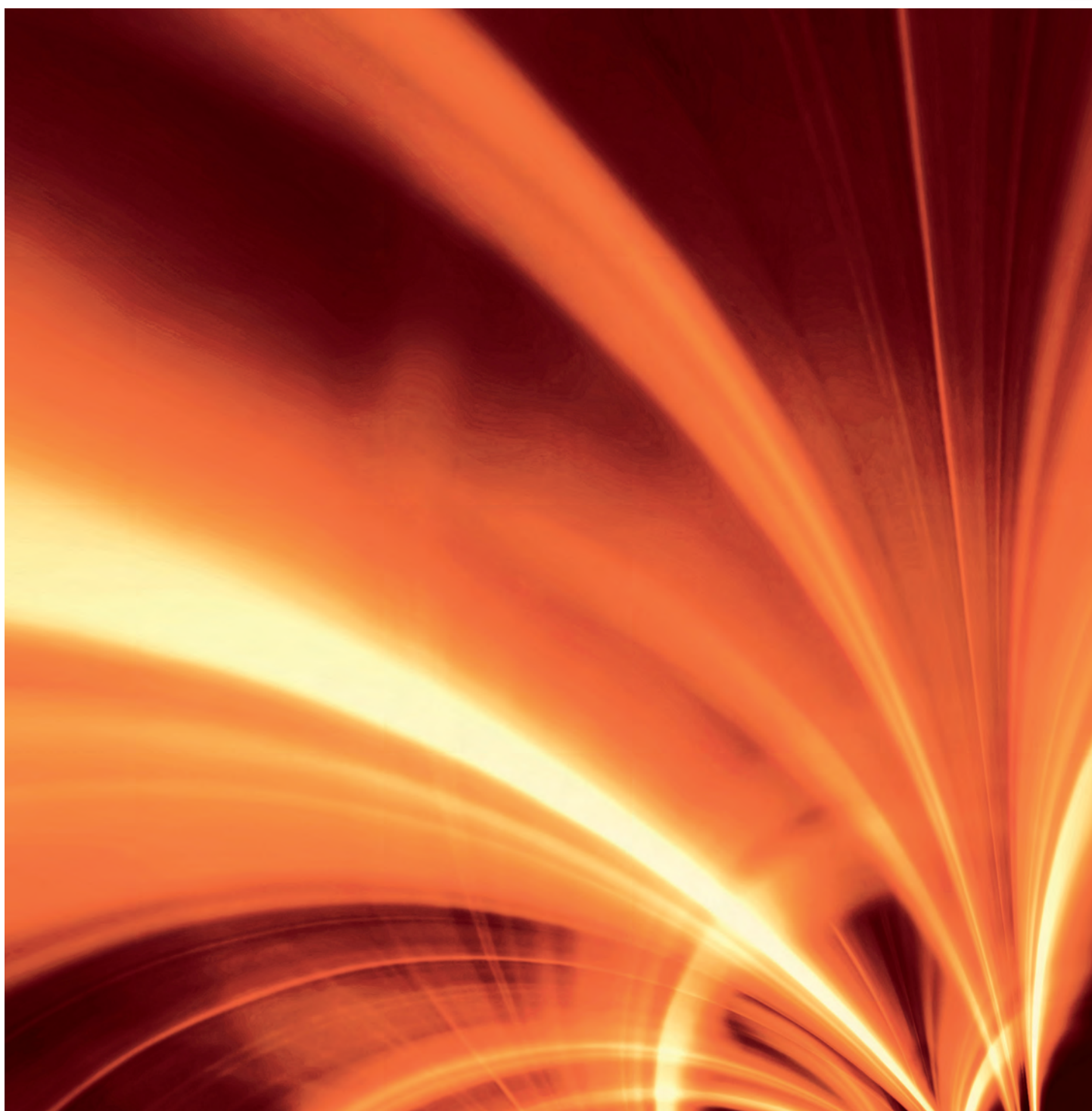


Challenges for FE college governance and priorities
for development:
An LSIS perspective



Dedication

The publication of this paper is dedicated to the memory of Reg Chapman, who tragically died shortly after completing the paper. Reg authored many other key publications, such as *Leadership in turbulent times: Partnership of Higher Education by FE Colleges and Universities*, and was an excellent facilitator on both the LSIS governance and executive leadership programmes.

Reg's last post in the FE and skills sector was as principal of Blackpool and The Fylde College, a large general FE college with a high reputation for both quality and inclusion. It was designated as both an Accredited College and a Beacon College. He left Blackpool College in 2004 to work nationally as an independent consultant specialising in people and culture change, helping colleges to improve and work towards excellence.

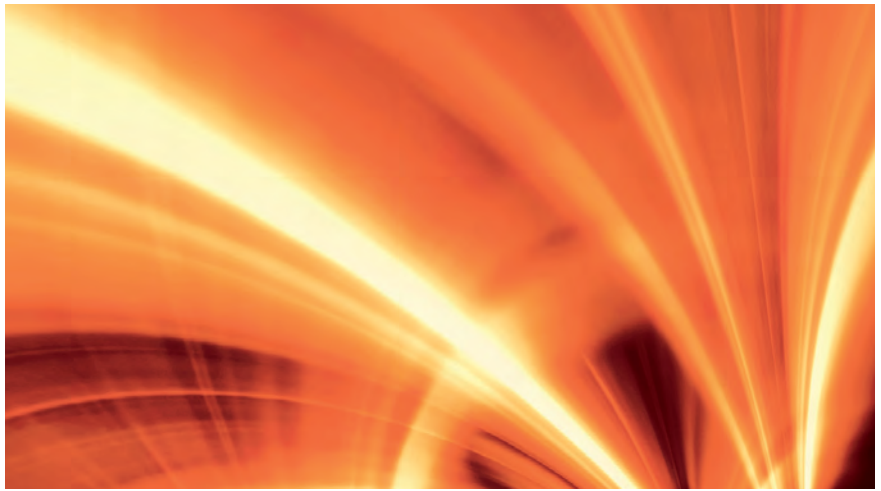
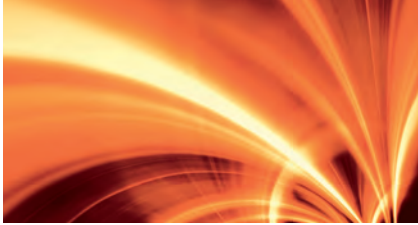
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Contents

Background	4
Current position	5
Drivers for change in governance	5
Challenges and areas for improvement	6
Priorities for development	10

Background

1. We work in a very diverse sector with much excellent practice. In the FE college sector alone there are approximately 7,000 governors, volunteers committed to the success of their college, who bring a wide range of expertise, skills and professional practice. The recent paper from Ofsted, *How colleges improve*, noted that a key characteristic of successful and improving colleges was that “Governance and accountability were strong. Governors were skilled in asking discerning questions and calling for the right information to assess performance”.¹ It goes on to state: “The visits to the colleges and the review of inspection reports showed the importance of the relationship between governors and college managers in ensuring a culture of accountability and success. The influential role of governors in understanding their responsibilities and thus establishing a clear learner-centred ethos was strong in the outstanding colleges visited and correspondingly weak in the other colleges.”²
2. It is now three years since the Schofield report³ was conducted and the college landscape has changed considerably. No comparable review of the sector has been carried out since, though many smaller investigations have been undertaken. It is worth starting with a brief summary of the key findings of the Schofield report:
 - There is no common understanding of effective governance and strategic leadership across the FE system.
 - The problem is compounded by the key stakeholder bodies appearing to have different – and sometimes conflicting – expectations of providers in relation to effective governance.
 - So far as FE colleges are concerned, there is general support for the view that the quality of governance continues to improve, and has done so since incorporation.
 - The report notes numerous strengths in the operation and conduct of governance, which have been broadly confirmed by Ofsted data. In general, the sector is now perceived to be more mature in its governance, as recognised by the encouragement of the government to move towards shared regulation.
3. The report goes on to say:

“ However, there continues to be concern about variability in the quality of governance within the sector, including the extent to which some corporations or governing bodies are strategic in outlook and provide leadership for change. ”

The report also notes a number of specific challenges facing corporations, including those concerned with recruiting governors, providing greater support and development for members, enhancing the roles of the corporation chair and clerk, developing the strategic capacity of boards, and the need for them to demonstrate effectiveness not only internally and to regulatory bodies but also to the communities and learners they serve.

1 Ofsted, 2012. *How colleges improve*. No. 120166. p6.

2 Ibid. p20.

3 Schofield, A, Matthews, J and Shaw, S, 2009. *A review of governance and strategic leadership in English further education*. Learning and Skills Improvement Service and Association of Colleges.

Current position

4. In the absence of any subsequent large-scale analysis, the Learning and Skills Improvement Service (LSIS) has drawn on its experience of working with college governors and clerks, especially since the Schofield report, to identify the key challenges that governors and clerks continue to face. In addition to evidence from Association of Colleges (AoC) and LSIS regional workshops for governors, and contributions from LSIS regional development managers, the observations and insights are based mainly on experience gained from a range of LSIS interventions and consultancy on college governance, including:
- the Learning Board programme to facilitate critical self evaluation by boards and create effective governance teams
 - consultancy under the Improvement and Development Service in colleges experiencing difficulties.
 - consultancy projects in colleges, including mentoring and coaching of chairs and principals and facilitating governor away days
 - published reports and case studies on good governance and new emerging models.
 - consultancy into effective college governance for the Department of Employment and Learning in Northern Ireland and the Welsh Assembly Government
 - the clerks' training programmes.

Drivers for change in governance

5. LSIS's experience of working with college governing bodies demonstrates three major drivers for change in the recent past that are likely to have even more impact on governance in the future:
- **Policy and funding** – all colleges are facing difficult times; funding is reducing significantly while the general college environment and ability to win work are more uncertain. The emphasis in public sector reform on localism, competition and commissioning creates huge challenges. Governors are therefore confronting questions about mission, purpose and scope. These are profoundly difficult questions and a major part of a governance support programme needs to be targeted at encouraging, incentivising and facilitating governing bodies to tackle such questions and find local robust solutions.
 - **Strategic governance** – the *New Challenges, New Chances* reform programme⁴ requires governors increasingly to accept full responsibility for their colleges based on an analysis of local needs and opportunities. The new freedoms and flexibilities carry with them enhanced local accountability to key stakeholders, including students and staff, who are valid internal stakeholders. Most colleges are taking a cautious approach to *New Challenges, New Chances*, but as colleges increasingly respond to new circumstances and experiment with new models and organisational forms, there will be growing awareness that *New Challenges, New Chances* provides a wide range of enablers that governing bodies can use to their advantage.

4 Department for Business, Innovation and Skills (BIS), 2011. *New Challenges, New Chances: Further Education and Skills System Reform Plan*.

However, with increased opportunities there is also the possibility of increased risk, requiring robust appraisal of different strategies.

- **Ofsted and inspection** – the LSIS experience of working with governing bodies is that they place enormous importance on the external judgements and grades awarded by Ofsted. An analysis of Ofsted grades for overall effectiveness and leadership and management offers insight into college performance and the contribution of governors. By June 2012, overall effectiveness in the 385 colleges inspected by Ofsted was graded outstanding or good in 65 per cent of colleges, satisfactory in 31 per cent and inadequate in just 4 per cent, although there was a decline over the inspection cycle in colleges judged ‘outstanding’, as Ofsted tightened its focus on teaching and learning, student achievement and success rates. Grades for leadership and management closely follow those for overall effectiveness and the most recent data for January to March 2012 show identical grades. This would suggest that almost one-third of the sector needs substantial support for improvement and a small but significant proportion are at risk of failure, while around two-thirds may need support to maintain or enhance their position. It must, however, be noted that these results are from a more risk-based approach targeted at the poorest performers.

In addition, new pressures may arise with the introduction from September 2012 of the new Common Inspection Framework (CIF) where an enhanced focus on teaching, learning and assessment (TLA) becomes operational and is likely to pose special challenges to governors, especially where TLA is not their professional skill set. Also, for colleges to be rated outstanding overall they must now be rated outstanding for TLA. These changes in the CIF could create difficulties for many governors. There is evidence that governors often focus heavily on business, finance and estates with TLA scrutiny focused primarily on success rates. The reaction of many governors at LSIS events to this new emphasis on TLA has often been one of uncertainty – not knowing how to engage with TLA and with a tendency to feel deskilled by the learning professionals. Others are in denial, maintaining that it is not their job to engage directly with TLA. Such governors argue that it is their job to appoint the professionals who lead and manage academic activities. Hence many boards need to look again at how much time they devote to this key core area of college work: teaching and learning targets and monitoring outcomes robustly. This risk crosses all colleges, even outstanding ones, as it will have the potential to have a detrimental impact on their overall grade. Those who do not put the learner experience in its entirety firmly on board agendas are at risk.

Challenges and areas for improvement⁵

6. Based on extensive contact with college governing bodies, LSIS staff and the broader delivery team can identify a number of areas where improvement of governance is needed. This is not because governance is bad – indeed LSIS found much effective practice – but there still remain a number of challenges if colleges are to grasp the new flexibilities and freedoms and governors are to co-create the dynamic leadership to which colleges aspire at the heart of their communities.
7. The insights below are couched as challenges and are not presented in any order of priority, but are clustered around how well governors may be dealing with broader questions and the second order issues of how effective boards are operating in the new climate.

5 It should be noted that many of the challenges are not in themselves ‘new’, but have been given sharper focus by *New Challenges, New Chances* and new expectations for strategic governance.

8. Challenges on college mission, direction, strategy and performance

Challenge 1: Compliance governance – such have been the external pressures on governors, experienced as an exacting and restricting ‘vertical accountability’, that many boards have understandably become focused on compliance with orders, directives, regulations etc from above. The best college governors have never accepted a such a mindset, but there is need for many governors to make a major mind shift if *New Challenges, New Chances* is to have an impact.

Challenge 2: Polite consensus – Feedback from our observations at governor meetings indicates that there is frequently good, free discussion but rarely the powerful debate over the big issues that research shows is a key feature of high-performing teams. There often seems to be a polite consensus, a wish to avoid conflict and a search for harmony, which militate against challenging the status quo.

Challenge 3: Imbalance of support and challenge – this challenge is a reflection of a broader issue that governors, especially in weaker colleges, tend to see their role primarily as appointing the right leaders, then supporting them. There is often a lack of adequate challenge in the form of asking powerful questions and probing behind what is presented based on a good level of understanding. Frequently governors are unwilling, or lack the confidence and skills, to challenge, especially if the chair is very close to the principal. Not enough boards are engaged in the creation of strategy at its earliest stages and then throughout its formation; they do not shape strategy, nor do they ultimately own or always understand it well enough to monitor it robustly. They can be over-reliant on management assurances, without drilling down effectively.

Challenge 4: Business drives out education – again our observations would indicate that governing bodies are frequently well served in dealing with finance, business and estates but do this at the expense of focusing on the core educational issues of student performance, teaching and learning, and listening to the student voice. Experience suggests that the better colleges are already confronting this matter. Board agenda need to have a focus on teaching and learning.

Challenge 5: Variable target setting and monitoring – in many colleges, the key targets are largely set by the executive and adopted with minor changes by the board. It is evident also that many governors struggle with performance data, especially on academic performance as presented to them. Success rate data presented to boards is often over-complex. This is often compounded by reporting by the executive who does not encourage governor participation. Those colleges that invest time in creating clear reporting systems for intelligent lay governors (e.g. traffic lights systems or short, concise and well-presented papers) create a better climate for governor impact on performance.

Challenge 6: ‘Horizontal accountability’ vacuum – increasingly as colleges explore *New Challenges, New Chances* opportunities they are urged to switch from ‘vertical accountability’ (to government, funders, Ofsted, etc) to ‘horizontal accountability’ (to local stakeholders. Most governing bodies still find this a challenge. LSIS experience endorses *Thinking Outside the College*⁶ (that many colleges are now engaging creatively and enthusiastically with business and community partners, though the LSIS experience is that this is more around service provision than external reporting and accountability. Although there are excellent examples, the college sector is still at the early days of finding suitable horizontal accountability to match the aspirations in becoming a dynamic nucleus at the heart of the community. Boards need to establish clarity about the role of the board in engagement. It is the board’s role to ensure engagement is taking place and hear the results of that engagement to inform strategic thinking and planning.

6 Morecroft, C, 2012. *Thinking Outside the College*. AoC and LSIS.

Challenge 7: Avoiding the big questions – as colleges respond to the three drivers for change (above), they encounter practical issues or initiatives that frequently raise questions of mission and core purposes. The discussion is usually considered, informed and focused on the matter in hand, but rarely asks the bigger questions touched upon, so that governors may be changing the character and mission of their college by ad hoc decisions without realising it.

Challenge 8: Taking, but not managing, bigger risks – *New Challenges, New Chances* offers new opportunities but also entails new risks. For example, raising loans without requiring external approval, creating new bodies and adopting new models raise new risks for governors to weigh. High-performing colleges sponsoring academies in poor-performing schools, for example, risk their own reputation if things go wrong. This may challenge the risk management procedures of governing bodies. There is also a danger in a deregulated environment, as arose in the last period of college deregulation in the 1990s and the financial sector more recently, of what Professor David Collinson, formerly the director of LSIS’s practitioner research programme, has called ‘Prozac leadership’. This he describes as “the tendency for leader positivity to become excessive [so that] ... leaders believe their own narratives that everything is going well and discourages followers from raising problems or admitting mistakes”.⁷ Principals, chairs and governing bodies are already starting to do new things and take greater risks. Governors need to adjust their risk management to encourage innovation and tolerate risks, but at the same time ensure the long term values, assets and reputation of their colleges.

9. Challenges on board operational effectiveness

The above challenges relate to achieving mission and purpose. But to achieve these, governing bodies need to develop their confidence, skills and capacity. The following challenges deal with some critical areas of board operational effectiveness where improvements are required to create high-performing governance teams.

Challenge 9: Underdeveloped board self-evaluation – colleges almost universally review governance as part of the annual college self-assessment review (SAR) process and we need to explore how this translates into inspiring governance improvement plans. Even the best of such annual reviews suffer from lack of adequate sector benchmarking, while validating and challenging governor self-evaluation can be delicate – who challenges the challengers? The Colleges’ Foundation Code of Governance urges a formal self-evaluation by the governing body at least every three years. Research presented to the 2012 LSIS governance conference by Law Debenture plc on self-evaluation in FTSE 100 companies showed that it is increasingly common for companies to use external facilitation in self-evaluation, produce an improvement plan and report on this transparently to stakeholders. College governors, as part of taking ownership of the direction of their college under *New Challenges, New Chances* and establishing patterns of horizontal accountability, have an urgent need to improve their self-evaluation and improvement process.

Challenge 10: Board diversity – despite the best efforts of many boards and external agencies, the composition of governing bodies across the sector still inadequately reflects the communities served. Current data on board composition is hard to come by on a comparable basis, yet the experience of LSIS working with many governing bodies is that members are still overwhelmingly white, middle-aged or retired (especially in the case of chairs) and able-bodied, with a minority of females (typically around 30 per cent). This pattern is confirmed by data on 28 Eastern region colleges collated by clerks for ACER (the Association of Colleges in the Eastern Region) and published in 2011 – though the pattern in large cities may be different.

7 Collinson, D, 2012. Prozac Leadership and the limits of positive thinking. *Leadership*, 8 (2), p87.

Challenge 11: Weak performance management or appraisal of the governance team – it is felt that only a few colleges have robust methods of appraising the work of the chair, individual board members, the clerk, or sometimes even the principal.

Challenge 12: Undeveloped succession planning, especially for the chair – many colleges are aware of the need to continue to refresh their membership and have taken steps, though many report a dearth of suitable candidates coming forward. Within the ethos of ‘polite consensus’, many boards are unwilling to terminate the membership of longstanding members who have served more than two terms. These issues are especially sensitive when the chair has been in post for a lengthy period, which frequently suppresses succession planning. This is regularly found in less effective governance – again robust self-assessment will assist and an expectation on turnover of membership at the outset is critical to enabling this.

Challenge 13: Questionable impact of student governors and the learner voice – many student governors, most of whom are young (92 per cent under 25 in the ACER study), struggle to make an impact or deal with strategic issues dealt with by boards. Colleges that provide continuing support and mentoring have been able to enhance the confidence and impact of student governors and it is hoped the NUS Student Governor Support Programme will impact. However, governing bodies now have a new duty to have a direct responsiveness to students (and staff) in carrying out their duties. Moreover, as governors become more involved in teaching, learning and assessment, they will need to develop new methods to engage with students.

Challenge 14: Limited understanding of staff views – although governing bodies include staff governors, their role is to provide a staff perspective, not to represent staff. Many governors have only a sketchy, anecdotal picture of staff views, even on critical matters that affect them, such as performance management systems or the impact of continuing professional development (CPD) programmes.

Challenge 15: Clerks as undervalued change agents – LSIS has encountered many examples where clerks, with support of the chair and principal, have been a powerful force in stimulating and facilitating good governance. Clerks, especially when networked to regional and local peers, are a powerful resource available to boards. In many colleges, however, they are still underpowered, underused or lack the skills and knowledge to help lead change in governance. This may reflect the view of some colleges that the clerk is not ‘part of the college’ and therefore they do not see the case for investing in developing the clerk.

Priorities for development

10. The *New Challenges, New Chances* governance support programme is already very full, with initiatives from a range of partner organisations. From the perspective of LSIS staff and the wider delivery team, the following should be the main priorities for improving governor effectiveness so they can grasp the new freedoms, flexibilities and accountabilities:

- 10.1 Vision and core purpose questions** – understanding the big picture helps governors to determine direction. So there is need to encourage boards to explore and find answers to big questions of vision, scope and core purpose. College boards need stimulus and help to ask and answer questions like: What and who is the college for? What is core or essential and what is expendable? How can the college continue to meet its community responsibilities? How can the college engage in enhanced competition, while also forging new partnerships and alliances? How can the college innovate and show enterprise while safeguarding its core purposes? The Structure and Prospects Appraisal template provides an excellent tool for exploring such questions, but more help is needed by boards.
- 10.2 ‘Horizontal’ accountability** – colleges are searching for ways to make themselves more accountable to their local and broader stakeholders, as *Thinking Outside the College* shows. This involves better community reporting to stakeholders of college and governor performance and of public value. But it also involves creating new mechanisms for accountability and responsiveness and sharing these practices around the sector, as many colleges are only in the early stages of robust public reporting and community accountability.
- 10.3 Board diversity** – there is a lack of current data to monitor benchmarks and stimulate further action to create more diverse boards reflecting the communities they serve. However, regional AoC and clerks’ networks offer simple ways to tackle this issue without commissioning a big national survey. (The research for ACER referred to in challenge 10 above is based on a standard questionnaire, which the clerk can complete in 30 minutes.) The issues of diversity and data collection are being tackled within the *New Challenges, New Chances* support plan with activities to be undertaken by the Governors’ Council, BIS, LSIS and the National Clerks’ Network.
- 10.4 Challenging boards** – the ability and willingness of many governing bodies to challenge the executive constructively (‘kicking the ball, not the player’) need to be developed through some skills training, for example, on asking ‘powerful questions’. Governors also need to review how well they use their limited time, especially the value of time spent in formal meetings. There are opportunities to adopt more creative methods, such as e-governance. Moreover, time spent outside the boardroom in planned encounters with students, staff, curriculum areas and external stakeholders can enrich the understanding of governors and lead to more informed challenge and debate. Challenging boards also need active succession planning to ensure that membership reflects current concerns and they need to recognise the value of including members who express an alternative view and are unafraid to challenge the status quo, no matter how uncomfortable this may be.
- 10.5 Supporting chairs** – the role of the chair will increasingly involve leadership of the board and driving change in governance. Providing development for skills in leading change is essential, backed up by coaching and mentoring, and peer referencing and support. Succession planning for chairs is especially problematic and needs support, as does training for chairs-in-waiting.

10.6 Teaching, learning and assessment – support is needed urgently for governors to enter this area, previously left mainly to the professionals, so they can gain assurance and make an impact on quality. As lay people, they may often not fully understand the language of TLA. There is need for training and development, often shared with the executive and key staff; for defining rules of engagement for entering this ‘secret garden’; for diagnostic tools; for examples of good practice; and in many cases for recruitment to the board of new members who are expert in this area. It may also be that adopting learner-led approaches to governance will impact greatly on how well governors carry out their duties in the area of TLA and empower them to drive improvement.

10.7 The professionalism and impact of clerks – the clerk is usually the most readily available instrument for levering improvement within the governance team. Continuing support is needed to build up their professionalism and the ability of clerks’ networks to share good practice. Clerks should be seen locally and nationally as a key part of each college, worthy of investment, but also in need of clear performance management and appraisal. It is important to consider the time allocated to the role, as this is likely to be an indicator of how seriously the college and the board perceive the role, and even how seriously the college values the input of governors.

Underpinning these seven priorities are two further and fundamental requirements:

10.8 Authoritative information, guidance and exemplars – there is much good practice already in the sector and great willingness to share. Governors need to be informed, energised and inspired by the excellent practice available. The Governance Library under commission by AoC to create a one-stop-shop has great potential to be a powerful force for governance improvement. Unfortunately, the sector has a history of producing insightful research, case studies and reports that gather dust. So to make the library useful, it must be owned by, and accessible to, the whole of the governance community. It must also be dynamic: kept live and up to date and interactive so users can access, contribute to and debate with others the resources within the library.

10.9 Effective board evaluation – in an era of deregulation and greater risks and opportunities, boards must adopt more rigorous self-evaluation, as a minimum meeting the Foundation Code of Governance standard of a fundamental evaluation of governance at least every three years. The view of the LSIS team is that more challenge and support are needed for colleges to conduct robust self-evaluation. This could be through providing effective benchmarking data and tools for governance; a clearer statement of principles of good strategic governance that extend the work of the Foundation Code (the Charity Commission Good Governance Guide for the voluntary and community sector provides a model for such a development); diagnostic tools and health checks; and external facilitation or critical friends. This needs to be backed up by an effective system of board performance management and appraisal. Honest and robust self-evaluation leading to an improvement plan to meet the new landscape is the most powerful tool available for governance improvement. In the opinion of the LSIS team, it is the key to creating high-performing governance teams capable of achieving the objectives of *New Challenges, New Chances*.

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