

Bournemouth University – independent review of governance effectiveness 2020

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1. Bournemouth University (“the University”) is a well-respected large multi-faculty University with more than 16,600 students and turnover of £164 million. It is currently delivering its BU2025 strategic plan with the vision of being recognised as a leading university for its innovative approach to higher education. The University’s Fusion approach brings together teaching, research and professional practice to inspire learning, advance knowledge and enrich society. The approach is showing signs of success, as the University has recently improved its league table rankings, driven in part by strong performance in graduate outcomes and salary surveys. These measures demonstrate that the University is delivering for its students.
2. Good governance is essential to continue delivering the University’s success and we note that the University has always strived to have strong governance arrangements and to continuously improve these, developing and implementing best practice in governance. The University commissioned JB HE Consulting to deliver an independent review of the University’s governance arrangements, including assurance over its compliance with the Committee of University Chairs’ Higher Education Code of Governance 2020¹ (“the CUC Code”) and the Office for Students’ (“the OfS”) ongoing conditions E1 and E2 that are about good governance². In reaching our conclusions we considered:
 - a) The effectiveness of the Board of Governors (“the Board”) and the appropriateness of its terms of reference and governance structure for the Board’s purposes, including Board behaviours and culture.

¹ <https://www.universitychairs.ac.uk/wp-content/uploads/2020/09/CUC-HE-Code-of-Governance-publication-final.pdf>.

² <https://www.officeforstudents.org.uk/publications/securing-student-success-regulatory-framework-for-higher-education-in-england/>

- b) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board of the Audit, Risk and Governance Committee, which has oversight of internal control and risk management, including formal regulatory opinions and strategic academic risk.
 - c) The adequacy and effectiveness of the terms of reference and assurances (reporting) to the Board of the Finance and Resources Committee, which has oversight of financial matters (including financial reporting) and human resources matters.
 - d) The assurances and effectiveness of Senate's reporting to the Board – this aspect of the scope is limited to assurances about key academic risks and reporting to the Board, as the University undertook an independent review of Senate in 2017.
 - e) The effectiveness of reporting to the Board by Nominations Committee.
3. We have concluded that the University's governance arrangements are adequate (designed appropriately) and effective (operating as intended) and that many examples of good practice are evident. The University is open to being challenged and is keen to ensure continuous improvement in best practice governance. We did not identify any practices or behaviours that raise concerns or suggest that there may be governance failures. In addition:
- The University is broadly compliant with the CUC Code, although at the time of our review it was still undertaking development work to be fully compliant with the newly published Code³. The Code is voluntary and operates on an 'apply or explain' basis. Although we understand that the University has historically adopted the CUC Code in full, we have recommended that the University does not introduce a 'senior independent governor' role. This is because some aspects of this role, which is based on the 'senior independent director' role within non-executive boards of publicly listed companies, are simply not relevant to the University and those aspects that are relevant are already encompassed within the Deputy Chair's role.
 - We identified no evidence that the University is non-compliant with its conditions of registration E1 and E2, including the requirements to uphold the public interest governance principles in practice.
4. As for any organisation that seeks continuous improvement, we have identified some recommendations for the Board to consider. Unsurprisingly, these relate to issues that the higher education sector is grappling with more broadly and so are not unique to the University. It is important context that the higher education regulatory framework in England is new and that universities are at varying stages of updating their policies, processes and monitoring arrangements to meet the new requirements fully – indeed

³ The CUC Code was published in its final form in September 2020 and this review was undertaken in August-December 2020.

the OfS itself is still developing and implementing its own regulatory requirements and processes. We would wish to highlight the following recommendations:

- a) Improving student engagement in the University's governance through creation of an additional student Board member role – this would bring a number of benefits, including a greater voice for the University's students, input about the current student experience, mutual support for the student members to aid their engagement and effective challenge, and continue to drive cultural change by making students and the student experience visibly more central to University.
 - b) Improving the diversity of Board membership – this would give enhanced challenge and risk identification that comes from people's different experiences.
 - c) Improving Board oversight of academic matters – it is important to engage the Board with core academic activity which has traditionally been seen by many as “off limits”. Although this is not the case at the University, with Board having oversight of academic matters and receiving regular reporting from Senate, there are improvements that can be made to enhance this further. These may include:
 - a. Improving the reporting from Senate to the Board, with more explicit links between the Senate's activities and the regulatory and strategic interests of the Board.
 - b. Improving the linkages between Board and Senate so that Board members gain more familiarity with and better understanding of academic matters, risks and challenges. This could be done in a number of ways and the Board should consider the available options to determine how it can best address this in its own strategic context.
 - d) Updating governance documents to fully reflect the new regulatory environment in English higher education. For the avoidance of doubt, this is about fully updating policies and processes and is not an indication that University is not complying with the OfS's conditions of registration. We note that this is challenging for all universities as the OfS itself has not yet fully implemented its regulatory framework and has recently begun a series of consultations intended to amend both its requirements and its regulatory approach. However, there are improvements that the University could make now to document its compliance monitoring and reporting approach and embed it fully into the University's business as usual with little additional burden.
5. In summary, we identified no evidence that would raise concerns over the adequacy and effectiveness of the University's governance arrangements, its compliance with the CUC Code or with its OfS conditions of registration E1 and E2. We have identified a number of enhancements to further strengthen the University's governance arrangements and have made recommendations accordingly for the Board of Governors to consider.



Acknowledgements

6. We wish to thank the independent, staff and student members of the Board, the University Executive Team and the Head of Legal Services and Corporate Governance and Clerk to the University Board and her team for their support and openness throughout review.