

THE EFFECTIVENESS OF THE GOVERNING BODY

Conclusions and Recommendations

This final paper on the current review of the effectiveness of the Governing Body includes a full analysis of the 17 individual responses to the questionnaire and draws on the Strategy Day in January 2011 and on the informal meeting held on 21 March 2011. As noted previously, there is a wide measure of agreement on a range of key matters and these are set out below. The principal part of the paper and most of the recommendations, however, concentrate on those areas discussed on 21 March where earlier there appeared to be differences of view. Ways forward on these issues are suggested with a view to further developing the effectiveness of the Board.

1. Introduction and overall assessment

1.1. This final paper on the effectiveness of the Governing Body at Edge Hill University is the outcome of the process which started in 2010 with an evaluation by Eddie Newcomb of progress made in relation to the governance recommendations in the 2005 KPMG review. The report on the evaluation was presented to the Board in July 2010 and showed that considerable positive progress had been made.

1.2. By the time the report was submitted the University had committed itself to being one of the pilot institutions participating in a national study being undertaken by the Committee of University Chairs and the Leadership Foundation to test a new model of judging the effectiveness of a Governing Body. Eddie Newcomb was asked to support the Governing Body in this exercise, using the national questionnaire which has been successfully deployed – in whole or in part - in all of the pilot institutions. **Hence this final report should be read in conjunction with the July 2010 review; inevitably there is some overlap between the two in relation to the major issues at stake.**

1.3. It may be helpful to the Governing Body to give an overall assessment at the outset:

By the best standards of UK higher education, governance at Edge Hill is fundamentally sound and its Governing Body is highly effective in many key respects. There are some areas where effectiveness can be significantly enhanced but

the commitment of the Governing Body to continuing improvement and development augurs well for the future.

2. Summary of recommendations

Within a context which is very positive in relation to the Board's performance, the following recommendations are made to enhance future effectiveness:

2.1. There should be a further informal discussion on the role of the Board, using the draft guidelines in Appendix B as a basis, with a view to developing a final paper to which all members might subscribe (section 5.7).

2.2. Together with its new Chair, the Board should consider the structure of agendas, the frequency of meetings and general modus operandi as suggested in detail in the report (section 5.9).

2.3. There should be individual reviews of members' experience both towards the end of a period of membership and more frequently – perhaps annually – during the membership period; these arrangements should include reviews of the Chair (section 5.10).

2.3 All committees should follow the Audit Committee practice of an annual self-evaluation (section 5.10)

2.4. A full evaluation of Board effectiveness should be undertaken every four years, should be supported by an external facilitator and should be accompanied by a review of academic governance (section 5.10)

2.5. The Board, through the Nominations Committee, should review the process for the appointment of new members as recommended in the July 2010 report (section 5.11).

2.6. With regard to internal and external communications, the Board and the Executive need to determine their respective roles; suggestions are made as to how the Board might raise its profile both within the institution and externally (section 5.13).

2.7. The Board should satisfy itself about the processes for achieving quality in both and academic and service areas – even though the responsibility for achieving both rests with the Executive (section 7.3).

2.8. Informal briefings might be held on particular themes relating to the University's core academic business in order to keep governors well informed (section 7.3).

2.9. Given the difficult circumstances facing higher education for the foreseeable future, the Board should devote a Strategy Day/Awayday to consideration of future issues, both those facing all institutions and those specific to Edge Hill (section 8).

3. The Approach

3.1. This assessment of effectiveness was based on the following steps:

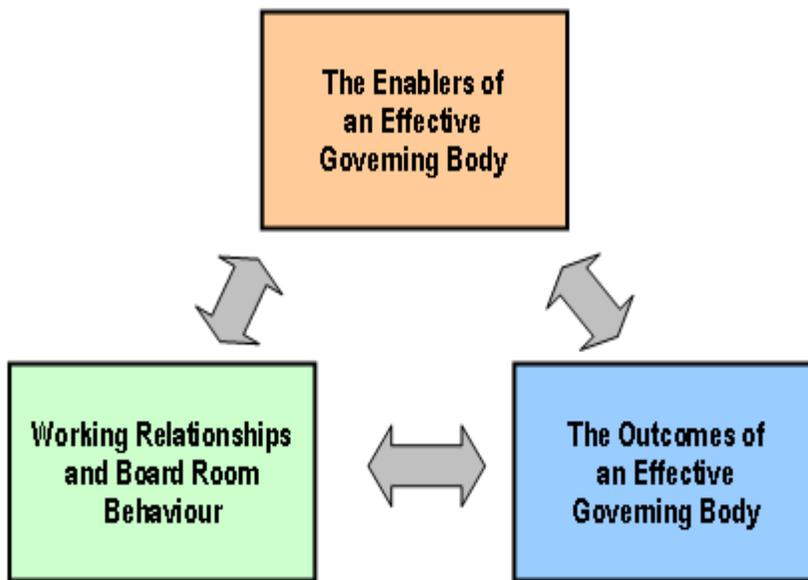
- An evaluation of the decisions taken by the Board on the July 2010 report
- An assessment of the outcomes of the group discussions held during the Governing Body's Strategy Day in January 2011
- A detailed questionnaire issued to all members of the Board on the three main determinants of Governing Body effectiveness as set out in the new national model
- Discussions which the Chair of the Governance Working Party and the Clerk to the Governing Body (the earlier exercise having involved interviews, either face-to-face or by telephone with some 15 governors)
- A facilitated informal discussion for all Governors (save the Vice-Chancellor) held on 21 March 2011

3.2. 17 governors out of a potential of 21 returned completed questionnaires, a response rate of just over 80%, a very acceptable outcome given the pressures on governors' time. An analysis of the returns is given at Appendix A.

3.3. The Consultant wishes to again place on record his appreciation if the trouble taken by all who participated in the exercise. The degree of frankness in the responses was refreshing and helpful. The immense commitment of members of the Governing Body was emphasised in the 2010 report and the spirit in which the review has been undertaken, in particular the very open and positive discussion at the March meeting, is highly commendable. **Indeed, it is worth recording that there appear to have been several encouraging developments since the 2010 report. Both the Chair of the Governance Working Party and the Clerk are of the view that the Board meeting immediately following the March discussion was one of the very best meetings they had experienced, with very full participation during the debate on fees. Effectiveness appears to be on an upward trajectory.**

4. The new national model

4.1. The new national model, designed by Allan Schofield and refined during the pilot exercise, has three core and inter-related elements:



4.2. The questionnaires completed by governors covered all three elements in detail as analysed at Appendix A. Each is considered in succeeding paragraphs. It is pleasing to note that the wide measure of agreement on key matters covered all three areas in the model. The areas of consensus have been broadly judged by the fact that at least 70% of the responses ‘completely agreed’ with the proposition in question although a little flexibility has been exercised. It is, in any case, important to note at the outset that a quantitative approach has its limitations and terms such as ‘Partly agree’ or ‘Partly disagree’ do not indicate the strength of feeling behind a particular answer.

4.3. It is also worth noting that although section 5 on the ‘enablers’ is more detailed than the other sections, the enablers are the foundation of governing body effectiveness and this part of the questionnaire is considerably longer than the rest. In addition, several of the issues which arise in terms of ‘Board Room behaviour’ (section 6) and ‘outcomes’ (section 7) are inevitably inter-related with the enablers. To avoid artificial distinctions therefore such issues are considered in section 5 whenever that was thought to be appropriate.

5. The enablers of an effective Governing Body

5.1. The enablers of effective governance are the foundation on which the Governing Body works and without them it is highly unlikely that it can be effective in practice. This part of the model divides the factors relating to these foundations into six areas:

- The commitment to effective governance
- Effective governance structures and processes
- Effective Governing Body membership
- Governing Body commitment to organisational vision, culture and values
- Effective strategic development and performance measurement
- Effective Governing Body information and communication

5.2. It is not intended to enter into the detail of each of the 30 sub-questions underlying these areas but instead to try to draw some general conclusions from the survey responses. It is pleasing to note that the Edge Hill Board scores high marks in a number of the areas. The report of July 2010 emphasised that the University has a highly committed set of governors concerned to maintain and enhance the very significant progress made by Edge Hill in recent years. This latest review confirms that conclusion.

5.3. The following boxes take each of the six areas and show where there is (i) general agreement – usually the 70% test ; significant convergence – around 60%; and (iii) limited convergence – less than 60%. Where there is only limited convergence of views ways forward are suggested, taking account of the 21 March discussion. Again, it is stressed that a strict arithmetical approach has not been taken: the arithmetic has been modified by the Consultant’s judgment. A similar pattern is followed in sections 6 (Board Room behaviour) and 7 (the outcomes achieved).

Commitment to Effective Governance:

General agreement	Significant convergence	Limited convergence
There is a genuine and shared commitment between the Chair, the Vice-Chancellor and the Clerk to ensure effective governance		The Board regularly reviews its own performance and demonstrates a commitment to

		continuous improvement
The approach, style, experience and motivation of the above officers facilitates effective governance		

Effective governance structures and processes:

General agreement	Significant convergence	Limited convergence
The roles, responsibilities and accountabilities of the Board and its committees are well understood	The Board decision making structure is fit for purpose	Arrangements for Board and committee meetings are fit for purpose
There is a clear system of delegation		Effective arrangements are in place for involving staff and students

Effective Governing Body membership

General agreement	Significant convergence	Limited convergence
	Recruitment and succession planning of Board membership is effective	Size, nature, skills and diversity of Board membership are appropriate
	Effective support, induction and on-going professional development exists for members	Contribution of all members is regularly reviewed using processes agreed by the Board
	Board members are motivated, attend regularly, participate actively, and their skills and experience are used effectively	

Governing Body commitment to organisational vision, culture and values

General agreement	Significant convergence	Limited convergence
Board demonstrates an understanding of and commitment to organisational vision and mission		

Board demonstrates an understanding and acceptance of organisational culture	Board is active in supporting and where necessary defending academic values	
Board demonstrates an active implementation of the principles of good conduct in public life		There is trust and understanding in the Board amongst those staff and students who come into contact with it

Effective strategic development and performance assessment

General agreement	Significant convergence	Limited convergence
	Board fully understands institutional strategy and is actively involved in its formulation, approval and review	
	Board actively measures and monitors institutional performance, including through agreed KPIs	
	Board ensures that effective and regular performance reviews are undertaken of executive and main departments, and reviews the outcomes	
	Board ensures that effective academic governance occurs	

Effective Governing Body information and communication

General agreement	Significant convergence	Limited convergence
Board ensures that effective risk management processes are in place and receives appropriate information	Board receives timely and accurate information	
	Information is presented to the Board effectively	
	Board is appropriately informed of its legal and	

	regulatory responsibilities	
		There is effective communication to and from the Board both within the institution and with key stakeholders and – where appropriate – the public at large

5.4. What conclusions can one draw from the above analysis? First, the broad agreement in many of the key areas shows that, by the standards of governance in UK higher education, Edge Hill emerges well. The fundamentals are in place:

- the formal role and responsibilities of the Board and its committees are well understood and are supported by a clear scheme of delegation
- there is genuine commitment between the Chair, the Vice-Chancellor and the Clerk to ensure good governance
- the approach and style of the Chair and the Clerk facilitate good governance
- there is active implementation of the principles of good conduct in public life
- the Governing Body demonstrates an understanding of and commitment to organisational vision, mission and culture

The Board can take satisfaction from these achievements.

Second, the topics raised in the middle column of the analysis suggest areas where further discussion among the Board may well lead to a consensual approach. One of these is absolutely crucial to Board effectiveness, namely, agreement on how the role of the Board is undertaken in practice. Third, the topics where there is limited convergence are concerned with three areas: performance review, membership and meetings and finally communications between the Board and other parties, both internal and external. In succeeding paragraphs, the second and third topics are examined in more detail.

5.5. The topics in the middle column raise important issues which were discussed on 21 March. Essentially, they concern the role of the Board, particularly in terms of decision making and strategy, and the nature of Board meetings, particularly their agendas and frequency. Thus, whilst the formal role of the Board (and its committees) are well understood and there is an agreed statement of the primary responsibilities of the Board, there are differences of view, perhaps wide at the extremes, about how *in practice* the role and responsibilities should be exercised. The questions arising include:

- Is the role of the Board primarily about support and encouragement to the University?
- Is the role of the Board primarily to ensure good governance?
- Is the role of members primarily to contribute their professional knowledge and contacts?

- Is the role of the Board primarily to understand and critically appraise potential decisions and shape strategy in collaboration with the Executive?
- Is the Board best described as the institution's 'critical friend' and, if so, how challenging is the Board at present?
- Is the role of the Board some or all of the above?

Of course, the responsibilities of the Board cover a number of these areas.

5.5.. Some responses to the survey questioned whether the Board was sufficiently involved in shaping strategy and taking decisions but it should be emphasised that the recent Board Strategy meeting was clearly well received. In this area the questions arising include:

- Is the Board currently too much of a rubber-stamping body to add real value?
- Should more potential scenarios and options be offered to the Board before key decisions are taken?
- How might the Board be further involved in the development of strategy – or is this the role of the Executive?

5.6. The role of the Board and a shared understanding of it are paramount. Given the different views among members about the role, it is therefore extremely pleasing that there was an excellent discussion on the issues at the March meeting. What emerged from that discussion suggests that a short set of guidelines might provide a basis for general agreement. A first draft of such guidelines is set out in Appendix B and which could be the subject of a further informal discussion by members of the Board.

5.7. Against this background, it is **recommended that, given this is the most critical issue of all, there is a further informal discussion on the role of the Board in practice, using the draft guidelines in Appendix B as a basis, with a view to developing a final paper to which all members might subscribe.**

5.8. Whilst some members are clearly very satisfied with the nature of current Board meetings, others are not. Some of the questions arising follow on from views as to the purpose and role of the Board:

- Are Board agendas currently too long to allow full discussion and should there be more frequent meetings?
- Is too much time spent on presentations from the Executive and too little on discussion and challenge?
- Could the amount of paperwork be reduced without impairing effectiveness?
- Could reporting by Committee Chairs be strengthened so that key decisions are actually made by the Board or are the current arrangements in this respect satisfactory?

5.9. It is appreciated that decisions on a number of these matters must await the new Chair but again a helpful discussion took place in March. A number of the points which

emerged appeared in the July 2010 report. Accordingly, it is **recommended: that with its new Chair, the Board should:**

(i) consider re-structuring board agendas into two parts: the first and early part of the agenda should concern items for discussion and decision; the second should concern items for information only although any member should be entitled to raise a point of any matter if he or she so wished;

(ii) continue the current trend, welcome to most - perhaps all – members, of encouraging more discussion at the Board with rather less time spent on presentations;

(iii) consider asking the Executive to present, where possible, more than one scenario to the Board in relation to major issues, even when one particular course of action is strongly favoured by the Executive;

(iv) continue the current arrangements, welcome to all members, of informal meetings/Awaydays to give initial consideration on major strategic items at an early stage;

(v) keep the frequency of its meetings under regular review, possibly increasing the number to five as suggested in the March meeting;

(vi) in particular, consider the merit of having an informal meeting in, say, September to fill the current gap between July and November (as recommended in the July 2010 report);

(vii) invite the Clerk to review the format, timing and presentation of papers both for the Board and its committees with a view to reducing the amount of paper (as the detailed recommendation in the July 2010 report).

5.10. The issue of performance reviews of the Board as a whole, its committees and individual Board members was referred to in the 2010 report. Since then **the Board has committed itself to the principle of regular self-evaluation** and what was said in the earlier review can now be stated more firmly in the light of the survey responses and the March discussion. It is clear that there is enthusiasm among the current membership for some form of periodic review with the Chair, certainly towards the end of a period of membership and that there is similar support for a more frequent one-to-one interview. Parallel arrangements should be made for the review to include the Chair. This could be done in a number of ways: for example, by the Vice-Chair with a senior independent governor or the Chair of the Audit Committee. Alternatively, a senior member of the governing could be accompanied with someone external to the institution, possibly the Chair of another HE governing body.

It is therefore **recommended that:**

- (i) towards the end of a period of membership and prior to any consideration of re-appointment, the retiring member should meet with the Chair for discussion of the member's experience on the Board and its committees;**
- (ii) there should be a more frequent review with the Chair (or the Vice-Chair to spread the work load), perhaps on an annual basis, as set out in section 14.3 of the July 2010 report;**
- (iii) arrangements should be made for the review process to include the Chair;**
- (iii) all committees should follow the practice of the Audit Committee in instituting an annual self-evaluation process approved by the Board;**
- (iv) every four years the Board should undertake a full evaluation of its own effectiveness; externality is valuable and the process therefore should be supported and facilitated by an external person to give objectivity to the exercise;**
- (v) associated with the Board evaluation should be a review of academic governance.**

5.11. In terms of Board membership there are some concerns among members – not universally shared - about the appointment process and the current skills mix. These were set out in section 9 of the July 2010 report and are not re-stated here. What follows, however, is a repeat of the recommendation made in the earlier paper at 9.2. It is **recommended that the Board, through its Nominations Committee, should:**

- (i) review the current process for the appointment of Board members to ensure that it is open, transparent, defensible and written;**
- (ii) consider whether a person specification should be prepared before a vacancy for a new Board member is advertised;**
- (iii) consider the comments made by members of the Board in relation to the current skills mix.**

5.12. Many members are uneasy about the issue of communications between the Board and other parties, both internal and external. The internal parties are, of course, staff and students, whilst the external parties are key stakeholders and, to some extent, the public at large. The source of the unease, in the Consultant's view, lies in uncertainty as what exactly the Board's appropriate role should be in these areas. That uncertainty is probably magnified by the knowledge that there is a danger of impinging on the proper responsibilities of management. In the Consultant's view, there is no 'right' or 'expected' answer to these issues but, as Allan Schofield points out in his 2009 report on what constitutes an effective and high performing governing body, there are at least three related elements here: 'providing internal confidence to staff and students in a collegial environment; providing external confidence to key stakeholders and funders; and providing external confidence to a range of public and private interest groups'. Within

these elements is the whole notion of ‘public value’, that is, what the institution brings locally, regionally and nationally to economic and social well being, an area in which Edge Hill scores highly on all the available evidence.

5.13. Associated with the need to give confidence is the need to avoid the governing body appearing remote and unconnected. Each institution approaches these issues in its own way. Accordingly, it is **recommended that:**

(i) the Board should have an informal discussion at an AwayDay or Strategy Day with the Vice-Chancellor and senior members of the Executive as to their respective roles for communications with other parties;

(ii) whilst the main focus for internal communication with staff and students rests on the Vice-Chancellor and the Executive, the Board might consider periodic social events with groups of staff and students with a view to improving its profile among the University community and making known the nature of the Board’s work;

(iii) consideration be given to placing photographs of Board members in the main reception, again to increase its profile;

(iv) consideration be given to instituting, as a number of post-1992 universities have done, an Annual meeting or Stakeholders’ Forum when the Board and the Vice-Chancellor could report to a wider public audience on the University’s achievements, problems and concerns.

6. Working relationships and Board Room behaviour

6.1. The second set of questions concern the crucial interactions between the people involved on governance and what actually happens at Board meetings. The model raises five questions in this area and the Edge Hill responses are shown in the box below:

General agreement	Significant convergence	Limited convergence
Board meetings are efficiently conducted and chaired in a way which encourages an appropriate degree of transparency, openness and engagement	All governors are actively involved in discussion, and demonstrate a shared purpose and commitment whilst maintaining the distinction between governance and management	
Working relationship between Board members and the Executive are good, and a positive atmosphere exists in providing support	The need for constructive challenge by the Board is understood and accepted by both members and the Executive, and is	

to the Vice-Chancellor	undertaken both appropriately and effectively	
The Board displays a shared commitment to continuous improvement in relation to its affairs including building good working relationships		

6.2. This is an encouraging response and reflects the strong and positive spirit among members of the Board. Working relationships between the Board and the Executive are excellent and there is a very good atmosphere in providing support for the Vice-Chancellor whose skills and dynamic leadership are universally admired. The Board has a commitment to learn and improve as indeed the current exercise testifies. Little more therefore needs to be said in this area and that is to the credit of the Chair and the current members.

6.3 Three matters should be mentioned, however. The first is the issue of constructive challenge which also comes up in the role of the Board explored in section 5 above (and referred to in section 11 of the July 2010 review). In last year’s exercise, some Board members felt that there was insufficient challenge and that the Board was too much of a rubber stamp. Others thought that the challenge came at committee level. More recently, Board discussions about ‘The Hub’ and about fee levels suggest that practice is developing in this respect in a wholly healthy way. These aspects are covered in Appendix B. The second concerns the distinction between governance and management. It will be seen from one of the comments in Part B of the analysis in Appendix A that at least two governors feel there is uncertainty here. This is not a straightforward issue as there is no hard and fast distinction between the two, rather more a continuum where the boundary will move according to the circumstances and nature of the institution. No formal recommendation is made in this respect but it might be worth including the topic as an issue for informal discussion with the Vice-Chancellor and his senior colleagues at an Awayday/Strategy Day. Finally, it is important to note the many positive comments made about the value of the January Strategy Day and the informal March meeting: governors welcomed the opportunity to discuss key issues in an informal setting – and indeed to get to know each other better.

7. The outcomes achieved by the Governing Body

7.1. Subject to the principles of good governance and those relating to conduct in public life, it is the institutional outcomes which really determine the effectiveness of a governing body. Here the responses to the survey, which raised eight issues, indicate a largely excellent performance in these areas:

General agreement	Significant convergence	Limited convergence
The agreed institutional strategic plan is being achieved	Defined quality levels in academic and service provision are being achieved	Confidence in governance is being achieved both within the institution and with key external stakeholders
Institutional financial health and sustainability is being achieved	Effective institutional leadership through governance are being achieved	
The required standard of accountability and regulatory compliance are being achieved		
Both the effective management of risk and optimal support for innovation are being achieved		
Enhanced institutional reputation and competitiveness are being achieved		

7.2. The Board and the Executive can take heart from this picture. Generally, there is a positive belief that the major outcomes desired by the Board and Executive are being achieved, especially in relation to the strategic plan, the University's financial health, the required standards of accountability and regulatory compliance, and enhanced institutional reputation and competitiveness.

In this area, as throughout the exercise, Board members paid tribute to the excellent work of the Vice-Chancellor and his senior team in taking the University forward. Herein, however, lies something of a rub in the sense it raises the issue of the degree to which the Board itself is adding value in achieving these outcomes. The 2010 exercise showed that many governors were concerned about what they were bringing to Board in relation to enhancing the University's success and these issues are further explored in section 8 about the future.

7.3. Of the three areas of significant or limited convergence, the following points may be made:

- The summary in the box above about the achieved levels of academic and service provision masks the fact that only 8.5 of the respondents were able to completely agree with the proposition whilst 8.5 partly agreed (one member was split!).

- The issues of effective institutional leadership through governance and of confidence among internal and external stakeholders would be satisfactorily resolved if the recommendations in this report and the July 2010 review are implemented.

With regard to the first bullet point it is **recommended that the Board should satisfy itself about the processes for achieving quality in both academic and service areas – even though the responsibility for achieving both rests with the Executive.** In addition, the point made in 12.1 of the July 2010 report about governors’ knowledge and understanding of the core academic business is reinforced here. In that report it was noted that most governors at Edge Hill seemed generally satisfied about their understanding of this area. The current exercise, however, reveals rather less certainty in this area. Only six completely agreed that the Board is active in supporting core academic values although a further seven partly agreed. Governors plainly cannot carry out their responsibilities fully without an understanding and appreciation of the academic endeavour which is the heart of a university’s activities. Equally clearly, governing bodies should not become involved in the detailed content of courses or the direction of research. There is, however, a minimum level of knowledge that is needed. In the teaching area, it is reasonable that governors should know the basis on which new programmes are introduced, how they are market tested, how they are costed and the approval process involved. In research, they need an understanding of the flows of research income and whether there is an interaction with teaching income. For this reason, the suggestion in the earlier report is repeated here and it is **recommended that informal briefings are held on particular themes relating to the University’s core academic business.** Such occasions would be of particular value to new Board members.

8. The Future

8.1. The survey gave members the opportunity to offer comments about future requirements. Since the review of July 2010 the scale of the challenges facing higher education institutions has become clearer still, whether in relation to funding for teaching, competition for students, enhancing the student experience or setting appropriate fee levels which will ensure future sustainability. This report is concerned largely with the here and now but, as was acknowledged frankly at the March meeting, governing bodies need to look ahead. As one governor put it in responding to the survey: ‘Just because the strategy of the last 10 years has been phenomenally successful, there is no reason to guarantee that it will continue....We face a whole new situation and will need a completely new and different strategy’.

8.2. Some of the questions which have to be faced were identified in March:

- Is the nature, structure and modus operandi of today’s governing body sufficient to meet tomorrow’s challenges?
- What type of governor will the institution need?

- Should the Board be preparing for the time when the current Vice-Chancellor steps down? Given the outstanding service that the Vice-Chancellor has given, what would this mean for the Board's own priorities and approach?
- How can income streams be diversified and will the University need a new committee to oversee commercial developments?
- Similarly, how can local and regional business links be further strengthened?
- Are the Board's present KPIs and risk policies sufficiently robust and sufficiently benchmarked to meet future requirements?

8.3. It is not for this report to propose answers but it is suggested that to be fully effective and fit for purpose the Board needs to consider these and related issues. Accordingly, it is **recommended that the Board devotes a Strategy Day/Awayday to consideration of future challenges**. For Edge Hill these could be particularly acute when the time comes for the current Vice-Chancellor and senior team step down. It will be seen from the survey analysis that some members are understandably anxious about the possibility of complacency which is always a danger when there is an excellent and highly successful Chief Executive. A recent article in the journal of the Association of Boards and Colleges in the United States draws attention to the dangers *. Two quotations from this article may suggest how this pitfall may be avoided (bearing in mind the different context). First, 'To prevent complacency, trustees can demand transparency, create a culture of critical analysis and inquiry, deliberately assess academic outputs, continuously learn more about the changing world of higher education...and renew the Board often to gain fresh perspectives'. Second, 'Strong Board leadership, through the Board Chair and governance committee, can steer trustees away from complacency and toward a collaborative relationship with the President.' The Consultant has the full article should any member wish to see it.

9. Concluding comments

9.1. This exercise has, of course, been conducted on the basis of a new method of evaluating board effectiveness which is being tested in 15 institutions. The experience of using the questionnaire, supplemented by the discussions at the Strategy Day and the informal meeting on 21 March, seems to have been a very satisfactory approach but one important comment might be made about the questionnaire itself. In relation to the

* See *Board complacency and the experienced President* by Stephen C. Bahls, President of Augustana College, Illinois, in *Trusteeship*, the journal of the Association of Governing Boards of Universities and Colleges in the United States, January/February 2011.

outcomes section, might there be more emphasis on what added value is being brought by the governing body? It would be helpful to know whether the Board concurs with this view.

9.2. It is hoped that the Board will be encouraged by the general tenor of this report. There is already a strong basis for effective performance and the recommendations made are designed both to enhance current effectiveness and help prepare the Board for the relentless challenges of the future. As is indicated in 1.1 and 3.3, the trajectory is the right one and even over the last year a number of the changes made augur well for the development of the Board's performance.

Eddie Newcomb

May 2011

APPENDIX A

Analysis of the responses to the survey from members of the Governing Body

The questionnaire is shown in full below. The analysis takes two forms: first, there is a numerical approach in relation to the specific statements about governance, and second, in relation the comments/evidence/explanatory notes boxes, a selection of quotations from members is included in order to illustrate the range of views.

A health warning should be given in relation to the interpretation of the analysis. First, members who ‘completely agreed’ with particular propositions tended to add fewer comments than those whose views were more mixed. Second, the selection of comments be included is partial and subjective – although at least one comment from every member who responded is included.

Part A: The Enablers of an Effective Governing Body/Council

The questions on the following pages in salmon coloured boxes are about the foundations on which the governing body works, and without these so-called 'enablers' being in place it is highly unlikely that it can be effective in practice. We need to know the extent to which you think these enablers exist. You will see that there are six categories of enablers, with sub-questions in each. Make a mark in just one of the available answers for each question:

1 The commitment to effective governance	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
There is a genuine and shared commitment between governing body chair, the head of institution, and the governing body clerk/secretary to ensure effective governance.	13	3	1		
The approach, style, experience and motivation of the chair of the governing body facilitates effective governance.	11	5			1 (Chair)
The approach, style, experience and motivation of the head of institution facilitates effective governance.	10	5	2		
The approach, style, experience and motivation of the governing body secretariat facilitates effective governance.	13	3	1		
The governing body regularly reviews its own performance and demonstrates a commitment to continuous improvement.	6	9	2		
How Do You Know? For the questions above please summarise the basis of your answers (eg it is opinion, observation, based on					

'hard evidence', or what?):

There is a genuine and shared commitment between governing body chair, the head of institution, and the governing body clerk/secretary to ensure effective governance.

A member who fully agreed said: 'I have come to these conclusions from the experiences I have gained over the last two years of attending governors' meetings and observing the dynamics of the interactions and the quality of the discussions that place in meetings'

'There is a great commitment to "good news" stories and a glossing over of within-University challenges'

The approach, style, experience and motivation of the chair of the governing body facilitates effective governance.

'The Chair is very inclusive and enthusiastic in relation to EHU. Provides a supportive ear for the VC'.

The approach, style, experience and motivation of the head of institution facilitates effective governance.

The VC is 'dynamic, charismatic, open to questions...he is so good that do we challenge enough?'

The approach, style, experience and motivation of the governing body secretariat facilitates effective governance.

The secretariat is 'exceptionally professional, calm, well organized, articulate and knowledgeable'

The governing body regularly reviews its own performance and demonstrates a commitment to continuous improvement.

'It is clear that governors do not have a shared understanding of what governance is. This correlates partly with organizational background and role, and partly personality'

'Appears on the agenda occasionally but not sure it is sufficiently robust in its approach'

Explanatory Comments. *If you wish to explain the reasons for some of your answers given above, please do so here:*

'Governance at EHU is evolving and as such will see further development in terms of effectiveness'

'The committee reviews need to be extended to include all the committees'



2 Effective governance structures and processes	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
The roles, responsibilities and accountabilities of the governing body and its committees are clearly defined and are known by both members and relevant senior managers.	11	6			
The governing body decision making structure (including committees) is fit for purpose.	10	4	2	1	
There is a clear system of delegation from the governing body with appropriate reporting mechanisms.	14	2	1		
The arrangements for governing body and committee meetings (number, timing, location, length of meetings, administration etc) are fit for purpose.	9	5	2	1	
Effective arrangements are in place for involving staff and students, including - where appropriate - outside governing body and committee meetings.	6	4	5	1	1
<p>How Do You Know? <i>Please summarise the basis of your answers</i></p> <p>The roles, responsibilities and accountabilities of the governing body and its committees are clearly defined and are known by both members and relevant senior managers.</p> <p>This was largely agreed and therefore no quotations are given</p>					
<p>The governing body decision making structure (including committees) is fit for purpose.</p> <p>This was largely agreed and therefore no quotations are given</p>					
<p>There is a clear system of delegation from the governing body with appropriate reporting mechanisms.</p> <p>This was generally agreed and therefore no quotations are given</p>					
<p>The arrangements for governing body and committee meetings (number, timing, location, length of meetings, administration etc) are fit for purpose.</p> <p>‘Having experimented with an alternative regime three or so years ago, it was decided to revert</p>					

to the previous regime which appears to work for us’

‘too infrequent Board meetings’

Effective arrangements are in place for involving staff and students, including - where appropriate - outside governing body and committee meetings.

‘ There is virtually no interaction with students from the governing body’

‘Contact with level 2 staff and students could be enhanced’

Effective arrangements for involving staff and students: ‘this is a particularly strong feature of the system currently operating’

Explanatory Comments. *If you wish to explain the reasons for some of your answers given above, please do so here:*

‘...much of what comes to the Board and HR committee is for rubber stamping and does not give options and supporting arguments which assure the Board that all options are considered and the most appropriate option is selected’

‘The Executive makes all decisions and the governing body and committees rubber stamp them’

3 Effective governing body membership	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
The size, nature, experience, skills and diversity of governing body membership are appropriate to meet its roles and responsibilities.	5	8	2	1	
The recruitment, succession planning (and, where appropriate, reward) of governing body members is effectively undertaken.	4	11	1		
Effective support, induction and ongoing professional development exists for members.	2	12	1		

Governing body members are motivated, attend regularly, participate actively, and their skills and experience are used effectively.	10	5	1		
The contribution of all members (including the chair) is regularly reviewed using processes agreed by the governing body.	2	3	7	2	2

How Do You Know? Please summarise the basis of your answers

The size, nature, experience, skills and diversity of governing body membership are appropriate to meet its roles and responsibilities.

‘The Board is too large to be effective, its size occasionally means that meetings are too long with all members wishing to express a view – good but sometimes doesn’t add anything to the overall effectiveness’

‘Nominations regularly reviews the “make up” of the Governing Body’

The recruitment, succession planning (and, where appropriate, reward) of governing body members is effectively undertaken.

‘I am concerned that the “old boy network” is seen by my fellow governors to be effective and desirable, with the public appointments website being seen as adequate to say we are inclusive. I think a broader section of society could be involved in governance, alongside individuals already represented who do a fabulous job too, and that this would energise the Board’

‘The recruitment through Nominations Committee seems fine’

‘The attempts are good but not always successful’

Effective support, induction and ongoing professional development exist for members.

‘The improvements over the past year (to support, induction and on-going professional development) have brought benefits’

‘This is better than it was but there is still room for improvement’

Governing body members are motivated, attend regularly, participate actively, and their skills and experience are used effectively.

‘There is an excellent turn-out at meetingsit would be helpful to meet more often socially or for workshops’

The contribution of all members (including the chair) is regularly reviewed using processes agreed by the governing body.

‘I am not aware of any review process’

‘If performance is evaluated, it isn’t generally known or indeed formalised’

Explanatory Comments. *If you wish to explain the reasons for some of your answers given above, please do so here:*

‘The committee structure as is appears to function very well’

‘The lack of a clear and shared understanding of governance gets in the way of the Board operating effectively. Those who would like to be more searching and constructively challenging are inhibited by those who want to be primarily encouraging and supportive’

4 Governing body commitment to organisational vision, culture and values	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
The governing body demonstrates an understanding of and commitment to organisational vision and mission.	15	2			
The governing body demonstrates an understanding and acceptance of organisational culture.	12	5			
The governing body is active in supporting and where necessary defending core academic values.	6	7	3		1
The governing body demonstrates an active implementation of the principles of good conduct in public life (ie the Nolan principles).	13	2	1		
There is trust and confidence in the governing body amongst those staff and students who come into contact with it.	4	3	1		7

How Do You Know? *Please summarise the basis of your answers*

The governing body demonstrates an understanding of and commitment to organisational vision and mission.

‘This is very clearly and effectively communicated – this is excellent’

<p>The governing body demonstrates an understanding and acceptance of organisational culture.</p> <p>‘The best evidence of this is reflected in the level of interest and understanding the Board has in the staff survey’</p> <p>‘This is very clearly and effectively communicated – this is excellent’</p> <p>‘In my view there is too much acceptance and too little challenge to culture’</p>
<p>The governing body is active in supporting and where necessary defending core academic values.</p> <p>‘The independent governors know little about academic issues’</p> <p>‘I’m not sure that we are as strong as we should be as a body re the academic side other than how it is reflected in KPIs’</p>
<p>The governing body demonstrates an active implementation of the principles of good conduct in public life (ie the Nolan principles).</p> <p>‘Conduct observed at Board meetings and at discussions’</p>
<p>There is trust and confidence in the governing body amongst those staff and students who come into contact with it.</p> <p>‘I believe that when they do engage, there is trust and confidence, but engagement with staff and, in particular, students is at such a low level...’</p>
<p>Explanatory Comments. <i>If you wish to explain the reasons for some of your answers given above, please do so here:</i></p>

5 Effective strategic development and performance measurement	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
The governing body fully understands institutional strategy and is actively involved in its formulation, approval and review.	9	4	3		1

The governing body actively measures and monitors institutional performance, including through agreed KPIs which are both realistic and challenging.	8	6	2		1
The governing body regularly reviews comparative institutional performance with relevant peer institutions through processes such as benchmarking etc.	8	6	3		
The governing body ensures that effective and regular performance reviews are undertaken of the executive and all main departments, and reviews the outcomes.	4	7	1		1
The governing body ensures that effective academic governance occurs including by: monitoring academic quality; ensuring an effective student experience; and receiving reports from the senate/academic board.	8	7	1		1
<p>How Do You Know? Please summarise the basis of your answers:</p> <p>The governing body fully understands institutional strategy and is actively involved in its formulation, approval and review. ‘The governing body fully understands institutional strategy’</p> <p>‘Not actively involved; approves and receives feedback but not pro-active enough’</p>					
<p>The governing body actively measures and monitors institutional performance, including through agreed KPIs which are both realistic and challenging. ‘There is regular reporting against KPIs but perhaps we don’t question critically’</p> <p>‘This is beginning encouragingly but embryonic. Only financial data is available, possibly reflecting the interests of existing governors. We need more institutional data and a fuller consideration of really meaningful KPIs’</p> <p>‘If anything, “over measures” some details’</p> <p>‘This is done through regular reports from the Directorate’</p>					
<p>The governing body regularly reviews comparative institutional performance with relevant peer institutions through processes such as benchmarking etc.</p> <p>‘Done via delegation to Audit Committee which receives benchmarking data’</p> <p>‘We are told that benchmarking data is hard to come by’</p>					
<p>The governing body ensures that effective and regular performance reviews are undertaken of the executive and all main departments, and reviews the outcomes.</p> <p>‘The Executive performs consistently with excellence. This is why there is little pressure for better governance’</p>					

‘I know that this is done but we do not get the full details at the Board – we should’

‘Directorate, yes. It is not and should not be the governors’ responsibility to meddle in departmental detail’

The governing body ensures that effective academic governance occurs including by: monitoring academic quality; ensuring an effective student experience; and receiving reports from the senate/academic board.

‘We receive reports from Academic Board and have a governor link – we need to strengthen this’

Explanatory Comments. *If you wish to explain the reasons for some of your answers given above, please do so here:*

6 Effective governing body information and communication	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
The governing body receives timely and accurate information for all areas for which it is responsible, and has confidence in the robustness of this data.	9	7			
Information is presented to the governing body in as effective a way as possible, taking account of the information needs expressed by the board.	7	7	2		
Reliable and up-to-date information is provided to the governing body to ensure that it is fully informed about its legal and regulatory responsibilities.	10	6			
The governing body ensures that effective institution-wide risk management processes are in place, and receives appropriate risk information and reports.	11	2	1		2
There is effective communication to and from the governing body both within the institution and also with key stakeholder bodies and - where appropriate - the public at large.	4	8	3		1
How Do You Know? <i>Please summarise the basis of your answers:</i>					

The governing body receives timely and accurate information for all areas for which it is responsible, and has confidence in the robustness of this data.

‘A lot of data is given but is it the right data? Most financial. More summarized student-related, academic and HR type data perhaps maybe eg PDR rates, complaints against the University, disciplinary issues etc’

‘Information is comprehensive and well presented’

Information is presented to the governing body in as effective a way as possible, taking account of the information needs expressed by the board.

‘..there could be more effective ways of presenting information eg slideshow, projector, graphs etc’

‘Needs to be constantly reviewed and periodically audited’

‘Information is provided in an appropriate manner on a timely basis’

‘Often too much raw data. Need better summaries backed up by the data’

Reliable and up-to-date information is provided to the governing body to ensure that it is fully informed about its legal and regulatory responsibilities.

‘Very good’

‘I completely agree with this statement’

The governing body ensures that effective institution-wide risk management processes are in place, and receives appropriate risk information and reports.

‘These are delegated to Audit and Finance. There are no corporate objectives and no Board assurance framework’

‘The risk register has significantly improved in format and detail’

‘I completely agree with this statement’

There is effective communication to and from the governing body both within the institution and also with key stakeholder bodies and - where appropriate - the public at large.

‘I do not think we as a Board effectively communicate with the organization or stakeholders or public’

‘How do we know?’

Explanatory Comments. *If you wish to explain the reasons for some of your answers given above, please do so here:*

‘Whilst I am confident that there is sufficient and in-depth information forwarded to the governing body, in some ways there is too much information, not enough focus on KPIs a huge amount of paper generated is wasted. Whilst appreciating the statutory nature of this I would welcome greater focus and brevity..It is not our job to be involved in minutiae or micro-management’

Part B: Working Relationships and Board Room Behaviour

The following questions in this section are about the crucial interactions between the people involved in governance, and what actually happens inside the board room. Getting these relationships 'right' is crucial to effective governance. Please answer the questions in the same way as for the previous section:

	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
Governing body meetings are effectively conducted and chaired in a way which encourages an appropriate degree of transparency, openness and engagement.	11	4		1	1
All governors are actively involved in discussion, and demonstrate a shared purpose and commitment whilst maintaining the distinction between governance and management.	9	7		1	
In practice, working relationships between governing body members and the executive are good, and a positive atmosphere exists in providing support to the head of institution.	14	3			
The need for constructive challenge by the governing body is understood and accepted by both members and the executive, and is undertaken both appropriately and effectively.	9	6	1	1	
The governing body displays a shared commitment to continuous improvement in relation to its affairs including building good working relationships.	12	4	1		

How Do You Know? Please summarise the basis of your answers:

Governing body meetings are effectively conducted and chaired in a way which encourages an appropriate degree of transparency, openness and engagement.

‘Transparency, openness and engagement all good’

‘Chaired effectively to allow discussion although there is often too much time spent by the Executive repeating the contents of papers presented. This could be better controlled’

‘It is best illustrated through the recent debate about the development of the “Student Hub”, the timelines for action were tight but the Board ensured that it was fully engaged in the development plans to ensure due process was followed and the relationships with the executive were enhanced through the process as the Board’s important engagement and contribution was valued and acknowledged’

‘Governing Body meetings are 90% executive and 10% independent. This is not effective’

‘Agenda management could be better. Time pressures sometimes act against full engagement. Board very big’

All governors are actively involved in discussion, and demonstrate a shared purpose and commitment whilst maintaining the distinction between governance and management.

‘All contribute effectively at some time, especially in committees’

‘...overall the balance of contributions includes all members’

‘Distinction NOT understood by all governors, one of whom was honest enough to say this in public! This needs addressing as even those of us who THINK we know may well have different ideas of what it is!’

‘Some governors rarely speak’

In practice, working relationships between governing body members and the executive are good, and a positive atmosphere exists in providing support to the head of institution.

‘In practice I feel we have a shared vision and mutual respect. The fact that we can air differences is evidence of this rather than a challenge to this’

‘There is a high degree of confidence in the executive team’

The need for constructive challenge by the governing body is understood and accepted by both members and the executive, and is undertaken both appropriately and effectively.

‘The Executive are always open to challenge and discussion at meetings without being defensive’

‘I sense some reservation if there is implied criticism’

‘Recent challenges to the Executive have been effectively made and successfully resolved’

‘There is very little real challenge. Those who challenge are seen as troublemakers’

The governing body displays a shared commitment to continuous improvement in relation to its affairs including building good working relationships.

‘This is evident but could be further improved by meetings outside the full Board eg the Strategy Day where we had more time for dialogue between governors’

‘Working relationships generally OK but commitment to continuous improvement?’

‘I believe all are committed to achieving improvement. Problem to me is how you define “Are we the best?” I suspect we are rather good’

Explanatory Comments. If you wish to explain the reasons for some of your answers given above, please do so here:

Part C: The Outcomes Achieved by the Governing Body/Council

The following questions in this section are about the major achievements or outcomes of our governing body/council. Ultimately these are those factors that really determine how effective our board is, including the extent to which it 'adds value'. We need to know the extent to which you think the governing body achieves the outcomes set out.

Possible outcomes	Completely Agree	Partly Agree	Partly Disagree	Completely Disagree	Don't Know
That the agreed institutional strategic plan is being achieved.	12	5			
That institutional financial health and sustainability is being achieved.	17				
That the required standards of accountability and regulatory compliance have being achieved.	15	1			1
That defined quality levels in academic and service provision in the institution are being achieved.	8.5	8.5			
That both the effective management of risk and optimal support for innovation are being achieved.	11	3	1		2
That enhanced institutional reputation and competitiveness are being achieved.	12	5			
That effective institutional leadership through governance is being achieved.	10	5		1	1
That confidence in governance is being achieved both within the institution and with key external stakeholders.	8	2	1		5
Please add any other major outcomes which you think are being achieved by our governing body: 'Retaining and motivating a quality executive team'					

--	--	--	--	--	--

How Do You Know? Please summarise the basis of your answers:

That the agreed institutional strategic plan is being achieved.

‘The University consistently appears to be ahead of the game’

That institutional financial health and sustainability is being achieved.

There is general agreement here and therefore no quotations are included

That the required standards of accountability and regulatory compliance have being achieved.

There is general agreement here and therefore no quotations have been included

That defined quality levels in academic and service provision in the institution are being achieved.

‘KPIs and Audit’

That both the effective management of risk and optimal support for innovation are being achieved.

‘Innovation is evident in courses’

That enhanced institutional reputation and competitiveness are being achieved.

‘A good press office’

‘Reputation has been challenged unfairly and very effectively managed but has still damaged EHU – this is an ongoing challenge that is being effectively and skillfully managed’

‘Local reputation is still not excellent’

‘Yes – from progress in leaguer tables anf external surveys eg National Student Survey’

That effective institutional leadership through governance is being achieved.

‘The strategy is being achieved most effectively but judging the added value of governors is difficult as we have such an excellent Executive’

‘The governing body and executive have mutual trust’

That confidence in governance is being achieved both within the institution and with key external stakeholders.

‘Most will judge us by results – which are excellent – rather than by governance’

Explanatory Comments. *If you wish to explain the reasons for some of your answers given above, please do so here:*

‘I feel that the excellence of the Directorate is mainly to be credited for the success of the institution. In a sense the comparatively minor role of the Board is less important if the outcome is excellent, which I believe it is BUT if we were to have less effective executives in the future would we be fit for purpose? I am concerned the Board could become complacent in direct proportion to the excellence of the Directorate, although I hope and believe the Board will rise to the challenge of the difficult times ahead (in a sense the Board may have more to “get its teeth into”) and this will promote better debate and constructive challenge and thus a greater contribution to governance from the Board’

Part D: Other Views

If you have other views on the effectiveness of the governing body/council or our governance more generally, please summarise your views in the box below.

Comments:

‘I am firmly of the view that all governance issues are “work-in-progress” and therefore open to improvement to ensure best practice is maintained’

‘I think the induction process of new governors is a key aspect of delivering effective governors in the future’

‘Over the years I have been a governor the effectiveness has progressively improved’

‘Audit says governance is good but I think in comparison with the sector rather than in abstract terms. Should make stronger to cope with adverse times ahead’

Part E: The Future

Finally, thinking about your answers to all of the questions above, what do you think are the implications for the future operation of the governing body/council? Please summarise your views in the box below. If you conclude that significant change is required, then please say so and take the opportunity to be constructively radical!

Comments:

‘We should be more mindful of the student experience and engage more with students and the academic life of the University’

‘Just because the strategy of the last 10 years has been phenomenally successful, there is no reason to guarantee that it will continue....We face a whole new situation and will need a completely new and different strategy’

‘Only minor change needed to manage the level of information – and encourage more critical questioning’

‘I do not consider that anything other than fine tuning is called for’

‘The institution has an excellent future and is in good condition to continue’

‘The role of supporting the Executive has never been more important’

‘The institution has an excellent future and is in good condition to continue’

‘...there should be at least one more meeting a year for Finance & Resources Committee to enable the Committee to be kept more up to date with finance matters’

‘The Board needs to review what it sees as its role, how it needs to be structured and how it is organized to make the most effective use of the resources it provides to EHU. We need to be more focused on the outcomes we want from both the Board and its committees and be clearer about what we want the Executive to provide in order for us to provide robust challenge’

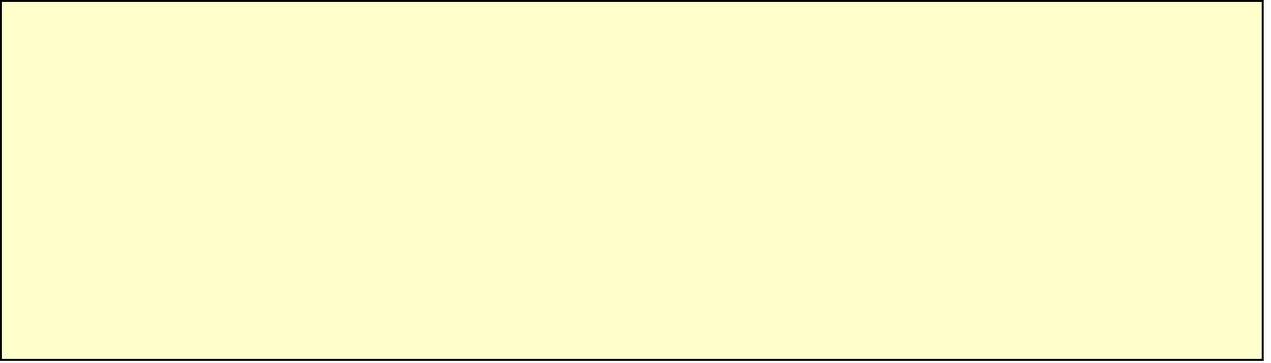
‘The next decade for HE institutions will see a bifurcation and polarization... The marketisation of HE will see potential attendees to all institutions make a simple economic decision. It is crucial that EHU build on the great work of the last decade. We, the governors, whilst seeking to support, must also challenge management in this new environment’

‘To sustain and respect the different roles of governors and the Executive’

‘More governors than is the case at present need to get a real understanding of the academic core business’

‘Induction needs to be improved....otherwise we appear to be in reasonable shape but it is essential to avoid any element of complacency. All aspects of governance must be kept under regular review’

‘Key areas will be developing other income streams via acquisition or diversification, protection of key income streams, maintaining competitiveness and being prudent with overheads and capital expenditure’



The role of the Board

The Board has adopted both the CUC Code of Governance Practice and the Statement of Primary Responsibilities of the Governing Body as recommended in the Code. The guidelines below suggest how, in practice, the Board at Edge Hill University might operate.

In practice key roles of the Board include:

1. To help shape the University's strategic direction by contributing at an early stage of policy development as well as by giving final approval to key strategies.
2. To maximise the performance of the University by giving encouragement and support to the Executive and acting as its 'critical friend'.
3. As the 'critical friend', it is the responsibility of the Board to challenge the thinking of the Executive vigorously but constructively;
4. It follows from the above that the Board must understand and critically appraise potential decisions and help to shape strategy in collaboration with the Executive
5. The Board must ensure and foster the highest standards of governance both in relation to its own activities and those undertaken elsewhere in the University.
6. All members of the Board are expected to contribute their professional knowledge and experience to maximise the performance of the University and so add value.

Notes:

1. These roles are, in the Consultant's view, entirely consistent with each other. The emphasis placed on any particular aspect will depend of the issue under discussion.
2. If the Board is to be satisfied that it is adding value, it must clearly review periodically how key policy decisions have been made and how the Board as a whole or individual members have influenced and contributed too the outcome.

