

## UNIVERSITY COURT

### HE GOVERNANCE ACT IMPLEMENTATION REVIEW GROUP

#### 2017/18 Court Effectiveness Review Outcome and Recommendations

##### Purpose

1. This paper presents a report of the process, outcomes and recommendations of the 2017/18 Court Effectiveness Review.

##### Background

2. At its meeting on 20 September 2017 Court's HE Governance Act Implementation Review Group agreed to conduct a Court Effectiveness Review with the following key activities/outputs:

- Court self-evaluation followed by externally facilitated evaluation of court effectiveness, resulting in recommendations as appropriate;
- Review of sub-committee effectiveness and terms of reference, supported by external facilitation, resulting in proposed amendments as required/appropriate.

3. The approach and timings followed are included for reference at **appendix 1**

##### Summary of Key Issues

4. Members and officers completed an evaluative questionnaire between 31 October and 24 November 2017, aimed at measuring Court and sub-committee effectiveness against Court's Statement of Primary Responsibilities (and associated Code provisions) and reflecting the key effective governance themes used in the Leadership Foundation for Higher Education (LFHE) Framework for Supporting Governing Body Effectiveness Reviews in Higher Education. A 67% response rate was achieved<sup>1</sup>. The survey results are provided at **appendix 2**. The responses received provide broad re-assurance that Court is considered to be operating effectively, however, taking into account where there were larger concentrations of responses falling in category 3 than 4 read in conjunction with respondent comments, particular areas to focus on during the externally facilitated discussion sessions were identified around values, capability, stakeholders and academic oversight.

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<sup>1</sup> 20 responses received from 30 potential respondents.

5. Four externally facilitated discussion sessions were held over 25/26 January 2018 involving 18 Court Members and Officers, with all membership categories represented, facilitated by Michael Wood of the Good Governance Institute (GGI). The sessions covered themes from the effectiveness survey, as well as facilitating discussion on broader areas of governing body culture and effectiveness. A summary report of the main themes and emerging actions arising from the sessions is provided at **appendix 3**. Clearly identified enhancement activities are highlighted within the summary. In considering the feedback further, the IRG agreed in addition to recommend a further enhancement in relation to Court member engagement with the University's values within the Court member annual review process.

6. In addition to the above inputs, a review was also undertaken of the annual sub-committee self-evaluation reports for Audit & Risk Committee and Finance & Property Committee from the past three sessions, along with the Chair's summary reports to Nominations Committee on key outcomes from Court members' annual reviews. The sub-committee reviews showed that both are considered to operate effectively overall and are focussed on identifying and addressing areas of improvement on an ongoing basis. Nothing arises from these reports which suggests a need to amend terms of reference beyond what is required as a consequence of the new Governance Code. Court members' annual review reports were broadly positive and consistent with the feedback provided through the current review.

7. The above inputs provide broad re-assurance that Court is operating effectively, whilst identifying a number of areas for enhancement.

### **Recommendations to Enhance Court Effectiveness**

- (i)** Allocation of a Court "buddy" to be highlighted to new members as part of future induction activity.
- (ii)** Future School/Campus visits to be enhanced by ensuring more opportunities for members to engage with students.
- (iii)** Undertake exercise as part of Court members' annual details review to gather information on members' skills and networks to share with the University's Senior Leadership Team to facilitate greater use of members' skills and networks.
- (iv)** Offer Court members the opportunity to observe Academic Board meetings to enhance Court visibility and to further enhance understanding of the Academic agenda.
- (v)** Offer Court members the opportunity to observe Student Experience Committee meetings to enhance Court visibility and member understanding of student matters.

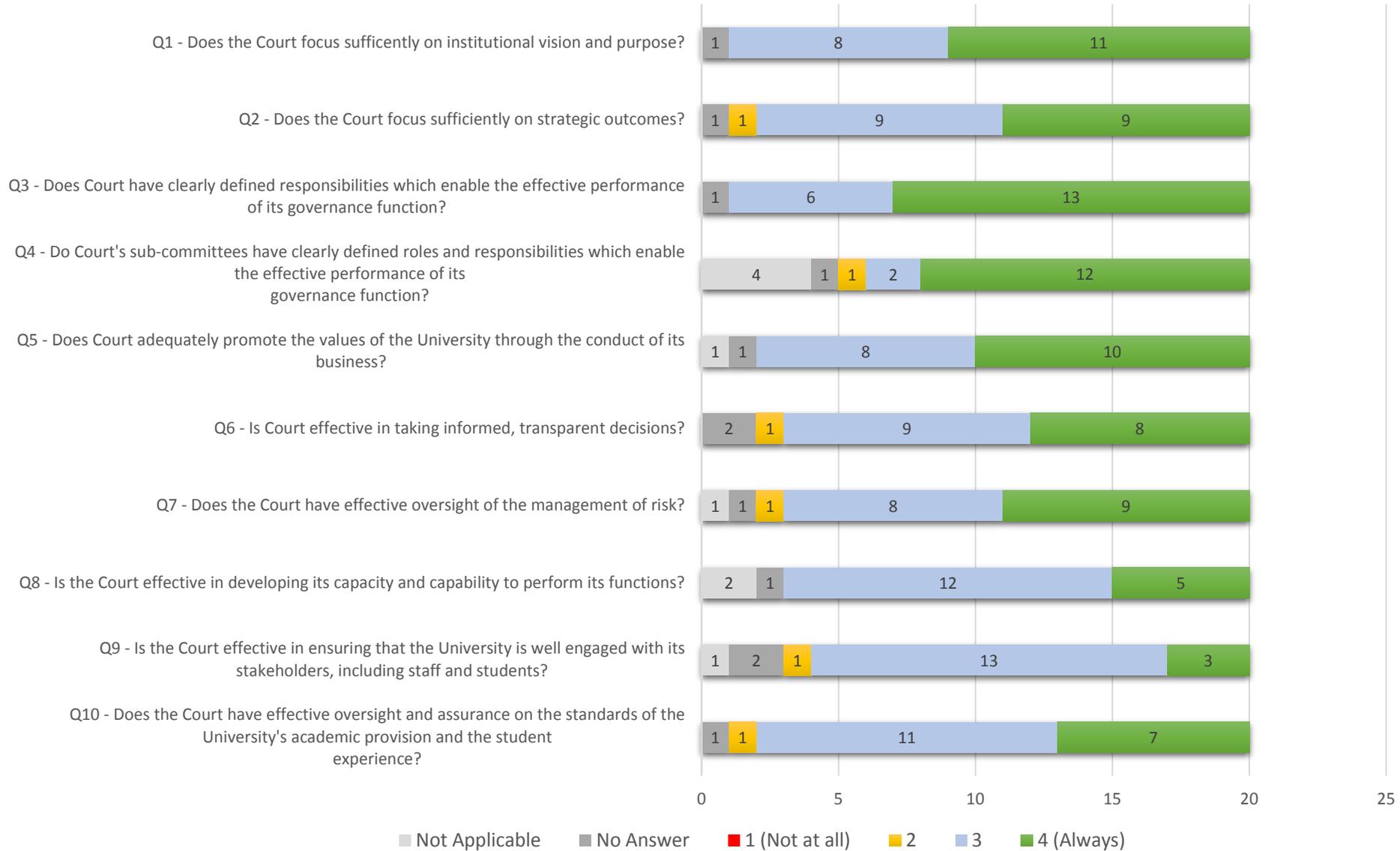
**(vi)** Incorporate a question in Court members' annual review to prompt reflection on the University's values.

**14 March 2018**

## Court Effectiveness Review Approach and Timings

- i. Evaluate Court's effectiveness through consideration of a range of inputs from Court members and officers closely associated with the work of Court using annual committee effectiveness reports, members' annual review outcomes and an evaluative questionnaire followed by a series of externally facilitated group discussions to explore key themes emerging from the questionnaire responses.
- ii. Questionnaire to contain a concise set (no more than ten) of broad questions aimed at measuring Court and sub-committee effectiveness against Court's Statement of Primary Responsibilities (and associated Code provisions) and reflecting the key effective governance themes used in the Leadership Foundation for Higher Education (LFHE) Framework for Supporting Governing Body Effectiveness Reviews in Higher Education. This framework has informed the evaluations used in the past 2 reviews and therefore helps promote consistency for comparison purposes. Issue: **November/December 2017**
- iii. Consider questionnaire responses, and consider inputs from annual sub-committee effectiveness reviews, to identify key themes and discussion areas to consider in a series of externally facilitated group discussions with Court members, subcommittee convenors and officers. An appropriately experienced consultant will be identified to undertake this element (LFHE and GGI provide such services). Emerging themes to be captured in report for Group. Run: **Jan/February 2018**
- iv. In parallel, review and drafting of governance documents outlined in the activities/outputs section above to take place reflecting Act and Code requirements and any emerging themes/recommendations from the effectiveness review. Underway **October 2017 – March 2018**
- v. Group to meet to consider the above inputs and consider recommendations for Court. **March 2018**

## Court Effectiveness Review - Summary Responses



## Survey Comments

### Q1 Does the Court focus sufficiently on institutional vision and purpose?

The agenda of Court meetings usually provides a focus on strategic direction.
There is good focus through the performance reports and presentations received throughout the year and through the Strategy event which are clearly sighted on vision and purpose.
Our meetings are aligned with 2020 strategy. We have regular deep dives into key subject areas to review and understand the progress we are making. We also discuss the challenges we face as we strive to make progress towards our overall goals. We welcome diverse views and seek to align and agree on all matters on our quarterly agenda.
Yes, I think topics are appropriate. I often feel there could be more challenging discussion at formal meetings on these topics but I believe the agenda is right.

### Q2 Does the Court focus sufficiently on strategic outcomes?

As the outcomes tend to be achieved over the longer term it might be helpful to get more regular milestone reports on progress.
As above- good strategic focus through the range of performance reports and strategy/school performance presentations received throughout the year and through the annual strategy event.
The pre-court meetings provide a good forum for these strategic interventions.
This is a major focus of the Court. The ULT regularly present in detail on the key outcomes. Sometimes there can be considerable detail to work through. It would be good to ensure we focus on the highest level perspectives however I do appreciate the detail can be necessary to help make sense of some aspects of the outcomes in question. The annual review of the strategy is also welcomed. A great opportunity to test and challenge that the Strategy remains relevant. The challenges of the external environment have been a true test of whether the strategic outcomes remain realistic if not stretching.
KPIs etc are reported and scrutinised.

### Q3 Does Court have clearly defined responsibilities which enable the effective performance of its governance function?

Yes, but should be kept under review as the environment changes.
Yes, all responsibilities are clearly defined through the SI, Statement of Primary Responsibilities, Schedule of Delegated Authority and Committee Terms of Reference. Alignment with new HE Governance Code will enhance where appropriate.
We undertake regular annual Court effectiveness reviews and seek to make improvements on an ongoing basis.

**Q4 Do Court's sub-committees have clearly defined roles and responsibilities which enable the effective performance of its governance function?**

I can only speak for the committee of which I am a member (F&PC) but the others seem to function equally well.
All remits seem appropriate and are reviewed annually.
Yes, all committees have clearly defined ToR aimed at securing the effective conduct of Court's governance responsibilities. Remuneration Committee ToR and supporting policy will require reviewing and amendment to align with the requirements of the Code.
We have clearly defined roles and responsibilities to operate in an effective manner. We have sought to regularly review and challenge ourselves to ensure we are adding value. Our internal and external auditors are invaluable in helping us in meeting our overall responsibilities. RemCo- this has taken longer to bring up to a better level of effectiveness. 2017 has been the most effective due to the development of the reward guiding principles and ensuring we align with the HE Governance Act.
Nomination Committee members are kept up to speed with the role expected and the full governance expectations.
Finance & Property Committee- the CFO and Head of Estates are very good and work well together. There is a strong team feeling, but no "cosiness" or complacency. Agendas are appropriate and materials well prepared and presented. Committee analysis and debate is appropriately thorough and robust.

**Q5 Does Court adequately promote the values of the University through the conduct of its business?**

I think so, but I suspect that we would be hard pushed to name all the values.
In the conduct of its business and the behaviour of its members Court can be considered to model the University's values.
In my experience, we do promote the values. We can always do with reminding ourselves and reflecting on this in our own behaviours and that of others.
In general this is the case, although not always explicitly discussed.
The Chairman sets the right tone of openness and encouragement and challenge when necessary.

**Q6 Is Court effective in taking informed, transparent decisions?**

Matters coming to Court for decision do so having been fully considered and deliberated in appropriate fora and through appropriate sub-committees. Papers contain full information and background to allow fully informed decisions to be made. Papers and records of decisions are made available to the University community to aid transparency.
There is considerable amount of stakeholder work undertaken to ensure we are briefed and prepare to make our decisions. We make good use of sub-committees when we need to. These are formed and disbanded based on the need of the work, for example HE Governance Act Implementation Group.
Only one recent experience of material decision taken by Finance & Property Committee which came as a bit of a surprise at Court- relating to the use/ sale of Stones.
Decisions are taken after appropriate analysis and discussions with Executives who are generally well prepared and on top of detail, in particular the CEO and the CFO.

**Q7 Does Court have effective oversight of the management of risk?**

This area appears to be well managed through the Audit & Risk Committee and the regular reports received by Court.
We have a thorough process in place to support the management of risk. The recent appointment of the Finance Director has added even more weight behind ensuring we are focussed on the right areas. We will continue to ensure we support the University in this critical area. We have made changes and adapted our risk plans as required. Fraud is an example that is now a standing item.
Appropriate attention is paid to identifying and managing risk at Court meetings. Again, Court members are encouraged and do, contribute concerns based on their own knowledge and experience at other organisations.
My impression is that the Court does have effective oversight of the management of risk, but as with other matters, that impressions depends on the information brought to Court's attention. It looks to be comprehensive, but there must be an element of supposition in that.
I believe the risk and resilience committee always probe to an appropriate level of detail when presented with new or updated risks.

**Q8 Is the Court effective in developing its capacity and capability to perform its functions?**

Really don't understand the question in the context of the Court's membership.
Maybe more members could be encouraged to attend the training days on offer from the Leadership Foundation.
Better engagement from a broader range of Court members in ongoing governor development opportunities would help improve this.
There has been quite a change out in 2017 members of Court. I welcome the new Court members. Overall we have good breadth and depth.
The Court is comprised of people who have the knowledge and experience necessary to run the University. I am not sufficiently aware of long term top management resourcing plans, either for succession or for potential new roles.
Recruiting new members which will add value.

**Q9 Is the Court effective in ensuring that the University is well engaged with its stakeholders?**

As well as it ever can be.
There could perhaps be more opportunity to engage with students beyond ENSA representatives.
We look at the "how" but are not in a position to do much more than this.
Since the last review a stakeholder engagement strategy has been created and Court has received an update report on activity undertaken. Court seeks assurance that effective engagement is taking place with staff and students through a range of inputs (EES, Student Satisfaction Surveys) and seeks assurance that effective actions are in place to improve engagement. This is an area which requires constant attention and development and should remain an area of focus.
We review the stakeholder plan at Court every year. The students and staff attend all the Court meetings and we ask their views. We review the NSS results. There is an engagement and communications plan that is shared with Court members which is very informative. The Principal also updates Court on quarterly basis of all stakeholder engagements she is involved in. We will review topics and ask questions as necessary.
More time could perhaps be spent on discussing this.

**Q10 Does the Court have effective oversight and assurance of the standards of the University's academic provision and student experience?**

I am less sure we have clear oversight of the standards of academic provision.
Can only be oversight. Management give us full access to all measures of the standards of academic provision and student experience; nothing is hidden.
Court considers and receives the annual report on academic quality assurance and enhancement and receives minutes from all meetings of AB. There is cross membership of 3 members between AB and Court which helps ensure understanding in this area. Strategy and School presentations allow Court a deep dive into areas of academic strategy including Research, Student Experience and Quality.
We regularly review the academic Schools through the Vice Principal and his team being in attendance at Court. Regular visits by Court members to experience the Schools throughout the year is also welcome. The NSS has provided considerable insight regarding the student experience. The University is constantly striving to make improvements in this area. There is an open and honest approach being undertaken to ensure that the University focuses on the right things for the students and is fully engaged with the students to continuously work towards meeting their needs. Changes and upgrades to academic roles has been welcomed. The tie-in between research to achieve promotions has been a significant step in the right direction.
The Court is very focussed both on the longer term strategy and short term objectives and performance in these areas. It is recognised that improvements must be made and steps are being taken in those regards.

**Q11 Please provide any further comments not captures by the questions above**

None.
For me, trust, openness and transparency are the most important qualities I look for in members of the Napier management team with whom I interact and I consider these qualities are exhibited at all times by those I work with.
I feel totally reassured that appropriate governance safeguards are in place.



## UNIVERSITY COURT

### Externally Facilitated Effectiveness Review Discussion Sessions

#### Summary Report of Main Themes/Enhancement Actions

##### Introduction

Four sessions were held over 25/26 January 2018 involving 18 Court Members and Officers, with all membership categories represented, facilitated by Michael Wood of the Good Governance Institute (GGI). The sessions covered themes from the effectiveness survey, as well as facilitating discussion on broader areas of governing body culture and effectiveness. Clearly identified enhancement activities are highlighted within the summary.

##### External Facilitator's Overview

*"From the four focus groups we facilitated ... it is apparent that there is a strong sense of collegiality, common purpose and vision on the governing body. The Court has a broad range of skills and experience and has a good gender mix.*

*The different views and perspectives of all participants were listened to and considered respectfully during the sessions. Descriptors for the 'culture' of Court, ranged from friendly, confident, process-driven to formal and ambitious.*

*All participants emphasised that they believed substantial trust existed between the Court and the Executive, an essential basis for effective governance."* [Michael Wood, GGI]

##### Culture/Behaviours/Values

1. Court was characterised as operating with high levels of trust, fostering an inclusive, friendly, open and honest environment in which a range of different perspectives can be heard and constructive challenge given. Participants were comfortable that, in performing its functions, Court broadly reflects the University's values as far as appropriate to its role. Court's risk appetite was considered to be balanced and appropriate.

##### Availability of Information

2. Participants considered in general that the quality, volume and level of detail in the papers presented was appropriate and necessary to inform good decisions and provide assurance, recognising that members would require to engage with different levels of detail according to their background and interest.

## **Strategy Ownership, Oversight and Challenge**

3. Participants were clear that the University's strategy was approved and owned by Court, albeit recognising that more recent members would not have been involved in the development of the current strategy but would shortly be engaged in the development of the strategy beyond 2020. Participants were broadly content that Court has good oversight of the Strategy and opportunities to challenge and test particular areas through regular performance updates to Court and its committees, KPI reports, pre-Court strategy presentations, the annual Strategy Day and through engagement with individual Court members on particular areas e.g. relevant members helped shape the People Strategy and, through a short-life TNE sub-group, members helped shape and challenge developments surrounding the Internationalisation Strategy. It was recognised that Court may at times require more detailed scrutiny of particular areas and, where this is the case, consideration should be given to how the matter might be considered through the existing committee structure, failing which the protocol for creating ad-hoc sub-groups put in place following the last review can be engaged.

4. Participants believed that the Remuneration Committee, as currently constituted, performed its role within an agreed framework and its deliberations and decisions were appropriately reported to the Court.

## **Academic Oversight**

5. Participants recognised the formal delegation of authority to the Academic Board of responsibility for the planning, co-ordination, supervision and quality assurance of the academic work of the University. The connections between Court and Academic Board through joint membership (elected AB member, Principal and Vice-Principal) were recognised. Members considered that Court had good oversight of academic matters through the pre-Court strategic presentations, Dean of School presentations and update/performance monitoring reports on matters of academic strategy and quality which came up to Court, having also been considered by Academic Board. **It was suggested that lay Court members might further enhance their understanding in this area by being invited to observe Academic Board meetings.**

## **Court Capability**

6. Participants considered that Court had a good diversity and balance of backgrounds, skills, views, outlooks and expertise represented across its membership. The ongoing work of the Nominations Committee in reviewing the skills matrix and identifying and recruiting to fill gaps, whilst continually seeking to enhance Court's diversity was recognised.

7. Members welcomed the development opportunities provided to prepare them for their role through initial induction, external training/development opportunities and the opportunities to increase their knowledge of the University provided through contact points such as the informal lay member supper events with the Principal and the programme of Campus/School visits. **A number of members indicated that their experience of induction might have been enhanced by the allocation of a Court “buddy”. This will be highlighted to new members as part of future induction activity.** The socialisation of Court members more generally was recognised as important. It was noted that regular engagement by members with the range of opportunities offered outwith Court meetings (lay suppers, annual Court Dinner, post-court meeting receptions, graduations, School visits, lectures, other university events) was important to achieve this.

### **Visibility/Stakeholders**

8. In terms of Court’s visibility and engagement with key stakeholders across the University, participants recognised the value of the School/Campus visits as a means of directly engaging with staff and students (as well as attending other University events/graduations etc.). **It was suggested that the School/Campus visits could be enhanced by ensuring more opportunities for members to engage with students. This will be implemented in future visits.** The opportunity for staff members to observe Court meetings was also noted as helpful in increasing visibility/transparency. **It was suggested that Court members observing meetings of the Student Experience Committee might, if considered appropriate, provide a further opportunity for members to hear the student voice more directly whilst increasing visibility.** It was also noted that potential changes to the ENSA constitution in the context of the current review may see a Court member being invited to join the ENSA Trustee Board.

9. It was recognised that the new stakeholder engagement event required by the Code, which would involve Court members, would increase visibility when implemented in the 2018/19 session.

10. In terms of the University’s engagement with stakeholders, it was noted that a high level plan was in place, but recognised that more could be done in this area which would be an area of continued focus.

### **Ambassadorial Role/Use of Skills**

11. The importance of the ambassadorial role of Court members was recognised, and it was considered that members did perform this role in appropriate situations. A number of members reflected that they could perhaps do more in terms of contributing their expertise to the University and providing access to their networks. **An exercise to gather**

**information on member's skills and networks to share with the University's Senior Leadership was undertaken previously. This will be repeated and results shared with the SLT to facilitate greater use of member's skills and networks.**

### **Summary of Identified Enhancement Actions**

- (i)** Allocation of a Court "buddy" to be highlighted to new members as part of future induction activity.
- (ii)** Future School/Campus visits to be enhanced by ensuring more opportunities for members to engage with students.
- (iii)** Undertake exercise as part of Court members' annual details review to gather information on members' skills and networks to share with the University's Senior Leadership Team to facilitate greater use of members' skills and networks.
- (iv)** Offer Court members the opportunity to observe Academic Board meetings to enhance Court visibility and to further enhance understanding of Academic agenda.
- (v)** Offer Court members the opportunity to observe Student Experience Committee meetings to enhance Court visibility and member understanding of student matters.

**February 2018**