

**FIRCROFT COLLEGE OF ADULT EDUCATION**

**EXTERNAL REVIEW OF GOVERNANCE**

**REPORT TO THE GOVERNING BODY**

AUTHOR: JIM ALEANDER

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This report is the result of an External Governance Review conducted between November 2023 and March 2024. It was commissioned by the Governing Body of Fircroft College of Adult Education to meet the requirements for such reviews as set by the Department for Education in its guidance from May 2022<sup>1</sup>.

The review is only intended to meet the terms of this guidance and is not an assessment of compliance with regulatory requirements in any other respect.

Note: in this report the terms "Governing Body" and "Board" are used synonymously.

I wish to thank all governors, the Principal and staff involved for their open and supportive contributions to this review. Particular thanks to the Clerk to the Governing Body, for her efficiency and good humour in finding all necessary people and materials to enable an effective review process.

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<sup>1</sup> [External governance reviews: guide for FE college corporations and designated institutions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/guidance/external-governance-reviews-guide-for-fe-college-corporations-and-designated-institutions)

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## **Fircroft College of Adult Education External Governance Review**

*"Our 2030 strategic goal:*

*Fircroft College remains firmly committed to placing our students at the heart of our strategy. Our goal is to support the development of global sustainable citizens. Our strategy shows that global sustainable citizens exist at the intersection of good work, health and well-being and civic and community engagement."*

*From the Fircroft College of Adult Education Strategy, Towards 2030 and Just Transitions, July 2023.*

*"Doing better things rather than doing things better."*

### *Executive Summary*

This external governance review was undertaken between November 2023 and March 2024, following the guidance for these reviews provided by the Department for Education. The Governing Body, leadership team and staff have managed the college and provision for students through three major and rare events since 2020, in the form of the pandemic; a change of main provider of most public funding; and a change of legal status with incorporation. The Governing Body has had significant changes itself in its membership throughout this period, with recruitment aimed at broadening and deepening its expertise and skills.

This review has found that the Governing Body, supported by the Principal, Clerk and the senior executive team has shown committed, skilled and highly effective leadership through a demanding period of change and uncertainty. The joint focus on positive student experiences and staff wellbeing is evident. Resources are overseen efficiently. The culture is open and values-based, supporting the new strategic vision.

There are considerations for governors relating to medium term financial decisions, national and regional funding policy and their estate. There are also recommendations ranging from an enhanced focus on student progression to more partnership working with employers. There are recommendations about aspects of role descriptions and attendance at Audit Committee, for consideration in the context of governors having a good understanding of their roles and responsibilities. It would enable fuller understanding of the benefits of Fircroft and the issues facing the college if more governors were able to spend focused time in college with students and staff.

In the medium term, and recognising funding pressures on the sector, there is potential for wider engagement by governors in the role of ambassadors for the Fircroft mission, purpose and resource requirements.

Note: some recommendations are made in the main text for the convenience of the reader but all are brought together in a single section towards the end of this review report.

## *Introduction*

1. The Department for Education (DfE) formalised the requirements for external governance reviews of further education colleges in its guidance in May 2022. Colleges are expected to have an external review in the terms of this guidance from the year 2021/22 onwards and every three years thereafter. These reviews operate alongside each college's annual self-assessment of governance, which is usually linked in practice to assessments of wider leadership and management utilising Ofsted criteria. A summary of the review results is expected to be published and outcomes shared with the Department on request.
2. Fircroft's Governing Body agreed to the terms of this review at its meeting in October 2023 and, having submitted a proposal, I was commissioned to conduct it, starting in November. I had carried out governance work for Fircroft previously, producing advice and a report with recommendations during the academic year 2019/20.
3. I produced an interim review report for the college's Governance Committee in January 2024.

## *Context*

4. Fircroft College was initially set up in 1909 and then re-established as a charitable trust in 1979. It is a designated institution under the Further and Higher Education Act 1992 for the purpose of conducting residential adult education. During the year 2022/23 the college decided on the basis of legal advice to move from its charitable trust status to an incorporated charitable body, which was achieved on 1<sup>st</sup> August 2023. All assets and liabilities were transferred from the Fircroft College Trust on that date. As reported to trustees and governors during the decision-making and transition, this was seen as an administrative approach to improve trustee protection, with no changes anticipated to the College's structure, funding and charitable purpose.
5. To align with this change in legal status the college developed a new Strategy, *Towards 2030*, which was approved at the first Governing Body of Fircroft College of Adult Education Ltd on 12<sup>th</sup> July 2023. The college has retained the Fircroft College Trust for what has been seen as a temporary period, as confirmed by minutes of meetings and the Annual Report and Accounts for 2022/23.
6. In the operating context, the college has navigated its way through three major changes requiring skilled corporate decision making in recent years. The following section considers each of these.
7. The first major change arose from the Covid-19 pandemic, with its main years 2020-2022. The pandemic had major effects on society and all organisations of course, but Fircroft as a residential college was severely constrained. Nonetheless the college maintained significant student enrolments during those pandemic years. In 2020/21 the college had to innovate substantially in its student provision because of restrictions on residential education, moving to online and

hybrid learning. Financial pressures arose as residential funding was much reduced but effective negotiations with the funding body<sup>2</sup> mitigated the impact, although repayments became due later (see below).

8. During 2021/22 the college fully returned to residential operation and was also able to return to pre-Covid class sizes. The college had an operating financial surplus in both 2020/21 and 2021/22. However, residential audit repayments of £521,000 had to be funded in the 2021/22 year, as shown in the Annual Report. There was involvement by the FE Commissioner at that time, with a diagnostic assessment report stating "governance remains a strength". (Dec. 2021).
9. The second major change for the Governing Body and leadership team to manage was the switch of almost all its public funding from the national funding agency, the ESFA, to the West Midlands Combined Authority (WMCA), itself a recently-created body of regional government. This took place in the 2021/22 year when the Adult Education Budget was transferred to the WMCA for distribution, which would be ultimately at its discretion based on priorities. This came with risks in relation to the WMCA's understanding of Fircroft's place in the adult education sphere and risks in reverse, in relation to the college's capacity to demonstrate value and benefit to the WMCA.
10. The third major change to highlight here is the change to legal identity referenced above, when the college became an incorporated entity in 2023. All these substantial changes required well-informed, skilled and decisive governance, working collaboratively with the Principal/CEO/Accounting Officer and her senior team, who themselves were managing through uncertainty.
11. The positive outcomes from the college's leadership and governance decision-making through these changes are commendable, as evidenced through student recruitment and achievement; financial stability; and a re-positioned strategy with vision and purpose.
12. During the period from the onset of the pandemic to November 2023, when this review started, the Governing Body also underwent significant change in its membership. Nine new independent governors started between 2021 and late 2023, with two more being appointed at the meeting of the Governing Body in December 2023 to start in January 2024, from a total of thirteen independent governor positions overall. Established governors, the Clerk and the reporting executive team had to support incoming governors through both their individual inductions and through "rare event decision making", as all three of the challenges above might be called. In fact, very rare event: the last pandemic was over a century ago and nearly all FE colleges experienced incorporation in 1993, with any later constitutional changes mainly by dissolution and merger.

### *External Review Method*

13. Moving on to the conduct of the review, this followed the DfE guidance, which indicated:

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<sup>2</sup> At that time, the Education and Skills Funding Agency of the DfE (ESFA)

- Scoping the review, which was done initially with the Chair and Clerk
  - Agreement on access to meetings and documents
  - Arrangements for meeting individual governors
  - Gathering views from students, college staff and stakeholders
  - Observation of Board and committee meetings
  - Regular feedback to the Board and governance professional (the Clerk).
14. All these opportunities were taken up in the process. An interim report was provided to the Governance Committee on 17<sup>th</sup> January 2024, with discussion and suggestions which guided the later stages of the review.

### *Review Activity*

15. The first day on-site of external review activity coincided with a call from Ofsted to announce a full inspection from the 21<sup>st</sup>-24<sup>th</sup> November. Naturally, preparation for this had priority for college leaders. Governors were engaged and supportive during this inspection, with the positive report now published<sup>3</sup>.
16. Review activity followed a phased approach as shown in the table below. There were no hard boundaries between phases, with governors, the Clerk and senior staff making themselves available as needed.

Phase	Type	Comments
Planning	Document review and discussion with Clerk and initial meeting with Chair	Open, transparent and supportive early planning meetings
Desk top review	Governing Body and Committee agendas and minutes, 2022 and 2023. Related documentation, e.g. Annual Reports	This included relevant policies and procedures. It also included strategic documents from e.g. WMCA and LSIP sources
Meetings	1:1 with governors either in person or online. Observation of GB and Committees. Informal keep-in-touch follow-up. 1:1 meetings with senior staff and Clerk. Informal student conversations	Observed GB, Dec 2023. Governance Committee, Operations Committee, Education & SS Committee, and Audit Committee Jan-March 2024
Interim Report	Formal report to Governance Committee Jan 2024	Enabled fine-tuning of processes towards the final report
External Review Reporting	Final Draft to Governing Body 20 March 2024	Comments noted for final version by 27 March 2024

<sup>3</sup> [50237872 \(ofsted.gov.uk\)](https://www.ofsted.gov.uk/reports/50237872)

## *Elements of the Review*

17. The main review activities utilised the core requirements of an external review as outlined by the DfE. They are reported upon in this section. The elements are then drawn together through the themes of People, Structures and Processes. The sub-headings that follow are from the DfE guidance.

### *How governors discharge their role as charity trustees.*

18. It is clear that there is substantial positive evidence for two main types of relevant activity. One is the standard business of practical governance in a college, such as setting the strategy for meeting the charitable purposes, along with approving a framework for management, staffing and for the resources designed to achieve these purposes. The second and seldom-required activity is the set of decisions taken recently about constitutional change, with the college becoming an incorporated charity whilst maintaining the charitable Trust for at least a transitional period.

19. Regarding the "standard business", governors have approved and operate to Articles of Association with legal status, and Standing Orders for the conduct of business, the latter being reviewed annually. Minutes of meetings of the Governing Body and its committees demonstrate compliance with these constitutional documents.

20. For reasons of more efficient and effective practice the number and remit of committees was reviewed in May 2023, with a report by the Clerk to the Governance Committee recognising new members might wish to approach matters differently. This led for example to the separate Education Committee and Staff and Student Services Committee becoming one, with revised terms of reference. Note: although this looks effective in practice in its first year of operation, care will be needed to ensure that all aspects of a broad remit are addressed adequately in the cycle of business. Staff oversight moved to the Operations Committee, also with broad terms of reference.

21. Also in 2023 the developing role of Lead Governors was flagged as offering new means of engagement into the college and reporting to the full Governing Body. At that time there were Lead Governors for:

- Safeguarding
- Education
- Social Justice and Climate/Environmental Justice.

Subsequently, another Lead Governor was appointed for Technology. Whilst these roles do not carry any decision-making powers, they do facilitate greater engagement and collaboration with staff and this feeds into brief annual reporting to the Governing Body. Note: the role descriptions for Lead Governors contain substantial detail which could be more streamlined and strategic, as there are potential operational overlaps.



22. Regarding the second area, of constitutional change: in 2023 the college made its most significant change to its legal identity since its foundation, in becoming an incorporated charitable body. Although the charitable objects were not amended, and eligibility for funding was to be retained in the same way, this was a substantial change to legal identity, Board responsibilities and accountability. Records show that the college took appropriate legal, audit and regulatory advice throughout. Governors questioned and understood the reasons for this change, as evidenced in records of their meetings. The requirements put substantial pressures on Fircroft's executive team, as well as on governors, all of whom had to maintain normal business throughout the period of over a year when key decisions were to be formulated and taken. Nonetheless, the evidence of meetings and audit processes shows that this transfer was undertaken successfully.
23. Also in this area of accountability, the Governing Body has adopted and operated to a Code of Governance. Given its specialist purposes Fircroft could have chosen from several codes but adopted that of the Association of Colleges as revised in 2023 (AoC Code of Good Governance<sup>4</sup>), putting it in line now with other incorporated FE colleges. This version of the AoC Code is principles-based and more straightforward to self-assess against than earlier versions. In the opinion of this author though it is less explicit in the area of Equality/Equity, Diversity and Inclusion (EDI) than the equivalent code for charities<sup>5</sup>, which is also principles-based. If governors look to use the new AoC Code in self-assessment they might wish to consider tailoring an EDI review with sight of the Charity Governance Code. The two codes are similar otherwise.
24. On the subject of EDI, evidence utilised in this review shows that Fircroft has high standards and innovative approaches in this area. One element of the Public Sector Equality Duty arising from the Equality Act 2010 is the duty to "advance equality". This goes well beyond equality of opportunity, as phrased formerly, but is often under-emphasised. I suggest that Fircroft's self-assessment reports and other evidence from students' achievements at the college do indeed show progress in "advancing" equality. This is a feature of the college's success that governors might wish to bring out more strongly as evidence of public benefit and value for money.
25. Note: the college's EDI policy was due for revision in February 2024. I understand this will now go to the Board in July.

*The effect of board culture (and college values) on decision-making, including encouraging appropriate challenge and contribution, and on the culture and tone of the organisation.*

26. Fircroft is a college with a highly distinctive set of values, deeply rooted in its origins as a philanthropic, service-centred, community learning organisation. It is reasonable to assume that volunteer governors, who have choices as to where

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<sup>4</sup> [AoC-Code-of-Good-Governance\\_2023.pdf \(d4hfzltwt4wv7.cloudfront.net\)](https://www.aoc.org.uk/sites/default/files/2023-07/AoC-Code-of-Good-Governance_2023.pdf)

<sup>5</sup> [Home — Charity Governance Code](#)

they dedicate their time, choose Fircroft on the basis of its ethos and values. This particular choice has also been stated in conversations with governors: "I wanted to be a governor at Fircroft, not just a school or college governor". Culture is not a materials science and is often to be inferred but the evidence for decision-making based on the values of inclusion, social justice and promoting global citizenship is clear.

27. Culture is the focus of the new strategy, established in 2023. It is also evident in reports to the Governing Body and the decisions recorded in minutes of meetings, which in summary could be said to reflect "the Fircroft way". This culture-led approach has also come through my conversations with governors, the Principal and senior staff. It is summarised in the line to the new strategy cited at the start of this report: "doing better things rather than doing things better". Of course, doing things better is important in ensuring good governance practice, at Board and Committee meetings for example. There is clear evidence in the records of consistent development and improvement, for that. But the emphasis on "better things" indicates a move often seen as exemplifying good governance generally, which is a move from *compliance* (with regulation etc) - necessary in itself – to *contribution*; the way to change the College for the better, and then the world (in the words of the Fircroft Strategy).
28. Students I have met informally have also commented on the culture, although not always using the word. "Why I like it here" is answered with words about respect, acceptance, an environment for learning, security and being listened to. Also heard: "somewhere I can hope". A student governor conversation covered the mature approach to learning between students and staff, acceptance of expectations of conduct whilst at college, and opportunities to see how to create a successful future.

#### *How the board sets and communicates strategy*

29. As noted above, the Governing Body re-set the strategy last year. This was the result of an established process amounting to a set of strategic conversations at the Governing Body over the course of more than a year, initially as the college came out of pandemic controls. Governors discussed the purpose and direction of the college, at a time of substantial change in the policy and funding landscape. During this period of strategy formulation, and beyond, new governors were joining the college. Several said that hearing about the ambitions in the developing strategy was part of the attraction to Fircroft. The Principal described the Towards 2030 strategy as the achievement she was most proud of in her time at the college. In developing the strategy it is evident that governors moved from a strong operational focus on survival as a residential college<sup>6</sup>, during the main pandemic years, to recovery and a vision for the future. This is documented in Board reports and minutes of meetings.
30. The outcome is a highly ambitious strategy which reads much like a vision statement. Its intentions go well beyond Birmingham and the region. It is

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<sup>6</sup> Two of the four colleges of adult residential education in England in 2018 have since closed/merged with FE.

“...framed by a radical sustainability viewpoint which recognises the interconnectedness of social and climate/environmental injustice...” As it has a global perspective, it states “...We will seek out and develop new alliances, allies, partners and networks to support and challenge us in this work...”

31. Note: the issue for governors with any college strategy is to approve assessable strategic objectives arising from it over an agreed period of time: the “how do we know we are achieving it?” factor. This time period varies with individual colleges but often covers the typically three years of a financial plan. As this strategy, local to global, covers the period to 2030, governors are advised to determine how they set objectives to realise the aims of the strategy. Put simply, the question is: how will we know if we are achieving it?
32. The timing of the strategy’s approval last year worked well for one of the new, formal “strategic conversations” colleges have with the DfE regional post-16 team, as recorded in a letter from this team in July 2023, as the new strategy was in the process of being set. The college also produced an Accountability Agreement at this time. This included five “accountability objectives and aims” and three “strategic aims and objectives”. They vary in that they serve somewhat different purposes but it is advisable that governors seek greater alignment of aims and objectives relating to the strategy and Accountability Agreement. This would assist setting time-phased Board objectives over the period of the financial plan and the Towards 2030 strategy.
33. My understanding is that the strategy is communicated with stakeholders at every opportunity, including those presented by visits to the college such as the three in November 2023 by: the FE Commissioner; the Mayor of the WMCA; and, of course, Ofsted through inspection. There are strong regional and national networks. There is an opportunity for governors in their ambassadorial role to promote this strategy, which in my experience is the most ambitious and visionary of any strategy in the FE sector. Promoting the vision for Fircroft’s students and staff, and for wider society, and achieving it progressively, is a means of securing the future of adult residential education.

*How the board models and promotes good diversity practice*

34. The Board and leadership team have firm, explicit commitments to equality, equity, diversity and inclusion. There is strong evidence in the mission, strategy, educational provision and student recruitment that the Board promotes these commitments. There has been an increase in diversity of individuals in the membership of the Governing Body but “good diversity practice” is more than membership. How the Board and committees operate is a factor in enabling diversity to enhance practice. Diversity of views has been evident in the meetings I have observed and this has been supported by the chairing and style of these meetings. Some Board members in all organisations tend to hold back and expression of views may need encouragement. The same applies to engaging in informal visits to premises and meeting staff and students. Good chairing in terms of managing agendas and time is important but sometimes happens at the

expense of full inclusion. Although I have not observed that at Fircroft it is a factor to recognise<sup>7</sup>.

35. Complaints by Board members around the world focus on volumes of papers and time spent at meetings, along with preparation and follow-up. With significant change in Governing Body membership the style factors like these would benefit from annual review in the self-assessment cycle. Questions like: how should we meet? How should we enable contributions from all governors? Is the committee structure right (reviewed and changed last year)? How do we wish to receive information reports and decision items, and should these be different? Fircroft has revised approaches to these matters over the years and this review encourages continuity of questioning in this area. If the factor of support for diversity is applied then change will continue, perhaps enabled by the point referred to above of the move from compliance as a baseline to effective and enjoyable contribution by all.
36. Note: the issues covered here apply particularly to student governors, who usually serve a year at most and who may just be getting to grips with the role as they leave it. Intending or serving governors with a disability may also be better-enabled to serve well with modified practice, which in turn might be found to benefit everyone when applied.

*Governor recruitment, induction, development and succession-planning*

37. As noted earlier, the Governing Body has had substantial new membership since 2021 and approved two new members at its meeting in December 2023. The Clerk has a thorough approach to recruitment which recognises any gaps arising through the annual Skills Audit. The college has proven attractive as a place to volunteer as a governor and to serve the distinctive mission. Fircroft also recruited a new Chair of the Governing Body in 2021, with a substantial background relevant to the role and capacity to make an immediate positive contribution, which has been evidenced.
38. Induction is well-planned but in this unusual, even complex, values-driven college it would be beneficial to continually review the induction requirements, recognising both the need to “learn the ropes” of college governance along with the potential and evolving role of governors in external liaison settings. This latter point also applies to ongoing governor development in a constantly-changing landscape. An example of the external role was provided at the most recent Governing Body in December, when it was noted that the Chair and Principal had met the Minister of State at the DfE, Robert Halfon, on the crucial issue of funding residential education, with follow-up action due and approved. Liaison won't always be at this level but developing capacity for external representation and influence more widely on the Board would bring benefits. This applies to staff and student governors as well as independent members. This representation externally, as an advocate, sometimes described as an ambassador, is likely to become even more important as medium-to-long-term

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<sup>7</sup> Matthew Syed's book *Rebel Ideas* has good examples of activating diverse opinions, including at meetings.

financial constraints affect the wider sector and higher-cost provision in particular.

39. As the college has established Lead Governor roles, succession planning is not only about replacing core expertise evident through contributions and the skills audit. It also affects specialist roles such as Chair, Vice Chair, committee membership and specific governor leadership roles. The current Vice Chair is the longest-serving governor and has made a substantial contribution, individually and collaboratively, to the growing effectiveness of governance in recent years. He also has the often-overlooked benefit of holding “the memory of governance” in his time. The Governing Body would benefit from going beyond replacing his skills and role to ideally retaining a link with the Vice Chair, if he is willing.
40. The Principal (also CEO, Accounting Officer and ex-officio Board member) has provided distinguished leadership and succession planning should recognise the potential for future change. This applies more widely to the senior management team. Recognising the skills and experience of the Clerk at Fircroft, allowance should be made for future change in regard to her role as well.
41. The college managed major external change effectively from 2020, whilst managing continuing renewal in its Governing Body. Induction development will need to be informed continually by learning from recent appointments what has worked well and what needs amendment in connecting new governors to Fircroft effectively.
42. The continuing uncertainties of national and regional policy for Further Education, and the place of adult residential education in particular, indicate that governors should establish a development programme to be refreshed annually. This arises currently from the self-assessment process and the initiative of the Clerk and individual governors, as well as at Board meetings. It is recommended that going forward a governor development programme is shaped by the strategic objectives, annual self-assessment (which will include individual development needs) and periodic governance priorities. Staff and student governors, and any associate governors, will have their own requirements. The Clerk is well connected to her own peer networks and serves the Governing Body with authority, but will also have development needs arising from the changing requirements of good governance.

*The role, input and influence of the governance professional (Clerk to the Governing Body)*

43. I had the benefit of previous contact with the Clerk during earlier governance work at Fircroft in 2019/20. As noted above, since that time the college has experienced substantial internal and external change and uncertainty. A review of the documented evidence on each major change factor to date shows that the Clerk has a clear, well-informed understanding of her role; has provided timely, effective input; and has provided influence and necessary “steers” on governance practice where appropriate. As an example from the most recent meeting of the Governing Body in December 2023, a procurement issue was discussed which

needed a rapid response, with probable delegation to the Chair, but also had questions needing clarification of policies and procedures. The Clerk intervened to ensure a suitable process was followed.

44. During this review I have had several conversations with the Clerk which, along with the evidence from meetings I have attended and governance records, confirm the view from the FE Commissioner's report of December 2021 that she is "highly experienced", and in my view a key asset to good governance at Fircroft.

*Governor, chair, governance professional and senior leadership team dynamics and effectiveness of working relationships*

45. Again, drawing on the benefit of conducting this review with some prior knowledge of Fircroft's governance arrangements to 2020, I have found good evidence of progress in managing change - and risk - through effective engagement between governors and senior staff, with key continuity provided by the Principal and Clerk throughout. This has been supported by other experienced and established senior staff and longer-serving governors, with newer governors bringing fresh additional expertise.
46. Continuity provided by Mel Lenehan as Principal has been greatly beneficial because, in particular, of the values-driven nature of the college's strategy (values "owned" and implemented by Mel) and also because Fircroft is one of only two colleges of this type in England. Deep knowledge of the distinctive features and requirements of adult residential education informs effective, dynamic leadership interactions and decision making. This is shown in conversations with senior staff and governors, as well as being evident in the reports received and discussed by the Board. The effectiveness of working relationships is reflected in the continuing success and positive reputation of the college; external recognition through awards; and, most importantly, in the recruitment and progression of its students.
47. Witnessing interactions at meetings of the Governing Body and its committees, there is clear evidence of informed, respectful working relationships with appropriate support and challenge. The essential matter arising from the dynamics of working relationships is productivity, in the form of impact and beneficial outcomes for Fircroft. These are also evidenced in the college's strong, respected local leadership (including of funded collaborative projects); continued resourcing for its relatively high-cost provision; and good inspection outcomes.

*The board's interaction with students and stakeholders*

48. It may be argued that the Board's first formal interaction with students is through its student governors. The nature of the college's very diverse student recruitment and the duration of courses means that student governorship will inevitably be variable. Fircroft has recruited two student governors this year who contributed well at the December meeting and will continue to represent the student body.

49. There is evidence in Board papers of governor engagement with students and their learning settings. However, I suggest the number of independent governors doing this could be increased and perhaps greater structure given to it, to enhance the contribution of governor visits to informing Board discussions and to quality improvement actions. This would need to be planned, focused and purposeful, perhaps linked to the college's Quality Improvement Plan priorities.
50. Staff are also stakeholders, central to delivering the strategy. The college has a relatively small and now stable staff team, after major restructuring some years ago. Governors meet senior staff on a regular basis; the Board has staff governors (although vacancies have existed this academic year for longer than is ideal); and there is a committee with a staff remit. There is evidence in Board minutes and reports of priority being given by governors to staff well-being, values-based employment practices and detailed consideration of affordable suitable remuneration.
51. Regarding external stakeholders, the Bournville Village Trust, WM Combined Authority, the ESFA/regional DfE team, Birmingham City Council, Colleges West Midlands and the designated employer representative body for the West Midlands and Warwickshire (which leads on the development of the local skills improvement plan – the LSIP) stand out as local planners/funders/partners of influence. There are many more, especially in the context of a strategy with a global dimension. There are also diverse community stakeholders. Ofsted is the responsible inspectorate and found, in the report cited on p.6, that "...external stakeholders recognise that the college specialises in adult residential education and is skilled at reaching learners who are furthest from the labour market. Leaders use their knowledge of skills gaps and shortages to shape their curriculums. However, leaders do not work directly with enough employers and stakeholders to design individual courses that precisely meet stakeholders' needs..."
52. For governors, an annual review of Board stakeholders seems even more important at a time of change, with planned interaction as appropriate in the college's business cycle. As there are established Lead Governor responsibilities, an option would be to identify which stakeholders require the Chair as lead for governor liaison and which would suit an individual alternative governor to lead for communication, liaison and development opportunities. A much wider range of stakeholders will link to college staff, managers and the Principal, with points of overlap where both governor and staff engagement are needed from time to time.

*The impact of governance, including policies, practices and structures and means of engagement.*

53. This aspect has been covered significantly in other sections above in this report, and also below, with regard to structures. In addition, I noted that all necessary constitutional documents and record were in place. Policies cover all main requirements and have scheduled updates in the cycle of revision and renewal.

The internal audit service provides scrutiny of relevant policies and procedures, with advice through recommendations which are acted upon.

54. Reference has been made already to the impact of governance through the cycle of "rare events" in recent years. Contribution to delivering the strategy is in place alongside ensuring compliance with regulation. Means of engagement are formally through the Governing Body, which meets in person, and its committees, which meet online as standard. New governors may feel that online meetings restrict their opportunities to familiarise themselves with fellow-governors, reporting managers and the "ground floor" of the college. For this reason, means of operating should be kept under review. Development days or half days are useful means of both focusing on a strategic matter and bringing people together. They demand time but this can be repaid in benefits to governance.
55. Governors have encouraged the annual production of an Impact Report. This was received and discussed most recently at a joint session of managers and governors at the meeting of the Governing Body in December 2023. The difference made by the college is assessed and guided by governors in both quantitative terms (such as students' achievements) and qualitative terms (student views, for example). There were examples of significant impact and contribution to both learners and the community.

#### *Ofsted*

56. This review has operated under separate guidance to an Ofsted inspection (report cited p.6), where governance is assessed under Leadership and Management. Ofsted's findings are highly relevant and taken into account but an external governance review looks at wider evidence. It is a significant achievement though that Ofsted found Leadership and Management to be "Good" in its judgement, with governance within that. Ofsted reported there to be "...an experienced and dedicated board of governors, which brings valuable experience in education, careers and environmental and social inclusion. The board plays an active role in the college, supporting leaders with new developments, such as the impact framework and projects on social justice, which are a key part of the college's mission". This is a commendable outcome.

#### *People, Structures and Processes*

57. The lines of enquiry above which frame the external review have provided evidence against the three areas which bring this report together: people, structures and processes.
58. *People.* The Governing Body of Fircroft College has experienced new appointments of eleven from thirteen independent governors since early 2021; a replacement rate of approximately 84%. This is a high level of turnover, yet governance can be said to have been consistently good during that period, evidenced by the FE Commissioner's report (2021); and Annual Reports and



Accounts for 2020/21, 2021/22 and 2022/3, mainly showing achievement of student numbers, student achievement outcomes, and financial aims. Allowance is made for Covid-19 mitigation and repayment arising from audit (2021/22) based on a misinterpretation of funding rules which also affected Northern, the only other adult residential college. The leadership team including governors managed finances generally well during those times, acknowledging misinterpretation of funding eligibility.

59. The skillsets and experience of the current Governing Body reflect the requirements of the revised strategy, including the capacity not only to have a Lead Governor for Education (with respect to the role, many colleges have these) but a Lead Governor for Social Justice and Climate/Environmental Justice (as few general FE colleges might have). With several in their first year as Fircroft governors, however, the task now is to move on through the “forming, storming, and norming<sup>8</sup>” phases of team formation, imperfect though that model is, to “performing”, already evidenced as cited above in the progressive move from compliance (noting the pressures of the audit repayment) to contribution (noting the recent Ofsted report).
60. There will be further landmark requirements for the Governing Body to perform to full effectiveness, an example of which would be addressing the likely re-categorisation of funding for adult residential education. Policy awareness and influence will be key.
61. The Governing Body has no vacancies for independent members, although one will arise when the Vice Chair retires in the summer. I understand there is one vacancy for a staff member, with another staff member being a very recent appointment. In considering the known challenges facing the college, I suggest that the associate governor role could be expanded to include appropriate committee members with backgrounds in finance, further education (HE is well represented) and professional construction. I understand that substantial experience and relevant qualifications for these areas do not stand out among the current membership. One of these skill sets may be met by an externally-recruited Vice Chair (should that route be taken), or to fill externally a vacancy arising from an internal appointment to that role, which would then mean that person would be a full member of the Governing Body.
62. *Structures.* The Governing Body operates on a main board and committees model. This was reviewed last year and, as noted above, there was a change to three committees with one of these dissolved. With changes to Board membership, I suggest this should be subject to annual review, for effectiveness and efficiency. There is no one “right way” to operate in the governor and director role, except within the law and regulation. Fircroft has a distinctive strategy and objectives. The right operating structure to achieve these objectives

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<sup>8</sup> The Tuckman model: see for example [Tuckman's Team Development Lifecycle Model - Teamwork Articles \(revolutionlearning.co.uk\)](https://www.revolutionlearning.co.uk/articles/tuckmans-team-development-lifecycle-model-teamwork)

- requires periodic re-assessment in the national and regional policy climate, with contributions by all governors and with senior managers providing timely reports.
63. The corporation of Fircroft College also includes the Fircroft College Trust as part of its structure. The Trust is a legacy entity, having formerly been the legal vehicle for all College assets, liabilities, employees and operations. This is due to be wound up as, although not technically dormant, it is doing no business currently. The Trust is subject to a recommendation below.
  64. *Processes.* The Governing Body operates in ways compliant with Fircroft's Articles of Association and Standing Orders, as shown by minutes of its meetings and reports, including Annual Reports and Accounts. I have also obtained assurance from the Clerk in these respects. Governing Body meeting records show a high degree of focus on strategic decision making.
  65. With the degree of change in Board membership it is not surprising that occasionally the Clerk contributes to meetings beyond a tight interpretation of the role description, but I have seen only positive evidence of the way these contributions work. To clarify respective roles, I advise though that, for example, agenda-setting for Governing Body and committees is the responsibility of the Chair of these meetings working with the Clerk, Principal and potentially senior managers. Some current wording leaves the lead here with the Clerk. I also advise that role descriptions for Lead Governors are re-visited, as in some cases there is an overlap with managers' responsibilities; these roles are not intended to be operational. There is also a recommendation about Audit Committee in the section below, again about respective roles.
  66. Going forward, and recognising the value of diverse approaches to Board discussions and decision making, governors might consider alternative ways in which opinions can be gained from all members equally. The dynamics of round-table meetings have been well-established to skew inputs if chaired in the traditional way and with lead contributors pre-identified, such as the Principal or Committee Chairs. Virtual meetings have benefits but create their own hurdles to involvement and contributory participation. I am sure that governors' views would be welcome on these issues and might be part of the self-assessment of governance each year.
  67. I should note here that the Governing Body has guided the college, with the strong leadership of the Principal, to several important national and regional awards in recent years, including the College of Sanctuary Award (2021); Investors in People Gold Award (2022); and Learning Provision Award at the Festival of Learning 2023, for its safe learning environment. These signal both the college's priorities and its standards.

### *Considerations for Governing Body Action*

#### *Consideration One: The Trust*

68. Returning to the matter of the Fircroft College Trust, as noted it has been the intention of the Governing Body to close this during the current academic year.

Few colleges outside the specialist college sector have the benefit of a separate trust. A consideration for governors is if there is any potential value in retaining the Trust as, for example, a vehicle for holding any income generated from either commercial activities or from grants and donations. I raised this in my interim report in January and have discussed it informally within the college.

69. Some general FE colleges operate college companies, usually for specific commercial purposes, with all income and liabilities ultimately the responsibility of the college and combined in their annual report and financial statements. If the Trust is maintained and makes a profit this would be returned to the college, which would also be responsible for liabilities.
70. As an example of a potential source of commercial income, the college is a sector leader in Green Skills. Environmental impact is a concern of nearly all organisations and wider society. The college already leads a funded regional collaborative project in this area. The environment is a central part of the Fircroft strategy and there are associated innovative programmes of learning to engage students. Commercial potential is evident but would need time and focused effort to establish.
71. Alongside this, at some point the impact of adult learning on the national and regional economy, in adult re-skilling and return to work, has to be realised, if the problems of productivity and worklessness – and also contributory concerns about population health and wellbeing – are to be resolved. The knowledge of Fircroft’s staff team in this area is exceptional and potentially could be monetised.

#### *Consideration Two: Reserves*

72. In the 2022/23 financial year the college had income of £2.5m approx., with a small surplus before losses on investments which reflected market conditions. The profit and loss position is generally sound, year on year. All but one of its financial objectives were achieved, the objective missed relating to diversification of income (see Consideration One, above). Fircroft had unrestricted reserves of nearly £5.8m in the year. The college reviewed its Reserves Policy in 2023 and some reserves are ring-fenced appropriately within the policy. The national FE policy landscape is very uncertain, with funding for adult learning generally, and adult residential learning in particular, not having been a government priority. However, the high level of unrestricted reserves should be considered against the social justice strategy of the Board, with a view to be taken on any use of some reserves for student benefit. This statement recognises the limits on use of certain reserves described in the Annual Report and Accounts 2023.

#### *Consideration Three: Health & Safety*

73. The college has an established and effective system of Lead Governors. For consideration, and noting audit reports in this area, it could be worthwhile having either a Lead Governor (with a standard related role description) or a reporting governor (with interest and involvement) for Health & Safety. This is different

from Safeguarding, where a Lead Governor role exists, and it could be justified given the residential nature of the college. If appointed, the lead or reporting governor could be an ex-officio member of the College Health & Safety Committee.

*Consideration Four: Equality, Diversity and Inclusion*

74. The college's EDI policy was due to be renewed in February this year. I understand it will be received by the Governing Body in July. Given the centrality of EDI to the Fircroft mission, the decision was taken last year to move strategic responsibility for it from a committee to the Board as a whole. This requires EDI to have a place in the cycle of Board business beyond approval of the policy. I also suggest that in adopting the new AoC Governance Code, and in reviewing the EDI policy, the Board considers the arguably more explicit approach to EDI in governance included in the Charity Governance Code. This could serve self-assessment well at Fircroft, where EDI practice seems a real strength. Fircroft seems to "advance equality" well, in the terms of the Public Sector Equality Duty.

*Recommendations*

*Recommendation One: The Trust*

75. The Governing Body is recommended to decide on the future of the Fircroft College Trust by 31 July 2024, i.e. the end of the college financial year, in line with Consideration One above. A trust is not the only vehicle for generating and holding commercial income or for particular student allocations such as bursaries, but is an owned asset currently. Set against this is cost. I understand a paper on this subject is also to be received by the Board at its March meeting.

*Recommendation Two: The Lease*

76. The college holds a lease on the Bristol Road property which runs to 2055, which includes the responsibility for the maintenance of the buildings and grounds. There is an annual maintenance cycle and a 10 year capital plan, with a significant sum due to be invested in the next year or so. I understand the Principal and Director of Finance have previously held discussions about the lease with the freeholder, the Bournville Village Trust (BVT). There may be no issues holding back a decision on the lease other than perceptions by the BVT that the matter is not urgent. However, a 10 year capital plan for the estate is a significant risk with only 31 years remaining on the lease. Governors are recommended to negotiate an extension, ideally within the calendar year, which also coincides with the bi-centenary of the Cadbury family opening their first premises.
77. In opening more formal discussions with the BVT, governors are recommended to decide their interest, in any, in the neighbouring redundant Woodbrooke estate. I understand it is seen as attractive in principle but the estimated £12m refurbishment requirement is unattractive. Some suitable, affordable use of

Woodbrooke would fit the college's strategy. The ultimate decision could well be mid-term and is not in the same category as re-setting the current lease.

*Recommendation Three: Policy Review*

78. With the current (arguably permanent) state of flux in education policy, especially for adults, I recommend that the Board structures a "policy contribution review" discussion at each of its quarterly meetings for the period to 31 July 2025, which includes a general election. This could comprise both an information update and a governor action element, so that the college management team could link with lead governor colleagues, if appropriate, on a task and finish basis for matters judged important for this purpose. The Chair and Principal already act in this way, as noted above in meeting the Minister, but a systematic approach drawing on the skills and expertise of all governors would create a readiness to respond, and the capacity to be proactive. Associate governors or simply "friends of Fircroft" could be co-opted.

*Recommendation Four: Strategic Objectives and Governor Development*

79. The college has a visionary strategy, for which objectives were set at the Governing Body October 2023. With the strategy's global as well as local intent the recommendation here is that, as far as possible, strategic objectives at Board level are set before the onset of each academic year. This would allow operational objectives to follow in a timely way, for the executive team. For governors it would allow answers to the questions – what did we set out to do? And: how are we doing? Allowance can be made for multi-year objectives as needed, with annual progress points. Allied to this should be an annualised governor development programme linked to achieving the strategy, with provision also for the Clerk.

*Recommendation Five: Partnerships*

80. In my view the Board would benefit from reviewing the place of partnerships for governor involvement. This links to the point made about an annual review of stakeholders, in paragraph 52. Substantial and significant partnerships exist already, but some strategic partnerships could either take existing links further or build new ones to benefit the college's mission Towards 2030. Stakeholder recognition will not always require partnership but the right level of engagement could be considered.
81. In the operational context, these partnerships might include enhanced routes for student progression, with doors being opened (for the first time, or wider) for student access to work settings or other, next-step educational provision. Although primarily a management responsibility, governors could contribute through ambassadorial or representational activity.

82. An approach of this type would also step up the Board's contribution to meeting the Local Needs Duty<sup>9</sup>, which the statutory guidance confirms as being governed. An improvement action in meeting local skill needs also arises from the recent Ofsted report. This could require a stocktake of where governors feel the Fircroft partnerships are now and where they should be, year by year towards 2030.

*Recommendation Six: Associate Governors*

83. Associate governors already have their place in Fircroft's arrangements. Earlier in this report I have highlighted the potential benefits of associate governors in the fields of Finance, Further Education and Construction. The Governing Body is recommended to consider recruitment in these areas with the retirement of the Vice Chair, i.e. for the 2024/25 year.

*Recommendation Seven: Governor Visits to the College*

84. Fircroft is a highly distinctive college with a possibly unique strategy for an incorporated English college. There are a significant number of governors who were appointed in the last two years. There is evidence of benefit from a range of Ofsted reports, for example, in governors being familiar with their college through structured visits, for familiarisation with policy into practice, meeting students and staff, and appreciation of the learning environment. At Fircroft the latter is a mixed-phase set of buildings and six acres of estate. The curriculum utilises both. The recommendation here is that, over the period to the end of the next academic year, more governors carry out "learning walk" style visits to the college, ideally keeping a straightforward record of the visit lodged with the Clerk. Minimal disruption and maximal governor learning is the aim here.

*Recommendation Eight: Audit Committee*

85. This is a recommendation relating more to technical governance than to strategy. The Principal, who is also the Accounting Officer, attends Audit Committee. Although not a member (which is not allowed in Standing Orders), her attendance – which serves a valuable purpose in providing information and views – in practice is hardly distinguishable from that of members of the committee. No issues or concerns are evident in this practice to date. However, in supporting best practice it is recommended that the Audit Committee, whilst drawing on the views of the Principal and also relying on the Director of Finance for reports, has private time with the auditors at each of its meetings, with only the Clerk attending on behalf of the college in that part of each meeting. This supports candour.

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<sup>9</sup> The Local Needs Duty is a statutory requirement for all governing bodies in scope. Governing bodies are required to periodically review how well the education and training they provide meets local needs and consider what actions they might take to meet those needs better (whether alone or in conjunction with one or more other educational institutions). See [DfE external document template \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

*Recommendation Nine: Role Descriptions*

86. Finally, again in the area of technical governance, some aspects of the role descriptions for Lead Governors provide overlap of activities with operational practice, although each description states early on that there is no operational responsibility. This is a recommendation about clarifying these descriptions to ensure strategic oversight only.

87. Last point; governance is voluntary and so should be enjoyable. Perhaps that could feature in self-assessment: did you enjoy being a governor in the last year?

88. This concludes the report on the external review of governance for Fircroft College.