Research Report

24 May 2022

GuildHE Governance Survey

Summary:
This mailing provides an overview of the recent GuildHE survey of members on board governance.

Distribution:
Heads of Institution; Chairs of Governing bodies and governance committee members; Clerks to Governing bodies;

Action:
To read and consider

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1.   Introduction

1.1 Good governance has become increasingly high profile in higher education across the UK. In England the Office for Students "E" Ongoing Conditions of Registration refer to upholding the public interest governance principles, for which many institutions is the CUC Code of Higher Education Governance[1].

1.2 The OfS's own Public Interest governance principles include that for the Governing Body "The size, composition, diversity, skills mix, and terms of office of the governing body is appropriate for the nature, scale and complexity of the provider."[2]

1.3 This survey seeks to understand better governance across the GuildHE membership and identify where we might be able to provide additional support to our members.

2.   Who responded?

2.1 The survey ran from 22nd March 2022 to 25th April 2022 and was sent directly to heads of member institutions, our network for clerks to governing bodies, through our newsletter and via some direct prompts. If your clerk is not currently a member of the clerks' network do let me know and we can add you to the list.

2.2 We had 29 responses from across GuildHE members - a 51% response rate amongst our 57 members. This represented a good cross-section from across the range of providers in membership.

3. Board effectiveness

3.1 The first section of the survey considered board effectiveness and how – and how regularly – institutions consider questions of the effectiveness of their board of governors.

3.2 In the CUC Code of Higher Education Governance under paragraph 5.13 it suggests that "HEIs must conduct a regular, full and robust review of governance effectiveness with

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[1] https://www.universitychairs.ac.uk/wp-content/uploads/2020/09/CUC-HE-Code-of-Governance-publication-final.pdf
[2] https://www.officeforstudents.org.uk/advice-and-guidance/regulation/registration-with-the-ofs-a-guide/public-interest-governance-principles/

some degree of independent input. This will provide assurance to internal and external stakeholders and allow a mechanism to focus on improvement and chart progress towards achieving any outstanding actions arising from the last effectiveness review. It is recommended this review takes place every three years."

3.3 The CUC Code is run on the premise of an 'apply or explain' basis, where institutions are given a set of values and elements, but are not mandated to comply with everything. They can choose which parts of the Code apply to them; however, they are expected to justify the reasons behind their choices. Member institutions therefore identified different ways in which they meet this proposal. It is noteworthy that in a recent AdvanceHE survey of 44 institutions, 77% agreed that their governing body is effective in regularly reviewing its own performance.

3.4 The GuildHE survey questioned members around three key areas that are often used – a survey of board members, board member appraisals and a full independent review of board effectiveness. There was also a free-text question about other ways in which institutions were able to comment which included 12 institutions that identified internal audit as one of the ways in which they provide this assurance, and in particular providing the independent input element.

3.5 Almost every respondent replied that they survey their board members, with only one institution saying that they didn't currently do this. The responses were mainly split between an annual survey or a three-yearly survey with 48% saying annually and 38% three-yearly. No one replied that they did it every two years and about 10% of respondents said that they did it less regularly. It was mentioned by some institutions that the annual survey provides an opportunity to track the data over time and consider any trends and reflect on any changes, although can be more challenging to implement the results before the next survey.

1. How regularly do you survey board members on board effectiveness?
29 responses

- Annually
- Every two years
- Every three years
- Less regularly
- We don't survey board members
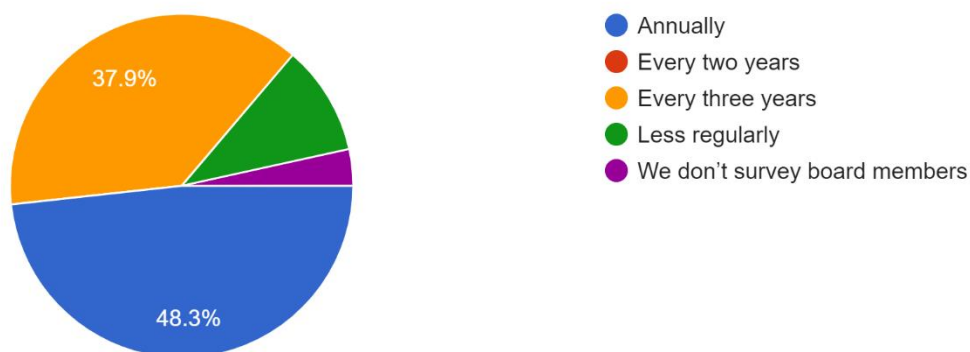
3.6 When looking at individual board member appraisals there was reasonably strong agreement with almost two-thirds of respondents saying that they did this at least every

three years, and 48% replying that this happened annually. There was however a significant minority of institutions – over 30% - that replied that they don't currently do appraisals.

3.7 It is important to recognise that any appraisal process – however light-touch for individual governors is likely to take a reasonable amount of time for the chair, although some institutions mentioned that they split responsibility with the vice-chair or committee chairs. It is also likely to require a clear set of expectations/job description for board members and ideally a process at the beginning of the year for board members to consider what they would like to achieve or contribute during the year.

2. Do you do individual board member appraisals?
29 responses

Legend:
- Annually
- Every two years
- Every three years
- Less regularly
- We don't do appraisals
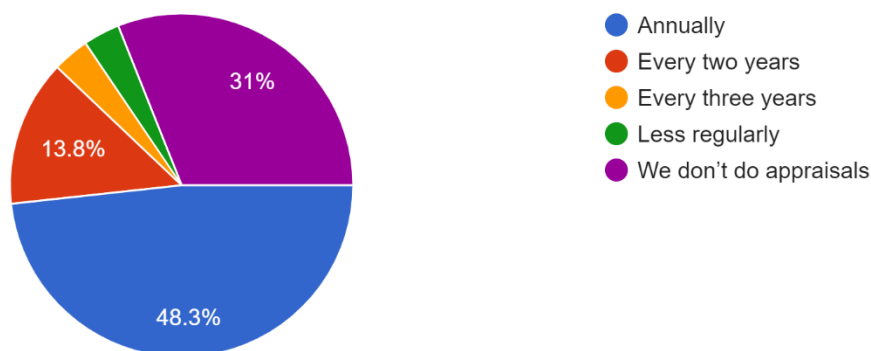
3.8 It was also commented that board appraisals can be a key tool in embedding an inclusive culture across board meetings. These individual meetings can be an opportunity to review governing body members' individual contributions – something that 54% of institutions agreed happened in the AdvanceHE survey.

3.9 The third area that the survey considered was independent reviews. Just over 86% of respondents replied that they undertake independent reviews every three or four years. No one replied that they do it every two years and 10% replied that they did it less regularly than every four years and one respondent commented that they don't undertake an independent review.

3. How regularly do you undertake an independent board effectiveness review?

29 responses

- ● Every two years
- ● Every three years
- ● Every four years
- ● Less regularly
- ● We don't undertake an independent review

34.5%

51.7%
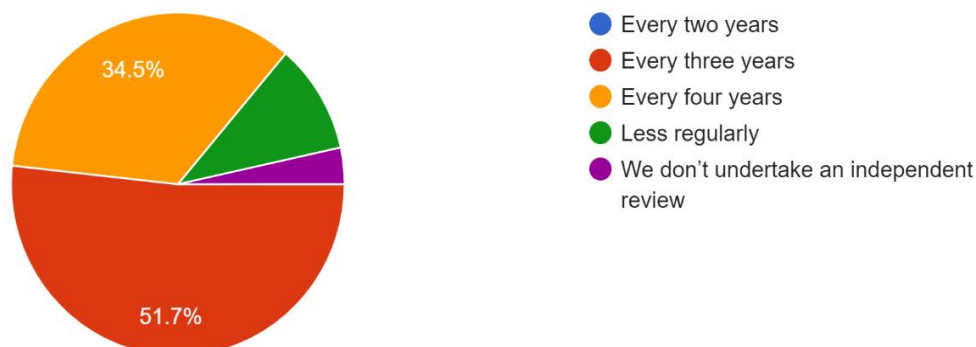
3.10 There was limited reference to the Senior Independent Governor role, mentioned in para 5.8 of the CUC Code. However, some members have this role or are implementing this, partly as a way of ensuring a more formal way of introducing a dissenting voice to prevent group-think but also as a mechanism for undertaking the appraisal of the Chair. In some institutions this is a named governor recruited for the role in others it can be the chair of the audit committee or even the vice chair.

3.11 There was also a free text question about which organisation/consultant they used to undertake the independent review. Eight institutions mentioned AdvanceHE, with particular benefit made to the fact that they provide sector benchmarking (referred to above) and that being a useful part of that process. A couple of institutions mentioned Halpin and another couple mentioned the Good Governance Institute. There were also a couple of named individual consultants and so if GuildHE member institutions would be interested in seeing the list do contact Alex Bols in the office about this.

3.12 The final question in this section explored other ways in which institutions had considered board effectiveness. As mentioned in 3.4 above, 12 institutions explicitly mentioned internal audit as one way of doing this. Several institutions looked at board effectiveness through their Governance and Nominations Committee, including drawing on surveys, appraisals and reviews mentioned above as well as annual committee reviews and also mapping against the CUC Code. Other institutions mentioned an informal session at the end of governor meetings to reflect on how the meeting had gone or a short temperature check immediately following the meeting. Another institution mentioned undertaking a Board Room Practice Review occasionally. This is where 3 members feed back on their impression of the meeting and their comments are fed back and discussed. There was also a comment from one member that "the board agonises about [board effectiveness] sometimes, but not necessarily effectively".

3.13 The final area, linked to effectiveness for some, is the question of whether institutions currently pay their governors. The survey responses highlight that there is still only a small minority of institutions where this happens, with 83% not paying (their non-executive) board members. However, four institutions replied that they pay their Board Chair, of which three pay

committee chairs and two pay all governors. Although another institution replied that they are currently considering this.

6. Do you currently pay:

29 responses
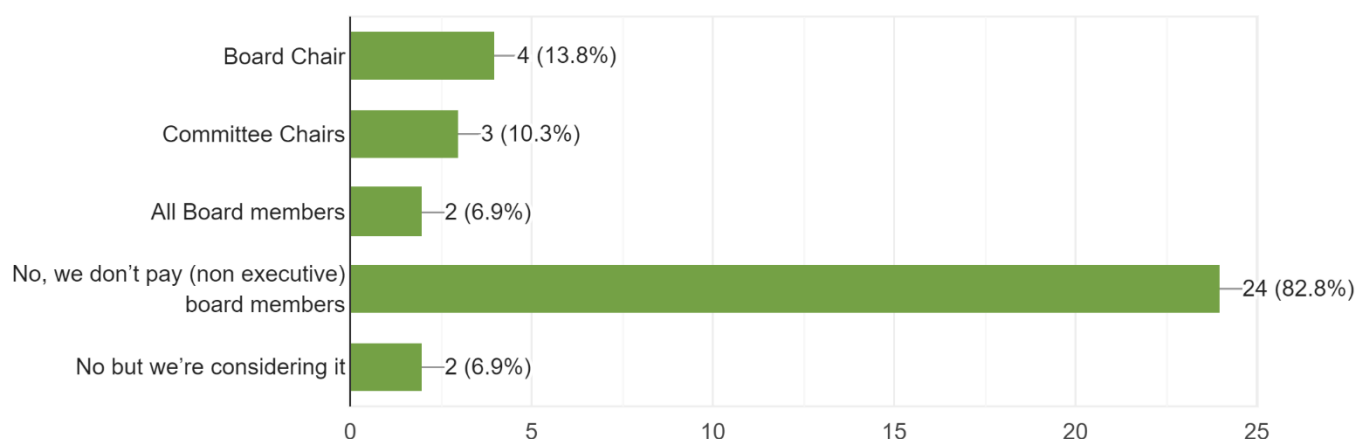
3.14 Of the four institutions that pay either their chair, committee chairs or all board members, three are private limited companies [previously in the private provider sector] and one is a company limited by guarantee [previously considered part of the public sector]. The two institutions that pay all their board members both have smaller boards - between 7-10 board members - and they are both private limited companies.

3.15 An additional area which the survey didn't explicitly cover but was referred to in passing was around board papers and their length. The length of board papers has long been an issue in higher education which many boards rarely having fewer than 250 pages of papers for meetings and the resultant SMT time it takes to produce these papers. This can link into questions of papers being discussed at sub-committees and then re-discussed at full board – resulting in duplication and even in some cases with additional SMT time to amend the papers between committee meetings.

3.16 Many institutions use starring on their agendas, with starred items not discussed unless a member of the board wants to "unstar" it. Although there was a comment that this two-stage consideration of important matters can enable careful and reflective decision making. Some boards are also looking at some meetings without papers, or are looking at how they better steer conversation through the cover sheet of the key issue for consideration.
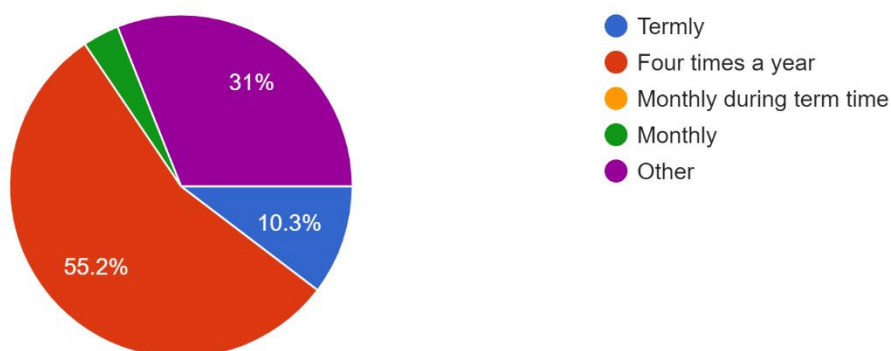
3.17 Finally, the practical issue of storing and circulating large bundles of papers was mentioned, with some clerks having to send multiple emails due to the size of the papers. Some institutions provide online links to papers – which can be safer in cyber-security terms - but with large numbers of papers can prove difficult for some smaller providers to retain all the papers over long periods of times.

4. Board meeting regularity

4.1 This section looked at how regularly boards of governors meet, with 55% replying that they meet four times a year. 10% meet termly and one institution replied that they meet monthly. There was a significant minority, 31%, that replied "Other" which might include those that have five meetings a year.
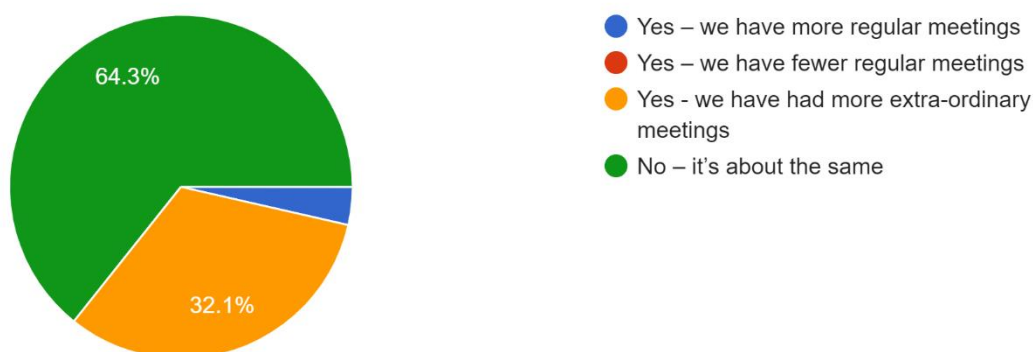
7. How regularly does your board meet?
29 responses

Legend:
- Termly
- Four times a year
- Monthly during term time
- Monthly
- Other

Pie chart values: 31%, 10.3%, 55.2%

4.2 When considering the impact of the pandemic it might be surprising to some that almost two-thirds of institutions replied that the frequency of board meetings hadn't changed during the pandemic. Although 32% replied that they'd had more extra-ordinary meetings.

8. Has the frequency of Board Meetings changed during the pandemic?
28 responses

Legend:
- Yes – we have more regular meetings
- Yes – we have fewer regular meetings
- Yes - we have had more extra-ordinary meetings
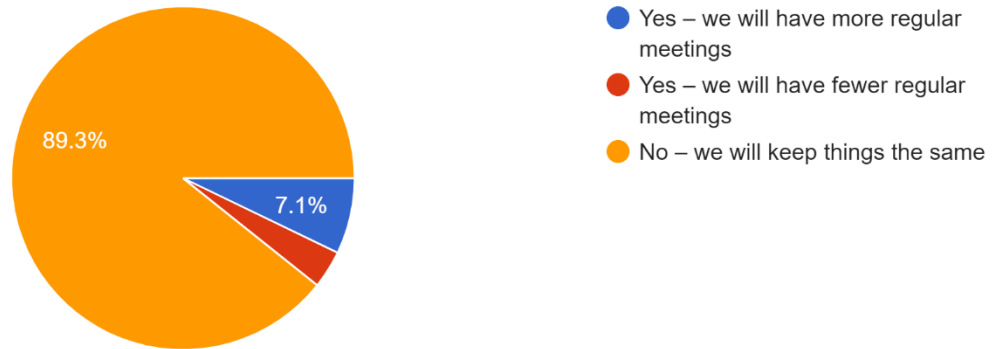- No – it's about the same

Pie chart values: 64.3%, 32.1%

4.3 In terms of the longer-term impact of the pandemic almost 90% of respondents commented that they weren't planning on changing the board schedule as a result of pandemic changes, although a couple of institutions did reply that they would have more regular meetings.

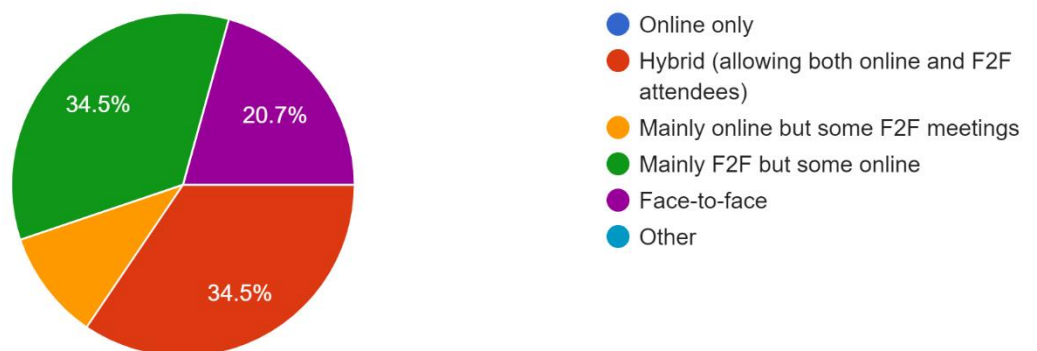## 9. Are you planning on making on longer term changes to the board schedule as a result of pandemic changes?

28 responses

- ● Yes – we will have more regular meetings
- ● Yes – we will have fewer regular meetings
- ● No – we will keep things the same

89.3%

7.1%

4.4 There was however a sense that the way in which board meetings operate might be different going forward with only 21% of respondents replying that their board meetings will only be face-to-face in the future, which is probably down from almost 100% before the pandemic. Just over a third replied that their meetings would be hybrid ie allowing both online and F2F attendance and a third replying that they would be mainly F2F but with some online meetings. 10% replied that they would have mainly online meetings with some F2F and no one replied that they would stick with entirely online meetings.

10. Going forward will your board meetings be:

29 responses

- ● Online only
- ● Hybrid (allowing both online and F2F attendees)
- ● Mainly online but some F2F meetings
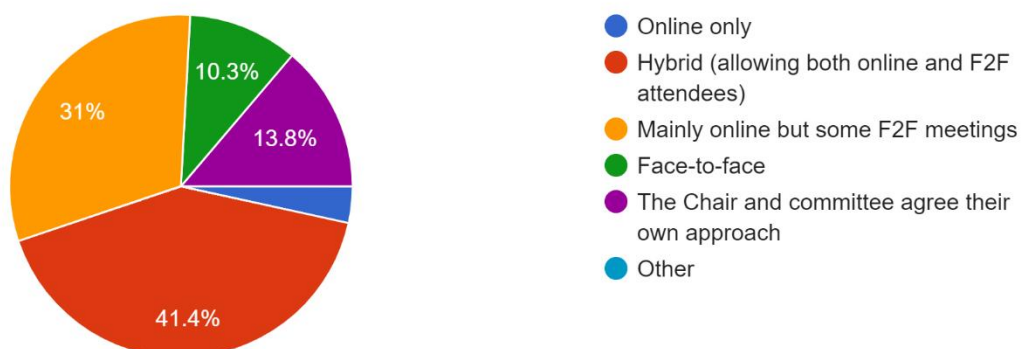- ● Mainly F2F but some online
- ● Face-to-face
- ● Other

34.5%

20.7%

34.5%

4.5 Interestingly there were some differences between board meetings and sub-committees which were more likely to be either hybrid (41%) or mainly online with some F2F (31%).

11. Going forward will your sub-committee meetings be:

29 responses

Legend:
- Online only
- Hybrid (allowing both online and F2F attendees)
- Mainly online but some F2F meetings
- Face-to-face
- The Chair and committee agree their own approach
- Other

Pie chart values: 31%, 10.3%, 13.8%, 41.4%

4.6 Another suggestion that one institution raised was that they introduced a one-hour "informal Q&A" session in between board meetings for staying in touch and having discussions without masses of papers (or indeed any papers at these meetings) and that virtual meetings enabled this approach.

4.7 The survey didn't specifically explore the committee structure, or whether institutions are considering moving away from committees but this could form the basis of future discussions with members. Most institutions have a full board supported by a number of committees these often can include around four committees including one looking at audit, risk and compliance type issues, a second looking at finance issues sometimes including estates issues, a third dealing with board nominations and recruitment and a personnel and remuneration committee. Although other institutions have a separate estates committee or fundraising or other committees.

4.8 At least one institution suggested that they are considering whether they move away from this model towards a more regular full board but no sub-committees (apart from Audit Committee) but adding in a more formal link-governor type role with governors leading on specific areas. At least one other GuildHE has already gone down this route.

4.9 Another area that the survey didn't explore in detail was the length of board meetings, but there have been suggestions that long, packed agendas can mean that there often isn't time to discuss all items at length or that board meetings need to get longer to accommodate this. Most boards usually meet for around 2-3 hours but some do go longer and particularly when this an online meeting can result in some disengagement or board members getting tired.

4.10 Some institutions commented that they have formal/semi-formal meetings between the Chair and Vice-Chair(s) or even expanded out to include the chairs of the committees to ensure better communication between meetings.

4.11 There was also a suggestion from one institution that with more online meetings it could be a good opportunity to consider the timing of meetings since they don't need to include travel time, and so could be earlier or later in the day.
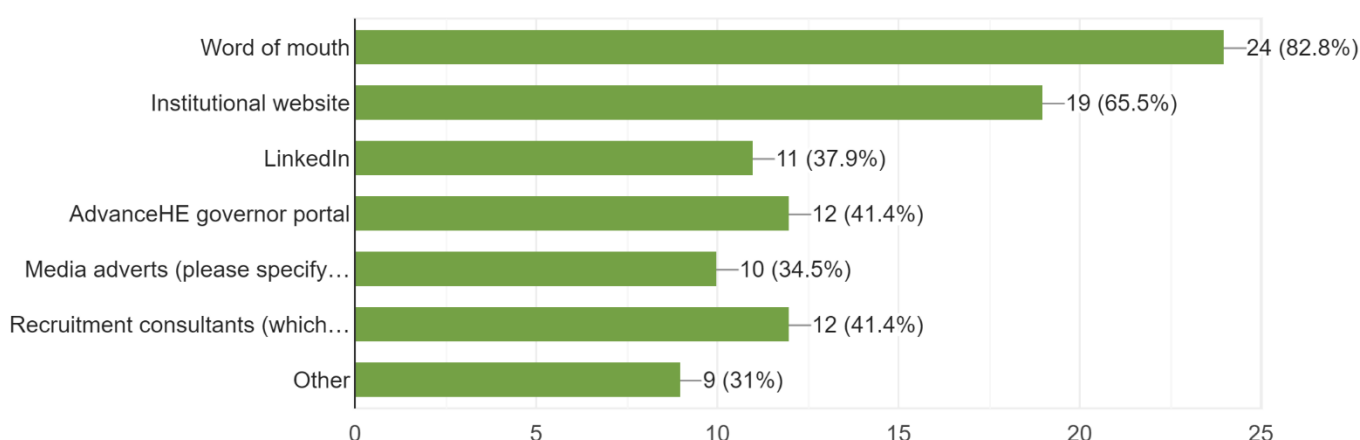
5. Recruitment

5.1 The next area that the survey explored was the question of how board members are recruited. In many institutions this is linked to a skills matrix to assess the current skills of the board and therefore any gaps that there may be to help inform the recruitment process and identify any specific skills that might be needed.

5.2 83% of respondents said that they used "word of mouth" and 66% their institutional website. Word of mouth can be seen as both poor practice when just "tapping someone on the shoulder" or a helpful way of being able to access the networks of board members, especially with many recruitment processes being quite expensive. Many institutions see word of mouth as an essential part of recruitment when it is just one element as part of a robust recruitment process and where those that have been encouraged to attend still have to go through a rigorous process with no guarantees of appointment.

5.3 There were sizable minorities using other methods including recruitment consultants (41%), AdvanceHE governor portal (41%), LinkedIn (38%) with perhaps surprisingly – or indicative of either cost or shifting forms of advertising the lowest response was media adverts (35%). It was however commented that they might use local press or specialist media depending on the skills/background that they are seeking to target. A number of institutions reflected that media advertising can be quite a scatter-gun approach that is both costly and not necessarily prompting large numbers of applications. In the open text comments one institution referred to using an open evening as a way of broadening their approach.

12. How do you recruit new board members? (Tick all that apply)
29 responses

Method	Count
Word of mouth	24 (82.8%)
Institutional website	19 (65.5%)
LinkedIn	11 (37.9%)
AdvanceHE governor portal	12 (41.4%)
Media adverts (please specify…	10 (34.5%)
Recruitment consultants (which…	12 (41.4%)
Other	9 (31%)

5.4 In the open text response a reasonable number of institutions cited using recruitment consultants Nurole with a couple of others mentioning The Good Board and Perret Laver. A

number of institutions responded that they looked at specific sites as a way of increasing their board diversity including [Inclusive Boards](), [Women on Boards]() and [BAME Recruitment.]()

5.5 A number of institutions try and recruit several governors at the same time, or even rotate out a third of the board at the same time. This can enable a wider consideration of the Board profile is a more structured way. Some institutions look at how they are able to better engage their alumni as future board members and one institution mentioned that they had appointed their outgoing students' union president to the board as a way of diversifying the age of the board, developing an almuna and drawing on their previous experience on the board.

5.6 It was also commented that it can be important to consider developing a pipeline of talent to ensure that the board has people able to step up. This can be through observing and attending sub-committees or even the full board, but there should still be an expectation that these engaged observers would still need to go through the application process.
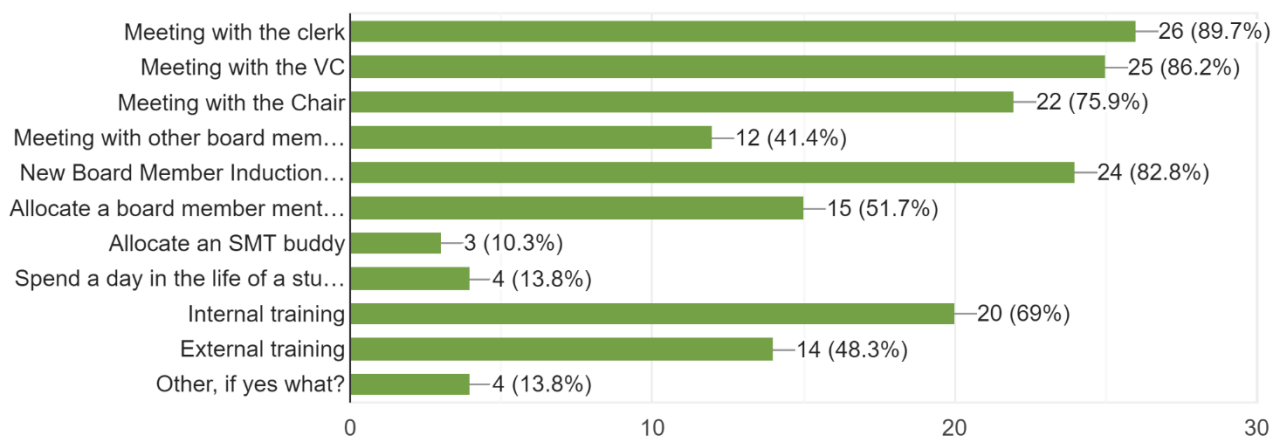
6. Board Induction

6.1 Once board members are appointed ensuring that they are well inducted can be key to ensure their effective engagement. Although at a recent GuildHE board inclusion session it was pointed out that we should remember that if we want to truly hear diverse voices then we shouldn't simply be trying to induct new board members into our way of working but seeking to understand how we can get the most out of all our board members.

6.2 When looking at current inductions there were four main ways that over three-quarters of respondents agreed were part of their induction process: Meeting with the Clerk (90%), meeting with the VC/Principal (86%), new board member induction pack or governor handbook (83%) and meeting with the chair (76%). Not far behind these four was internal training with 69% agreeing that it was currently part of their induction.

6.3 There were a number of other approaches that between 40-50% of institutions currently do include allocating a board member mentor or buddy (52%), external training (48%) and meeting with other board members (41%). Other activities include new board members spending "a day in the life of a student" shadowing a student through their lectures for the day to get a better sense of the institution, and another institution mentioned that their board members have a specific induction with the students' unions. A couple of institutions also allocate an SMT buddy to new board members.

13. When inducting a new board member which of the following do you do? (tick all that apply)

29 responses

Option	Count (%)
Meeting with the clerk	26 (89.7%)
Meeting with the VC	25 (86.2%)
Meeting with the Chair	22 (75.9%)
Meeting with other board mem…	12 (41.4%)
New Board Member Induction…	24 (82.8%)
Allocate a board member ment…	15 (51.7%)
Allocate an SMT buddy	3 (10.3%)
Spend a day in the life of a stu…	4 (13.8%)
Internal training	20 (69%)
External training	14 (48.3%)
Other, if yes what?	4 (13.8%)

6.4 A number of institutions mentioned that induction was not just seen as something for new governors but that ongoing governors were invited to attend induction session as well if they wanted and that after about six months there is a structured conversation with new governors to see how they're settling in and if there is more information that they might need.
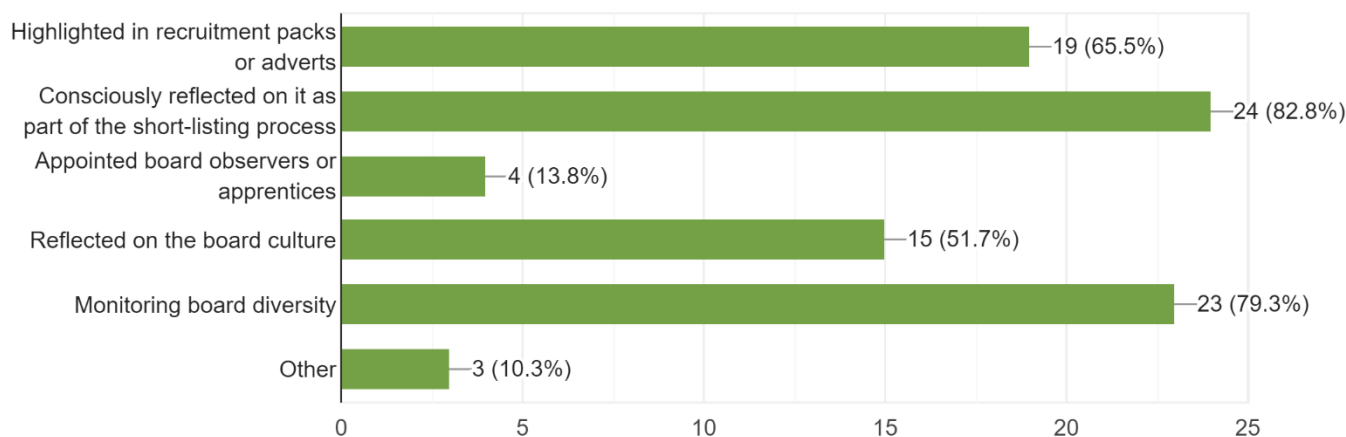
6.5 Some institutions have also developed a series of short induction videos for new board members – which makes it easier for new members to return to these as well as being more accessible that lots of additional documentation.

7. Board diversity

7.1 GuildHE institutions have taken a number of actions to address board diversity, with around 80% of respondents replying that they had consciously reflected on it as part of their short-listing process and that they monitored board diversity. Almost 2/3rds of institutions replied that they highlighted it in recruitment packs or adverts and about half has reflected on the culture of their board. Only four institutions had appointed board observers or apprentices as a way of enhancing board diversity, although at least one institution responded that they were considering this in the future.

14. What actions have you taken to address board diversity? (Tick all that apply)

29 responses

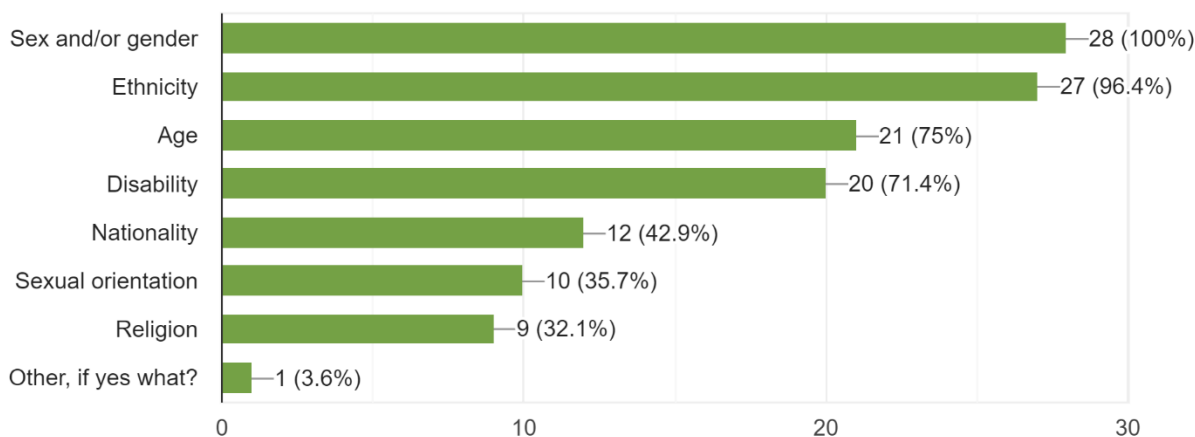| Action	Count (%)
Highlighted in recruitment packs or adverts	19 (65.5%)
Consciously reflected on it as part of the short-listing process	24 (82.8%)
Appointed board observers or apprentices	4 (13.8%)
Reflected on the board culture	15 (51.7%)
Monitoring board diversity	23 (79.3%)
Other	3 (10.3%)

7.2 Other actions included having a board member responsible for EDI issues. Another mentioned going through their adverts and job descriptions with specialist diversity experts to consider the language being used and whether particular essential experiences might result in target groups removing themselves from applying. They used the example of changing their person specification to grouping issues under four headings with examples of things people might have done in their professional or voluntary or personal lives and asked them to give examples, instead of requiring things like "experience of serving on a board". They commented that one of the black board members said that the traditional approach was off-putting for his community who didn't always have the opportunities and therefore deselected themselves.

7.3 When asked about whether institutions monitor the diversity of their board there was almost complete agreement about monitoring sex and/or gender and ethnicity with reference made to HESA returns. Around 2/3rds of respondents monitored age and disability but much less consensus amongst members about monitoring nationality, sexual orientation or religion. Although one member did mention that they monitored caring responsibilities. Another institution mentioned that since they are also reporting to the Arts Council they also have to collect data by socio-economic group.

16. Do you monitor board member diversity by:

28 responses

Category	Count (%)
Sex and/or gender	28 (100%)
Ethnicity	27 (96.4%)
Age	21 (75%)
Disability	20 (71.4%)
Nationality	12 (42.9%)
Sexual orientation	10 (35.7%)
Religion	9 (32.1%)
Other, if yes what?	1 (3.6%)

7.4 When monitoring the diversity statistics for your board you might want to reflect on how you compare with the sector as a whole. At a recent GuildHE/AdvanceHE session for clerks they presented the HESA data for governors:

	UK HE Governors	
	Number	%
Male	1676	57.2
Female	1247	42.5
White	2458	83.9
BAME	447	15.3
Disabled	186	6.3
No recorded disability	2745	93.7
Aged 20 - 29	178	6.1
Aged 30 - 65	2165	73.9
Aged 65+	588	20.1

7.5 When thinking about how to develop an inclusive board it can be important to take a strategic approach, consider the various different elements that it might comprise. This is particularly important when considering how to develop an inclusive board culture and create a sense of belonging and also how you prepare the board to ensure that they are ready. As part of the
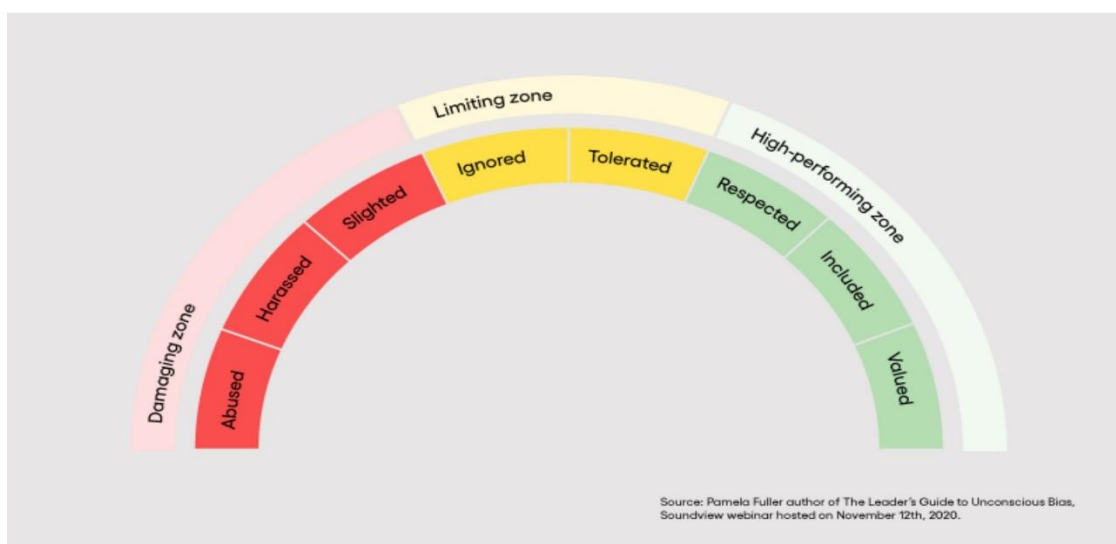
GuildHE/AdvanceHE inclusive boards sessions we developed the following mind-map to help capture this:
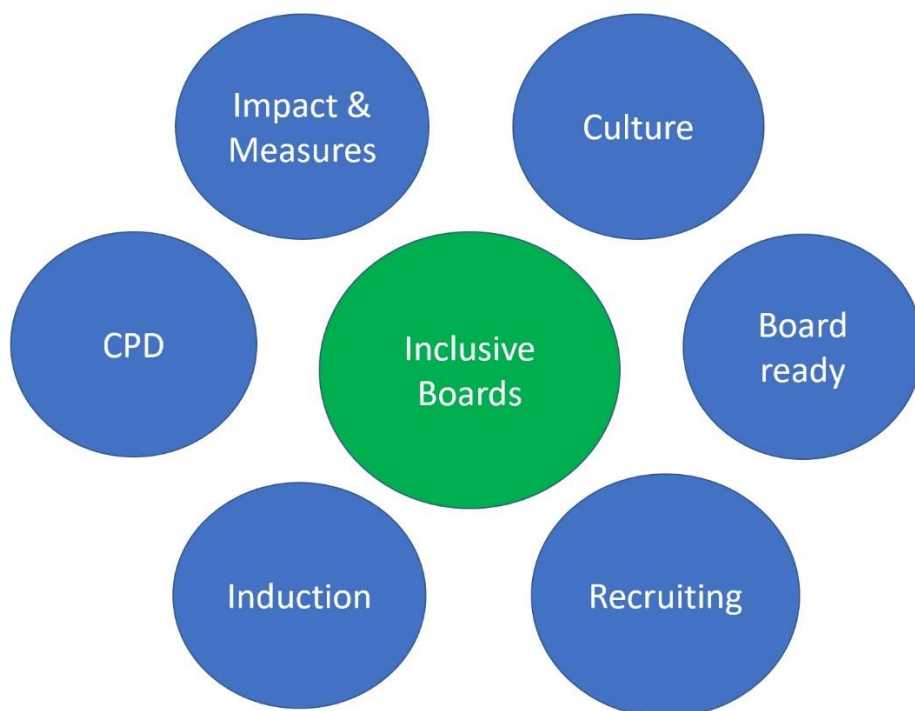
7.6 One institution mentioned that their institution's board papers include a section on the EDI implications to flag potential issues, they also commented that their board members do challenge if they feel it doesn't pick out important points or has been too forgiving. It was also suggested that skilled chairing of meetings is essential, facilitating the discussion rather than directing it and using a variety of techniques and styles to draw out the views and comments of all members.

7.7 The GuildHE/AdvanceHE session also drew on Fuller's diagram of unconscious bias as a way of thinking about inclusive board environments:

Inclusive behaviours / impact

Source: Pamela Fuller author of The Leader's Guide to Unconscious Bias, Soundview webinar hosted on November 12th, 2020.

8. Number of members of governing bodies

8.1 In the private sector there has been a trend towards smaller boards of governors, with a survey of the FTSE 150 companies showing the average board size to be 9.9[3] in 2021. However, within GuildHE institutions only about a quarter of respondents replied that they had 10 or fewer board members and almost 52% of respondents replied that their governing body had more than 16 members. Indeed, in the 2019 Advance survey the average for GuildHE institutions was 16.8.

8.2 The GuildHE survey did not explore the rationale for the size of boards but anecdotally there has perhaps been a trend towards appointing more board members with specific areas of expertise, such as IT, marketing, risk and estates as well as more traditional areas such as finance and accounting. It was commented by one respondent that recruiting one person for a particular skill need had not worked particularly well in terms of diversity but that when they recruited a range of roles with a multiplicity of skill sets they had a more diverse candidate pool.
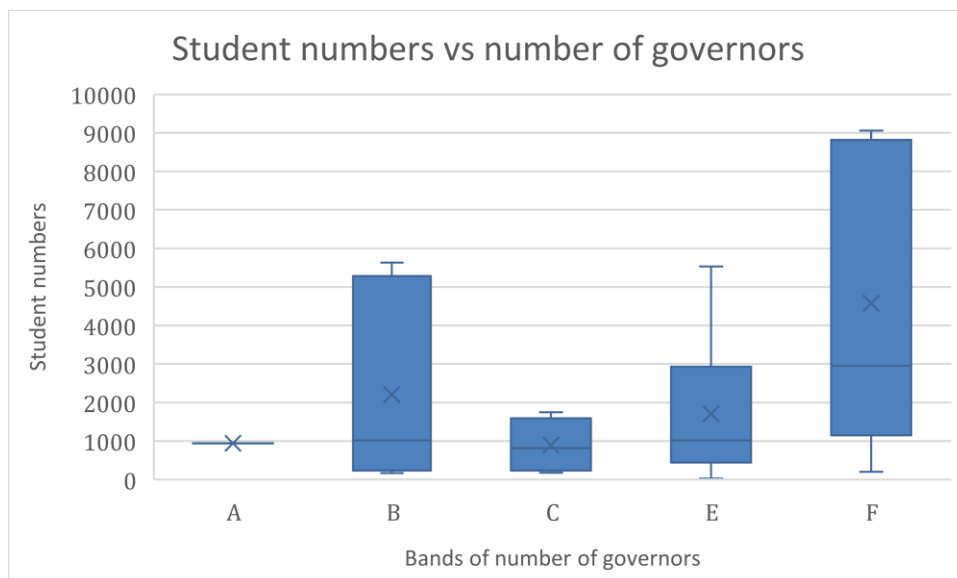
How many members are there on your Board?

29 responses

- 6 or fewer
- 7-10
- 10-13
- 13-16
- 16-19
- 20 or more
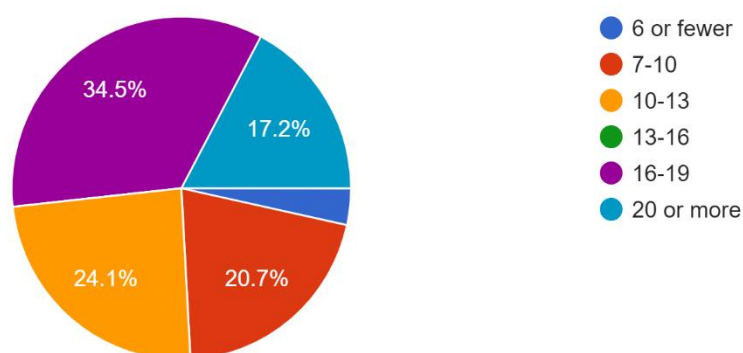
8.3 Interestingly when plotting the number of governors compared to the number of students at an institution there is very little relationship between the number of students an institution has and the number of governors that it has. For example, there are 6 institutions with 7-10 governors and their student numbers range from around 200 to almost 6,000 students. Whereas there are 5 institutions with more than 20 governors and they range in size from 200 to almost 10,000. Also, the average student numbers is higher at institutions with 7-10 governors than it is for institutions with 10-16 governors.

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[3] https://www.spencerstuart.com/research-and-insight/uk-board-index/board-composition#:~:text=The%20average%20board%20size%20is,the%2021%25%20seen%20in%202019.

Student numbers vs number of governors

9. Conclusion

9.1 This survey has provided useful insight into the governance arrangements across GuildHE members and we hope it provides a useful source of information to reflect on your practices.

9.2 During 2021/22 GuildHE has been running inclusive boards and board culture sessions for members jointly with AdvanceHE. We also established a clerks to governing bodies network and we hope that this will help deepen our engagement with members on issues surrounding governance and build on the annual session that we run for board chairs, heads of institutions and clerks. We will seek to explore some of the issues raised in more detail through the clerks network over the coming year.