for effective oversight and planning processes.

8. OVERSIGHT OF THE COLLEGE'S ACTIVITIES

This chapter discusses the responsibility of the governing body to oversee the general activity of the college. The main point of contact with the college will be through the principal and a successful relationship is crucial to the ability of the governing body to monitor progress against its objectives as set out in the college development plan (CDP), as well as to discharge its duties of ensuring that the college acts as a responsible employer and that the public money it handles is used with due care and responsibility.

The governing body will also wish to be assured that the information it receives is sufficient for the purposes of monitoring the college's performance. The quality of the college's academic provision is to a large extent the overriding factor which will determine the college's success and the service provided by the Education and Training Inspectorate is also discussed in this chapter.

8.1. The Relationship between the Governing Body and the Principal

The structures through which a college is managed are set out in each college's instrument and articles of government. In broad terms, the governing body has responsibility for the oversight of the college's activities, while the principal is responsible for the day-to-day management of all aspects of the college, including the organisation, direction and management of the college and leadership of the staff, together with decisions on the education and training programme. The principal should give advice to, and obtain the support of, the governing body for the broad shape of the management structure and subsequent major changes. In this context, the governing body will be particularly concerned with the interaction between itself, its committees, such as those dealing with

finance and employment matters, and the principal and the senior management team.

There is an analogy between the role of the governing body and the principal, as chief executive, and the role of a company board of directors in relation to that of its managing director. It is not the function of the governing body to become involved in detailed scrutiny of the management and administration of the teaching programmes of the college. Rather, it will encourage the principal to get on with the task, within a clear framework of accountability, including the policies and objectives set out in the college's development plan. Circumstances could arise, however, in which a more direct involvement would be required by the governing body, such as where the financial statements or the quality of provision at the college give cause for concern.

A critical element in the effectiveness of the college is a constructive working relationship between the chair of the governing body and the principal. The precise nature of their roles will vary according to the needs of the college and the nature of the distinctive contributions their experience best equips them to make. It is incumbent upon the chair and the principal to reach an understanding of their respective roles, guided by the aim of securing the well-being of the college.

That well-being also rests in substantial measure on the development of mutual trust. In order to manage the college the principal must have the necessary executive authority, founded, especially when major or contentious issues are concerned, on the support of the chair and, more widely, of the governing body. Such support can only be secure if the principal has made proper arrangements for consulting the chair and keeping him or her informed. Similarly, the chair needs to maintain the trust

and support of the governing body by ensuring and demonstrating that its decisions are implemented.

While a good working relationship between the chair and the principal is clearly desirable, care must also be taken to ensure that their relationship does not become, or, as importantly, is not perceived to have become, too close. It is essential that the chair retains a position where effective and constructive challenge behaviours can be undertaken.

Paragraph 7 of the articles of government lists those areas that may be delegated to the principal. Detailed rules concerning such delegation should ensure that those to whom authority is delegated are absolutely clear what is the scope and what are limits of the delegation. This framework must include effective systems of control and accountability and, above all, encourage a responsible attitude to the handling of public money. It is therefore important that members of the college's senior management team are clear what their individual responsibilities are, that there is a clear accountability relationship from the principal to the governing body and that reporting procedures are sufficiently robust to ensure that the governing body has access to the information necessary to hold the principal to account.

The governing body, having provided the necessary framework regarding policy and budget, should then expect the principal to manage the college effectively. Governors should as far as possible avoid becoming involved in the detail of the principal's management of the college.

There are four distinct dimensions to the principal's relationship with the governing body:

- as an employee, personally accountable to the governing body for the proper discharge of his or her responsibilities as chief executive and for implementing the decisions of the governing body;
- as the governing body's professional adviser, bringing proposals for the strategic development of the college before the governing body and ensuring that it has access to sufficient information on which to base its decisions;
- as accounting officer for the college, accountable to the permanent secretary of the Department for the proper use of public funds; and
- as a member of the governing body with full voting rights.

8.2. The Responsibilities of the Principal

The articles of government assign to the principal overall responsibility for the executive management of the college and make him or her personally accountable to the governing body for the exercise of that responsibility. The principal is empowered to undertake the day-to-day direction of the college, not only in relation to his or her specific responsibilities as set out in the articles, but also in relation to those matters which the governing body may from time to time decide to delegate to him or her. The principal must not determine matters reserved for the governing body, although he or she will be expected to advise the governing body on all important issues.

The financial memorandum between the Department and a college formally designates the principal as accounting officer. This means that the principal is responsible — and accountable to the Northern Ireland Assembly — for the proper stewardship of expenditure by the governing body. This creates

a direct line of accountability from the principal, through the permanent secretary of the Department, to the Assembly.

In parallel with the responsibilities to the governing body set out in the previous section, the principal has four broad areas of responsibility within the college, which will be discussed in turn:

- *management and leadership*, to oversee the implementation of operational plans agreed with the governing body and to advise the governing body on the strategic and other issues coming before it, as well as leadership of the college as a whole;
- *financial management*, reflecting the accounting officer role, as well as the responsibility of the governing body to ensure that value for money is obtained in all transactions;
- *staffing issues*, including appointments, appraisal and disciplinary issues, within the framework set out by the governing body and in the articles of government; and
- *academic management*, including the admission and assessment of students, disciplinary matters and the quality of academic provision throughout the college.

8.2.1. College Management and Leadership

Just as the governing body has an obligation to determine both the educational character and the mission of the college (see chapter 7), the principal's responsibilities include making proposals for these matters to the governing body. Because the process of forward planning and development is continuous, the principal has a responsibility to ensure that issues relating to the college's future development are brought before the governing body at the appropriate time and with relevant advice. In particular, the principal will play a leading role in managing the preparation

and review of the CDP, which will provide the main focus of forward planning and developmental discussion.

Once the governing body has determined a course of action, it is for the principal, as the chief executive of the college, to carry out its decisions personally, or to ensure that they are implemented by the appropriate manager within the college organisation. The detail of how those decisions are implemented will ordinarily be determined by the principal and he or she will be expected to report on progress at future meetings of the governing body.

The articles of government make the principal responsible for the organisation, direction and management of the college and leadership of the staff. He or she is responsible for the effective working of the college structures and systems. The principal will, from time to time, wish to seek the advice of the governing body on management matters. The duties of staff are determined mostly through the college's systems, which are established under the direction of the principal. These include the organisation and composition of the senior management team and the organisation of all other college staff into appropriate structures.

The governing body, in exercising its oversight, will wish to satisfy itself that sound management arrangements are in place and, in particular, to consider and approve proposals for the senior management structure. The prime responsibility for the organisation and operation of such arrangements rests, nonetheless, with the principal.

The principal, along with the governing body chair, is also the college's figurehead. It is essential that the principal fulfils his or her duties in a way which inspires confidence and the trust of staff and students in the college. The principal also has a public role, representing the college to the outside

world, and the governing body will be particularly concerned with ensuring that all such public activities present the college in a good light, and one which is consistent with the mission, aims and objectives set by the governing body.

8.2.2. Financial Management

The principal, as chief executive, is accountable personally to the governing body for the proper management of the budget and resources of the college within the financial estimates approved by the governing body. The scope and nature of his or her financial management responsibilities include advising the governing body if, in the principal's view, it is considering a course of action that would be beyond its legal powers or is in conflict with the Department's financial memorandum.

The articles make particular reference to the responsibility of the principal for preparing the annual estimates of income and expenditure for consideration by the governing body. This would include undertaking the necessary discussions and negotiations with the Department and other relevant bodies concerning funding. It is for the governing body to decide what other management information it requires to enable it to discharge its overall financial responsibilities, including ensuring the solvency of the college. The finance and general purposes committee, of which the principal is a member, also has an important role to play in the preparation of accounts.

It is particularly important for the governing body to receive, at each meeting, a report showing the current position of the college with respect to its budget and highlighting variances from the agreed operating plan. The Department has drawn up the format and content of financial monetary returns to be made to it and these may provide sufficient information for the

governing body's purposes, though more detailed information may be necessary where problems exist. Again, the finance and general purposes committee, in conjunction with the principal, will be involved in the preparation of budgetary monitoring information.

8.2.3. Staffing Issues

Subject to the general framework established by the governing body for the pay and conditions of staff, the principal is responsible for the arrangements for the appointment, appraisal, suspension and dismissal of all staff other than the senior post-holders. In other words, the personnel function within the college is under the direction of the principal, subject to the guidelines established by the governing body and to other detailed provisions in the college's articles of government. The principal should also be conversant with the impact of relevant employment legislation when exercising his or her personnel management functions.

If the governing body has established a staffing committee, much of the detailed framework within which the principal discharges these duties will have been agreed at its meetings and approved by the governing body. In the absence of a staffing committee, the governing body will agree the framework for these matters with the principal, and review the arrangements from time to time. Chapter 9 presents further details of the governing body's role in staffing matters.

8.2.4. Academic Management

The principal is responsible for decisions relating to the quality and performance of the college, especially with regard to academic provision, and for the development of the curriculum and programmes of staff development and other college activities. Section 8.4 contains further

discussion of the importance of monitoring the progress of the college in terms of the quality of its academic provision.

The principal also carries overall responsibility for the maintenance of student discipline. This includes suspension or expulsion of students on disciplinary grounds. The principal is responsible for implementing any decisions relating to the expulsion of students because of the standard of their work or for other academic reasons; he or she may be advised by the academic board, where one exists, about such issues.

8.3. Appraisal of the Principal

The governing body should have formal procedures in place for the regular appraisal of the principal's performance. Ordinarily, the chair will exercise a leading role in agreeing the principal's annual targets, as well as undertaking a performance assessment of the principal on an annual basis, with input from the rest of the governing body. The governing body should also develop a procedure to enable them to deal with any complaints made to them about the college principal.

Arrangements for the appraisal of the principal should be set out in his or her contract of employment. Appraisal will be carried out annually through a performance review and management scheme common to the whole Northern Ireland sector.

8.4. Monitoring the College's Performance

The overall aim of the governing body is to agree policies and strategies and it is essential that it is able to monitor progress in their implementation. Fundamentally, the main activity of a governing body is to make decisions and, to ensure that the best decisions are taken for the good of the college,

it should ensure it has objective and effective means of knowing whether the college is being properly managed to fulfil its mission and whether it is in good financial health. To do this, systems must be put in place whereby the most up-to-date and relevant information is available to the governing body when decisions are being taken.

The basis for the monitoring of performance will need to be considered carefully by the governing body and will vary according to the size, type and needs of the college. The governing body will need to determine:

- the areas of performance that it needs to monitor – these will vary according to the situation at the time and the priorities contained in the college development plan;
- the performance indicators appropriate to those areas; and
- the nature and frequency of the management information required to monitor performance and to meet the information needs of the Department.

The CDP will act as a powerful constraint on the types of information necessary to monitor the progress of the college in delivering the aims and objectives of the plan. Committees of the governing body will also have an important role to play in the production and regulation of the information supplied to the governing body. The governing body will wish to periodically review the sources and type of information, and the level of detail contained, to ensure that such information continues to be the most appropriate base upon which decisions can be made.

When the governing body identifies problems or other issues arising from the information it receives, it is essential that appropriate action is taken in a timely manner. This may involve asking the principal or other senior officers to provide more information or to propose ways in which solutions can be

identified and implemented, to seek legal advice if appropriate or to ask internal or external auditors to carry out an investigation if the governing body has sufficient concerns. The governing body is responsible for oversight of the way in which the principal carries out his or her management responsibilities, and any monitoring systems should reflect this.

When the principal or other members of the college executive are presenting proposals for a decision, the governing body should be confident that the most appropriate course of action is taken. It will wish to exercise a constructive challenge role to ensure, for example, that any proposals have been subjected to appropriate legal or financial scrutiny or that appropriate consultation has been undertaken. It is the role of the governing body to ensure that the decisions it takes adhere to any statutory duties, the financial memorandum, its instrument and articles of government and any standing orders. The principal should advise the governing body when it is proposing to take any course of action that is outside of its authority.

In order to properly exercise this role of oversight governing bodies should meet on a regular basis. Most governing bodies meet around seven times a year, although this will vary according to the needs of the particular college. Since the 2007 mergers, each college is larger and more complex than before, and there will be many issues following the merger that the governing body will wish to formally consider. This will need to be taken into account when agreeing the number of full meetings required for the governing body to effectively discharge its duties. Committees set up by the governing body also have a central role to play as part of this process and should meet regularly.

8.5. The Academic Programme

The governing body has a broad responsibility for ensuring that the academic programme of the college reflects the educational character and mission that it has determined and is responsible for the quality of teaching, learning and assessment at the college. Policy on the nature and extent of courses and qualifications offered and the overall balance of provision between the various levels and modes of study will be key elements in the college's development plan. The governing body will wish to pay particular interest to matters of quality.

The governing body should be concerned with the overall educational provision of the college, leaving the detailed decisions about the courses and qualifications offered by the college to be taken by the principal and senior staff. The education committee, where one exists, will also have an important role to play in examining and advising the governing body about the college's overall academic provision.

Major decisions to extend or reduce provision in particular subject areas may need to be considered by the governing body from time to time, particularly if proposed changes have significant resource implications. When considering proposals of this nature, the governing body should consider a range of factors which could have a bearing on its decision-making, including the consonance between the proposal and the college's mission, educational character and aims of the CDP, and any potential medium- to long-term impact upon the college's financial stability. It is also important that governors are aware, through the principal, of the opinions of other senior staff.

The governing body should monitor the course provision within the college especially with regard to volume and breadth, including the extent of:

- general professional and technical provision;
- general academic provision;
- higher education provision; and
- recreational course provision.

The governing body may also wish to examine other activities undertaken by the college such as the New Deal or the Vocational Enhancement Programme.

The overall course provision should be responsive to the needs of employers and the wider community and the governing body will wish to ensure that there are effective mechanisms through which those needs can be identified and discussed with outside interests. It will need to understand the student profile of the college in terms of courses studied, mode of study and how they are funded, and link this to employers' and community needs. The governing body will find it useful to engage with regional planning bodies, such as workforce development forums, and employers' groups to assist them in assessing how this can best be achieved. Governors, both individually and collectively, can play a significant role in establishing and maintaining good relations with the local business community and local authorities, and in ensuring that employers are aware of the services the college can offer.

The governing body should also have regard to the educational needs of the community served by the college, taking into account any other course provision available locally. Contacts between the college and other training organisations and schools in the area are likely to be particularly relevant in this respect. The particular needs of groups such as women returnees,

unemployed people and those who have had limited access to education and training should be of concern to governors. In particular, the legislation requires that governors must have regard for those over compulsory school age that have learning difficulties. Governors should also take account of the various groups and categories covered by the regulations set out in Section 75 of the Northern Ireland Act 1998²³.

8.6. Academic Planning

Every college needs a mechanism for discussing and planning its educational programme and activities. Sound educational planning is crucial to the academic standing of the college. While such planning is to a large extent independent of the governing body, the effectiveness with which it is carried out will be critical to the college's overall performance and reputation. It will also make a key contribution to the overall strategic planning of the college. For this reason, the governing body should satisfy itself that it has effective arrangements for informing itself, normally through the principal, of the work and concerns of those involved in educational planning for the college.

Colleges may have an academic board, or a similar body, whose role is to advise the principal on matters relating to the standards, planning, coordination, development and day-to-day oversight of the academic activities of the college. The governing body should ensure that the constitution and procedures of this body are suitable for it to discharge these responsibilities.

²³ Please use the following link: [link to Section 75 of the NI Act 1998](#).

8.7. Quality Issues

The framework of quality assurance in the sector consists of four related processes:

- regular reviews by the college as part of the process of preparing the college development plan;
- monitoring and review arrangements by governors to assure themselves, and others, that agreed evaluation of the quality and standards of provision is taking place systematically within the institution;
- implementation of procedures required by the examining and validating bodies to ensure that the standards of qualifications are upheld in institutions which offer their awards; and
- regular independent inspections by the Education and Training Inspectorate of the quality and standards of education within colleges and across the sector.

In addition, the outcomes of the college's performance will also be open to scrutiny through the publication of comparative examination results by the Department. The charter for further education and individual college charters give students certain guarantees regarding quality and access to information on performance.

8.7.1. Quality Issues: the Role of the Governing Body

The governing body is ultimately accountable for the quality and standards of education in the college. It is a key function of senior management to ensure that systems and procedures exist within the college to assure themselves, the governing body and others that the quality and standards of provision are being monitored systematically and that action is taken to

achieve improvements when necessary. The governing body should satisfy itself that sound arrangements are in place. It should also decide what reports it wishes to receive from senior management on the quality and standards of the college's work, and at what intervals. The Education and Training Inspectorate has produced guidelines designed to assist the management of colleges in the effective evaluation of the service provided.

Key elements in effective quality assurance arrangements will include:

- an overall policy on quality and its control, which is understood and supported by staff;
- setting standards and targets, monitoring progress towards their achievement and reviewing them to sustain quality improvement;
- addressing the quality assurance needs not only of the college but also of the examining and validating bodies, the charter for further education, the college's own charter and the Department;
- regular reporting arrangements for departments/faculties, including comments from students, external assessors, employees and other clients; and
- linked programmes of staff appraisal and development.

Governors will be aware that the education sector can learn from the approaches to quality and its assurance adopted in the business and industrial sectors. Bench-marking of structures and processes can be a useful aid, as can comparison with other providers of education and training. However, the different aims and objectives of the public sector, which take account of the needs not only of individual customers but also of the community as a whole, must be reflected in its quality assurance processes.

8.7.2. The Education and Training Inspectorate

The Education and Training Inspectorate (ETI) provides inspection services and information about the quality of education, youth provision and training to the Departments of Education, Employment & Learning and Culture, Arts & Leisure.

The role of the ETI in relation to the further education sector is to:

- inform and advise the Department for Employment and Learning on the overall quality of education provided by colleges;
- advise the Department on the structure and content of the annual assessment programme and keep under periodic review the methods of assessing quality; and
- implement a range of inspection activities and provide reports on individual institutions and aspects of provision.

The ETI's inspection activities usually involve one of the following:

- a focussed inspection of an aspect of provision, for example engineering, within an institution, which leads to a published report. From time to time these inspections may contribute to a more general report on an aspect of provision across a number of colleges; or
- an extended inspection covering all aspects of provision and management, which also leads to a published report.

From time to time the inspectorate will also inspect and report on selected features of provision in the sector.

Governing bodies are closely involved with the ETI's inspection programme. Extended inspections normally begin with the governing body receiving a

briefing some two to three months before the inspectors' visit to the college. This outlines the purpose and focus of the inspection and inspection procedures. At the end of the inspection and before the publication of the report, an oral report of the main findings will be given to the governing body.

A report on institutional inspection is issued formally to the chair and copied to the principal. The college is required to draw up an action plan for submission to the Department, outlining how it intends to address any issues raised in the report. The responsibility for ensuring that this takes place rests with the chair of the governing body.

8.8. Summary and Conclusions

This chapter has dealt with a range of aspects of and issues affecting the role of the governing body to oversee the functioning of the college. Key to all of these aspects is the importance of ensuring that the information supplied to the governing body is accurate, appropriate and sufficient for it to make the best decisions for the good of the college's students and of the community served by the college.

There are many sources of information about the college's performance available and the effective governing body will select what information is supplied to it carefully to ensure that it is sufficient for the purposes it has set itself, that it is understood by all governing body members and that it is accurate and up-to-date.

The key relationship between the governing body and the college is with the principal. While the principal leads and manages the college on a day-to-day basis, it is imperative that the governing body receives a full account of progress against objectives set out in the college development plan when it

meets. It will wish to meet regularly enough, and receive sufficient advance information, to assure itself that the principal's report is examined thoroughly and subjected to appropriate analysis and corrective action, if necessary.

Of paramount importance is the need to ensure that the quality of the college's provision is high and assessed in such a way that leads to improvement wherever possible. The services of the Education and Training Inspectorate and the monitoring systems the governing body itself puts in place should enable it to properly examine the college's academic provision and to identify ways in which it can be improved.

Critical to high-quality education is, of course, effective management practice, a well-motivated workforce and the efficient use of physical and financial resources. The remainder of this guide is concerned with the use of resources; we turn first to the governing body's role in overseeing the college's management of human resources.

9. HUMAN RESOURCES

9.1. Introduction: the Governing Body as an Employer

The cost of staff employed by the college will represent the most significant proportion of a college's annual budget. Governing bodies should ensure not only that staffing levels and grades are appropriate but that all staff are remunerated fairly and provided with opportunities to update their skills to enable them to perform their teaching and other duties to the best possible standard. The responsibilities of both the governing body and the principal in this area are set out in the articles of government.

Staff working in colleges, other than staff provided by private contractors, are employees of, and have contracts of employment with, the college. The number and variety of employees involved is considerable and the employment responsibilities of the governing body are therefore significant. The governing body has a responsibility to adopt good employment practice for its entire staff. As employers, colleges have obligations to comply with pay-as-you-earn (PAYE) and National Insurance contribution regulations in respect of only their own employees.

In practice, much of this responsibility is discharged by the principal on behalf of the governing body. The governing body will wish to ensure that the personnel procedures and rules, which it is required to establish by paragraph 6 of the articles of government, are appropriate, that they are adhered to, that there are proper arrangements for consulting staff on employment matters and that proper regard is paid to relevant employment and other legislation, including fair employment legislation, the Data Protection Act 1998, the Protection of Children and Vulnerable Adults

(Northern Ireland) Order 2003²⁴, and legislation concerning health and safety, freedom of information and equal opportunities.

It is important that the governing body pays careful regard to the college's overall staffing complement, since this will represent the greater part of the college's expenditure. Appointing staff, especially on permanent contracts, beyond levels which can be supported comfortably by current and predicted income can cause serious financial difficulties for colleges. Effective use of the college development plan to determine the appropriate staffing complement to meet the college's objectives within its available resources should prevent such difficulties.

This chapter sets out the areas where the governing body has a formal role in employment matters and also covers those areas which are normally dealt with by the principal.

9.2. Appointment of Staff

The governing body is directly responsible for the appointment, conduct and dismissal of all members of the senior staff; this includes the principal, any vice-principal(s) and any other posts which the Department may specify. The governing body also agrees a framework for such procedures for all other members of the college's staff, which is implemented under the direction of the principal. Where a staffing committee has been created, it will act as an important link between the governing body and the senior management team for the personnel functions of the college as a whole. Part 6 of the articles of government sets out the standard procedures to be followed to appoint members of the senior staff.

²⁴ the "POCVA" Order can be accessed using the following link: [link to the POCVA \(NI\) Order 2003](#).

The selection and appointment of a new principal, should a vacancy arise, is one of the governing body's most important responsibilities. Given the importance of making an informed choice, governors should discuss and agree the particular procedures which they wish to adopt for advertising, short-listing and selection. They may find it particularly helpful to seek professional advice and involvement from outside the college. It is also appropriate to involve the college principal in the formal stages of the appointment of his or her successor.

The governing body is also responsible for the selection and appointment of any vice-principal(s), for setting out the framework for the pay and conditions of service of all other staff and for ensuring that they are negotiated with recognised bodies whose role it is to represent staff. The staffing committee, where one exists, agrees the framework for staff appointments, promotion and dismissal, subject to the approval of the governing body. Appointment and dismissal procedures are then implemented under the direction of the principal.

9.3. Planning Issues

Staff are the most expensive and the most valuable of a college's resources. Planning their development and deployment to achieve the college's strategic objectives in an effective and cost-efficient way is a key element in the strategic planning process.

Detailed planning, management and development of human resources are the responsibility of the principal and his or her senior staff. The governing body, in considering aspects of its development plan, should satisfy itself that:

- the planning process for developing college strategy and matching staff resources to ensure its delivery are closely integrated;
- systems exist to tackle any mismatches between the college's needs and the available staff skills and that these systems show proper regard for an individual's development in meeting college priorities;
- the staff development and appraisal arrangements are likely to lead to enhancement of staff capabilities and help to fulfil the college's duties to the community it serves, including employers, and current and future students; and
- appropriate and comprehensive employment policies exist and are understood by all staff.

The college development plan should provide sufficient information to demonstrate how plans for human resource management support the delivery of the college's objectives.

9.4. Staff Development

If colleges are to meet the challenge of providing education and training which is appropriate and relevant to the needs of those it seeks to serve, it is essential that they are fully equipped to do so. Colleges must therefore seek to provide a staff development programme and encourage widespread participation; this applies to both teaching and non-teaching staff. The staff appraisal process will provide a useful mechanism for the discussion of such development between management and staff.

For teaching staff especially, the introduction of new technologies, new processes, new curricular approaches and new teaching methods require

that they are provided with, and avail of, suitable opportunities to develop and learn new skills which, in turn, will help to raise the quality of provision and to help them fulfil their obligations to students.

The governing body, in exercising its strategic management role, may wish to make arrangements for the receipt of reports which provide an overview of the level of participation in staff development, any emerging needs and the budget set aside to meet these needs.

9.5. Staff Appraisal

Appraisal of senior staff was discussed in chapter 8. For all other staff, the operation of the staff appraisal scheme will normally be a matter for the principal and other managers within the college. The governing body will, however, wish to review the arrangements from time to time to monitor their effectiveness.

9.6. Pay and Conditions of Service

The governing body is responsible for:

- deciding the pay and conditions of service of the principal and such other senior staff as it determines;
- setting a framework for the pay and conditions of other staff (often delegated formally to the staffing committee); responsibility for the application of the framework rests with the principal.

While the governing body is responsible for determining the pay and conditions of senior staff, all changes are subject to the approval of the Department for Employment and Learning.

Following the mergers, colleges are continuing the pre-incorporation practice of central negotiation of pay and conditions for all staff. However, governors should note that the transfer of staff on the merger date (1 August 2007) preserved existing pay and conditions of service for transferred staff, including senior staff. All transferred staff are also subject to the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006²⁵.

9.7. Conduct of Staff

It is for the governing body to make rules concerning the conduct of staff and to consult with staff representatives on such rules before they are approved. These rules, which should be in the form of a code of conduct and disciplinary code, will set out the standard of behaviour expected of staff and the procedure to be followed should they be breached. It is therefore a matter for each governing body to determine what aspects of an employee's conduct should be subject to a specific code, and to establish the relationship between that code of conduct and the individual's job and contract of employment. Recognised staff representatives should be consulted in the drawing up of any code.

In making rules, however, the governing body must ensure that academic staff of the college have the freedom to question and test received wisdom, and put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or any privileges they may have at the college. To this end, governing bodies may wish to put in place systems, separate to the management chain, by which the views of staff can be garnered.

²⁵ This legislation can be accessed using the following link: [link to the 2006 TUPE Regulations](#).

The governing body will also wish to have regard, in making rules of conduct, to the nature of the sanctions available to it and the principal in the event of misconduct by a member of staff.

9.8. Disciplinary Issues, Suspension and Dismissal of Staff

The articles of government consign to the governing body the direct responsibility for the discipline, suspension and/or dismissal of members of the senior staff, and for agreeing a framework for these matters for all other members of staff, which is implemented under the direction of the principal. The broad procedures to be adopted are set out in part 7 of the articles of government. The governing body's detailed procedures should only be drawn up following consultation with staff representative bodies.

A governing body will wish to consider very carefully the implications for the college before suspending or dismissing any senior member of staff, particularly the principal. In these circumstances, it is essential that such a step is taken with due regard to the procedures laid down in the articles of government and only when, in the judgement of the governors, there is no alternative course of action. The governing body may find it helpful, in such circumstances, to obtain legal advice on how best to handle the situation. If the principal is dismissed or suspended, the governing body should act immediately to safeguard the proper management of the college by appointing an acting principal. The person so appointed will also be the college's accounting officer. The Department must be notified of the name of this person as a matter of urgency.

In the event of the principal moving to suspend or dismiss a member of staff, that staff member has the right of appeal to the governing body, which may wish to convene a special committee for this purpose.

9.9. Whistle-blowing

The term whistle-blowing describes a situation where an employee or ex-employee publicly discloses wrongdoings within an organisation, such as fraud, financial mismanagement, breach of health and safety or environmental laws, or any other danger to staff or students.

This kind of public disclosure leaves the whistleblower extremely exposed because it is likely to breach obligations which are implied in all employment contracts (e.g. fidelity, trust and most importantly the duty not to use or disclose the employer's trade secrets or confidential information).

Until recently, it was common for institutions to extend these implied duties by explicitly adding confidentiality requirements or 'gagging clauses' to their contracts of employment. A breach of these conditions is often classed as gross misconduct justifying summary dismissal. Both the Public Accounts Committee and the second report of the Nolan committee opposed the use of these clauses to inhibit the disclosure of maladministration or the misuse of public funds.

The need to protect whistleblowers from victimisation was recognised in the Public Interest Disclosure (Northern Ireland) Order 1998²⁶. The Order is intended to encourage all employers to adopt procedures which promote openness and communication and which provide members of staff with clearly defined routes for making internal and external disclosures.

In summary, the 1998 Order protects a worker who discloses certain types of information within certain circumstances. The term 'worker' covers people who are self-employed as well as employees who work under a

²⁶ The 1998 Order can be accessed using the following link: [link to the Public Interest Disclosure \(NI\) Order 1998](#).

contract of employment or apprenticeship. To qualify for protection the worker making the disclosure must reasonably believe that one of the following qualifying grounds applies:

- that a criminal offence is being or is likely to be committed;
- that a person has failed, is failing or is likely to fail to comply with a legal obligation;
- that a miscarriage of justice has occurred, is occurring or is likely to occur;
- that the health or safety of any individual is likely to be in danger or that the environment has been, is being or is likely to be damaged; or
- that information about a matter in one of the categories above has been, is being or is likely to be deliberately concealed.

If the disclosure fits these qualifying grounds, it is a protected disclosure provided that the worker has made it in good faith to a person or body specified in the 1998 Order, including:

- the employer;
- some other responsible person if the worker believes that the relevant failure relates solely or mainly to the conduct of that person or to any other matter for which that person has legal responsibility (for example, a member of staff is concerned that health and safety requirements are being breached by a placement provider and that the safety of institution students may be at risk. He or she may want to raise his concerns with the placement provider.);
- another person indicated in the procedure authorised by the employer; and
- a legal adviser in the course of obtaining legal advice.

Where the disclosure is made externally, (e.g. to the Department, the Assembly, other public authority or the media) there are additional burdens placed on the whistleblower. These include showing reasonable grounds for believing the disclosure was substantially true, that it was not made for personal gain and that the disclosure was reasonable in all the circumstances.

The additional requirements increase depending on whether the disclosure is made to a person or regulatory body as prescribed by the Secretary of State (such as the Inland Revenue, Data Protection Registrar or the Health and Safety Executive), and on whether it relates to some exceptionally serious failure, or is a general external disclosure.

The Nolan committee recommended that further and higher education colleges should institute codes of practice on whistle-blowing. A code of practice should encourage members of staff to raise genuine concerns about malpractice internally, without fear of adverse treatment.

The procedure should balance safeguards for members of staff who raise genuine concerns about malpractice against the need to protect staff, the governing body, students and the institution itself from unfounded allegations.

9.10. Fair Employment Practices

Governing bodies, as employers, have responsibilities and obligations to ensure fair employment and equal opportunities within the college. These responsibilities relate to the college's role as a provider of education, an employer or a supplier of services.

Failure to comply with statutory requirements may well result in legal action being taken against the college. Such events are not only costly but may also act to the detriment of the college's public image.

In addition to ensuring that all systems and procedures comply with the law, the governing body should be pro-active in ensuring that fair employment practice is a fundamental aspect of all employment issues within the college. This may include:

- preparing policy statements and reviewing them regularly;
- monitoring regularly the composition of the workforce and applications to the college and comparing this against the profile of the local community;
- reviewing regularly those systems and procedures;
- promoting a good and harmonious working environment; and
- promoting equality of opportunity and good relations.

Those governors called upon to participate in the appointment and promotion process within the college should undergo training in fair employment and equal opportunities issues.

10. PHYSICAL RESOURCES

10.1. The College Estate

College buildings and other facilities are a key resource in the provision of education and training. They are also assets whose value should be husbanded by each college to assist it in meeting its objectives. Effective estates management is of crucial importance to the short- and long-term well-being of the college. The governing body should aim to:

- protect the use, value and safety of the accommodation and facilities of the college;
- secure maximum economy, efficiency and effectiveness in their use;
- provide sufficient suitable accommodation and facilities to meet the needs of the college at all times; and
- derive the maximum benefit from the value of the college's estate to support the developing needs of the college.

The governing body will wish to ensure, through the principal, that adequate resources are allocated to property management, that objectives are clearly defined and that adequate management controls exist to ensure that an effective level of service is achieved. Each college will need to decide whether to cover its property management needs in-house or whether to contract out some or all aspects, such as maintenance of a detailed property database, valuations on existing properties and planning advice.

10.2. Estates Strategy

A key element in the strategic planning process is the development of an estate strategy for the college that supports the main objectives of the college as set out in its college development plan (CDP). The CDP will

identify the need for accommodation, but it is the estate strategy which will identify how the need will be met, including through sale and purchase of property and, where appropriate, the rationalisation and reduction of the existing estate; it will also reflect the aims set out above. The Department requires colleges to identify accommodation needs well in advance by adopting a longer-term view, typically 5-10 years. This, in turn, will help to inform capital investment decisions with the assumption that funding will be drawn from college resources, matched by departmental capital funding, when available. It is vital that, within all estate strategies, colleges give a commitment and identify actions aimed at protecting their accommodation assets through planned programmes of maintenance and renewal.

10.3. Use of Space

Growth in student numbers and developing additional course provision places a premium on the effective use of existing space. Improving the use of existing space, thereby avoiding the need to purchase, lease or build additional accommodation, is the most cost-effective way of providing for expansion.

Increasingly, colleges are dealing with the private sector in raising finance. It is vital that colleges can demonstrate support for capital projects with full details of their estate and either have, or procure, the management expertise to complete major works of refurbishment, adaptation and alteration on time and within budget. There should be a close link between the finance and estates personnel in these matters.

Department for Employment and Learning circular FE 03/04 "Further Education Estates Strategy" provides further information regarding estates strategies for the sector. It can be accessed at the following location:

<http://www.delni.gov.uk/estatesstrategycircular304.pdf>.

10.4. Health and Safety

Health and safety at work legislation places a duty on employers and those responsible for places of work to ensure that both employees and members of the public are protected from risks arising from work activities. The provisions apply to the safety of buildings, machinery and materials and make requirements for supporting and consulting on the health, safety and welfare standards of employees.

The Health and Safety Executive for Northern Ireland advises the government on the issue of regulations which have statutory force and also issues codes of practice and advice with which employers should comply. The Health and Safety Inspectorate enforce statutory duties and investigate accidents in the workplace.

As the employer, the governing body carries ultimate responsibility for health and safety and it could be held liable for offences under the legislation, as could individuals who have failed to discharge their duties. Among the duties placed on employers, and therefore on the governing body, is the preparation of a written statement of policy on health and safety including details of the organisation and arrangements for implementing that policy in the workplace. The written statement and any revision to it must be brought to the notice of employees. There is a duty to consult employees on health and safety, and provision for the appointment by recognised trade unions of safety representatives. Health and safety responsibilities for the students union and/or the college company should also be clearly designated.

The governing body should satisfy itself that the college's plan and the implementation of its policy set health and safety standards which it expects

to be achieved and that it has procedures in place for implementing and monitoring safety policy to agreed standards. This may include arrangements for receiving statistical information on accidents and other incidents of a health and safety nature.

Although those attending colleges as students are not doing work in the sense of being employees, they are, however, persons for whom the employer, *i.e.* the governing body, has a general responsibility. Governing bodies should therefore ensure, so far as is reasonably practicable, that both students and employees are not exposed to health and safety risks.

The governing body should satisfy itself that:

- the college has a health and safety statement;
- management responsibility for health and safety issues is designated clearly;
- those with such designated responsibility in the college are aware of, and have access to, relevant regulations, advice and training. This latter point is important since actions may be brought; not only against the governing body, but also against lecturers and others whose duty it is to follow safety instructions issued by their employer (the governing body);
- estates' personnel are aware of current legislation;
- the college plans the implementation of its policy and sets health and safety standards which it expects to be achieved; and
- the governing body has mechanisms in place to monitor performance, especially with regard to agreed standards.

11. FINANCIAL RESOURCES AND ACCOUNTABILITY

11.1. Introduction

The responsibility of the governing body for securing the effective and efficient use of resources, the solvency of the college and the safeguarding of its assets are set out specifically in the articles of government. As most of a college's income comes from public funds, which in most instances will also have provided the existing buildings, equipment and other assets, the exercise of that responsibility by governors is open to scrutiny and subject to procedures laid down by the Department.

The Department's permanent secretary is the accounting officer for all funding it distributes and, as such, is accountable to the NI Assembly for the proper use of those funds. Similarly, the college principal is the college's accounting officer and accounts for the use of funding to the Department. The Assembly's Public Accounts Committee has a statutory role to investigate any aspect of the use of public funding and the Department's permanent secretary and the college principal, as well as the governing body chair, may be called to give evidence to the committee to account for the use of funding within the further education sector.

It is therefore essential that appropriate and effective control and monitoring systems are in place to ensure that audit trails are established to enable the use of all funding to be accounted for.

The governing body should also ensure that value for money is obtained when funding is deployed. The pace and direction of the college's development, and its mission, will be influenced by the availability and effective use of resources which, in turn, are influenced by the efficiency with which resources are deployed and managed. Thus the management

of resources must complement and form part of the governing body's overall strategy in relation to student numbers, the employment of staff and the use of accommodation, and be a key element in the college's development plan.

The major financial responsibilities of the governing body are to secure the solvency of the college, the proper stewardship of public funds and assets — achieving value for money — and accounting for the funds which have been spent. Whatever delegation it makes to the principal for the management of the college, the governing body holds the ultimate responsibility for ensuring that these responsibilities are fulfilled. In discharging its major financial responsibilities, the governing body must satisfy itself of the adequacy of its systems of financial and managerial control, consider and approve financial forecasts and budgets within the framework of its college development plan and monitor financial performance against budgets as the year progresses. It must also ensure that effective internal and external audits are conducted in accordance with the requirements of the Department's audit code of practice²⁷.

This chapter discusses the important financial and related matters that will come before the governing body and also includes details of the Department's revised funding model for the further education sector, as well as details of those areas where it is legitimate for the governing body to generate and to spend funds.

11.2. Financial Control and Accountability

In order to provide a proper framework within which the Department can discharge its responsibility to the Northern Ireland Assembly, it has drawn

²⁷ The audit code and financial memorandum can be accessed from the following location: www.delni.gov.uk/index/publications/pubs-further-education/fe-01-08.

up a financial memorandum which sets out conditions for the payment of funds to the governing body of each college. The governing body is responsible for ensuring that the public funds distributed by the Department are used only in accordance with the terms of the 1997 Order, the financial memorandum and any conditions which the Department may, from time to time, attach to its funding. The governing body is also responsible for meeting the conditions attached to any grant income received from the Department or any contracts entered into with other bodies.

The governing body is responsible for ensuring that the financial, planning and other management controls applied by the college, including controls against fraud and theft, are appropriate and sufficient to safeguard public funds. This includes the provision of adequate insurance cover. In addition, the governing body is responsible for securing the efficient, economical and effective management of all the college's resources and expenditure including funds other than those provided by the Department, capital assets and equipment, and staff, so that the investment of public funds in the college by the Department and others is administered prudently. The governing body should also ensure that financial considerations are taken into account at all stages in reaching decisions and in their execution.

The respective responsibilities of the governing body and the principal of the college are set out in the college's articles of government. Within this framework, the governing body should require the principal to take personal responsibility, which may not be delegated, for the proper and effective operation of financial controls and for giving effect to the governing body's policies for securing the efficient, economic and effective management of all the college's resources and expenditure. The principal is responsible, with the governing body, for ensuring that any payments from the Department are used only for the purposes for which they are made and in accordance

with the provisions of the financial memorandum, or such other conditions as may be attached to departmental funds.

The governing body is responsible for oversight of the way in which the principal carries out his or her management responsibilities, and its monitoring systems should reflect this. It is of paramount importance that effective systems are in place, along with internal controls, auditing arrangements and systems for the management of risk, to safeguard the effective use of public funds. Proper standards must be maintained in the conduct of public business and the following — by no means exhaustive — list shows four major risks to these standards:

- inadequate financial controls;
- failure to comply with rules;
- inadequate stewardship of public money and assets; and
- failure to provide value for money.

The principal also has the responsibility for advising the governors if at any time any action or policy under consideration by the governing body is, in his or her view, beyond its legal powers or otherwise incompatible with the terms of the financial memorandum. The principal, as the college's accounting officer, may be required to appear before the NI Assembly's Public Accounts Committee alongside the Department's permanent secretary on matters relating to the funds paid to the college by the Department.

11.2.1. The Financial Memorandum

The financial memorandum makes requirements regarding the accounting and audit procedures and details of these are provided in supplementary

documents issued, as appropriate, by the Department. Its purpose is twofold:

- to ensure that the funds voted by the NI Assembly for the delivery of further education by colleges are used efficiently and effectively and only for the purposes for which they have been allocated; and
- to set out the respective responsibilities of the Department and of the college, especially with regard to the planning, budgeting and control of resources.

The governing body is required to comply with the financial memorandum and is responsible for ensuring proper financial management and control in the college. The memorandum extends those responsibilities to apply to all resources and expenditure of the college to safeguard from risk that element which is provided from public funds. Given the importance of these responsibilities, each member of the governing body should be given a copy of the financial memorandum by the principal and should become familiar with its content.

The annual financial statements of the college must be signed by the principal and on behalf of the governing body by the chair or one other governor. The report by the governing body would normally be prepared for its consideration by the principal and should review the main developments of the year, the college's financial position and any unusual features of the accounts. The Department requires colleges to comply with its accounting policies, which broadly follow standard accounting practice including the disclosure of the emoluments of senior post-holders.

11.2.2. Audit Committee

The 1997 Order requires that the governing body appoints an audit committee. The articles of government and the financial memorandum set out the duties and composition of the audit committee. The audit code of practice issued by the Department also includes terms of reference for the committee.

The principle role of the audit committee is to assist the governing body in the discharge of its responsibilities for proper financial management, for the safeguarding of assets, for the effectiveness of the internal control systems with due regard for economy, efficiency and effectiveness. Further details relating to the internal and external audit of the college are set out in the audit code. All members of the audit committee should be given a copy of this document.

11.2.3. Charity Law

The charitable status which can be enjoyed by all colleges places additional financial obligations on governors collectively and individually. Governors must ensure that funds are used for charitable purposes only; that is, for the purposes of the college as defined in the 1997 Order.

One particular area where difficulties could arise would be in any trading activities carried on by the college. The college's exemption from income tax or corporation tax might not cover these activities and the activities could also give rise to value added tax (VAT). In addition, business rate relief could be challenged. If income from trading activities is contemplated, legal advice should be sought. The establishment of a separate trading company (*i.e.* not part of the charity) might be necessary in certain circumstances.

11.2.4. Investments

Under Article 14(1)(l) of the 1997 Order, colleges are given the power to invest any sums of money not immediately required for the purposes of carrying out their lawful activities. The arrangements for such investment, including restrictions, are set out in the financial memorandum.

11.2.5. Insurance

The governing body is responsible for securing adequate insurance cover for all risks associated with the running of the college. This covers not only insurance of all property and contents against fire, damage and other loss, but also insurance against the possibility of public liability claims and claims by employees together with associated legal costs. The adequacy of the college's cover should be reviewed regularly and, in view of the high costs involved, comparative quotes should be sought directly or through a broker.

11.3. The Planning Framework

11.3.1. The Government's Spending Review Process

The Government's spending review process involves a rigorous scrutiny of all spending programmes to ensure that resources are being deployed in the most effective manner to achieve policy aims and the best possible value for money. Allocations for the first year can be regarded as firm while those for subsequent years (years 2 and 3 of the survey) are more tentative and will be subject to review in subsequent years.

As part of this exercise, government departments bid to the Department of Finance and Personnel for resources to support government policies and

strategic priorities, to cover rising demand for services and to declare easements on services which have a reduced resource requirement, possibly due to efficiency gains, lower demand or policy changes. Bids are assessed within government, taking account of such factors as:

- the contribution to governmental strategic objectives and what will be achieved as a result of the injection of additional resources;
- the relative priority against other bids submitted by the sponsoring department;
- bids received from other departments;
- equality issues;
- implications for new targeting social need;
- value for money; and
- the availability of resources.

It follows that all bids must be backed up with solid and reliable data as evidence to support the claims made.

Pressures and easements emerging in the course of a financial year are considered through in-year monitoring and resources may be reallocated in line with departmental priorities where changes within the Department's overall budget are involved, or in line with the Northern Ireland executive's priorities, where changes to the budgets of individual departments are required.

11.3.2. Further Education Funding

The amount of financial resources to be made available to colleges in any one year will be determined by the Department after considering the total funding available for the sector, the financial circumstances of the colleges, their proposed programmes for future activities, their performance in

achieving agreed objectives and in the light of the competing demands on resources.

The college development plan (CDP) is the key document in determining recurrent block grant funding allocated to each college. Negotiation towards the agreement of the CDP for the following academic year begins in February each year. These negotiations will be informed to a large extent by the analyses of the college's performance against agreed targets in the current year. Accurate and complete data on the college's performance is therefore vital to a successful negotiation process. If data extracts in February are not satisfactory, the college's funding may be affected and the whole process delayed.

The recurrent block grant funding made available to each college for the purposes of providing eligible further education and essential skills training is determined by means of a formula operated by the Department. This formula has been devised through extensive consultation among the sector, the Department and other key stakeholders, and has been designed to facilitate the achievement of aims expressed in FE Means Business. The main principles and elements of the formula are described in paragraph 12.5 below; a more-detailed explanation of the formula can be found using this link: www.delni.gov.uk/index/publications/pubs-further-education/moving-forward-issue-5.

A mechanism to allocate funding for higher education provided by colleges is being prepared separately and is expected to come into operation for the 2008/09 academic year.

Capital funding will be allocated to colleges for the purchase of equipment, maintenance and for major capital projects. Governing bodies may move recurrent funding into capital but not vice versa.

11.3.3. Annual Timetable and the Supply of Information to DEL

Table 11.1: Further Education Annual Financial Timetable

DATE	ACTIVITY
1 August	The start of the college financial year; the college should start the process of preparing its annual accounts and annual report. The collation of data for the funding formula should also begin.
15 September	Submission of the college's draft (unaudited) accounts.
30 September	Submission of the internal audit annual report.
30 November	First extraction and validation of in-year data to assess progress on delivery of planned provision. Final date for submission of funding data, the annual report and accounts.
31 December	Return of audit and assurance documentation as set out in the DEL audit code.
February	The Department issues guidance for the preparation of the college development plan (CDP).
3 rd Wednesday in February	Second extraction of in-year data to assess progress on delivery of planned provision and to inform CDP negotiations. CDPs for incoming 3 years – FLU projections (see section 11.5).
April	Deadline for submission of the CDP, which will have been approved by the governing body and which will include targets for delivery in key curriculum areas.
May	Submission to DEL of assurance statements by college accounting officers on the systems of internal control in operation during the year to 31 March.
May/June	The college and the Department hold a series of meetings to: <ul style="list-style-type: none"> • review progress against targets set out in last year's CDP; • discuss an indicative funding allocation for the coming year; • discuss any emerging pressures on DEL funding for the sector; and • discuss any other areas of concern.
June/July	Final agreed CDPs submitted. The annual funding letter is sent to all colleges, setting out the amount of funding available for the forthcoming academic year.
31 July	Close of the college financial year. Final extraction of data covering whole academic year, and including an audit declaration.

In addition to the information detailed in table 11.1, the principal is also required to submit quarterly reports detailing the financial position of the college in a format prescribed by the Department, including detailed management accounts and a schedule of all major variances in the accounts. A plan of internal audit work should also be submitted to the Department in advance of any internal audit work commencing each year, as should an annual consultancy return.

11.4. Income and Expenditure

The financial memorandum requires that a college should ensure that its total income is sufficient, taking one year with another, to meet its total expenditure. Sections 11.5 to 11.8 describe the types of income common to all colleges in the sector and list the main areas of expenditure.

The main components of college income are:

- recurrent funding received from the Department;
- capital grants made by the Department;
- funding through programmes such as Jobskills and New Deal;
- tuition fees for courses;
- contract income and tuition fees for short courses, delivered on a full cost-recovery basis;
- grants from the European Union;
- consultancy and other income from sale of expertise and services;
- income generated by residential accommodation, catering and conferences;
- gifts and donations; and
- interest earned.

11.5. Recurrent Funding Methodology

The recurrent funding methodology has been designed to promote the key policies and objectives of the Department. These are to:

- support economic development;
- widen access to and increase participation in FE (including the promotion of enrolments from under-represented areas and groups);
- improve the quality of provision and raise standards of achievements; and
- promote an efficient and effective sector.

The funding model in operation since 1999 has been replaced from the 2007/08 academic year by a revised model as part of the Department's review of further education. The aim is for the funding model to be transparent, simple, equitable, accountable and capable of contributing to the delivery of the Department's strategic aims for the sector.

Effectively, colleges are now being allocated funding on the basis of data relating to the academic year in question. This places a responsibility on colleges to ensure that data provided to the Department is accurate, complete and up-to-date, to ensure that the whole process runs smoothly and budgets are allocated in a timely fashion. Inaccurate data could result in reduced funding being allocated to the college.

The CDP contains the college's proposed pattern of course provision for the forthcoming year, which is then negotiated and agreed with the Department to form the basis for the calculation of funding. The Department will assess how well relevant performance indicators set out in the previous year's CDP have been met when agreeing the pattern of course provision, which allows

it to ensure that funding is directed towards areas which have performed well in the previous year.

The funding model described below, based on funded learning units (FLUs) applies to courses between entry level and level 3 of the National Qualifications Framework (NQF; see section 2.4 for more details) and to essential skills training.

There are four basic elements to the funding model:

- the student's actual hours of timetabled study;
- a weighting based on the course's NQF or equivalent level and its economic priority;
- the application of a disadvantage weighting; and
- a unit of resource of £3,400 for FE courses and £3,300 for essential skills courses.

The **first stage** in the calculation is:

- for a student enrolled on a full-time course on the National Database of Accredited Qualifications (NDAQ), the total timetabled hours up to 600 are divided by 600. Any further courses taken by the student are taken into account until the 600 hour cap is reached;
- for a student enrolled on a part-time course or courses, timetabled hours are divided by 720 up to a maximum of 450 for courses on the NDAQ or 90 for non-NDAQ courses;
- for a student enrolled on an essential skills course, no cap is applied and the total timetabled hours are divided by 600 (full-time) or 720 (part-time).

The **second stage** is to calculate a funded learning unit (FLU) for each student; this is determined by its level on the National Qualifications Framework and an assigned economic weighting:

- for a student enrolled on a course or courses at entry level or level 1, the FLU is the same as the result of the first stage of the calculation;
- for a student enrolled on a course or courses at NQF levels 2 or 3, the FLU is the result from stage one x an economic weighting of 1, 1.2, 1.4, 1.6 or 1.8 x a weighting of 1.1;
- for a student enrolled on an essential skills course, the FLU is the result from stage one x 1.8.

The **third stage** is a calculation to reflect the relative level of disadvantage of the area served by the college: the weighting applied is 1.01 for NRC and SERC, 1.011 for SRC and SWC and 1.012 for BMC and NWRC. Each FLU result from stage two is multiplied by the disadvantage weighting.

Finally, in **stage four**, the disadvantage-adjusted FLUs for each student are multiplied by the unit of resource of £3,400 for further education courses or £3,300 for essential skills courses.

Colleges provide the Department with data using their NI College Information System (NICIS), the data being used to calculate the recurrent funding allocation for that year. Governing bodies will wish to assure themselves that the data used is accurate, verifiable and consistent as any over-payments will be recovered following routine departmental auditing processes.

11.5.1. Students with Learning Difficulties and/or Disabilities

Students with learning difficulties and/or disabilities (SLDD) are funded in two ways: discrete programmes for those for whom this form of learning is considered appropriate and, increasingly, supported integration into mainstream programmes. These students generate funding in the same way as other students within the recurrent funding mechanism. However, additional support funds have been increased to cover the additional costs associated with SLDD students in discrete programmes and colleges may make three claims each year to the support fund to cover such costs.

11.6. Capital Funding

The Department makes funding available for capital projects such as for estates, equipment and maintenance costs. The effective use of estates strategies was discussed in chapter 10.

Colleges may redistribute income between the various categories of capital funds, and between capital and recurrent funding, under the terms of the financial memorandum. Currently, recurrent funds may be moved into capital but capital funds may not be moved into recurrent.

11.7. Other Sources of Income

11.7.1. Fee Income

Fee charges to students for tuition may provide a significant element of a college's income. The financial memorandum requires that tuition fees are not charged to home and other EU students aged 16-18 on full-time courses (subject to the application of the residency requirement). The

requirements in relation to EU students and migrant workers are set out in circular FE 15/01²⁸.

The main categories of fee-paying students are those over 18 years of age, those under 18 on day or block release or sandwich course, those on evening-only courses, overseas students and those following courses of higher education. Where fees are chargeable, they are normally determined by the governors on the recommendation of the principal in accordance with a broad framework approved by the governing body.

Many part-time students, for whom the college determines the fee level, receive help with fees from their employers. Overseas students — those who are living outside the UK and the rest of the EU — on full-time and/or sandwich courses are normally expected to pay the full cost of the course. The determination of whether a student is an overseas student requires careful consideration by college administrators. In all cases, colleges are encouraged to recover the full cost of providing courses where possible.

Colleges are free to set their own tuition fee remission policies.

11.7.2. DEL Funding of Provision Outside Recurrent Budgets

Most colleges have been successful in providing training programmes such as Jobskills and elements of the New Deal. This is an important dimension of college activity not only because of the income it generates but also because it strengthens contacts and communication with the local community.

²⁸ A copy can be found at www.delni.gov.uk/index/publications/pubs-further-education/fe-15-01.

11.7.3. Full Cost Recovery Courses

Colleges receive income from various clients by whom they have been contracted to provide courses. These may include clients such as employers and local authorities.

11.7.4. Grants from the European Union

Colleges may also receive grant income from European funds. Generally, EU funding is provided in the form of grants, which must be matched by the college or other body receiving them. EU grant arrangements are subject to change and precise details need to be checked at the time of application.

11.7.5. Residential Accommodation, Catering and Conferences

Income may be received from student halls of residence, other student or staff accommodation, and catering and salon facilities. The charges made are matters for the governing body to determine. In general, unless there are overriding policy matters, such facilities should be self-financing.

Use of the college's facilities, when they are not required for their main purpose, can be important sources of income. Some premises are suitable particularly for conferences, conventions and social events. The governing body will wish to ensure that this potential is fully exploited. Colleges may need to take professional advice on the financial implications of such income generating activities.

11.7.6. College Companies

Colleges may receive income from trading companies established to market the college's services. The financial memorandum requires that all profits

generated by a college company be paid to the college. Colleges may also receive income from the sale of advertising space in publications.

11.7.7. Gifts and Donations

Gifts and donations, often made as part of sponsorship arrangements negotiated by the college with local businesses, are increasingly significant elements within a college's overall income. However, the tax and VAT aspects of donations linked to sponsorship should be considered carefully. Colleges may also be in receipt of bequests from time to time and will need to observe any conditions attached to them.

11.7.8. Treatment of Income

The Department does not take account of income from any of the above sources in determining its funding for colleges.

11.8. Hospitality

The college must ensure that a comprehensive set of guidelines is in place for the provision of gifts and hospitality. Guidance can be found in DAO (DFP) 10/06²⁹ and Appendix F of the Financial Memorandum.

11.9. Credit Card Payments

The college, in consultation with the Department, should also ensure that a comprehensive set of guidelines on the use of payment cards (including

²⁹ A copy of DAO 10/06 can be accessed by using the following link: www.aasdni.gov.uk/pubs/DAOs/dao1006.doc.

credit cards) is in place. More information can be found in DAO (DFP) 24/02³⁰ and Appendix G of the financial memorandum.

11.10. Fraud

The college should adopt and implement policies and practices to safeguard against fraud and theft, in line with guidance from DFP and the Treasury. Under Government Accounting Northern Ireland (GANI) regulations, the Department is required to report all frauds (proven or suspected), including attempted fraud, immediately to the Department of Finance and Personnel (DFP) and the Comptroller and Auditor General at the NI Audit Office. To enable the Department to meet these obligations, the college must advise the Department of all such frauds as soon as they become known, irrespective of their nature or value. Further guidance on fraud is available from DFP³¹; colleges should ensure that all procedures in relation to fraud comply with DFP guidance.

Colleges should provide the following information when advising the Department of a suspected, alleged or actual fraud:

- date;
- location;
- outline of the incident;
- detail of any investigation carried out or in process;
- whether or not the incident has been reported to the police; and
- details of any actions taken to recover losses or reasons for not doing so.

³⁰ See www.aasdni.gov.uk/pubs/DAOs/dao2402.pdf for further details.

³¹ MANAGING THE RISK OF FRAUD: A Guide for Managers (GANI Chapter 5). Accountability and Accountancy Services Division, DFP, September 2003. Further guidance is also available from DFP's Fraud and Internal Audit Policy Branch website, which can be accessed using this link: www.aasdni.gov.uk/fiap/browse.asp?branch=3&category=15&maxres=20&start=0&orderby=2.

11.11. Expenditure

The governing body is responsible for ensuring that all expenditure incurred by the college can be met properly from within its resources. The range of expenditure embraces all aspects of the operation of the college. The governing body should ensure that in all material respects, expenditure has been applied to the purposes intended by the Northern Ireland Assembly. The main item of recurrent expenditure is staff salaries and wages and associated costs. The remaining areas of current expenditure include all or some of the following:

- materials and equipment (books and other teaching materials, consumables, equipment and reprographics);
- premises' running costs (repairs and maintenance, energy, a proportion of non-domestic rates, rents, cleaning, grounds and estates, security, laundry, linen and other domestic services);
- travel, subsistence and other expenses;
- establishment expenses (office furniture and equipment, telephones, IT networking, printing, postage and insurance);
- professional and agency fees (audit fee, bank charges, legal fees, payroll costs);
- advertising, publicity and marketing;
- curriculum expenses (examination fees, external examiners' fees);
- staff development programme and governor training;
- insurance;
- interest payable;
- charges stemming from operating leases; and
- irrecoverable VAT.

APPENDIX 1: LINKS TO USEFUL DOCUMENTS AND WEB-SITES

Direct Links to Relevant Legislation

Data Protection Act 1998: [link to the Data Protection Act 1998](#) at the Statute Law Database. This Act sets out the duties on an organisation to protect and restrict the usage of a range of personal information it may hold.

Disability Discrimination Act 1995: [link to the Disability Discrimination Act 1995](#) at the Statute Law Database. This Act sets out the duties on an organisation to take the needs of people with disabilities into account when undertaking their activities.

Article 101 of *The Education and Libraries (Northern Ireland) Order 1986*: [link to Article 101 of The Education and Libraries \(Northern Ireland\) Order 1986](#) at the Statute Law Database. This article empowers the Department to take action in the event that governing bodies intend to act unreasonably.

Freedom of Information Act 2000: [link to the Freedom of Information Act 2000](#) at the Statute Law Database. This Act sets out duties on public bodies to provide information to people who ask for it.

The Further Education (Northern Ireland) Order 1997: [link to The Further Education \(Northern Ireland\) Order 1997](#) at the Statute Law Database. This Order provided for the colleges to be incorporated and sets out the roles and powers of the Department and of governing bodies.

Northern Ireland Act 1998: [link to the Northern Ireland Act 1998](#) at the Statute Law Database. See in particular section 75, concerning obligations on public bodies to promote equality of opportunity.

The Protection of Children and Vulnerable Adults (Northern Ireland) Order 2003: [link to The Protection of Children and Vulnerable Adults \(Northern Ireland\) Order 2003](#) at the Statute Law Database. The POCVA Order makes arrangements for checks to be made on employees who work with children and/or vulnerable adults.

The Public Interest Disclosure (Northern Ireland) Order 1998: [link to The Public Interest Disclosure \(Northern Ireland\) Order 1998](#) at the Statute Law Database. This Order sets out the duties on organisations in relation to whistle-blowers.

The Special Educational Needs and Disability (Northern Ireland) Order 2005: [link to the Special Educational Needs and Disability \(Northern Ireland\) Order 2005](#) at the Statute Law Database. This Order sets out the duties on providers of education in relation to children with special education needs or disabilities.

The Transfer of Undertakings (Protection of Employment) Regulations 2006: [link to The Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) at the Statute Law Database. The TUPE Regulations set out the procedures to be followed concerning employment contracts in the event of take-over or merger.

DEL Governance Documents

Accounts direction: **[TO FOLLOW]**.

Audit code of practice: www.delni.gov.uk/index/publications/pubs-further-education/fe-01-08.

Financial memorandum: www.delni.gov.uk/index/publications/pubs-further-education/fe-01-08.

Model instrument of government and articles of government.

www.delni.gov.uk/index/publications/pubs-further-education/fe-college-model-instruments.

Government Strategic and Policy Documents

Costello report on post-primary arrangements (Department of Education):

www.deni.gov.uk/index/22-postprimaryarrangements-new-arrangements_pg/22-ppa-research_and_reports_pg/22-ppa-rap-cr_pg.

Economic Vision for Northern Ireland (Department of Enterprise, Trade and Investment): www.detini.gov.uk/cgi-bin/downutildoc?id=936.

Further Education Means Business (DEL): www.delni.gov.uk/index/consultation-zone/archived-consultations/archived-consultations-2004/fe-means-business-for-people-communities-economy-ni-2.

Further Education Means Business – Implementation Plan (DEL):

www.delni.gov.uk/index/publications/pubs-further-education/fe-means-business-implementation_plan.

Success Through Skills (DEL): www.delni.gov.uk/index/publications/pubs-sectoral/skills-strategy-ni.

Documents Relating to Public Life

Office of the Commissioner for Public Appointments for Northern Ireland – Code of practice: www.ocpani.gov.uk/codemay07new.pdf.

See also the publications section of the Committee for Standards in Public Life:

www.public-standards.gov.uk/publications.

Other Documents

Corporate Governance and Financial Management in Further Education Colleges (NI Audit Office): a press release and details of how to obtain a hard copy can be found at the following address:

www.niauditoffice.gov.uk/pubs/onereport.asp?arc=True&id=113&dm=0&dy=0.

DEL circular FE 15/01 – Funding Provision Made Outside Northern Ireland:

www.delni.gov.uk/index/publications/pubs-further-education/fe-15-01.

DEL circular FE 03/04 – Further Education Estates Strategy:

www.delni.gov.uk/estatesstrategycircular304.pdf.

Essential Skills for Living (DEL) strategy document:

www.delni.gov.uk/essential_skills_for_living-3.pdf.

Essential Skills for Living – independent evaluation:

www.delni.gov.uk/appraisalofessentialskillsforliving.

Further Education Moving Forward newsletter, issue 5:

www.delni.gov.uk/index/publications/pubs-further-education/moving-forward-issue-5. Contains details of the new FE funding model.

Travel and subsistence rates – most recent guidance (DEL):

www.delni.gov.uk/index/publications/pubs-further-education/fe-07-04.

Vocational enhancement programme – evaluation:

www.delni.gov.uk/llda_voc_programme.pdf.

Useful Web-sites

Association of Northern Ireland Colleges (ANIC): www.femeansbusiness.com.

Committee of Standards in Public Life: www.public-standards.gov.uk.

The Department for Employment and Learning (DEL) web-site:
www.delni.gov.uk.

DEL further education publications: www.delni.gov.uk/index/publications/pubs-further-education. All DEL circulars and other further education publications can be found here.

Education and Training Inspectorate NI: www.etini.gov.uk.

Health and Safety Executive for Northern Ireland: www.hseni.gov.uk.

Labour Market Bulletins (DEL): www.delni.gov.uk/index/publications/pubs-stats/labour-market-bulletin.

Learning and Skills Development Agency (LSDA) Northern Ireland:
www.lsdani.org.uk.

National Database of Accredited Qualifications:
www.accreditedqualifications.org.uk.

Northern Ireland Audit Office (NIAO): www.niauditoffice.gov.uk.

Northern Ireland Census 2001: www.nicensus2001.gov.uk/nica/public/index.

Statute Law Database: www.statutelaw.gov.uk. Contains updated copies of all UK legislation.

APPENDIX 2: A MODEL CODE OF ETHICS FOR COLLEGES

Introduction

This paper sets out a model code of ethics for further education colleges. It does not seek to rehearse the legal framework governing the operation of colleges, but takes as its starting point the distribution of powers and responsibilities set out in legislation. Nor does it seek to provide detailed guidance on every question of conduct which might arise, rather it lays down general principles which can be used to determine action, which will conform to the standards and values expected within further education. Every college will already have a college charter and a code of ethics would complement that.

A. General

1. In all college activities it is important to retain a set of core values, relevant to its mission to provide high quality learning opportunities for students. A public values statement can be useful.

2. As an institution within the public sector, the college accepts that those values must be in conformity with the principles laid down by the Nolan Committee for those holding public office, namely:
 - selflessness;
 - integrity;
 - objectivity;
 - accountability;
 - openness
 - honesty; and
 - leadership.

3. The college recognises its obligations to all those with whom it has dealings, students, employees, suppliers, other educational institutions and the wider community.
4. The reputation of the college and the trust and confidence of those with whom it deals is one of its most vital resources, the protection of which is of fundamental importance.
5. The college demands and maintains the highest ethical standards in carrying out its activities.
6. In its dealing with individuals, the college adheres to the principles of natural justice.

B. Students

1. The college believes that integrity in dealing with its students or prospective students is a prerequisite for success, and an important statement of the values it offers.
2. The college will not give deliberately inadequate or misleading information on its learning programmes or other services.
3. In all advertising and public communications, the college will avoid untruths, concealment and overstatement about its programmes and achievements.
4. The college will avoid recruitment practices, which involve the offer of financial or other inducements to students.
5. The college will deliver learning programmes and support services to meet the individual needs of students, efficiently and effectively to accepted quality

standards and will take steps to rectify any shortcomings in the service delivered.

6. Learning support, information, advice and guidance offered to students will be impartial and guided by the best interests of the student, not of the college.
7. The college will adopt a charter setting out what students and others can expect of the college.
8. The college will ensure that complaints are dealt with fairly, openly and efficiently.
9. The college will maintain the confidentiality of information on individual students.

C. Educational Partners

1. The college will compete vigorously but honestly with other educational institutions offering similar learning opportunities.
2. The college will not seek to damage the reputation of competitors either directly or by innuendo.
3. The college will provide information on individual students to the careers service and other institutions engaged in providing for the learning needs of the student in accordance with agreed procedures and within Data Protection Act guidelines.
4. The college will not seek to acquire information regarding competitors by disreputable means.

5. The college will not engage in unfair or restrictive practices in regard to the recruitment or retention of students.
6. The college will consult with partners who might be affected on any significant proposals for change in the learning programmes or services it offers.

D. Governing Bodies

1. The college will adopt a code of conduct for its governing body consistent with the principles laid down by the Nolan Committee and the requirements of its instrument and articles of government.
2. The code of conduct will require the maintenance of a register of governors' interests, which will be open to inspection by the public, in sufficient detail to allow interests of relevance to college activities to be identified. Interests, which may be sensitive for financial reasons, may be omitted from public inspection, provided governors comply with the requirements of the instrument of government in any proceedings of the governing body.
3. The governing body is responsible for the stewardship of the public assets vested in the corporation and for the financial health of the college.
4. The governing body will adopt procedures, which ensure sound financial decision-making, control and monitoring to meet the requirements of the funding body and public audit.
5. The Governing Body will ensure that information on its decisions is made widely available, having regard to proper confidentiality.

E. Management and Staff

1. The college will adopt a code of conduct for its employees, based on similar principles to that for governors.
2. The code of conduct for staff will forbid employees from soliciting or accepting inducements in respect of any matter connected with the operation of the college.
3. The staff code will respect the freedom within the law of academic staff to question and test received wisdom, and to put forward new ideas or controversial or unpopular opinions, without placing their employment in jeopardy.
4. As accounting officer for the college under the financial memorandum, the principal will be responsible for the propriety of financial decision making, and will advise the governing body of any requirements in respect of matters before it.

F. External Relationships

1. The college recognises that it is responsible to the community it serves and will take steps to ensure that information on its activities is made widely available.
2. The college will be responsive to its community and, within the framework of its own mission statement, will seek to provide programmes and services relevant to the needs of individuals and employers.
3. The college will provide timely and accurate information on individual students to employers or others providing sponsorship.

4. The college will ensure that it contracts with organisations, which comply with acceptable ethical standards.

G. Compliance and Verification

1. The college will require all its employees to adhere to its code of conduct for staff.
2. The college will create mechanisms by which employees and students can express genuinely held concerns about behaviour or decisions they perceive to be unethical, and have them investigated, with a guarantee of confidentiality, where needed.
3. The secretary to the governing body will be responsible for monitoring adherence to the governors' code of conduct by members of the governing body, investigating alleged breaches and reporting to the governing body. The governing body will decide on any action to be taken.
4. The principal will be responsible for initiating and supervising investigations into alleged breaches of the code of conduct by members of staff, and for ensuring that appropriate action is taken.
5. The college auditors may be asked to report on any practice which appears to breach the code.
6. The college will ensure that its codes are published and made widely available.

Adapted from a document published by the Association for Colleges

