



Board of Governors Effectiveness Review

Sheffield Hallam University

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FINAL REPORT

MARCH 2021

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1. Background

Sheffield Hallam University (SHU) commissioned bespoke external support to consider the effectiveness of its governance. The fieldwork for the review took place between November 2020 and February 2021, in the context of continued disruption in universities from coronavirus and having transitioned to online and virtual meetings.

With a vision to be the best applied university in the world through achieving outstanding outcomes for its students and city, and a mission to shape students' futures and find practical solutions to real world challenges, SHU sets an ambition to be globally outstanding. SHU has a strong sense of identity that roots the institution in the city and region around Sheffield but with a clear focus on the local, regional, national and global reach and impact of its teaching, learning and research. SHU has positioned itself to link both its teaching and research in an applied context: through preparing students for rapidly changing futures by teaching them in an environment of applied research, the University understands the dynamic global context and the challenges society faces.

Immediately prior to this review the Committee of University Chairs (CUC) published (in September 2020) an updated Higher Education Code of Governance, which is referred to in this report.

The methodology for the review sought to ensure it was fully contextualised and aligned to the Advance HE governance effectiveness framework (see Annex 4); the review sought to:

- + Examine the role of the Board in helping to determine the University's mission and strategy.
 - + Consider the scope and remit of the five Committees of the Board of Governors (Academic Assurance, Audit & Risk, Finance & Employment, Nominations, and Remuneration).
 - + Explore and evaluate the relationships between:
 - the Board of Governors and its committees;
 - the Board of Governors and Academic Board;
 - the Board of Governors and Executive Group;
 - + Be fully contextualised: taking account of relevant reference points and benchmarks, including the *Regulatory Framework for Higher Education in England* and other publications issued by the OfS. In particular, it reviewed the current governance arrangements against the provisions of the Committee of University Chairs' 2020 HE Governance Code and the HE Remuneration Code, and your oversight of the requirements of the Office for Students Regulatory Framework relating to governance and management and its ongoing conditions of registration relating to governance and management.
 - + Examine the approach to management of the Board business with regard to the number and scheduling of meetings and agenda setting, the timetabling of emerging and recurrent business, the suitability of information that is provided to members.
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- + Explore the Board's arrangements for seeking and receiving assurance of robust and effective academic governance, including working with the Academic Board to maintain standards and improve quality.
- + Look at the Board's approach to understanding and overseeing risk management and regulatory compliance (for example, financial and reputational risk, effect of OfS regulation, REF, TEF, the COVID-19 pandemic, student and staff wellbeing, current EDI issues).
- + Gain an understanding of the Board's impact, productivity and value added through effectiveness and clarity of decision making by the Board and its sub-committees and performance oversight against the strategic plan, as well as ownership and appropriate assurance of strategic issues.

The review sought to stimulate an informed deliberation of existing practice, structures, processes, behaviours and opportunities for improvement and thorough examination of these factors during the review will highlight key strengths and weaknesses of SHU governance. The recommendations that follow will be grounded in best practice and will provide impactful and practical solutions. We offer follow up support pro-bono on recommendation implementation, and will also direct the Board to additional avenues of support through our tools, resources and training.

The review approach was designed to ensure a good capture of data and information for the effectiveness review and good engagement with the institution to ensure the process and recommendations add value for the university.

- + **Steering group.** the review was overseen by a steering group comprising selected Board members, ensuring that the review maintained a close connection to the Board, whilst providing a forum to monitor progress and receive emerging findings.
- + **Selective review** (in order to ensure orientation and understanding of significant issues and to provide the contextualisation) of key documentation.
- + **E-survey** of all Board and committee members, with survey results benchmarked against Advance HE's database of comparable institution responses.
- + **Semi structured interviews** with all Board members: the Vice-Chancellor, Chair of the Board of Governors, Chairs of key committees, and other senior/executive staff.
- + **Observations** of the Board, Academic Board and key committees - a crucial element which enables the review to directly observe how information is received, discussed and acted upon as well as insights into decision making and overall governance culture.
- + **Workshop** with the Board to clarify and feedback on emerging findings from the review

Reporting, conclusions and recommendations: Draft reports were provided to the Steering Group for discussion / review before finalisation.

The Board of Governors, Executive and Secretariat all engaged positively and proactively with the review.

2. Executive Summary

Overall, the review found evidence of effective governance at Sheffield Hallam University. There is evidence of high standards in some areas, opportunities for development and areas for further consideration by the Board. There is a clear commitment to ongoing development, and opportunities to do so.

There are sound structures, policies and practice in place which help to enable Board effectiveness. An environment of constructive support and challenge exists under the leadership of the current Board Chair and Vice-Chancellor, which is further supported by the approach of the University Secretary and the governance team. The Board overall has a positive impact on the University's performance and reputation.

There are areas for development and these are set out, with recommendations for enhancing performance with the ambition to move from good to excellent. Although the number of recommendations in the report may seem daunting, many of these routine, others build on existing plans and taken together set out the best pathway for SHU to make the step change in improvement which there is a desire and appetite to do so.

We would particularly draw the attention of the Board to four recommendations which relate to **governor review and appraisal** (recommendation 11), **improving Board diversity** including on ethnicity (recommendation 16), consider modifying and **clarifying the process for staff governor appointment** (recommendation 17) and what more can be done to further **strengthen the link between corporate and academic governance** (recommendations 25-27), which we would consider to be the most important in terms of delivering the step-change that there is a clear appetite from the Board to embrace.

We have categorised the recommendations into low, medium and high priority to offer a steer to the Board on where we believe you should focus your attention.

2.1 Strategy and Performance

The process to develop the Transforming Lives strategy has been consultative and engaging and there are Key Performance Indicators that enable the Board to monitor performance against the strategy. There is a reasonable balance of time and attention given to reviewing performance versus longer-term strategic thinking. The strategy discussions could be more integrated than the current 'strategy day' opportunities and the board papers could make more explicit links between information and performance outcomes. Consideration may also be given to how technology and the virtual dissemination of information before meetings, may lessen the need for Board members to be briefed in the meeting itself (especially if done beforehand) so more time can be spent on strategic discussion in the meetings themselves.

2.2 Compliance, Board Operations and Papers

The board operations and support, under the leadership of the University Secretary and Clerk to the Board, enable the smooth running of the Board. There is evidence that

compliance and regulatory matters are considered in detail by the Board and integrated into the Board packs. A comprehensive assurance map is overseen by the Audit and Risk Committee.

The relationships between the Chair, Vice-Chancellor and Secretary were found to be strong, with clear mutual respect. Given the increasingly complex environment which universities are operating (both in terms of policy and regulation), it may be helpful for the Chair, VC and Secretary to schedule quarterly catch ups to review and manage Board business. Attention has been given to board papers and these are well managed and board packs well presented. Although papers are generally succinct there are opportunities to focus further, and the Secretariat should be empowered to work with authors to refine this where necessary.

2.3 Governor Contributions

The Chair sets a positive tone for engagement and contribution from Board members. The range and volume of business at Board meetings is well managed by the Chair and at committee level (and in the context of current online meetings), although some opportunity for inviting greater discussion and debate could enhance engagement and decision making. The Board members generally understand and take collective responsibility for decisions; however, there was some feedback that on occasion some governor contributions could be shaped too much by their personal experience and/or driven by attention to certain issues, rather than focussed on their roles as board members.

The processes and practices for reviewing individual member contributions can be improved and there are opportunities to make more use of the skills and expertise Board members offer, outside of meetings where invited and appropriate and also opportunities to strengthen their external ambassadorial roles.

2.4 Skills, Diversity, Recruitment and Induction

The topic of Board skills and diversity has been given good attention recently and this is evident from the review. There is a risk associated with turnover of independent Board members this year, which is known.

The Board is larger than average for English institutions at 22 members (the sector average is 18.7) and the Board is encouraged to consider discussing the size of the Board and whether over time it may be useful to consider a strategy to reduce numbers over time. There is no pressing case for immediate action, but you may not wish to wait until the next review in 4 years. Overall, the range of skills on the Board is appropriate for this University and there is a skills matrix in place. The contributions of the student voice and staff membership could be strengthened through induction, support and potentially mentoring.

The diversity of the Board profile does not reflect the diversity of the institution in some aspects. Ethnic diversity is an identified priority and disability was also highlighted in the review (no members of the Board declared a disability in the 23 responses to our survey).

There are also opportunities to address Board diversity through a proactive and transparent external recruitment process to fill current vacancies through 2021.

2.5 Committees

Overall, this is an area of high performance in terms of good governance practice. Structure and delegations are clear and committee meetings provide opportunities for in-depth discussion and debate. Although there is a process for membership and appointments to committees, it is not fully understood by all Board members and should be made more transparent.

There was not a clear consensus for change in relation to the committee structure and remit, so recommendations made in the report are advisory on the basis of our external expertise, but will require thorough discussion and deliberation by the Board. The status and role of the Board Officers Group is noted, and undertakes a useful role for wider co-ordination and could also be made more transparent.

2.6 Academic Assurance

The University has strengthened oversight and governance of academic matters, quality and standards in the last two years. The new structure is developing well and the relationship between Academic Board and Academic Assurance Committee (AAC) is better understood. Given the increasing importance being placed on academic governance, we believe it would benefit from an institutional review of academic governance in the next 12-18 months (fully external or internally-led with external input), to ensure the structure and outcomes are effective.

The AAC is valued by the Board and there are opportunities to strengthen the link between academic and corporate governance and engagement with the academic community. The student voice is valued and actively invited, and we also make suggestions to further support the role of student governors. It is recommended that opportunities for the Board to hear more student and staff perspectives are enhanced.