

# THE MANCHESTER METROPOLITAN UNIVERSITY

## BOARD OF GOVERNORS

### GOVERNANCE EFFECTIVENESS REVIEW NOVEMBER 2010

#### Background

This review was carried out in the context of MMU's participation as a pilot institution in the Leadership Foundation for HE/Committee of University Chairs (LFHE/CUC) project designed to test a new framework for assessing governing body effectiveness.

#### The LFHE/CUC Framework

The framework is set out at three levels:

- (A) Three key elements, namely: *'enablers'*; *'working relationships and boardroom behaviour'*; and *'outcomes'*.
- (B) A suggested list of 6-9 issues to be tested within each key element in (A) (23 in all).
- (C) A set of 44 questions, each with four sub-questions designed to test the list in (B) in greater detail (176 in all).

Despite the stated intention of the framework's authors to avoid a 'box ticking' exercise, it is self evident that use of level (C) of the framework would have just that result. In commissioning the review, the Chair and the V-C were clear that this approach was inappropriate for MMU.

#### Review Method

The review was based on in-depth face to face interviews with 11 members of the board , including the Chair and V-C and 4 officers who attend board meetings plus shorter telephone interviews with a further two board members. I am grateful for the way in which all gave generously of their time and answered my questions in a frank and forthright manner. The approach in the interviews was structured around the three key elements in (A) above using the issues in (B) as a guide, but homing in on issues which rapidly emerged as important to the board of MMU. My conclusions below are summarised under the headings of each of these key elements.

#### Enablers

The MMU board has a strong membership with a comprehensive range of the necessary experience and expertise. There is a good degree of mutual respect amongst board members and a feeling that communication between them is effective. There is a high level of commitment to the university and its vision and values. Induction for new members is good but views on the levels of knowledge of the complexities of the institution varied, with the majority feeling that more was needed in the way of regular briefings and/or more away days. The processing of agendas and papers for board meetings was regarded as good although some criticism was made of the occasional late distribution of committee papers. It appears that there is a concern at the length and detail of many board papers and that a more consistent approach to paper preparation with strict page limits is needed. Particularly strong features are the openness and communication skills of the V-C which ensure that bad news as well as good is brought to the board resulting in a high degree of mutual trust. The important supervision relationship between the Chair and the V-C is

excellent, with very regular discussions and an appropriate level of challenge between two strong and effective individuals.

### **Working relationships and boardroom behaviour**

There is a general feeling that board meetings are effectively conducted and well chaired in a manner which encourages openness, transparency and comprehensive engagement. The distinction between governance and management is generally well maintained and the importance of members' commitment to the board, rather than to any interest groups is reinforced. There is a good working relationship between board members and the executive and a strong view on both sides that appropriate challenge is encouraged, strong and effective. Some tension between independent and academic members of the board was noted with the (not uncommon) underlying feeling of a lack of mutual knowledge and respect when considering academic issues. There was a strong commitment to continuous improvement in the board, expressed in the need for better in-depth policy discussions, more briefings within meetings and more away days. Agendas are often long and papers too detailed and not targeted at the board as the audience, with focus and actions needed by the board unclear. A lot of time is taken in introducing papers which board members have read before the meeting. A decision to have very short (or no) paper introductions with many papers in a 'for note' section with notice required if board members wish to raise any issues might be considered. This would help to free up time for significant timed discussions on strategic issues as well as allowing a timed briefing session in each board meeting. The student 'hot topics' slot is regarded as positive all round and is an example of good practice. The committee structure and meetings are seen as a particularly strong and effective feature of MMU governance. In these circumstances repeat discussions in the board of items determined in committee can be eliminated.

Many members feel that the board is too large for effective in-depth discussion. A particularly contentious issue is the number and role of those executive members who regularly attend board meetings as 'observers'. The conventional approach is that such individuals are present to provide advice when invited, but not to take part in discussions. For MMU the presence of up to seven(?) such executives makes the board feel much larger than it is and inevitably reduces the 'airtime' for board members and can inhibit their contributions. Whilst it is useful for the executive members to hear the discussion the board might wish to consider reinforcing the rules of engagement and perhaps locating these colleagues in a separate section of the board table. Some members expressed the need for separate meetings of the independent governors, but others felt that this would be divisive. A device used by some boards is for the chairs of committees plus one or two other independent members to meet on a regular basis with the V-C, DV-Cs and COO to discuss strategic issues at an early stage and for management approaches to be sounded out and advice to be provided.

Whilst it is felt that the skills and expertise of independent board members are well used in the areas of finance, estates, HR and communications they do not engage effectively with the core business of the university - namely teaching and learning, and research. There is a strong desire amongst members for this engagement, and a view held by all that it will be crucial in the uncertain years ahead following the Browne review and the CSR. It is important carefully to delineate the unique territory exclusive to the Academic Board. This can be done quite easily and the board might wish to draw up a rolling list of important strategic issues in this area for consideration in a specific slot for each board meeting over the next 12 months.

### **Outcomes**

There is a universal view that the board adds value to the university and that this is an important motivation for board membership. The board does not apply excessive focus on its own workings, except through the admirably short annual effectiveness questionnaire. Rather, board members have a good concept of such issues as progress against the strategic plan, financial management, reputation, compliance, regulation and leadership through governance. This is expressed through individual confidence and views and can be seen in an analysis of the board agendas and minutes. Less clear is the board's ability to measure its success in influencing defined quality levels in academic and service provision. The latter is referred to above and a new focus in this area will be beneficial. A key test of a board's effectiveness is to consider on a regular basis the balance of its discussed agenda items between strategic and non-strategic. The suggestions above on managing the agendas and setting aside timed discussion on strategic issues might help in this regard.

Whilst the board could use the 176 questions referred to in (C) above to ask the questions "how are we doing" and "how do we know" I do not believe they would add significant value to what the board does at present. Rather I found the approach of intelligent conversations with intelligent people to be much more fruitful in eliciting the important issues.

## **Conclusions**

This is a well managed and effective board of governors. It performs well under each of the key elements in A. above. Suggested areas for development are made throughout the text and summarised here:

- The consistency, length and level of detail in board papers.
- More time for strategic discussions and less (or none) on introductions and 'below the line' matters
- Regular briefing slots and more awaydays
- Clarity on the rules of engagement for board observers
- Consideration of the introduction of regular meetings between the chairs of committees plus one or two other independent members and the V-C, DV-Cs and COO for early strategy discussions and advice
- A considered approach to the introduction of core business issues for regular board discussion
- A regular review of board meetings to consider the proportion of time spent on strategic issues.

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