



Nottingham Trent University

**Review of the Effectiveness of Governance
Arrangements**

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Executive Summary

Nottingham Trent University (the university) commissioned the Leadership Foundation for Higher Education (now AdvanceHE with effect from 30 March 2018) to undertake a review of its governance arrangements. This is in accordance with best practice as recommended in the Higher Education Code of Governance published by the Committee of University Chairs (CUC). An internally led review was last undertaken in autumn 2014, this is the first external review.

The review has been informed by:

- An examination of key documentation relating to the University's governance processes
- An e-survey circulated to all members of the Governing Body
- Semi structured interviews with members of the Governing Body and key executive staff
- An observation of one meeting of the Governing Body and meetings of the Audit and Risk Management and Strategy, Policy and Finance Committees.
- Anonymised comparative analysis and benchmarking of our findings to those from reviews we have conducted of other HEIs.

Our overall conclusion is that the standard of governance at the university is very good. Where recommendations or suggestions are made these are designed to build upon existing good practice and support the University's (existing) progressive approach.

We commend the strategic focus of the Governing Body and how KPIs and risk linked to the strategy are considered. In addition to the strategic deep dives we suggest all KPIs are presented to each meeting and judge there is scope for more systematic reporting of benchmark data. While the University has robust arrangements in place for assuring academic quality and standards we suggest it would be beneficial for there to be a biennial joint session of Board and Academic Board to consider quality, standards and the student experience. Regarding Governing Body business we highlight the importance of focussed executive summaries to assist members to understand key issues clearly. While induction to the governing body (and associated training) is generally sound, we offer some further ideas for how this could be developed in future.

Good governance relies upon an effective dynamic within the board room. It boils down (as with so many other aspects of leadership) to the effectiveness of individual and small group inter-personal interactions and in the case of Boards, the tone and direction set by the Chair. It is evident the university has worked hard (and continues to strive) to ensure all of these elements are in place. Effort has been directed towards enhancing the effectiveness of governance at the university. Much progress has been made and good practice embedded. The suggestions and recommendations set out in this report are designed to support and maintain this momentum of continuous improvement.

Key Findings

Role and Purpose

It was clear from the interviews that lay members clearly understood their role and respected the boundaries between governance and management. Certainly the interviews confirmed that they had a good understanding of their role. The role and purpose was articulated as assurance/monitoring as to process and procedure, critical advice and strategic responsibility for the affairs of the institution. This meant providing support to the Executive but also constructive challenge and holding the Executive to account for delivery of the strategy. It was clear that some challenge and critical questioning and scrutiny did occur both in the Governing Body and in the sub-committees and informally between the Executive and lay members. Some feedback from Board members indicated that there was a greater focus on endorsing decisions taken by the Executive and elsewhere in the governance structures of the institutions, and perhaps less emphasis on being engaged in the development of strategy and decision making of the university. We conclude that this was partly a reflection on where the university is in the strategy cycle, and the upcoming refresh provides an excellent opportunity to engage the Board meaningfully in the process of strategy formulation.

Boardroom behaviours, meeting management and business

There was strong agreement that the relationships between the Executive and the Governing Body were exceptionally good. The Executive welcomed input from Governing Body members both at the Board itself and in sub-committees as well as more informally. Members felt that their views were listened to carefully, positively and respectfully and that the Executive did act on them and genuinely valued the input of members. The Vice-Chancellor is seen as being open with the Governing Body and he enjoys a high level of confidence, trust and respect. It has been noticeable that since his arrival at the university, there has been a more concerted effort to genuinely engage with the Board. The Governing Body is a cohesive body which works together for the benefit of the University. Shared commitment to ensure effective governance scored particularly highly in the questionnaire (with 100% of respondents agreeing).

At the same time members were clear that challenge was made when needed and appropriate. The Governing Body operates in a rigorous but supportive way. Shared purpose came over very strongly and there was no hint of either negativity or complacency.

The Governing Body was perceived by those interviewed as being well chaired. It is very clear that members have respect for and confidence in the Chair and his judgment. The Governing Body was seen to be well led without being excessively directed and business was efficiently discharged. The Chair meets and speaks where necessary with the Vice-Chancellor and there was a high degree of confidence in the professionally respectful relationship between the two. The Chair was widely commended for his style, approach and ability to ensure meetings were conducted in a collegial and efficient manner allowing for discussion and points of view to be heard. In order to further support meeting management, it was suggested that the Board may benefit from a timed agenda (to act as a guide) and help ensure that items toward the end of the agenda are not rushed.

In short, the quality of the Board and its interactions is seen to be very good; it is a body which is very strongly committed to the University with a lot of experience, wisdom and knowledge and keen to see the University improve and realise its ambitions. Whilst Governor attendance is reported annually to the Board and also via the Membership and Nominations committee, an added step to publish these online could also be taken in the interests of wider transparency.

Recommendations:

1. Consideration should be given to the introduction to a timed agenda (offering a notional allocation for each item) to further aid the management of the meeting, and prevent the risk that later items are rushed.
2. The attendance of Board members is currently presented annually to a meeting of the Board, these should also be published online.

Strategy and Review of Performance

A clear and concerted effort is made to ensure that the Governing Body is kept apprised of the strategic priorities, with a comprehensive selection of Key Performance Indicators having been developed in order to track performance. The University's strategy was approved by the Governing Body around 4 years ago, and is approaching a refresh in the autumn of 2018. A combination of a number of new members joining the Board around that time, and some further subsequent turnover meant that members felt they were not engaged in the degree of depth that they may otherwise have been. The upcoming strategy refresh provides an important and timely opportunity to engage with the Board to ensure they can help shape the future strategic direction of the university. Engagement with governors should therefore be genuinely formative, and encourage them to share their thinking on the strategic priorities in an open way, possibly through the consideration of scenarios and options (rather than feedback on an already developed plan).

Board members identified closely with the aims and aspirations of the existing strategy and there was enthusiastic support for the approach of having a strategic deep dive at each Board meeting. There was some feedback that some of the strategic deep dive presentations veered away from the strategic and became a little unfocussed, and this was certainly our experience at the Board meeting which was observed. Care should be maintained to ensure that all strategic deep dive presentations more obviously report on the KPIs, indeed it is good practice for the opening slide for any deep dive presentation to quickly share performance against the relevant KPIs in that area. The subsequent presentation should then briefly touch on the areas which are green, and go into greater depth into those areas which are amber or red.

The Board, certainly in comparison to other universities, maintains a good balance between monitoring of in-year performance (NSS, student recruitment, finances etc.) versus the longer term strategy over a bigger time horizon. The regular strategic deep dives are a particularly effective way of doing this, however we would suggest that the full KPIs are presented at each Board meeting (rather than the current practice of just once a year). KPIs which are green or amber do not require additional discussion, but those which are red should be considered at every Board – rather than potentially waiting one full year by which point timely Board intervention may not be possible.

Recommendations:

3. The Strategy refresh over autumn 2018 provides an excellent opportunity to more meaningfully engage Board members in the development of the future strategy. This exercise should consider a range of strategic options, rather than feedback from a well developed management led plan.

4. The Key Performance Indicators (KPIs) should be presented to every Board meeting. Those which are green or amber may not require any discussion, but those which are Red should be addressed somewhere on the agenda. It would be useful if the opening slide for each strategic deep dive presentation centred on performance against the relevant KPIs, with more attention placed on areas which are performing less well.

Secretarial and wider support for the governing body

Members were very positive about the support that they were provided both formally and informally. Indeed in interviews, there was a unanimous view that the approach and style of the secretariat effectively supported the governing body.

Papers were circulated in a timely fashion, were generally well written, although there were some comments in the one to one interviews that it would be desirable if further steps could be taken to try and reduce the length of papers. There was a recognition that the board had oversight of a complex organisation that is operating in a turbulent and dynamic environment, which often required a degree of detail but it was felt that there could still be a greater focus on the strategic issues in papers and additional detail could be added as an appendix. In particular, some papers did not highlight the key points clearly enough and the required action from the Board.

Members also felt they had access to expert, confidential and experienced support should they ever need to access it. It is our view that on the evidence available the quality of secretarial and wider support for the governing body at the university is both commendable and reflective of the best practice to be found within the UK higher education sector.

Although an annual calendar of dates (including Board and committee meetings, as well as other significant university occasions such as graduations, high level alumni events etc.) is created and circulated to board members, not all members were able to recall this in interview, indeed some suggested one should be created. To that end, consideration should be given as to how this can remain accessible to Board members.

Recommendations:

5. Maintain a close eye on all papers presented to the Board to try and ensure that there is a clear focus on the strategic issues. Where there is significant detail these should be added as an appendix to ensure the Board packs are supporting the Board to get to the key issues.
6. Papers should clearly articulate the key points for the Board (including performance against KPIs where appropriate) and the action required from the Board.

Skills Matrix

A skills matrix has been collated to ensure that there is a conscious articulation of the depth and breadth of skills for the Board. The most sophisticated skills matrices move beyond simply stating whether a particular skill is present or not (red or green; tick or cross), but also encourage an assessment of the degree of expertise that a particular governor has (for

example on a scale of 0-5). Typically this is done in the form of a self-assessment from governors themselves. The adoption of a more granular assessment may be more appropriate (such as a scale of 0-5) moving forward.

Five governors are due to leave the Board (or their terms expire) in 2021. Conscious thought needs to be put into a smooth transition, and ideally ensure the Board doesn't face a cliff edge. This may involve staggering departure dates, and making early preparations for recruitment.

At present there are 4 skill areas which are not met by the current membership of the Board of Governors (digital, engineering, IT and Land Based) and these should be prioritised in the next round of recruitment. Given the specific requirement introduced by the Higher Education Funding Council for England (HEFCE) and maintained by the Office for Students (OfS) for a positive assurance statement on quality and standards, there would be merit in separating the higher education skill on the board into quality and standards and higher education policy more generally.

Recommendations:

7. The Secretariat should consider developing the skills matrix to adopt a more granular assessment of skill expertise (e.g. On a scale of 0-5 across each skill area). The updated Skills Matrix should be analysed to determine whether there are any collective skills gaps for the governing body which they would benefit from receiving support on.
8. The categories of 'education' and 'higher education' would be better amended to separate categories of 'HE policy' and 'HE quality/standards' on the skills matrix.

Meeting structure and time commitment

In the last year, the Board moved to a new structure with the 'golden thread' consisting of a presentation from a department within the university and a discussion in the evening preceding before a meeting. This new structure provides important context and detail for Board members to allow them to secure a deeper understanding on important elements of the university, giving exposure to members beyond the university executive. Given the increasing complexity of the higher education landscape, this new structure ensures that Board members have a more thorough understanding of the sector in which they are a part, and NTU should be commended for this.

The downside of having a more comprehensive meeting structure across 2 days, is the impact on time particularly given the volunteer nature of higher education governance. For Board members who are still in executive roles and those with caring responsibilities, the 2 day commitment brings particular pressures. On balance, we recommend that 2 of the meetings each year continue to be spread over 2 days, and the remaining 2 meetings schedule the departmental presentation on the same day as the Board meeting (so the business could be concluded across 1 day).

Recommendation:

9. In order to lessen the time commitment for Board members, 2 Board meetings should remain over 2 days, but 2 Board meetings should move their business to fit into 1 day.

Student Voice

There is clear evidence that the student voice and student engagement is valued by the university and specifically the Board. Indeed a number of Board members spoke positively about the extent to which there is a clear commitment to the student experience from the university. There are particular challenges to maximise the input and contribution from the student governor given their cyclical nature, and strengthening the formal and informal means through which the student members can engage with the chair is a route to maximise this.

Some institutions have introduced the practice of the inclusion of a standing item with a report from the students' union to report on academic matters and the wider student experience. In part this is added evidence to help support the collective board position on having assurance on quality and standards across the institution.

Recommendations:

10. To augment the student voice further, in addition to the formal 1-2-1 meeting between the Chair and the new student governors as part of their induction process each year, there should also be a meeting mid-year to review progress.
11. Although there is pressure on the time in meetings, consideration could be given to a short standing item from the student members of the Board to report on academic matters and the wider student experience.

Academic Governance

In December 2016, the Higher Education Funding Council for England (HEFCE) introduced a positive assurance statement on quality and standards which is signed annually by the Chair on behalf of the Board. As a consequence, a number of institutions have sought to strength their arrangements for academic governance including the interface between the Academic Board and the Board.

The university already has much of the good practice in place to help assure Board members in relation to quality and standards and the student experience these include a positive relationship with the students' union and their active involvement in governance, KPIs which relate to the student experience/quality and standards, an independent member of the Board with understanding of higher education.

Some additional items which university Boards have commonly introduced to strengthen governance are listed below, all either exist at Nottingham Trent already (or in the case of a standing item from the students' union are recommended elsewhere):

- The formal presentation of an annual report from the Academic Board to the Board. In addition to the minutes from Academic Board being presented to the Board, a short cover note which draws out the salient discussions from recent Academic Board meetings for the attention of the Board.
- A biennial joint session of Academic Board and Board which would act as an opportunity to brief the other body on the key areas of focus for the respective body, and a chance for additional exposure between members of Academic Board and the Board of Governors

- The introduction of a short standing item on the agenda of Board meetings presented by the President of the Students' Union to focus on matters relating to quality, standards and the student experience
- The opportunity to "pair" independent members of the Board with Pro Vice Chancellors or areas of the university, to allow them to secure a deeper understanding and a direct point of contact with parts of the university – without becoming representatives.

Induction, training and review of performance

Governors were generally very positive about their access and encouragement to participate in training. It is generally considered to be good practice within the higher education sector that when individual members meet with the Chair to discuss the performance of the board as a whole, but also individually, ongoing training opportunity should be considered for members of the governing body.

All governors are able to access induction locally (through the Head of Governance and Clerk to the Board), and there are opportunities to participate regionally or nationally through other organisations including AdvanceHE. It may be useful to more prominently circulate external training opportunities which are offered by professional service firms, AdvanceHE and other relevant organisations. In addition to the initial induction, there may be benefit in a further session after 2-3 Board meetings as it helps to spread out the initial volume of information which new members need to take on board.

At present, Board members are usually invited to have a 121 conversation with the Chair after a year on the Board, and then again as they approach the end of their term (after 3 years). These biennial conversations feel an appropriate time interval in order to consider performance, but would benefit from being officially formalised, and supported through the Secretariat.

In addition to the opportunity to review performance between individual Board members and the Chair every 2 years, there is also scope to introduce a light touch internal questionnaire (once a year) which will give an additional opportunity for Board members to feedback on their experience and the effectiveness of the Board and sub committees.

Recommendations:

12. The initial induction for new Board members should ideally be spread out over an 6-9 month period, rather than simply being concentrated just on initial arrival. This will help new Board members to digest the volume of material which is made available. In addition to the in-house induction and training provided by the Head of Governance, external training opportunities to the Board should be more routinely circulated to Board members.
13. The process of biennial review meetings between the Chair and individual Board members should be formalised and supported by the Clerk.
14. Consideration should be given to the introduction of a light touch annual questionnaire for Board members, which will provide an additional opportunity to

feedback on their experience, and the effectiveness of the Board and sub committees.

Summary

Overall, the Board should feel reassured that governance operates very effectively at Nottingham Trent University. Indeed there are a number of areas which could be considered to be sector leading including the balance between in year and long term attention, the focus and commitment to the student experience and the balance between scrutiny and challenge (list of commended areas of practice included as Annex Two).

This report does not see any case for radical overhaul, rather across the 19 recommendations these are tweaks and modifications which would help to further enhance the governance arrangements at the university. The Board are invited to consider each of the recommendations in turn, and should they be accepted a lead officer and timeline should be agreed to monitor their implementation.

Annex One - Summary of Recommendations

Recommendation	Agreed Action	Timeline
1. Consideration should be given to the introduction to a timed agenda (offering a notional allocation for each item) to further aid the management of the meeting, and prevent the risk that later items are rushed.		
2. The attendance of Board members is currently presented annually to a meeting of the Board, these should also be published online.		
3. The Strategy refresh over autumn 2018 provides an excellent opportunity to more meaningfully engage Board members in the development of the future strategy. This exercise should consider a range of strategic options, rather than feedback from a well developed management led plan.		
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5. Maintain a close eye on all papers presented to the Board to try and ensure that there is a clear focus on the strategic issues. Where there is significant detail these should be added as an appendix to ensure the Board packs are supporting the Board to get to the key issues.		
6. Papers should clearly articulate the key points for the Board (including performance against KPIs where appropriate) and the action required from the Board.		
7. The Secretariat should consider developing the skills matrix to adopt a more granular assessment of skill expertise (e.g. On a scale of 0-5 across each skill area). The updated Skills Matrix should be analysed to determine whether there are any collective skills gaps for the governing body which they would benefit from receiving support on.		
8. The categories of 'education' and 'higher education' would be better amended to separate categories of 'HE policy' and 'HE quality/standards' on the skills matrix.		
9. In order to lessen the time commitment for Board members, 2 Board meetings should remain over 2 days, but 2 Board meetings should move their business to fit into 1 day.		
10. To augment the student voice further, in addition to the formal 1-2-1 meeting between the Chair and the new student governors as part of their induction process each year, there should also be a meeting mid-year to review progress.		
11. Although there is pressure on the time in meetings, consideration could be given to a short standing item from the student members of the Board to report on academic matters and the wider student experience.		
12. The initial induction for new Board members should ideally be spread out over an 6-9 month period, rather than simply being		

<p>concentrated just on initial arrival. This will help new Board members to digest the volume of material which is made available. In addition to the in-house induction and training provided by the Head of Governance, external training opportunities to the Board should be more routinely circulated to Board members.</p>		
<p>13. The process of biennial review meetings between the Chair and individual Board members should be formalised and supported by the Clerk.</p>		
<p>14. Consideration should be given to the introduction of a light touch annual questionnaire for Board members, which will provide an additional opportunity to feedback on their experience, and the effectiveness of the Board and sub committees.</p>		

Annex Two - Commended Areas of Practice

1. Board culture and collegiality between members and indeed the wider relationship between the executive and the board. Without being too close, a very positive, constructive relationship has been established and maintained.
2. Secretarial and wider support for the governing body and individual members was deemed to be outstanding.
3. The Chair was widely praised for the way he chairs meetings, helped to stimulate discussion, kept proceedings to order, be trusted to have discussions in private with the Vice Chancellor where necessary and for his leadership of the Board as a whole.
4. The extent to which the governing body is openly briefed about the wider HE policy landscape (including specific input from the Vice Chancellor)
5. The recent changes to Board meetings provide in-depth briefings on activities within the university and strategic considerations.
6. Shared commitment and endeavour from the board and executive to ongoing improvement in university governance.
7. The balance between monitoring in year performance, and taking a wider longer term view for the future.
8. The commitment and importance placed on the student experience.

Annex Three - Questionnaire Results

Question	% of Respondents in agreement (strongly agree or agree)
1. To what extent do you agree or disagree that there is a genuine and shared understanding about and commitment by both the governing body and the executive to ensure effective governance?	100
2. To what extent do you agree or disagree that the governing body: regularly reviews its own performance?	50
3. To what extent do you agree or disagree that the governing body: demonstrates a commitment to continuously improving its effectiveness?	75
4. To what extent do you agree or disagree that there are effective arrangements in place for involving staff and students in the governing body (and its committees where relevant)?	88
5. To what extent do you agree or disagree that mechanisms are in place: For the governing body to be confident in the institutional processes for maintaining the quality and standards of teaching and learning?	100
6. To what extent do you agree or disagree that mechanisms are in place: To enable the governing body to be assured as to financial stability and value-for-money?	88
7. To what extent do you agree or disagree that mechanisms are in place: To allow the governing body to be assured that the institution has effective processes in place to enable ethical policies and behaviours in the management of risk?	88
8. To what extent do you agree or disagree that there are process in place to ensure recruitment of governing body members addresses the requirements of equality and diversity (in all senses of the term)?	88
9. To what extent do you agree or disagree that: The recruitment of governing body membership is effectively managed?	100
10. To what extent do you agree or disagree that: Succession planning is for governing body membership is effectively managed?	88
11. To what extent do you agree or disagree that the contribution of all members (including the chair) is regularly reviewed using processes agreed by the governing body?	63
12. To what extent do you agree or disagree that the governing body demonstrates an understanding of and commitment to the institution's vision, ethos and culture?	100

13. To what extent do you agree or disagree that the governing body: Receives assurance that regular performance reviews of all academic departments and professional services are undertaken?	75
14. To what extent do you agree or disagree that the governing body: Where necessary receives assurance that recommendations arising from performance reviews of academic departments or professional services are implemented?	63
15. To what extent do you agree or disagree that the governing body: Ensures that regular performance reviews of the head of institution are undertaken and reported by the Remuneration Committee?	63
16. To what extent do you agree or disagree that: 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?	100
17. To what extent do you agree or disagree that: That there is effective communication to and from the governing body with key stakeholders?	100
18. To what extent do you agree or disagree that the governing body reviews the extent to which its existing governance arrangements are appropriate to support the institution's long term strategic plans?	88
19. To what extent do you agree or disagree with the following: That governing body meetings and business are conducted and chaired in a way which encourages the active involvement of all members in discussions and decision-making?	100
20. To what extent do you agree or disagree with the following: Working relationships between governing body members and the institution's executive are good?	100
21. To what extent do you agree or disagree with the following: A positive atmosphere exists to support effective governance?	100
22. To what extent do you agree or disagree with the following: The need for constructive challenge by the governing body is understood and accepted by both members and the executive?	100
23. To what extent do you agree or disagree with the following: Constructive challenge is undertaken appropriately?	100
24. To what extent do you agree or disagree that the governing body has assurance that: Planned outcomes agreed as part of the strategic plan are being regularly monitored and assessed to ensure that satisfactory progress is being achieved?	88

25. To what extent do you agree or disagree that the governing body has assurance that: Agreed standards of organisational financial health and sustainability are being achieved?	100
26. To what extent do you agree or disagree that the governing body has assurance that: Required standards of accountability are being achieved, as is compliance with legal, regulatory and charitable requirements?	100
27. To what extent do you agree or disagree that the governing body has assurance that: Defined quality levels for the student experience, including related academic and service provision, are being achieved?	88
28. To what extent do you agree or disagree that the governing body has assurance that: Risks are well-managed (including risks from collaborative activity and partnerships) and organisational reputation is protected?	88
29. To what extent do you agree or disagree that the governing body has assurance that: The governing body ensures there is effective organisational leadership?	75
30. To what extent do you agree or disagree that the governing body has assurance that: External and internal stakeholders have a high degree of confidence in the organisation and its governance?	88

Annex Four - The Seven Primary Elements of Higher Education Governance (Higher Education Code of Governance, December 2014)

The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.

The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.

The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.

The governing body receives assurance that academic governance is effective by working with the Senate/Academic Board or equivalent as specified in its governing instruments.
The governing body works with the Executive to be assured that effective control and due diligence take place in relation to institutionally significant external activities.

The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.

The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.