



**Governance and Effectiveness Committee of the  
Board of Governors of the Guildhall School of  
Music & Drama**

**Date:** FRIDAY, 23 OCTOBER 2015  
**Time:** 11.30 am  
**Venue:** COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL  
**Members:** Sir Andrew Burns (Chairman)  
Deputy John Bennett (Deputy Chairman)  
Christina Coker  
Lucy Frew  
Gareth Higgins  
Professor Barry Ife

**Enquiries:** Gemma Stokley  
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**Lunch will be served in the Guildhall Club at 1pm**  
**NB: Part of this meeting could be the subject of audio video recording**

**John Barradell**  
**Town Clerk and Chief Executive**

# AGENDA

## Part 1 - Public Agenda

1. **APOLOGIES**
2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
3. **PUBLIC MINUTES**  
To agree the public minutes of the meeting held on 7 November 2014.

**For Decision**  
(Pages 1 - 6)
4. **THE HIGHER EDUCATION CODE OF GOVERNANCE AND THE GUILDHALL SCHOOL**  
Report of the Principal of the Guildhall School of Music and Drama.

**For Discussion**  
(Pages 7 - 28)
5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
7. **EXCLUSION OF THE PUBLIC**  
**MOTION** - That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

## Part 2 - Non Public Agenda

8. **NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

## GOVERNANCE AND EFFECTIVENESS COMMITTEE OF THE BOARD OF GOVERNORS OF THE GUILDHALL SCHOOL OF MUSIC & DRAMA

Friday, 7 November 2014

Minutes of the meeting of the Governance and Effectiveness Committee of the Board of Governors of the Guildhall School of Music & Drama held at the Guildhall EC2 at 10.00 am

### Present

#### Members:

Sir Andrew Burns (Chairman)  
Alderman David Graves

Gareth Higgins  
Jeremy Simons

#### Officers:

Peter Lisley  
Alistair MacLellan  
James Goodsell  
Katharine Lewis

Assistant Town Clerk  
Town Clerk's Department  
Town Clerk's Department  
Head of Registry Services, Guildhall School of Music & Drama

#### 1. APOLOGIES

Apologies were received from Deputy John Bennett and Professor Barry Ife.

#### 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations.

#### 3. PUBLIC MINUTES

The public minutes of the meeting held on 21 November 2013 were approved as a correct record.

#### Matters Arising

##### Governor Training

In response to a question from the Chairman, the Head of Registry Services noted that no funding had been available to send the Students' Union President on the Leadership Foundation training for student governors. Following further comments from Members that such training ought to be provided and would involve only a very modest cost, the Chairman requested that the Head of Registry Services provide a note on the matter to the Board of Governors setting out training options and cost implications.

#### 4. POST TDAP AMENDMENTS TO THE SCHOOL'S GOVERNANCE ARRANGEMENTS

The Committee considered a report of the Principal setting out amendments to the School's *Instrument and Articles of Government* and the terms of reference of the School's Teaching & Learning Board.

The Head of Registry Services noted that the Comptroller and City Solicitor's Department would be providing final feedback on the current draft shortly, that the Remembrancer had provided some drafting comments, and that the Chamberlain had expressed some concerns over the level of financial expertise guaranteed on the Board under the proposed arrangements.

The Chairman requested Members to provide their comments on the draft *Instrument and Articles of Government*. A Member noted that he was in favour of the proposed reduction of Common Councilmen on the Board to eight, two of whom would be ex-officio members. He voiced concern over the fact that one proposed ex-officio would be the Chairman of the Culture, Heritage and Libraries Committee, noting that City Corporation committees were more likely to be subject to amendment in their terms of reference and remit than the Board of Governors of the School, making it likely that a future Chairman of the Culture, Heritage and Libraries Committee would not necessarily be a relevant choice for ex-officio member compared with the Chairman of the Barbican Centre Board, which would continue to have close links with the School in the future. Therefore the Member suggested that the eight Common Council members instead be broken down into seven members elected by the Court with the Chairman of the Barbican Centre Board as ex-officio.

The Member went on to voice concern that Common Council members of the Board may not have the time available due to factors such as work pressure to serve on the Board's subcommittees, and in keeping with that, ex-officio members in particular may not have sufficient time to play an active role on the Board. Lastly, the Member noted that the proposed amendments may face opposition from some Members of the Court of Common Council given the perceived reduction in Common Council influence on the Board, in light of recent capital investments by the City Corporation in initiatives such as Milton Court, notwithstanding the fact that City Corporation funding of the School was proportionally being reduced over time to a predicted 20% in 2018.

The Chairman agreed with the importance of ensuring that Board members were prepared to play an active role in the Board's subcommittees. He went on to query what role the Nominations Committee would have in the selection process in relation with the Court of Common Council, and whether it could insist on Members playing an active role on sub committees if elected to the Board.

The Assistant Town Clerk replied that another of the City Corporation's committees, the Education Board, operated a similar process when it came to recommending to the Court of Common Council the appointment of governors of the City Academies - whilst the Education Board had the power to recommend a particular candidate, the final decision rested with the Court of Common Council and therefore it would be sensible to ensure that the Nominations Committee set preferred criteria on skills and experience required of governors.

An Alderman noted that it would be sensible to operate reciprocal relationships between City Corporation committees that had similar responsibilities. In the

case of the Board, he noted that there was a close operational link between the School and the Barbican Centre, and the proposed arrangement should seek to develop that. He noted the potential disadvantage of less engagement between the School and the City Corporation in the event of the number of Common Councilmen on the Board being reduced. Whilst he accepted that some members of the Common Council would see merit in the reduction, he voiced concern that over time the reduction in representation would lead to a loss of a sense of obligation to the School by the City Corporation. He concluded by noting that committee Chairman played an influential role in the political life of the City Corporation and to have three on the Board would be of benefit to the School.

The Chairman summarised this area of debate by noting that it was not the intention of the Articles to undermine the support of the City of London Corporation on the Board, and that reference to the Chairman of the Culture, Heritage and Libraries Committee was a drafting point, rather than a substantive one.

The Assistant Town Clerk went on to query what rights the ex-officio members were envisaged as having. He noted that under the Standing Orders of the City of London Corporation, ex-officio members were not allowed to stand for either Chairman or Deputy Chairman, nor vote on committee matters. He added that, if it was the intention for ex-officio members of the Board to have the right to vote, this would require a waiver of Standing Orders. Those present agreed that the intention was for ex-officio members to have voting rights but to be excluded from being Chairman or Deputy Chairman, to which the Assistant Town Clerk advised that the reasons for doing so needed to be clearly articulated.

In response to a query from the Chairman, a member replied that the role of a Nominations Committee would be to set a job specification for Board members. The Assistant Town Clerk added that it would also conduct a skills audit of governors and individuals interested in standing for governor, and recommend individuals for election by the Court of Common Council. The Town Clerk committed to sharing with the Head of Registry Services the Nominations process employed by other City of London Corporation committees.

An Alderman noted that, if the number of Common Councilmen on the Board was to be reduced, it was important to ensure that the calibre of governor was maintained. He suggested that financial and fundraising expertise be included as a requirement for potential governors.

The Assistant Town Clerk commented on the intended clerking arrangements for the Board. He noted that the Instrument had not changed the role of clerk away from being the responsibility of the Town Clerk. He suggested that if the Board wished to adopt different arrangements, this would require further conversations between the School and the City of London Corporation. He concluded by noting that on page 11, paragraph eight, the Ordinances would need to be aligned with the White Paper approved by the Court of Common Council.

In response to an observation by the Head of Registry Services that the new Articles had to acknowledge the existence of the School's Academic Board and the locus of responsibility for awarding degrees, members went on to discuss the practicalities of implementing the new Articles. An Alderman suggested that the changes be approved by the Court of Common Council in April 2015, to which the Head of Registry Services replied that the new statutory powers enjoyed by the School would be exercised in summer 2015.

In response the Assistant Town Clerk replied that this timetable was achievable, but that a particularly important issue to address in the meantime was what would happen to current City of London Corporation members of the Board in the event of City of London Corporation membership being reduced, and that this process would need to be mapped out.

In response to questions from the Chairman, the Head of Registry Services confirmed that article 2 did not preclude governors from serving a total of nine years as under present arrangements. The Assistant Town Clerk noted that the Board of Governors would also be subject to the City of London Corporation's Standards Committee. He went on to suggest that the sentence detailing the quorum be amended from specifying the Chairman or Deputy Chairman to any Common Council member, given the intention was to ensure Common Council involvement in any given Board meeting.

An Alderman suggested that paragraph 13 be amended to allow the immediate past Chairman the flexibility of choosing whether they wished to be Deputy Chairman, in line with City of London Corporation Standing Orders. The Assistant Town Clerk noted that officers would review the Articles as a whole to ensure they were in line with City of London Corporation Standing Orders.

At the suggestion of the Chairman, it was agreed that paragraph 17 be amended to allow for an authorised representative of the Town Clerk to be nominated as Clerk of the Board. In response to a query then put by the Chairman, an Alderman replied that the procedure outlined in paragraph 23 was a device to allow repetitive debate to be dealt with fairly and appropriately.

In response to a further question from the Chairman, the Head of Registry Services replied that the paragraph concerning the procedure for staff member elections was included to provide clarity. In response to a question from a Member about the Academic Board and its subcommittees, the Head of Registry Services confirmed that academic appeals would be heard by an Appeals Committee of the Academic Board and the diagram would be amended accordingly.

In response to a question from an Alderman, the Assistant Town Clerk confirmed that there was precedent to elect members to a Board or Committee on a staggered basis to ensure that wholesale changes were not necessary at the end of each term of office. Members agreed that existing terms of office could be offered to Common Council members reappointed to the Board once the new arrangements had been agreed.

**RESOLVED**, that members,

- Note the amendments Teaching & Learning Board terms of reference and change of name to the Academic Board;
- Approve amendments and suggested changes to the *Instrument and Articles of Government* and recommend the *Instrument and Articles* to the Board of Governors of the Guildhall School of Music & Drama for approval.

**5. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

**6. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There were no urgent items.

**7. EXCLUSION OF THE PUBLIC**

**RESOLVED** – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

Items	Paragraph
8-10	3

**8. NON PUBLIC MINUTES**

The non-public minutes of the meeting held on 21 November 2013 were approved as a correct record.

**9. NON PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**

There were no questions.

**10. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE BOARD AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There were no urgent items.

**The meeting closed at 11.50 am**

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Chairman

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## The Higher Education Code of Governance and the Guildhall School

### Executive Summary

This report addresses the implications for the Guildhall School of the Higher Education Code of Governance published by the Committee of University Chairs. The report sketches the background to the new Code, including a number of changes in the HE landscape that are putting additional pressures on institutions and their governing bodies. Annex 1 tabulates the main provisions of the Code, the School's analysis and the Town Clerk's response. Annex 2 proposes some 'quick wins', points for further discussion and remaining areas of difficulty.

### Recommendation:

That the Governance and Effectiveness Committee considers the issues raised in this report, instructs the School's officers on next steps and advises the Board of Governors on action to be taken.

### Main Report

#### *Background*

The Committee of University Chairs published a revised Higher Education Code of Governance in December 2014, applicable 'with immediate effect'. Whereas previous versions of the code had been broadly advisory and voluntary, the 2014 Code is premised on an 'apply or explain' basis (p. 6).

This tougher stance on university governance is part of a growing trend and follows the very public failure of corporate governance at London Metropolitan University in 2009. HEFCE has put considerably greater emphasis on the responsibilities of governing bodies in its revised financial memorandum with institutions, and has since indicated that it will review compliance with the new CUC Code at its next assurance review, due to take place on 28 April 2016.

The Guildhall School enjoys a unique constitutional status within the UK HE system in being a designated higher education institution (HEI) while remaining a non-incorporated department of the City of London Corporation. Since designation in 2006, the Guildhall School has received public funding in the form of grants and fees by virtue of a series of undertakings given by the Court of Common Council in December 2005. Among these undertakings was an agreement to comply with the CUC Guide for Members of Higher Education Governing Bodies in the UK then in force.

Since designation, the School has successfully demonstrated compliance with the spirit if not the letter of the guidance, most notably during the evaluation by the Quality Assurance Agency of the School's application for taught degree-awarding powers in 2013/14. However, the School's principal challenge in demonstrating compliance with the CUC Code lies the fact that the Board of Governors is not

‘unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit’ (p. 9).

### *Other areas of concern*

A number of other factors have contributed to growing sector-wide demands on institutions and governing bodies, many of which are of particular concern to conservatoires and drama schools and/or to the Guildhall School:

- implementation of Lord Browne’s review of student funding from 2012 has created an extremely competitive international market for students
- the perceived high cost of UK HE is creating market resistance among international students in particular
- institutions are having to put more resources into fundraising for scholarships, and both revenue and capital costs
- tighter visa restrictions and the high cost of visas are also putting pressure on international recruitment
- lower government spending is already impacting adversely on funding council grants to institutions and this trend is expected to grow following the Chancellor’s autumn spending statement on 25 November
- BIS has announced the implementation of a teaching excellence framework (TEF) linked to fee levels in and after AY 2017/18. Governing bodies are expected to be asked to play a much greater role in quality assurance as part of this initiative

At the same time, significant developments within the City Corporation are putting the School under further strain:

- cuts in City Corporation funding following the service-based review will reduce the City’s financial stake in the School to a little over 20% by 2017/18
- following establishment of the common platform with the Barbican Centre and the subsequent centralisation of financial services under the Chamberlain, the School now has no professional services staff wholly dedicated to its interests other than the Academic Registrar

It is clear that the creation of a competitive market in HE and reduced public funding in the current economic climate will put increasing strain on both the management and governance of HE institutions. Put simply, the role of the Board of Governors will need to move beyond simply hiring and firing the Principal and agreeing a strategic plan. In future, the Board will need much greater input from the industries for which the School is training its students; it will need to develop an advocacy role that supports the brand and identifies opportunity in a wide range of political, artistic and international contexts; and it will need to take a leadership role in income generation and fundraising. These roles are widely understood within the sector and are being taken extremely seriously by our competitors.

The view of the School’s senior management is that the current governance arrangements for the School will not equip it to meet these and other demands, and that it will become increasingly difficult for the School to remain educationally and

artistically competitive without broader and stronger governance support. It is also becoming more difficult to explain and justify non-compliance with key aspects of the CUC Code and the 2016 assurance review may be very challenging as a result.

Following the approval of degree-awarding powers, the School proposed a number of amendments to the Instrument and Articles of Government designed to broaden the membership of the Board, but these were overturned by the Policy and Resources Committee. More recently, in response to a question concerning the balance of responsibilities to the City and the School, the Board was advised that its primary responsibility is to protect the interests of the City, not those of the School, its staff and its students.

This being the case, the School will need to identify alternative means of supporting the core business of training students for professional life, building advocacy for its work and identifying a more diverse range of financial support. The senior management team has therefore decided to form an advisory group of industry professionals and other potential advocates who have agreed to work more closely with the School to provide the range of professional advice and support not otherwise available to the management team. The senior management team are also giving urgent consideration to ways of strengthening the management of institutional development (fundraising and external affairs) and gaining the level of financial support that would normally be provided by a Director of Finance.

#### *Points for consideration*

As requested by the Governance and Effectiveness Committee, the Principal and Academic Registrar have analysed the provisions of the CUC HE Code of Governance and have identified a number of areas where adjustments could quickly be made to the current arrangements to bring them more closely into line with the Code.

Annex 1 sets out the provisions of the Code, the School's analysis and, in the third column, the Town Clerk's response to the School's analysis.

Annex 2 consists of the Academic Registrar's proposals for discussion and consideration, colour-coded into three categories: contentious (red), scope for discussion (amber) and quick wins (green).

#### **Recommendation**

That the Governance and Effectiveness Committee considers the issues raised in this report, instructs the School's officers on next steps and advises the Board of Governors on action to be taken.

Contact:

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Principal

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**A reflection on the Code and “must” statements and the School’s governance arrangements**

<b>The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.</b>			
	<b><u>HEFCE STATEMENT</u></b>	<b><u>GSMD Comment</u></b>	<b><u>Town Clerk’s Comment</u></b>
1.1	The governing body has a responsibility for all decisions that might have significant reputational or financial implications (including significant partnerships or collaborations). It <b>must</b> therefore seek assurance that the institution meets all legal and regulatory requirements imposed on it as a corporate body, including through instruments of governance such as statutes, ordinances and articles.	The Board of Governors does not take all final decisions on matters of fundamental concern within its remit; decisions are often taken elsewhere in the City which makes it difficult for the Board to be accountable.	<p>It is true to say that the Board does not take <u>all</u> final decisions on matters of concern within its remit. However, it is not accurate to suggest that decisions are <u>often</u> taken elsewhere in the City. The Court is responsible for areas, such as (fundamentally) the Board’s Governance Arrangements. However, going back to the start of 2013, the only report which has gone from GSMD Board to the Court is the Governance Arrangements. The Court also determines the Court of Common Council Membership of the Board. The Board is responsible for appointing the external Members.</p> <p>The Board is clearly responsible for all decisions which might have significant implications on the GSMD. Given that the majority of the Board are Common Councilmen and would therefore be involved in any decisions that were taken elsewhere in the City, the accountability of the Board is not a significant issue. Further, in terms of accountability - the report from the latest HEFCE Assurance Review (2011) notes that “...many of the Governors have the Corporation’s interests as well as the School’s as their focus. Given the nature of the School as a department of the Corporation, these interests should be aligned and so this is not of particular concern”.</p> <p>GSMD is, essentially, a CoL Department and therefore issues that affect other aspects of the running of the CoL (such as remuneration) are, logically, dealt with elsewhere. The Board is often given the opportunity to submit comments/concerns on these matters as illustrated with the current ‘Capital Cap’ report on which they have made representations to the City’s Policy and Resources Committee.</p>
1.2	The regulatory and legal requirements will vary depending on the constitution of individual HEIs, but, for most governing bodies, members are charitable trustees and <b>must</b> comply with legislation governing charities and case law in the exercise of their duties. Some institutions are constituted as companies, and governing body members are normally the company’s directors; the primary legislation in this case will be the requirements of the Companies Acts.	The School does not have charitable status.	The Board isn’t a charity, but this has been discussed at previous Board meetings as a potential option for funding in future. If the School did become a charity we’d have to look at how we addressed the issues in HEFCE’s statement.

1.3	In both instances members are required to discharge their duties in line with the accepted standards of behaviour in public life, ultimately accepting individual and collective responsibility for the affairs of the institution. The main accountability requirements falling upon the governing body in respect of public funding are set out in financial memoranda issued by the funding bodies and these <b>must</b> be followed.	See 2.4 below re collective responsibility.	<p>All Governors (including external Governors) are bound by declarations of interest and the 7 principles of public life.</p> <ul style="list-style-type: none"> <li>- Members sign a declaration agreeing to abide by the City of London Corporation's code of conduct</li> <li>- A register of interest is maintained</li> <li>- Personal, prejudicial, pecuniary and non-pecuniary interests are declared during meetings and</li> <li>- Members do not participate in decisions where they have an interest</li> </ul>
1.4	Student and staff members of the governing body share the same legal responsibilities and obligations as other members and <b>must not</b> be routinely excluded from discussions.	Not all members of the Board of Governors are equal; only Common Council members count for quoracy. Therefore a meeting of the Board could technically be deemed legitimate with no School members or co-opted members present. The amendment to rectify this anomaly was rejected by the Policy and Resources Committee.	<p>All Members of the Board are treated equally in that they are all able to participate fully and all have one vote in most circumstances. The only areas where this is not the case is for the election of Chairman and Deputy Chairman, where only Common Councilmen can stand. This is due to the requirement to report to Court (only Common Councilmen can present reports to the Court, so only Common Councilmen can be Chairman/Deputy Chairman). It would be possible, in theory, to make it so that all Members are eligible to stand as long as one of either the Chairman or Deputy Chairman is a Common Councilman, to ensure reporting to Court. However, this would make things difficult in the event that the Common Council Chairman/Deputy Chairman was not able to attend a Court meeting (although as stated above, it's very rare that GSMD submits reports to Court).</p> <p>As to the quorum, I think it is unlikely that there would ever be any effort to exclude (routinely or otherwise) any corps of the Membership from discussions. The Board do review their terms of reference and frequency of meetings in November each year and so this might be a further opportunity to suggest a revision to quoracy and include all Governors in this. This would then be put to the Court in April. This happens in the case of other Committees where a majority of Common Councilmen are still required for the quorum but external Members are also explicitly referred to. An example of this is the City's Audit and Risk Management Committee whose quorum is "5 Members – at least 3 of which must be elected by the Court of Common Council and at least 1 external representative".</p>

The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.			
2.1	In protecting the reputation of the institution the governing body will want to ensure the highest standards of ethical behaviour among its members, who <b>must</b> act ethically at all times in line with the accepted standards of behaviour in public life, and in the interests of the institution.	If the School was a charity the governors would have a legal duty to act in the interests of the School. However, Common Council members of the Board, who form the majority on the Board, have conflicting interests as they are primarily there to serve the interests of the parent body, the City of London. The interests of the School and the City do not always align (see 2.4, 3.6 and 3.13 below).	2.1, 2.2 (and mostly 2.3) are fully complied with in my opinion. As to the declarations of interests, we currently are in the process of a major project to record all external Members' registers of interests and publish them online, so that issue will disappear within the next quarter (where external Members comply with the requirements).
2.2	As such, members of governing bodies <b>must</b> act, and be perceived to act, impartially, and not be influenced by social or business relationships. A member who has a pecuniary, family or other personal interest in any matter under discussion <b>must</b> disclose the interest. A member does not necessarily have a pecuniary interest merely because he/she is a member of staff or a student.	The City also takes a two-tier approach to the declaration of interests – only Common Council members get a profile on <a href="http://democracy.cityoflondon.gov.uk/mg...CommitteeDetails.aspx?ID=387">http://democracy.cityoflondon.gov.uk/mg... CommitteeDetails.aspx?ID=387</a>	As to the interests of the City and GSMD not always aligning – the report from the latest HEFCE Assurance Review (2011) notes that "...many of the Governors have the Corporation's interests as well as the School's as their focus. Given the nature of the School as a department of the Corporation, these interests should be aligned and so this is not of particular concern".
2.3	The governing body <b>must</b> ensure that its decision-making processes are free of any undue pressures from external interest groups, including donors, alumni, corporate sponsors and political interest groups.	Therefore, other members' interests are not listed publically.	
2.4	Members whose views are not consistent with the decisions of the governing body should abide by the principle of collective decision making and avoid putting specific interests before those of the institution. Individually they <b>must not</b> make any agreement for which they do not have authority.	Common Council members on the Board of Governors do not always abide by the collective decision making of the Board, for example with the earlier governance amendments, challenge to the Board of Governor's proposals at the Policy and Resources Committee came from a member of the Board of Governors.	Ultimately, the GSMD is a department of the Corporation, and Members therefore often have to balance the needs of the Department with those of the Corporation as a whole. Members typically wear many hats. There isn't an issue with a Member being party to a decision at the Board (and even agreeing with it from the perspective of the Board) and then, at a meeting of the Policy & Resources Committee (and therefore considering the issue from the Corporation's perspective), disagreeing with the proposals from the Board.
2.5	Legislation requires that the governing body <b>must</b> take practical steps to ensure that the students' union or association operates in a fair, democratic, accountable and financially sustainable manner. This requirement is <b>in addition to</b> corporate and charity legislation that many student organisations are independently subject to.	The SU's constitution is approved by the Board of Governors and School staff members monitor the day to day operations of the SU including the conduct of the elections. However, this could be strengthened by the Board requiring the SU to present its financial statements.	Agreed. If this area requires strengthening the Board could receive/approve the Su's financial statements on a cyclical basis.

<p><b>The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.</b></p>			
3.1	The governing body is responsible for the mission, character and reputation of the institution at a strategic level, and members will need to be adequately informed in order to carry out this key responsibility. They can expect the head of the institution to help them by providing strategic advice and guidance on the mission and strategic development of the institution.	This is done; the Principal submits a report to each meeting of the Board and additionally away days are held to put strategic developments in context to inform Board decision making.	Agreed.
3.2	The strategic plan plays a crucial role in ensuring the successful performance of the institution, and the governing body will want to demonstrate its commitment to and support for the plan by formally approving or endorsing it in accordance with its constitution. Aligned to this, it <b>must</b> ensure there is an appropriate financial strategy and be responsible, without delegation, for the approval of the annual budget.	The Board approves both the Strategic Plan and the annual budget.	Agreed.
3.3	It <b>must</b> rigorously assess all aspects of the institution's sustainability, in the broadest sense, using an appropriate range of mechanisms which include relevant key performance indicators (KPIs) not just for the financial sustainability of the institution but also for its impact on the environment.	A range of KPIs are reported to the Board on a regular basis. However, it would be timely for the Governance & Effectiveness Committee to review the whole.	Agreed.
3.4	In ensuring sustainability, the governing body <b>must</b> be in a position to explain the processes and the types of evidence used and provide any assurances required by funders. Where such assessments indicate serious issues which could affect future sustainability, the governing body <b>must</b> undertake appropriate remedial action.		
<p><b>Regulatory requirements</b></p>			
3.5	The governing body <b>must</b> receive assurance that the institution is meeting the conditions of funding as set by regulatory and funding bodies and other major institutional funders which include the requirements of the financial memoranda. These include the need to: use public funds for proper purposes and achieve good value for money; have a sound system of risk management, financial control and governance; ensure the use of regular, reliable, timely and adequate information to monitor performance and track the use of public funds; and safeguard institutional sustainability.		
3.6	The governing body <b>must</b> periodically review the delegated authority of the accountable officer (usually the Vice-Chancellor) and inform its funding body of any 'material adverse' change in its circumstances and any serious incident which, in the judgement of the accountable officer and the governing body, could have a substantial impact on the interests of the institution.	The Principal is the accountable officer. However, the Principal not only reports to the Board of Governors but also to the Town Clerk of the City of London. This has placed the Principal in a difficult situation where a report of an adverse substantial impact (significant cuts in annual grant from the City) is a report against his employer.	The comment doesn't seem to be wildly relevant to the issue. The GSMD is a Department of the Corporation. Chief Officers of all Departments have had to report to their Service Committees over the last year regarding a reduction in funding for the Department, as part of the Service Based Review.



3.7	Requirements of governing bodies as stipulated by the funding bodies relating to audit include: appointing the Audit Committee; considering and, where necessary, acting on the annual report from the Audit Committee; appointing the external auditors; considering the annual report of the internal audit service; and receiving and approving the audited annual financial statements (this responsibility to be reserved to the governing body for its collective decision, without delegation).		As far as we understand, the GSMD uses the Corporation's Internal audit department and the Corporation's external auditors.
3.8	Data submitted for funding purposes on behalf of the governing body <b>must</b> comply with directions published by the respective funding body and includes: annual accountability returns; any data requested by the Higher Education Statistics Agency (HESA); any information needed for the purpose of charity regulation; and other information the funding body may reasonably request to understand the institution's risk status.		
<b>Day-to-day operations</b>			
3.9	Operational financial control will be exercised by officers of the institution under delegation from the governing body, and responsibility for financial management and advising on financial matters is generally delegated to the Director of Finance (or equivalent). That individual <b>must</b> have access to the head of the institution whenever he/she deems it appropriate.	Operational financial control is not under delegation from the governing body but from another part of the City of London. The School's Head of Finance does not report to the Principal but to the Chamberlain. These arrangements create significant additional work given the need to report on two different financial year cycles but the School and the Finance team make this work.	Operational financial control is exercised by officers under delegation from the Board, via the Chamberlain. Responsibility for advising on financial matters is effectively delegated to the Chamberlain's representative. I would assume that the Chamberlain's representative(s) for GSMD has access to the Principal when required. The different financial years is an issue, but it is one also faced by each of the City's Independent Schools.
3.10	The governing body <b>must</b> get assurance that there are effective arrangements in place for the management and quality assurance of data. To do so the governing body could seek assurance from the Audit Committee about data quality.	The audit department of the City of London conducts audits for report to the School's Audit & Risk Management Committee including on data quality. However, the City's audit department lacks expertise in the area of HE finance, student funding, and student management and audits therefore cause considerable additional time for School staff to rectify misunderstandings about process and data. One recent data audit has had to be redone from scratch due to the auditors misunderstanding the data.	It is true to say that the City's Audit Team are not specialists in HE. Neither are they specialists in other areas they oversee (MoL, Markets, Barbican, Open Spaces etc). Co-operation and communication from internal Departments is therefore key here to ensure that audits are carried out as efficiently as possible.
<b>Audit</b>			
3.11	The Audit Committee needs to be a small, well-informed authoritative body which has the expertise and the time to examine risk management control and governance under delegation from the governing body. It cannot confine itself to financial matters, and its role extends to all areas of institutional activity. While responsibility for devising, developing and maintaining control systems lies with the Executive, internal audit provides independent assurance to the governing body which should have an approved annual audit plan ( <i>it can delegate to its Audit Committee the power to agree the plan on its behalf</i> ).	The audit plan is not routinely communicated to departments and officers affected. This has caused difficulties for Finance and Registry in the recent past.	I would suggest that it is the School's responsibility to routinely communicate the plan, any recommendations and progress made against these to those departments and officers affected in order to overcome these difficulties.  If it would prove useful going forward, the minutes of Audit Committee meetings, or a relevant extract from these concerning the audit plan could be circulated to relevant Officers by the Secretary.

3.12	The Audit Committee <b>must</b> be composed of a majority of independent members (who may also be drawn from outside the governing body) and produce an annual report for the governing body, including: its opinion on the adequacy and effectiveness of the institution's risk management, control and governance arrangements; processes for promoting value for money (VFM) through economy, efficiency and effectiveness; and (in institutions receiving funding body support) the management and quality assurance of data.	The Audit & Risk Management Committee currently comprises two Common Council members and two independent co-opted members of the Board. There is also one vacancy. With only six truly independent, external members on the Board of Governors, and Common Council members involved in a substantial number of City committees, an independent member drawn from outside the Board would be beneficial. [Query: is this permitted under standing orders?]	Standing Orders provides that any Committee can constitute, dissolve or alter the membership of a Sub-Committee. This includes deciding how many members are on the Sub. There are other Sub-Committees where the Membership is not drawn from the Membership of the Grand (such as IT Sub), so there wouldn't be an issue with appointing a member to the Audit Sub from outside the Board Membership, particularly where a vacancy already exists.  The Audit Sub is currently chaired by an external Governor.
<b>Remuneration</b>			
3.13	The proper remuneration of all staff, especially the Vice-Chancellor and his/her immediate team, is an important part of ensuring institutional sustainability and protecting the reputation of the institution. Accordingly governing bodies <b>must</b> establish a Remuneration Committee to consider and determine, as a minimum, the emoluments of the Vice-Chancellor and other senior staff as prescribed in constitutional documents or by the governing body.	The School's Remuneration Committee's remit is very limited; it only plays an advisory role and cannot determine the emoluments of the Principal or other senior staff.  This is a significant issue and it will be more acute when the time comes to recruit a new Principal.	The Board (via an appointed Panel) have the power to appoint a new Principal and this process is supported by Corporate HR. The Court's approval is only required for the creation of new posts with salaries in excess of £100,000.  All staff are classed as CoL employees.
3.14	The Remuneration Committee composition <b>must</b> include the Chair of the governing body, be composed of a majority of independent members (who, as with audit, may also be drawn from outside the governing body) and have appropriate experience available to it. The Vice-Chancellor or other senior staff may be members of, or attend, the Remuneration Committee but <b>must not</b> be present for discussions that directly affect them.	There is no independent member drawn from outside the governing body on the Committee.	See 3.12 above
3.15	The Remuneration Committee <b>must</b> consider comparative information on the emoluments of employees within its remit when determining salaries, benefits and terms and conditions and ensure that all arrangements are unambiguous and diligently recorded. It <b>must</b> report on its decisions and operation at least annually to the governing body; such a report should not normally be withheld from any members of the governing body.		
3.16	Remuneration Committee members <b>must</b> consider the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance to the staff within its remit.		
The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments in order to maintain quality.			

4.1	A high-quality student experience and, where appropriate, research portfolio are determinants of institutional sustainability and are therefore core governing body responsibilities which it shares with the wider institutional community. This, taken with the governing body's responsibility for the long-term reputation of the institution, means that it <b>must</b> satisfy itself that academic governance is operating effectively.	Only as part of the recent amendments to the Instrument & articles has this been considered.	
4.2	The underlying principles of sound academic governance are based upon collegiality, and it follows that the governing body <b>must</b> therefore respect the role, as defined within charters, statutes or articles, of the Senate/Academic Board and other bodies involved in academic governance. However governing bodies will still wish to receive assurance that academic risks (such as those involving partnerships and collaboration, recruitment and retention, data provision, quality assurance and research integrity) are being effectively managed.	Many of these items are covered by the Principal's regular report. In addition the Academic Board and the Research & Knowledge & Exchange Committee report annually to the Board.	Agreed.
4.3	The governing body <b>must</b> understand and respect the principle of academic freedom, the ability within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or privileges, and its responsibility to maintain and protect it as enshrined in freedom of speech legislation.		
The governing body works with the Executive to be assured that effective control and due diligence takes place in relation to institutionally significant external activities.			
5.1	As already noted, the governing body has a responsibility to ensure the long-term sustainability of the institution and maintaining its reputation. It will therefore want assurance on external activities with significant potential financial or reputational risks. Where such activities involve commercial transactions, care <b>must</b> be taken to ensure that arrangements conform to the requirements of charity law and regulation. This is particularly the case where institutions have established subsidiary entities, for example separate operating companies or charitable trusts.		
5.2	The governing body will also want to ensure that fund-raising, donations, corporate sponsored research and partnerships and similar activities do not inappropriately influence institutional independence, mission or academic integrity.		
The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.			

6.1	<p>HEIs are required by law to comply with extensive equality and diversity legislation, and governing bodies are legally responsible for ensuring the compliance of their institution. The legislation covers the individual rights of staff and students not to suffer discrimination on the grounds of a number of protected characteristics<sup>4</sup>. Legislation in this area does not distinguish between domestic and international students and staff.</p>	<p>The School reports annually to the Board on the mix of students in relation to the protected characteristics. Also in the Academic Board's annual report a summary of student admission and assessment monitoring against the key equality strands is also provided.</p> <p>Who is responsible for monitoring equality and diversity issues concerning staff?</p>	<p>All equality information regarding staff is held centrally by Corporate HR. This is reported six-monthly to Establishment Committee, along with regular update reports on Equality and Inclusion issues.</p> <p>In addition to this, each 'Department' is issued with a monthly 'Dashboard' (an excel document) which, amongst other things, provides a breakdown of all departmental staff (in terms of both numbers and percentages) according to age, disability, sexual orientation, religion and ethnic group. This information is sent from Corporate HR to the HR Team for Barbican/GSMD (Steve Eddy). It should then also be shared with the Principal/Chief Officer and the SMT. This information, whilst lengthy and designed for Chief Officer use, could conceivably be summarised on a regular basis and presented to the Board for information.</p>
6.2	<p>Beyond this there is evidence that board diversity promotes more constructive and challenging dialogue, which in turn can improve governance outcomes by helping to avoid 'groupthink' and that as a result there is a strong business case for diversity alongside legal and moral expectation.</p>		<p>In terms of avoiding 'groupthink'. Common Councilmen are all independent and so tend to consider proposals on their merits as there are no party political ties. Again, I'd also refer back to the latest HEFCE Assurance Review (2011) which notes that "...many of the Governors have the Corporation's interests as well as the School's as their focus. Given the nature of the School as a department of the Corporation, these interests should be aligned and so this is not of particular concern".</p>
6.3	<p>The governing body <b>must</b> ensure that there are arrangements in place to:</p> <ul style="list-style-type: none"> <li>• eliminate unlawful discrimination, harassment and victimisation;</li> <li>• advance equality of opportunity between people who do and do not share a protected characteristic; and</li> <li>• foster good relations between people who share and those who do not share a protected characteristic.</li> </ul>		
6.4	<p>This means going further than simply avoiding discrimination, and it requires the active promotion of equality in a number of defined areas. The governing body <b>must</b> therefore satisfy itself that agreed action plans to implement the equality and diversity strategy are progressed throughout the institution.</p>		

6.5	The governing body <b>must</b> also routinely reflect on its own composition and consider taking steps to ensure that it reflects societal norms and values.	<p>The Board of Governors composition is limited by the fact that the majority of its members are drawn from Common Council.</p> <p>The Nominations Committee has no remit in respect of the Common Council members and the proposal to modify the Instrument of Government in a small way to give it a role was rejected.</p>	I'd argue that the types of Independent Members recruited to the Board is the responsibility of the existing Board Members – particularly those who sit on the Nominations Committee (including independent members and the Principal). P&R has previously discussed issues about how the Court's diversity could be improved as well. Eligibility to be a member of the Court is the broadly the same as that for election to every local council. The requirement to be a Freeman is essentially null, as it can be granted by the Chamberlain for all prospective candidates.
The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.			
<b>Composition and appointments</b>			
7.1	The governing body <b>must</b> have a majority of external members, who are independent of the institution. All members should question intelligently, debate constructively, challenge rigorously, decide dispassionately and be sensitive to the views of others both inside and outside governing body meetings.	The Common Council members of Board of Governors form the majority and are not strictly external as they are part of the same institution of which the School forms part.	This comment is fair, but then on the other hand only four of the Members (Principal, Academic staff rep, Non-academic staff rep and SU rep) are involved in the day to day running of the organisation. By contrast, UCL's council is made up of 11 external members and 9 internal members (3 professors, 3 non-professorial staff and 3 ex-officios [president and 2 UCL Union reps]). Cambridge seems to have 21 internal members and only 4 externals. Oxford is similar. Royal College of Music has the president, director, SU president, 2 academic staff, 1 non-academic staff (total 6) and 10 external. I'd argue that our Court Members, while internal to the organisation as a whole, are still fairly external.

7.2	The governing body <b>must</b> have the power to remove any of its members from office, and must do so if a member breaches the terms of his/her appointment.	My understanding is that the Board of Governors has no power to remove a Common Council member of the Board as it has no say over the appointment of such members to the Board.	<p>The Court appoints the Court Members to the Board. I agree that there isn't any power for the Board to immediately remove a Common Council Member, but, equally, there is also no power to remove an independent Member either.</p> <p>If a serious breach was made by a Common Councilmen this would be a matter for the Standards Committee. The Standards Committee has a hearing Sub Committee. If the Hearing Sub-Committee finds that a subject member has failed to follow the code of conduct and that they should be sanctioned, it may impose any one or a combination of the following:-</p> <ul style="list-style-type: none"> <li>• censure of that member;</li> <li>• withdrawal of City hospitality for an appropriate period;</li> <li>• removal of that member from a particular committee or committees.</li> </ul> <p>The option of removal from a particular committee or committees includes sub-committees. The Hearing Sub-Committee will make a recommendation to the relevant appointing body in each case.</p>
7.3	The governing body <b>must</b> establish a Nominations Committee (or similar) to advise it on the appointment of new members and the terms of existing members as well as the perceived skills balance required on the governing body. Normally final decisions on appointment are taken by the governing body.	The Nominations Committee is only permitted to consider co-opted appointments – amendments to give it a broader remit in respect of Common Council appointments to the Board were rejected.	<p>The existing Nominations Committee does advise on the appointment of new Members, terms of existing members and also looks at the perceived skills balance required on the Governing Body. Final decisions on appointment are taken by the governing body on external members but not on Common Councilmen.</p> <p>Common Council members seeking appointment to the GSMD complete a questionnaire, answers to which are circulated to the whole Court to enable them to make an informed decision. The Nominations Committee could seek to ensure that this questionnaire is asking the right questions.</p>
7.4	The governing body will need to ensure suitable arrangements exist for the continuation of business in the absence of the Chair. In some cases arrangements for a Deputy Chair are codified within institutions' governing instruments; where they are not, the Nominations Committee can advise the governing body on what arrangements should be.	There is a Deputy Chair	

7.5	The Chair and Secretary will want to ensure all members receive an appropriate induction to their role and the institution as necessary.	The Secretary for the Committee is the Town Clerk but he delegates this work to a member of relatively junior staff within the Town Clerk's Office. There is no requirement for this member of staff to have any HE knowledge or experience and being outside of the School usually has little knowledge of the institution.	In terms of an induction, TC's provides a Members handbook each year to all Members of the Committee, setting out the key contacts. We also seek to contact new members to arrange an induction with senior officers (for any Committee). As the school state, this is probably a role that the school itself is best placed to take, and can advise the secretary on how they would like us to facilitate this.
7.6	There is an expectation, often enshrined within the constitutional documents of HEIs, that governing bodies will contain staff and student members and encourage their full and active participation.	There are staff and student members but they are not equal re quoracy.	See previous point on quoracy and the Board's annual review of its terms of reference.
7.7	<p>Current normal practice is not to remunerate external members and to pay only travelling and other incidental expenses. However, if the governing body decides it is appropriate to remunerate, it will need to consider the:</p> <ul style="list-style-type: none"> <li>• provisions of charity and employment law;</li> <li>• implications for the division of responsibilities between the governing body and the executive;</li> <li>• public service ethos which applies generally among HE governors;</li> <li>• need to be explicit about time commitments;</li> <li>• need to apply a formal process of appraisal to the remunerated governor.</li> </ul> <p>Where it is decided to remunerate, payments would need to be both commensurate with the duties carried out and reported in the audited financial statements.</p>		
<b>Operation</b>			

7.8	The Secretary (or Clerk) is responsible to the governing body for the provision of operational and legal advice in relation to compliance with governing instruments, including standing orders. He/she is also responsible for ensuring information provided to the governing body is timely, appropriate and enables an informed discussion so that it may effectively discharge its responsibilities.	See 7.5 above re clerking arrangement. In practice the clerk plays little role in enabling informed discussion and does not draft papers or undertake any HE related research (this is done by internal School members of staff), the primary function of the clerk seem to be circulation of papers and taking minutes.	<p>I'd argue that the Clerk does provide operational and legal advice to ensure that the Board is compliant with legal requirements, standing orders etc. This is usually done prior to the meeting through the report drafting process. I'd guess that if the GSMD had their own, full time clerk, that clerk would have a greater role in report drafting and research, alongside the other members of staff that currently do this.</p> <p>The Clerk advises the Chairman on protocol, conduct of debate, standing orders etc. both before and during meetings.</p> <p>Information is provided to the governing body in a timely and appropriate fashion in accordance with legal requirements.</p> <p>I'd therefore argue that the Clerk as is fulfils the requirements set out by HEFCE – the comments which follow from GSMD re: drafting of papers and HE research doesn't seem to naturally 'flow' from the HEFCE requirement?</p>
7.9	All members of the governing body <b>must</b> have access to the services of the Clerk. Arrangements for the appointment or removal of the Secretary/Clerk may be defined by governing instruments; where they are not, it <b>must</b> be a decision for the governing body as a whole.	The Board of Governors has no say in the appointment or removal of the Clerk either at the formal level of the Town Clerk or at the operational level of the Town Clerk's representative.	<p>All members of the governing body have access to the services of the Clerk.</p> <p>It is correct to say that the Board has no say in the appointment or removal of the Clerk either at the formal level of the Town Clerk or at the operational level of the Town Clerk's representative. Again, I'd guess this would be different if the GSMD were inclined to appoint their own Clerk.</p> <p>The current clerking arrangements are the same for all Committees of the Corporation including the Boards of the independent Schools.</p>
<b>Review</b>			
7.10	Governing bodies need to adopt an approach of continuous improvement to governance, in order to enhance their own effectiveness and provide an example to institutions about the importance of review and evaluation.	Whilst there is a Governance & Effectiveness Committee, formal review is not enshrined within the Statement of Primary Responsibilities. This was an amendment that was rejected.	I'd argue that this is conducted through the overall work of the Board.



7.11	Accordingly, governing bodies <b>must</b> conduct a regular, full and robust review of their effectiveness and that of their committees, the starting point for which should be an assessment against this Code and the statutory responsibilities alongside those which it has assumed and articulated independently (e.g. through a statement of primary responsibilities). Many governing bodies find an external perspective in this process useful, whether provided by specialist consultants or peer support from other governing bodies.		
7.12	Codes of governance in other sectors adopt a period of two or three years. Recognising the need to balance the cyclical nature of HE and the impact this can have on the implementation and embedding of new practices, and the swiftly evolving HE and broader legislative environment, reviews <b>must</b> be conducted at least every four years with, as a minimum, an annual summary of progress towards achieving any outstanding actions arising from the last effectiveness reviews.		

<b>The principal responsibilities of the governing body should be set out in its Statement of Primary Responsibilities, which must be consistent with the institution's constitution.</b>		
<b>While there may be some variations because of different constitutional provisions, the principal responsibilities are likely to be as follows:</b>	<b>Board's Statement of Primary Responsibilities</b>	
1. To approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.	See Instrument & Articles of Government, Article 1a of Board of Governors: terms of reference and statement of primary responsibilities	
2. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions.	An amendment to 1b was proposed to make specific reference to KPIs but was rejected.	
3. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and human resource management of the institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.	Head of institution has no authority in respect of many aspects of the financial, estate and human resources policies and procedures.	
4. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.	An additional point in the Articles to embed this was rejected.	
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.	An additional point in the Articles to enshrine review was rejected.	
6. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.	An additional point in the Articles to embed this was rejected	
7. To safeguard the good name and values of the institution.	Not covered explicitly in the Statement of Primary Responsibilities	
8. To appoint the head of the institution as chief executive, and	Not permitted	

to put in place suitable arrangements for monitoring his/her performance.		
9. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.	Not permitted	
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.	Not permitted	
11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.	Some aspects not relevant.	
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.	Some aspects not applicable and modified version to cover relevant statutory and regulatory obligations was not approved.	
13. To receive assurance that adequate provision has been made for the general welfare of students.	Enshrined in new Article 1g	
14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.		
15. To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.		

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## Annex 2: 'Quick wins', points for further discussion and remaining areas of difficulty

### A. In respect of the Instrument and Articles there are seven possible quick wins (green), and one possible additional win after negotiation (amber) as follows

To expedite the necessary amendments concerning the Academic Board to the Instrument and Articles of Government for Privy Council approval, some non-contentious amendments were removed and these could be represented for approval.

The amendments to the Instrument and Articles recommended by the School's Board of Governors **not** approved were:

Instrument of Government:

1. Constitution of the Board of Governors – **contentious**
2. Role of the nominations committee – **could be strengthened without adopting the full format of the original proposal. Maybe some room for manoeuvre given the way City Academies' governors are selected.**
3. Additions to skill sets required of governors (including Common Council governors) – **non-contentious**

Articles of Government

4. Statement of primary responsibilities  
New additions in line with HEFCE guidance
  - KPIs – **non-contentious**
  - annual audited financial statements (academic year) – **non-contentious**
  - Compliance with statutory and regulatory obligations – **non-contentious**
  - Risk management and associated internal controls– **non-contentious**
  - monitoring and evaluating the performance and effectiveness of the Board of Governors – **non-contentious**
5. Quoracy – addressing the imbalance between Common Council members and other members - **already acknowledged as a possible quick win by the Town Clerk's office**

### B. Servicing of the Board of Governors in line with Higher Education expectations and ensuring direct accountability to the Board (and taking the Board and its committees outside of local authority procedures) - **something to be discussed, would necessitate a change to the Articles of Government**

### C. Equality of status of Board members – a revised quoracy provision has already been acknowledged by the Town Clerk's office as a quick win, equal visibility of Board members on the City of London website (notably profiles and declaration of interests) is non-contentious, and the greater involvement of external co-opted members in subcommittees (including additional external co-opted members not on the main Board) is already under discussion- **some quick wins**

### D. Autonomy of the Board, eg collective responsibility, removal of members etc . Some ground rules about behaviours would help, for instance agreement that a member of the Board should not raise as an objection at a grand committee something s/he had the opportunity to raise at the Board of Governors but did not (either by their silence or failure to attend) – **this is no doubt contentious but perhaps could be tied up in the memorandum of agreement with HEFCE about the board and its respective responsibility to all its stakeholders.**

KML/September 2015

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