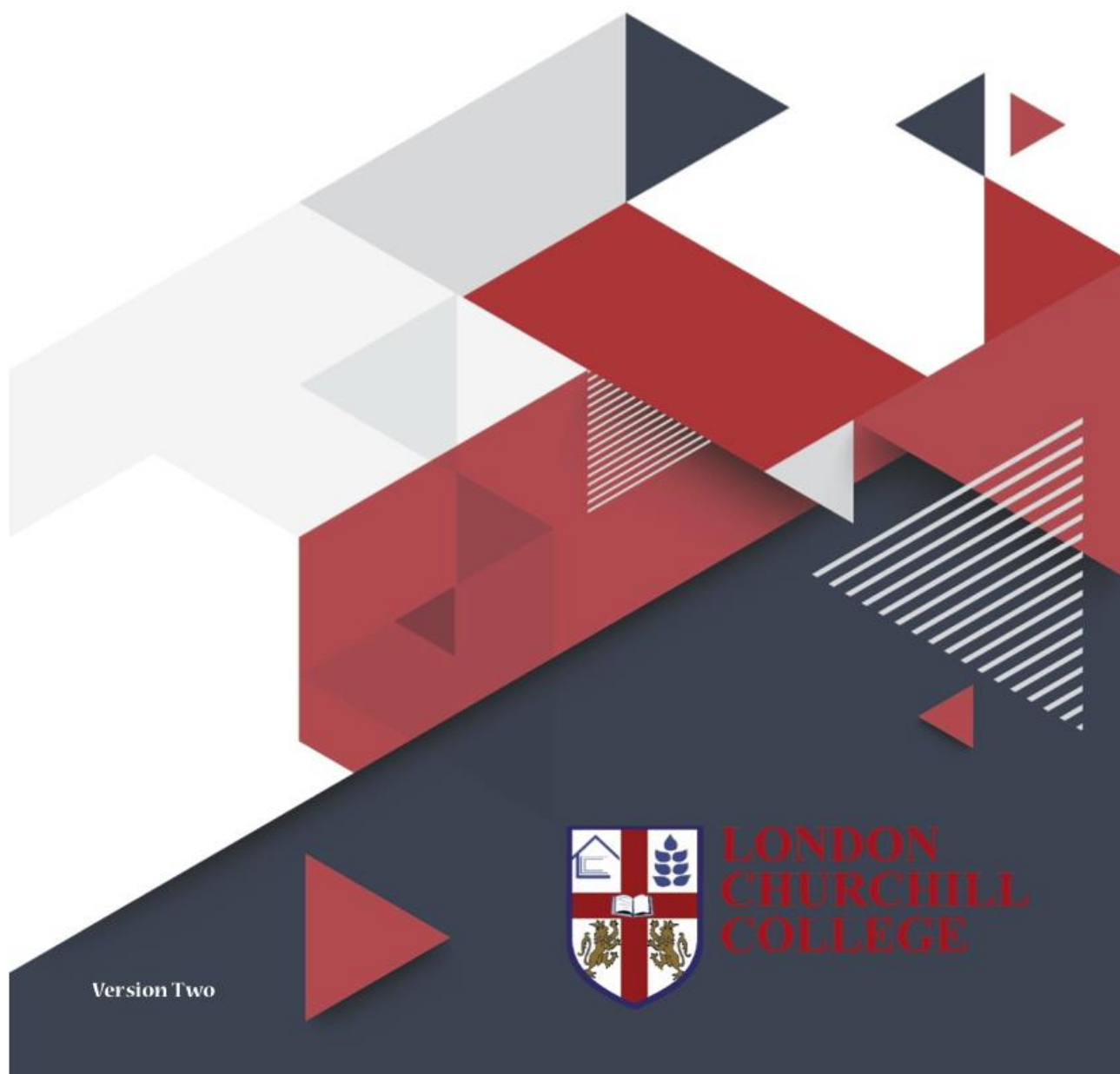




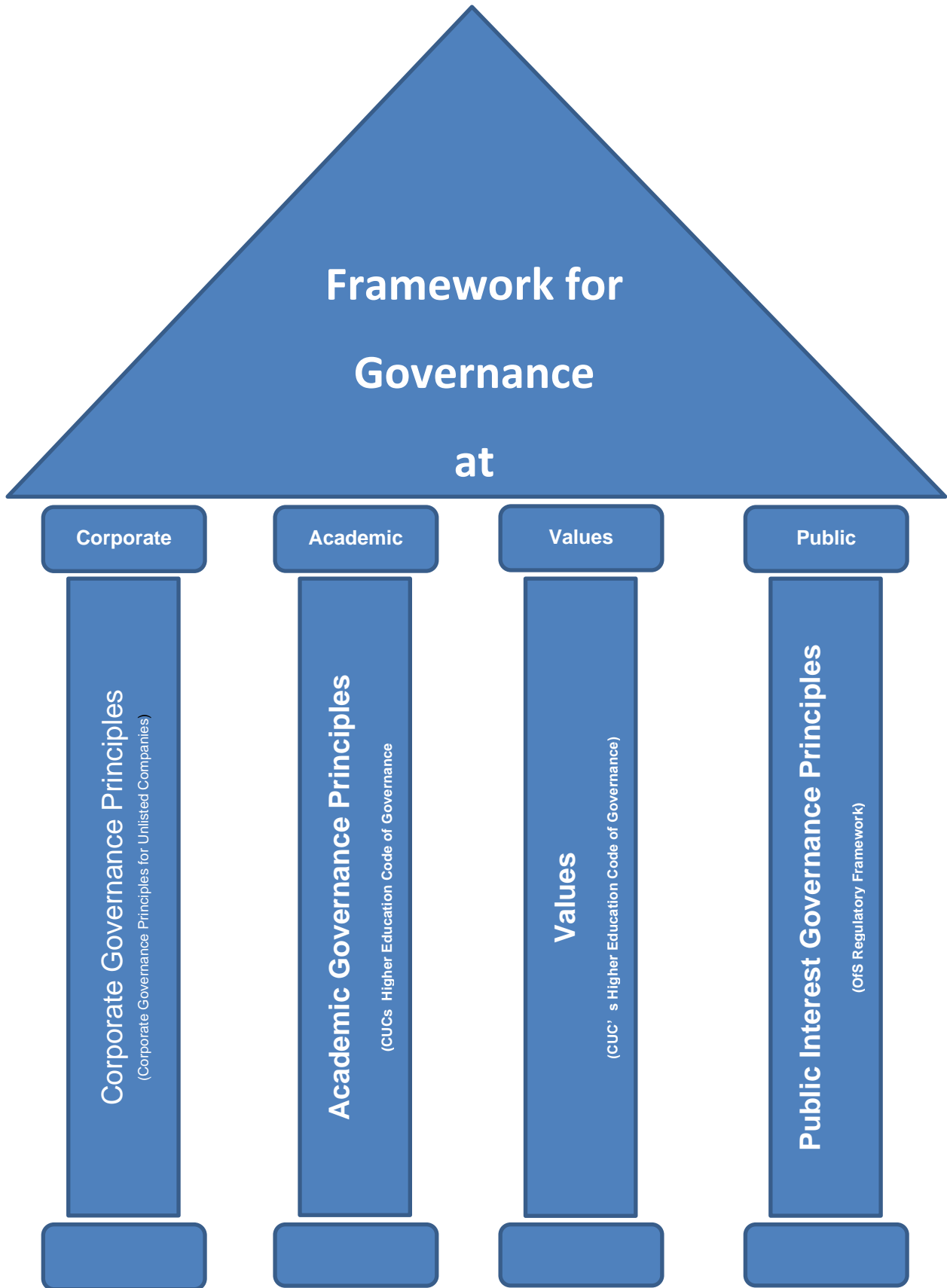
LONDON
CHURCHILL
COLLEGE

FRAMEWORK FOR GOVERNANCE



LONDON
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Version Two





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¹ <http://hera-research.org/hera-governance/>



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Framework for Governance at London Churchill College

1. Executive Summary

As a legal entity, the College decides to fully adopt the 'Corporate Governance Principles of Unlisted Companies' published by Institute of Directors (IoD) and the requirement to comply with the relevant public interest governing principles. The College supplements the 'Corporate Governance Principles of Unlisted Companies' Code with the relevant values and codes set out in the 'Higher Education Code of Governance' (2018 Revision)² published by the Committee of University Chairs (CUC) as the 'Corporate Governance Principles of Unlisted Companies' adopted by LCC is not specifically a code of governance for a higher education provider because it does not refer to academic governance.

The Office for Students (OfS) expects the College's governing documents to uphold the public interest governance principles that are applicable to the College. The OfS does not prescribe providers to follow a particular governance code. However, if a provider follows a governance code, the provider's governing documents must uphold the relevant public interest governance principles. It is the provider's responsibility to demonstrate how use of its chosen code ensures that its governing documents uphold the public interest governance principles.

The Regulatory Framework states that where 'the provider's chosen code does not deliver all of the ... [public interest governance] ... principles, the provider will need to demonstrate separately how its governing documents uphold the remaining principles'.

LCC's Governance Framework will, as far as is practicable, embody the Primary Elements of the 'Corporate Governance Principles of Unlisted Companies' (IoD) and where applicable for academic matters the 'Higher Education Code of Governance' (CUC) and hold itself to standards of probity on par with those of a 'publicly-funded' higher education institution (HEI)). Members of the College's governance boards and those with senior management responsibilities, shall be 'fit and proper persons' within the definition of the Public Interest Governance Principles (OfS) and shall at all times conduct the College's business in accordance with the Nolan Principles of Public Life³. The College will test implementation with external expert reviews

Particular emphasis is placed on the principles of collegiality and trust; the Board of Directors as the governing body, will respect the autonomy of the Academic Board and other bodies involved in academic governance but will 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. Exigencies warranting the intervention of the Board of Directors in institutional management will be clearly defined.

To support members of Board of Directors on the academic governance, the College will utilise the relevant primary elements of Corporate Governance for Unlisted Companies Code (IoD) and the Higher Education Code of Governance (CUC).

² <https://www.universitychairs.ac.uk/wp-content/uploads/2018/06/HE-Code-of-Governance-Updated-2018.pdf>

³ <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>



2. Overview and context

This document describes Governance arrangements for London Churchill College (LCC) within the context of the Higher Education regulatory environment

The Office for Students (OfS) establishes a regulatory environment which emphasises the theme of students' protection as consumers of Higher Education, with acknowledgement of the need to ensure that learning opportunities offer genuine, lasting value where Higher Education Institutions (HEIs) are in receipt of public funding, which includes student financial support from Government bodies.

3. Governance Framework

3.1. The aim of this framework is to:

3.1.1. Establish sound mechanisms of academic and institutional oversight, characterised by principles of transparency, regularity, propriety and accountability for the use of public funds;

3.1.2. Ensure that the constituent boards and committees of governance are appropriately linked and serviced with reliable, objectively assured information;

3.1.3. Ensure stakeholders understand their role of oversight within the College.

3.2. This Governance Framework defines a configuration of committees, reporting protocols and delegated authority limits underpinning the functions of College's Board of Directors (Governing Body), which is appropriate to the size and complexity of the College, whilst supporting its longer-term objectives for institutional growth and strategic statements.

3.3. The terms of reference within this framework have been mapped to the primary code elements of the 'Corporate Governance Principles of Unlisted Companies'⁴ published by the Institute of Directors, in order to provide suitable assurance to the regulator that London Churchill College Limited operates with due regard for its Conditions of Registration and Articles of Association⁵ and in accordance with the expectations of an approved Higher Education Institute in receipt of public funds.

4. Inclusion and Diversity

4.1. The governing body promotes a culture which supports inclusivity and diversity across the provider, including the composition of the governing body. This includes ensuring underrepresentation and differences in outcomes are challenged and where practicable corrective action is taken.

5. Regulatory Monitoring

5.1. The OfS undertakes a risk-based approach to regulatory monitoring, where risk is evaluated through diagnostic reviews of institutional returns and judgments by regulatory bodies. One of the key diagnostics in assessing risk relates to an institution's financial sustainability, management and governance. Registered HEIs must offer evidence that they are financially sustainable, that fiscal management is sound and a

⁴ <https://www.iod.com/cyber-security-for-your-business/articles/corporate-governance-for-unlisted-companies>

⁵ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/04/190402-Articles-of-Association-Final.pdf>



clear relationship exists between the Institution's financial policies and the safeguarding of the quality and standards of its provision. The HEI must also offer evidence that it is governed and managed effectively, with clear and appropriate lines of accountability for its academic responsibilities and with formal corporate governance arrangements in place

5.2. This governance framework seeks to address the above requirements.

6. Academic Governance (Element 4)

6.1. Among the Seven Primary Elements of Higher Education Governance, the primary Element 4 states that '...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 meeting these key requirements, the Board of Directors will:

- 6.1.1. Oversee an effective academic strategy that it has approved. This strategy needs not to be a separate document but may be embedded in an overall institutional strategy or be articulated in separate teaching, research and other strategies;
- 6.1.2. Have oversight of all major academic partnerships involving significant institutional-level risks;
- 6.1.3. Actively encourage student engagement in academic governance;
- 6.1.4. Seek assurance that student complaints are effectively addressed and that the welfare and wellbeing of students are secured;
- 6.1.5. The Board of Directors considers the following options in addressing Element Four (Academic Governance):
 - a) Receiving reports from Academic Board/Senate and monitoring with relevant performance measures that are credible to the academic community;
 - b) Examining the outcomes of academic governance effectiveness reviews and requesting that they be regularly conducted (nominally every four years);
 - c) Adopting and reviewing an internationalisation strategy (if active internationally);
 - d) Agreeing a scheme of delegation and a process of due diligence that defines major risk and allocates responsibility for decisions;
 - e) Receiving annual reports from relevant committees on the current status of high-risk partnerships;
 - f) Receiving regular reports from students' union or association officers and/or institution/student representation committees;
 - g) Receiving assurance that honest, accurate and timely information is provided to students, stakeholders and the public about all aspects of academic provision;
 - h) Requiring that summary reports are produced and considered (at least annually) on student complaints and appeals, considering where appropriate, the requirements of the Office of the Independent Adjudicator.



7. Governance and Management arrangements

- 7.1. Governance and Management arrangements at London Churchill College (LCC) are broadly outlined in LCC's Articles of Association⁶. The Articles of Association confirm that the College adopts and follows a recognised and appropriate governance code and principles. The governance code adopted by LCC is the 'Corporate Governance Principles of Unlisted Companies' produced by the Institute of Directors. Additionally, the College ensures that its governing documents upheld the public interest governance principles as outlined in the OfS Public Interest Governance Principles⁷ and Regulatory Framework.
- 7.2. As a private limited company, the College's principal governing document is the Articles of Association. Other governing instruments include terms of reference for the Board of Directors⁸, Schemes of Delegation⁹, Student Protection Plan and terms of reference of the three subsidiary boards and committees of the Board of Directors (viz. College Oversight Board¹⁰, Academic Board¹¹, Audit Remuneration and Risks Committee¹²).
- 7.1.1. The College has undergone various internal and external reviews on the College's governance and management arrangements, which are strengthened following the responses made in relation to the outcomes of these reviews;
- 7.1.2. In 2019, the College commissioned a review conducted by AdvanceHE and the report outlines the extent to which the governance arrangements meet the code listed in 'Corporate Governance Principles of Unlisted Companies', which concluded that the College was compliant with the Corporate Governance Guidance and Principles for Unlisted Companies in Europe.

8. LCC's group and ownership structure

- 8.1. LCC is incorporated as a company limited by shares in England and Wales and is owned by seven shareholders. None of the shareholders owns more than 25% shares. Although the College is a for-profit making College, its mission, ethos and values reflect that of a traditional Higher Education provider. The Mission of the College is 'to provide the highest quality learning opportunities that meet the specific needs of our students and which promote and enhance self-confidence, develop personal achievement and an enterprising outlook to maximise employability'.
- 8.2. The College fully owns two subsidiary companies, MRST Investment Ltd (Company number 10491390) and LCC Investments Ltd. (Company number 10485043). MRST Investment owns income-generating investment properties and LCC Investment Ltd provides printing solutions to the College and the general public. The purpose of these

⁶ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/04/190402-Articles-of-Association-Final.pdf>

⁷ <https://www.officeforstudents.org.uk/advice-and-guidance/regulation/public-interest-governance-principles/>

⁸ <https://londonchurchillcollege.ac.uk/board-of-directors/terms-of-reference/>

⁹ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/08/190801-Scheme-of-Delegation-and-Decision-Making-V02.01.pdf>

¹⁰ <https://londonchurchillcollege.ac.uk/college-oversight-board/terms-of-reference/>

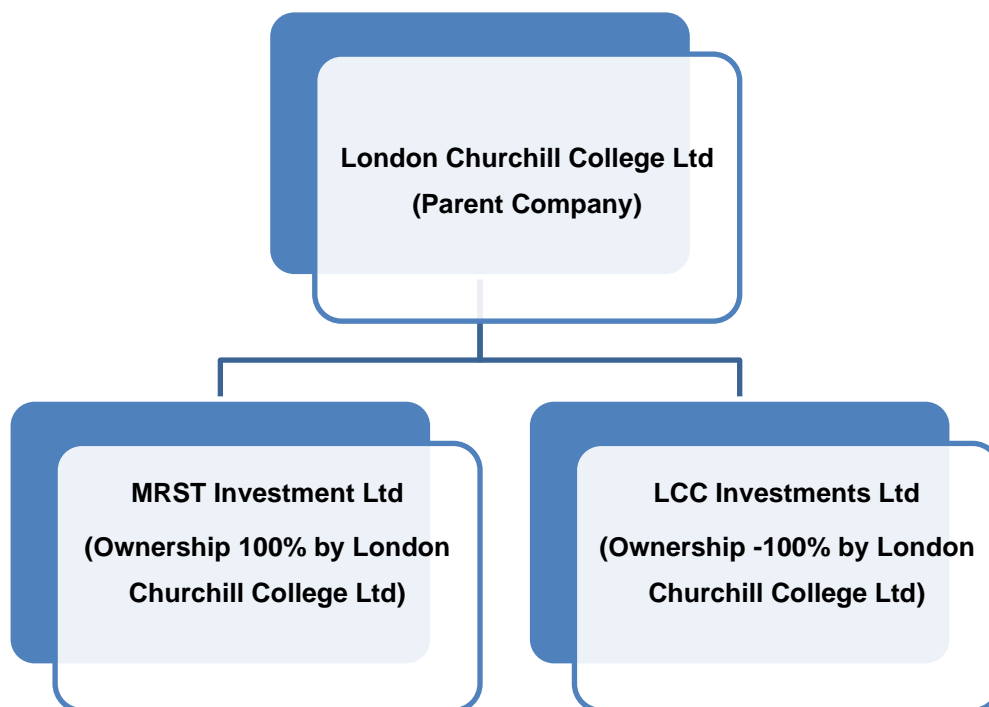
¹¹ <https://londonchurchillcollege.ac.uk/academic-board/terms-of-reference/>

¹² <https://londonchurchillcollege.ac.uk/audit-remuneration-and-risk-committee/terms-of-reference/>



companies is to take some steps to spread financial risk and provide an inhouse solution to the College's printing requirements.

8.3. LCC's group structure is represented by the following ownership chart



9. Values

As an English Higher Education provider, London Churchill College commits to the values set out in the Higher Education Code of Governance (2018 Revision), which include:

- 9.1. Autonomy;
- 9.2. Academic freedom;
- 9.3. Protecting the collective student interest;
- 9.4. Transparency;
- 9.5. Accountability for funding;
- 9.6. Equality of opportunity and diversity;
- 9.7. Accessible to all those who are able to benefit from it;
- 9.8. Full and transparent accountability for public funding.

10. Corporate Governance Principles

The 'Corporate Governance Principles of Unlisted Companies' Code presents a set of fourteen governance principles of good governance which are presented on the basis of a dynamic phased approach considering the degree of openness, size, complexity and level of maturity of individual enterprises.

The College adopts all fourteen principles including five phase 2 principles: Corporate governance principles applicable to large and/or more complex unlisted companies:



- 10.1. Principle 1: Shareholders should establish an appropriate constitutional and governance framework for the company;
- 10.2. Principle 2: Every company should strive to establish an effective board, which is collectively responsible for the long-term success of the company, including the definition of the corporate strategy. However, an interim step on the road to an effective (and independent) board may be the creation of an advisory board;
- 10.3. Principle 3: The size and composition of the board should reflect the scale and complexity of the company's activities;
- 10.4. Principle 4: The board should meet sufficiently regularly to discharge its duties and be supplied in a timely manner with appropriate information;
- 10.5. Principle 5: Levels of remuneration should be sufficient to attract, retain, and motivate executives and non-executives of the quality required to run the company successfully;
- 10.6. Principle 6: The board is responsible for risk oversight and should maintain a sound system of internal control to safeguard shareholders' investment and the company's assets;
- 10.7. Principle 7: There should be a dialogue between the board and the shareholders based on a mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place. The board should not forget that all shareholders have to be treated equally;
- 10.8. Principle 8: All directors should receive induction on joining the board and should regularly update and refresh their skills and knowledge;
- 10.9. Principle 9: Family-controlled companies should establish family governance mechanisms that promote coordination and mutual understanding amongst family members, as well as organise the relationship between family governance and corporate governance;
- 10.10. Principle 10: There should be a clear division of responsibilities at the head of the company between the running of the board and the running of the company's business. No one individual should have unfettered powers of decision;
- 10.11. Principle 11: All boards should contain directors with a sufficient mix of competencies and experiences. No single person (or small group of individuals) should dominate the board's decision-making;
- 10.12. Principle 12: The board should establish appropriate board and committees in order to allow a more effective discharge of its duties;
- 10.13. Principle 13: The board should undertake a periodic appraisal of its own performance and that of each individual director;
- 10.14. Principle 14: The board should present a balanced and understandable assessment of the company's position and prospects for external stakeholders and establish a suitable programme of stakeholder engagement.

11. Public interest Governance Principles

The College's governing documents are designed to uphold the public interest governance principles as well as the governing principles set out in the 'Corporate Governance Principles of Unlisted Companies' code (IoD). The College further subscribes to the following Principles:



11.1. Academic freedom

(Academic staff at an English higher education provider have freedom 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 they may have at the provider)

- 11.1.1. The terms of reference of the BoD and/or its subsidiary boards and committees must incorporate explicit protocols to improve the academic freedom within the College;
- 11.1.2. Academic freedom should be set as the value set out in the Terms of Reference of the Board of Directors and the Academic Board;
- 11.1.3. The College to have a policy on freedom of speech and relevant code of practice and academic freedom policy.

11.2. Accountability

(The provider operates openly, honestly, accountable and with integrity and demonstrates the values appropriate to be recognised as an English higher education provider)

The College will ensure

- 11.2.1. Transparent and comprehensive governance structures supported by governing documents;
- 11.2.2. Biennial review of the governance structure;
- 11.2.3. Transparent reporting and record keeping (including publishing Meeting Minutes of BoD Meetings¹³, COB Meetings¹⁴, ARRC Meetings¹⁵, Academic Board Meetings¹⁶) and the Conflicts of Interest Register¹⁷, publicly through its website;
- 11.2.4. Adherence to the values set out in the Higher Education Code of Governance (2018 Revision);
- 11.2.5. Clarity over the delegation of authorities and publication on our website of the Scheme of Delegation¹⁸ and the terms of references of governing and management committees;
- 11.2.6. Accountability through establishment of various Committees and Boards with detailed remits and terms of reference. The Academic Board and College Oversight Board have external and student representation. The Board of Directors has Non-Executive Directors and student representation;
- 11.2.7. Full protection for students in eventualities through establishment of a comprehensive and regularly reviewed Student Protection Plan;

¹³ <https://londonchurchillcollege.ac.uk/board-of-directors/>

¹⁴ <https://londonchurchillcollege.ac.uk/college-oversight-board/>

¹⁵ <https://londonchurchillcollege.ac.uk/audit-remuneration-and-risk-committee/>

¹⁶ <https://londonchurchillcollege.ac.uk/academic-board/>

¹⁷ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/10/Additional-interest-of-the-directors-and-secretary.pdf>

¹⁸ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/08/190801-Scheme-of-Delegation-and-Decision-Making-V02.01.pdf>



- 11.2.8. Publication on its website of its governance documents, financial statements¹⁹, minutes of the governing committees and boards and the academic policies and procedures, for the information of all stakeholders.

11.3. Student engagement

(The governing body ensures that all students have opportunities to engage with the governance of the provider, and that this allows for a range of perspectives to have influence.)

- 11.3.1. To take deliberative steps and have in place systematic arrangements to engage all students, individually and collectively, as partners in their educational experience;
- 11.3.2. Engage students in the governance and management of the College;
- 11.3.3. To improve the degree of the students' active participation, the College organises induction for all student representatives and new students.

11.4. Academic governance

(The governing body receives and tests assurance that academic governance is adequate and effective through explicit protocols with the senate/academic board (or equivalent).)

- 11.4.1. The section 62 of the Articles of Association sets out the provision to establish the Academic Board to ensure that the academic governance is adequate;
- 11.4.2. The sections 56 to 58 of the Articles of Association set out the provision to establish the College Oversight Board, with a view, in part, to receive and test assurance that the Academic Board is adequate and effective;
- 11.4.3. To produce relevant terms of reference for the College Oversight Board and the Academic Board;
- 11.4.4. To have in place an Academic Risk Register. The Academic Board prepares a comprehensive Academic Risk Register and ensures that relevant staff are aware of the risks and the mitigation measures undertaken by the College. The Academic Board to identify, assess and manage academic risks to ensure academic risks as being sufficiently comprehensive to warrant that all the College's academic operations are sustainable;
- 11.4.5. Delegation of powers to the Academic Board in all academic matters, which has sovereign responsibility to produce or approve all policies and procedures that affect students, academic standards, academic quality and learning opportunities, and it is responsible for reviewing and scrutinising all academic matters.
- 11.4.6. The Board of Directors receives and tests assurance that academic governance is adequate and effective through explicit protocols between the Academic Board and the College Oversight Board through use of independent external assessments and other resources.
- 11.4.7. To support members of Board of Directors on the academic governance, the College makes use the relevant primary elements of Higher Education Governance as stated in the HE Code of Governance developed by CUC.

¹⁹ <https://londonchurchillcollege.ac.uk/accounts-2/>



11.5. Risk Management

(The provider operates comprehensive corporate risk management and control arrangements (including for academic risk) to ensure the sustainability of the provider's operations, and its ability to continue to comply with all of its conditions of registration).

The risk management and control arrangements are set out in various governance and management documents:

- 11.5.1. The sections 63-67 of the Articles of Association set out the provision to establish the Audit, Remuneration and Risk Committee (ARRC) to support the Board by advising on the adequacy and reliability of the processes relating to governance, risk management and financial sustainability of the Company;
- 11.5.2. The sections 56-58 of the Articles of Association set out the provision to establish the College Oversight Board, with a view in part to receive and test assurance that the academic board is adequate and effective;
- 11.5.3. To produce two risks registers, namely the Academic Risk Register and the Corporate Risk Register;
- 11.5.4. To have in place explicit protocols to improve the risk management framework within the College through the ARRC including a standard agenda item on risk management.

11.6. Value for Money

(The governing body ensures that there are adequate and effective arrangements in place to provide transparency about value for money for students and (where a provider has access to the student support system or to grant funding) for taxpayers.)

- 11.6.1. LCC to produce and publish on its website a Value for Money (VfM)²⁰ statement, published Directors' report and accounts including data about the sources of its income and the way that its income is used.
- 11.6.2. To provide transparency about VfM are set out in the following governance and policy documents:
 - a) The Terms of Reference of the Board of Directors to set out a clear obligation for the Board to publish clear information about its arrangements for securing value for money, data about the sources of its income and the way that its income is used, the pay of senior staff in accordance with the regulator's accounts direction and publication of this information.
 - b) To establish the Audit, Remuneration and Risk Committee (ARRC) to support the Board of Directors by advising whether the management and governance arrangements are adequate and effective to ensure regularity and propriety and value for money.
 - c) To publishes the full set of audited financial statements on its website for the information of all stakeholders.

²⁰ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/05/Value-For-Money-08-5-19.pdf>



11.7. Freedom of Speech

(The governing body takes such steps as are reasonably practicable to ensure that freedom of speech within the law is secured within the provider).

- 11.7.1. To produce and publish relevant policies including Prevent Policy²¹ and take steps that are reasonably practicable to ensure freedom of speech within the law;
- 11.7.2. The College to commit to principles of free intellectual enquiry, free expression and freedom of speech within the law and it is to ensure that its principles and practice is safeguarded within the context of preventing people from being drawn into terrorism;
- 11.7.3. To secure freedom of speech within the law under Section 43 of the Education Act (1986) and for ensuring that it meets the requirements of Section 26(1) of the Counter-Terrorism and Security Act 2015 to have due regard to the need to prevent people from being drawn into terrorism;
- 11.7.4. The College has a robust Freedom of Speech Policy, which applies to all members and Students of London Churchill College. For the purposes of this policy, the term 'Staff' means all members of the College staff including permanent, fixed term, and temporary staff, directors, secondees, any third-party representatives, agency workers, brand advocates, volunteers, interns, agents and sponsors engaged with the College in the UK or overseas. The Term 'Students' means any persons who have registered with the College for the purpose of studying. All contractors and agents acting for or on behalf of the College are made aware of this policy;
- 11.7.5. The College will make clear commitment to freedom of speech, as well as compliance with the Prevent Duty;
- 11.7.6. The senior Boards promote academic freedom and freedom of speech. The freedom of speech is set out in its governance and policy documents;
- 11.7.7. The Board of Directors should take such steps as are reasonably practicable to ensure that freedom of speech within the law is secured within the provider and that academic staff have freedom to offer opinions with impunity.

12. Governance Documents (Summary)

- 12.1. Articles of Association
- 12.2. Terms of Reference for:
 - a) Board of Directors
 - b) College Oversight Board
 - c) Academic Board
 - d) Audit, Remuneration and Risk Committee
- 12.3. Scheme of Delegation
- 12.4. Governance and Organisational Chart²²
- 12.5. Student Protection Plan²³

²¹ <https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/12/191212-LCC-Prevent-Duty-Statement-Website.pdf>

²² <https://londonchurchillcollege.ac.uk/governance-and-management-structure-diagram/>

²³ https://londonchurchillcollege.ac.uk/wp-content/uploads/2019/11/Condition-C3-Student-Protection-Plan_10030391.pdf