

University governance in a new age of regulation:

**A conversation between Professor Steven
Jones and Nick Hillman, with a Foreword by
Professor Michael Shattock**



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About the authors

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Steven Jones and Nick Hillman are both members of the Board of Governors at the University of Manchester. Steven is an elected academic member and Nick is a lay member (and an alumnus). Nick is also a lay member of the University of Buckingham Council. Both have previously served as school governors. Steven was a community governor for a secondary school and Nick was a parent governor for an infant school.

In this piece, Steven and Nick reflect not on any individual institution, but on the wider challenges for university governance during a period of unprecedented change within the UK sector.

Foreword

Michael Shattock

It is a pleasure to be asked to write a Foreword to correspondence about the role of governing bodies. Governance is much in the news both in corporate life and in the public sector. In uncertain times, governance – and whether its forms are fit for purpose – become a public issue. We should note that the Jones / Hillman correspondence deals with only one component of university governance, the governing body, albeit an important one, whereas in practice institutional governance encompasses senates / academic boards, faculties / colleges and a plethora of schools / departments, research institutes and student organisations, all of which are critical to some or particular parts of a university's business.

Pre-1992 universities like Manchester were designedly and by statute bicameral institutions, with senates described as 'the principal academic authority of the University' (Statute VII, University of Manchester) or in some universities 'the supreme academic authority'. Given that teaching and research represent the core business, this should put the senate into the driving seat in terms of strategic planning, establishing priorities and all the key elements which contribute to reputation, external rankings and academic success. With senate representation comprising one-third of the lay membership on the governing body, the Manchester Statutes embody the concept of 'shared governance', a useful phrase originally created by the American Association of University Professors (AAUP) to describe the

hard-won constitutional machinery created to link governing boards to their academic communities.¹

By contrast, academic boards in the post-1992 universities operate within a unicameral constitution. A formal role in strategic planning was deleted from their constitutions in 1988, when the polytechnics were removed from local authority control, and it was not restored in the 1992 legislation when they became universities. This leaves institutional strategy – academic and otherwise – and related business firmly located exclusively in the hands of the governing body and the vice-chancellor. The strong tendency of government since the 1997 Dearing Report has been to favour the spirit of the post-1992 over the typical pre-1992 constitution. By putting pressure on governing boards to reduce the size of their memberships (including the academic component) and increasing their levels of accountability, they have created the assumption that governing boards are analogous in operational terms to company boards.

This ‘business model’ is enhanced by the growth in universities of ‘the executive’, the product of the increasing size of institutions and the competitive pressures they are put under. The executive, usually meeting weekly, has in effect downgraded the influence of the senate in pre-1992 universities by simply bypassing them and has further depressed the status of academic boards in the post-1992s.

It is easy to see why Steven Jones is concerned ‘that university governance seems detached from the day-to-day reality of many academics’ working lives’. When interviewing academics

1 As this report went to press, I was informed that, sadly, Senate membership of the Council is being reduced to only 20 per cent.

about governance, one comes across a wide sense of disempowerment. Why should this be a matter for concern, except for its effect on morale? In answer to Nick Hillman, it is because almost every managerial decision in a university has some academic implication which needs consideration if we want our universities to be truly academically competitive.

In our forthcoming book, I use the phrase 'the laicisation' of universities to describe the way a model is emerging of a university governing body where the lay members operate as a group of company board 'non-execs' to call the executive to account, basing their rationale on external demands for accountability or preconceptions of how big organisations work in other contexts. But no corporate board could possibly operate satisfactorily in this way with no executive members, except the vice-chancellor, and with virtually all the members being non-executive. Nick Hillman's definition of a good university board member ('an intelligent person who asks ignorant questions') does not suggest that either of the institutions where he is a member operates like this. But our research has thrown up examples of boards where the chair is effectively an executive chair, where the lay members, drawn from around the country and meeting only four or five times a year, have little knowledge of the institution and are largely dependent for decision-making on reports from the executive because they have few other sources of information available to them. The effect is to create a top-down organisational culture that runs right through the institution. Our evidence suggests there is considerable uncertainty in many universities in the definitions of roles on key issues between the most senior members of the executive and the chairs and the most active lay governors.

This uncertainty has been added to by a decision to require governing bodies to sign up to giving assurance on the maintenance of academic quality. Board members have been required to give their approval to an increasing range of complex financial and value-for-money returns but are now also required to confirm that they have discussed action plans for the 'continuous improvement of the student academic experience and student outcomes' and that the 'standards of awards for which [they] are responsible have been appropriately set and maintained' (Hefce 2017). These requirements certainly extend far beyond the professional competence of the average lay governor and have encouraged lay members in many universities to ask to sit in on senates or academic boards to witness academic decision-making in action.

Conflict and lay intrusion into the conduct of academic business must be likely to follow, especially in some 'at-risk' institutions. Even in areas where lay expertise and experience might be most useful to universities, for example in major long-range borrowing or the control of executive salaries, the record of the lay contribution seems to be very mixed and, in the case of vice-chancellors' salaries, it has been disastrous for the reputation of the sector as a whole.

My conclusion is that governments place too much expectation on the powers and capacity of lay-dominated governing bodies, acting as pseudo company boards, to manage and direct the affairs of universities. If universities are to be able to confront the difficulties that lie ahead in the next decade, we need to re-establish a partnership between governing bodies and senates / academic boards so that their strength and expertise can be drawn on together. It is easy to forget

that a senior academic may be experienced in the control of a budget of many millions of pounds, in leading a major research programme or in advising major public or private sector bodies, providing them with an expertise in the management and direction of middle to large-sized organisations at least comparable to that of many lay members. But equally significant is that such a partnership ensures institutional strategies are embedded in the institution and academic staff feel a sense of ownership of them. To make this effective, however, many of the pre-1992 universities need to address questions such as the over-large size of their senates and their methods of conducting academic business, to ensure that they are in a position to respond to the managerial demands posed by an uncertain external environment.

In the US, it used to be customary for university boards of regents or trustees to be described as acting as a 'moat and a bridge' to the wider community (Epstein, 1974). It is worth reflecting on how much our governing bodies see themselves as having a role in defending their university's interests as distinct from simply accepting bureaucratic impositions from outside. The Committee of University Chairs (CUC), which sponsors training for lay governors, appears nowadays to be a compliant body, indecisive in dealing with the vice-chancellors' salary issue and too anxious not to get out of step with government thinking.

Nothing I have said above, however, should be interpreted as doubting the value of lay involvement in university governance, not only because it represents the direct involvement of the public interest in the affairs of individual universities but also because it brings professional expertise and knowhow to key

areas of institutional decision-taking. Even more importantly, lay involvement in university governance is invaluable in acting as the 'critical friend' on occasions when difficult and contested decisions have to be taken – the 'conversations between insiders and outsiders' that Nick Hillman refers to may be a polite way of describing them.

We are fortunate in being able to attract so many well-qualified and distinguished professionals to commit themselves to helping universities in such a difficult environment. We should not be apologetic that the structure of university governance is *sui generis* and reflects the nature of universities as unique components of modern society and we should be continuously on our guard against attempts to impose constitutional models derived from other forms of organisation: the business model is no more appropriate than the military or the public service model.

By way of conclusion, I will respond to three other points about lay membership raised in the correspondence. Nick Hillman asks why officials at the Department for Education (DfE) (or he might add UKRI) are not recommended to serve as lay members. There is, of course, a reason: the historical presumption has always been that the state should separate itself from any direct involvement with the management of individual universities in order to preserve their independence from state interference. Thus, the senior civil servant in charge of higher education in the Department had to leave meetings of the University Grants Committee, to which he was an accredited observer, when the affairs of any individual university came under discussion. For a modern analogy, imagine the situation of a university having a staff member of Research England on its governing body at the time of the Research Excellence Framework!

Steven Jones raises the interesting comparison with membership of school governing bodies. In my experience, all the members are local and, of course, there are parent governors. This ensures that governing bodies are relatively well-informed about the school independently of the headteacher's report. Universities, however, were encouraged to dispense with local authority membership – the pre-1992 by the pressure to reduce the size of their memberships by the Jarratt (1985) and the Dearing reports (1997) and the post-1992 by the decision in 1988 to remove them from local authority control. This trend was intensified by universities' own decisions to seek people of wider public standing who did not necessarily live in proximity to the institution. Although there are obvious advantages to such a policy, I agree with Steven that this has contributed to universities losing a sense of local-ness and, because of travelling times, it has had a perceptible impact on the way meetings are conducted, especially when committee meetings have to be held on the same day as the governing body meeting, meaning their reports are oral and cannot be read and considered before the meeting. It also strengthens the position of the executive as it reduces the influence of local information networks regarding the university and its policies.

Finally, let me comment on Nick Hillman's support for paying lay governors. This is a controversial question: the CUC has not been in favour but in our research we found chairs who are quite strongly in favour. The Higher Education Governance Act (Scotland) 2016 provides explicitly for the payment of lay governors but as part of a package designed to democratise governing bodies by making the chairs elective by students

and staff and adding trades union representation. Its intention, therefore, as Nick Hillman's, is to encourage people who could not otherwise afford to take time off work to put themselves forward. My concern about payment to individuals is that it potentially changes their relationship with the institution, and in particular with the vice-chancellor who might be seen as the essential decision-maker in such transactions.

A further real danger is that payments to some governors such as the chair or the chair of the audit committee might over time climb, as it has in some companies, to levels that spark the kind of controversy we have seen over vice-chancellors' salaries. Hospital boards, where payments are made, are often quoted as analogous to universities in this respect but the record of hospitals' failure of performance does not provide evidence that payment attracts a better level of chair or lay member, or a higher level of commitment. Until we see a serious shortfall in the numbers of possible lay governors responding to invitations, I do not see any plausible trigger to change the practice of over a century of public higher education.

References

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Exchange between Professor Steven Jones and Nick Hillman

Dear Nick,

It's good to have this exchange with you. The role of university governors is beginning to get some critical attention, but it still seems neglected relative to the responsibility that it now carries.

I sense that Board members across the higher education sector feel pulled in different directions. On one hand, there's a traditional idea of 'wise elders' meeting to offer some light-touch and well-mannered guidance on a university's general direction of travel. On the other hand, there's a regulatory framework that positions governors as legal custodians of multi-million pound global organisations.

The Office for Students wants Boards to be accountable for upholding 'public interest governance principles', but what are those principles and how best can they be defended?

University staff who volunteer for governance roles are usually regarded with suspicion. I received condolences from some colleagues when elected! Maybe this follows a long tradition of academic misgivings about perceived compromises of 'freedom'.

Back in 1918, Thorstein Veblen characterised non-academics who join Boards as 'quite useless to the university for any business-like purpose'.² I was reminded of this more recently

2 Thorstein Veblen (1918), *The Higher Learning in America: A memorandum on the conduct of universities by business men*, New York, Cosimo

when Peter McCaffery, a former Vice-Chancellor of the University of Cumbria, suggested Whitehall departments privately regard the way in which universities are governed as 'bogus professionalism'.³

However, my main concern isn't lack of knowhow. It's that university governance – and the corporate model upon which it's generally based – seems detached from the day-to-day reality of many academics' working lives.

In my experience, this gap is wider in the higher education sector than in the compulsory part of the sector, where the pressures of school teaching are perhaps better understood by governors.

As an 'insider', I sense frustration among colleagues that representation on decision-making bodies is usually limited to a handful of staff, and that Boards sometimes focus on the narrow market needs of their individual institution at the expense of the wider societal contribution that universities make. As an 'outsider', what do you think?

Dear Steven,

Thank you for starting this important conversation. My experience is different to yours. When I was appointed as a lay governor, no one commiserated me. Nor did they congratulate me. Perhaps the silence reflects how poorly understood the

3 Peter McCaffery, 'University governorship should not be like marriage', 21 October 2018, <https://wonkhe.com/blogs/university-governorship-should-not-be-like-marriage/>

role of university governors is – far below knowledge about school governorship.

I am amused by Peter McCaffery's words but they don't resonate with me. When I worked on higher education in Whitehall, little thought was given to university governance issues. There were many reasons for this but perhaps the most important is that Whitehall looks for big problems to solve and university governance seemed at the time to be ticking over quite nicely. Admittedly, my Whitehall experience came before the really big rows on vice-chancellors' pay as well as before Hefce had made way for the new Office for Students.

During my own experience as a governor at two universities, I have been impressed by the professionalism and calibre of the governors, especially the chairs. Many other lay governors that I have come across have fitted well into that general definition of a good Board member: an intelligent person who asks ignorant questions. That is not meant to sound rude: anyone who has ever been interviewed by the media knows that perceptive but unexpected questions can prove the most testing. An intelligent outsider's perspective can teach an institution lots about itself – and, of course, new lay members rapidly stop being ignorant anyway.

But no one associated with higher education must allow the core strengths of the sector to hide the need for constant improvement. Nor should we respond so defensively to media coverage that we refuse to look in the mirror for flaws. I want to avoid sweeping generalisations, yet I do worry that the quality of governance in our sector may not always be quite as good as we like to think.

The regulation of higher education has been transformed in recent years, especially from the top via initiatives like the Higher Education and Research Act (2017), which puts far more onus on governors – including for the self-reporting of problems. I am not entirely convinced, as I travel up and down the UK speaking to senior managers and governing bodies, that governance has changed as fast as regulation.

Perhaps it is naïve to think this could happen quickly but, unfortunately, the regulatory changes have occurred at the same time as other changes that have, in some instances, literally threatened the existence of long-standing universities.

Moreover, people with experience governing other comparable bodies that sit between the public and private sectors – for example, in the health sector – often claim change has come later in higher education than elsewhere.

Perhaps because I am not an ‘insider’, I worry less than you about the disconnect between academics and governors. For a start, I think the supposed disconnect is overdone: the input of academics at governors’ meetings (either as members or observers), at away days discussing strategy and in other ways is more common than might be expected. This helps to provide a map for those governors still trying to uncover the lie of the land. Lay governors come into close contact with the day-to-day life of academics in other ways too – for example, when chairing disciplinary review hearings.

Despite all this, if I were an academic I might not worry too much about being ignorant of the finer points of governors’ latest discussions. These can be some way removed from the

core responsibilities of teaching students and pushing forward the boundaries of knowledge so could sap time and effort from the more immediate responsibilities that would have brought me into academia in the first place.

Dear Nick,

You're right to say that academics would much rather be doing teaching and research than pondering institutional strategy. But in the last few years, we've seen an increase in staff becoming more curious – and then better informed – about how their universities are run. The pensions dispute is the obvious example, but there are other issues too, from capital expenditure to investment strategy. In my view, this is a good thing. But it does bring to the fore questions about who gets to govern our universities and what kind of values they bring to the table.

Take the current composition of many governing boards. Having a lay majority is useful in that that universities are forced to justify their activities to people who come from different professional backgrounds and have different perspectives.

For me, it's always refreshing to hear non-academic voices – university staff quickly become institutionalised, losing touch with how the sector is viewed from the outside. But the lay-majority composition has drawbacks too, especially where academics are framed in negative terms: as change-resistant or 'difficult' or instinctively critical.

The job of the university lecturer requires a huge amount of flexibility and there's pressure to be excellent at everything. Metrics track our every move. League tables pitch us against colleagues elsewhere in the sector with whom we'd rather be collaborating. Newer academics are under particular stress, often in precarious employment conditions. I'm not sure that Board discourses always fully acknowledge this wider professional context.

You're unusual among lay members: you know the higher education system because of your day job. But for most lay members academia remains shrouded in mystery. I think universities need to expose their governors to more routine institutional activities. Maybe induction should involve taking in a few undergraduate lectures or attending some research seminars or eavesdropping on a departmental meeting?

I also wonder about representation. Local communities seem to have fewer Board members than in previous generations, but institutional activity can affect them fundamentally, for better and worse. And given that taxpayers underwrite what we do, I think it's important for Boards to have representation from those who never went to university.

Then there's the question of the student voice. Most Boards seem to have a token representative or two, but it can be incredibly difficult for those individuals to make themselves heard, surrounded not only by highly successful lay members but also by academic representatives who may well be directly involved with their teaching and supervision. The system marginalises students, not deliberately, but through top-down mechanisms that don't always speak to their concerns.

There's recently been talk of a 'licence to practise' for university governors, but the system remains largely dependent on goodwill. The Code of Governance, developed by the Committee of University Chairs in 2014, is useful.⁴ However, it captures little of the cultural expectations and challenges faced by Board members. The 'critical friend' role is fine, but governors mustn't cross management lines. It's a tightrope for members to walk, not least because the sector can be damaged reputationally when an institutional Board is too hands-off.

Dear Steven,

There probably is not a person alive who would claim that university governing bodies are properly diverse. They do not accurately reflect the demographics of students and staff, let alone society at large. There is clearly a mountain to climb. Middle-aged white men like us are in a majority. We are often caricatured as 'male, pale and stale' and I plead guilty to at least two of these attributes.

The question is, as always, what to do about it. As with other realms of life, we need to advertise roles more widely, ideally in a centralised place (as used to happen) rather than wait for people to stumble across opportunities in the sector for themselves. I remember an experienced governor at the top of their own profession telling me their partner, another senior professional, was interested in becoming a university

4 Committee of University Chairs (2014), *The Higher Education Code of Governance*, <https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf>

governor, but that she had no idea where to start looking. Too often governors are appointed over a drink after a tap on the shoulder. We need to employ headhunters to dig deeper.

But while the personal characteristics of governors is far from representative, a great deal of thought is typically put into the skillset of any governing body. Financial skills are especially important, such as for audit committee work. I am regularly contacted by people searching for names of potential governors with a background in policy, as many universities feel underpowered in that area.

Incidentally, it is tragic that the Department for Education (DfE) discourage their civil servants from serving as university governors. The loos in the DfE are plastered with posters encouraging staff to become school governors. But university governorship is, weirdly, seen as a conflict of interest and actively discouraged or even barred. Yet we wonder why policymakers don't always seem to understand our sector.

On metrics, I agree academics typically dislike being constantly measured and tend to think their work cannot be easily captured by a few headline numbers. But this isn't the fault of non-academic governors. Governors with a background in other sectors might just as likely propose more rounded ways of assessing performance than believe academics can be easily squeezed into a REF / TEF / KEF triptych.⁵

5 Research Excellence Framework / Teaching Excellence Framework / Knowledge Exchange Framework

On student representation, I agree. Student members can feel overwhelmed and inexperienced. But when I am a visiting speaker at a governing body meeting, the student rep(s) will often seek me out afterwards and the conversations are usually incredibly illuminating. A good chair will draw a student out so that their experiences inform the work of the governing body as a whole. One remaining problem is the typically short tenure of a student governor and I am genuinely uncertain as to what can be done about that. The best chief executives of students' unions know as much about their institution and how its students are faring as anyone: can governing bodies capture their knowledge more effectively in some way, I wonder?

I also agree we need to look for mechanisms to bring governors closer in touch. Perhaps the single most interesting thing I have done as a governor is to take part in semi-structured discussions on issues like mental health and student support services with students. I am not the only governor who has found such conversations provide a year's supply of new points to make at future meetings.

Having greater civic engagement with university boards is a good idea but it is not a dealbreaker for me. Our universities are often national and regional in outlook, not just city-based, so there are limits to the desirability of this in my view when other areas of civic life may need more urgent support. The relationship can work the other way around though, with academics becoming part of their locality's policymakers: try attending a local council meeting in either Oxford or Cambridge and you will hear many declarations of interest from serving councillors whenever university issues come up.

I think you slightly overdo the risk of governors stepping over the management line. Any competent chair knows when this is happening and can delicately point it out. It is a challenge for every organisation with a board of trustees and widely acknowledged in all sorts of contexts. The line is an important one, as is the line between governance issues and academic decisions, because it provides clarity on who should do what.

Dear Nick,

I didn't know the DfE discourage their civil servants from acting as university governors. It is curious that so many major organisations (universities included) now press their staff to volunteer as school governors, but joining a university Board often still requires a furtive tap on the shoulder.

You acknowledge that more could be done to connect governors with the mass of students, but what about the mass of staff? Can the broad range of views from employees spanning multiple roles and disciplines be captured by a handful of volunteer representatives? I can't help thinking that universities miss a trick by not drawing on the expertise of their own workforce more systematically.

Michael Shattock has been writing about governance in UK higher education for decades, and he points out that there are big differences in how different universities approach the process.⁶ My anxiety here is that academics at the more elite universities retain a relatively firm grip on governance, while

6 Michael Shattock (2010), *Managing Successful Universities*. McGraw-Hill Education (UK)

those elsewhere in the sector see the balance of authority steadily tipping away from them. In an already hierarchical higher education system, the danger is that this results in yet more stratification.

Michael also points out that it's not the state that has directly imposed changes on university governance structures; it's more a consequence of relentless shifts towards competition.⁷ I do think that's where misunderstandings can arise.

Lay governors from a private sector background are often fluent in the language of the market, and know plenty about keeping their customers satisfied. But it's not easy for them to understand why their views might meet with pushback from academics who just don't think it appropriate that higher education is further commodified.

Having said that, one thing that is always good to see is conflict. From the outside, Boards give the impression of being united in their views but beneath this veneer is often forceful debate and challenge. Because academics are trained to see both sides of an argument and to reach informed and balanced conclusions, most would be reassured by such deliberation.

However, staff are sometimes informed of blunt outcomes without being privy to any underpinning rationale. I get the idea of 'collective responsibility', but it's unfortunate when it runs counter to the spirit of courteous disagreement that fuels most academic enquiry. I'd like university Boards to prioritise transparency over confidentiality, where possible.

7 Michael Shattock (2017), 'University governance in flux. The impact of external and internal pressures on the distribution of authority within British universities: A synoptic view.' *Higher Education Quarterly* 71.4: 384-395

Dear Steven,

I suspect the proliferation of governors with a business background does help explain the explosion in senior staff pay. If you come from business and are put on the Board of a university with a turnover of a billion pounds a year, then you are bound to make some comparisons in your head with the salary of a CEO at a business with a similar turnover.

But this sort of influence seems exaggerated in importance. Consider the pensions issue. Defined benefit pension schemes have essentially disappeared in the private sector.⁸ If lay governors had imposed their private sector practices on our universities, then the Universities Superannuation Scheme would have become a defined contribution scheme many years ago. It is too simplistic to think anyone who has helped run a large business cannot recognise that charitable universities are different.

A glance at my Twitter feed leads me to doubt your assertion that academic research is typically fuelled by 'courteous disagreement'. It can feel more like the old Newman and Baddiel sketch 'History Today'. But I nonetheless accept your comment about transparency, at least up to a point. Sunlight is the best disinfectant, to coin a phrase.

There are many important issues that governors need to discuss though, such as restructuring, senior appointments

8 Nick Hillman, *The USS: How did it come to this?*, February 2019, https://www.hepi.ac.uk/wp-content/uploads/2019/02/HEPI-The-USS-How-did-it-come-to-this-Report-115-07_02_19-Screen.pdf

and purchasing land, which could go badly awry if they were immediately and fully put in the public domain. So it is important we do not fall for demands for transparency that are really thinly-veiled attacks on the whole operating system of a 21st century university, especially if they also discourage good people from accepting Board positions.

Diversity seems to me to be a concept that is nearly always good, including when applied to education. So I have no principled objection to the idea that the roles played by lay governors, university managers and academics will be different at different institutions. It is, after all, nothing new. Our universities have such diverse histories that, to me, it seems odd even to entertain the idea that this is something we should worry about as a matter of principle. A single higher education system, yes; a monolith, no.

Dear Nick,

You're right to say that not all academic disagreement is courteous. But my point was more that it usually takes place in public (in journals, on social media, and at conferences), whereas governance disagreement tends to take place behind closed doors. Decisions can then emerge from the Board that, from an academic perspective, seem not to be based on even-handed reasoning. It's a bit like publishing a paper without the methods section.

Maybe where we disagree most is in terms of the extent to which academic involvement actually matters? Many university staff feel that the 'comms' are one-way and the 'consultations' insincere. To some extent, university governance is performed in a managed environment (more so than in schools, in my experience). I know that senior leadership teams can't always operate in a democratic and open fashion, and that some choreography is occasionally necessary. But where two-way interaction is possible, I think it's important that it occurs as authentically as possible.

You mentioned earlier that perhaps headhunters would be useful in increasing the diversity of university governors, and I note that much of the recent coverage of Board issues has revolved around whether lay members should be paid for their contribution. I don't have a strong view on this.

Lay members devote a generous portion of their time to governance work and, if a small fee recognised this, I think it would be a reasonable use of money. But it's noticeable that some of the loudest voices making this argument are from private agencies that would, presumably, get a slice of the cake. I had no idea that these agencies existed, but there's a growing industry around governor recruitment. It's another market that, in my view, the sector doesn't really need.

My underlying fear is that university Boards are being co-opted to enact market-driven ideologies (some of which you may support, but I know you'd also support the principles of institutional autonomy and academic freedom). Even if this isn't the case, it remains very difficult for any group of individuals, however well-meaning and committed, to reflect the views

of the incredible range of communities that universities now serve, and to act simultaneously as savvy market advisers and protectors of the public good.

Dear Steven,

I have shifted from being agnostic about, or even slightly against, paying lay governors to supporting the idea. It is – honestly – not because I am now one, and I am not necessarily arguing for payment for all. When the time spent serving as a governor is provided fully or partly by an employer, then a fee for attending would be to pay someone twice for the same job.

But how on earth are we to get the diversity we want if someone cannot afford to be a governor? Indeed, why should we expect a younger person, without much to their name, to give up their time freely the way that a retired CEO with a huge pension and no mortgage might?

I also think people tend to take roles more seriously when they are being paid for them. It is easier to ease out underperforming people if they are not doing the job you are paying them for than it is if you are not paying them in the first place. So, in my view, a wider system of payments for at least some governors is overdue.

The role of a governing body is to protect their institution by reacting to the context in which they find themselves. So I don't think a governor who recognises the reality of high fees / loans

and no student number controls is somehow being 'co-opted to enact market-driven ideologies' any more than they would be co-opted to socialism if a left-of-centre government forced governors to take a new set of circumstances into account.

Dear Nick,

Returning to the comparison with schools, is it significant that university governors have not been subject to the same regime of 'professionalisation' and 'accountability' as their school-based counterparts? Policy now seems to be nudging higher education more in that direction.

I accept there are good reasons for this – massive and complex institutions can't be operated by academic rota – but it's vital that incoming lay governors understand what's going on at the local level. Governing bodies tend to meet in their institution's grandest surrounding, and the danger is that they soon become isolated from the day-to-day struggles and mundane resource issues with which staff must cope.

Managing academics is difficult: we tend not to be motivated primarily by income and we tend to view our employers with wariness. So it can't be simply assumed that, because someone has been successful in the private sector or as a social entrepreneur, that they have the insights needed to make a university perform better.

I admit there's sometimes too much exceptionalism in the way higher education is discussed, but I do think the challenges are very different to those sectors in which the main goal is to gratify shareholders. The danger is that if UK universities are run just like any other business, they lose the very qualities that have made them so historically successful.

For me, there are significant core issues to address in university governance. Should we assume the corporate Board model is always fit for purpose? Can the often divergent directions in which Board members are drawn ever be compatible? Can universities learn from schools about more inclusive governance? In what ways should (and shouldn't) Boards be empowered by government? My fear is that we'll only get round to thinking fully about such questions when the sector reaches breaking point.

Dear Steven,

There is a saying that is used often by civil servants: 'Don't let the best be the enemy of the good'. I worry you are falling into the trap of listing the problems of the current governance model (alongside some of the positives) without really explaining what a better one would look like and how it will come about.

I fully accept some of your criticisms. As someone who regularly speaks to governing bodies, it always seems strange when meetings take place in a country house hotel somewhere miles from campus. A better model is to move meetings around so

that one might be in the oldest part of the university, another in a new satellite campus and a third in the students' union or a hall of residence.

But I think the current governance model works to the extent that it is a conversation between insiders and outsiders. There are problems from having too many or too few of either, if the external expertise is not sufficiently tempered by the academic expertise or *vice versa*. While some Boards were unwieldy in the past, I worry that the general trend towards smaller boards risks creating imbalance as well as ensuring insufficient (internal and external) experience is on tap.

No one is saying life is perfect at the moment. Governing bodies should be more diverse, capture the student voice more and become somewhat more professional. But, compared to what we have, the European model of running universities as an arm of the state is much worse, in my opinion, because of the limited room for manoeuvre that it gives proud long-standing institutions that want to protect their future by innovating.

You assume a 'breaking point' is coming. Perhaps it is. It looks likely that it is for a small number of institutions, at which point managers and governors will be in the firing line but so will policymakers and regulators. More institutions will struggle if we move to a system in which the Treasury are expected to foot the entire costs of educating students – taxpayers tend to have higher priorities than higher education and most students accept good-quality mass higher education is best delivered through a mixed funding model.⁹

9 Jonathan Neves and Nick Hillman, *The 2019 Student Academic Experience Survey*, HEPI Report 117, June 2019, <https://www.hepi.ac.uk/wp-content/uploads/2019/06/Student-Academic-Experience-Survey-2019.pdf>

The predictions of failure that echo endlessly around our sector remind me of my academic research on a fringe politician: he spent so long waiting for a crisis that he was certain would happen that he spun out of the mainstream to the extremes before spending decades in the wilderness. No doubt this analogy would break down if considered too closely. But I am sure many outside observers would find it bizarre that some people want our well-funded, open, diverse, high-quality and ancient university system to be subjected to the upheaval of a revolution in the unproven hope that there might just be something a little better to be discovered around the corner.

Dear Nick,

I take your point about there being no perfect alternative to the current model. Without lay governance, it's unlikely that consensual academic democracy would organically emerge in its place.

But I do believe that university Boards would be better placed to respond to an increasingly complex and difficult policy environment if they engaged differently with staff and operated less opaquely.

Your earlier point about practice changing less quickly than regulation is well made. But if university governance is ever to catch up with policy – and if public, academic and student confidence in the sector is to be improved – further dialogue is surely required.

Dear Steven,

On that, I wholeheartedly agree – indeed, I would say it is long overdue.

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This exchange about university governance by one academic governor and one lay governor considers:

- the balance between governors and managers;
- the disconnect between academics and governors; and
- the changing demands on governors.

A Foreword by Michael Shattock, the former Registrar of Warwick University and the co-author of *The Governance of British Higher Education* (forthcoming), roots the discussion in a broader historical context.

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