



REVIEW OF GOVERNANCE

April 2020

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REVIEW OF GOVERNANCE AT COVENTRY COLLEGE

1. Overview & Context

- 1.1** Coventry College was formed in August 2017. Recognising its role as the largest provider of general Further Education in the City, the College delivers a broad curriculum to over 7,000 learners across a range of exciting and dynamic subject areas from entry level to higher education. The curriculum offer includes vocational, technical and professional education and training designed to meet the needs of the local community and employers.
- 1.2** Building upon the rich histories of its predecessor colleges, City College and Henley College, the College can trace its origins back to the 19th Century with the formation of the Mechanics Institution in 1829. Both predecessor colleges have a proud history of working closely with their communities and industry and this remains a key part of Coventry College's ethos.
- 1.3** The creation of one Coventry College in 2017 was founded upon the opportunities facilitated by joining forces; to promote and champion Further Education in Coventry. This aimed to ensure that the College could be adaptable and work efficiently alongside employers, schools and regional stakeholders to develop and fulfil education and skills strategies.
- 1.4** The merger process itself has proved to be a challenge in that two separate cultures have continued to operate and the harmonisation of teaching hours has been variable. Changes in senior leadership at an early point in the merger compounded problems associated with effective integration.
- 1.5** The Chair, on behalf of the Corporation, commissioned this rapid Review of Governance arrangements in February 2020.
- 1.6** Since the beginning of this Review, the College has been placed into supervised status following the significant in-year financial issue which was shared with the ESFA and FEC in February 2020. The improvements to governance are, therefore, a matter of urgency in order to demonstrate progress to the FEC in June 2020 at the next stocktake visit.

2. The Corporation

- 2.1** The Corporation (the Board) comprises: thirteen Independent Members; two Staff Governors (one Teaching; one Business Support) and two Student Governors and the Principal/CEO (ex-officio). Independent and elected members (excepting Student Governors) serve for a three year term of office, renewable for a further three year period, with one additional year in exceptional circumstances. Forty-six percent of Governors are female.

- 2.2** The Board is an average size for the sector, although there has been a move to reduce the overall size of Corporations in recent times. The Board has a diversity of skills and experience, across the public and private sectors, including from further and higher education. Governors have professional expertise in business, the law, IT, HR, teaching and governance.
- 2.3** The Corporation has the following standing assurance committees: Audit; Resources; Standards; Search & Governance and Remuneration which meet in accordance with forward business and meeting cycles. These are reviewed annually, in addition to Committee terms of reference. The Board normally meets formally on six occasions per annum, and has two strategic away day sessions each academic year. Teleconference meetings are also arranged as required.
- 2.4** Since the start of the 2019/20 session, eight new independent Governors have joined the Board bringing with them valuable skills and experience. All appointments have been overseen by the Search & Governance Committee in accordance with best practice (fit and proper person) public interest governance principles. An external recruitment process is taking place with regard to the appointment of a permanent Chief Executive/Principal.
- 2.5** In March 2020, the College was served a Notice to Improve (NTI) by ESFA.

3. Methodology, Scope & Process

- 3.1** The methodology underpinning the rapid review of governance included:
- a detailed documentation review of Board and Committee agenda, minutes, action logs and reports, 2019/20;
 - an assessment of the College's compliance with statutory and regulatory obligations;
 - an evaluation of the operation of the Board and its Committee, including an assessment of Governor participation at meetings, etiquette observed, and level of collective decision-making;
 - a confidential online governance effectiveness survey, the results from which helped to inform Governor interviews;
 - one-to-one semi-structured interviews with Governors;
 - stakeholder feedback (limited in the light of Covid-19 pandemic).
- 3.2** The review has also drawn on desktop research conducted around examples of national best practice in both the further and higher education sectors. This has included benchmarking around the size

and composition of governing bodies and committee structures of a number of institutions.

4. Governance Best Practice Analysis

4.1 As part of a best practice analysis the following generic key principles of good governance are presented for the Board' consideration:

- i)** the Board is driven by a clearly-stated commitment to a long-term development of governance;
- ii)** governance is clear, visible and respected within the College;
- iii)** a governance framework provides clarity of authority at all levels of the institution in order to deliver informed decisions, operational and strategic;
- iv)** the Board is connected effectively to stakeholders, internal and external;
- v)** the Board promotes consistent standards of behaviour and practice which support governance across the whole College;
- vi)** a structured governance development plan is in place for the Board.

5. Governance & Leadership

5.1 The following high-level observations of the Board's current operation represent best practice:

- the Board is fulfilling its statutory and compliance duties, including safeguarding;
- the Board is properly constituted and well-led;
- several new Governors have been appointed and have broadened and strengthened the skills and experience set of the Board and its assurance Committees;
- challenge within meetings observed is effective and is becoming more evidence-based and informed;
- Governors are aware of the challenges facing the institution and are pragmatic in their current 'RI' assessment of the Board, reflecting the wider grading of the College;

- Governors are conscious of their obligations to deliver on the College's Recovery & Transformation Plan which will require significant staffing cost savings;
- the relationship between the Board and the SLT is open and transparent in the board and committee meetings
- The governors are 'link champions' for themes across the College operations, in a scheme which has been reformatted and relaunched in the 19/20 academic year

5.2 The following areas would benefit from improvement in terms of good governance:

- i)** new Governors need to have a comprehensive induction to both the College and the wider sector, to include circulation of the Governors' Handbook (approved by the Search and Governance committee in draft in December 2019) and financial training. A programme for continuous, wider Board development should also be considered;
- ii)** historically, information and data (particularly financial) that was presented to the Board and its Committees lacked transparency and completeness in terms of supporting effective decision-making, leading to an external review being commissioned by the Chair and the CEO in October 2019. This situation is now being resolved with reports and financial forecasts being clearer in the exposition of the challenges facing the institution. The adoption of better structured cover sheets and executive summary reports provided by the SLT has improved this process;
- iii)** the Board should receive assurance from more than one source of management information and reference which is now in greater evidence at committee meetings;
- iv)** Governors (especially new Governors) would benefit from being more familiar with one another at a personal level to facilitate team-working and mutual understanding;
- v)** all Governors should be encouraged actively to participate and make contributions at meetings and to reflect on their performance;
- vi)** the visibility of the Board within the College is low. Governors should be provided with opportunities to attend College events (eg SAR panels) and to have a greater level of engagement with the life and work of the College. The establishment of the Governor Champion Scheme is a positive development in this regard;

- viii) the boundaries between governance and management need to be clearly defined, but it is accepted that the College is operating in exceptional circumstances at this point in time;
- ix) the strategic vision and focus of the Board needs to be better articulated: Governors need to be closely involved in shaping the College's forward strategy that is sustainable;
- x) the impact and added value of the Board needs to be reflected upon as part of the Board's governance maturity process;
- xi) the College has had the support of a National Leader of Governance through the FEC and another leader is to be sought to support the Board development programme.

6. Board Business Flow

- 6.1** It is accepted that the College is in a period of significant transition and change which has been severely impacted upon by the Covid-19 pandemic crisis at the time of writing. This has led to the introduction of special governance arrangements whereby the Chair's Group (comprising the Chair, the CEO, all Committee Chairs and two additional Independent Governors, from each of Resources and Standards Committees) meet fortnightly to oversee core Board business and the remits of the standing committees (excepting the Audit Committee). The full Board also meets on a monthly basis. These revised governance arrangements will be reviewed in summer 2020.
- 6.2** Moving forward in more regular times, we would recommend that Board agenda would benefit from a greater degree of focus on a smaller number of strategic themes, designed to enhance decision-making and the collective assessment of risk and opportunity, impact and performance.
- 6.3** Board sub-committees provide an effective level of assurance to Governors in scrutinising strategic and policy matters in detail. However, we would propose that an immediate review of the agenda-setting process for the Board's sub-committees, be carried out, in addition to an evaluation of remits in terms of adding value. ^[1]_[SEP]
- 6.4** As referred to above, we would further propose that reports and briefing papers could be enhanced by being shorter and having more finely-tuned executive summaries written to support the Board as the ultimate strategic decision-making body. Reports that have been considered at committee level should not routinely be re-presented to the Board in their original form, but should be re-drafted in abbreviated executive form for Governor consideration, highlighting the strategic relevance of the matters under discussion consistent with the principles of modern governance.
- 6.5** In addition, ^[1]_[SEP] papers should not simply be shorter but should also reduce the level of narrative description, and could also include a small number ^[1]_[SEP] of

questions designed to help frame discussion, supporting Governors to achieve shared understanding and collective decision-making in meetings.

- 6.6** Governors need to be able to take stock of strategy and policy throughout the year and not feel that they are merely seeing fragments of a whole, or having a concentrated focus once a year in a strategy day. To achieve this, Board papers should relate themes under discussion more directly to overall College strategy.
- 6.7** Currently, most Governor time is committed to formal business meetings. To utilise the skills and experience of members more fully, we would suggest that greater emphasis could be placed on a clearly articulated ambassadorial role for independent members, connecting the College to key stakeholders to enhance visibility and impact locally and regionally. However, this should not be at the expense of core governance responsibilities. ^[L]_[SEP]

7. Governance Development

- 7.1** Induction for new Governors is an important aspect of broader governing body effectiveness and development. Sections 9.31 and 9.32 of the Association of College's (AoC) Code of Good Governance (2019) state:

The Chair and Clerk should ensure that new Board members receive a full induction on joining the Board, and should regularly refresh their skills and knowledge through development activities and briefing funded by the College.

All Board members should ensure that individually and collectively they have or acquire sufficient understanding of the work of the College and the educational landscape to be able to engage fully in the affairs of the Board. The Clerk should keep records of the development activity of all Board members.

- 7.2** Best practice drawn from across the education and third sectors supports the view that an effective induction, and on-going development process, is essential to ensure that Governors (who are also Trustees):
- understand the parameters of their role and function and the important interface between governance and management; ^[L]_[SEP]
 - are able confidently to contribute to decision-making, playing a full part in discussions at an early stage, applying their skills and experience most effectively;
 - are equipped to provide informed and constructive challenge to the Senior Leadership Team.
- 7.3** With regard to the development of a Board induction/development programme, the College may wish to consider having input from existing Governors in terms of the design and content of the process, as part of a structured development approach. Additionally, there may be value in identifying a lead Governor with responsibility for the development of the

Board, from induction through to impact assessment.

- 7.4** It is important to note that development is not viewed as being of secondary importance to the business of the Board. Development is an integral part of good governance, allowing Governors to explore where they can make the most effective contribution to the wider institution.

8. Visibility & Impact

- 8.1** Best practice is clear that an effective governing body should not only embody good governance, it should also take the lead in promoting and animating what good governance looks like more widely in the organisation. Structured engagement (for example, through the Governor Champion Scheme) should routinely become a more prominent part of the work of the Board, reflecting the obligation on Governors to be proactive in understanding and learning about the College for themselves.

- 8.2** For the Board to be optimally effective it must regularly reflect on its own performance and the added value which it collectively offers to the College: not an easy task for any board. The existing annual Governor review arrangements that are in place form a good basis for further, formalised development.

- 8.3** To enhance the visibility of the Board to stakeholders, the College may wish to consider the development of an annual Governing Body report in a form that is public-facing, could be published on the College website and which could be presented at an annual external stakeholder meeting.

9. Concluding Reflections

- 9.1** This rapid review of the College's governance arrangements has been undertaken at a uniquely challenging time for the College, the sector and the nation in addressing a world pandemic. It is often a testimony to any organisation how it performs at a time of crisis.

- 9.2** Notwithstanding the significant challenges the Board is facing with regard to its financial sustainability and charting a course for the future, Governors and SLT have worked in a dedicated way to safeguard the welfare of students, staff and the best interests of the institution they serve.

- 9.3** The best practice recommendations contained in this report (see Annex I) are designed to be supportive to the Corporation at a particularly challenging point in time, building on the many strengths and qualities that the Board already demonstrates.

Michael Wood, Reviewer

April 2020

SUMMARY OF PRIMARY RECOMMENDATIONS & INDICATIVE TIMESCALE

- R1** Governors to have a comprehensive induction to the College and financial training
May/June 2020
- R2** A programme for continuous structured Board development to be considered, involving Governors in its design
July 2020
- R3** Reports should be concise and focused on strategic themes wherever possible
May and on-going
- R4** Information and assurance should be provided from more than one source
May and on-going
- R5** The role and visibility of the Board, institution-wide, should be heightened
September/October 2020
- R6** The boundaries between governance and management need to be clearly defined
May and on-going
- R7** Governors to be closely involved in shaping the College's forward strategy
September/October 2020
- R8** The impact and added value of the Board needs to be reflected upon as part of continuous improvement
November/December 2020
- R9** Agenda-setting of the Board and Committees should be reviewed, together with remit
May 2020
- R10** Consideration to be given to producing an annual Governing Body report to promote the work of the Board to all stakeholders
November/December 2020
- R11** Governor Handbook to be updated and issued to all Governors
May/June 2020
- R12** Confirmation of new National Leader of Governance via FEC, to assist in development of Board programme
May/June 2020
- R13** Ensure that governance-related issues highlighted in the FEC report in April 2020, following the March 2020 visit, are addressed.
June 2020