

Guidance note: What is Governance?

This guidance note is for new governors - external, staff, student and parent.

'Fingers out noses in'

- As a governor, are you clear about the difference between governance and management?
- Does your governing body have stated role descriptions for the Chair, governors, the Principal, senior post holders and the Clerk?
- Do you believe that your governing body receives data about the college at an appropriate strategic level and in a format that enables you to interrogate it effectively?
- How far do you consider that your College Board and the College Executive work together as a team committed to the success of the college and its learners?

'Governance is the act of governing – not managing. Governance provides strategic leadership and direction to an organisation. It sets and approves policies and the budget, defines expectations, delegates powers, and verifies performance towards delivering its strategic aims and objectives. The most important aspect is an appropriate division of responsibilities between strategic governance by the governing body and operational management by the College's senior management team led by the principal. This approach would be underpinned by the right level of checks and balances.'

(Definition of good governance from **Creating Excellence in College Governance**, report by Susan Pember, AoC 2013)

Introduction

The definition of good governance above indicates clearly that there should be an appropriate division of responsibilities between strategic governance and operational management. However different colleges have different practices on the *appropriate* division between governance and management.

The bedrock of effective governance is that governors and senior college managers agree on the appropriate division of responsibilities. This sounds clear but in practice the difference is not black and white.

In the **Creating Excellence in Governance** report (2013) one of the Governance challenges created by the current changes in the landscape is said to be *Concerns raised by Governors and senior leaders about the boundaries between governance and management*.

Similarly, in a report from the Principals Professional Council (PPC) **Challenges for the future** (2013) Principals raise concerns on issues of governance:

'It is no exaggeration to say that for some principals working with governors is one of their biggest challenges.

*Many principals do have good working relationships with their boards. But many also feel that governors often do not understand their **strategic role** in leading college improvement but are too focused on matters such as the accounts, premises or compliance, rather than education and young people. Some do not know what information they need to assess the college's performance, how to interrogate data to extract its meaning or what questions to ask in order to hold the principal and SLT properly to account.*

Such potential difficulties can be overcome with an agreed understanding of where strategy and operation begin and end, with a clear statement of roles, stated delegation of powers, and agreed policies on important matters of college life.

Fundamentally, governance is focused on the strategic direction of the college, setting its aims and monitoring its performance, not only financially but in teaching and learning and learner outcomes.

Governors do not manage the college; a Chief Executive and managers are employed to do that, however, governors are accountable for the way public funds are used.

Additionally the **English Colleges' Foundation Code of Governance** requires that:

The governing body should ensure that the respective functions of governance and management, and the roles and responsibilities of the Chair, the Principal, the Clerk and individual governors, are clearly defined.

The role of the governing body is to ensure that the college is being managed well by being informed at an appropriate level and asking appropriate questions. Governors should not be seeking every detail of college performance but do require an overview of data that indicates trends and issues and compares performance with other providers.

The level of information sought by governors and the required support and challenge may change within a college, for example the appointment of a new Principal or a poor inspection outcome will demand more support and perhaps more challenge from the governing body. But such issues should not mean that governors take over the management of the college.

In terms of power relationships, it is the governing body as the FE Corporation which employs the Principal/Chief Executive, the Clerk and other senior postholders, appraises their performance and agrees their remuneration packages, usually through the Chair and the Remuneration Committee.

Scheme of delegation

To avoid conflict over the boundaries of governance and management the college also requires a statement of delegated powers to the Principal, for example over financial expenditure and other matters.

The instruments and articles traditionally forbid delegation of certain powers from the governing body such as the determination of its educational character and the financial solvency of the institution and safeguarding its assets.

Distinction between governance and management

Leadership of colleges is shared between governance and management working in partnership to provide the best possible quality of provision for learners, employers and the community, within a broader national and international context.

But beneath these abstract concepts it is people in the roles of governors and managers who observe the distinctions or blur them. It is possible to characterise differences between governance and management, for example:

Governance	Management
Strategic	Operational
Policies	Procedures
Ends	Means
Mission vision and values	Proposals to consider and then action
Key performance indicators	Detailed performance reports
Quality overview	Self assessment processes and action plans
Frameworks	Implementation
Strategic plan	Propose plan/ deliver it
Financial solvency and monitoring	Budget planning and implementing
Oversight of resources	Planning and deployment
Scheme of delegation	Delegated action
Framework of pay and conditions	Implementation
Risk assessment	Risk analysis and planning

Health and safety policies	Management action and reports
Equality and Diversity policies	Management action and reports
External partnerships and collaboration	Management action and reports
'Well informed and up to date awareness of college life'	Daily attention
Teaching and learning overview	Managing teaching and learning and observations
Employers	Employed
Non-executive	Executive
Accountable to statutory bodies and the local community	Accountable to the Board

You may wish to add to these lists or disagree with them! Whilst they suggest differences these may not be so clear cut in practice. The governing body is responsible for the strategic plans but does not write them: it is for the Principal to make proposals and recommendations for the governing body to consider.

Conclusions

There are colleges where the relationships between governance and management, between governors and managers, can become dysfunctional.

In some extremes governors seek to manage the college themselves and undermine the Principal and senior postholders; in other extremes Principals abdicate their responsibilities by failing to involve governors sufficiently in the process of running a good organisation. This is often the case in colleges with failed or poor inspection results where the idea of governors as an 'amiable entity' has been the cause of failure.

Some governors get too involved in management. But some managers get too involved in managing governors. Good governance is essentially about team work which means that all members of the college (governors and staff) are essentially engaged in the same process of ensuring the best outcomes for learners.

In the most successful colleges governors and managers develop an ethos of working together as a team.

Colleges which achieve outstanding judgements share the following characteristics:

- The composition of the board works - there is respect and trust amongst all members, and a strong team ethos. The right people who 'gel" together.
- A high degree of open relationships with high emotional intelligence amongst governors.
- Time spent building the quality of the relationships between individual members, the whole board and the senior leadership.

Activity: Governance and management - what is the difference?

References

Creating Excellence in College Governance, AoC 2013
Challenges for the future, Principals' National Council 2013
Clerking in the new era: implications for college governance, LSIS 2013
The English Colleges' Foundation Code of Governance, AoC 2011 currently being reviewed and updated

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