



## Seminar on

### Governing bodies of higher education institutions: Roles and responsibilities

#### Different Models – Same Problems

*by*

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#### 1. INTRODUCTION

1.1 Bologna, Paris and Oxford Universities have been around for over 600 years, and are successful. So why are we talking about governance in higher education today?

1.2 It is because organisations need to continually improve, otherwise they atrophy.

1.3 Advice given by Sheikh Mohammed, ruler of Dubai, recently on the BBC:

Every morning on the African plain, a gazelle wakes up. It knows that it must **outrun the fastest lioness** if it is not to be killed.

Every morning on the African plain, a lioness wakes up. It knows that to eat that day it must **outrun the slowest gazelle** or it will starve.

**It does not matter if you are a gazelle or a lioness, when the sun comes up you better be running.**

#### 2. CUC CODE – ROLE OF GOVERNING BODY

2.1 Every HEI shall be headed by an effective Governing Body, which is unambiguously and collectively responsible for overseeing the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised<sup>1</sup>.

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<sup>1</sup> Committee of University Chairmen Governance Code of Practice November 2004

2.2 The Governing Body shall ensure compliance with the statutes, ordinances and provisions regulating the institution and its framework of governance and subject to these shall take all final decisions on matters of fundamental concern to the institution<sup>1</sup>.

### 3. ENGLISH GOVERNANCE MODEL

#### 3.1 *Main features*

- 131 English HEI'S- 77 Universities, 14 General HE Colleges, 40 Specialist Colleges.
- Diverse - size, mission, subject mix, and history. Only Universities award research degrees.
- Self-Governing, independent. Can own assets, enter into contracts, and borrow funds, set terms and conditions for staff employment. Borrowing not part of Government debt.
- The Government through Higher Education Funding Council (HEFCE) exerts significant influence over behaviour and expectations of the higher education sector as a whole.
- From 2006 can charge students up to £3,000 fees per annum.

#### 3.2 *Three main models of Governance structure based on one governing body*

- **Ancients**

Oxford and Cambridge founded over 500 years ago. Vice Chancellor is head of governing body. Power with the colleges. Attempting to restructure.

- **Pre 1992**

Founded in 19<sup>th</sup> century, generally incorporated by Royal Charter giving degree-awarding powers. Some by Act of Parliament.

- **Post 1992**

Set up by Act of Parliament gave power to Privy Council acting on behalf of the monarch to grant title of university to polytechnics and colleges that met the criteria. Act specified Governance Structure.

### 4. POST 1992 MODEL OF GOVERNANCE

#### 4.1 *Formal Responsibilities under Education Reform Act 1988*

The Articles require the University to have a **Board of Governors** and a **Senate**, each with clearly defined functions and responsibilities, to oversee and manage its activities.

#### 4.2 *Responsibilities of the Board of Governors*

The Board of Governors shall be responsible for:

- The determination of the educational character and mission of the University and for oversight of its activities.

- The effective and efficient use of resources, the solvency of the University and the Corporation and for safeguarding their assets.
- Approving annual estimates of income and expenditure.
- The appointment, assignment, grading, appraisal, suspension, dismissal and determination of the pay and conditions of service of the Principal, the Clerk and the holders of such other senior posts as the Board of Governors may determine;
- Setting a framework for the pay and conditions of all other staff.

#### **4.3 Responsibilities of Senate**

Subject to the overall responsibility of the Board of Governors, the Senate oversees academic affairs and draws its membership entirely from the staff and the students of the University. It is particularly concerned with general issues relating to the teaching and research work of the University.

### **5. UCE BACKGROUND**

#### **5.1 History**

- Origins 1843 Polytechnic Institute and Birmingham Government School of Design.
- Birmingham Polytechnic 1971.
- UCE Birmingham 1992.

#### **5.2 Mission**

***Providing a high quality Teaching and Learning Experience to our diverse range of students:***

- Encouraging and rewarding excellence in teaching.
- Investing in new technologies that enhance learning.
- Running flexible programmes that seek to maximise progression and retention.
- Developing support for students that match their values, experiences, expectations and specific learning needs.
- Embedding employers' needs in our programmes ensuring the continuing quality of our programmes.
- Offering opportunities for lifelong learning to all our students.

***Actively engaging and working with our local communities and partners to improve the social, cultural and economic well being:***

- By encouraging participation in HE by the broadest social group.
- By working with local organisations to improve services.
- By implementing special initiatives to help the disadvantaged.
- By assisting with economic development of the region by providing a skilled workforce and undertaking economic development initiatives, egg. running two industry clusters for Advantage West Midlands (AWM), the Regional Development Agency, the first for High Added Value Products and the second for New Media Industries.

- By engaging in cultural outreach, which not only includes providing 300 concerts annually at UCE Birmingham Conservatoire, but also mounting the New Generation Arts Festival, Fashion and Jewellery shows.

***Actively engaging in consultancy and research to benefit a number of groups:***

- Our students, kept informed of the latest developments in their subjects.
- Local and national businesses and their consumers, whose products and daily lives are changed by knowledge and technology exchange.
- Practitioners and clients in a range of key professions, whose practices and procedures are improved by critical training and reflection.
- Teachers, students and professionals worldwide who access publications by UCE staff.

**5.3 *Organisational Structure***

Seven Faculties located on eight sites:

- UCE Birmingham Institute of Art & Design
- UCE Business School
- Education
- Health
- Law, Humanities, Development & Society
- Technology Innovation Centre

**5.4. *Student Numbers***

- Numbers gone up since 1992 by 39% to 23,756 in 2004/5.
- 53% of students full-time, 60% female and 63% white, 16% post graduate.
- 65% of students entitled to state assistance.
- 64% of full-time students come from West Midlands.

**5.5 *Financial Position***

*Income*

Gone up by 158% since 1992 to current forecast of £144m:

- Current HEFCE £53m (36%)  
1994 /5 HEFCE £33m (53%)
- Current Research £3m (2%)  
1994 /5 Research £0.4m
- Current Knowledge transfer£14m (10%)  
1994 /5 Knowledge transfer £4m (7%)

### *Surplus*

- Since 1992 always been in financial surplus.
- 2005/6 forecast £4.9m (3.5%)
- HEFCE recommendation (3%)

### *Operating Cash*

- **Since 1992 generated £101 million**
- 2005/6 forecast £15m

### *Capital Investment*

- Invested £174 million in fixed assets
- 2005/6 forecast £36m

## **5.6 UK League Tables –130 HEIs**

Universities like UCE, which focus on widening participation and are not research intensive penalised by these league tables. Nevertheless, UCE Birmingham has improved its position in the last 4 years.

Times Good University Guide            2006 - 63 rank

2002 - 87 rank

Top 3 Post -1992 Universities

Guardian University League Table    2006 - 46 rank

2002-109 rank

Top 2 Post - 1992 Universities

## **5.7 External Audit**

- Implemented all QAA 2002 recommendations. Excellent outcome in 2006 QAA Institutional Audit.

[www.qaa.ac.uk/reviews/reports/instReports.asp?instID=H-0052](http://www.qaa.ac.uk/reviews/reports/instReports.asp?instID=H-0052)

- Clean bill of health from HEFCE'S Assessment of Institutional Risk 2006.

[www.uce.ac.uk](http://www.uce.ac.uk)

## **5.8 Board Membership**

- 16 Members
- 11 independent including Chairman and Deputy Chairman
- 1 Vice Chancellor
- 1 Senate member

- 1 Elected Academic member
- 1 Elected Non Academic member
- 1 President of Students Union

## **6. GOVERNANCE CHALLENGES FACING HEIs: UCE APPROACH**

### **6.1 *Tension Between Increasing Student Numbers and Maintaining Quality***

- Annual Student survey for past 14 years by course. Report and actions considered by Senate come to Board.
- Students given additional help as needed including new students who need help with maths etc.
- Committee for Academic Regulations and Policy (CARP), and Collaborative Partnerships Committee (CPC) are charged by Senate to advise on Academic Quality Standards.
- Every faculty has to submit an annual report on its academic performance to CARP and Senate.
- Regular Academic Audit of Faculties conducted by academic staff from other faculties, focused on quality assurance, quality enhancement and student experience.
- Board get copies of Academic Audit Reports including faculty responses.
- Board gets minutes of all Senate meetings.
- Chairman gets copies of all Senate papers.
- External Quality Assurance QAA/OFSTED/Professional Bodies e.g. Royal Institute of British Architects. All Reports presented to the Board.
- All courses reviewed at least every 5 years, by Senate. Input from students, external examiners, and employers if appropriate.
- All degrees awarded have external examiners.
- All teaching staff has to pass teaching qualifications.
- All franchised UK and Overseas courses quality controlled by UCE staff and inspected by QAA inspectors.
- Teaching Fellows encouraged both internally funded and externally funded.
- UCE hosts a Centre for Teaching Excellence funded by HEFCE.
- Professorships extended to academics who can demonstrate excellence in one or more areas of:
  - Research, scholarship or consultancy
  - Academic leadership
  - High professional standing
  - Reputation and contribution as a teacher

## **6.2 *Academic Freedom versus Corporatism***

- Duty of Board to maintain Academic Freedom. (“Freedom within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy or losing their jobs or any privileges they may have at the University”)
- Mapplethorpe.
- No Board Member on Senate.
- Senate sovereign on academic matters.
- Board’s role is one of oversight.
- Executives who attend and participate as non-voting members in Board Meetings:
  - Pro Vice Chancellor - Academic
  - Pro Vice Chancellor - External Affairs
  - Pro Vice Chancellor - Student Experience
  - Registrar
  - Finance Director
  - Human Resources Director
- Chairman and Deputy Chairman visit and meet staff in every Faculty and Support departments once a year to be aware of issues facing each faculty.

## **6.3 *Increased Competition for Students***

- Appointed Pro-Vice-Chancellor for student experience 3 years ago.
- Annual Student survey for past 14 years by course - report and actions come to Board.
- All first-year students guaranteed student accommodation.
- Students represented in Senate and Faculty Boards.
- All Board decisions are judged against the criterion of improving student experience.
- Significant investment in student accommodation with free Internet access, and sports facilities.
- Significant investment in IT and development of Virtual Learning Environment (VLE) using Open Source Moodle Software.

## **6.4 *Internationalisation of Higher Education***

- All overseas students guaranteed student accommodation.
- International Office set up to address overseas students’ specific needs.
- Additional English lessons given as required.
- Some courses run in China for 2 years in English and the students come for 2 years to UCE to complete.

- All franchised overseas courses quality-controlled by UCE staff and inspected by QAA inspectors.
- UK students go on overseas study trips. Law students work pro bono with US Law firms, on death row cases.

### **6.5 External Regulation**

- Where mandatory seen as giving assurance to the Board.
- Audit Committee get all copies of all reports, recommendations and actions taken, from both Internal and External Auditors
- External Auditors meet Board yearly to present accounts.
- Quality Assurance Agency (QAA) inspect on behalf of HEFCE.
- Office of Standards in Education (OFSTED) on behalf of Teacher Training Agency (TTA).
- UCE meets the CUC Code Requirements, hence light touch from HEFCE.

### **6.6 Research Specialisation**

- Not research intensive, present research grants and contract income is £2.9 m. Research considered important to inform teaching.
- Funding £1 m per annum for 4 years of out own resources of those areas of research that are likely to achieve rating of three star in 2008 Research Assessment Exercise. Oversight Committee chaired by Independent Member.
- Strong in knowledge transfer amounting to £14 m. Will benefit if proposed change to metrics after current RAE.

### **6.7 Need for Committed and Skilled Independent Governors who can Support and Challenge HEI Management**

- Have no problem in getting committed retired professionals.
- Problem getting working professionals.
- Will be increasing Board membership by two additional independent members to 18. This is to address diversity and provide continuity.
- All Board Members get Times Higher Educational Supplement as contextual briefing.
- Independent members serve on the following Committees:
  - Finance
  - Audit
  - Human Resources
  - Charities
  - Remuneration
  - Nomination
- Independent members also serve on Boards of subsidiary companies.

- Finance and Board regularly review Risk Register.
- Excellent induction programmes for all new Governors.
- Governors encouraged attending Leadership Foundation Programmes.
- Away days held every year to consider strategic matters.
- Annual Board review of Institutional Performance.
- Three yearly Board review of Board Effectiveness.
- VC performance assessed every 6 months.

### 6.8 *Competing Demands and Paucity of Resources*

- UK investing 1.1% of GDP vs. US investing 2.7% of GDP in Higher Education.
- Successfully diversifying income streams and reducing dependence on HECFE funding.
- Strong financial record through strong leadership and management.
- Increased student contribution to costs. English policy of charging up to £3000 fees from 2006.
- Need for selection of students to ensure course completion. UCE betters the benchmark on course completion with only 16% of students who have neither obtained an award nor transferred to another institution.
- One of two UK universities, not part of the national wage negotiation. Enables greater staff flexibility. Single-status employer. Not affected by recent industrial dispute.
- Extremely entrepreneurial. Established Technology Innovation Centre from former Engineering Faculty in the £114 million Millennium Point project in Birmingham to focus on technology and knowledge transfer to small and large enterprises.

## 7. **Conclusion**

7.1 Although we have different governance structures all HEI'S face similar challenges.

7.2 Governance approaches taken will vary according to:

- Institutional mission and values
- Institutional history and culture
- Government policy
- Other stakeholder needs

7.3 Good Governance does not guarantee success.

**'The real challenge for directors isn't regulatory compliance - its high performance. To achieve it, they need to systematically examine their purpose, tasks, talents, information, and agenda'.**

David A Nadler 'Building Better Boards'  
Harvard Business Review May 2004