

# The Governance Arrangements of the Corporation of Sussex Coast College Hastings

## **SCHEME OF DELEGATION**

## Scheme for the Delegation of Board Powers and Executive Limitations

### 1. Context

This Scheme forms part of the Policy framework which determines how the Corporation of Sussex Coast College Hastings conducts its business and its relationship with the Principal and Chief Executive. It should be read alongside the following documents, which set out the detailed rules, and the respective responsibilities of all parties:

- The Standing Orders
- The Financial Regulations, including the college Bribery and Fraud Response statements
- Board Policy for (not exclusively):
  - Equality and Diversity
  - Health and Safety
  - Safeguarding
  - Environment and Sustainability\*
  - Human Resources and Professional Development of Staff
  - Ethics and business conduct\*
  - Stakeholder engagement
  - Risk management

### 2. The Sussex Coast College Hastings model and the distinction between governance and management.

The Sussex Coast College Hastings Corporation has adopted a traditional model of governance.

The relationship between the Corporation and the Principal and Chief Executive is fundamental to the successful management of the affairs of the College, at the heart of which is the distinction between governance and management.

Therefore, the overall aim of the Corporation is to agree its operational framework and strategies so as to ensure that it is able to monitor progress in implementing them. This requires having objective and effective means of knowing whether the College is being properly managed to fulfill its mission, and that it is in good financial health.

“Except in the most unusual circumstances, it is not the function of the Governing Body to become involved in detailed scrutiny of the management and administration, and teaching programmes of the College. Rather, it will encourage the Principal to get on with the task, but within a clear framework of accountability, including the policies and

\*to be developed in 2014-15

objectives in the College’s strategic plan that the governing body itself has approved.”  
(Paragraph 5.7 FEFC Guide for Governors)

It is recognised that, to achieve this, it is both necessary and good governance for a Corporation to:

- delegate matters to the Principal and Chief Executive, in accordance with the provisions of the Articles of Government and in a way that reflects the complexity of the College and the experience of the management team. These are set out in Section 4.
- Determine a clear set of Executive Limitations, which state the rules and boundaries within which the Principal and Chief Executive must work to achieve the desired ‘ends’. These are set out in Section 5.

### **3: The Role of the Board**

The Board’s statutory responsibilities as outlined within the Education Act 2011 (Schedule 4 Part 2, 6.3b, 6.3c, 7) must include:

- a. The determination and periodic review of the educational character and mission of the institution and the oversight of its activities
- b. The effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets
- c. The requirement to publish arrangements for obtaining the views of staff and students on a) above

#### **3.1 The Education Character and Mission**

The Further Education Funding Council (FEFC) Guide for Governors identifies those features contributing to the educational character as:

“the broad purpose and strategic direction of the College, the nature of its educational programme, pattern of courses and any special characteristics of its range of subjects, its overall ethos, admissions policy and its relationship to its communities”

#### **3.2 Financial Solvency, Resources and Safeguarding Assets**

The statutory duties of the Board in relation to financial solvency are further explained in the FEFC Guide as follows:

- (i) “ The Board is accountable to the Funding Agency and ultimately to parliament, through the Accounting Officer (the Principal and Chief Executive) for the financial health of the College and for ensuring that it remains solvent;

- (ii) The Board, through the Principal/Chief Executive, must ensure the effective and efficient deployment, management and use of available resources, including human resources, property and other assets, and consider the financial implications of its decisions”

Under the Financial Memorandum 2012, which forms the contract between Corporation and the Funding Council:

- Para 5: The Governing Body is responsible for the management of the College and for ensuring the financial viability of the Corporation;
- Para 6: The Governing Body is responsible for any transactions that could jeopardise financial viability. The Governing body shall demonstrate that all transactions achieve value for money for Funds

In practice, the Board’s responsibilities for financial, estates and employment matters, include:

- a. Monitoring financial performance and solvency, academic activities, including the achievement of students, management effectiveness and the College’s employment policies, procedures and practices
- b. Authorising significant expenditure or variations in budget allocations in accordance with the financial regulations
- c. Determining the college’s financial regulations
- d. Determining the college’s property strategy

### **3.3 The Corporation’s duties under other legislation**

As the Governing Body, the Corporation is responsible for ensuring compliance with a range of legislation, including, primarily but not exclusively:

- The Health and Safety at Work Act 1974
- Safeguarding law (The Safeguarding Vulnerable Groups Act 2006, the Children Act 1989 and 2004, The Education Act 2002)
- The Equalities Act 2010
- Employment Law
- The Data Protection Act 1998
- The Freedom of Information Act 2000
- The Bribery Act 2010
- The Corporate Manslaughter Act 2007
- The Companies Act 2006
- Competition Act 1998
- The Charities Act 2011

The Corporation will ensure that the College has policies and procedures, structures and systems, adequately trained staff and access to expert advice, in order to fulfil its legal responsibilities. The Corporation will monitor compliance through periodic reports.

#### **4. Delegation of Responsibilities by the Corporation of Sussex Coast College Hastings.**

Article 4 of the Instrument and Articles of Government provides that the Corporation may establish committees for any purpose and function, other than those assigned to the Principal and Chief Executive and the Clerk, and may delegate powers to:

- Such committees
- The Principal and Chief Executive
- The Chair, or in the Chair's absence, the Vice-Chair/s

The arrangements for delegation are set out below, together with the full text of the relevant Articles and appropriate extracts from the Financial Memorandum (2012), in order to provide Corporation Members and the Senior Leadership Team with a clear understanding of these arrangements in the context of the Corporation's statutory provisions.

##### **4.1 Delegable and Non Delegable Functions**

###### **A. Under the Instrument and Articles of Government**

In accordance with Article 8, the Board must not delegate the following reserved powers:

- The determination of the educational character and mission of the College
- The approval of the annual estimates of income and expenditure
- The responsibility for ensuring the solvency of the institution and the Corporation and for safeguarding their assets
- The appointment of the Principal and Chief Executive
- The appointment of the Clerk
- The modification or revocation of the Articles of Government

Article (9) adds that the Board may not delegate the case for dismissal, and the power to determine an appeal in connection with the dismissal of the Principal and the Chief Executive, the Clerk or the holder of a senior post, other than to a committee of members of the Board.

Under Article 10, the Principal and Chief Executive may delegate functions to the holder of any other senior post other than:

- The management of budget and resources, and
- Any functions that have been delegated to the Principal by the Board.

## **B. Under the Financial Memorandum (2012):**

Para 7: The Governing Body is responsible for the use of Funds. To assist it to discharge this responsibility and to provide clear accountability, the Governing Body shall appoint an accounting officer with an appropriate separation of duties between executive and non executive roles and responsibilities. The expectation is that the accounting officer will be the Principal and Chief Executive of the College;

Para 9: The Governing Body shall require the accounting officer to take personal responsibility, which shall not be delegated, to assure them that there is compliance with the Financial Memorandum and all other terms and conditions of funding

Para 10: The accounting officer shall be responsible for advising the Governing Body in writing if, at any time, any action under consideration by the Governing Body is incompatible with the Financial Memorandum.

### **4.2 Delegation to the Principal and Chief Executive**

The Statutory powers and duties of the Principal and Chief Executive are set out in Article 3 (2):

- a. Making proposals to the Corporation about the educational character and mission of the institution and implementing the decisions of the Board;
- b. The determination of the Institution's academic and other activities;
- c. Preparing annual estimates of income and expenditure for consideration and approval by the Corporation, and the management of budget and resources within the estimates approved by the Corporation;
- d. The organisation, direction and management of the institution and the leadership of the staff;
- e. The appointment, assignment, grading, appraisal, suspension 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 Clerk; and
- f. Maintaining student discipline and making rules and procedures concerning the conduct of students, including procedures for their suspension and expulsion, and ensuring the necessary consultation with the student body.

The Corporation delegates further powers and assigns responsibilities to the Principal and Chief Executive as follows:

- a. Establishing all further operational procedures, making all decisions, taking all actions, establishing all practices and developing all activities to enable the College to achieve its declared strategic plan and meet its legal responsibilities
- b. Informing the Corporation, its committees or the Chair, as appropriate, of all significant matters, achievements, activities and events related to the work of the

## College

- c. Determining the employment policies of the College, and reporting annually to the Corporation\*
- d. Setting a framework for the pay and conditions of service of staff (except senior postholders and the Clerk)
- e. Setting a framework of rules relating to the conduct of staff (except senior postholders and the Clerk) including discipline, grievance, dismissal and suspension procedures and reporting annually on the framework to the Corporation after the necessary consultation with staff.
- f. Hearing any appeal against dismissal by a member of staff where, in accordance with authority delegated by the Principal and Chief Executive, the dismissal has been carried out by another senior postholder.
- g. Ensuring that staff and students are consulted on all matters relating to the determination and review of the educational character and mission of the College.
- h. Determining all matters relating to the establishment, constitution and conduct of any student body or other social or representative organisation for students, and reporting at least annually to the Board.

The Principal may delegate authority, with the exception of the responsibilities under Article 10 described in 4.1 above, but remains accountable for its use.

### **4.3 Delegation by the Corporation to the Chair**

The Chair is responsible for ensuring, on behalf of the Corporation:

- that the business of the Corporation focuses on strategic leadership and monitoring outcomes and is appropriately organised by the Clerk;
- that there is a strong communication link between the Corporation and the Principal and Chief Executive

It may be necessary, from time to time, for the Chair or the Vice Chair/s in his or her absence, to act on behalf of the Corporation between meetings. The Chair has power to act only:

- i) where specific delegated powers have been given by the Corporation by resolution. This will usually be in the circumstances when a specific outcome is required and will normally be timebound;
- ii) The matter is of such urgency and gravity that it is not possible to convene a special meeting of the Corporation. The Chair should take the advice of the Vice Chairs, Principal, Clerk and as many Corporation Members that he or she can contact.

Any action or decision made by the Chair must be put to the next Corporation meeting for ratification.

\*to be developed in 2014-15

Chair's action and urgency powers must not be applied in the case of:

- Any action which the Instrument and Article states must not be delegated
- Any action which would change the character of the College
- Action which is not lawful
- Action which is in conflict with the personal interests of the Chair.

## **5. Executive Limitations to Delegated Powers**

In delegating the responsibility for achieving strategic outcomes and policies, the Corporation expects the Principal to observe and enforce strict standards and operate within approved parameters. These are set out below and, also, in the College regulations, Codes and Polices which are approved by the Corporation

### **5.1 Universal Standards:**

- Compliance with legal requirements, the rules of any applicable regulatory body, Corporation policies and ethos and accepted accounting principles
- Uphold the highest standards of business and professional ethics
- Safeguard against damage to the reputation of the college
- Show moral leadership through prudence, integrity, fairness and honesty.

### **5.2 The Health, Safety and Welfare and Ethical Treatment of People**

The Principal and Chief Executive must ensure that all practices, activities, decisions or organisational circumstance:

- Eliminate risk to the health and safety of all College users, in accordance with the Corporation's Health and Safety Statement of Intent and supplementary procedures
- Safeguard all children, young people and vulnerable adults on College premises against harm, in line with the Corporation's Safeguarding Policy and supplementary guidelines
- Are fair, non-discriminatory and preserve dignity and appropriate levels of privacy, in line with the Corporation's Equality and Diversity Policy and supplementary guidelines
- Provide individuals with access to information about their rights, entitlements, the service they might expect, and their responsibilities whilst working and studying at the College
- Provide a clear set of rules and procedures for behaviour and behaviour management
- Provide a clear procedure for making complaints about College services
- Specifically with regard to staff, operate within written employment policies and procedures that :
  - Meet legal requirements and conform to accepted good practice
  - Have been developed following consultation with staff
  - Provide for effective handling of grievances, disciplinary issues and dismissal
  - Allow staff to raise any concerns in confidence

### 5.3 Financial Planning and Budgeting and Management

The Principal and Chief Executive must ensure that any long-term planning does not deviate materially from the Strategic Plan and that financial plans are consistent with long-term strategic goals. All plans must:

- include a risk and sensitivity analysis
- meet funding body requirements
- not create or close substantial areas of business without a justifiable rationale
- provide a credible projection of revenues and expenses, a separation of capital and revenue items, cash flow forecast and disclosure of assumptions
- set tuition and other fees payable to the College

The Principal and Chief Executive shall safeguard against financial jeopardy or a material deviation from the Corporation's approved three-year financial forecast and shall act inside the terms of the Financial Memorandum with the Funding Agency<sup>1</sup>.

The Principal and Chief Executive, through the Vice Principal Corporate Services, shall manage finance only within the limits set out in the Corporation's approved Financial Regulations, including its Treasury Management Statement.

### 5.4 Asset protection

The Principal and Chief Executive must ensure that College assets are protected, adequately maintained and mitigated against unnecessary risk, by:

- Providing insurance for the College, its staff and Corporation members
- Ensuring that adequate disaster recovery/business continuity arrangements are in place
- Ensuring an up to date Risk management strategy and systems are in place
- Ensure that plant and equipment are maintained in accordance with accepted standards
- The College, its Corporation or staff are not exposed to claims of liability
- Protecting intellectual property and data
- Investigating and reporting to the Corporation all significant cases of internal and external fraud or irregularity
- Not changing the College's name or substantially altering its identity in the community
- Only proposing the creation or purchase of any subsidiary company with a clear rationale linked to the primary purpose of the College
- Not acquiring, or disposing of land and buildings without the necessary authorities
- Operating within a Corporation approved property strategy that has regard to the necessary sector guidance
- Ensuring that supplies, equipment and services are obtained at the lowest possible cost

---

<sup>1</sup> Funding agency refers to any government or related body which funds the college

consistent with quality, delivery requirements and sustainability, in accordance with value for money principles

- Only signing a contract having sought prior advice on legal, compliance, risk and financial issues
- Ensuring that the college complies with all EU Procurement Directives and operates within national and EU Tax Laws

## **5.5 Remuneration and benefits**

With respect to employment, remuneration, and benefits to employees, consultants, contract workers and volunteers, the Principal and Chief Executive shall have due regard for financial integrity and public image by:

- Not changing his or her remuneration and benefits
- Not changing the remuneration and benefits of any designated senior post holders and the Clerk
- Ensuring that remuneration and benefits are in line with the geographic or professional market for the skills employed
- Ensuring termination payments meet the requirements of the Financial Memorandum
- Not establishing or changing pension benefits
- Appointing staff only to the pay scales approved by the Corporation
- Seeking Corporation approval for any staff benefits, such as cars, medical and life insurance,
- Only participating in overseas travel with the approval of the Chair
- Awarding only the annual percentage pay award within the framework agreed as part of any annual budget.

## **6. Monitoring and reporting**

6.1 The Corporation should be provided in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties.

6.2 An annual calendar of Corporation business will be drawn up by the Clerk, in liaison with the Chair, the Principal and Chief Executive and members of the Senior Leadership Team.

The calendar will identify the key standing reports and business items that will enable the Corporation to meet its statutory responsibilities and fulfil its strategic and monitoring roles;

6.3 In the preparation of meeting papers, authors should be mindful of the Board's strategic role and responsibilities. Reports should be driven by outcomes and provide assurance on progress toward approved strategic objectives, key performance indicators, targets and policy standards.

6.4 Reports should be written in a consistent, standard format and include an executive summary of key issues and any recommendations. The main commentary should draw the Corporation's attention to notable variances, either negative or positive. Progress reports on

previously agreed actions and recommendations should be provided to enable the Corporation to monitor progress easily

6.5 It is the responsibility of Corporation Members to “constructively challenge and contribute to the development of strategy” and “scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance”, satisfying themselves, “that financial information is accurate and that financial controls and systems of risk management are robust and defensible” (Higgs Report – Code of Best Practice)