CODE OF CONDUCT

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Lead responsibility	**Head of Governance**

1. Introduction

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

1.2 In addition to this Code, Governors are recommended to familiarise themselves with the source documents listed in the Schedule. This Code should not be read as an exhaustive statement of duties, powers or provisions and Governors should refer to the source documents listed in the Schedule. If a Governor is in doubt about the provisions of this Code or any of the source documents, the Head of Governance should be consulted and, if necessary, professional advice should be obtained. However, ultimate responsibility for the appropriateness of conduct as a Governor of the College and for any act or omission in that capacity rests with the individual Governor.

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

1.4 By accepting appointment to the Board each Governor agrees to accept the provisions of this Code.

2. Aims and Values

2.1 Governors are expected to promote the core purposes and aims of the College as set out in the mission statements, vision and values below.

Mission

To provide high quality education and training that shapes the future and transforms lives https://www.derwentside.ac.uk/media/3829/strategic-plan-2024.pdf

Vision

To be an outstanding College that is highly valued by our learners and partners.
https://www.derwentside.ac.uk/media/3829/strategic-plan-2024.pdf

Values

The College Values are the key to our culture, and we strive to live by them each and every day. They serve as a compass to help guide us on our path to success, as well as a bridge to the future, supporting the achievement of our Mission and Vision over time.

2.2 Public service values are at the heart of the education service. The Board recognises its obligations to all those with whom it and/or the College have dealings, including students, employees, suppliers, agents, other institutions and the wider community. High standards of personal and corporate conduct based on the principles set out in

Appendices 1 and 2 of this Code, and the recognition that students and other users of the College's services come first, are a requirement of being a Governor, and should underpin all decisions taken by the Board.

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

3. Duties

3.1 Governors owe a fiduciary duty to the College. This means that they should show it the highest loyalty and act in good faith in its best interests. Each Governor should act honestly, diligently and (subject to the provisions appearing in paragraph 8 of this Code relating to collective responsibility) independently. The actions of Governors should promote and protect the good reputation of the College and the trust and confidence of those with whom it deals.

3.2 Decisions taken by Governors at meetings of the Board and its committees must not be for any improper purpose or personal motive. Decisions taken must always be for the benefit of the College, its students and staff and other users of the College and must be taken with a view to safeguarding public funds. Accordingly, Governors must not be bound in their speaking and voting by mandates given to them by other bodies or persons.

3.3 Governors must observe the provisions of the College's Instrument and Articles of Government and in particular the responsibilities given to the Corporation by the College's Articles of Government. Those responsibilities, including a list of "reserved" responsibilities which are so important that they must not be delegated, are set out in Appendix 3.

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

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

3.6 Governors should also have regard to the responsibilities given to the Head of Governance. The responsibilities given to the Head of Governance under the Articles of Government are set out at Appendix 4.

4. Statutory Accountability

4.1 Governors are collectively responsible for observing the duties set out in the Financial Memorandum which the College has entered into with theDepartment of Education (DfE) as a condition of receiving public funds.

4.2 Although the DfE is one of the main providers of funds to the College, Governors should note that they are also responsible for the proper use of income derived from other sources, and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding body and public audit.

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

5. Skill, Care and Diligence

5.1 A Governor should in all their work for the College exercise such skill as they possess and such care and diligence as would be expected from a reasonable person in the circumstances. This will be particularly relevant when Governors act as agents of the College, for example, when functions are delegated to a committee of the Board or to the Chair. Governors should be careful to act within the terms of reference of any committees on which they serve.

6. Powers

6.1 Governors are responsible for taking decisions which are within the powers given to the Board by Parliament under sections 18 and 19 of the Further and Higher Education Act 1992. A summary of those powers is set out in Appendix 5. If a Governor thinks that the Board is likely to exceed its powers by taking a particular decision, he or she should immediately refer the matter to the Head of Governance.

7. Conflicts of Interest

7.1 Like other persons who owe a fiduciary duty, Governors should seek to avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests and their duties to the Board. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement.

7.2 Governors are reminded that under the College's Instrument of Government they must not acquire or hold any interest in any property held or used for the purposes of the College or receive any remuneration for their services, save as a member of the College's staff, without the written approval of the Secretary of State for Education.

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

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

7.4.1 The interest, financial or otherwise, should be reported to the Head of Governance.

7.4.2 The nature and extent of the interest should be fully disclosed to the Board before the matter giving rise to the interest is considered;

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

- not take part in the consideration or vote on any question with respect to it and shall not be counted in the quorum for that meeting; and
- withdraw from that Board or committee meeting where required to do so by a majority of the members of the Board or committee present at the meeting.

7.5 Governors may properly find themselves offering the service of their skills and expertise to the College in an advisory capacity. In these circumstances the offer of services should be made at a committee or Board meeting. The member offering the advisory service should remain in the meeting to give details of the assistance offered; but withdraw whilst consideration of the offer of service is made. Governors may choose to accept or decline any such offer, always bearing in mind the required appropriate relationship between Governors and the College. The advice of the Head of Governance should be sought before acceptance of any such offer. Where this occurs it is essential that the minutes of the Board or committee meeting at which such assistance from a governor is offered and accepted, record the precise terms under which such advice and help is to be given, the purpose of such advice and the limits of such advice.

7.6 Governors must not receive gifts, hospitality or benefits of any kind from a third party which might be seen to compromise their personal judgement or integrity. Any offer or

receipt of such gifts, hospitality or benefits should immediately be reported to the Head of Governance.

7.7 The Head of Governance will maintain a Register of Member's Interests which will be open for public inspection. Governors must disclose annually business interests, financial or otherwise, which they or their close relatives may have, and the Head of Governance will enter such interests on the Register. Governors must give sufficient details to allow the nature of the interests to be understood by enquirers. Governors should inform the Head of Governance whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, Governors should have regard to the meaning given to "interest" in paragraphs 7.3 and 7.4 of this Code.

8. Collective Responsibility

8.1 The Board operates by Governors taking majority decisions in a corporate manner at quorate meetings. Therefore, a decision of the Board, even when it is not unanimous, is a decision taken by the Governors collectively and each individual Governor has a duty to stand by it, whether or not he or she was present at the meeting of the Board when the decision was taken.

8.2 If a Governor disagrees with a decision taken by the Board, his or her first duty is to have any disagreement discussed and recorded. If the Governor strongly disagrees, they should consult the Chair and, if necessary, then raise the matter with the Board when it next meets. If no meeting is scheduled, the Governor should refer to the power of the Chair or any five Governors under the College's Instrument of Government to call a special meeting. If appropriate, this power should be exercised, requesting the Head of Governance to circulate the Governor's views in advance to the other Governors. Alternatively, as a final resort, the Governor may decide, after consulting the Chair, to offer his or her resignation from office.

9. Openness and Confidentiality

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

9.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection; for example, when the Board considers sensitive issues or named individuals and for other good reasons. Such excluded items will be kept in confidential records by the Head of Governance, and will be circulated in confidence to Governors. Some confidential items are likely to be of a sensitive nature for a certain period of time only (for example information relating to a proposed commercial transaction or collaboration with another institution). The Board should specify how long such items should be treated as confidential or, if this is not possible, such items

should be regularly reviewed to consider whether the confidential status should be removed or whether the public interest in disclosure outweighs that confidential status and the item made available for public inspection. When considering such issues the Governors must also consider the College's publication scheme issued under the Freedom of Information Act 2000.

9.3 However, staff and student governors have no right of access to minutes dealing with matters in respect of which they are required to withdraw from meetings under the College's Instrument of Government.

9.4 It is important that the Governing Body and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between Governors with a shared corporate responsibility for decisions. Governors should keep confidential any matter which, by reason of its nature, the Chair or members of any committee of the Board are satisfied should be dealt with on a confidential basis.

9.5 Governors should not make statements to the press or media or at any public meeting relating to the proceedings of the Board or its committees without first having obtained the approval of the Chair or, in his or her absence, the Vice Chair. It is unethical for Governors publicly to criticise, canvass or reveal the views of other Governors which have been expressed at meetings of the Board or its committees.

10. Complaints

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

11. Attendance at Meetings

11.1 A high level of attendance at meetings of the Board and its Committees is expected so that Governors can perform their functions properly.

12. Governance Development

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

12.2 In order to promote more effective governance, Governors will carry out an annual review of the performance by the Board of its duties and responsibilities, as part of a continuing and critical process of self-evaluation.

12.3 The Board shall seek to ensure that all Governors are appointed on merit, in accordance with an open selection procedure carried out by the Board's Search & Governance Committee, and are drawn widely from the community which the College serves so as to be representative of that community, having regard to provisions relating to the membership of the Board in the College's Instrument of Government, the need to combat discrimination and to promote equality, and the need to ensure a range of appropriate skills and interests.

13. Review of Code

13.1 This code shall be kept under review by the Head of Governance and referred to the Board for amendment as required.

AS A GOVERNOR OF THE BOARD OF DERWENTSIDE COLLEGE I AGREE TO OBSERVE THIS CODE OF CONDUCT TO THE BEST OF MY ABILITIES

Signed: ……

Name of Governor: ……

Dated: ……

Schedule to Code of Conduct

List of Source Documents

1. The College's Instrument and Articles of Government;

2. The Standing Orders;

3. The Committee Terms of Reference;

4. The Financial Memorandum entered into by the College with the Education and Skills Funding Agency;

5. The College's Mission Statement and Corporate Objectives;

6. The College's Strategic Plan;

7. The principles laid down by the Committee on Standards in Public Life (Nolan Committee) for those holding public office, namely:
   - Selflessness;
   - Integrity;
   - Objectivity;
   - Accountability;
   - Openness;
   - Honesty; and
   - Leadership.

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

8. The Framework Guide for External Auditors and Reporting Accountants of Colleges (March 2025) issued by the DfE;

9. The AoC Code of Good Governance;

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

11. The College Financial Handbook issued by the DfE

Appendix 1

The Seven Principles of Public Life

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

Selflessness

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

Integrity

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

Objectivity

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

Accountability

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

Openness

All decisions taken should be as open as possible.

Honesty

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

Leadership

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

Appendix 2

Six Core Principles of Good Governance

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

1. Good governance means focusing on the organisation's purposes and on outcomes for citizens and service users:
    - 1.1 Being clear about the organisation's purposes and its intended outcomes for citizens and service users:
    - 1.2 Making sure that users receive a high quality service:
    - 1.3 Making sure that taxpayers receive value for money.
2. Good governance means performing effectively in clearly defined functions and roles:
    - 2.1 Being clear about the functions of the governing body:
    - 2.2 Being clear about the responsibilities of the non-executives and the executive, and making sure that those responsibilities are carried out:
    - 2.3 Being clear about relationships between the governors and the public.
3. Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour:
    - 3.1 Putting organisational values into practice:
    - 3.2 Individual governors behaving in ways that uphold and exemplify effective governance.
4. Good Governance means taking informed, transparent decisions and managing risk:
    - 4.1 Being rigorous and transparent about how decisions are taken:
    - 4.2 Having and using good quality information, advice and support:
    - 4.3 Making sure that an effective risk management system is in operation.
5. Good governance means developing the capacity and capability of the governing body to be effective:
    - 5.1 Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well:
    - 5.2 Developing the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group:
    - 5.3 Striking a balance, in the membership of the governing body, between continuity and renewal.
6. Good governance means engaging stakeholders and making accountability real:
    - 6.1 Understanding formal and informal accountability relationships:
    - 6.2 Taking an active and planned approach to dialogue with accountability to the public:
    - 6.3 Taking an active and planned approach to responsibility to staff:
    - 6.4 Engaging effectively with institutional stakeholders.

Appendix 3

Summary of Main Responsibilities of Members under the Articles

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

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

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

Responsibilities which must **not** be delegated

The Articles of Government prohibit the Corporation from delegating the following:-

1. The determination of the educational character and mission of the institution;
2. The approval of the annual estimates of income and expenditure;
3. The responsibility for ensuring the solvency of the institution and the Corporation and the safeguarding of their assets;
4. The appointment of the Principal or holder of a senior post;
5. The appointment of the Head of Governance;
6. The modification or revocation of these Articles of Government;
7. The consideration of the case for dismissal of the Principal, the Head of Governance or the holder of a senior post, other than to a committee of members of the Corporation;
8. The power to determine an appeal in connection with the dismissal of the Principal, the Head of Governance or the holder of a senior post, other than to a committee of members of the Corporation.

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

Appendix 4

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

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

1. Making proposals to the Corporation about the educational character and mission of the institution, and for implementing the decisions of the Corporation;

2. The determination of the institution's academic and other activities;

3. Preparing annual estimates of income and expenditure for consideration and approval by the Corporation, and for the management of budget and resources within the estimates approved by the Corporation;

4. The organisation, direction and management of the institution and leadership of the staff;

5. The appointment, assignment, grading, appraisal, suspension, dismissal, and determination, within the framework set by the Corporation, of the pay and conditions of service of staff, other than the holders of senior posts or the Head of Governance, where the Head of Governance is also a member of the staff;

6. Maintaining student discipline and, within the rules and procedures provided for within the Articles, suspending or expelling students on disciplinary grounds and expelling students for academic reasons.

Delegable and non-delegable functions:

The Principal may delegate functions to the holder of any other senior post other than:

1. The management of budget and resources;

2. Any functions that have been delegated to the Principal by the Governing Body.

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

Under the College's Articles of Government the Head of Governance shall be responsible for:

1. Advising the Corporation with regard to the operation of its powers;
2. Advising the Corporation with regard to procedural matters;
3. Advising the Corporation with regard to the conduct of its business; and
4. Advising the Corporation with regard to matters of governance practice.

Appendix 5

Summary of the Statutory Powers of the Corporation

Principal Powers

Under section 18(1) of the Further and Higher Education Act 1992 a further education corporation may:-

1. Provide further and higher education;

2. Provide secondary education suitable to the requirements of persons who have attained the age of 14 years, or provide secondary education or participate in the provision of secondary education at a school (subject to the consultation with the appropriate local education authority); and

3. Supply goods or services in connection with their provision of education.

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

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

1. The power to acquire and dispose of land and other property;

2. The power to enter into contracts, including in particular:

    - Contracts for the employment of teachers and other staff for the purposes of or in connection with carrying on any activities undertaken in the exercise of the Corporation's principal powers; and
    - Contracts with respect to the carrying on by the Corporation of any such activities;

3. Subscribe for or otherwise acquire shares in or securities of a company. This power may not be exercised for the purpose of conducting an educational institution, or providing education funded by the Education and Skills Funding Agency (ESFA) unless the Education and Skills Funding Agency (ESFA) consents;

4. The power to borrow such sums as the Corporation thinks fit for the purposes of carrying on any activities it has power to carry on or to meet any liability transferred to it under sections 23 to 27 of the 1992 Act (i.e. when the College achieved its corporate independence on 1st April 1993) and, in connection with such borrowing, the power to grant any mortgage charge or other security in respect of any land or other property of the Corporation. This power may not be exercised without the consent of the Education and Skills Funding Agency (ESFA), which may give its consent for a particular borrowing or for borrowing of a particular class;

5. Power to invest any sums not immediately required for the purposes of carrying on any activities the Corporation has power to carry on;

6. Power to accept gifts of money, land or other property and apply it, or hold and administer it on trust for, any of those purposes; and

7. Power to do anything incidental to the conduct of an educational institution providing further or higher education, including founding scholarships or exhibitions, making grants and giving prizes.

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

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

Appendix 6 – Reclassification of Further Education Corporations, sixth-form colleges and designated institutions in England (College)

Following the decision of the Office for National Statistics to classify the English college sector to central government from 29 November 2022, the Education and Skills Funding Agency (ESFA) and Department for Education (DfE) worked with the sector to provide clarity on the impact of those changes. Inevitably, as with any change of this magnitude, the change introduced a degree of uncertainty. However, much remained unchanged in the governance and oversight arrangements for the sector – college corporations remain statutory bodies and exempt charities, with the Secretary of State for Education as the principal charity regulator, are still run by a corporation of governors with the status of charity trustees, and colleges' principal legal relationship with DfE is governed by an accountability agreement. Crucially, colleges remain central to the government's ambition to transform the skills base of the country. Nevertheless, one significant adjustment related to financial management – as part of the public sector, colleges must now adhere to the government sector's spending rules set out in Managing public money, which is the publication that sets out the requirements for all central government bodies. https://www.gov.uk/government/publications/managing-public-money