

**GETTING TO GRIPS WITH  
ACADEMIC STANDARDS,  
QUALITY, AND THE  
STUDENT EXPERIENCE**

**RESOURCES FOR UK HIGHER EDUCATION INSTITUTIONS**

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## FOREWORD

As the governance of universities and higher education (HE) colleges in the UK evolves, there are major implications for members of governing bodies: increasing expectations about how they undertake their role; a greater focus on measuring institutional performance with associated implications for information and strategy; coming to terms with an increasingly complex environment in which governance takes place; and so on. All this means that governors (particularly new ones) need to be well prepared for their roles and the challenges they face, so that they can contribute effectively to their boards from the outset.

To support governors in this challenge, a set of materials has been commissioned by the Leadership Foundation for Higher Education (LFHE) and the Committee of University Chairs<sup>1</sup> (CUC) to help governors get to grips with key areas of concern. Produced with financial support from the UK HE funding bodies (coordinated through Hefce), in 2009 five volumes were published on finance, risk, human resources, estates and audit. These were well received, and as a result a second series has been commissioned on: internationalisation, research and knowledge transfer, and - this one - on academic standards, quality and student issues<sup>2</sup>.

In an easy-to-read format, this volume is intended to provide the core information that *all governors* need for a basic understanding of their responsibilities in relation to academic and student issues. It is not intended to provide specialist information, although references to such material are provided.

To support the text there are quotations from various sources (including governors)<sup>3</sup>, self-challenge questions, suggested activities, and critical incidents called 'governors' dilemmas'. The content and quotations - some provocative - do not represent any 'agreed' view of the topic, but are rather designed to illustrate different opinions, and to encourage self-reflection, debate, and critical thinking. Although we expect that readers will agree with most of what is written, we also hope that some things will be contested.

The material is intended to be used in various ways: as a learning resource for individual governors; by HEIs as part of their own in-house governor development activities; or as web-based material (see [www.lfhe.ac.uk/governance](http://www.lfhe.ac.uk/governance)). The text does not consider the broader issues concerning the overall responsibilities of governors and how their effectiveness might be determined. Readers interested in this should consult an earlier companion volume called 'Getting to Grips with Being a Governor'<sup>4</sup>.

### A note on terminology and diversity

As most governors know, governance in UK HE is complicated by the use of different terms for similar functions, so for simplicity some key terms have been standardised throughout all the volumes in the series. The terms 'governing body' and 'board' are used generically to include: the governing bodies of post-1992 HEIs; the councils of pre-1992 universities; and

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<sup>1</sup> See [www.lfhe.ac.uk](http://www.lfhe.ac.uk) and [www.bcu.ac.uk/cuc](http://www.bcu.ac.uk/cuc)

<sup>2</sup> All these publications are available from [www.lfhe.ac.uk/governance](http://www.lfhe.ac.uk/governance)

<sup>3</sup> The quotations have been obtained from a wide range of sources, including personal meetings with governors. Where the professional background of the source governor is known it has been provided.

<sup>4</sup> Guild HE, (2006), *Getting to Grips With Being a Governor*, see [www.lfhe.ac.uk/governance](http://www.lfhe.ac.uk/governance)

courts in Scotland. Similarly the word 'governor' is used to indicate a member of these different bodies, 'chair' is the term for the person who convenes governing body meetings, 'head of institution' is used for the vice-chancellor or principal, and 'executive' for members of the senior management team or equivalent. Finally, the abbreviation 'HEI' is used as the widely accepted shorthand for 'higher education institution'.

It is also important to recognise that the UK HE system is very diverse, which means that some aspects of what is effective governance in one HEI may not necessarily be so in another. Moreover, different governors will have different views on some of the issues presented in this material, as will heads of institutions and other senior managers. It follows that if, after working through the text, important issues are raised for governors about practice in their own HEI, then they may need to obtain more detailed information from the clerk or secretary of their board or its chair.

Because HE is now the responsibility of the devolved administrations within the UK, another aspect of diversity is the need to recognise differences in governance arrangements in HEIs in England, Scotland, Wales and Northern Ireland. Where no separate discussion of the different jurisdictions occurs, readers can assume that the content applies to all four higher education systems.

### **How this volume is organised**

This volume is being written at a time of dramatic change in the ways that HEIs in England are funded to teach students; and at a time of wider structural and governance changes in Wales. Further changes are likely in other parts of the UK. For good or ill, a more competitive market place will develop between institutions, and greater quality and value for money will be the expectation of students and those funding them. All this will raise many new challenges for governing bodies of HEIs, and take them into territory they have not previously explored. This volume aims to help governors understand some of the challenges that exist in navigating this new landscape.

The two initial chapters consider the fundamental questions of the role of governing bodies in this area, and how that relates to the established processes of academic governance including determining academic strategy. The following chapters then look at who constitutes the student population in UK HEIs, how academic quality and standards are assured, the student experience, and employability. Chapter 8 then summarises the way that teaching is funded and the various forthcoming changes.

### **Disclaimer**

The inevitable disclaimer! Although every care has been taken to try and ensure the accuracy of the content of this material, the volatility of the funding and policy environment concerning the funding of teaching means that substantial changes are likely in the years ahead. If in doubt about a specific issue governors should, therefore, always check with the clerk or secretary of their own board.

*Happy reading!*

**Allan Schofield**

Series Editor

Winter 2011

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## TEN KEY ISSUES FOR GOVERNORS ON ACADEMIC STANDARDS, QUALITY AND THE STUDENT EXPERIENCE

- 1 Governing bodies must be clear about the scope and limits of their responsibility for academic and student matters, and this should include appropriate oversight of academic governance.

SEE CHAPTERS 1 & 2 ►
- 2 The future funding of teaching will present major challenges to HEIs, and it is therefore crucial that governing bodies are realistic when reviewing and monitoring academic strategies.

SEE CHAPTER 2 ►
- 3 To monitor the academic performance of the institution a governing body should adopt agreed key performance indicators that are accepted by and credible to the academic community.

SEE CHAPTER 2 ►
- 4 Governing bodies need to ensure sound HR practice in relation to the recruitment, reward, development and review of the workforce involved in teaching and supporting learning.

SEE CHAPTER 2 ►
- 5 The student body is increasingly diverse, and governing bodies need to recognise this in recruitment, access arrangements, and the provision of academic services.

SEE CHAPTER 3 ►
- 6 Ensuring a high quality student experience is a core governing body responsibility which it shares with the wider institutional community.

SEE CHAPTER 6 ►
- 7 Governing bodies need to ensure the provision of honest, accurate and timely information to students and the public about all aspects of provision.

SEE CHAPTER 6 ►
- 8 Students and those funding education will expect graduate employability to be a priority, and governors will need to monitor institutional performance in this area.

SEE CHAPTER 7 ►
- 9 Governing bodies need to ensure that teaching operates on a full economic cost basis and is financially sustainable.

SEE CHAPTER 8 ►
- 10 Governing bodies need to seek assurance that data returns to the funding bodies about student numbers are accurate and meet reporting requirements.

SEE CHAPTER 8 ►

## 1. ACADEMIC GOVERNANCE: WHAT DOES IT MEAN?

- 1.1 As a governor you will know your responsibilities for your HEI's financial health, but what are they for its academic health and the value of the education it provides? Do you have any role in deciding the programmes offered, determining how well they are meeting the needs of students, employers and society, and how they compare with others at home and abroad? Do you and the board of governors understand the academic risks associated with your decisions? What are your responsibilities with regard to the student experience, and how can you discharge them?
- 1.2 These are thorny questions, and this volume is intended to help answer them. However, the answers are not simple, and (as pointed out below) they are not the same for all UK HEIs. You will need to refer to the CUC Guide for Governors<sup>5</sup> for general guidance, and ask specific questions of your governing clerk/secretary to find out the exact position of your HEI.
- 1.3 If you are new to HE, you may be struck that decisions on academic and student issues seldom appear to be made by governing bodies, and you might wonder how - and if - governors should be involved. You will not be alone, and all new governors are confused at some time about 'who does what' when it comes to academic decision making. Of course, other sectors have similar complexity, for example the NHS where health professionals undertake clinical governance notwithstanding the overall role of NHS governance.
- 1.4 Governors may also be struck by the language used in academic decision making, for example 'institutional autonomy', 'collegiality', 'academic freedom', and 'academic governance'. Confusingly, the significance of these terms varies between HEIs and the matters involved. They may be particularly invoked in discussing new developments where academic factors need to be set against financial ones, for example, in a proposed academic restructuring.
- 1.5 It follows that governors must understand both their responsibilities in this area, and also how academic governance has come to be understood. An HEI's formal position is crucial here: the charter and statutes (in pre-1992 universities) and the instrument and articles of governance (in post-1992s) define the formal legal position and the powers of the key bodies involved (see Chapter 2).
- 1.6 The term 'academic governance' is widely used as an expression for the way that academic matters are governed. It is separate from (but related to) corporate governance for which a governing body is responsible. Such academic matters include the curriculum, admitting students, assessment, regulations governing programmes, establishing and maintaining academic standards, and academic quality. More broadly, academic governance includes all the issues associated with conducting research (see the separate volume in this series<sup>6</sup>). In practice, the key issue is: what matters should be reserved for academic governance and what should

*"How academic decisions are made is a complete mystery to me, and I assume the rest of the board. I mean, I assume that there's been some robust discussion and analysis, but I've no idea if that actually happens. We just take most of the academic decisions on trust, and we don't know enough to do otherwise."*

**EXTERNAL GOVERNOR**

<sup>5</sup> CUC, (2009), *Guide for Members of Higher Education Governing Bodies in UK Higher Education Institutions*, available at [www.bcu.ac.uk/cuc](http://www.bcu.ac.uk/cuc). The Guide sets out the definitive responsibilities of governors, and is not duplicated in this material but is cross-referred to where necessary.

<sup>6</sup> CUC-LFHE, (2011), *Getting to Grips with Research and Knowledge Transfer* at [www.lfhe.ac.uk/governance](http://www.lfhe.ac.uk/governance).

be the responsibility of the corporate governing body? A brief historical note of some key concepts might help to set the context.

## Institutional autonomy

- 1.7 'Institutional autonomy' implies freedom from direct government control, and the success of UK HE is often linked to such autonomy as developed in the ancient universities, and which still exists in law. The four UK funding bodies have acted as a buffer between the state and HEIs to protect autonomy, and although accountable for public funding HEIs remain legally independent bodies. The governing body is the legal personification of an HEI and is therefore crucial to autonomy. As a governor, you may need to defend institutional autonomy in public statements or in decisions you take.
- 1.8 With respect to academic issues, autonomy implies various institutional rights: to employ academic staff; to develop an academic strategy and acquire the resources to implement it; to select appropriately qualified students; and to teach and assess without interference from those not directly involved. Of course, this does not mean that HEIs can teach everything, or that the requirements of funders can go unmet, or that the law of the land does not apply. At its heart lies the simple idea that professional judgements should be made by those with relevant expertise and who are directly involved, and therefore best able to make decisions without unreasonable interference. It is important for governors to note that academic judgements (for example, those relating to students' marks and grades) cannot currently be legally challenged.
- 1.9 Notwithstanding this independence, all UK HEIs operate in a national framework of assurance and external review. In several fields, professional and statutory bodies exercise levels of control and review on quality and standards, and industry standards may also apply (see Chapter 5).
- 1.10 So far as the application of institutional autonomy is concerned, in a mass HE system this is inevitably different from in the past when public funding was much more modest. Given pressures from government and public opinion, tension is almost inevitable, for example in 2010 there was a robust discussion between Hefce and many English HEIs over a new financial memorandum which some felt threatened autonomy. The debate about admitting students on other than solely academic criteria opens up a similar discussion.

### SUGGESTED TASK

As a governor, has there been an example of your governing body having to defend institutional autonomy? If so, on reflection how effective was the board?

*"We have too much management in the university anyway, without the governors getting involved as well. The principle is simple: only the academics should deal with academic matters."*

**ELECTED ACADEMIC MEMBER OF A GOVERNING BODY**

## Collegiality and a 'self-governing academic community'

- 1.11 'Collegiality' (participation in decision making as part of being a member of the institution) and the associated idea of a 'self-governing academic community' is linked to institutional autonomy. In the older universities, scholars and students (and often alumni) were members of this community, exercising legislative and executive powers often on an elected basis. Universities were not 'managed' as such, but run by communities of scholars. Much though this model has changed, it has not entirely disappeared. Power and authority has shifted towards management in most HEIs, and governing bodies now also play a much stronger role. However, these ideas remain an important part of the culture of some HEIs, even if many now manage and govern themselves differently.



## Academic freedom and freedom of expression

- 1.12 Academic freedom is different from institutional autonomy (although related), and is widely regarded as a fundamental principle in running an HEI. Academic freedom is protected under UK law which means that HEIs have a duty "to ensure that academic staff have freedom within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs, or privileges they may have at their institutions"<sup>7</sup>.
- 1.13 As governors will recognise, HEIs are places where a range of views are both tolerated and expected, and where the traditions of public and open debate are upheld. Governors have a responsibility to protect both academic freedom and the freedom of expression, and challenges may arise, for example when local research raises a media storm, or when unpopular figures are invited to give speeches on campus. Such issues may become more complex in future, and governors will need to be vigilant about their roles.

## The structures of academic governance

- 1.14 How have such ideas influenced the structures of academic governance? Most obviously by HEIs establishing senates or academic boards (the name varies) as the main forum for academic governance, often supported by a committee structure and faculty (or school) boards. Originally these were often very large bodies, and although now typically much smaller there are still some universities with senates (or equivalent) with several hundred or more members. Such very large senates can be more like 'town hall' meetings, sometimes able to halt decisions being made, but rarely able to initiate coherent policies of their own.
- 1.15 Similar ideas of academic governance occurred in the polytechnics in the 1970s, and were retained upon incorporation under the Education Reform Act in 1989. They continued to play an important role after they became universities in 1992 (becoming the 'post-1992s'), and academic boards were established as parallel bodies to senates. The same pattern continues today, and to secure degree awarding powers new providers are expected to have an academic board as the focus for academic governance.
- 1.16 The senate/academic board is typically chaired by the head of the institution (as chief academic officer) and its specific responsibilities normally include: approval of the content of the curriculum and new programmes; upholding academic standards; procedures for the award of qualifications; appointment of internal and external examiners; policies and procedures on examinations; and criteria for admission of students and student discipline. It may also have a role in matters concerning academic strategy and the promotion of research, but the extent of this varies between HEIs.

*"People who talk about senates not being efficient are missing the point. Sure it would be more efficient to let the VC take every decision, but it's our university not his, and our students, and our research."*

**ELECTED SENATE MEMBER OF A GOVERNING BODY**

*"Senates: I feel about them the way I feel about the student newspaper, they're pesky but you need them desperately. They provide a useful source of criticism and a group of people who are frequently contrary, but they keep you honest."*

**JORDAN R, THE FACULTY SENATE MINUET, IN TRUSTEESHIP SEPT/OCT 2001, ASSOCIATION OF GOVERNING BODIES  
[www.agb.org](http://www.agb.org)**

<sup>7</sup> Education Reform Act, 1988, quoted in Palfreyman, D, (2006), "Is academic freedom under threat in UK and US higher education?" Oxcheps Occasional Paper No 23 [www.oxcheps.new.ox.ac.uk/MainSite%20pages/papers.html](http://www.oxcheps.new.ox.ac.uk/MainSite%20pages/papers.html)

*"One of our governors wanted to observe a senate meeting to understand what all the academic stuff was about, so we agreed. I saw him after the meeting in a state of shock and he asked me 'is it always like that?' So I said 'sure is' and now you know why we don't bother you with the minutes!"*

**A VICE CHANCELLOR**

- 1.17 There are some features that differ between a senate and an academic board. These include:
- In pre-1992 universities the power to award degrees is derived from the charter and statutes and the senate is usually defined as having a leading role. In post-1992 HEIs the power to award degrees legally rests with the governing body.
  - The main powers of academic boards in post-92 HEIs are typically delegated by governing bodies, with the exception of some specific areas. Many senates are more autonomous and have powers beyond those that may be delegated.
  - The membership of academic boards is typically smaller than senates, and the range of matters discussed more limited, reflecting not only their formal powers but also - in many cases - a more managerial culture.
- 1.18 Given the complexities involved, ensuring clarity in the respective roles of the senate/academic board, the executive and the governing body is crucial, and all HEIs should have a schedule of delegation which defines such relationships. This implies an approach of 'shared governance', which to work effectively needs bridges and communication between all its elements.
- 1.19 In general, HEIs have defined relationships between the governing body and the senate/academic board in three ways:
- First, by maintaining a senate/academic board which exercises significant responsibility for all aspects of the academic life (including involvement in determining the academic strategy). There are examples of this approach in both pre- and post-1992 HEIs, but it is found more often where academic collegiality is strong.
  - Second, other HEIs have concentrated the role of the senate/academic board only on core academic processes (the curriculum, course approval, assessment and upholding academic standards) but not wider strategic issues. This provides a distinction from the role of the governing body, in that these are areas where governors do not - and should not - get involved.
  - Third, a number of HEIs have encouraged the growth of joint committees of the governing body and senate/academic board on matters of mutual interest (for example, developing academic strategy or the student experience). This can work well, but it is important to be clear about responsibilities involved. Critics would say that this approach potentially confuses governance with operational matters, and risks undermining the accountability of the governing body.
- 1.20 In many HEIs such changes represent a reduction in the role of the senate/academic board, and some critics would say that this reflects the growth of 'managerialism' in HE. However, there are other factors: the complexity and size of HEIs in a modern, mass HE system have put strain on traditional structures; in an era of devolved budgets, academics in one department may be resistant to those in others taking collective decisions about their programmes; given the growth of competition amongst HEIs and the importance of financial sustainability, almost every decision (other than core matters of curriculum, assessment and awards) becomes a potential matter for either the executive or the governing body.
- 1.21 The students' role in academic governance should not be forgotten. In the 1970s, a concordat was agreed with the National Union of Students over student

## SUGGESTED TASK

As a governor, in your view how well does the system of academic governance work in your own HEI, and is the role of the senate/academic board completely clear to you?

representation, giving students membership on all governing bodies and senates/academic boards (except for matters about staff or students). As part of quality assurance and enhancement they are also represented in faculty and programme boards, and play a strong role in the quality assurance in all UK jurisdictions (see Chapter 5).

- 1.22 The final element in shared academic governance, is the management structure and its responsibility for academic matters. This varies, but many HEIs have a structure of heads of academic departments (or heads of schools) reporting to executive faculty deans (or similar) who, in turn, report either to the head of institution or to a deputy vice chancellor. In some HEIs, deans act as pro vice chancellors, carrying executive responsibility for cross-institutional responsibilities as part of the senior management team.

### Conclusions

- 1.23 What does all this mean for the practice of governance? First, there is no single approach to academic governance and its relationship to a governing body. Second, in most HEIs governance is changing: the role of the senate/academic board is generally weakening (except in relation to its core quality and standards role), and governing bodies are becoming more engaged in a wide range of issues that in less turbulent times would not have needed their involvement. Third, it cannot be assumed that the communication and reporting structures between the different parts of the academic governance system necessarily work effectively.

### Self-challenge questions

- What does academic governance mean to your governing body, and how effectively is it carried out in practice?
- What mechanisms are used to ensure effective communication between the senate/academic board and the governing body? Do they work?
- Is the senate/academic board clear about the role of governors in developing and monitoring academic strategy in your institution?
- Do any governors attend the senate/academic board as observers, and should they?
- How do governors get to know more about academic activities? For example, do they visit departments and talk to students and staff, and should they?
- What is the mechanism for the review of academic governance?

*"It's going to be much more important than in the past to build bridges with the academic board and the academic community, so we are going to have to improve communications substantially. That may not be as easy as it sounds."*

**GOVERNING BODY CHAIR**

## 2. ENSURING ACADEMIC HEALTH AND SUSTAINABILITY: GOVERNING BODY RESPONSIBILITIES

*"This is the only board I have been a member of which seems to have no responsibility for its core product - students!"*

**EXTERNAL GOVERNOR WITH EXTENSIVE BOARD EXPERIENCE**

*"As a governing body we have almost no contact with the academic side of the house, and we are not encouraged to have any."*

**EXTERNAL GOVERNOR**

- 2.1 Formally, governing body responsibilities in this area are defined in at least two key sources: an HEI's governing instruments, and the annual agreement with the funding body set out in the financial memorandum. In post-1992 HEIs the instrument and articles of government give governing bodies an explicit responsibility for "determining educational character", although what this means in practice may vary. Different arrangements apply in pre-1992 universities where the charter and statutes make no such reference.
- 2.2 Separately from the legal position, the financial memorandum also places requirements on governing bodies in relation to academic and student matters. However, there is variation between the four UK funding bodies in the exact wording of the memorandum. For example, in Scotland, governing bodies are required to approve the institutional learning and teaching enhancement strategy with the stipulation "that the governing body will ensure that there is effective planning and delivery of the institution's education programmes, research and related activities, in accordance with its mission"<sup>8</sup>. In England, the 2010 financial memorandum requires governing bodies to have "an effective framework - overseen by its senate, academic board or equivalent - to manage the quality of learning and teaching and to maintain academic standards"<sup>9</sup>. Importantly, for some pre-1992 HEIs there may be possible ambiguity between the exact wording of their charter and statutes in relation to powers on academic matters (often determined many years ago), and the stipulations of the current memorandum.
- 2.3 As HEIs have charitable status, governors also act as trustees, with duties and liabilities which include those related to academic matters. Such duties are not shared by those outside the governing body. Governors are also responsible for approving the constitution of the students' union (see Chapter 6).
- 2.4 While technical differences in governing body responsibilities apply between different types of institution and the various jurisdictions of the UK, certain matters are clear. First, whatever system of governance operates (except perhaps for some pre-1992s where the specific wording of the charter and statutes suggests otherwise) the governing body has ultimate responsibility for all the affairs of an HEI including academic one and "shall take all final decisions on matters of fundamental concern to the institutions"<sup>10</sup>. The standards of programmes, the quality of educational experiences provided for students, and the attainment of graduates are 'core business' for HEIs, and therefore must surely be considered 'fundamental'.
- 2.5 Second, following the principles of academic governance set out in Chapter 1, the key responsibilities for designing programmes and delivering teaching and assessment rest with academic and professional staff and not with governors. As such, collective

<sup>8</sup> [www.sfc.ac.uk/web/FILES/Our\\_Priorities\\_Effective\\_Institutions/guide\\_quality\\_assurance\\_enhancement.pdf](http://www.sfc.ac.uk/web/FILES/Our_Priorities_Effective_Institutions/guide_quality_assurance_enhancement.pdf)

<sup>9</sup> [www.hefce.ac.uk/pubs/Hefce/2010/10\\_19/](http://www.hefce.ac.uk/pubs/Hefce/2010/10_19/)

<sup>10</sup> CUC, (2009), Guide for Members of Higher Education Governing Bodies in UK Higher Education Institutions, op cit. The Guide notes that: "the governing body shall ensure compliance with the statutes, ordinances and provisions regulating the institution and its framework of governance and, subject to these, it shall take all final decisions on matters of fundamental concern to the institution" (p13).

responsibility for quality assurance and upholding standards exists through both academic management and a system of committees, with oversight by the senate/academic board. The head of institution is formally the 'chief academic officer' as well as CEO, and typically chairs the senate/academic board with a responsibility to the governing body for assuring the effectiveness of that structure.

- 2.6 Third, in a competitive and financially challenging environment it is inevitable that governing bodies will be much more involved than in the past in some academic matters. As the quotation in the side box suggests, quality in all its manifestations is ultimately a matter for the governing body, even if it needs to be addressed jointly with the academic community. When things go wrong, the governing body will be involved, for example when parents or the media publicly question the quality of programmes or teaching. The question is, therefore, not whether a governing body will be more involved in academic and student matters than in the past, but how?

*“Ensuring academic quality is a fiduciary responsibility; it is as much part of our role as board members as ensuring that the institution has sufficient resources and is spending them wisely.”*

PETER EWELL, (2006)  
“MAKING THE GRADE: HOW  
BOARDS CAN ENSURE ACADEMIC  
QUALITY  
[www.agb.org](http://www.agb.org)

### Determining educational character

- 2.7 So, governors in post-1992 HEIs have responsibility for determining educational character but what does it mean? In many ways their role here is similar to that in other areas (although perhaps more complex), centring on strategy, measuring performance and ensuring effective risk management (in this case academic risk), with the senate/academic board involved as appropriate.
- 2.8 The fundamental aspects of educational character and associated mission do not change very often. They are most likely to come under scrutiny in times of major financial challenge, or when a new strategic plan is being developed, or when a new head of institution arrives and initiates a debate about vision. For some HEIs (for example, those with church foundations) specific attention will be given to how core values are manifested in practice.
- 2.9 More generally, educational character is usually discussed by governors at a high level in relation to mission and profile, for example, an HEI's approach to widening participation, the extent to which an HEI seeks to be distinctive, the balance between teaching and research (and levels of research intensity), the extent to which an HEI has international aspirations, any focus on regional and local agendas, developing provision with business and the world of work through characterisation as a 'business-facing' institution, and so on.
- 2.10 To help determine educational character and academic strategy, governors need not only to understand the activities of their HEI, but also to have sound data on the external environment and its impact both on their institution and more generally in HE. In this sense there is a shared responsibility to contribute to effective governance across the sector, which is important because each HEI must sustain the UK's long standing reputation for quality. The collective decisions of governing bodies therefore have important - and often far reaching - consequences outside their own institutions.

### The academic strategy

- 2.11 In practice, a significant part of determining educational character is in discussing and then approving the academic strategy. All HEIs have one, either as a separate

*"We are asked for our views on major new developments but it's usually difficult to comment other than to ask 'what is the evidence of demand and where is the money coming from?' Frankly, every proposal that gets to us should be viable anyway, so what's the basis for our decision?"*

**EXTERNAL GOVERNOR WITH BUSINESS BACKGROUND**

document or as an integral part of the overall strategic plan. Increasingly, the trend has been towards having two parts to an academic strategy: one devoted to learning, teaching and assessment (or just 'education') and another for research and enterprise. There is no blueprint for how HEIs approach an academic strategy, nor for how a governing body should be involved, other than that the strategy will have been initiated by the executive and that governors should ultimately approve it. Practice varies between governors just approving a final strategy, or (rather better practice) the governing body being involved in preliminary discussions and considering several iterations of a draft before final approval (awaydays being useful for this).

- 2.12 However, in general, good practice is to ensure that there has been enough opportunity for discussion by a governing body at initial stages, and that governors are not 'bounced' into rubber stamping strategic priorities that have not been fully considered. This is a common cause of concern for many governors, who may complain of a lack of constructive consultation about new academic initiatives that involve both substantial cost and risk.
- 2.13 What makes an effective academic strategy and, as a governor, how will you know? Like any other, it is one which identifies realistic and agreed objectives, which can be translated into annual activities with associated executive responsibilities and timelines. With changes in funding and wider competition, it will increasingly involve a detailed assessment of market position. The academic strategy needs to be linked to supporting strategies (such as HR, estates, etc), and governors will need to ensure they are compatible since, in practice, priorities may conflict. Increasingly governing bodies take a risk based approach to developing strategy, and determining educational character and deciding the academic strategy is no different<sup>11</sup>.
- 2.14 In practice many governing bodies will incorporate reviewing the academic strategy within their overall performance monitoring arrangements, and CUC guidance has identified a number of possible key performance indicators (KPIs)<sup>12</sup> including: the character of the student population; evidence of academic distinctiveness; position in peer group and league tables; contribution of strategic academic relationships; and the integration of academic and strategic planning. In many HEIs, reports on such KPIs are presented to governing bodies through devices such as a balanced score card or a traffic lights system to monitor progress.

## SUGGESTED TASK

As a governor, think back to the formation of the last academic strategy. How much was the governing body involved, and was this satisfactory?

### Ensuring that the HR framework supports the academic strategy

- 2.15 Apart from ensuring that academic activities are financially sustainable, one of the most important responsibilities of governors in this area lies in approving the key elements of the HR framework to support the academic strategy. It is a truism to state that committed staff are critical for achieving academic quality, so there are many implications here including ensuring realistic policies on: the workload balance between teaching, research and enterprise; student-staff ratios; the balance between academic and support staff; and overall reward and performance review structures. In addition, students, parents, employers and politicians will want to know that all staff who teach and support student learning are well trained, and undertake regular continuing professional development.

<sup>11</sup> For details see CUC-LFHE, (2009), 'Getting to Grips With Risk' at [www.lfhe.ac.uk/governance](http://www.lfhe.ac.uk/governance)

<sup>12</sup> CUC, (2006), The Monitoring of Institutional Performance and the Use of Key Performance Indicators, at [www.bcu.ac.uk/cuc/publications](http://www.bcu.ac.uk/cuc/publications)

- 2.16 The link between the HR and academic strategies is likely to become even more important and will need to be monitored closely by governors<sup>13</sup>. However, given the financial pressures on HEIs there are major potential tensions, and it is all too easy for the imperative of sustaining learning and teaching quality to be lost in the search for greater efficiency in staffing costs. Accordingly, some issues that governors need to ensure are kept under regular review include:
- That effective reward and promotion policies are in place to encourage high quality learning, teaching and assessment.
  - That realistic HR planning exists to ensure a coherent assessment of the time requirements for effective teaching and student support notwithstanding increasing financial pressures and a temptation to maximise efficiency in staff costs.
  - In many HEIs, the financial challenges will also mean the greater use of part time staff (and postgraduates for some aspects of teaching and student support). Done appropriately this can work well, but there is clearly a potential risk and governors should require that it is monitored by the executive.
  - Maintaining - and perhaps enhancing - academic staff support and development in the face of the rapid changes that are likely to take place with regard to much more flexible delivery of HE.
  - For those HEIs active internationally, ensuring the recruitment and support of international staff and effectively inducting and supporting them<sup>14</sup>.
- 2.17 Still more fundamentally, given the unprecedented changes in the provision and delivery of HE, governing bodies need to be looking ten or more years ahead, and - with the encouragement of the executive - thinking about the major strategic changes in HR that will be required to enhance learning and teaching. There is an obvious link here to overall long term corporate strategy, and if HEIs are to possess a teaching and research workforce with the necessary skills and flexibility, an extended timescale will be needed for planning and preparation. In addition to HR practice, governors will want to monitor leadership and management to assess whether this is promoting high quality teaching, learning and assessment.

#### SUGGESTED TASK

Has your governing body discussed the long term HR implications of enhancing learning and teaching in the context of rapidly changing delivery of HE?

#### Determining the academic portfolio

- 2.18 The academic portfolio is the set of programmes an HEI offers and awards. Proposals for programmes are typically routed through programme approval mechanisms (usually committees) which consider all relevant factors (content, markets, resources, staffing, etc) - hopefully robustly! Although governors will not be involved in determining the content of programmes, there are some areas in which a governing body has a direct interest, including:
- How the academic portfolio takes account of major risks.
  - How different programmes are performing in terms of quality and market-positioning.
  - The cost-effectiveness and efficiency of programmes.
  - The extent to which an existing portfolio is sustainable and meets likely future strategic requirements.
  - Decisions to close particular programmes or whole departments or faculties.
- 2.19 Decisions to open new programmes should, of course, be taken in the light of faculty, school or departmental plans relating to overall strategic priorities. Again although

*"The first thing I knew about our decision to close the Faculty of x was when a story appeared in the local newspaper... As you might imagine more than a few words were exchanged with the vice-chancellor."*

**CHAIR OF A UNIVERSITY  
GOVERNING BODY**

the governing body will not be involved in academic decisions to open new programmes, for major new developments it will want reassurance not just on financial sustainability but also future risk management issues such as:

- The stability of demand, for example, a possible volatility of international student interest, the cyclical nature of some student and employer demand, and so on.
- Competition from new sources (including Europe and other countries) and private providers.
- Reputational risks in relation to some aspects of provision (including collaboration).

2.20 Overall, governors must have confidence that the academic portfolio meets future needs and is sustainable. For this they will, of course, rely on the executive for information, including using techniques such as environmental scanning and scenario planning. Issues on which governing bodies might seek reassurance include whether:

- The HEI has the right mix of programmes to sustain its mission.
- Programmes are optimally productive, and of appropriate quality relevant to the markets concerned.
- Programme costs are effectively managed, and possible ways of maintaining or enhancing quality while reducing costs.
- There is innovation in the academic portfolio.

2.21 Major challenges may arise concerning the possible closure of academic departments or faculties. As the quotation in the side box illustrates, some governing bodies have not been involved in such matters in the past (the justification being that it was an academic matter), although now this is less common. Governors will not usually be involved in decisions about the routine closure of programmes, however, closing or merging whole subject areas raises major resource and reputational issues, with possible protests by students and staff and media coverage. As a governor, you will be expected to support any decision that your HEI has made, but this assumes that you have been consulted in the first place!

### **Governing body structures**

2.22 Finally, what kinds of structures do governing bodies typically use to determine educational character or approve academic strategy? Not surprisingly, there are a variety of approaches:

- Some make no special provision and just receive relevant reports from the executive, either on an ad-hoc basis or through the head of institution's report to each governing body meeting.
- Some receive an annual report on academic activities.
- Some have a sub-committee typically on 'student affairs' (or similar) whose role is not strategic but more concerned with aspects of the student experience. However, at least one governing body has established an 'education strategy' committee with some membership from its academic board.
- Some operate a lead governor system, with a designated board member providing assurance concerning educational character.
- A small number have adopted an overall structure of eliminating committees and meeting more often as a board. In such cases, educational matters may feature regularly on the agenda, with active whole governing body engagement.



### Self-challenge questions

- Do you know how the formal responsibilities of the governing body are defined in your own HEI in relation to academic and student matters?
- How effectively does your governing body make informed decisions about educational character?
- How is the academic strategy monitored by your governing body, and does it receive appropriate assurance?
- What are the key risks concerning the current academic portfolio? How does the governing body know these are mitigated effectively?
- How does the governing body know that the academic strategy is fit for purpose given the likely circumstances of UK HE in the next few years?

#### A GOVERNOR'S DILEMMA 1:

Except for a short annual review of student satisfaction and how your HEI is performing in the various league tables, the governing body rarely discusses academic or student issues. It does, however, keep a close watch on finance.

In the latest annual budget for the coming academic year, you notice a very substantial increase in the costs of one academic department with no obvious matching income. On informally asking the finance director, you are told that this represents the cost of salaries for a group of academics that have transferred from another HEI with the approval of the vice chancellor, with the expectation that they will develop new programmes (both undergraduate and postgraduate) and that the HEI will benefit through greater research funding. You understand that your HEI has also taken on various pension liabilities. As a governor you have seen no previous reference to such a proposal, and certainly neither the governing body nor its finance committee has been asked for approval. What action - if any - might you take?

### 3. WHO ARE OUR STUDENTS?

3.1 The student population has changed greatly from when the ‘baby-boomer’ generation were students in the 1960-70s. At that time, only around 14% of 18-30 year olds entered full time HE, with few part timers. The student profile was predominantly white, middle class, and male. In just over a generation the picture has changed dramatically, and Table 1 illustrates student numbers now in HE.

TABLE 1: STUDENTS IN UK HEIS 2008-09<sup>15</sup>

	ENGLAND	SCOTLAND	WALES	N.IRELAND	TOTAL
<b>Postgraduate:</b>	449,315	51,655	25,565	10,280	536,815
- Full time	222,955	27,755	12,545	4,745	268,000
- Part time	226,360	23,900	13,020	5,535	268,815
<b>Undergraduate:</b>	1,556,525	163,840	100,910	37,960	1,859,235
- Full time	1,044,720	129,065	68,445	29,800	1,272,030
- Part time	511,805	34,775	32,465	8,160	587,205
<b>FE Students in HE:</b>	46,535	140	22,455	0	69,135
- Full time	12,050	35	1,565	0	13,645
- Part time	34,490	110	20,890	0	55,490
<b>Others:</b>	35,995	6610	3,570	205	46,380
<b>Totals:</b>	2,088,370	222,245	152,500	48,445	2,511,565

3.2 Not only has there been very substantial growth but the student profile is very different. The majority of HE students are now female (57% in 2008-9), both part time students and postgraduates have increased hugely, and in many HEIs the full time 18-21 year old student is no longer in a majority. The proportion of international students has almost quadrupled, with 88,000 in the UK in 1979 and around 370,000 in 2008<sup>16</sup>. In addition there is also substantial HE taught in further education colleges, often in partnerships with HEIs.

**SUGGESTED TASK**

As a governor, have you read your HEI's widening participation strategy, and does your governing body actively monitor its achievement?

3.3 Despite this growth, there remains concern about participation levels for some young people - particularly boys with no family background of involvement in HE or from disadvantaged backgrounds. Although efforts to widen access have made progress, the gaps compared to those with more advantaged backgrounds remain large. As a result, it has been a continuing priority of all governments to widen access, and all the funding bodies have encouraged a variety of approaches (for details see their websites). In England in addition to providing a range of guidance, Hefce has used a benchmark to exert funding leverage on HEIs, while in Wales HEFCW is driving strategic approaches to widening access for all ages through revised funding arrangements, including premium payments.

<sup>15</sup> Source HESA statistics 2008-09 at [www.hesa.ac.uk](http://www.hesa.ac.uk) totals adjusted for data variation  
<sup>16</sup> See CUC-LFHE, (2009), Getting to Grips With Internationalisation, op cit

- 3.4 Widening access will continue to be important, and governors should expect to approve - and monitor the achievement of - widening access strategies. In England the increase in student fees is accompanied by a requirement that HEIs demonstrate renewed commitment to widening access, and although the position is different in the other jurisdictions, there are bound to be UK wide implications in the years ahead.
- 3.5 Of course, 'who our students are' varies greatly between HEIs and is strongly influenced by institutional mission (for example whether HEIs are research intensive or not), whether they are specialist in some way, and whether they have a local mission or an international role. Furthermore, the demographics of particular regions can have a marked effect on student profiles.
- 3.6 What this means in terms of student populations is a very diverse sector ranging from large urban HEIs teaching a comprehensive range of programmes through to specialist institutions whose students may have quite different needs and aspirations (for example music conservatoires). The proportion of part time students varies widely, with a few HEIs having particularly large numbers (for example, the Open University has the largest enrolment of any UK HEI with 194,000 part time students in 2008-09 and only 420 full timers)<sup>17</sup>. International student recruitment also varies, with some HEIs having large numbers (the London School of Economics has nearly 70% of its students from outside the UK) whilst others have few. Such diversity also exists in partnerships with FE colleges, with some HEIs having a substantial proportion of students enrolled on franchise programmes while others have none (see Chapter 5).
- 3.7 Academic subjects also account for substantial variations in student populations, for example nursing and art/design have a mainly female intake (88% and 61% in 2008-09), while engineering and physics are predominantly male (84% and 78%)<sup>18</sup>. Some vocational subjects (law, medicine, and business studies) accept around 30% of black and minority ethnic students, while others (philosophy, languages and literature) have a much lower proportion - around 8% - against an average of 20% across all subjects<sup>19</sup>.
- 3.8 It is evident from this brief summary that understanding 'who our students are' is different for each HEI, and that governors need information about the pattern for their own institution, as this is a foundation for approving academic strategy and determining educational character.
- 3.9 In addition to students in publicly funded HE, there is growing recruitment by private providers particularly of international students (until recently the only private institution was the University of Buckingham). In England, the 2004 Teaching and Higher Education Act opened the way to private providers gaining degree awarding powers and five have done so to date. This trend is likely to accelerate as the Whitehall government seeks to increase the range of choice and flexibility of routes to degrees for students, and this will result in more competition for HEIs in some professional and vocational subjects. Governments in the other three UK jurisdictions are currently more cautious with respect to private providers, but this may change as experience in England develops.

#### SUGGESTED TASK

As a governor, have you been informed about who the students are in your HEI, and their reasons for coming to study with you? If not, can you be confident that you are in a position to approve the institutional strategy?

<sup>17</sup> Source: HESA data 2008-09, op cit

<sup>18</sup> Source: HESA data 2008-09, ibid

<sup>19</sup> Source: UCAS data at [www.ucas.ac.uk](http://www.ucas.ac.uk)

**What do students want from their higher education?**

- 3.10 As a governor, you will need to go beyond the basic profile of your students to understand more about how their preferences and expectations are changing and the implications for strategy. For example, how developments in technology are altering expectations, how life style changes are influencing student attitudes, and how subject choices are changing over time. You will also want to know how fee levels affect students.
- 3.11 Your main information source should be the executive and governing body secretariat, and some HEIs produce regular trend data for governors to monitor changing expectations. Other useful sources include the National Union of Students<sup>20</sup>, the Unistats website (which provides data from the National Student Survey and the Destinations of Leavers from Higher Education Survey<sup>21</sup>) and the Times Higher newspaper. For changes in subject choice over time, data is available from UCAS<sup>23</sup>.
- 3.12 A common perception is that today's students have higher expectations than in the past, and are more demanding. It is true that there has been an increase in the complaints being reviewed by the Office of the Independent Adjudicator (OIA)<sup>24</sup> indicating that students are increasingly aware of their rights. However, the National Student Survey<sup>25</sup> regularly reports high levels of satisfaction (see Chapter 5). A consultation is under-way in England and Northern Ireland regarding the provision of a key information set (KIS) for all courses by 2012-13 to provide prospective students with more information to assist them in choosing what and where to study. Similar developments are under consideration in Wales.

**What reliable information is there about student demand?**

- 3.13 In many respects, UK student recruitment now operates as an open market, with students free to choose the institution, subjects and courses they wish to study. However, the four funding bodies apply restrictions, with each HEI having target numbers for UK and EU undergraduate students, and strict penalties apply for over-recruitment (but not for postgraduates). Such restrictions are likely to continue. There is also substantial data on the recruitment of non-UK students, and this is dealt with in some depth in the companion publication in this series on internationalisation<sup>26</sup>.
- 3.14 Clearly any changes to student funding may have major potential implications for student demand, and governing bodies in England, Wales and Northern Ireland charged with approving a new student fee will be paying close attention to indicators of demand. HEIs in Scotland are also likely to be affected by the consequences and will be making their own decisions on fees, a graduate tax or similar.
- 3.15 However, other aspects of national policy are also important in influencing demand, most notably government decisions about the total numbers of student places to be funded, policy towards some priority subjects (there has been a drive to encourage

<sup>20</sup> [www.nus.org.uk](http://www.nus.org.uk); also NUS Wales [www.nus.org.uk/About-NUS/Who-We-Are/Nations/NUS-Wales](http://www.nus.org.uk/About-NUS/Who-We-Are/Nations/NUS-Wales) and NUS Scotland [www.nus.org.uk/About-NUS/Who-We-Are/Nations/NUS-Scotland](http://www.nus.org.uk/About-NUS/Who-We-Are/Nations/NUS-Scotland)

<sup>21</sup> <http://unistats.direct.gov.uk>

<sup>22</sup> [www.timeshighereducation.co.uk](http://www.timeshighereducation.co.uk)

<sup>23</sup> [www.ucas.ac.uk/about\\_us/stat\\_services/stats\\_online](http://www.ucas.ac.uk/about_us/stat_services/stats_online)

<sup>24</sup> [www.oiahe.org.uk/index](http://www.oiahe.org.uk/index)

<sup>25</sup> [www.thestudentsurvey.com](http://www.thestudentsurvey.com)

<sup>26</sup> CUC-LFHE, (2011), 'Getting to Grips with Internationalisation' op cit

recruitment into science, technology, engineering and mathematics - STEM subjects), and changes in widening access policy (further detail of which can be found from the Office for Fair Access - OFFA<sup>27</sup>).

- 3.16 Most HEIs engage in regular forecasting to assess student demand, and such data will be in reports going to the senate/academic board and in some - but not all - cases to governors. Data sources include UCAS<sup>28</sup> (which runs the admission system for UK HE), HESA<sup>29</sup>, HEIDI<sup>30</sup> and, of course, internal record systems. HEIs also monitor demographic data from the Office for National Statistics<sup>31</sup> which indicates a probable decline in the number of traditional full time undergraduates, but with geographical variations.

### Marketing and recruitment

- 3.17 The recruitment patterns of HEIs vary enormously, as does the effort they have to put into marketing. Informally, institutions are divided into those that 'select' students (that is where the number of applications exceeds places) and those that 'recruit' (that is they have spare places to fill). However, this over-simple distinction takes little account of the popularity of different subjects within HEIs, the specific issue of widening access, nor (in the last few years) of the impact of fees in distorting previous admissions practice.
- 3.18 HEIs that recruit actively typically use many approaches to market their programmes, although increasingly the website is the main route. Generally HEIs are much more professional in relation to marketing than in the past, and even highly selective HEIs may need to work hard in meeting their widening access targets.
- 3.19 Most HEIs will have a director of marketing and communications (or similar) as well as a PVC with responsibilities including marketing. In HEIs with devolved management, marketing will take place at both central and local levels, and may raise issues of value for money if significant duplication exists. Periodic reviews of marketing may feature in the work of the internal auditors, and if not this may be an area for governors to question and to seek reports.
- 3.20 Finding out how popular an HEI is with students and the impact on recruitment is something that many governors are interested in, but practice varies quite widely on what governing bodies receive. In some HEIs, reputational issues concerning students and employers are very much in the minds of governors, whereas in others the matter is rarely discussed except, perhaps, by the senate/academic board. Getting such data is largely in governors' own hands: they should simply ask for it - and in most HEIs it should be available from the PVC Learning and Teaching (or equivalent).

### Self-challenge questions

- How well does your governing body know who its students are?
- What information is regularly given to the governing body about student markets and trends in student choices?

### SUGGESTED TASK

As a governor, has your governing body been presented with data on projected demographics with any implications identified for future student demand?

<sup>27</sup> [www.offa.org.uk/about/background](http://www.offa.org.uk/about/background)

<sup>28</sup> The Universities and Colleges Admissions Service see [www.ucas.ac.uk](http://www.ucas.ac.uk)

<sup>29</sup> The Higher Education Statistics Agency see [www.hesa.ac.uk](http://www.hesa.ac.uk)

<sup>30</sup> The Higher Education Information Database for Institutions see [www.heidi.ac.uk](http://www.heidi.ac.uk)

<sup>31</sup> See [www.statistics.gov.uk/socialtrends](http://www.statistics.gov.uk/socialtrends)

- Does your institution review the effectiveness of its marketing and recruitment strategy and is the governing body kept informed?
- How much does your HEI spend on marketing and recruitment and does this provide value for money?
- What public information does your HEI provide to prospective students, parents, employers and alumni, and how satisfactory is it? What changes might be needed in the future?

## 4. ACADEMIC QUALITY 1: LEARNING, TEACHING AND ASSESSMENT

- 4.1 In the next chapters, two crucial aspects of academic quality are summarised: first, in this chapter how high quality learning, teaching and assessment can be delivered given increasing financial pressures, and the internal quality mechanisms that HEIs adopt to assure this; and second - in the next chapter - the external regulatory requirements that HEIs must comply with as a condition of their funding. In reviewing the role of the governing body on both topics, it is important to take into account the discussion in Chapters 1 and 2 about how academic governance operates, and the responsibilities of the different bodies involved.
- 4.2 In general, UK HE has an international reputation for excellence, due in no small part to the attention given to the management of quality and standards. The primary responsibility for quality and standards rests with HEIs, working within an institution's framework of academic management and governance.
- 4.3 However, students are increasingly critical of some aspects of provision, and the debate about higher fees has been accompanied by numerous media accusations of a reduction in teaching time provided for students, inconsistent levels of tutorial support, teaching subsidising research, and so on. Such claims are almost bound to increase, and governors will find themselves having to defend the quality of their HEI in ways that they have not needed to before. This chapter provides an outline of relevant issues.

### What is meant by quality and standards?

- 4.4 All governors recognise the need to ensure that academic standards are maintained, and that students receive the expected quality of teaching. But there are some real challenges here: how can governors be confident that these expectations are achieved? How do they know that standards in their own HEI compare favourably with those in others? Have students' achievements been improving (as the data would suggest)? What problems might be expected in future? How much of this - if any - is a governing body matter?
- 4.5 These are hugely difficult questions, not least because what counts as 'quality' learning and teaching varies by subject and discipline, in response to differences in students' educational backgrounds and according to the intended outcomes of programmes. How good teaching can be assessed, supported, and developed has been the subject of endless discussions within HEIs, as has the link between teaching and research. Much of this will pass governors by, but they do need to recognise that any simple prescription of 'high quality' or 'good' teaching will probably be met by howls of protest, if not derision. Rather, the issue for governors is to ensure that their HEI has its own agreed criteria for assessing the quality of learning and teaching (the application of which will not involve them) and then monitoring that it is used consistently.
- 4.6 So what is meant by academic standards and academic quality, and why are they talked about in the same breath? Put simply, academic 'standards' are the levels of attainment associated with specific awards and the grades required within those

*"The fact is that if students are going to have to pay more then they will demand more....Our problem is a lack of consistency: many of our students get an excellent experience but not all of them, and we have to find a way of getting all departments up to speed. If we don't we will have real problems."*

**PVC LEARNING AND TEACHING AT A GOVERNING BODY AWAYDAY**

awards. 'Quality' is a broader term applied to the overall academic provision for learning, including teaching and assessment, student learning opportunities, the nature of academic programmes, the design of the curriculum, and student engagement. Quality and standards are intimately connected since a high quality learning environment is necessary for students to attain the levels of knowledge, understanding and skills required to obtain their awards.

- 4.7 Each HEI with degree-awarding powers is its own 'awarding body' (see Chapter 5), responsible for maintaining the standards of its degrees and other awards. It follows that HEIs need to spend considerable effort in operating effective processes to assure appropriate standards and quality, and this is a key - perhaps the key - part of academic governance. The process involves a series of control mechanisms designed to mitigate against the risk of poor quality undermining academic standards. These include:
- Ensuring that the design and development of new programmes is undertaken in a robust and professionally critical way; this is the 'programme approval and validation' process.
  - Ensuring that all programmes are subject to periodic review to ensure their continuing quality and relevance.
  - Providing effective learning and teaching which meets academic and professional requirements and also student expectations.
  - Ensuring that assessment (in all its forms) is undertaken fairly and consistently (including the external examiners system).
  - Ensuring that students have access to agreed mechanisms for appeal, complaint and redress, compatible with external requirements (the Office of the Independent Adjudicator is an important part of this system<sup>32</sup>).
- 4.8 Responsibility for ensuring that these processes are effective rests primarily with the senate/academic board (and committees), and in some HEIs may also be devolved to faculties or the levels below. A substantial administrative effort exists in all HEIs to ensure that this takes place consistently, typically coordinated through the registry, the academic quality office, or equivalent. A governing body will probably know little about the detail of such activities, first, because they are almost entirely operational, and second, because some of these areas are explicitly not their business.
- 4.9 Amongst other quality assurance arrangements, HEIs will typically use a system of programme reviews, often on a five year cycle, to establish the health of programmes and areas for improvement. The focus of such reviews can include student and employer demand, enrolment trends, resource needs (staff, equipment and space), curriculum coverage and structure, teaching and research activities, and student attainment, progression and outcomes. In addition external programme reviews are undertaken by accrediting and quality assurance bodies (see Chapter 5). Governors may receive reports in full or as part of senate/academic board reports.
- 4.10 A key part of assuring standards is the operation of the external examiner system by which subject specialists from other HEIs act as independent external examiners, and

<sup>32</sup> See [www.oiahe.org.uk](http://www.oiahe.org.uk)



serve as a check on the comparability of standards at the stage of final assessments and the approval process for awards. The head of institution (in the role of chief academic officer) receives copies of external examiner reports and these should be systematically reviewed - with action taken - although again a governing body will have no real involvement.

- 4.11 Of course, governing bodies need to be confident that an effective quality management system is in place and operating well, and typically will receive such assurance through the head of institution and the senate/academic board. Nonetheless, things may go wrong, for example operational mistakes may happen, perhaps a student complaining about the delivery of a programme or the conduct of staff in assessment, and the governing body may hear about this. In such a case, it will want to know that the issue has been equitably resolved, although it should not be doing so itself.
- 4.12 In addition, within almost all HEIs there is now substantial support for enhancing quality provided by educational development units (the name varies) typically providing a range of services including staff development for academics and others, course development, guidance on the use of information technology, and so on. This can be a challenging role (particularly in research intensive universities where conflicting pressures mean that teaching may not be the key priority for all academics), and needs to be undertaken by very experienced staff who are professionally credible to those they support. In the last few years, a national scheme has been adopted by which all academic staff and those who support student learning must obtain professional recognition as teachers and learning support professionals in HE<sup>33</sup>. All this means that processes for actively enhancing teaching quality are now a core departmental, faculty and institutional matter with all manner of resource and reputational implications.

### **Two current challenges: retention and alleged grade inflation**

- 4.13 In addition to general challenges in sustaining quality, there are two specific issues which governors in many HEIs may have to consider in the next few years. The first concerns reducing high levels of student non-retention in some HEIs, and the second is about allegations of grade inflation in the awards made by some HEIs.
- 4.14 Retention is the term used for students continuing from one part of their course to the next, usually after successfully passing some form of assessment. Retention levels vary widely between HEIs from those with almost complete retention (at some of the highest rates in the world), to those where a significant proportion of students might drop out. This is a problem for several reasons:
- Widening access and the general expansion of HE has meant an overall decrease in retention rates, partly because 'non-traditional' students may be less well prepared for study. Non-retention is thus not only a personal issue for students, but also a challenge to the national policy of expanding the numbers of such students completing HE.
  - Until recently, HEIs received no funding for students who 'dropped out' without undertaking any assessment. Although this has been addressed in some

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<sup>33</sup> The UK Professional Recognition Standards Framework, see [www.heacademy.ac.uk/ourwork/supportingindividuals/professionalrecognition](http://www.heacademy.ac.uk/ourwork/supportingindividuals/professionalrecognition)

jurisdictions (after complaints from HEIs that this ran counter to widening participation policy), it arguably represents substantial inefficiencies.

- Low retention can reflect adversely on HEIs who - fairly or not - may be seen either as not providing enough student support or as recruiting unsuitable students.
- Low retention rates may weaken the competitive position of an HEI, for example in recruiting overseas students.

## SUGGESTED TASK

As a governor, do you know what the student retention rate is for your HEI, and is this a matter of concern?

4.15 This is a highly contentious area for governors, but all funding bodies expect that boards should oversee an effective retention policy which does not put their institution at risk. The potential for tension with an executive and senate/academic board is obvious, but the expectations of funding bodies remain, as evident in the changes to the financial memorandum in England. In Wales HEFCW has introduced a measure recognising the successful completion of modules, as some students may not undertake full qualifications.

4.16 The second - and related - issue is that of allegations of grade inflation in HEIs, and the implications for governing bodies (so-called 'dumbing down'). Such allegations are regularly made (not least by the House of Commons Select Committee on Science and Technology in 2009 for England), the accusation being that at the same time as student numbers have rapidly expanded, the typical final degree grade obtained by students has increased from a lower second class to an upper second. The position affects HEIs in different ways, as they have widely varying grade profiles with notable subject differences, but - given the data - there are overall only a small number of possible explanations:

- The critics are correct and some HEIs have altered their standards, either intentionally or not.
- The quality of teaching and student support has increased substantially with consequences for final grade achievement.
- The widespread use of continuous assessment has resulted in greater student achievement (as is alleged for A-levels).
- The traditional degree classification is no longer fit-for-purpose - a view taken by many in HE.
- More students means different, but not necessarily worse, outcomes.

## SUGGESTED TASK

As a governor, do you know the trend data in your HEI about student performance and their grades? If there has been 'grade inflation' is this a matter of concern for the governing body?

4.17 In HEIs where such increases in student attainment have taken place, governors may face a real dilemma when they see the evidence presented in reports from senate/academic board. On the one hand, improved student performance is normally to be welcomed as a sign of institutional success (and examining processes should have provided enough assurance that appropriate decisions about standards were being made), but on the other hand the outcomes may simply not be believed by other HEIs and may place the reputation of the institution at risk - and, in extremis, put it on a collision course with its funding body.

4.18 Looking to the future, higher levels of graduate contributions will exert even greater pressure on some HEIs to alter standards as students become more demanding 'customers', and existing processes of academic governance may not be robust enough to withstand such pressure in all cases. Even if this only happened in a small number of HEIs there might be sufficient public and political pressure for the whole nature of HE awards to come under further scrutiny.

## External sources of information including league tables

- 4.19 There is extensive information from external sources providing evidence on quality, and probably the main one of interest to governors is the annual National Survey of Students (the NSS) - completed in the final year of studies - which is an important benchmark for most HEIs<sup>34</sup>. This provides data about the satisfaction of students with their learning experiences, and most governing bodies now consider NSS results in some form and ask very serious questions of the executive regarding issues identified through the NSS outcomes.
- 4.20 In addition, there are other public surveys which provide data on quality, most notably the various league tables or university rankings produced by newspapers. These include: the Times Higher World University Rankings<sup>35</sup>; the Guardian Good University Guide<sup>36</sup>, The Times University Guide<sup>37</sup> and The Academic Ranking of World Universities (Shanghai Jiao Tong University Institute of Higher Education). League tables are fraught with methodological problems, but are avidly read by students (notably international and postgraduate ones) and HEI managers alike. It is important to note that they do not provide a complete picture since they tend to focus on full time undergraduate provision, and have an institutional rather than subject-based emphasis (except the Guardian).
- 4.21 Nonetheless, HEIs are strongly influenced by league tables since they relate to institutional reputation, and executive teams and governing bodies use them as KPIs or strategic targets. For more information on league tables, Hefce has undertaken an analysis of the widely used league tables and their impact on decision making in English HEIs. This is of relevance to all countries of the UK, and helps to identify what levels of confidence can be placed in league table data. From the perspective of governors, the important issue is probably monitoring trends and progress over time rather than paying undue attention to any particular year.
- 4.22 Two other helpful sources of information are the Unistats website<sup>39</sup>, which brings together a variety of comparative data and information (from HESA, the National Student Survey and the Destinations of Leavers from Higher Education Survey) about courses, subjects and HEIs to support decision-making by students, their parents and advisers, and the 'Student Barometer' survey produced by i-Graduate<sup>40</sup> providing international comparisons.
- 4.23 In addition to external performance information, some external agencies have been established to support high quality learning, teaching and assessment, most notably the work of the Higher Education Academy (HEA) and the Joint Information and Systems Committee (JISC).

### SUGGESTED TASK

As a governor, has your governing body been presented with data on projected demographics with any implications identified for future student demand?

<sup>34</sup> See [www.thestudentsurvey.com](http://www.thestudentsurvey.com)

<sup>35</sup> The Times Higher World University Rankings at [www.timeshighereducation.co.uk/world-university-rankings/index.html](http://www.timeshighereducation.co.uk/world-university-rankings/index.html)

<sup>36</sup> The Guardian Good University Guide at [www.guardian.co.uk/education/universityguide](http://www.guardian.co.uk/education/universityguide)

<sup>37</sup> The Times Good University Guide at [www.thetimes.co.uk/tto/education/gooduniversityguide](http://www.thetimes.co.uk/tto/education/gooduniversityguide) (subscription only)

<sup>38</sup> Hefce, (2008), "Counting what is measured or measuring what counts? League tables and their impact on higher education institutions in England".

April 2008/14. Issues paper. [www.Hefce.ac.uk/pubs/Hefce/2008/08\\_14/](http://www.Hefce.ac.uk/pubs/Hefce/2008/08_14/)

<sup>39</sup> <http://unistats.direct.gov.uk>

<sup>40</sup> [www.i-Graduate.com](http://www.i-Graduate.com)

- 4.24 The HEA<sup>41</sup> was set up in 2002 (with strong encouragement from all the UK funding bodies) to bring together previous initiatives to support learning and teaching. It operates with subscriptions from HEIs and funding body grants, and its services include: acting as a repository for research and good practice; operating the National Teaching Fellowship Scheme for recognising outstanding teachers in England, Wales and Northern Ireland; providing subject based support; and operating a professional standards framework to raise the status of learning and teaching in HE which enables individuals to obtain recognised qualifications. As a governor you may be interested in the engagement of your HEI with the HEA, as an indicator of commitment to innovation and excellence in teaching.
- 4.25 The JISC<sup>42</sup> is probably best known for providing specialist support on information technology (including the national infrastructure to support IT in HE (the Joint Academic Network - JANET), but in recent years it has also been a major source of innovation and support on the application of IT to learning and teaching.

## Conclusions

- 4.26 So pulling all this together, how might a governing body be engaged in overseeing academic quality, and what information might it expect to receive? The following are activities practised in some HEIs:
- Actively monitoring the implementation of the learning, teaching and assessment strategy.
  - Ensuring that there is appropriate infrastructure investment in libraries and information technologies.
  - Ensuring that the HR strategy explicitly supports quality through appropriate approaches to reward and promotion, workload management, staff development, and so on.
  - Resolving any contradictions between the learning, teaching and assessment strategy and other strategies for which the governing body is responsible.
  - Ensuring appropriate strategies and implementation for particular student groups (for example, international students, and the needs of students with disabilities).
  - In general, asking informed questions of the executive about how the HEI is discharging its responsibility for delivering high quality teaching and learning.

It is important to note that none of these activities usurps the responsibilities of the senate/academic board as the primary focus for dealing with academic matters.

- 4.27 So far as information is concerned, in addition to the externally generated information noted above, there will be a raft of internal data (some going to the senate/academic board) such as course reviews, student evaluations, etc. Much of this will be too detailed for governors to look at even if they wanted to! However, in England (and perhaps elsewhere) in future governors may need to oversee proposals for the publication of key information sets for each course (to be published on websites), which is intended by the Whitehall government to bring more uniformity to aspects of the information made available to students.

### SUGGESTED TASK

Do you agree with this list of possible governing body responsibilities in relation to learning and teaching? If so, which of them are undertaken by your own governing body?

<sup>41</sup> See [www.heacademy.ac.uk](http://www.heacademy.ac.uk)

<sup>42</sup> See [www.jisc.ac.uk](http://www.jisc.ac.uk)

- 4.28 How much of the available information should governors see and how should it be presented to them? There is currently no standard practice, and the answer probably depends on how particular governing bodies work and how academic quality management systems operate. At present, options include:
- For governing bodies that take a risk based approach to determining their agendas, a regular review of information associated with the key quality risks is likely to be the starting point. However, as noted above, this is an under developed element of risk management in most HEIs.
  - At a minimum, a governing body should receive regular reports (perhaps annual) from the PVC for learning and teaching (or equivalent), and these should include data on any KPIs that have been identified in relation to quality.
  - Third, either as part of an annual PVC report or separately, a governing body might receive a comprehensive report on quality which includes integrated data from both external and internal sources. Some of these data may enable benchmarking against the performance of other comparable HEIs.
- 4.29 In addition to receiving such data at board meetings, discussions on academic quality and learning, teaching and assessment may be useful topics for governing body awaydays, and presentations by deans or heads of service divisions will be able to provide more specific details on how evidence is used to evaluate success.
- 4.30 Perhaps controversially, in a few HEIs individual governors (and sometimes the chair) may attend the senate/academic board and their committees as observers better to understand the issues involved. Leaving aside the time commitment, experience varies on whether this is helpful or not, although it may be a useful development activity for the governor concerned. In at least one university the senate decided that they didn't want a governor attending in this way, which may say something about governing body and senate relationships in that particular case!
- 4.31 The main point at issue here is for the governing body to make a conscious decision about the information it needs to provide assurance in relation to quality, and not simply to rely on what it is given. Without being clear about its information needs it is difficult for a governing body to judge how well the executive and the senate/academic board are doing in encouraging and supporting high quality academic provision.

### Self-challenge questions

- What evidence does your governing body use to assure itself that the HEI has an efficient and effective quality management system?
- What comparative data on quality and standards does your institution provide to governors?
- Does the governing body take a proactive stance on enhancing quality and improving the standards of student attainment?
- What new challenges in teaching, learning and assessment does your institution face, and how is the institution and the governing body addressing them?

## A GOVERNOR'S DILEMMA 2:

Informally, the president of the student union has recently made occasional references to some students being unhappy with the quality of their courses, although you have not sought any specific information. Today you have just seen a new edition of the student newspaper which makes further accusations about problems with courses in one faculty, and alleges that both the dean and the head of institution are being unhelpful in investigating complaints.

You are contemplating what to do - if anything. You have confidence in the head of institution and do not want governors to become involved in matters that are not their responsibility; on the other hand you are firm in the view that quality must be maintained and that students have a right to expect a good learning experience. What action might you take?

## 5. ACADEMIC QUALITY 2: EXTERNAL AND REGULATORY REQUIREMENTS

- 5.1 Although responsibility for assuring quality and standards rests with HEIs, this takes place within a set of external and regulatory requirements, and a governing body has ultimate responsibility for ensuring compliance. This chapter summarises these requirements and the UK system of quality assurance in HE. It ends with a short note on quality assurance in further education (FE) relevant to HEIs with partnership provision.
- 5.2 HEIs frequently complain about 'the regulatory burden' of external scrutiny, and many governors often comment on what strikes them as unnecessary and expensive bureaucracy. It is true that compliance is time consuming, but the quality of HE, the experiences of students, and the value for money of public funding are of wide public interest. Moreover, the quality assurance regime in HE is substantially 'lighter touch' than that in FE. Overseas, most countries with strong HE systems have equivalent quality assurance arrangements and the UK system is admired internationally.
- 5.3 Governors need to be aware that changes to the processes described in this chapter are likely in the next few years. It follows that governors will need to keep up-to-date with public debates about the regulation of quality and standards. Although the external quality assurance system operates UK wide, there are significant variations in Scotland. The following paragraphs therefore mainly apply to England, Wales and Northern Ireland, and the Scottish position is summarised later.

### Degree awarding powers

- 5.4 The starting point of the UK system is that, subject to defined criteria, HEIs can award their own degrees, but have to comply with associated regulation. However, programmes can be taught in other ways, usually by:
- An HEI validating and awarding a degree for a programme designed and run by another provider. Many HEIs validate overseas programmes, where there is an obvious need for careful scrutiny because of quality and reputational risks.
  - An HEI franchising a programme to another provider where the latter undertakes the teaching, but in all other ways provision is similar to that of the home institution. The HEI retains responsibility for quality assurance and for the quality and standards of the degrees delivered in its name. This approach is most common for HEIs in partnership with FE colleges.
- 5.5 The power to award degrees is regulated by law, and to try to award a degree without such powers is a criminal offence. The majority of HEIs gained degree awarding powers through Royal Charters or Acts of Parliament, but recently it has been possible to apply for different levels of degree awarding powers: for foundation degrees, taught degrees and research degrees. The award of 'university title' is the final step, but to apply for this an HEI must already possess taught degree awarding powers, and have at least 4000 full time equivalent HE students (3000 of whom must be studying for a degree). Degree awarding powers are awarded in perpetuity

*"When I first became a governor I was appalled at the amount of unnecessary regulation I found, and the fact that it might be worse in hospitals and colleges gives me no consolation at all."*

**EXTERNAL GOVERNOR WITH A BUSINESS BACKGROUND**

(except in the case of private providers where they are for an initial six years<sup>43</sup>). The process of application for degree awarding powers is overseen by the Quality Assurance Agency (QAA) although the formal decision is taken by the Privy Council on the advice of the relevant territorial minister with HE responsibilities.

- 5.6 The criteria for degree awarding powers are too extensive to set out here, but can be seen on the QAA website<sup>44</sup>. The most recent criteria apply to England and Wales (2004), with earlier 1999 criteria continuing to apply to Scotland and Northern Ireland.
- 5.7 Organisations seeking degree awarding powers have to go through an extensive approval process, and governors should note that effective governance is one element in the assessment. Indeed, some institutions have been refused degree awarding powers because of governance weaknesses.

### External quality assurance

- 5.8 Three main aspects of the external quality assurance apply to HEIs:
- The four UK HE funding bodies have a statutory duty to assure and enhance the quality of the provision they fund. They do this in slightly different ways, and delegate many aspects to the QAA<sup>45</sup>. Most of the rest of this chapter summarises these arrangements.
  - Where government departments directly fund HE they have their own quality assurance arrangements. For example, teacher training is assessed in England by the Office of Standards in Education (OFSTED), in Scotland by the General Teaching Council for Scotland (GTCS), in Wales by ESTYN (Her Majesty's Inspectorate for Education and Training in Wales) and in Northern Ireland, by the Education Department Inspectorate.
  - Some professional subjects (for example, architecture, medicine, and engineering) have their syllabus and provision approved for recognition by external professional, statutory and regulatory bodies (PSRBs) as an initial phase of professional training. These bodies coordinate with the QAA.
- 5.9 The QAA is an independent body funded by subscriptions from HEIs and through contracts with the four HE funding bodies. It carries out external quality assurance by: conducting reviews of HEIs and publishing reports; providing guidance on maintaining academic standards and improving quality; investigating causes for concern about academic standards and quality; advising UK governments on applications for degree awarding powers and university title; and engaging with European and wider international developments.
- 5.10 Currently in England, Wales and Northern Ireland the QAA uses a set of UK wide agreed guidelines and reference points (called the 'academic infrastructure') which defines academic quality and standards. Within HE there are different views about the merits of the academic infrastructure and whether it is too complex. The UK's comprehensive approach to maintaining standards and assuring quality is often applauded for its rigour, but is also criticised for its cost, complexity, and lack of

<sup>43</sup> Private providers with degree awarding powers gained since 2004 are subject to review after six years and could lose these powers.

<sup>44</sup> Details of the criteria for degree awarding powers are available at [www.qaa.ac.uk/reviews/dap/default.asp](http://www.qaa.ac.uk/reviews/dap/default.asp)

<sup>45</sup> For an overview of the role of the QAA see [www.qaa.ac.uk](http://www.qaa.ac.uk)



clarity in its public reporting. As a result there are moves to simplify the academic infrastructure.

- 5.11 The QAA's main mechanism for assessing academic standards and quality is through an institutional review process, occurring on a regular cycle with an approach varying slightly in the four jurisdictions. In England and Northern Ireland a new system of review is being introduced from September 2011, and governors should be aware of these developments. In Wales some elements of this methodology will be considered for integration into the current institutional review method.
- 5.12 In all jurisdictions the review is carried out by peers, including academics from other HEIs and involves students, and in Scotland an international peer is also included. In England and Northern Ireland the new system will make judgements in three areas: standards; quality and enhancement; and the quality of public information. After each review, the QAA publishes a public report and provides outcome judgements. The methods for each country are available on the QAA's website and all include a focus on quality enhancement.
- 5.13 In Scotland, the QAA process is called the 'enhancement led institutional review'<sup>46</sup>, and looks at the continuous enhancement of the quality of provision based on three key principles: developing a quality culture, providing high quality learning, and student engagement. In addition, the process reviews the extent to which Scottish HEIs have engaged with defined enhancement themes on aspects of learning and teaching<sup>47</sup>. In Scotland, student participation and engagement in quality assurance and enhancement has been given a particularly strong focus, and a specific initiative - sparqs - has been funded by the Scottish Funding Council<sup>48</sup>. In Wales the 'Have your Say' initiative has been funded by HEFCW in partnership with NUS Wales, to enhance student representation and support student involvement in the institutional review process.
- 5.14 There are two important issues to highlight in the way that these processes are conducted. First, like conventional financial audits (and the work of audit committees) these judgements are not made on the quality of provision as such, but rather on the institution's management of its internal processes. This has led some critics to complain that the process lacks robustness, although this needs to be counterbalanced by the important role of the external examiner system. Second, unlike quality assurance in further education (see below) there is currently no direct inspection of the quality of teaching. This is a matter of debate, but the current position is strongly defended by most HEIs, not least because some include peer observation of teaching as part of their internal processes.
- 5.15 Whatever the review system, within HEIs, academic and administrative staff spend a great deal of time preparing for visits, and students are also involved. Governors are most likely to become aware of this when their institution is preparing for a quality review visit.

*"When we got a good report from the QAA some of the governors went overboard with praise for the executive. They didn't seem to realise that it was just a basic hygiene check. I mean if you can't get a good QAA report you shouldn't be in business."*

**EXTERNAL GOVERNOR WITH HE EXPERIENCE**

<sup>46</sup> For details see [www.sfc.ac.uk/effective\\_institutions/qualityassurance/quality\\_assurance\\_enhancement.aspx](http://www.sfc.ac.uk/effective_institutions/qualityassurance/quality_assurance_enhancement.aspx)

<sup>47</sup> [www.enhancementthemes.ac.uk](http://www.enhancementthemes.ac.uk)

<sup>48</sup> See [www.sparqs.org.uk](http://www.sparqs.org.uk)

- 5.16 Different external quality assurance arrangements apply to partnerships, and three types are briefly summarised below:
- Overseas provision which is almost always undertaken with partner institutions in the country concerned.
  - Franchise or consortium provision with at least one UK provider (such as an FE college or private college) teaching an HEI's programme.
  - FE provision in an HEI. This is less usual but is found in HEIs wanting to offer provision for the 16-plus age group.

#### Overseas provision

- 5.17 Many HEIs offer their programmes through partnerships with organisations abroad, or deliver programmes on overseas campuses. HEIs are responsible for the academic standards of their awards, whether delivered inside or outside the UK. In addition to the standard quality assurance arrangements summarised above, the QAA reviews such international partnership arrangements.
- 5.18 Overseas audit uses similar processes to institutional review in England, Wales and Northern Ireland: the UK HEI provides a briefing document describing its overseas provision, and overseas audit usually involves an audit team visit to the HEI, and a similar visit to the partner institution overseas. In most cases, the QAA conducts overseas audits on a country by country basis, not at the same time as an HEI's institutional audit or review. The overseas audit does not cover all HEIs with provision in the country in question, as the audit is done on a sample of provision.
- 5.19 As well as auditing overseas partnerships, the QAA also gathers information about the activities of UK HEIs in particular countries, and produces reports. Such reports are available for China, Greece and the Republic of Cyprus, Hong Kong, India, and Malaysia.

#### Franchise and consortium provision

- 5.20 This exists where a partner institution - typically an FE college, although private providers also participate - provides some or all of the teaching for an award validated by an HEI. It may involve a single relationship (a 'franchise' arrangement), or may be part of an extensive set of partnerships between various HEIs and FE colleges (a 'consortium'). These arrangements are the most common form of partnership provision.
- 5.21 Expanding HE in FE through franchising has been increasingly popular with some HEIs, and for almost all FE colleges it is a high status activity which provides more funding flexibility than their mainstream FE programmes. Funding is routed via the HEI, which passes on an agreed amount to the FE college. The governing body of the HEI remains accountable in the usual way both as the awarding institution and also as the initial recipient of funds.
- 5.22 Governing bodies are likely to be involved for at least three reasons:
- First, because of the increasing popularity of HE in FE (and some inconsistencies in the operation of franchises), in 2000 Hefce published a code of practice<sup>49</sup>,

<sup>49</sup> Hefce, Indirectly funded partnerships: codes of practice for franchise and consortia arrangements, Hefce 2000/54 at [www.Hefce.ac.uk/pubs/Hefce/2000/00\\_54.htm](http://www.Hefce.ac.uk/pubs/Hefce/2000/00_54.htm)

identifying that there should be a strategic element to such arrangements, which clearly falls within the responsibilities of the governing body. This is not, of course, to say that boards will necessarily approve every partnership, but they should have been involved in a strategic discussion about them. In 2006 HEFCW published similar guidance for Wales<sup>50</sup>.

- Second, as an HEI remains accountable for its provision, normal financial control processes should be undertaken and approved as required by the governing body.
- Third, as programmes are taught by third parties, franchise arrangements have an increased potential risk, particularly reputational. For example, the student experience provided in partner organisations should be equivalent to that in the awarding HEI, although not necessarily identical. Governors will, therefore, need to ensure that robust arrangements are in place to ensure quality and standards, and to mitigate perceived risks.

5.23 In addition to an HEI's own quality assurance arrangements in monitoring its provision in FE colleges, there are other sources of external assurance operated by the QAA:

- Collaborative provision audit in England and Northern Ireland, which is an occasional quality assurance process reviewing all aspects of an HEI's franchise or partnership provision including that in FE. In Wales the institutional review method can be operated as a hybrid to take account of collaborative provision, or used to carry out a separate collaborative provision review.
- Separately, in England, FE colleges that teach HE programmes are subject to the Institutional Quality Enhancement Review (IQER) whose main purpose is to provide an overview of all HE in FE taught in any particular college. Although this review is mainly for the college concerned, an HEI might reasonably expect to have sight of the resulting report.
- In Wales there is an institutional review method for directly funded HE in FE.
- In Scotland there is no equivalent system of HE in FE.

5.24 In practice, the scale of such arrangements varies very widely between HEIs, as do the implications for governors, but for some institutions it is a major aspect of provision of which governors need to be aware. At the very least, a governing body might expect to have sight of an annual report on partnership provision that had first been considered by the senate/academic board. Given possible fluctuations in student demand due to increased tuition fees, it is likely that there will be considerable changes in the operation of HE in FE to which governors will need to be alert.

## FE in HE

5.25 This is where an HEI has its own FE programmes, and is much less common. It occurs only in those HEIs that want to provide their own seamless post-16 provision, but as the HE funding bodies will only fund HE level students, funding (in the form of agreed student numbers) has to be obtained from the FE funding body concerned. This may involve the HEI and its governing body in substantial additional administrative effort, as different procedures apply.

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<sup>50</sup> [www.hefcw.ac.uk/documents/publications/circulars/circulars\\_2006/W0611HE%20Guidance.pdf](http://www.hefcw.ac.uk/documents/publications/circulars/circulars_2006/W0611HE%20Guidance.pdf)

- 5.26 Three issues are particularly relevant to those governors involved:
- First, all such programmes are based on externally validated qualifications, and the HEI is not the awarding body. This means additional compliance procedures.
  - Second, external quality assurance is provided (by OFSTED in England, or ESTYN in Wales), using different approaches from the QAA, so that governing bodies should not assume that if their institution offers such programmes they will automatically comply with FE quality assurance requirements.
  - Third, unlike the position in HE, in FE OFSTED requires the direct involvement of the governing body in relation to most academic matters, including a board exercising direct leadership in relation to academic quality, for example by considering the results of classroom observation of teaching. In Wales ESTYN's inspection framework includes a section on leadership, which includes the role of governors or other supervisory boards.
- 5.27 For the small number of HEIs concerned the standard practice of governance in HE does not comply with OFSTED or ESTYN requirements, and additional measures need to be put in place. In practice, these take one of two forms: either the HEI sets up a designated FE sub-committee of the governing body with specific delegated powers to act on FE matters, or it establishes a separate trading organisations to run FE provision at arms length. The lesson for governors is clear: ensure that your HEI makes no assumptions in this area, and beware the additional costs of compliance before making such agreements.

#### Self-challenge questions

- Has your governing body discussed the implications of any external quality assurance reports on your HEI's provision? If not, why not?
- Has your institution streamlined its approach to external quality assurance so that it is both efficient and cost effective?
- Do you know if your HEI has any partnership provision? If so, what are the governance implications?

## 6. UNDERSTANDING THE STUDENT EXPERIENCE

- 6.1 UK HE has a good reputation for providing a high quality educational experience, often based on a traditional full time residential approach where students have access to a range of extra-curricular activities as well as extensive support. However, times change, and the diversity of students means that a satisfactory experience cannot be assumed. In addition, the student fee debate is bound either to heighten student expectations of enhanced provision or to lead some HEIs to reduce choice and provision so as to limit fees.
- 6.2 Accordingly, whereas in the past many governors paid little attention to the student experience, it is now becoming central to them. Although the senate/academic board continues to have a central role, much responsibility clearly lies with governors - for example for non-academic matters such as facilities, infrastructure, setting fees, and so on. This chapter reviews such governing body responsibilities in this area.

### What is meant by the student experience?

- 6.3 There is an extensive literature on the student experience which this chapter cannot hope to summarise. The most convenient source of information is the Higher Education Academy which has a particular focus on the student experience<sup>51</sup>.
- 6.4 In practice, HEIs define the student experience differently. Many separate it into different parts of the student life-cycle, from recruitment to learning, awards, destinations and on to alumnus status. Others consider the student experience across areas of service provision such as the academic and teaching experience, academic support services, administrative services, the social experience and non-academic support services. One thing is clear: the student experience is much more than the teaching that takes place.
- 6.5 Whatever the approach, management responsibility for the student experience is likely to be spread across a range of senior managers. To address this some HEIs give a pro vice-chancellor (or equivalent) overall responsibility for the student experience, to develop a structure focussed on integrated student provision.
- 6.6 Clearly the starting point for any governing body involvement will be to understand what their students want from their student experience. This may include information from recruitment campaigns and admissions officers, feedback from student representatives on programmes, in-year student groups, reports from the students union, and so on.
- 6.7 Of course, student expectations will not be the only factor determining what an HEI provides, and these expectations will need to be managed, for example, students whose only experience of teaching has been at school may have unrealistic expectations of the academic staff time and support they will receive. HEIs therefore need to be clear about what can be delivered, and ensure that public information

*"Our country will need different kinds of student experiences to enable its graduates to contribute to the world of the future..... To do this will require a clearer sense of relative responsibilities. We will not be able to take the student experience forward unless we see it as a joint venture between students and those who provide higher education. Universities and colleges should be prepared to contemplate remodelling their curricula, perhaps radically, and building a more flexible workforce."*

**PROFESSOR PAUL RAMSDEN**  
(SEE FOOTNOTE 51)

<sup>51</sup> For a more comprehensive review of the nature of the student experience see Ramsden P, (2008), The Future of Higher Education Teaching and the Student Experience at [www.heacademy.ac.uk/resources/detail/ourwork/consultations/paulramsdens\\_teaching\\_and\\_student\\_experience](http://www.heacademy.ac.uk/resources/detail/ourwork/consultations/paulramsdens_teaching_and_student_experience)

## SUGGESTED TASK

As a governor, how can you be sure that your students are getting a quality experience that meets their needs, and that is consistently provided across the HEI?

reflects this. Accurate information is part of the policies of all the governments in the four nations of the UK and HEIs will be under continuing pressure to provide it.

- 6.8 Increasingly there is a perception of the student being a 'customer' and buying services, but this remains controversial. In reality, the term applies well to services where students choose on the basis of price and quality (for example, accommodation), and also where demand for academic programmes is largely determined by reputation (full cost MBAs being the most obvious example). However, elsewhere the idea of student as a partner may be more appropriate, as it underlines the effort required by students to contribute to the success of their learning.

### Are students getting what they expect?

- 6.9 The crucial question for governors is, of course, does your HEI meet student expectations? Most institutions will review the student experience through the sources summarised in Chapter 4. Good practice is for all these sources to be brought together in an overall assessment of student satisfaction, and then discussed both by senate/academic board and the governing body.
- 6.10 HEIs are also looking for new ways to hear 'the student voice' including through student representation, 'student compacts or charters' that set out mutual expectations and responsibilities, and 'student councils' that invite students to express views on what is currently offered and how future resources should be spent.
- 6.11 In addition, HEIs and governors will want to compare their own students' experience with that in other institutions. Sources include: the NSS which provides information on student satisfaction and enables comparison with other institutions; the international student barometer which provides information on the perceptions, expectations and experiences of students studying outside their home country, enabling institutions to track how expectations and perceptions change over time; the Postgraduate Taught and Research Student Surveys (run by the HE Academy) which provide useful data for each institution, although as this data is not published, comparison can only be carried out with the data for the UK as a whole. Most HEIs will have a group of institutions against which they benchmark themselves on a range of data, and aspects of the student experience are likely to be part of this.
- 6.12 Of course, many HEIs will claim that they broadly meet student expectations, and in justification may place favourable league table results on their website. However, some observers feel that HEIs risk over-promising and under-delivering on student expectations. In an article entitled 'Universities Behaving Badly'<sup>52</sup>, Professor Sir David Watson (a distinguished commentator on UK HE) observes that, like most large complex organisations, HEIs can behave well or badly, and that corporately they choose their destiny. His quotation in the side box relates to some of the more extravagant claims in prospectuses where "many statements make those who are responsible for delivering them seriously uncomfortable". Clearly governors have the capacity to act as a check on such behaviour.

*"Universities can behave badly to their students. They can offer misleading advice, especially in a competitive market context. Indeed, I suspect that we are heading for a high profile 'truth in advertising' case."*

**PROFESSOR SIR DAVID WATSON**  
SEE FOOTNOTE 52

<sup>52</sup> Watson D, (2008), Universities Behaving Badly, Higher Education Review, Vol 40, No 3

## Governing body responsibilities

- 6.13 So what are board responsibilities in this area? The starting point is to recognise that they have a role, and that the student experience falls within any definition of 'determining educational character'. As in other areas, governors should not expect to get involved in detail, and the focus should be strategy, monitoring, and ensuring that student expectations are clearly identified. Students, parents and employers have a right to expect governing bodies to undertake this role, and to constructively challenge an executive on whether an HEI is providing what students expect.
- 6.14 One specific strategic challenge increasingly facing governors in meeting student expectations is ensuring optimal investment in infrastructure, particularly in information technology. Given financial challenges, such investment is likely to be subject to rigorous review, but there will be great pressures to spend more: innovations will be numerous and student demand vocal. Already the HE sector has seen major changes in information provision, for example in relation to the operation of libraries, with materials increasingly provided electronically, and the very nature of the library is changing as the electronic delivery of material develops.
- 6.15 In addition to these general issues concerning the student experience, governing bodies have some specific legal responsibilities in the area, most notably concerning: health, safety and well being; students' unions and freedom of speech; student appeals, complaints and discipline; and equality and diversity. Further information on all these issues - briefly summarised below - should be available from the clerk/secretary to the governing body.

## Health, safety and wellbeing

- 6.16 Health and safety legislation places responsibilities on governing bodies, usefully summarised in CUC guidance on the issue<sup>53</sup>. In addition, the Corporate Manslaughter and Corporate Homicide Act (2007) has increased the level of penalties for breaches in the duty of care, which applies to HEIs and their students.

## Student unions and freedom of speech

- 6.17 The student union plays an important role in promoting social and other activities for students, supporting their welfare, and representing them. A governing body must approve the union constitution, and review it at least every five years. The Charities Act (2006) is leading to changes in student union governance, with a requirement for them to register separately with the Charity Commission, although the details vary in the four UK jurisdictions. A governing body also has a duty for ensuring that students are aware of their right to opt out of union membership.
- 6.18 Governing bodies also have a legal duty to take practical steps to ensure legal freedom of speech for students, staff and visiting speakers. Boards must ensure that use of an HEI's premises is not denied to individuals or groups on grounds of their beliefs or policies, and they also need to develop and monitor a code of practice on the conduct of meetings held on an HEI's premises. Clearly the threat from terrorism has created an increased responsibility on governors to act vigilantly, and they should expect to be actively advised by the executive on appropriate practice.

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<sup>53</sup> CUC, (2009), Guide for Members of Governing Bodies of HEIs, op cit

- 6.19 The National Union of Students has recently produced a good governance code of practice for student unions<sup>54</sup> which includes a relationship agreement on how they will work with governing bodies. The CUC has formally commended this agreement to HEIs.

### Student appeals, complaints and discipline

- 6.20 In pre-1992 HEIs, student discipline procedures are normally set out in the ordinances which must be approved by the governing body, with the senate being responsible for implementation. Similarly, the articles of post-1992 HEIs often state that the academic board is responsible for academic student discipline, with a right to appeal to the governing body. In addition, the articles of some HEIs provide for the governing body (after consultation) to make rules about student suspension, exclusion or expulsion. Clearly, internal disciplinary cases are different from criminal offences which are the responsibility of the police. Universities UK have published useful guidance on student disciplinary procedures<sup>55</sup>.
- 6.21 In addition, HEIs must have procedures for dealing with student appeals against academic and disciplinary decisions, and also for handling student complaints. Guidance is published by the Office for the Independent Adjudicator for Higher Education (OIA)<sup>56</sup> which is the independent review body for student complaints in England and Wales. Students can appeal to the OIA once all internal avenues have been exhausted. In Scotland, the Scottish Public Services Ombudsman provides a public services complaints system, and reviews the management of complaints and appeals in HEIs.

### Equality and diversity

- 6.22 Legislation in relation to race, disability and gender requires HEIs to take various steps to promote good practice, and responsibility for compliance rests with governing bodies. The Equality Challenge Unit<sup>57</sup> provides extensive guidance to HEIs and governing bodies.

### Self-challenge questions

- Is it clear who has responsibility for the student experience in your HEI?
- What evidence does your governing body receive about the experience of students, and how effectively is this considered?
- What are the key risks regarding the student experience at your HEI, and how effectively does the governing body monitor them?
- How can your governing body be confident that it is meeting all its legal and regulatory responsibilities in relation to student affairs?

<sup>54</sup> National Union of Students, (2011), Good Governance Code of Practice for the Students' Union Sector, at [www.nusconnect.org.uk/goodgovernance](http://www.nusconnect.org.uk/goodgovernance)

<sup>55</sup> See [www.universitiesuk.ac.uk](http://www.universitiesuk.ac.uk)

<sup>56</sup> See [www.oaihe.org.uk](http://www.oaihe.org.uk)

<sup>57</sup> See [www.ecu.ac.uk](http://www.ecu.ac.uk)



### A GOVERNOR'S DILEMMA 3:

You have just read some of the marketing material that your HEI produces to recruit international students, and inwardly cringe at some of the claims that are made. Nothing is actually untrue, but in your view, information has been spun to provide the most generous interpretation possible of life as a student, and many of the realities are ignored. Personally, you are affronted at what you see as this selective PR view, and would prefer a much more honest approach in keeping - in your view - with academic integrity. However, you recognise that as a governor you should not get involved in operational or management issues, and also that you may be in a small minority. What might you do?

## 7. STUDENT EMPLOYABILITY

*"Our focus on employability is a real selling point in recruiting students, and our governors understand that we have to find the resources to keep doing it."*

HEAD OF INSTITUTION

- 7.1 As a governor, you will be concerned not only with the student experience, but also with student employability and with what employers are looking for. HEIs use a variety of methods to find out about employer requirements, and - of course - many programmes are directly vocational. Here professional bodies, industry standards, sector skills councils and advisory groups all play their part. HEIs are also making increasing use of data, information and feedback that they collect from their alumni.
- 7.2 Some HEIs identify employability as a key part of their mission, although - of course - all HEIs are concerned with their graduates' success in the labour market and support them in this. As with any distinctive aspect of mission, a governing body will have a particular interest in monitoring how such aspirations are achieved, and specific KPIs may be used to assess progress and success.
- 7.3 External (or lay) governors are themselves likely to have often extensive experience as employers in different fields, and HEIs will typically value and make use of this expertise. However, such governors need to avoid being drawn into operational issues, or into trying to steer the institution too much towards their own preferred approach to employment issues.
- 7.4 Governors also need to remember that in addition to encouraging employability, many HEIs have at least two other major concerns: first, to develop new programmes and awards in areas that may lead to new types of employment and businesses, and second to cater for a diverse range of students and graduate careers. For example, many part time students are already in employment, while EU and international students may not want - or be able - to be employed in the UK, and may instead be more interested in undertaking work experience and developing networks that will help them to find employment back home.

### Enhancing employability

- 7.5 There is an abundance of general information on what employers are seeking and how graduates are regarded by employers. For example, the Council for Industry and Higher Education<sup>58</sup> produces numerous useful reports, as do various consultancy firms, on the skills and experience of graduates and how to make best use of them<sup>59</sup>. However, governors should expect information from the executive that is specific to their institution in terms of local employment sectors, trends in regional employment, and so on.
- 7.6 Over the past 20 years or more, there have been a variety of UK-wide initiatives to identify and promote the development of the generic skills that employers look for in graduates. For example, Universities UK and the Confederation of British Industry (CBI) have recently published a joint report on the topics<sup>60</sup>. In addition the Higher

<sup>58</sup> See [www.cihe-uk.com](http://www.cihe-uk.com)

<sup>59</sup> See for example: What Employers Need to know about Recent University Graduates: Shaping Recruitment and Retention Strategies to Achieve High Performance at [www.accenture.com/NR/rdonlyres/12CC1ACS-21AD-430F-ADD6-2E274421C775/0/ACC\\_4168\\_GLP\\_111308qxd\\_qxd.pdf](http://www.accenture.com/NR/rdonlyres/12CC1ACS-21AD-430F-ADD6-2E274421C775/0/ACC_4168_GLP_111308qxd_qxd.pdf).

<sup>60</sup> CBI and Universities UK, (2009), "Future fit: preparing graduates for the world of work". [www.highereducation.cbi.org.uk/uploaded/HRE\\_091\\_Future%20FIT%20AW.pdf](http://www.highereducation.cbi.org.uk/uploaded/HRE_091_Future%20FIT%20AW.pdf)

Education Academy<sup>61</sup> has produced useful information, and national agencies (such as the Association for Guidance and Careers Advice Services<sup>62</sup>) produce regular surveys of graduate careers as well as guidance and labour market information.

- 7.7 Within HEIs, governors should receive reports and trend data on at least an annual basis on graduate employability. These will usually be based on HESA's early and longitudinal surveys of Destinations of Leavers from Higher Education (DLHE), which are carried out at six months and up to three and a half years after graduation. These surveys enable comparisons with other HEIs<sup>63</sup>, and a performance indicator showing the percentage of graduates entering employment or embarking on further study is used as a KPI by many institutions. Other data that is regularly monitored may include how well students in different categories are performing (eg students from black and minority ethnic backgrounds, or those entering with vocational qualifications). League tables such as 'The Times Good University Guide' also provide easily available data on employability.
- 7.8 More specific evidence relating to what employers are seeking from graduates, and what they think about the quality of graduates from your institution, is likely to be found in reports from your HEI's careers service, in more focused employer surveys and in data collected by faculties or academic departments. For example, HEIs with art, design and performing arts in their portfolios will be interested in a large scale survey of graduates and career paths in the creative industries published by the Institute of Employment Studies<sup>64</sup>.
- 7.9 Clearly, in interpreting such data, governors need to take into account overall trends in graduate recruitment and employment, which will obviously be influenced by the current recession. Indeed since 2007-08 there has been an overall downward trend in graduate employment. One implication of this is that HEIs will need to work still harder to ensure graduate employability, including through developing new opportunities for work experience, building closer relationships with employers and ensuring that students have access to the best possible careers advice and guidance.
- 7.10 Institutional performance varies widely with regard to rates of student progression into employment or further study. For example, in 2008-09 some vocationally oriented HEIs achieved rates of over 95% entering employment or further study (100% in one specialist case); conversely, other HEIs did not do so well with rates of approximately 75%. Clearly such results will be affected by numerous issues including mission.
- 7.11 For all these reasons, it follows that in the current economic climate (and in some parts of the UK the likely pressures on student demand due to fee increases), governing bodies may need to encourage their institutions to focus even greater attention on employability, not only for its own sake but also as an increasingly important variable in a student's choice of where to study.

#### SUGGESTED TASK

As a governor, do you know what the percentages are for student destinations into employment or further study for your HEI? If so, is your institution making progress or does more need to be done?

<sup>61</sup> See, for example, [www.health.heacademy.ac.uk/themes/employerengagement/whatemployerswant.pdf](http://www.health.heacademy.ac.uk/themes/employerengagement/whatemployerswant.pdf).

<sup>62</sup> See [www.agcas.org.uk](http://www.agcas.org.uk) and [www.agcasscotland.org](http://www.agcasscotland.org)

<sup>63</sup> See [www.hesa.ac.uk/index](http://www.hesa.ac.uk/index)

<sup>64</sup> Institute of Employment Studies, (2010), "Creative Graduates, Creative Futures". [www.employment-studies.co.uk/pdflibrary/471sum.pdf](http://www.employment-studies.co.uk/pdflibrary/471sum.pdf)

## Self-challenge questions

- Who takes primary responsibility for student and graduate employability in your institution and what information is made available to governors?
- What mechanisms are used to compare your institution's performance in graduate employment and access to further study with that of other institutions?
- What should your governing body do - if anything - to highlight the importance of employability during this recessionary period?
- How well does your careers service perform, and how do you know?

## 8. THE FUNDING AND COSTS OF TEACHING

- 8.1 It is no exaggeration to say that the Browne Report and subsequent policy developments have led to the most fundamental review of the funding of teaching in the history of modern UK HE. Although originating in England, it has led to a review of funding in other UK jurisdictions. As all governors will be aware, the changes are highly controversial: welcomed by some, opposed by many, and likely to have been discussed by all governing bodies in some form.
- 8.2 At the time of writing, the policy position is extremely fluid, and therefore no attempt has been made to set out likely funding arrangements from 2011-12 onwards. In any case, all governors will be actively involved in discussing the funding implications for their own HEIs, and will receive the necessary briefing from the executive and secretariat. Rather, this chapter briefly sets out some issues for governors in ensuring financial sustainability in relation to teaching irrespective of the funding method.

*"I sometimes find it difficult to understand some of the requirements of the funders, so god knows what the external governors make of it."*

**ELECTED ACADEMIC STAFF  
GOVERNOR**

### Governing Body Responsibilities

- 8.3 Of all the responsibilities of governors finance is amongst the most vital, and this applies as much to teaching as it does to other areas. The CUC Guide<sup>65</sup> includes in its summary of a governing body's financial responsibilities the need to "ensure the solvency of the institution and safeguard its assets". Governors therefore need to have a range of financial information to hand including: knowing how much teaching costs on a full economic cost basis; the income necessary to meet costs, overheads, and future investment; how teaching costs and income relate to other institutional activities; and how financially sustainable teaching (and perhaps the HEI as a whole) will be in the medium to long term.
- 8.4 Given the challenges to public expenditure, the pressures on governing bodies to ensure financial sustainability will grow, and the income and costs of teaching will be subject to ever more rigorous scrutiny. Programmes, faculties and perhaps whole institutions may be closed or merged, and the potential for conflict within an HEI is evident. It is therefore imperative that governors fully understand not only the overall financial position, but also the funding and costs of teaching.

### Funding for teaching: an overview

- 8.5 Although there are major differences between the four UK jurisdictions, in all cases teaching has been funded from three main sources: funding body grants for teaching, tuition fees (where charged), and education contracts.
- 8.6 At present, each funding body provides resources for teaching UK and EU students through a 'block grant' to HEIs, depending on the recruitment and retention of an agreed number of students. The funding bodies have an annual agreement with each HEI involving a given volume of teaching at a certain price, which varies by subject, level of study, and whether students are full time or part time. There is a small margin of tolerance to cope with annual fluctuations. If HEIs want to increase

<sup>65</sup> CUC, (2009), A Guide for Governors of UK HEIs, op cit

domestic student numbers they can only do so with funding body agreement. Changes to national priorities typically affect funding body allocations (for example, limiting overall numbers, or restricting allocations to particular subject areas). The funding bodies have also typically provided separate funding for specific initiatives, for example to incentivise HEIs to widen access. The details of funding vary in the different UK jurisdictions, and information is available from their various websites.

- 8.7 The block grant is supplemented by tuition fees, and there are currently two kinds: private HEIs who can set their own fee, and those controlled by government. HEIs determine tuition fees for postgraduate courses (except where they are regulated by professional and statutory bodies), for international students outside the EU, and for short courses. In agreeing fee levels, a governing body needs to be vigilant in checking on market conditions as they are likely to be competitive and volatile.
- 8.8 Since 2006-07 in England and Northern Ireland and 2007-08 in Wales-fee levels for full time undergraduates have been capped at £3000 pa (index linked). Although HEIs have had the choice of charging less, only a few initially chose to do so and they have altered their position since. In Scotland the fee charged in 2010-11 for newly enrolling students was £1820 (£2895 for medicine).
- 8.9 In all jurisdictions, fee policies are under review following the Browne Report and the proposals of the Whitehall government that in England a minimum fee of £6000 pa can be charged (in the form of a graduate contribution), with the possibility of a maximum of £9000 pa subject to a number of conditions, including HEIs adopting acceptable widening access arrangements approved by the Office of Fair Access. A consequence of such fee levels is that public funding for arts and humanities subjects has been withdrawn. Accordingly, all governing bodies in English HEIs will need to decide on their pricing strategy (and look closely at their costs for teaching) as well as the implications of the conditions imposed for increasing fees beyond £6000 pa. In Wales, the Assembly has agreed a similar uplift in fees, subject to the agreement of fee plans by HEFCW.
- 8.10 In addition, many HEIs will have substantial education contracts with a range of customers, including nursing, professions allied to medicine, initial teacher training, further education and continuing professional development (including tailored programmes for businesses). Clearly reductions in public sector funding threatens the viability of such contracts, and in England proposals exist for changing the basis of funding teacher training so that schools will have powers to purchase their training from HEIs. Clearly, governors will need to be alert to the impact of all these changes on institutional viability, and seek the advice of their executive.

## SUGGESTED TASK

As a governor, on reflection how well informed were you about the implications of agreeing a new student fee, and the implications for demand? If you are a governor in Scotland how well informed were you about the implications for your HEI about increasing student fees elsewhere?

## Assuring data accuracy

- 8.11 Governors must ensure compliance with funding body requirements about student data. There are two key requirements: first, HEIs must recruit as precisely as possible to their contract numbers otherwise funding penalties will apply. Second, there needs to be clarity about what counts as a student for funding purposes as HEIs can be penalised for inaccurate reporting of student numbers.

8.12 Accordingly, HEIs are required to provide accurate financial and student record data that can be relied on in making allocations. All funding bodies expect that such data will be subject to effective oversight by governors, managers and auditors, and audit committees are now required to provide their own annual assurances about data returns. For student data a key issue is whether HEIs correctly apply the rules concerning recording student completions (or - put the other way - the number of 'drop outs'). This has been highlighted in recent years because some HEIs returned inaccurate data on student retention, and therefore obtained funding to which they were not entitled (see Chapter 4).

8.13 The requirements of the four funding bodies on data accuracy can be found on in their respective financial memorandums. In addition, Hefce have also provided guidance summarising the common problems they find in data audit work in this area<sup>66</sup>. A sample of the issues identified - which are relevant throughout the UK - include:

- Data returns are not in accordance with the student completion definition of the funders.
- Inadequate audit trails exist in student record systems.
- Information to prepare data returns may be undocumented or lie with only one person, thus creating an obvious risk.
- The opportunity to use the student record system as a source of management information is being lost at many HEIs.
- Staff responsible for completing returns for funding purposes may have no idea of the rules governing completion.
- There are examples of a lack of understanding of what a full time equivalent student is meant to represent in data returns.

8.14 Although technical issues, these comments illustrate that governors cannot assume data accuracy, and therefore must ensure that the HEI has an effective system for data collection and reporting. Clearly the audit committee will be the main location for this, and may need to ensure robust validation by the internal auditors, but all governors should be aware of the potential difficulties. Even given robust oversight, it is not easy for audit committees to ensure the complete accuracy of data returns, particularly in large HEIs which operate complex curriculum patterns. Accordingly, many HEIs have increased their levels of assurance and have enhanced data monitoring.

### **Costs of teaching and TRAC**

8.15 Another aspect of data accuracy is identifying the costs of teaching, and governors need to know not only how income for teaching is earned, but also the costs, particularly as understanding and controlling costs has a direct impact on sustainability. All the funding bodies have sought to identify the full economic costs of teaching and research. To do this a system known as TRAC (Transparent Approach to Costing) has been devised and TRAC-T applies to teaching. This is intended to help HEIs and governing bodies understand their costs - particularly staff time - and HEIs provide annual TRAC returns to their funding body.

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<sup>66</sup> [www.Hefce.ac.uk/finance/assurance/data/](http://www.Hefce.ac.uk/finance/assurance/data/)

## SUGGESTED TASK

As a governor, have you seen the results of your TRAC return for teaching? Does it identify cross-subsidies that might give you cause for concern about financial sustainability?

- 8.16 In addition to identifying costs, TRAC has other benefits:
- It is possible to obtain comparative costs for HEIs in teaching a student in each of the 41 HESA subject areas.
  - It can provide better information on the cost-pressures which impact on the financial sustainability of teaching and the student experience. A Hefce report on this includes case studies from HEIs, but the findings are relevant across the UK<sup>67</sup>.
  - It enables the issue of cross-subsidy between teaching and research to be addressed. In many HEIs research has been subsidised by teaching, a situation which will be increasingly difficult to justify not just because of the strictures of the funding bodies but also because student fees bring with them the need for greater transparency in how they are calculated and the resources deployed<sup>68</sup>.
- 8.17 Some HEIs have questioned the benefits of TRAC, particularly those that undertake little research. However, although there are real issues concerning the reliability of TRAC data in recording staff time, the answer lies in the hands of management and governors in that any activity based approach to costing requires data accuracy, and therefore governors need to encourage senior managers to find a way of ensuring accurate data returns - whether part of TRAC or not.

### Institutional resource allocation for teaching

- 8.18 Finally, governors need to think about how effectively the internal resource allocation system is being used to support the objectives of the academic and learning and teaching strategies. As noted at the start of this chapter, money from the funding bodies is allocated as a block grant for HEIs to use as they wish, and does not have to be allocated using the funding bodies' formulae. As internal resource allocation is the most powerful way to influence academic activity, it follows that allocating the block grant effectively is central to delivering institutional strategies and priorities.
- 8.19 This flexibility raises important questions for governors including:
- In practice, how internal resource allocation systems support the academic and learning and teaching strategies.
  - Whether resource allocation for teaching results in realistic and consistent outcomes, and provides suitable incentives.
  - The extent to which either teaching or research is cross-subsidising the other, and if this is planned or unplanned.
  - Where fully costed overheads on teaching are not being achieved, what are the implications?
- 8.20 Within HEIs there are broadly three approaches to allocating resources for teaching:
- HEIs allocating funding which reflects funding body grant calculations. This may support the idea of a direct link between departmental performance and funding received.
  - HEIs generally following funding body allocations but adopting additional criteria to reflect institutional priorities. This has obvious benefits, but may be

<sup>67</sup> See [www.hefce.ac.uk/finance/fundinghe/trac/tdg/FSSG2009.pdf](http://www.hefce.ac.uk/finance/fundinghe/trac/tdg/FSSG2009.pdf) "Policy overview of the financial management information needs of higher education and the role of TRAC" (2009). A report prepared for the Financial Sustainability Strategy Group and the TRAC Development Group by JM Consulting

<sup>68</sup> The separate publication in this series on finance describes how TRAC can be used more broadly to ensure financial stability, see CUC-LFHE, (2009), Getting to Grips with Finance op cit



controversial if staff feel that resources that should have come to them are being used elsewhere.

- A more managerial model whereby centrally determined allocations are made to limit costs and facilitate new developments, not based on the existing pattern of activity.

8.21 Clearly a governing body should be interested in these issues, and from time to time review how far the resource allocation system is meeting its objectives.

### Self-challenge questions

- How well informed are you as a governor about the funding and costs of teaching in your institution?
- How can the governing body assess whether value-for-money is being achieved with respect to teaching and the student experience?
- How do your institution's costs for teaching compare with those of other institutions, and what are the consequences?
- How well placed is your governing body to make difficult decisions on the future of fees and associated issues?

#### A GOVERNOR'S DILEMMA 4:

As a governor in an English HEI you realise that your institution will have to set a realistic student fee, but this decision greatly troubles you. On the one hand you recognise the need for your own institution to be financially sustainable, and that academic quality can only be maintained with appropriate investment. Moreover you do not believe that this should automatically come from the state. On the other hand, you recognise the potential disadvantages of increasing fees, and that some potentially good students might be put off applying to your institution. At a forthcoming governing body meeting, the head of institution has made a proposal for a student fee which is at the limit of what you personally feel comfortable with. What should you do?

## ANNEX A: SOME KEY INFORMATION SOURCES

There is a very large amount of information available on academic and student issues, although relatively little on the implications for corporate governance.

As the **funding and quality assurance processes** vary between the four UK jurisdictions the most useful sources can be found at the websites of:

- The four UK HE funding bodies: the Higher Education Funding Council for England - Hefce at [www.hefce.ac.uk/research](http://www.hefce.ac.uk/research), the Scottish Funding Council - SFC at [www.sfc.ac.uk](http://www.sfc.ac.uk); the Higher Education Funding Council for Wales - HEFCW at [www.hefcw.ac.uk](http://www.hefcw.ac.uk); and the Department for Employment and Learning in Northern Ireland - DELNI at [www.delni.gov.uk](http://www.delni.gov.uk).
- The Quality Assurance Agency at [www.qaa.ac.uk](http://www.qaa.ac.uk)

Information on the **full economic costing** of teaching is available from the TRAC website at [www.hefce.ac.uk/finance/fundinghe/trac](http://www.hefce.ac.uk/finance/fundinghe/trac)

The CUC is a good source of information on the use of **performance indicators**, including those that are relevant to academic matters. See, for example, CUC, (2006), *The Monitoring of Institutional Performance and the Use of Key Performance Indicators*, at [www.bcu.ac.uk/cuc/publications](http://www.bcu.ac.uk/cuc/publications)

The most convenient source of information on the **student experience, learning and teaching, and student employment** is probably the Higher Education Academy at [www.hea.ac.uk](http://www.hea.ac.uk). More specifically, for the outcomes of **surveys on the student experience**, see the National Student Survey outcomes via the Unistats website (<http://unistats.direct.gov.uk>), the postgraduate taught and research student survey outcomes (via the HEA website [www.heacademy.ac.uk](http://www.heacademy.ac.uk)), and the Student Barometer survey produced by i-Graduate ([www.i-graduate.com](http://www.i-graduate.com)).

For more information about **student choices and expectations**, you may want to check NUS reports ([www.nusconnect.org.uk](http://www.nusconnect.org.uk)), the Universities and College Admissions Service on subject choices ([www.ucas.ac.uk](http://www.ucas.ac.uk)) and the Office of the Independent Adjudicator on student complaints ([www.oiahe.org.uk](http://www.oiahe.org.uk)). The Higher Education Statistics Agency also provides a variety of relevant data on students and staff ([www.hesa.ac.uk](http://www.hesa.ac.uk)).

For information on **newspaper league tables**, then the main sources are The Guardian, The Sunday Times and The Times Higher Education in the UK.

Various agencies provide data, information and analysis on **graduate employability** including UUK ([www.universitiesuk.ac.uk](http://www.universitiesuk.ac.uk)); the CBI ([www.cbi.org.uk](http://www.cbi.org.uk)); the Council for Industry and Higher Education ([www.cihe-uk.com](http://www.cihe-uk.com)); the Association of Careers Advisory Services ([www.agcas.org.uk](http://www.agcas.org.uk)) and the Institute for Employment Studies ([www.employment-studies.co.uk](http://www.employment-studies.co.uk))

For matters and regulations concerning **equality and diversity**, a key source is the Equality Challenge Unit ([www.ecu.ac.uk](http://www.ecu.ac.uk)).

## ANNEX B: SUGGESTED ANSWERS TO GOVERNORS' DILEMMAS

### Dilemma 1 (page 15)

A common dilemma this: what should go to a governing body for approval, in this case complicated by the fact that the expenditure is on a group of academic staff. There are several issues to consider before deciding if - and what - action to take:

- The implications of the dilemma are likely to vary depending on the size of the HEI. If it is a large research intensive university then recruiting a small group of academic staff will be a matter for a dean or head of department, and a governing body will not need to know. Conversely, in a small HEI, there might be all kinds of issues that should involve governors before a decision is made.
- A key issue is was the head of institution acting within his or her limits of delegated authority (which should be formally set out in governing body papers) or in accordance with his or her role as chief academic officer (as set out in charter and statutes or instrument and articles)? These vary significantly between HEIs, often giving the head of institution substantial authority without the need to seek approval. If the decision was within designated limits then all is well (although it might have been wise to have discussed it with the governing body chair first), but if not, then further clarification may be required.
- Has there been any previous governing body discussion which has, in general, supported action of this kind, so that the head of institution could reasonably think that the governing body had given overall approval for making appointments in this way?
- Was the timing such that the finance committee could have discussed the proposal? It is likely that some urgency was involved, and it may be that it could not have waited for a future meeting. If so was the chair of either the governing body or the finance committee asked informally for their view, and had the committee previously agreed the use of such delegated powers?
- Is there a business plan to justify the appointments, and how does the action relate to the academic and research strategies? If it doesn't there may be cause for concern, and there are obvious potential risk issues.
- Are there any major HR issues about the way that the new appointments have been managed that lead to concern by governors, for example do they comply with good equal opportunity practice? You may need to ask the HR director for assurance that all is well.
- Does the fact that this dilemma is about academic staff alter the governing body's responsibility in this dilemma? The answer is that it shouldn't. Subject to the above, HR is a board responsibility and formally the board is the employer. Issues associated with academic freedom and the like are about what academics do once employed, not whether they should be employed in the first place.

Subject to the above, in practice, the key piece of context is likely to be whether this is a one-off opportunity where the head of institution needed to move quickly (in which case the governing body might be content), or whether it is part of regular behaviour where the board is 'bounced' into giving retrospective approval. If the latter, then this dilemma might be the tip of the iceberg with serious issues to be faced.

**Dilemma 2 (page 28)**

First of all, beware gossip and stories in newspapers, and remember that this is very much an operational issue to be dealt with by management or the HEI's quality assurance system. At the most at this stage, you might want to contact the secretary/clerk to the governing body and ask if there is anything significant in the stories that might be relevant to the governing body. If there is a significant issue which needs resolving, the initial steps should be taken by those who have operational responsibility, and you might expect the relevant faculty board to be involved (or similar). If the problem is particularly serious it might escalate to the senate/academic board, and the governing body might hear about it from the minutes or from the president of the student union at a board meeting.

Nonetheless, the governing body will want to exercise oversight of quality and be seen to be encouraging a high quality student experience, and therefore it needs to ensure that it has regular discussions (at least once a year) which enable it to review a wide range of data which set specific quality issues within an overall context. If this analysis shows up major problems then the board should expect the executive to resolve them through the academic governance system.

**Dilemma 3 (page 39)**

There are two distinct issues in this dilemma: your personal preference concerning style, and matters of fact and truthfulness in the marketing information. The first is not so important, given that there is little reason to think that marketing materials aimed at (primarily) young people will necessarily appeal to governors. However, the second issue is another matter; there are now even greater expectations that HEIs present accurate and helpful information about all aspects of the student experience, including recruitment information. Of course, there is rarely any deliberate intent to mislead and any exaggerated claims in the prospectus are likely to result from a combination of over zealous PR and a lack of operational oversight by the senior manager concerned.

What action to take? Well, despite the reputational implications, this is almost wholly an operational issue. Nonetheless, an informal word with the appropriate pro-vice-chancellor (or even the head of institution) the next time you meet, should be all that is required. If the problem persists and there are exaggerated claims over a sustained period of time, then a conversation with the governing body chair may be required with a view to having a board discussion about marketing and external communications, with the head of marketing present.

**Dilemma 4 (page 47)**

Many governors will be facing this dilemma, so you will not be alone. However, your primary responsibility is clear: to the sustainability of the HEI and its mission. Not to accept this priority could place the HEI at risk, and in extremis put you in breach of your obligations as a trustee under charity legislation.

In reaching a decision about what to do you will, of course, expect to be provided with all the necessary information setting out the available options, examining the implications of scholarship and bursary schemes, various forms of scenario planning, and all the other data that you will require to convince you that there is a least bad option.

If you are still unable to support any course of action that would ensure sustainability, you may have no alternative but to abstain from taking part and voting (if votes are taken at your governing body). However, on such a fundamental issue, this may mean that you wish to consider your future membership of the board.

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