UNIVERSITY OF THE HIGHLANDS & ISLANDS

Review of the effectiveness of the Court and its Committees

March 2017

Confidential

University of the
Highlands and Islands
Oilthigh na Gàidhealtachd
agus nan Eilean

INDEPENDENT AUDIT

BOARD REVIEW

EXECUTIVE SUMMARY

Our approach

1   We have facilitated University of the Highlands and Islands' (UHI's) self-evaluation of the effectiveness of its Court, and Committees of the Court, for 2016 / 2017 using our online assessment service Thinking Board®. As the results are based on a self-assessment, we could not verify them or make our own independent assessment, and so we do not give an opinion on the Court and its committees' effectiveness.

2   We consider this level of independent involvement by us to be sufficient to enable you to report your review as "externally facilitated by Independent Audit Limited, using their online assessment service Thinking Board®".

3   The initial part of this report deals with issues which are common across four of the five bodies surveyed. Appendix 1 gives a brief summary of the results of the Court, Further Education Regional Board, Academic Council, Finance & General Purposes and Audit Committees individually. These show a summary of the issues which are of particular importance to these bodies, the scores for the questions asked arranged in their thematic groups and issues 'flagged' by a significant number of respondents. A selection of comments is also shown.

4   We analysed questionnaire responses across a number of categories (eg staff and students), details of which can be found in Appendix 2. We found the broad concerns were the same across all respondents regardless of their constituency, with only some unsurprising differences of emphasis.

Court and committees' summary

5   The issues which are common to all but the Audit Committee are summarised below:

- Respondents do not feel that UHI is a united organisation and as a consequence, does not present itself as such

- The culture does not always encourage open debate

- The strategic direction of the University is unclear and discussion is too focused on the short term

- The various governing bodies lack a clarity of purpose, as do the roles of their individual members / attendees

- Internal engagement is limited

- There is a limited understanding and appreciation of risk

- Succession planning is not as effective as it might be

- Governing bodies do not receive the information they need, in the format or at the time that they need it

- Meetings are too short and sometimes poorly attended, and discussion is limited.

6   While this level of 'discontent' may initially seem disappointing, it is important to note that many of the comments have highlighted the efforts that have already been made in trying to address some of these issues.

7   It is also important to remember that UHI is a relatively new incarnation and bringing together a disparate and geographically dispersed group of organisations into one, unified body takes time. The fact that respondents' views are well aligned is helpful in giving management clear areas on which to continue to focus efforts.

United organisation

8   There is a consistent message that UHI struggles to present itself as a united organisation. Nearly all of those who responded to the Court questionnaire raised this as an area in need of improvement and over half gave it a 'red' score (Not well enough). It is also a consistent theme in all the other questionnaire responses.

9   There are a number of reasons suggested why this is the case: tensions between different parts of the University; geographical dispersion; lack of communication; politics; and a lack of a clarity of what the organisation actually is, or wants to be. As one respondent comments: "Given the nature of UHI, it is always going to be challenging to lead in any sense, a group of independent partners and staff who are effectively employed by a variety of different organisations".

10   Another comment makes the point that "Court should express more clearly and more often its expectations, aspirations and standards that are expected to pervade the whole university". However, to be able to express these things, Court must first be clear about what they are. If the University doesn't have a clear sense of its own identity, it is difficult to present itself as a united organisation.

11   Comments suggest that much work has been done in the past year to ensure that in future, "UHI will be seen as more than a sum of its parts which communicates a consistent message about its achievements and values". There is a suggestion that the new governance structures should also help "if approached purposefully". Nonetheless, it is important that the governing bodies are clear among themselves what these values are and what the University stands for, before it can hope to communicate these messages to others.

Culture

12   A number of comments imply that UHI is a victim of its geography and that, as a result, problems of cohesiveness, communication and 'common purpose' are inevitable. While UHI may have a challenging geographical structure compared with many of its competitors, many of the issues it faces are shared by organisations in the corporate world. Multi-national companies have to deal with geographical and cultural diversity, different time zones which hamper communication and internal 'jockeying for position' and this is where securing the right organisational culture is vital in ensuring behaviour is geared to the common good.

13   One member of the Court commented that it was an "interesting thought to have culture and behaviour as a risk". While this may not be a widespread view, comments in other questionnaire responses indicate that there is little consideration given by the governing bodies to the impact of culture.

14   People's behaviour goes a long way to determining the success or failure of an organisation. It can be a risk to be managed or an asset to be exploited. Encouraging good behaviours and stopping the wrong ones should therefore be an intrinsic part of strategy.

15   Although it is difficult to 'measure' culture – it is an outcome which is not delivered via a process – there are questions which a governing body can ask which can help to bring the discussion down to earth. How do we need to behave to increase our chances of success? What are we good at? Which aspects of our people's behaviour differentiates us from our competition (either positively or negatively) and how do we make sure we maintain and reinforce the positives and eliminate the negatives? We would urge the Court, together with the representatives of the other governing bodies, to spend time explicitly discussing this issue[1].

Academic Partner relations

16   There appears to be a lack of trust and open communication between the University and its Academic Partners. This is viewed as an important impediment in sending a message that UHI is a united organisation. 'Maintaining a constructive relationship with our Academic Partners' was highlighted as an area for improvement by all respondents to the Court questionnaire and was given 'red' score by over half. This lack of relationship and the fact that partners have competing agendas is also mentioned in comments throughout all the questionnaire responses.

17   One respondent sums up the situation well: "The historic focus on the HE/FE divide sometimes masks the fact that APs (understandably) still focus too much on the local and EO officers tend (for equally understandable reasons) to ignore some of the requirements and constraints on APs as they seek university-wide progress. We need to all adopt an ethos of looking at any potential change and saying: how might this negatively affect others? Or are there opportunities here for others?"

18   It is evident from many of the comments that there is still a "it's not our fault – it's their fault" attitude on both sides, and overcoming what are apparently deep-seated and long-held views will not be easy. There is also a suggestion that although this issue is well known, it has become something of an 'elephant in the room'.

19   Comments suggest that efforts are being put in place to try and address it, particularly focusing on improved communication between all parties. An initiative to meet the AP Chairs, Principals and senior Independent AP Board members is highlighted as being a good idea, and other suggestions made in the comments include sending more consistent messages about expectations of behaviour and harmonising terms and conditions and career prospects across the University.

20   However, the first thing to do is to ensure that the sources of the friction are clearly understood and this can only be achieved by open discussion. Only then can practical solutions be found. Some of the comments suggest an attitude of resignation to the status quo: while there may be no 'quick fixes', it is important that people don't fall too easily into the trap of thinking the situation can't be improved, rather than looking for opportunities to do things differently.

Independent Audit recently published a report on the subject of culture ('Cultivating Culture: what boards can and can't do about behaviour') which we would be happy to send to readers.

Strategic direction

21   Many respondents feel that insufficient time is devoted to discussing strategy and the long-term future of the organisation. This has resulted in many feeling a lack of understanding of the University's business model. One member of the Court comments "we have been consumed by the 'here and now' organisational issues, leaving little time to think and discuss long term". It is also suggested that the unpredictability of Government funding can make long-term planning difficult.

22   In order to ensure everyone has a clear view of strategy and business model, the Court and the other governing bodies need to clarify what it wants UHI to look like for the future. This can only be done by spending time in discussion. The Court needs to find time to discuss its goals and how they can be achieved.

23   While funding uncertainties are not helpful for long-term planning, they are a fact of life so need to be lived with. One way to do this is to consider different scenarios and alternatives based on the different funding expectations.

Clarity of purpose

24   Respondents across all governing bodies (apart from the Audit Committee which has a clearly defined remit) indicated that they would like more guidance on the roles and responsibilities of the various committees and boards and what is expected of members or attendees individually.

25   While it can sometimes be difficult to put "clear blue water" between the different governing bodies, it is important that the Terms of Reference for each committee or board are clear and well understood by both members and attendees, particularly whether the body has decision-making powers or is merely advisory. Potential confusion over the boundary between two committees can usually be overcome by having the chairman of each committee sit as a member of the other.

26   One respondent suggested that introducing an effective induction process might help. This is certainly something that should be considered as it is good practice in its own right.

27   One specific problem highlighted by respondents to the FERB questionnaire [but also applicable to the Court] is the potential for members to have differing interests which can make discussions and reaching an agreement difficult. All committees and boards should aim to be more than a sum of their parts; if they are little more than a group of people focused on protecting their individual interests then they are unlikely to be very effective. If Committee members are really unable to unite around a common purpose while working to their existing mandate, some creative thinking may be required around how the governance system works.

Internal and external engagement

28   More engagement with both internal and external stakeholders would be welcomed. A number of respondents expressed a desire to get a wider view of what is going on inside the University. Efforts to increase communication are acknowledged but there is a feeling that more needs to be done to understand the views and perspectives of the various stakeholders, particularly students.

29   The geographically diverse nature of the university constituents is quoted as a reason why court/committee/board members don't get 'out and about' as much as they should. Governing bodies of corporates accept that they need to get out into the business to understand what is going on and to see the culture that exists in practice. The UHI governing bodies should consider if they are different in this respect and if not, this part of the role will need to be given time and attention.

Risk

30   A better understanding of risk would be welcomed. Comments suggest that risk assessment and management is very "process-driven" and internally focused. There is a view that risk generally is poorly understood and that much of the information provided to the Court on this subject is "incomprehensible to anyone who is not directly involved in risk-assessment", with papers that contain "excessive" data and make it difficult to identify key issues. Although there is an acceptance that the risk picture does flow up to the Court, there is a suggestion that the journey can sometimes be slow.

31   More explicit discussion of the organisation's current attitude to risk and the controls in place to highlight deteriorating situations would be welcomed. There appears to be a lack of clarity of what sort of control culture exists within the University and how efficient the early warning systems are in picking up deteriorating situations. This is a particular issue for the FERB where the level of independence the partners have makes control by the FERB problematic. Respondents would also like to have more contact with risk 'owners'.

32   Further discussion of this important topic is clearly needed. One respondent suggests organising a workshop on risk strategy; another, selecting one key risk each meeting for detailed discussion. The Court may also want to consider moving risk up the meeting agenda, as there is a suggestion that leaving it to the end can limit discussion.

Succession planning

33   Respondents do not feel that there is sufficient focus given to succession planning, which is described by one as "reactive rather than proactive".

34   There is a view that too little thought is given to the management structure that the organisation needs, although there is an acknowledgement that a "significant refresh" which is currently taking place in this area should help.

35   Lack of discussion about the "calibre and style of academic leadership" is a specific issue for the Academic Council. One respondent suggests that there is little focus given to this area apart from expressing an aim to "secure and retain the best quality staff we can".

Information

36   The desire for better information, both specific performance information and also about the University, its environment and its competitors, was consistent across all questionnaire responses. A better mix of financial and non-financial metrics would be welcomed.

37   One respondent suggests that it would be useful to get data identifying the University's most successful "lines of business" and that currently, information in this area is "largely anecdotal".

38   Respondents would also like to hear more about what the University is doing, how it is distinguishing itself from others and what other universities are doing. Suggestions include introducing sessions on "distributed teaching, research, the further education model, the IT strategy, national trends in education, the job market and other generalities would all be beneficial". Canvassing views from senior school heads was also suggested.

39   However, as one respondent highlights, Court members need to take responsibility for reading the information which *is* being provided, for example on the website, before requesting further updates.

Papers

40   However, while there is a desire for better information, there is also a strongly held view that papers which come to the governing bodies need a radical overhaul. There is a consistent complaint from all quarters that the papers contain too much detail and lack executive summaries. It is also suggested that they often arrive late, which makes it difficult for members and attendees to prepare sufficiently prior to meetings.

41   Lengthy papers are a common problem for board and committees and it is often caused by confusing management information with board/committee information. The information needs of executives and non-executives are different and management information is usually too detailed for board/committee purposes. Management needs to be ready to invest time in preparing information that will equip the board/committee to fulfil its role.

42   Another common failing is to treat the provision of information as if it is an end in itself. It is not – it is a means to an end. So the first step to getting better papers is to identify what each board or committee will use the information for – what is the purpose that is to be served? When this is clear it should become easier to decide what information would be useful. A standard format can then be introduced for all papers, with an executive summary highlighting the key points. Supporting detail should be confined to the appendix or better still, made available in the Reading Room. Papers should then be assumed to have been read prior to meetings which will eliminate the need for long presentations and free up more time for discussion.

43   Cutting back on volume may help the papers to be delivered on time but if not, clear rules and deadlines will need to be set and adhered to, with the ultimate sanction that late papers will not be included in discussions.

Meetings

44   The Court and [other committees] meet for just two hours, four times per year. Members and attendees say they have often not read the papers (because they are too long or delivered late) and it is suggested that a significant amount of the meeting time is spent either listening to presentations of material already in the papers or dealing with routine business. As a result, discussion time is limited. When discussions do take place, they can apparently be 'dominated by the few' which means assumptions which have been long-held are not questioned thoroughly enough.

45   Suggestions for improving the length and timing of the papers are outlined above. If these measures are adopted, meeting Chairs should then assume all papers have been read and discourage presentations. If there is still insufficient time for discussion, consideration

should be given to either meeting more often or having longer meetings.

46   It is important that all members and attendees feel that they are able to contribute in meetings. It is the role of the Chair to ensure that the environment is conducive to this and to encourage an open sharing of views. Comments suggest that this is not always the case: one mentions a lot of "unsaids" after meetings and another a "mind your back culture". It is important to assess if these views are widely-felt and if so, identify the causes and remove them.

47   Although meeting minutes are described as "professional and concise", there is a suggestion that they could do more to include the "ebb and flow of debate" which highlights the reasoning behind, rather than just gives a record of, the decisions taken.