



Effective Governance: Case Study

Governance Structure: Independent Training Provider

Summary

This case study shows how a National Leader of Governance (NLG) can support Independent Training Providers (ITPs) to restructure their governance arrangements so they are clear and effective.

Code of Good Governance/Ofsted Guidance

This assignment was principally concerned with 'Effective Governance Structures', but also addressed elements of 'Strategy and Leadership'.

In the Ofsted Further Education and Skills inspection handbook, this assignment relates to the requirement for governors or their equivalent to support and strengthen the provider's leadership and contribute to shaping its strategic direction.

Issue to be resolved

The ITP requested guidance to address four key issues. These were:

1. Managing Director (MD) stretched and undertaking tasks that distracted from core role
2. Board arrangements not formalised
3. Strategy in need of development
4. A need to restructure governance arrangements

Context

The ITP was small, with a staff of 11, and had been operating for 13 years. It was rated grade 2 by Ofsted and was due for re-inspection that year.

Delivery was focused on various learning and work experience programmes for 16-18 year olds, specialising in support for those with a range of special educational needs. Apprenticeships were not offered, although the ITP had considered offering them in the future.

The organisation was very stretched and struggling to maintain high quality and performance levels.

Methodology

The NLG requested a range of documentation for review in advance of the visit including: board minutes; SAR; the most recent Ofsted report; the organisational chart and the business plan. The documentation provided a picture of the organisation and its strengths and challenges and clarified the areas that needed to be prioritised.

The NLG identified four main areas to prioritise:

1. Organisational structure
2. Board arrangements
3. Five year strategy
4. Business development (BD)

The NLG then made a full day visit to the ITP, which included interviews with staff and a lengthy workshop style discussion with the MD.

Looking at each area in turn, the NLG worked with staff and the MD to determine what steps should be taken on each priority area.

The NLG produced a final report which set out the purpose of the visit, the findings and detailed recommendations for the provider to take forward which addressed the issues in the ITP's application for support.

Findings and actions

Organisational structure

Key findings

The NLG reviewed the organisational structure and through interviews with senior management identified four key observations on the existing organisational structure of the ITP:

- Tasks undertaken by the MD could be reassigned to ensure a more productive use of time
- Structure necessitated MD involvement in day to day service delivery
- Clarity around responsibilities and accountabilities could be improved
- Existing Quality lead role ensured delivery standards were maintained and improved but missed safeguarding and Prevent elements which sit naturally here

Recommendations

The NLG recommended that a new organisational structure be implemented as a matter of urgency to provide clarity of accountabilities and responsibilities and to free up the MD to focus on overall leadership and direction of delivery.

Board arrangements

Key findings

The NLG reviewed the current board arrangements against leading practice governance in the sector and identified two key observations on the existing arrangements:

- The need for a Chair of the Board
- Board arrangements were informal and could benefit from increased structure

Recommendations

The NLG recommended:

- A Chair be appointed as soon as possible to chair and lead the Board meetings and ensure all Board accountabilities are effectively discharged
- The Board should meet monthly and the agenda should include papers from the line managers in the new organisation providing short updates and key areas requiring board review and decision
- The two current board members should be made non-executive directors and that these roles could continue to be unpaid

Five year strategy

Key findings

The NLG reviewed the ITP's current strategy and identified a need to update the strategy and to set out company vision.

Recommendations

The NLG recommended that a new five year strategy be developed in consultation with staff and then presented to the Board for review, amendment as needed and sign off. Once signed off, the NLG recommended that the five year strategy be shared internally and used to inform annual business planning and staff objective setting with consideration given to launching it externally so that key partners, funders and stakeholders know what is being planned. The NLG provided three examples of strategies to provide some ideas on concept, content and design.

Business development

Key findings

The NLG conducted an independent review of the organisation's Business Development (BD) process and function against leading practice in the sector and identified three key observations on the existing BD function of the ITP:

- Addition of a BD role could provide added value
- Opportunity for MD to rebalance responsibilities in order to allow greater focus on BD
- Significant opportunities are missed or not applied for

Recommendations

The NLG recommended that an urgent focus be given to identifying, developing and securing new funding streams and that BD be undertaken as a combination of some of the MD's time (freed up following implementation of new structure) and a part time employed resource or use of outsourced resources on a day rate basis.

Results

The ITP agreed with the recommendations given in the NLG report and all of these were implemented. Key outcomes from the assignment were:

- MD is now better supported
- Board meets monthly and functions well

The NLG responded to a number of additional requests to support the ITP through implementation, including by providing information on Board Terms of Reference and the Board agenda.

Conclusions and next steps

The ITP was very positive about what was achieved through the NLG visit and said it had a measurable impact. The feedback they provided was:

'The NLG provided the right amount of challenge, support and advice. [The NLG] guided me in looking at the business' needs in a more objective way, and this helped clarify areas that I need to focus on to move the business forward. I found the process to be a very positive and helpful one, and it's already led to measurable improvements, for example in the more efficient deployment of staff. I would definitely recommend [The NLG] as a business consultant.'