

Norland College Independent Governance Effectiveness Review 2022

Important Notice

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For the avoidance of doubt, no persons other than those named in our engagement letter are entitled to place any reliance on this report. With the exception of where a member of Norland College is required to provide this document to a regulator, this report may only be passed to third parties with our written consent. Any person that gains access to and chooses to rely on this report, including a regulator, does so at its own risk and without recourse to JB HE Consulting Limited.

1. Norland College (“the College”) was established in 1892 and is a well-respected small specialist College that trains Norland Nannies, with around 275 students and turnover of £4.7 million. Students study for a dual qualification, comprising the Norland Diploma and a BA degree in Early Years Development and Learning. The College’s graduates (‘Norlanders’) are highly sought after with around four jobs for each Norlander seeking employment in 2020-21. This demand recently increased to 14 jobs for each Norlander seeking employment. The National Student Survey shows that the College’s students are extremely satisfied with the quality of their course, with results during the Covid-19 pandemic (when all providers saw significant falls in student satisfaction) continuing to be higher than benchmark. This demonstrates that the College is delivering for its students.
2. The College is wholly owned by the Norland Foundation (“the Foundation”), a registered charity that supports the College through provision of funding and holding ring-fenced funds in case of the need to implement the College’s student protection plan. The boards of the College and Foundation have some shared non-executive membership – the Foundation’s board of trustees comprises five trustees, two of whom are also members of the College’s Board. The relationship between the College and the Foundation is set out in a legally binding agreement.
3. Good governance is essential to continue delivering the College’s success and its plan to achieve indefinite degree awarding powers in the medium-term and eventual university status. The College commissioned JB HE Consulting to deliver an independent review of the College’s governance arrangements, including assurance over its compliance with

the Committee of University Chairs' Higher Education Code of Governance 2020¹ ("the CUC Code") and the Office for Students' ("the OfS") ongoing conditions E1 and E2 that are about good governance². The Foundation is out of scope of this review, except where it touches directly on the College's governance arrangements.

4. In reaching our conclusions we considered:
 - a) The effectiveness of the Board of Directors ("the Board") and the appropriateness of its terms of reference and governance structure for the Board's purposes, including Board behaviours and culture.
 - b) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board from the Audit Committee, which has oversight of internal control and risk management, including formal regulatory opinions and strategic academic risk.
 - c) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board from the Finance Committee, which has oversight of financial matters (including financial reporting) and human resources matters.
 - d) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board from the Nominations and Governance Committee, which has oversight of matters relating to the appointment of directors, the Chair of the Board, and the Principal and Vice-Principal and also advises the Board on governance matters.
 - e) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board from the Remuneration Committee, which determines (on behalf of the Board) the salary and other remuneration of the Principal and other members of the executive team and associated performance targets. It also ensures this information is appropriately disclosed in line with regulatory obligations.
 - f) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board from the Enterprise Committee, which has oversight of strategic developments and commercial activities and opportunities.
 - g) The assurances and effectiveness of terms of reference and assurances (reporting) to the Board from Academic Board, which has oversight of all matters relating to the quality of learning and teaching, including admission, assessment and progression, freedom of speech, the expulsion, suspension and exclusion of students on academic grounds, and academic appeals.
5. We have concluded that the College's governance arrangements are adequate (designed appropriately) and effective (operating as intended) and that many examples of good

¹ <https://www.universitychairs.ac.uk/wp-content/uploads/2020/09/CUC-HE-Code-of-Governance-publication-final.pdf>.

² <https://www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/>

practice are evident. The College is open to receiving challenge and keen for continuous improvement and we note that our observations and recommendations are made in that spirit. We did not identify any practices or behaviours that raise concerns or suggest that there may be governance failures. In addition:

- The College is broadly compliant with the CUC Code, although at the time of our review it was undertaking some development work to enhance its compliance with the new published Code. The Code is voluntary and operates on an 'apply or explain' basis.
 - We identified no evidence that the University is non-compliant with its conditions of registration E1 and E2, including the requirements to uphold the public interest governance principles in practice.
6. As for any organisation that seeks to adopt best practice, we have identified some recommendations for the Board to consider. Unsurprisingly, many of these are issues that the higher education sector is grappling with more broadly and so would apply to most providers. We note that none of the recommendations or observations are made to address significant issues with governance practice or matters of non-compliance with regulatory requirements. It is important context that the higher education regulatory framework in England is relatively new and that the OfS itself is still developing, implementing and revising its own regulatory requirements and processes. We would wish to highlight the following recommendations:
- a) Amending the Articles of Association to reflect the categories of membership as recently clarified by the Board of Directors (i.e., independent members, ex-officio members and co-opted members).
 - b) Improving the diversity of Board membership to give enhanced challenge and risk awareness that comes from people's different experiences.
 - c) Updating governance documents to fully reflect its governance practice and the new regulatory environment in English higher education. For the avoidance of doubt, this is about fully updating policies and processes and is not an indication that the College is not complying with either the OfS's conditions of registration or its own governance documents.
7. We also identified good practice in governance during our review, this included:
- a. Transparency to students, staff and the wider public around governance arrangements, policies and procedures, Board minutes and other documents of potential public interest, with these publicly accessible and readily available on the College's website.
 - b. Clear and distinct reporting lines of management and governance giving good oversight and clarity of accountability.

- c. The Board's iterative involvement in the development of the College's strategy and its key performance indicators (KPIs), with clear subsequent reporting of progress against the strategy and KPIs.
 - d. Consideration of the relevant part of the risk register by each Board committee at every meeting as well as of the full risk register by the Board, ensuring oversight by the committee with relevant experience and so appropriate challenge and focus on the key risks.
 - e. Attendance of Board members at Academic Board on a rotating basis to ensure Board members are individually and collectively sighted on and engaged in academic matters. This includes the attending member providing a report to the Board about the matters discussed at Academic Board, which supplements the more formal and regular reporting from Academic Board to the Board of Directors.
8. In summary, we identified no evidence that would raise concerns over the adequacy and effectiveness of the College's governance arrangements, its compliance with the CUC Code or with its OfS conditions of registration E1 and E2. We have identified some enhancements to further strengthen the College's governance arrangements and have made recommendations accordingly for the Board of Directors to consider.

Acknowledgements

9. We wish to thank the independent and staff members of the Board, the College's Executive Group and the Senior Administrator for their support and openness throughout the review.