

UNIVERSITY OF HERTFORDSHIRE HIGHER EDUCATION CORPORATION

Effectiveness review of the Board of Governors 2014

1 INTRODUCTION

- 1.1 As part of its continuing commitment to good governance and in compliance with guidance to the UK Higher Education sector¹, the Board of Governors of the University of Hertfordshire Higher Education Corporation makes a review of its effectiveness at intervals of five years.
- 1.2 This report concerns the most recent review, conducted in 2014- 2015.

2 CONTEXT

- 2.1 Mr Richard Beazley became Chairman of the Board of Governors on 1 September 2013 following which he led a preliminary discussion by the then Governance and Nominations Committee concerning the possible timing, format and scope of the 2014 Review.
- 2.2 It became clear that the 2014-2015 Review would coincide with a series of important changes within the sector. Internally, an institutional project had commenced to determine the University's Vision of itself in 2020, and the development of a Strategic Plan which, during the period 2015-2020, would enable the institution to achieve that Vision.
- 2.3 These, together, were considered to provide the context for the Board in terms of how it should evolve and operate over the 'life' of the new Strategic Plan in order to govern the institution effectively.
- 2.4 From a sector-wide perspective, the Committee of University Chairmen (CUC) was engaged in a review of its 'Guide for Members of Higher Education Governing Bodies in the UK' and it was considered important that before conducting its 2014 Effectiveness Review, the Board should have a clear understanding of any changes that the CUC wished to make in its guidance to institutions and their governing bodies.
- 2.5 A further consideration was the nature and scope of the 2009 Review which had been particularly wide-ranging. In addition to obtaining Privy Council approval to a series of amendments to the Articles of Government, the Board had made significant changes to its committee structure and to the overall size of the Board itself. It was suggested that a 'lighter touch' might be adopted for the 2014 Review to allow further time for changes arising from the 2009 Review to be embedded.
- 2.6 This debate was particularly valuable and enabled the Board to determine as its immediate focus, the development of the new Vision and Strategic Plan which, as the work of the CUC progressed and its revised guidance to institutions evolved, would together provide the framework within which the 2014 Effectiveness Review would be undertaken.

3 OBJECTIVES, SCOPE AND FORMAT

- 3.1 As work of the Vision and Strategic Plan progressed and the likely nature of new CUC guidance became clearer, the Board began to determine the format and scope of its 2014 Review.
- 3.2 Previous Reviews had been led by small groups of Governors and although members of the Board had been consulted as part of those processes, the Chairman wished to provide greater opportunity for Governors to participate in, and to contribute to, the 2014 Review, and to make the process even more transparent.

¹ Guide for Members of Higher Education Governing Bodies in the UK, CUC, 2009/24, March 2009

- 3.3 An initial meeting of all available Governors began to flesh-out the format and scope of the 2014 Review. Although an evidence-based analysis would normally form part of the five-year review process, the view was taken that the quality of internal auditing processes, which included regular reviews of the Board's compliance with sector standards and regulation, combined with the diligence and vigilance of the Secretary and Registrar, meant that the focus of the Review could be less retrospective and more forward looking.
- 3.4 The view was taken that the principal objectives of the Review should be to ensure that the Board able lead the institution in achieving its new 2020 Vision ('to be 'internationally renowned as the UK's leading business facing University') and to establish the Board as a strategic decision-making entity to lead the University.
- 3.5 With these objectives in mind, it was agreed that the 2014 Review should consist of two distinct strands. The principal work of the Review should be led by an internationally recognised external consultant, Professor Bob Garratt, who would make a review of the Board, consult members and senior officers individually, and lead the Board's 2015 Away Day at which it would be asked to determine a way forward. Secondly, issues that could be addressed by the Board quickly ('quick wins') should be identified by members and officers and where possible/appropriate, resolved at the earliest opportunity.

4 QUICK WINS

4.1 Role and responsibilities of the Board

It was viewed as important that the Board should coalesce behind a single definition of its role and responsibilities. As the draft CUC Code evolved, the Board adopted the definition of it's the overarching role and responsibilities suggested by the Code 'that it must be unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern'.

4.2 Categories of membership within the composition of the Board

4.2.1 In light of the recommendations of the 2009 Review, the Privy Council had approved a series of amendments to the University's Articles of Government. These had included changes to the composition of the Board. Discussions revealed that for Governors, the reasons for the distinction made between Independent Members and those serving in some other categories remained unclear and were considered unnecessary by some. In certain cases, membership status was dictated by legislation².

4.2.2 It was agreed that for the time being, the Board would consider opportunities to reduce unnecessary complexity within its composition, acting within the framework of the present Articles of Government. No approach would be made at this time to the Privy Council to further simplify the Board's composition.

4.3 Annual meeting of the Independent Members

4.3.1 The issue of the annual meeting of the Independent Members was raised as a matter that the Board might wish to address. The Independent Members together formed a committee under the provisions of the Articles (7.2.13) for the purposes of the appointment of other Independent Members. The annual meeting was scheduled to enable the Independent Members to discharge this responsibility.

4.3.2 Further discussion revealed that the annual meetings (to which external Co-opted Members were invited) provided a valuable opportunity for private discussion by external members of the Board. It was agreed that the annual meeting of the Independent Members should continue but that the timing of these meetings should be re-considered.

² Governance and Nominations Committee Minute 173.3, 14 October 2014, refers

4.4 Governor remuneration

- 4.4.1 Governors' discussions revealed that it would be appropriate for the 2014 Effectiveness Review to revisit the issue of Governor remuneration. As the size of the Board diminished, the level of commitment required by members would increase. It was suggested that other factors which should be taken into consideration included Governors' levels of exposure and their accountability as Board members. In many cases, the decision to accept appointment to the Board had its basis in the principles of public service and the personal commitment of the individual concerned to the institution and to the Board.
- 4.4.2 A further dimension was that as an Exempt Charity, the University might need to obtain the consent of the Charity Commission to any proposals for Governor remuneration. A number of other restrictions also applied. Mindful of the objectives agreed for the 2014 Review, it was recognised that because of the expertise and capability that the Board would require of future Governors, it might prove difficult to continue to attract members of the required calibre without offering payment. The view was taken that the Board's present arrangements should continue until further notice but that this matter should remain on its Agenda for periodic discussion.

4.5 Timing of meetings

The present principles used to determine the timing of meetings and the dates on which they should be held had been established some years previously following consultation with Governors. This issue was raised again for consideration as part of the 2014 Effectiveness Review and was debated by Governors who concluded that the present arrangements should remain unchanged.

4.6 Agenda papers and reports

- 4.6.1 The 2009 Review had made a series of recommendations concerning the consistent use of a common format for Board papers and the adoption of a more succinct writing style that would make clear the purpose of the paper and what was being requested of the Board and/or its committees.
- 4.6.2 Although there had been some progress since 2009, Governors took the view that there was room for further improvement in this area. However, whilst the virtues of brevity were recognised, it was considered essential that the needs of all Governors were met in terms of the range of information that they required to enable them to consider matters and to engage effectively in decision-making.
- 4.6.3 The Board was advised that software options to support paperless meetings were being explored and that a shorter Agenda format, based on a series of item headings, but without supporting narrative, would be implemented.

4.7 Committee structure of the Board

- 4.7.1 The 2009 Effectiveness Review had resulted in significant changes to the Board's committee structure. However, the Board's continuing commitment to reducing the number of Governors and changes in emphasis within the Board's overall portfolio of work since 2009, made it possible for it to further alter its committee structure.
- 4.7.2 The revised committee structure, implemented by the Board on 1 January 2015 reduced the number of standing committees (excluding the Academic Board) from **5 to 3** (**Appendix I, refers**).

5 EXTERNAL CONSULTANT'S REVIEW

- 5.1 The possible scope of a review by an external consultant was first considered formally on 22 September 2014 at which time an initial briefing was received from Professor Garratt.
- 5.2 Professor Garratt summarised the challenges faced by the University in terms of future funding and the extent of the University's desire to be self-funding; the changing expectations of students; the geographical position of the institution versus its 'virtual' position; changes in technology and their impact on the delivery of learning and teaching; the extent of the University's autonomy within the structure of the state; the delivery of the 2015-2020 Strategic Plan and the attainment of the 2020 Vision and the University's declared objective to raise its international profile and to further increase respect for its brand internationally.
- 5.3 Professor Garratt's initial discussions with the Chairman of the Board and senior officers of the University had revealed a "growing need for more strategic thinking, leadership and the positioning of the Board to allow UH to better achieve its Purpose". It was recognised that given the range of national and international issues that the University should expect to encounter, it was important that a review of the depth and nature proposed by Professor Garrett should be undertaken.
- 5.2 It was agreed, therefore, that all Governors (including the Vice-Chancellor) and the Secretary and Registrar should be surveyed by means of a generic questionnaire, following which, each would meet privately with Professor Garratt.
- 6.3 The feedback obtained by Professor Garratt would inform discussion by the Board at its annual Away Day on 24 February 2015.

7 EXTERNAL CONSULTANT'S REPORT

- 7.1 Professor Garratt provided the Board with a detailed report of the findings of the questionnaire and of his interactions with Governors and the Secretary and Registrar, together with a series of observations.
- 7.2 The process had revealed that the Chairman of the Board, Secretary and Registrar, Vice-Chancellor and the integrity of the information provided by the Executive to the Board were considered to be of outstanding quality by those surveyed. However, the feedback also indicated that the Board needed to consider further how it would approach the dichotomy created by a need to drive forward the University in order to ensure its long-term survival whilst continuing to exercise appropriate control.
- 7.3 Delivering the role of the Board more effectively, improving the efficiency of the Board, and achieving a better understanding of the Board's role and responsibilities were considered essential.

8 CONSIDERATION OF FINDINGS

- 8.1 Discussion at the Board's 2015 Away Day was wide-ranging and the issues raised as a consequence of Professor Garratt's work were debated fully. It was considered essential that the University should have a clear understanding of who its stakeholders were. The Board recognised that because of the size and complexity of the institution, the stakeholder pool would inevitably be diverse. However, because the 2015-2020 Strategic Plan was still evolving and had yet to be approved, it was considered appropriate to defer discussion of stakeholders until that process was completed and the stakeholder pool defined.
- 8.2 The University worked continuously, through its Marketing and Communications team, to publicise the institution, its purpose, values and vision, both locally and nationally, to students, applicants, staff and other audiences. The scope and audience for communications and publicity were adjusted as necessary.

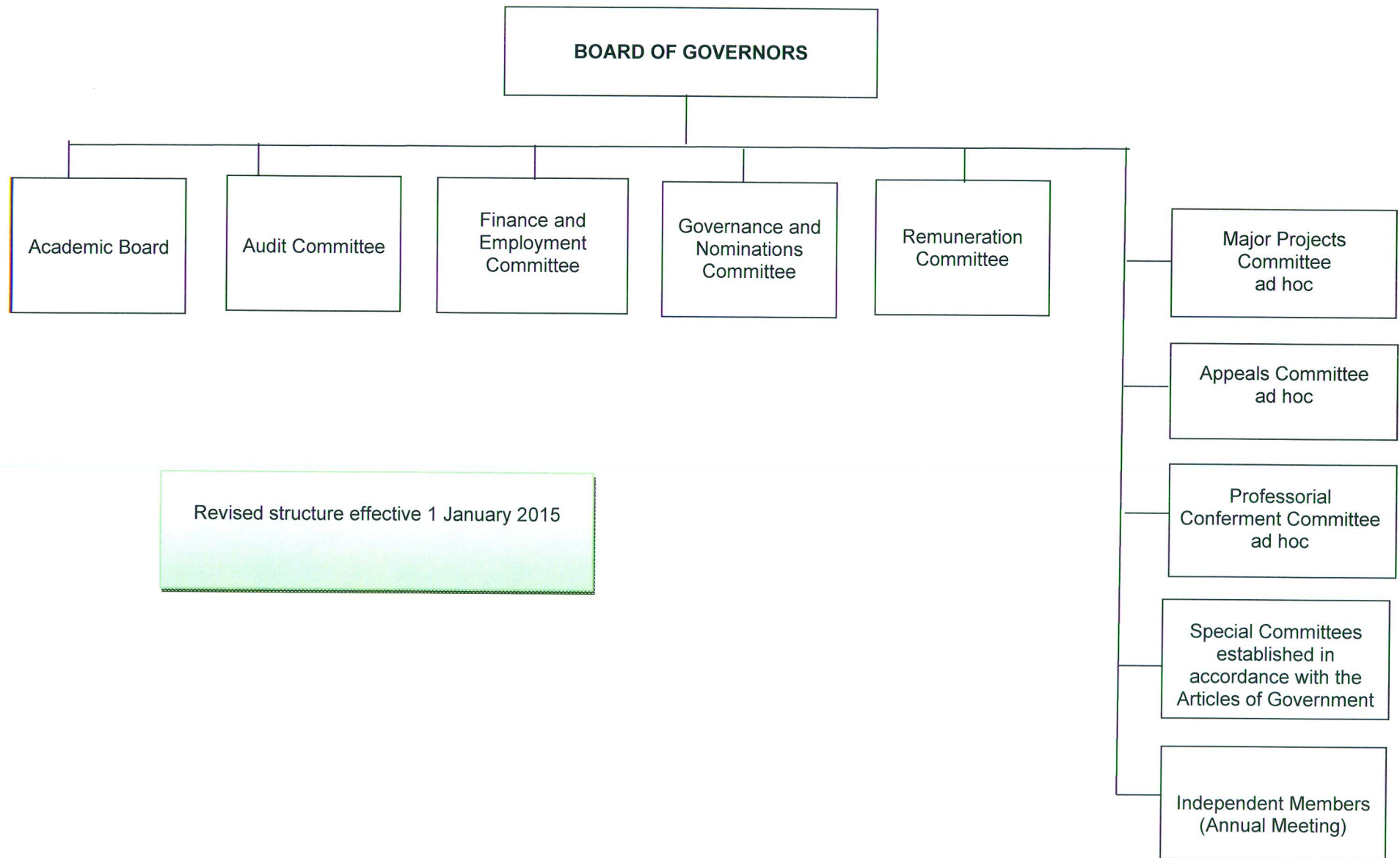
- 8.3 The University had in place a range of monitoring processes, the findings of which were reported to and debated by the Board and, where relevant, by its committees. These surveys included (for students) the internal Module Feedback Questionnaire (**MFQ**) and the external National Student Survey (**NSS**). Staff were invited to participate in a Staff Survey at intervals of approximately three years.
- 8.4 The University had in place a well-established annual planning cycle during which individual Strategic Business Units proposed their business plans for the coming year. These were framed within the context of the changing external environment for each area of the business and were debated and tested by the Executive and other senior officers with relevant expertise, for example, in the areas of finance, human resources. This process contributed to the formulation of a proposed Annual Budget for the Financial Year concerned which was then debated by the Finance Committee and the Board of Governors before receiving approval.
- 8.5 The Employment, Remuneration, Governance and Nominations Committee and its predecessors, routinely monitored the level of diversity within the Board's membership and continually sought ways in which to attract expressions of interest from members of under-represented groups.
- 8.6 The Board and its members were of particularly high calibre. However, it was accepted that in order to meet the challenges that the institution was likely to face as it worked to achieve its 2020 vision, the Board should continue to develop its strategic thinking processes and competence. The induction and development process should be reviewed and the induction of committee members considered as part of that work. The Chairman of the Board met each Governor at least annually and Governors had the option to request further meetings with the Chairman. The view was taken that the present arrangements were sufficient. The Board agreed that Governor remuneration should be considered periodically but confirmed that the decision taken earlier in the process (section 4.4) should stand for the time-being.

9 CONCLUSION

Having debated Professor Garratt's report and observations at length, the Board reached a series of conclusions and agreed a number of actions together with a phased programme of work (**Appendix II, refers**).

COMMITTEE STRUCTURE OF THE BOARD OF GOVERNORS

Appendix I



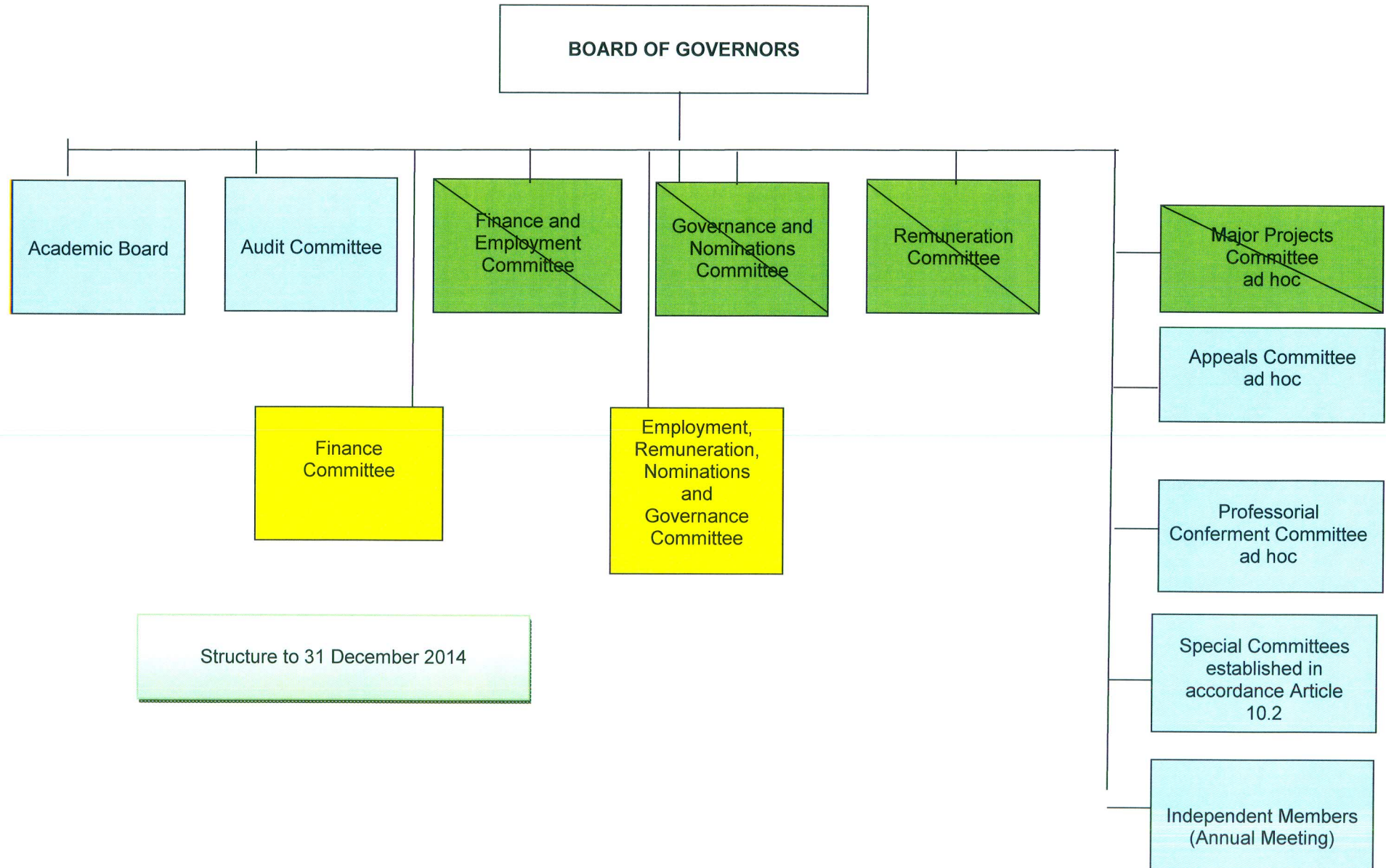
COMMITTEE STRUCTURE OF THE BOARD OF GOVERNORS

Appendix I

KEY: NEW:

STANDING COMMITTEES TO BE WOUND UP:

STANDING AND AD HOC COMMITTEES TO REMAIN IN STRUCTURE:



UNIVERSITY OF HERTFORDSHIRE HIGHER EDUCATION CORPORATION

Extract from the minutes of the meeting of the Board of Governors held on 24 February 2015

“Targets for the next three to six months:

1. Use the next three to six months to prepare the Board for moving to a new rhythm/cycle in the new academic year. This should reflect the Learning Board cycle as discussed at the Awayday and also take into account the set-piece regulatory reporting that is already in the calendar.
2. In this context develop a dashboard which will free up Board time for thinking on strategy and policy.
3. Introduce a monthly analysis of relevant external affairs which will help the Board in policy formulation and its strategic thinking. Governors to be paired up to present back to the Board on key topics as in PPESTT framework, including educational topics.
4. Introduce more tightly crafted Board papers which are a maximum of four pages long and which are clear about what is required from the Board. Further information may be included as an appendix.
5. Review the transition to a paperless Board without compromising the quality and integrity of the Board papers.
6. Extend an invitation to the Governors to attend Academic Board meetings, and potentially the Research Committee, with a view to providing the Governors with greater insight into the educational work of the University.
7. Governors with specific experience, e.g. Research, to provide insight and guidance at an earlier stage when Board papers are being prepared, rather than providing input when a paper is formally presented to the Board.
8. Create a stakeholder matrix.
9. Create a skills metric for the Board as the basis for achieving greater diversity and optimal Board composition. This will also provide the basis for targeted advertising.
10. Forward the agreed outcomes of the Board of Governors’ Awayday to the academic, professional and student body within the University.

Medium term targets for the Board:

1. Implement the rhythm/cycle for the Board calendar as set out above in targets for the next three to six months.
 2. Introduce the dashboard as set out above.
 3. Use the induction of the four new Governors as an opportunity to introduce all Governors fully and provide greater detail about backgrounds and expertise.
 4. Provide the new Governors with development modules for example about key aspects of the University’s business model such as admissions. These modules should be available for all Governors.
 5. Establish contact with the Advisory Boards of the respective schools as a potential source of future Governors.
 6. Provide a greater flow of information about the University to the Court so that members of the Court can become more effective ambassadors for the University.
 7. Review stakeholder engagement and define the Board’s role, as well as the Court’s role in engaging with stakeholders. Review Court composition in this light.
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8. Board to adopt a more active stance on key policy issues including engagement and influence.

Long term targets for the Board:

1. Increase the diversity of the Board through the measures set out above.
 2. Moving towards the next Strategy Plan, review the underlying policy and the strategy for the University."
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