



REDCAR &  
CLEVELAND  
COLLEGE

# **REDCAR & CLEVELAND COLLEGE**

## **CODE OF CONDUCT FOR CORPORATION MEMBERS**

**REVISED EDITION**

**July 2008**

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# REDCAR & CLEVELAND COLLEGE CODE OF CONDUCT FOR CORPORATION MEMBERS

(Revised by the Corporation in July 2008)

## 1. INTRODUCTION

- 1.1 This Code sets out the standards of conduct and accountability which are expected of Corporation Members, and provides sufficient detail 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 Corporation and with the Principal as the Chief Executive. This Code is therefore aimed at promoting effective, well informed and accountable college governance; it is not intended to be a definitive or authoritative statement of the law or good practice.
- 1.2 In addition to this Code, Corporation Members are recommended to familiarise themselves with the following:
- 1.2.1 the College's Instrument and Articles of Government;
  - 1.2.2 the College's Strategic Plan;
  - 1.2.3 any Financial Memoranda entered into by the College with the relevant Funding agencies;
  - 1.2.4 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.

Appendices 1 (Responsibilities of Corporation Members), 2 (Financial Memorandum) and 3 (Powers of the Corporation) are attached to this Code for reference. They should not be read as an exhaustive statement of duties, powers or provisions, and Corporation Members should refer to the source documents listed above. If a Corporation Member is in doubt about the provisions of this Code or any of the source documents, the Professional Assistant/Clerk to the Board should be consulted and, if necessary, professional advice should be obtained. However, ultimate responsibility for the appropriateness of conduct as a Corporation Member of the College and for any act or omission in that capacity rests with the individual Corporation Member.

- 1.3 This Code applies to every committee or working party of the Corporation and to every subsidiary company or joint venture of the College to which Corporation Members may be appointed.
- 1.4 By accepting appointment to the Corporation, each Corporation Member agrees to accept the provisions of this Code.

## **2. INTERPRETATION**

In this Code:-

- 2.1 'College' means Redcar & Cleveland College;
- 2.2 'Council' means The Learning and Skills Council for England or any successor body/ies;
- 2.3 'Corporation' means the further education corporation which was established for the purpose of conducting the College;
- 2.4 'Corporation Member', 'Chairman', 'Principal' and 'Professional Assistant/Clerk to the Board' mean respectively the Member of the Corporation of the College, the Chairman of the Corporation, the Principal of the College and the Professional Assistant/Clerk to the Board of the Corporation;
- 2.5 all other definitions have the same meanings as given in the College's Instrument and Articles of Government; and
- 2.6 words importing one gender import any gender.

## **3. DUTIES**

- 3.1 Corporation Members 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 Corporation Member should act honestly, diligently and (subject to the provisions appearing in paragraph 9 of this Code relating to collective responsibility) independently. The actions of Corporation Members 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 Corporation Members at meetings of the Governing Body/Corporation 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, Corporation Members must not be bound in their speaking and voting by mandates given to them by other bodies or persons.

- 3.3 Corporation Members 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 1.
- 3.4 Corporation Members should comply with standing orders to ensure that the Corporation conducts itself in an orderly, fair, open and transparent manner and must keep those standing orders under periodic review.
- 3.5 Corporation Members should also have regard to the different, but complementary, responsibilities given to the Principal as the College's Chief Executive, which are themselves set out in the Instrument & Articles of Government. Whereas it is the Corporation's function to decide strategic policy and overall direction and to monitor the performance of the Principal and any other senior postholders, it is the Chief Executive's role to implement the Corporation's decisions, and to manage the College's affairs within the budgets and framework fixed by the Corporation. Corporation Members should work together so that the Corporation and the Chief Executive perform their respective roles effectively.

#### **4. STATUTORY ACCOUNTABILITY**

- 4.1 Corporation Members are collectively responsible for observing the duties set out in the Financial Memorandum which the College has entered into with the Council as a condition of receiving public funds. A summary of some of the more important requirements of the Financial Memorandum is set out in Appendix 2.
- 4.2 Although the Council is the main provider of funds to the College, Corporation Members should note that they are also responsible for the proper use of income derived from other sources, such as the Higher Education Funding Council for England (HEFCE) and the European Union (EU), and the local authority and for the control and monitoring of expenditure of such income, in order to meet the requirements of the relevant funding body/ies and public audit.
- 4.3 As accounting officer for the Council, its Chief Executive is directly responsible and accountable to Parliament for ensuring that the uses to which the Council puts its funds 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 Committee of Public Accounts, for the effective stewardship by the College of public funds. The Principal may be required to appear before the Committee of Public Accounts, alongside the Chief Executive of the Council, 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. PUBLIC SERVICE VALUES**

Public service values are at the heart of the further education service. High standards of personal and corporate conduct, based on the principles set out in paragraph 1.2.6 of this Code, and the recognition that students and other users of the College's services come first, are a requirement of being a Corporation Member, and should underpin all decisions taken by the Corporation.

## **6. SKILL, CARE AND DILIGENCE**

A Corporation Member should in all his or her work for the College exercise such skill as he or she possesses and such care and diligence as would be expected from a reasonable person in the circumstances. This will be particularly relevant when Corporation Members act as agents of the College, for example, when functions are delegated to a committee of the Corporation or to the Chairman. Corporation Members should be careful to act within the terms of reference of any committees on which they serve.

## **7. POWERS**

Corporation Members are responsible for taking decisions which are within the powers given to the Corporation 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 3. If a Corporation Member thinks that the Corporation is likely to exceed its powers by taking a particular decision, he or she should immediately refer the matter to the Professional Assistant/Clerk to the Board for advice.

## **8. CONFLICTS OF INTEREST**

- 8.1 Like other persons who owe a fiduciary duty, Corporation Members 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 Corporation. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement.
- 8.2 Corporation Members are reminded that under the College's Instrument of Government they must not take or hold any interest in any of the College's properties 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 and Employment.
- 8.3 Corporation Members are reminded that under the College's Instrument of Government they must disclose to the Corporation 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 duty which is material and which conflicts or may conflict with the interests of the Corporation.
- 8.4 If an interest is likely or would, if publicly known, be perceived as being likely to interfere with the exercise of a Corporation Member's independent judgement, then the interest, financial or otherwise, should:-

- 8.4.1 be reported to the Professional Assistant/Clerk to the Board; and
- 8.4.2 be fully disclosed to the Corporation before the matter giving rise to the interest is considered.

Corporation Members should withdraw from that part of any meeting at which the matter giving rise to the interest is considered, and on no account may vote in relation to the matter.

- 8.5 Corporation Members 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 Professional Assistant/Clerk to the Board.
- 8.6 The Professional Assistant to the Board will maintain a Register of Corporation Members' Interests which will be open for public inspection. Corporation Members must disclose routinely to the Corporation all business interests, financial or otherwise, which they may have, and the Professional Assistant/Clerk to the Board will enter such interests on the Register. Corporation Members must give sufficient details to allow the nature of the interests to be understood by enquirers. Corporation Members should inform the Professional Assistant/Clerk to the Board whenever their circumstances change and interests are acquired or lost. In deciding whether an interest should be disclosed, Corporation Members should have regard to the meaning given to "interest" in paragraph 8.4 of this Code.

## **9. COLLECTIVE RESPONSIBILITY**

- 9.1 The Corporation operates by Corporation Members taking majority decisions in a corporate manner at quorate meetings. Therefore, a decision of the Corporation, even when it is not unanimous, is a decision taken by the Corporation Members collectively and each individual Corporation Member has a duty to stand by it, whether or not he or she was present at the meeting of the Corporation when the decision was taken.
- 9.2 If a Corporation Member disagrees with a decision taken by the Corporation, his or her first duty is to have any disagreement discussed and minuted. If the Corporation Member strongly disagrees, he or she should consult the Chairman and, if necessary, then raise the matter with the Corporation when it next meets. If no meeting is scheduled, the Corporation Member should refer to the power of the Chairman or any five Corporation Members under the College's Instrument of Government to call a special meeting and, if appropriate, exercise it, requesting the Professional Assistant/Clerk to the Board to circulate the Corporation Member's views in advance to the other Corporation Members. Alternatively, as a final resort, the Governor may decide to offer his or her resignation from office, after consulting the Chairman.

## **10. CONFIDENTIALITY**

- 10.1 Because of the Corporation's public accountability, Corporation Members should ensure that, as a general principle, students and staff of the College and the general public have free access to information about the proceedings of the Corporation and its Committees. Accordingly, agendas, minutes and other papers relating to meetings of the Corporation are normally available for public inspection when they have been approved for publication by the Corporation or its Committees.
- 10.2 There will be occasions when the record of discussions and decisions will not be made available for public inspection, for example, when the Corporation considers sensitive issues or named individuals and for other good reasons. Such excluded items, will be kept in a confidential folder by the Professional Assistant/Clerk to the Board, and will be circulated in confidence to Corporation Members. However, staff and student Corporation Members 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.
- 10.3 It is important that the Corporation and its committees have full and frank discussions in order to take decisions collectively. To do so, there must be trust between Corporation Members with a shared corporate responsibility for decisions. Corporation Members should keep confidential any matter which, by reason of its nature, the Chairman or members of any committee of the Corporation are satisfied should be dealt with on a confidential basis.
- 10.4 Corporation Members should not make statements to the press or media or at any public meeting relating to the proceedings of the Corporation or its committees without first having obtained the approval of the Chairman or, in his or her absence, the Vice Chairman. It is unethical for Corporation Members publicly to criticise, canvass or reveal the views of other Corporation Members which have been expressed at meetings of the Corporation or its committees.

## **11. ATTENDANCE AT MEETINGS**

A high level of attendance at meetings of the Corporation is expected so that Corporation Members can perform their functions properly.

## **12. GOVERNANCE DEVELOPMENT**

- 12.1 Corporation Members must obtain a thorough grounding in their duties and responsibilities by participating in the College's governance induction and training programmes,...
- 12.2 In order to promote more effective governance, Corporation Members will carry out an annual review of the performance by the Corporation of its duties and responsibilities, as part of a continuing and critical process of self evaluation.

- 12.3 The Corporation shall seek to ensure that all Corporation Members are appointed on merit, in accordance with an open selection procedure carried out by the College's Search Committee, and are drawn widely from the community which the College serves, having regard to provisions relating to the membership of the Corporation in the College's Instrument of Government and the need for continuity, balance and a range of appropriate skills and interests.

**REDCAR & CLEVELAND COLLEGE**

**CODE OF CONDUCT  
MEMBERSHIP OF CORPORATION**

**DECLARATION OF ACCEPTANCE**

**AS A MEMBER OF THE CORPORATION I AGREE TO OBSERVE THIS CODE OF CONDUCT TO THE BEST OF MY ABILITIES.**

Signed: .....

Name of Corporation Member: .....

Dated: .....

*THIS PAGE IS TO BE RETAINED AS YOUR COPY OF THE AGREEMENT*

**APPENDIX 1****Summary of Main Responsibilities  
of Corporation Members under the Articles of Government****Responsibilities**

Under Article 3(1) of the College's Articles of Government the Corporation shall be responsible:-

- (a) for the determination and periodic review of the educational character and mission of the institution and the oversight of its activities;
- (b) for approving the quality strategy of the institution;
- (c) for the effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets;
- (d) for approving annual estimates of income and expenditure;
- (e) for the appointment, grading, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts (\*) and the Professional Assistant/Clerk, including where the Clerk is, or is to be appointed as, a member of staff, the Clerk's appointment, grading, suspension, dismissal and determination of pay in the capacity of a member of staff;
- (f) for setting a framework for the pay and conditions of service of all other staff; and

\* "Senior Post" means the post of Chief Executive and such other senior posts as the Corporation Members may determine for the purposes of the Articles.

**Responsibilities which must not be delegated**

Article 9 of the Articles of Government prohibits the Corporation from delegating the following:-

- (a) the determination of the educational character and mission of the institution;
- (b) the approval of the annual estimates of income and expenditure;
- (c) the responsibility for ensuring the solvency of the institution and the Corporation and the safeguarding of their assets;
- (d) the appointment of the Principal or holder of a senior post;
- (e) the appointment of the Professional Assistant/Cerk; and
- (f) the modification or revocation of the Articles of Government.
- (g) the consideration of the case for dismissal and the power to determine an appeal in connection with the dismissal of the Principal or the holder of a senior post, other than to a Committee of members of the Corporation, having first established the rules of that Committee.

## APPENDIX 2

### Summary of Main Provisions of the Financial Memorandum of the Learning and Skills Council

The Department for Innovation, Universities and Skills (DIUS) and the Department for Children, Families and Services (DCFS) require the Council to enter into an agreement set out in a financial memorandum with the College for the purpose of regulating its relationship in financial and related matters and setting out the terms and conditions on which public funds will be paid by the Council to the College.

A revised financial memorandum was published in December 2006, and became effective from 1<sup>st</sup> August 2006; this sets out the framework of relationships and responsibilities between Colleges and the Council

The memorandum is divided into two parts. Part 1 contains the general terms and conditions under which the Council funds colleges. A summary of the main provisions of Part 1 appears below. Part 2 consists of any specific conditions which might apply to the College and is the subject of individual annual notification.

Important points to note in relation to Part 1 are as follows:-

(a) ***Responsibilities***

The Corporation is responsible for:

- determining the educational character and mission of the College and for oversight of its activities;
- ensuring the solvency of the College and the safeguarding of the College's assets, in particular the Corporation must receive at least termly a report that reviews the College's financial position;
- appointing, grading, suspending, dismissing and determining the pay and conditions of service of the Principal and other senior postholders;
- setting a framework for the pay and conditions of service of all other staff;
- ensuring that the financial, planning and other management controls, including controls against fraud and theft, required by the College are appropriate and sufficient to safeguard public funds;
- approving the appointment of external auditors and an internal audit service;
- securing the efficient, economical and effective management of all the College's resources and expenditure, capital assets and equipment and staff, so that the investment of public funds in the College is not put at risk;
- ensuring that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution;

- planning and conducting the College's financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure;
- making appropriate arrangements to appoint a Professional Assistant to the Board with the necessary expertise to fulfil the duties of the post;
- approving an annual budget at the start of each financial year;
- determining tuition fees;
- approving rules and procedures relating to staff grievances, conduct, suspension, dismissal and appeals;
- approving the students' union constitution and rules relating to the conduct of students;
- acting within the powers given in sections 18 and 19 of the 1992 Act (see Appendix 3 to this Code).

Within this framework the Corporation must require the Principal to take personal responsibility, which may not be delegated, for ensuring the proper and effective operation of the financial, planning and management controls of the College, and for giving effect to the Corporation's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure.

With regard to the Professional Assistant to the Board the Corporation should specify the procedures which the Professional Assistant to the Board and the Corporation should follow if the Corporation acts inappropriately or beyond its powers.

(b) ***Land and buildings***

The Corporation should manage and develop its estate with regard to guidance issued from time to time by the Council, keep its holdings of land and buildings under review with the objective of rationalising and disposing of those which it considers in the light of its estate strategy to be no longer needed and to maintain its estate in accordance with its accommodation strategy.

There are detailed requirements in relation to obtaining the consent of the Council for certain land and buildings transactions.

(c) ***Borrowing and leasing***

Under section 19 of the Further and Higher Education Act 1992 (see Appendix 3), the College must obtain the consent of the Council to any secured or unsecured borrowing proposal. The Council has given a general consent to certain categories of borrowing, e.g. up to 5 percent of the College's annual revenue on an unsecured basis.

There are detailed requirements relating to obtaining the Council's consent for certain borrowing on a secured basis.

(d) ***Account and financial management***

The College is required to notify the Council in writing if at any time there is a significant deterioration in its financial position.

The College may be required to put in place a recovery plan or a risk reduction plan where the Council has concluded that there is a risk to the College's liquidity, service delivery or asset base.

(e) ***Other matters***

The Financial Memorandum contains a number of detailed requirements relating to the allocation of funds, audit, contingent liabilities, the provision of information and the imposition by the Council of penalties where a Corporation fails to comply with any of the conditions of funding.

## APPENDIX 3

### 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:-

- (a) provide further and higher education;
- (aa) in pursuance of arrangements made:
  - (i) by a local education authority; or
  - (ii) by the governing body of a school on behalf of such an authority, provide secondary education to pupils in the fourth key stage; and
- (b) 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:-

- (a) the power to acquire and dispose of land and other property;
- (b) the power to enter into contracts, including in particular:-
  - (i) 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
  - (ii) contracts with respect of carrying on by the Corporation of any such activities;

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\* In this summary, "Corporation" is used rather than "Governing Body" since this is the expression adopted by the 1992 Act

- (c) 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 Council, which may give its consent for a particular borrowing or for borrowing of a particular class;
- (d) power to invest any sums not immediately required for the purposes of carrying on any activities the Corporation has power to carry on;
- (e) 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
- (f) 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”.

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**DECLARATION OF ACCEPTANCE**

**AS A MEMBER OF THE CORPORATION I AGREE TO OBSERVE THIS CODE OF CONDUCT TO THE BEST OF MY ABILITIES.**

Signed: .....

Name of Corporation Member:

Dated: .....

*THIS PAGE IS TO BE DETACHED, SIGNED AND RETURNED TO THE CLERK. THERE IS A COPY OF THIS AGREEMENT AT PAGE 8, FOR YOU TO RETAIN.*

Please return as soon as possible to

David Stevenson  
Professional Assistant/Clerk to the Corporation  
Redcar & Cleveland College  
Corporation Road,  
Redcar