



The
University
Of
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University
Secretary's
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Preliminary report on compliance with the CUC HE Code of Governance

1. Background

Following a period of consultation, the Committee of University Chairs (CUC) has published its new Higher Education Code of Governance (September 2020).¹ This version supersedes the December 2014 edition, when the Code was previously substantially reviewed

The Code is designed to help governing bodies meet and exceed the basic requirements contained within their governing instruments, as well as the legal and regulatory requirements placed on UK HE providers. The University named the CUC Code as its applicable governance Code in its application to register with the Office for Students.

The Higher Education Code of Governance has been developed to support governing bodies deliver the highest standards of governance across their institutions. The Code's primary audience is HE providers' governing bodies.

The Code is applicable with immediate effect. The Code needs to be read alongside the governing instruments and relevant legal and regulatory requirements that, as far as possible, are not repeated in the Code itself. The University states publically it has adopted the Code in its Annual Report. Compliance is on an 'apply or explain' basis, with any instances of practice that is not consistent with the Code noted and explained in the annual Corporate Governance Statement.²

2. Nature of the new Code

This Code identifies six primary elements, to assist in delivering the objectives and provide the basis for good governance in the UK HE sector. The six elements are all interrelated and should not be read or applied as standalone elements. They are:

- i. Accountability
- ii. Sustainability
- iii. Reputation
- iv. Equality, inclusivity and diversity
- v. Effectiveness
- vi. Engagement

Each element is supported by a series of statements that governing bodies **must** meet or exceed in order to comply with the Code.

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

² The Corporate Governance Statement prefaces the Financial Statements in the Annual Report.

Each institution has to decide how best to implement the Code and adopt a governance model which is proportionate and effective for their set of circumstances. The Code does not address methods for its own implementation. This is intentional, and aims to reflect the diversity of the sector and support its flexibility and autonomy. The CUC states it intends to collaborate with other organisations (e.g. including AdvanceHE and AHUA) to provide more detailed advice on implementation in due course.

The Code states “It is important that, within institutions, the Executive, governing body and Secretary develop a shared understanding of these values and objectives and how they wish to apply the individual parts of the Code.” This report aims to set out a preliminary review of the requirements, from the face of the Code, to identify areas of non-compliance or where improvement may be indicated, to facilitate discussion – including with UEB, Officers and Council, on what actions may be needed.

3. Preliminary review of compliance

A preliminary review of the University’s compliance with the new Code has been undertaken (see Appendix One). This has sought to identify the evidence for compliance and to determine where further action may be needed or advisable.

Our view at this stage is that compliance with the vast majority of the Code can be robustly evidenced. There are, however, some statements for which the supporting evidence needs further development with the input of relevant executive or professional services colleagues. There are also a few statements for which we feel evidence of compliance is less robust than it might be and where further work may be advisable. Details of both are provided in the attached appendix.

Findings and actions from the 2020 Council Effectiveness Review have been referenced as evidence where appropriate.

4. Preliminary Headline Findings

Training: Council are being asked that as part of the Action Plan resulting from the Council Effectiveness Review it should consider further development and training for members on the Regulatory Framework. Training on the regulatory framework in response to the Council Effectiveness review could be expanded or developed to include charity law given the governing body members are charitable trustees and must comply with case law and legislation governing charities in the exercise of their duties.

Culture: Council is required to ensure that the institution’s values are practised throughout the organisation. Council has approved the new University Vision, which includes a statement of values, and accompanying KPIs. Council receives an annual report on the Code of Ethics. The “culture question” often arises in Council (and committee discussions). In the absence of quantitative measures by which to assess and monitor culture, Council will rely on narrative elements of KPIs reporting, and may choose to adopt a “by exception” basis for reporting in this area.

Student Voice: Council is required to ensure that the collective interest of current and future students drives decision making, and growth and innovation throughout the institution. Students are represented on a number of Council and Senate committees, and on Council and Senate. Students were consulted on and informed the development of the University Vision. While the University of Sheffield and the Sheffield University Students’ Union pride themselves on their distinctive relationship, highlighted in the Effectiveness Review, evidence of this (as above) may require further development.

Academic Freedom: Council must understand and respect the principle of academic freedom, the ability 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. To this end action is in hand to propose to Senate new terms of reference for their Teaching and Learning and Research and innovation Committee's and for those committees to consider what this would mean in practice so that the Committee can embed it.

Stakeholders: To promote trust Council requires assurances, under the Code, that there is effective communication with relevant stakeholders. Governing bodies will need to consider how they engage stakeholders in decision making and how they publish information and report performance to stakeholders, however defined. This may require further thought as to who are the relevant stakeholder's, and how their interests are considered in decision making, and the provision of information to them.

5. Next steps

The following next steps are proposed:

- (a) Completion of the preliminary review as indicated above, through consultation with relevant executive and professional services colleagues.
- (b) Any actions agreed will be included in the Action Plan resulting from the Council Effectiveness Review.
- (c) Subject to any supplementary guidance from OfS or the CUC, and the extent to which any remedial work remains to be completed, reference to any outstanding areas of non-compliance to be included in the Corporate Governance Statement that will form part of the University's 2021 Annual Report.
- (d) An independent review of compliance with the Code to form part of the next Council Effectiveness Review in 2023-24.

6. Recommendations

Council is asked to:

- (a) Note and comment on the assessment of compliance with the new Code.
- (b) Note and endorse the actions and next steps set out in Section 5, above.