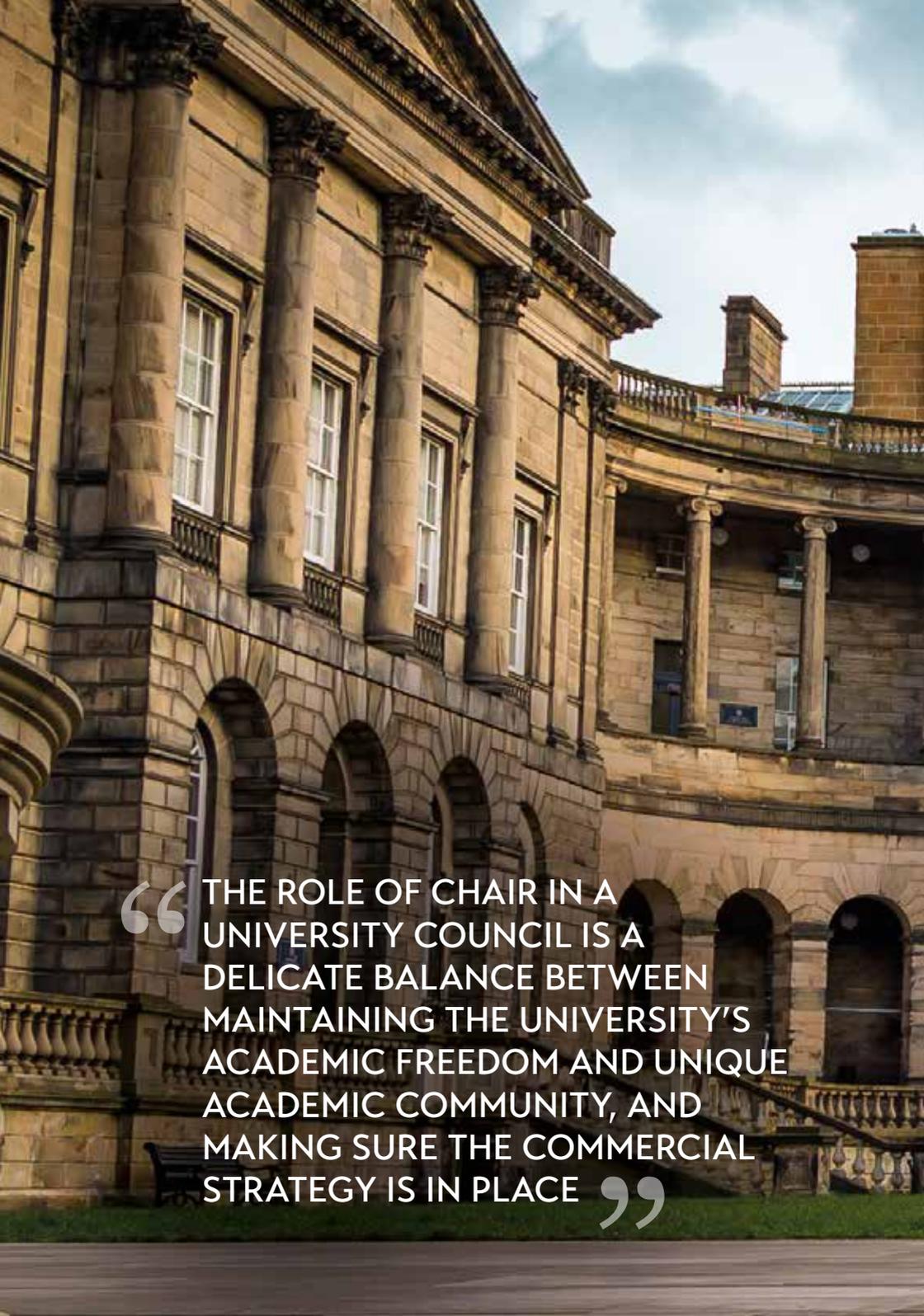

EVOLVE OR DIE?

**A VIEW FROM THE CHAIR ON
THE CHANGING FACE OF THE
UNIVERSITY COUNCIL**





“ THE ROLE OF CHAIR IN A UNIVERSITY COUNCIL IS A DELICATE BALANCE BETWEEN MAINTAINING THE UNIVERSITY’S ACADEMIC FREEDOM AND UNIQUE ACADEMIC COMMUNITY, AND MAKING SURE THE COMMERCIAL STRATEGY IS IN PLACE ”

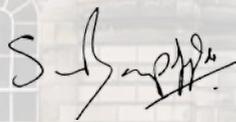
FOREWORD

Working in academia for over 25 years, Saxton Bampfylde has advised on leadership roles across the higher education sector and partnered with many of the world's foremost universities to find the best leaders at executive and board level. We have always had a keen interest in the strategic issues facing the sector which led us to undertake research into the vital role of the Chair of council (or equivalent) in a university.

Our aim with this report was to gain perspective on the challenges and uncertainties facing university councils in an evolving landscape. Through our research we talked to Chairs from universities across the UK to understand the challenges and opportunities for the sector and the role the council needs to play in an ever-changing global market.

We make no apology for the fact that the words 'challenge' and 'opportunity' crop up frequently, and often together, in this report: they are two sides of the same coin, and it is the responsibility of the Chair to steer their council between the two in order for the organisation to succeed both academically and commercially.

We hope you will find our research thought-provoking, and we welcome any feedback on this fascinating subject.



Stephen Bampfylde
Chairman, Saxton Bampfylde
stephen.bampfylde@saxbam.com

EVOLVE OR DIE?

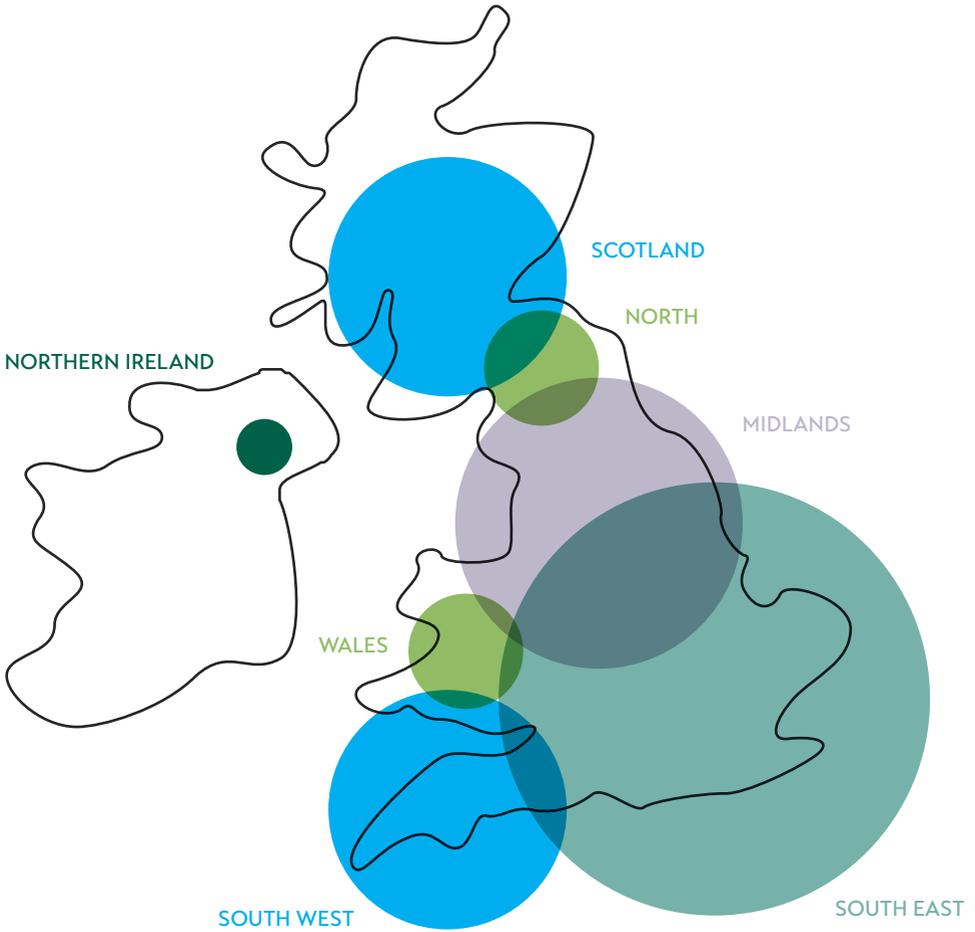
A VIEW FROM THE CHAIR ON THE CHANGING FACE OF THE UNIVERSITY COUNCIL

06	OVERVIEW
10	'THE CUSTOMER IS ALWAYS RIGHT'
24	THE GLOBAL PICTURE
36	THE CRITICAL FRIEND
46	'YOU HAVE TO TAKE RISKS': THE COUNCIL OF THE FUTURE
56	CONCLUSION
59	APPENDIX

SECTION 01

OVERVIEW

REGIONAL DISTRIBUTION OF PARTICIPATING INSTITUTIONS



We spoke to Chairs from 31 leading universities across England, Scotland, Wales and Northern Ireland and they gave us their thoughts, observations and predictions about the challenges, opportunities and future direction for the council or board of a UK university.

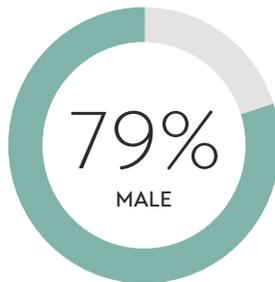
We asked for their opinions on a number of different aspects of their role and the wider higher education sector, reflecting in particular on the challenges and opportunities university councils are having to take into account when setting the strategic direction of their institution.

We also asked Chairs to reflect on the make-up of their council and consider how its structure, organisation and role might be forced to evolve in the future to keep up with a sector that has undergone immense change over recent years, and which continues to develop at an unprecedented rate. A particular focus was placed on how to ensure success in a Chair/Vice-Chancellor relationship, and where the potential pitfalls could be seen.

Whilst we have used the terms 'Chair of council' and 'Vice-Chancellor' throughout, we are mindful that in some instance the titles may be respectively convenor or vice-convenor, and principal or president, and that some universities are governed by a court or board of governors.



UNIVERSITY CHAIRS WHO HAVE PREVIOUSLY HAD BOARD EXPERIENCE



GENDER SPLIT OF THE UNIVERSITY CHAIRS INTERVIEWED



BACKGROUND OF CHAIR

SECTION 02

'THE CUSTOMER IS ALWAYS RIGHT'

“ ENSURING THE INSTITUTION
IS LIVING WITHIN ITS
MEANS, WHILST SAVING
FOR A RAINY DAY ”

“ THE ROLE OF THE COUNCIL IS NOT
TO MANAGE THE UNIVERSITY, BUT
TO ENSURE IT IS WELL-MANAGED ”

The UK's higher education institutions are becoming ever more complex, with multi-million pound budgets and extensive property portfolios, and serving a changing market place. The role of the university council is pivotal in helping the institution to navigate this new world, whilst working in conjunction with the executive team, like any non-executive board.

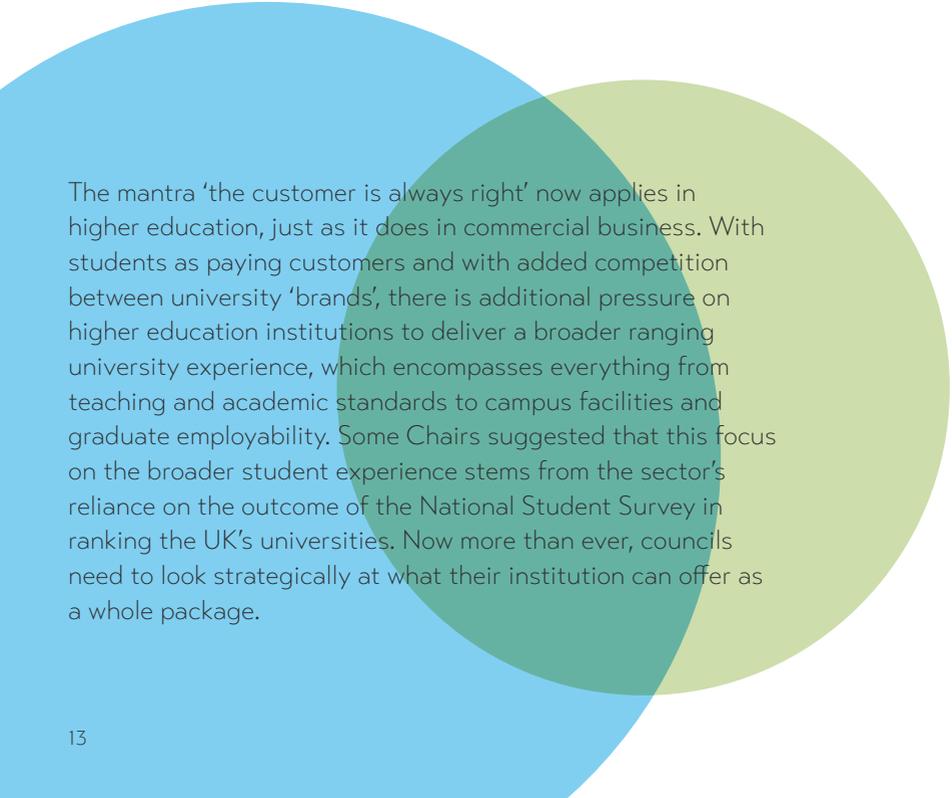
“ THE COUNCIL IS THERE TO HELP THE UNIVERSITY TO NAVIGATE THE CHANGING WORLD, TAKING A STRONG ROLE IN DETERMINING VISION AND STRATEGY ”

Higher education in the UK continues to develop at pace, and its university councils are increasingly having to be smarter, more strategic and more commercially savvy. Cuts in government funding, the lifting of caps on student numbers, and the introduction of significantly higher fees for students in and from some parts of the UK have changed the landscape of the sector. Increasingly, the council is looking to the future of the institution and the ways in which long-term sustainability and viability can be guaranteed.

RETURN ON INVESTMENT

The introduction of increased fees and the lifting of a cap on student numbers means that the majority of institutions have witnessed a dramatic shift in their relationship with students. The university experience is now expected to be a return on student investment: indeed many Chairs reported that they are increasingly needing to view students as customers.

“ THE CHAIR’S BUSINESS IS THE QUALITY OF SERVICE THE CUSTOMER IS GETTING ”

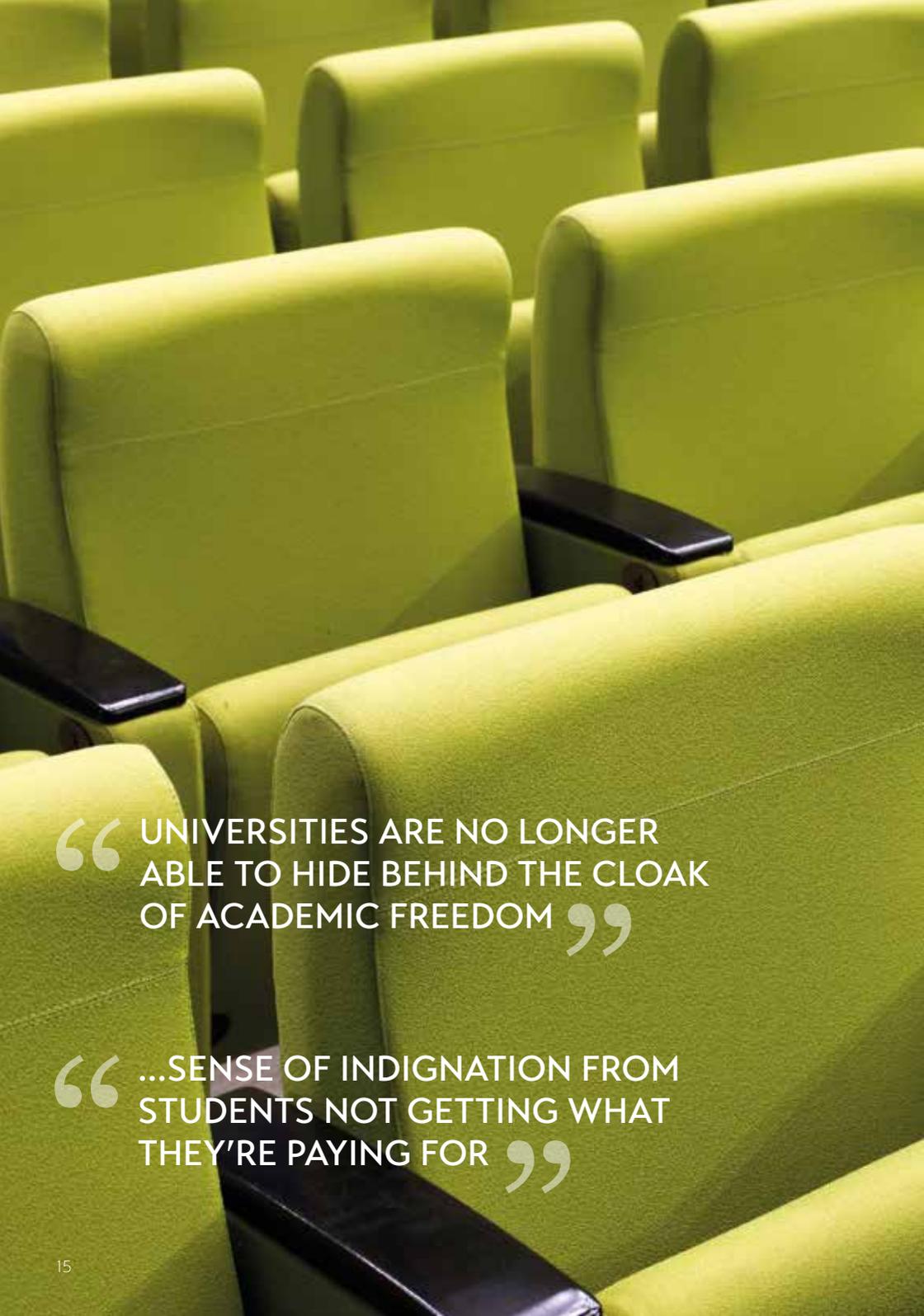


The mantra ‘the customer is always right’ now applies in higher education, just as it does in commercial business. With students as paying customers and with added competition between university ‘brands’, there is additional pressure on higher education institutions to deliver a broader ranging university experience, which encompasses everything from teaching and academic standards to campus facilities and graduate employability. Some Chairs suggested that this focus on the broader student experience stems from the sector’s reliance on the outcome of the National Student Survey in ranking the UK’s universities. Now more than ever, councils need to look strategically at what their institution can offer as a whole package.

It was suggested that today's universities are less able to hide behind academic endeavour, and as a result their councils are becoming more accountable for the quality of the teaching and the experience they are providing; in short, becoming more business-like to justify higher fees.

An overcrowded marketplace means institutions need to become better at marketing themselves and differentiating their brand. Prospective students have more options available to them: full-time, part-time, evening classes, apprenticeships, on-the-job qualifications. Many Chairs agreed it was crucial for university councils to have members who bring marketing or sales experience to help them differentiate themselves.

“ THE ROLE OF THE COUNCIL HAS
CHANGED: WHAT USED TO BE RUBBER
STAMPING EXERCISE IS NOW MOVING
MUCH MORE TOWARDS GOVERNANCE
AND STRATEGY ”



“ UNIVERSITIES ARE NO LONGER
ABLE TO HIDE BEHIND THE CLOAK
OF ACADEMIC FREEDOM ”

“ ...SENSE OF INDIGNATION FROM
STUDENTS NOT GETTING WHAT
THEY’RE PAYING FOR ”

A DELICATE BALANCE

It was also felt that needing to rebalance the structure of universities to be more commercially minded could be at odds with governmental restrictions. Whilst the Westminster government has lessened its involvement with the financing of higher education, it plays a key role in other aspects of university life such as the maintenance of academic standards. For many Chairs at English institutions, this has left them trapped between the need to behave like a business and the government's reluctance to relinquish overall control.

“ ENGLISH UNIVERSITIES ARE IN LIMBO LAND – THEY NEED TO ACT MORE COMMERCIALY, BUT THE GOVERNMENT ISN'T KEEN TO LET GO COMPLETELY ”

The challenges in countries with devolved governments are slightly different. In Wales and Northern Ireland, home students choosing to remain in the country to study are granted subsidised fees, whilst the Scottish Government is committed to not charging fees to home students. This gives the respective devolved governments a greater influence over the sector than Westminster, thus threatening the autonomy of the institutions.

MULTI-STAKEHOLDER ORGANISATIONS

A fundamental issue faced by institutions is that typically the students enrolled at a university at a given time are not those who will benefit from the university's longer term strategic plans. In general, students are only directly involved with their university for the duration of their degree studies, which creates a complicated balancing act for councils when thinking longer term. Councils therefore need to ensure that current students are getting value for money from their university experience, as well as focusing on the long-term viability and sustainability of their institution for students and stakeholders of the future.

Many remarked that the stakeholder mix at a university is naturally extremely diverse, ranging from students to academics, research funders to prospective employers. It is crucial that the council should reflect this in its members to help it achieve its strategic direction now and in the future.

“ THE COUNCIL IS ACCOUNTABLE TO STAKEHOLDERS PRESENT AND FUTURE ”

“ NOBODY'S SURE HOW THE 'TEF' WILL WORK, BUT IT WILL CERTAINLY BE A CATALYST FOR CHANGE ”

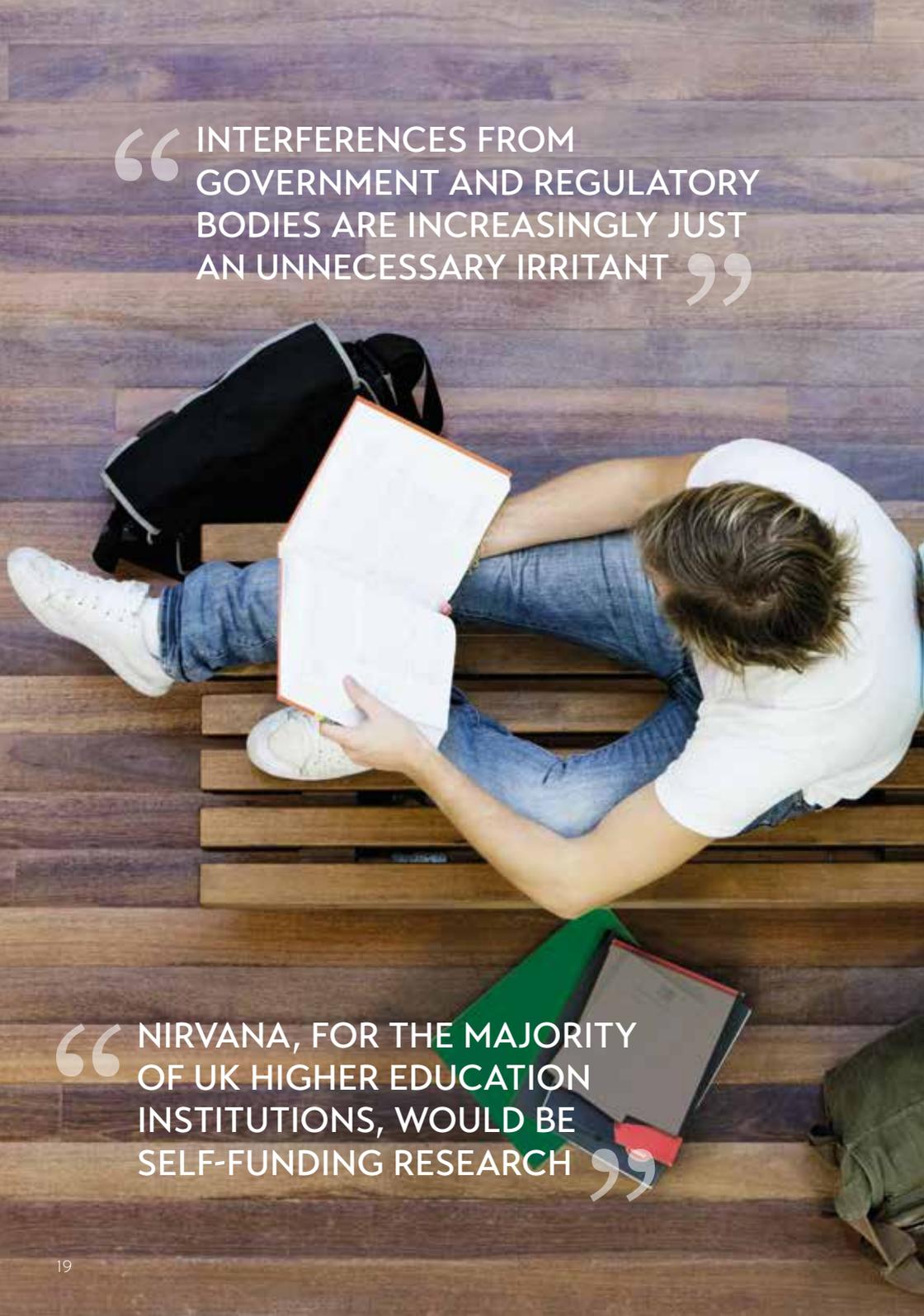
'CONSTANTLY MOVING GOALPOSTS'

Higher education institutions have had to work hard to secure alternative modes of funding over recent years as a result of cuts to government funding for research. For many Chairs, this is an aspect of university life that has never previously been on the agenda. Increasingly, strategies are having to align with sourcing research funding, forcing councils to think more creatively and innovatively.

For many institutions, a central focus of this strategic thinking has been the 2014 Research Excellence Framework (REF), which was conducted jointly by the Higher Education Funding Council for England (HEFCE), the Scottish Funding Council (SFC), the Higher Education Funding Council for Wales (HEFCW) and the Department for Employment and Learning, Northern Ireland (DEL).^[1]

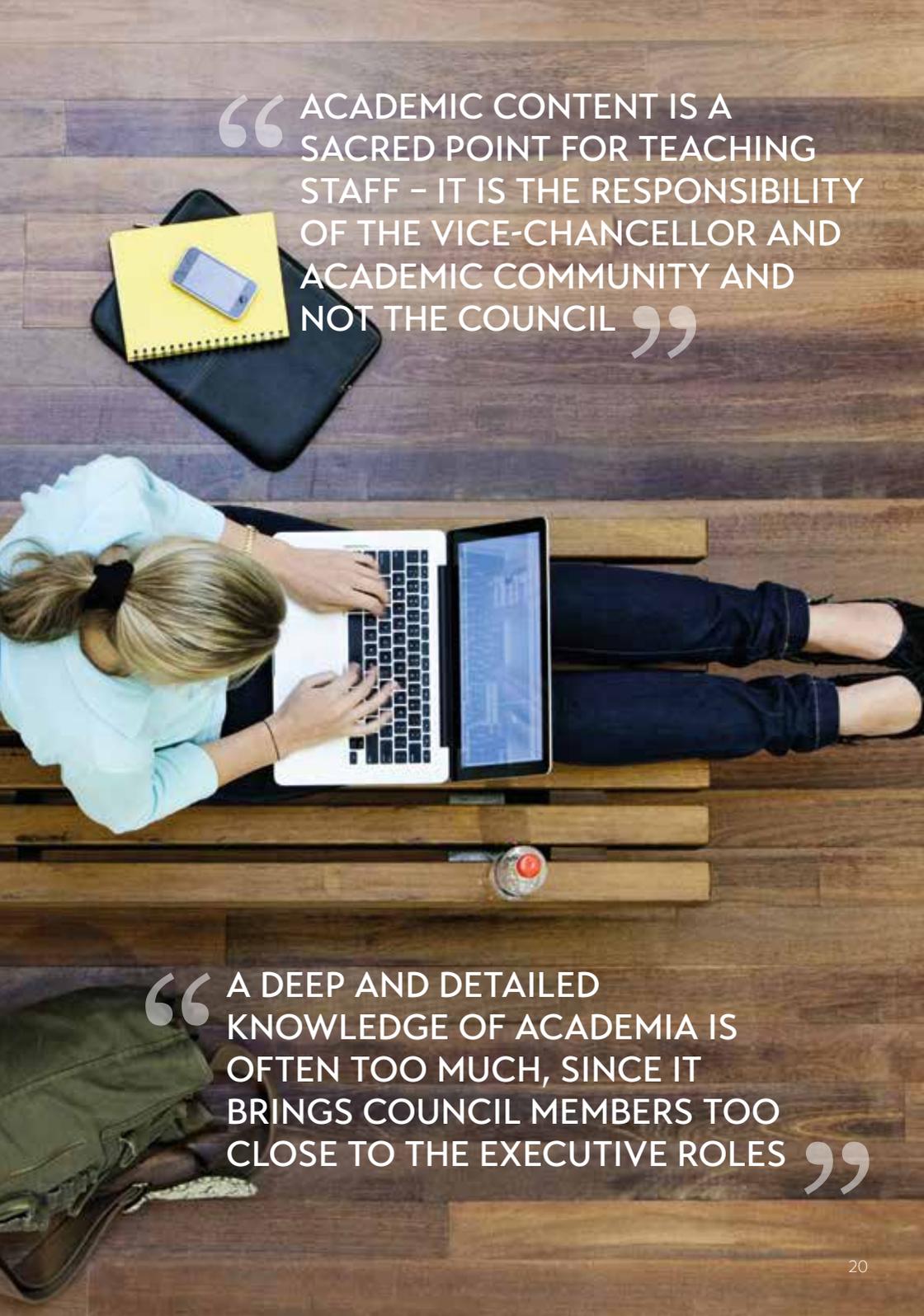
The primary purpose of the REF was to assess the quality of research and to use the assessment outcomes to inform allocations of grants for research, thereby providing accountability for public investment in research and producing evidence of the benefits of this investment. This process was costly for institutions, with a collective spend of £212 million on the submission process being reported, giving an average cost per researcher of £4,000.^[2]

Throughout this process, councils were obliged to take a closer interest in matters which had typically been the responsibility of the academic senate, such as looking at the strategic benefits of increasing the number of academics being declared 'teaching only' in order to allow others to focus on research and therefore secure funding.

A top-down view of a person with long brown hair, wearing a white t-shirt, blue jeans, and white sneakers, sitting on a wooden bench. They are holding an open book with a red cover. A black backpack is on the bench to their left. The floor is made of dark wood planks.

“ INTERFERENCES FROM
GOVERNMENT AND REGULATORY
BODIES ARE INCREASINGLY JUST
AN UNNECESSARY IRRITANT ”

“ NIRVANA, FOR THE MAJORITY
OF UK HIGHER EDUCATION
INSTITUTIONS, WOULD BE
SELF-FUNDING RESEARCH ”



“ACADEMIC CONTENT IS A SACRED POINT FOR TEACHING STAFF – IT IS THE RESPONSIBILITY OF THE VICE-CHANCELLOR AND ACADEMIC COMMUNITY AND NOT THE COUNCIL”

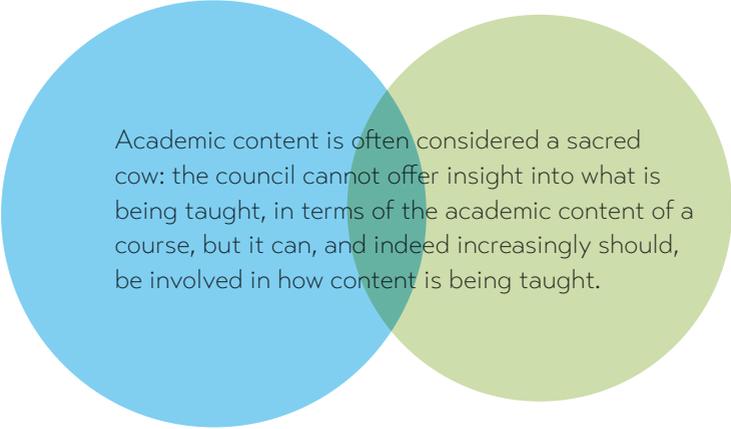
“A DEEP AND DETAILED KNOWLEDGE OF ACADEMIA IS OFTEN TOO MUCH, SINCE IT BRINGS COUNCIL MEMBERS TOO CLOSE TO THE EXECUTIVE ROLES”

Perhaps even more significant for Chairs, especially those involved with English universities, will be the planned introduction of the government's Teaching Excellence Framework (TEF). The TEF has been proposed as part of a wider approach to quality assurance within the higher education sector and is expected to use statistics such as student satisfaction scores or the progress made by students from disadvantaged backgrounds, as well as other existing data. Institutions that perform well will be allowed to raise their fees in line with inflation.^[3]

Whilst it has not yet been confirmed exactly how the TEF will work, it is a common opinion amongst Chairs that its introduction will be a catalyst for change within the sector. It is particularly worth noting that the TEF is expected to utilise data collected from sources including the National Student Survey, and is therefore a measurement of quality beyond the traditional boundaries of academia. Rather, it will be a measurement of the overall quality of the higher education experience being offered to students through taught degree programmes.^[3] Our conversations confirmed that there is a general feeling amongst Chairs that councils will be required to take a more active role in oversight of academic matters, a duty that has traditionally sat with the executive team.

As a result of this increased involvement in the academic side of university life, many Chairs highlighted the importance of having lay members on the council with some understanding of academic life or of the structure of a university. Some saw this as a necessity, particularly with the anticipated increased involvement by councils in academic life, and some even highlighted that they would ideally seek to have a recently retired Vice-Chancellor from a different institution sitting on their council.

Others suggested that no prior knowledge of the higher education sector was necessary in order for council members to contribute effectively: for some, a background in the sector meant council members could get too close to the executive roles.



Academic content is often considered a sacred cow: the council cannot offer insight into what is being taught, in terms of the academic content of a course, but it can, and indeed increasingly should, be involved in how content is being taught.

This blurring of the line between executive and non-executive roles is a delicate issue, and indeed it was universally highlighted that it is vital for the success of an institution that the Chair be clear about what the role entails and, perhaps more importantly, what it does not.

SECTION 03

THE GLOBAL PICTURE

Our discussions with Chairs featured an overwhelming interest in the global market and the opportunities this presents for UK institutions. For the majority of Chairs, 'internationalisation' is a key issue and a major factor for universities in setting future strategy, growth plans, projected income and the future student population demographic. It is also a key factor in attracting major international research and world class academic staff.

Some Chairs felt strongly that a modern university should ensure that every student has an international dimension to their studies. They recognised that university is a place where students get the opportunity to study, live and socialise with other cultures, which is beneficial regardless of what direction they take after their studies.

“ IT IS ESSENTIAL THAT STUDENTS HAVE ACCESS TO AN INTERNATIONAL EXPERIENCE, WHETHER THAT COMES THROUGH STUDY ABROAD, MIXING UP ACCOMMODATION OR OPENING UP SOCIAL ACTIVITIES. IT IS KEY FOR SHAPING THE STUDENT EXPERIENCE ”

REALISING THE POTENTIAL

The global higher education market is now estimated to be worth in excess of £10bn to the UK economy.^[4] Currently there is no cap on the number of international students who can be accepted onto UK courses (excluding medicine), and despite the price tag ranging from £30,000 to £50,000 (£15,000 to £18,000 for EU students), the UK remains an attractive place to study, as evidenced by the high level of applications. This is particularly apparent at universities in London and at Russell Group universities, which are often recognised globally as ‘brands’ synonymous with high quality education and league table success.

Universities UK has highlighted that following a period of decline, there are now signs of potential growth in international student recruitment to the UK.^[5] The key markets of growth are China, India and the USA, all of which are also key export markets for the UK, and therefore high on the foreign policy agenda.

Research is also a key consideration for Chairs looking for strategic growth in numbers of international students and staff. International influence and experience help to sustain the UK’s research base, particularly in STEM subjects (science, technology, engineering and mathematics), and currently account for over 40 per cent of UK postgraduate students, 50 per cent of whom are studying for full-time research degrees.^[6]

“ UNIVERSITIES ARE HAVING TO BEHAVE
ENTREPRENEURIALY TO ATTRACT
INTERNATIONAL STUDENTS ”

“ ATTRACTING INTERNATIONAL STUDENTS IS PARTICULARLY CRUCIAL FOR RESEARCH – WE NEED TO ATTRACT THE BRIGHTEST AND BEST STUDENTS IN THE WORLD ”

Some Chairs are steering their institutions successfully towards international markets, whether it be through proactive targeting of potential students, driving long-distance learning programmes, partnering with global businesses or creating new international campuses.

Other Chairs feel that there is less need to target international students at their institution, for example at teaching universities or less high profile institutions where the majority of undergraduate degree interest is from UK or European students. It was suggested that some of the older, more established institutions tend to be less dynamic in this regard, the inference being that their reputation and ‘brand’ work well enough already.

THE ELEPHANT IN THE ROOM

One of the most pressing challenges facing the vast majority of Chairs looking to attract international students and academics is inextricably linked to the issue of visas. For international students it is often difficult to secure visas, an issue which becomes even more pertinent for those wishing to stay in the UK post-graduation.

‘Ludicrous’, ‘potentially crippling’ and ‘harmful’ were amongst the views expressed by some of the Chairs to whom we spoke when discussing the visa situation. Many suggested that the UK seriously risks losing out to countries such as Germany, where universities do not charge fees and graduates are actively encouraged to stay after graduation and work without a minimum salary requirement. Other countries such as Australia and Canada have begun to tackle this issue by reclassifying students as temporary visitors, recognising the hugely significant contribution made by international students to the higher education sector and to consumer spending at both national and local level.

Research conducted in May 2015 by London First and PwC suggested that over a third of students surveyed said the challenge of getting visas had a negative impact on their UK student experience. The vast majority also said they found it difficult to secure work in the UK after completing their studies.
[6]

For UK institutions operating in devolved regimes, some of the issues with securing visas are considered to have a greater impact than in England, despite these countries arguably having a greater need for the talent, academic opportunities and income available via the international pool.

“ ONE OF THE MAIN CHALLENGES IS ATTRACTING OVERSEAS STUDENTS TO A COUNTRY THAT HAS SIGNALLED TO THE WORLD THAT IT DOES NOT REALLY WELCOME THEM ”



INTERNATIONAL FOOTPRINT

With the substantial proportion of fees paid by international students, there is greater opportunity for facilities to be expanded to accommodate them. One of the ways this can be done is tactical expansion from a UK base to introduce international campuses.

Many Chairs viewed this as a necessity to expand their university's profile and to build better links with international partners and businesses, thereby supporting investment in research and funding. Others suggested it is not necessarily the investment in a campus that is important, but the introduction of distance learning or partnerships with institutions that could help deliver the immediate and future benefits of international growth. International expansion can therefore be a preferable option to focusing on attracting students to the UK, which comes with the added costs of fees, accommodation and other living expenses.

“ UNIVERSITIES CAN NO LONGER AFFORD TO BE JUST UK-BASED – THEY NEED TO START LOOKING TO SET UP SENSIBLE, FINANCIALLY PRODUCTIVE PARTNERSHIPS ”

It was however highlighted that this does not come without risks of its own. With an international campus, some Chairs considered it to be much more difficult to ensure the same quality of academic and management excellence, as well as the transference of a culture, attitude and way of operating that comes with a well-established and long running institution.

STRATEGY VS GROWTH

Pitting strategy against growth may seem like a paradox when both are so often inextricably linked; however in our discussions this was a clear theme that came through when talking about the international market. Growth and attracting new students, academics and research funding is vital to the future existence of many institutions, but this cannot come at the cost of delivering a comprehensive and overarching strategy for the university.

It is the responsibility of the council to ensure that a focus on international growth is not allowed to take priority over delivering a strategy capable of sustaining the culture, heritage and brand proposition of the institution. Above all, the academic excellence, student experience, overall management and financial viability must be maintained.

“HAVING MEMBERS REFLECTIVE OF THE INTERNATIONAL STUDENT BODY WOULD BE IDEAL BUT IN REALITY, COUNCILS TEND TO BE MORE PAROCHIAL”



INTERNATIONAL COUNCIL EXPERIENCE

Given the context of the global marketplace, one of the key areas highlighted in our discussions was an increased desire for international experience from both council members and Chairs.

It was considered a given that Chairs must bring senior leadership and executive experience from their career to the role. However it was regarded as increasingly essential that they had either worked with a global organisation, had an international remit or had worked overseas in another market during their executive career.

Alongside this, Chairs are increasingly widening their search for council members with experience of brand building and marketing to help them reach across cultural, language, ethnic and technical barriers, and to enable the institution to successfully negotiate its position in the global market place.

Whilst many Chairs also highlighted that it would be beneficial to have council members from countries with large student populations in the UK such as the USA or China in order to understand these audiences, often the university's location was the limiting factor. Members of council are typically expected to attend a number of meetings each year as well as sitting on committees, and attending other wider activities, which means the council tends to be more parochial. Chairs therefore recognised that another way of reaching these audiences was through recruiting council members with experience either of working or living in relevant international markets.

SECTION 04

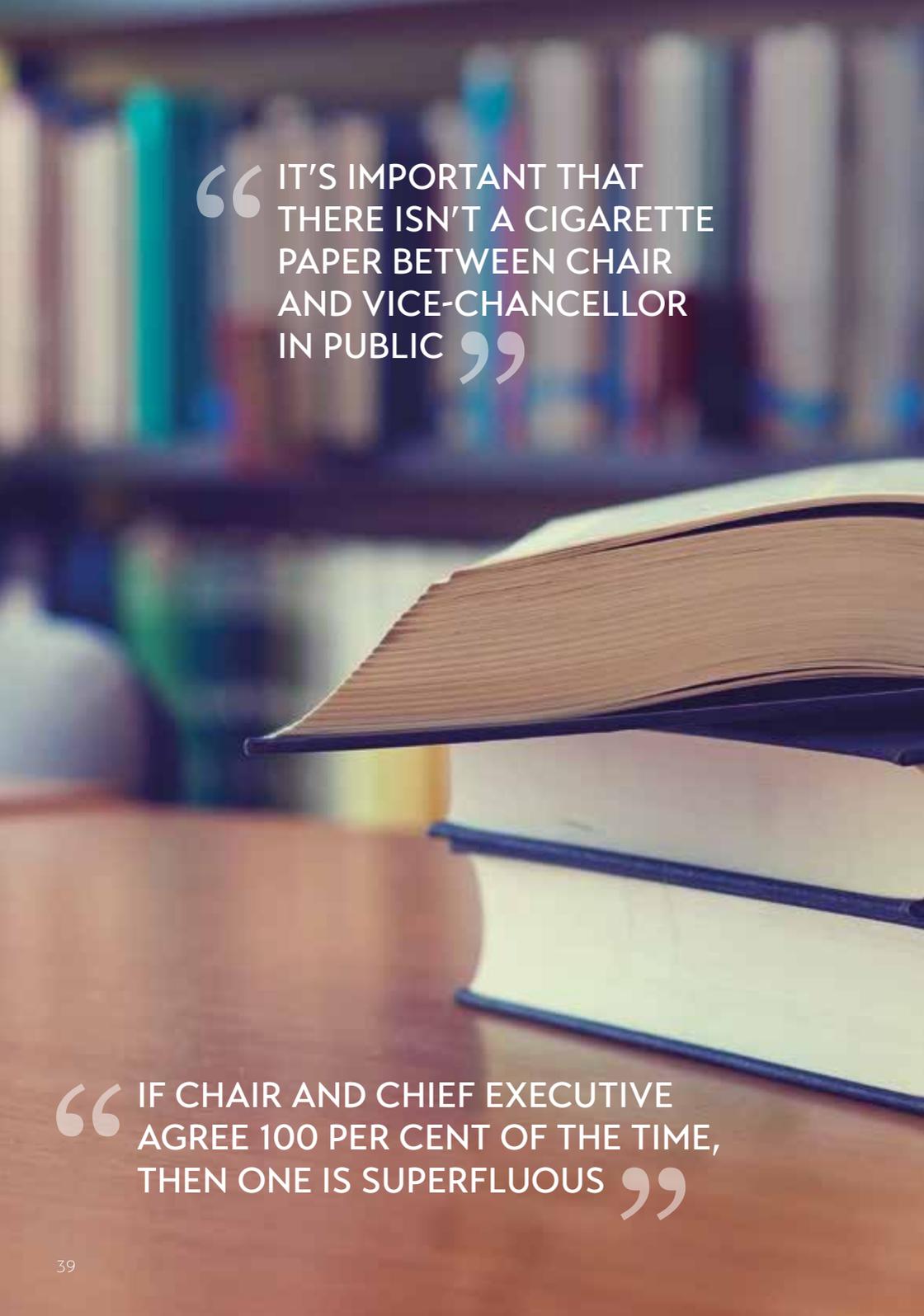
THE CRITICAL FRIEND

Many of the Chairs recognised that their relationship with the Vice-Chancellor is in equal parts ‘scrutiny and support’. As the respective representatives of the governing and academic interests within the university, the ultimate goal for both individuals tends to be the same: ensuring the long term, continued success of their institution. What this means in practice however is sometimes viewed quite differently by executives and non-executives, as they each seek to meet the challenges presented by the changing political and commercial environment in which they operate.

The need to reconcile academic concerns with more commercially driven, strategic council priorities creates a necessary tension that sits at the heart of many of the modern Chair/Vice-Chancellor relationships explored in our discussions. For the most part, this balancing act is constructive and invaluable for the synthesis of ideas.

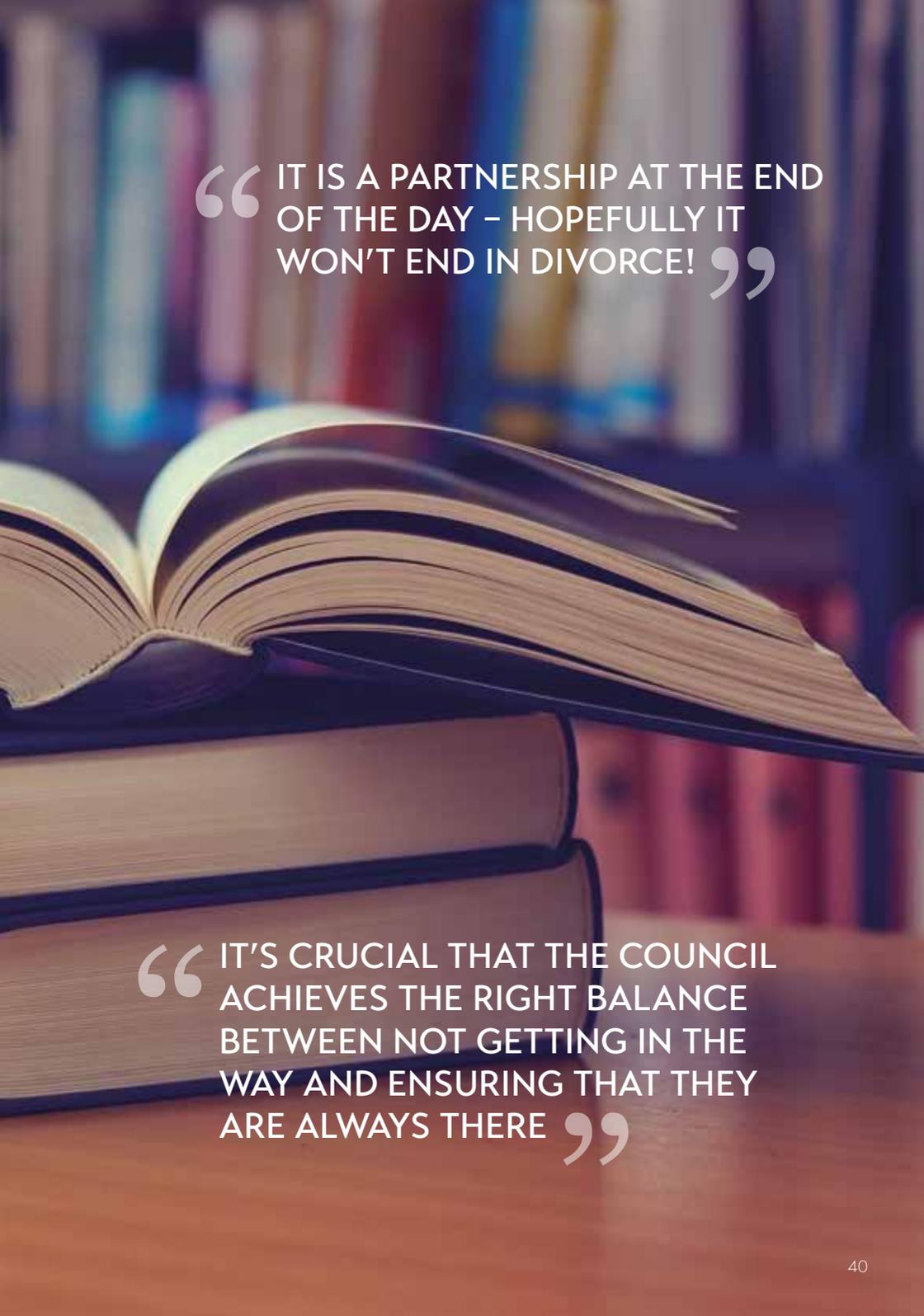
“ THE HEADLINE FOR THE CHAIR/
VICE CHANCELLOR RELATIONSHIP
WOULD BE TRUST AND CHALLENGE,
WITH THE THIRD DESIRABLE BEING
TO ACTUALLY LIKE EACH OTHER.
IT’S NOT ESSENTIAL, BUT IT HELPS! ”

“ THE CHAIR AND VICE-CHANCELLOR
MUST ALWAYS FALL OUT IN LOVE ”



“ IT’S IMPORTANT THAT
THERE ISN’T A CIGARETTE
PAPER BETWEEN CHAIR
AND VICE-CHANCELLOR
IN PUBLIC ”

“ IF CHAIR AND CHIEF EXECUTIVE
AGREE 100 PER CENT OF THE TIME,
THEN ONE IS SUPERFLUOUS ”



“ IT IS A PARTNERSHIP AT THE END OF THE DAY – HOPEFULLY IT WON’T END IN DIVORCE! ”

“ IT’S CRUCIAL THAT THE COUNCIL ACHIEVES THE RIGHT BALANCE BETWEEN NOT GETTING IN THE WAY AND ENSURING THAT THEY ARE ALWAYS THERE ”

'THE AMIABLE CROUPIER'

For the majority of Chairs, the relationship between themselves and the Vice-Chancellor is a positive one. They have constructed a solid foundation of trust, and recognise the importance of building an open and honest working relationship. This fosters more effective communication, thereby allowing for problems to be worked through together to create better outcomes. A crucial part of this is leaving egos at the door at meetings, particularly for the Chair as a non-executive.

Several of the Chairs felt that the understanding they have of the Vice-Chancellor, not just as the academic leader of the university but also as an individual, played a crucial part in the success of their work together by facilitating open and honest interaction. The importance of chemistry between the Chair and Vice-Chancellor cannot be understated as a factor both in the initial selection of a Vice-Chancellor and in the ongoing success of the relationship.

“ THE CHAIR IS AN AMIABLE CROUPIER – ABLE TO STAND BACK AND SEE HOW IT'S ALL GOING, AND THEREFORE TAKE A STRATEGIC VIEW ”

“ IT'S IMPORTANT THAT NOTHING COMES AS A SURPRISE TO THE CHAIR ”

Viewed like a marriage by some, a strong personal connection means any issues that may arise can be worked through without compromising the relationship. Paired with this, the presentation of a unified front in public despite maintaining critical and constructive difference behind the scenes was also identified as vitally important in sustaining strength of leadership and ability to effect change. One of the ground rules for all working Chair/Vice-Chancellor relationships is that they resolve any differences of opinion behind closed doors and ensure that they present a united front externally.

“ THERE SHOULD BE NO OCCASION WHERE THE VICE-CHANCELLOR SHOULD GO HOME CONCERNED ABOUT WHAT HAS BEEN DONE OR WHAT NEEDS TO BE DONE. THEY SHOULD HAVE CONFIDENCE IN THE SUPPORT OF THEIR CHAIR ”

It was highlighted by a number of Chairs that whilst a good Chair/Vice-Chancellor relationship is often more than just a working relationship, it must be kept professional at all times. Many Chairs stated that getting too close to a Vice-Chancellor would have an impact on their ability to perform their role: a good Chair, above all else, must retain their objectivity.

“ THE REAL CHALLENGE IS NOT TO GO NATIVE. YOU MUST MAINTAIN OBJECTIVITY, BUT THIS NATURALLY GETS HARDER OVER TIME AS YOU GET ATTACHED TO THE PEOPLE YOU’RE WORKING WITH ”

“ YOU HAVE TO WEAR A DUAL HAT: ONE AS A CHEERLEADER FOR YOUR VICE-CHANCELLOR, ONE AS AN INDEPENDENT GOVERNOR ”

A small proportion of Chairs identified cases where they believed an optimum working balance between Vice-Chancellor and Chair had not been reached and this compromised the role the council at those institutions was able to play in the running of the university as a result. The commonalities amongst these cases were largely related to historical processes presenting barriers to positive change or some form of inadequate communication.

“ IT’S THE CHAIR’S ROLE TO BE A SAFE PAIR OF EARS – A PROBLEM SHARED IS A PROBLEM HALVED ”

‘THE DOMINANT PULSE OF UNIVERSITY LIFE’

A number of Chairs reflected that the origin of a university often determines how it is managed today. This means that many Vice-Chancellors have significantly more power than any equivalent role outside of higher education, and in some institutions this has led to an imbalance of power that reduces the accountability and responsibility of the council.

Notably, it was highlighted that in general Vice-Chancellors have little experience beyond academia and therefore may not necessarily have had significant management experience. In this instance, it becomes even more vital that the Chair be able to provide guidance to ensure balanced strategic direction. Academic excellence is crucial, but not sufficient.

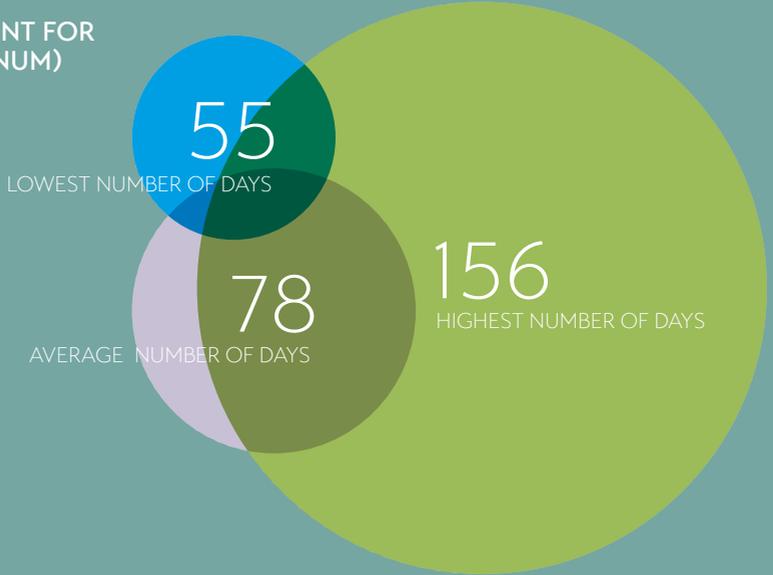
“ IT IS CRUCIAL THAT YOU UNDERSTAND THE VICE-CHANCELLOR WHO IS THERE, NOT THE ONE YOU WANT THEM TO BE ”

There was a recognition from Chairs that whatever their own current status, the success of the working partnership is more important than ever given the challenges currently facing the higher education sector; pivotal to the success of not just the council but the university as a whole. One Chair described the Chair/Vice-Chancellor relationship as the ‘dominant pulse of life in the university’, reflective of the way the whole institution is responding to internal and external influences and the way different viewpoints on these are considered.

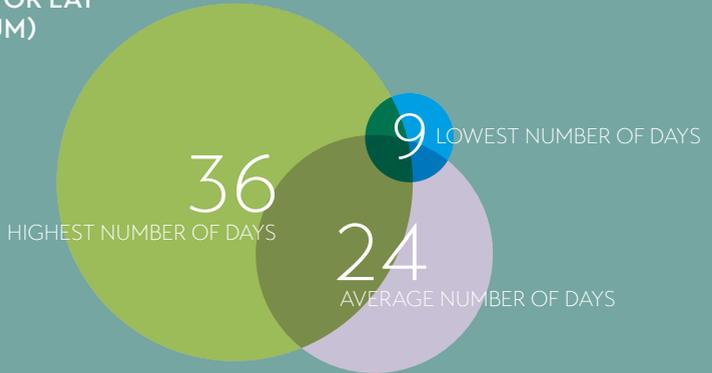
SECTION 05

'YOU HAVE TO TAKE RISKS': THE COUNCIL OF THE FUTURE

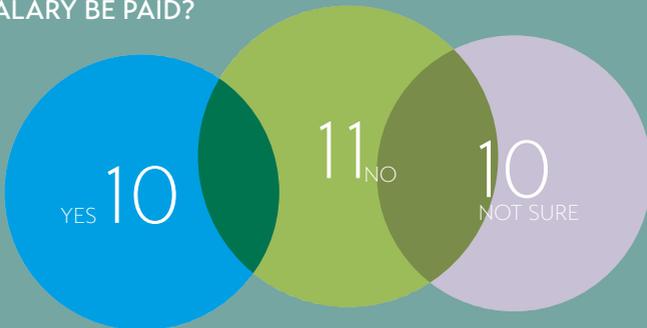
TIME REQUIREMENT FOR CHAIRS (PER ANNUM)



TIME REQUIREMENT FOR LAY MEMBERS (PER ANNUM)



SHOULD A SALARY BE PAID?

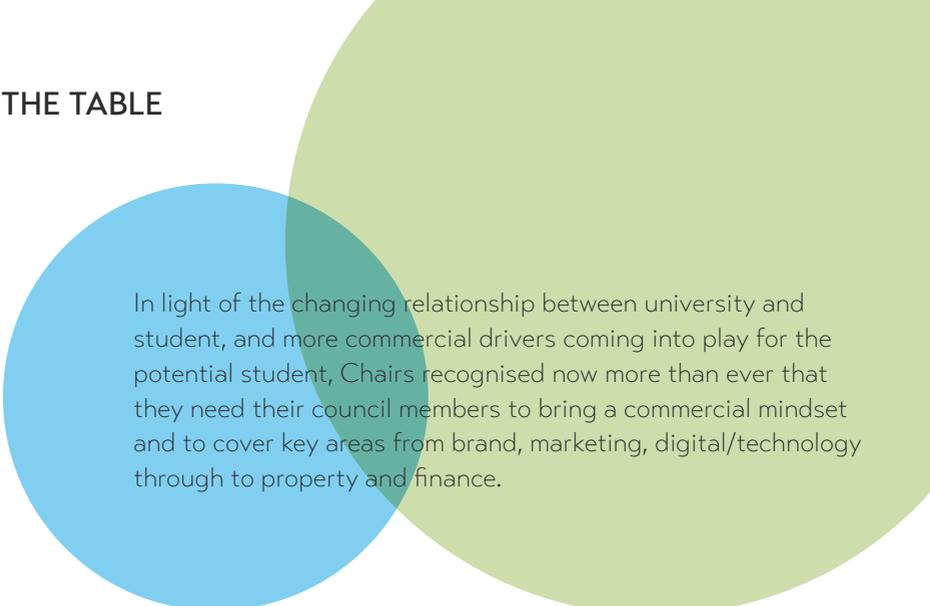


What was clear from our discussions with Chairs is that they feel councils need to continue to evolve. Some universities feel they are better equipped to deal with the changing political and economic challenges influencing the governing of modern institutions than others, and this largely comes down to the mix of skills and experience that council members bring to the table.

“ UNIVERSITIES ARE, IN GENERAL, MUDDLING ALONG IN A TYPICALLY BRITISH WAY, MAKING IT WORK WHEN IT DOESN'T NECESSARILY ”

“ YOU CAN'T JUST GO OUT AND TAP PEOPLE ON THE SHOULDER ANYMORE – PROFESSIONAL SEARCH IS BECOMING MORE CRUCIAL TO CREATE DIVERSE COUNCILS ”

LAYING THE TABLE



In light of the changing relationship between university and student, and more commercial drivers coming into play for the potential student, Chairs recognised now more than ever that they need their council members to bring a commercial mindset and to cover key areas from brand, marketing, digital/technology through to property and finance.

In the past, university councils were often made up of the great and good of the local community. Today's Chairs, faced with the responsibility of ensuring their university's continued success and financial sustainability, are increasingly looking to appoint council members capable of assisting the institution in meeting its strategic objectives.

Whilst most institutions have developed a skills matrix to aid in the development of a well-rounded council, it can be difficult to recognise the most pressing skills gaps in current council capabilities from an internal viewpoint. Some Chairs highlighted that a significant event such as a change in Vice-Chancellor led to an overall reassessment of current council skills. With new leadership in place, a new strategic direction is often pursued and this provides a natural opportunity to revisit council appointments and take the necessary actions to ensure the right council is in place to deliver against this strategy.



“ UNIVERSITY COUNCILS USED TO BE ABOUT WHO YOU KNEW – THEY WERE JUST A COSY CLUB ”

“ WHEN YOU ARE RECRUITING NEW MEMBERS, YOU HAVE A RANGE OF PROBLEMS IN YOUR MIND. YOU’RE LOOKING FOR A BALANCED BOARD, TRYING TO CREATE A TEAM THAT’S COMMITTED TO THE WELFARE OF THE INSTITUTION ”

“ GETTING THE RIGHT BALANCE OF COMMERCIAL SKILLS TO PUBLIC SECTOR EXPERIENCE IS ESSENTIAL ”

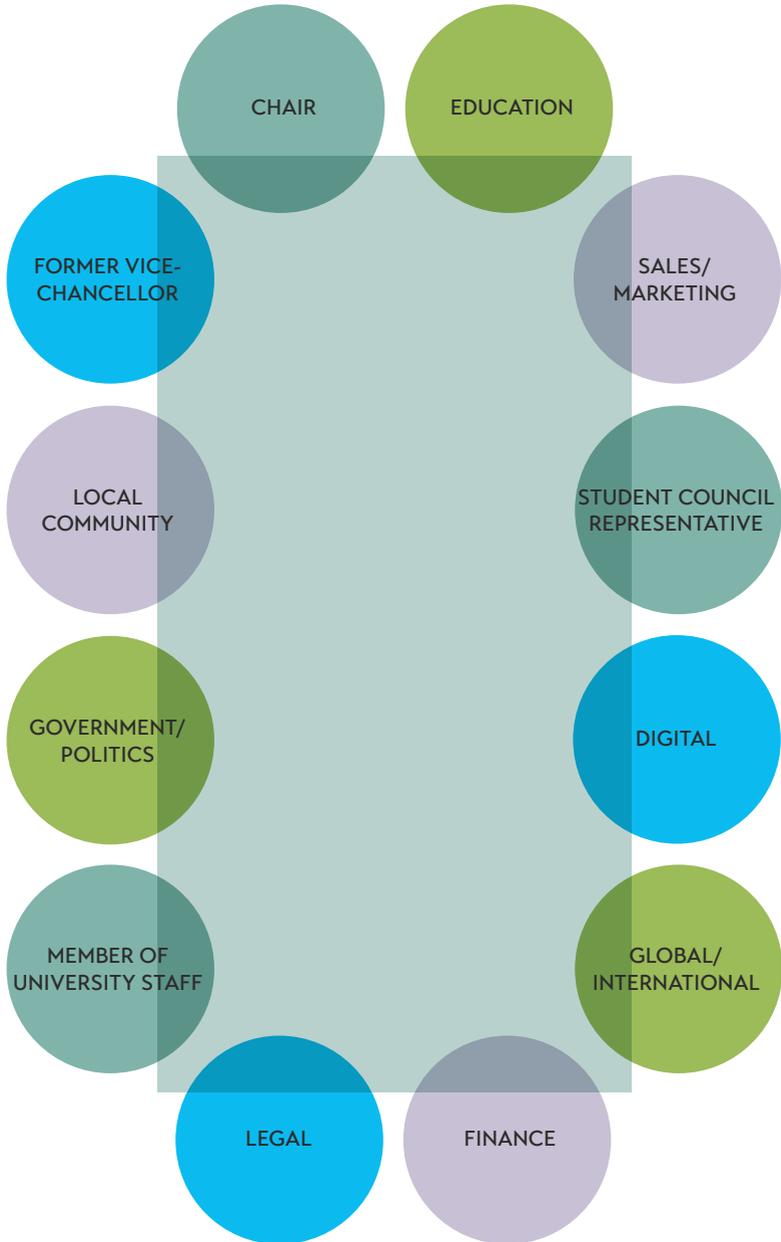
Significantly, the majority of Chairs felt that the ideal size of a council would be significantly smaller than the current average size. Most felt that a structure more closely aligned with a private sector board, with between 8 and 12 members, would be more manageable and would ensure all members had their voice heard.

By virtue of its status as the governing body of a multi-stakeholder institution however, it is crucial that the university council be reflective of this mix. Many Chairs therefore said that they felt to reduce the number of lay members would be to limit the efficiency of the council, since a smaller council would naturally restrict diversity of background and professional experience. Some Chairs felt that the sector is too deeply entrenched to make such a change, with others adding that a radical overhaul could only be achieved if starting from scratch with a blank sheet of paper.

Chairs cautioned that council members should take care not to get 'lost in the operational weeds' of the institution. Whilst the role of the council is focused on governance rather than executive responsibilities, Chairs felt it was crucial for members to have a working knowledge of the institution and to be engaged with its wider operations. The majority of Chairs agreed that the more both they and their council members give to the role, the more efficient the council becomes and subsequently the more enjoyable the position is.

University councils in Scotland face a less certain future than their counterparts in the rest of the UK. The Higher Education Governance Bill, which is currently being considered at Holyrood, includes proposals which it has been argued could have an impact on the charitable status of universities in Scotland; it also proposes that Chairs will have to be elected to ensure a more 'transparent process'. In addition, the make-up of councils will potentially be more closely regulated, with the Scottish Government stipulating that a set number of representatives of the institution's various stakeholders must be present on the council.^[7]

AN IDEAL COUNCIL?





“ THE SKILLS THAT MAKE A GOOD CHIEF EXECUTIVE ARE WHAT YOU WANT ON A UNIVERSITY COUNCIL ”

“ INSTITUTIONS MAKING THE RIGHT DECISIONS ARE THE ONES THAT WILL FLOURISH WHILST OTHERS FAIL ”

“ AN ENGAGED COUNCIL IS HIGHLY EFFECTIVE ”

“ GOOD GOVERNANCE IS NOT *SUI GENERIS* TO ANY PARTICULAR SECTOR ”

FISHING FOR CANDIDATES

Diversity is not a new item on the university council agenda, but it is becoming increasingly pertinent. Universities are multi-stakeholder organisations operating in the interests of a wide and varied network of students, academics and other stakeholders, and the council should reflect this. Student populations at UK universities have become increasingly diverse, particularly in London, and the desire of Chairs to recruit council members from different walks of life in order to reflect the student body was seen as key.

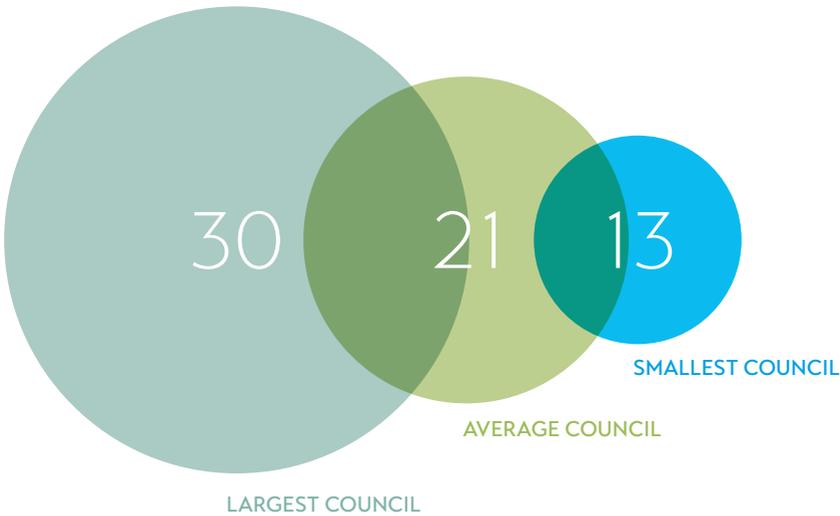
“ YOU HAVE TO BE INCREASINGLY MORE IMAGINATIVE TO ENSURE YOU’RE FISHING IN THE WIDEST POSSIBLE POOL ”

“ DIVERSITY ADDS HUGE VIBRANCY TO AN INSTITUTION ”

The majority of councils do not offer a salary or honorarium to lay members, and this naturally tends to narrow the field for potential candidates. Many of the Chairs to whom we spoke felt that they commit at least double the amount of time to the role than they had anticipated, which has an impact on both their personal and their professional life. The time commitment expected of general members of the council is generally significantly less, but it still requires consistent investment in helping the institution achieve its goals, particularly from those chairing committees.

Some councils have introduced remuneration for members to help them attract a diverse and highly skilled range of candidates and in recognition of the time commitment required. Other institutions operate a system more akin to charities, with council members placed in roles equivalent to trustees and therefore not being paid a salary or honorarium.

Whilst increasingly the diversity of membership remains high on the agenda for the majority of councils, the Chairs agreed emphatically that they would always appoint the candidate who brought the most relevant skill set and experience to fill a gap or need on their council. Above all else, it is the responsibility of the Chair to ensure the council is equipped with the skills needed to ensure the long-term viability of an institution.



SECTION 06

CONCLUSION

“ YOU HAVE TO TAKE RISKS WITH WHO
YOU’RE HIRING AT SOME POINT OR
YOU END UP STUCK IN ONE PLACE ”

With world leading iconic institutions and a significant number of newer high quality providers, many of which are world leaders in particular areas of specialism, the UK is a key player in the global education arena. As the sector evolves and changes, the UK has an important role to play as it looks ahead to future challenges. It is now more crucial than ever that the people in leadership roles, at both executive and governance level, are able to take a broader, more strategic and commercially focused view to help direct their institution successfully and evolve to suit the new market conditions.

Universities, and in particular their governing bodies, are being forced to adapt to the increased commercialisation of the sector, the growth of a global market for international students and university campus expansion: they can no longer assume their university's academic reputation will be enough.

Thus, the role of the Chair remains as important as ever. It has become an ever more complex juggling act, taking on increased levels of responsibility and becoming more accountable for the decisions being made, not just to the current students but to a varied mix of stakeholders, from funding councils and government bodies to alumni and future students.

With this has come a change to the formation of university councils: they now need to be challengers for the institution's strategic direction, accountable for its financial sustainability and integrity. Now, more than ever, it is vital that the council be led by the right person, supported by a well-equipped board with a wide ranging skills mix ready to face the future challenges head on.

APPENDIX

- [1] **'ABOUT THE REF', RESEARCH EXCELLENCE FRAMEWORK 2014:**
<http://www.ref.ac.uk/about/>
- [2] **'REF 2014 COST ALMOST £250 MILLION', TIMES HIGHER EDUCATION:**
<https://www.timeshighereducation.com/news/ref-2014-cost-250-million>
- [3] **'THREE REASONS WHY THE TEACHING EXCELLENCE FRAMEWORK WON'T WORK', THE GUARDIAN:**
<http://www.theguardian.com/education/2015/nov/02/whYTEACHING-excellence-framework-tef-metrics-university-fees>
- [4] **'IMPACT OF INTERNATIONAL STUDENTS', UK COUNCIL FOR INTERNATIONAL STUDENT AFFAIRS**
<http://www.ukcisa.org.uk/Info-for-universities-colleges--schools/Policy-research--statistics/Policy-and-lobbying/Impact-of-international-students/>
- [5] **'LONDON CALLING: INTERNATIONAL STUDENTS' CONTRIBUTION TO BRITAIN'S ECONOMIC GROWTH', LONDON FIRST AND PWC, MAY 2015:**
<http://londonfirst.co.uk/wp-content/uploads/2015/05/London-Calling-report.pdf>
- [6] **'THE ECONOMIC ROLE OF UK UNIVERSITIES: THE FUNDING ENVIRONMENT FOR UNIVERSITIES 2015', UNIVERSITIES UK:**
<http://www.universitiesuk.ac.uk/highereducation/Documents/2015/TheEconomicRoleOfUKUniversities.pdf>
- [7] **'HIGHER EDUCATION GOVERNANCE BILL', SCOTTISH GOVERNMENT, 2015:**
<http://www.scottish.parliament.uk/parliamentarybusiness/Bills/90125.aspx>

OUR HIGHER EDUCATION PRACTICE



Stephen is co-founder and Chairman of Saxton Bampfylde. He began his career working for IBM and Whitehall, where he spent nearly 10 years before moving into top level executive search. For 32 years he has been involved in the recruitment of executives to senior positions across all sectors. He helped establish the worldwide professional association AESC in Europe and was its international director for a number of years. Outside executive search, he has been involved with the advisory boards of the Business Schools at Cambridge and City Universities, is a Trustee of the Yvonne Arnaud theatre, and was Chairman of the Guildford Cathedral Council. Stephen read Economics at Jesus College, Cambridge and studied corporate finance at London Business School.

Stephen Bampfylde Chairman, HE Practice
stephen.bampfylde@saxbam.com



Hamish is a senior member of the education practice at Saxton Bampfylde. He advises at Chief Executive, Vice-Chancellor, Principal, Provost, Head and Chair level and works with universities, schools, FE colleges and groups, and commercial education-related organisations. Hamish has been responsible for search programmes covering a range of senior executive and non-executive appointments, many of them with an international dimension. Hamish is a graduate from the University of York and he completed his MBA at the UCD Smurfit Graduate School of Business in Dublin in 2003.

Hamish Laing Partner, HE Practice
hamish.laing@saxbam.com



Alex is head of the global Saxton Bampfylde education practice. She advises on senior higher education and related appointments including vice chancellors, principals, DVC/PVCs and professional directors. She joined the company after a career in the civil service, latterly as Director of Arts and Culture in the Department for Culture, Media and Sport, where she worked closely with government ministers on all aspects of arts and cultural policy. Alex read English at the University of Durham

Alex Stewart Partner, Global Head of HE Practice
alex.stewart@saxbam.com

Saxton Bampfylde

LONDON

9 SAVOY STREET
LONDON
WC2E 7EG

+44 (0)20 7227 0800

EDINBURGH

46 MELVILLE STREET
EDINBURGH
EH3 7HF

+44 (0)131 603 5700