

Illustrative Practice Note 7: The role of the Nominations Committee

November 2017

What does the HE Code of Governance say?

1. Element 7

The governing body¹ must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.²

2. Element 7.3

The governing body must establish a Nominations Committee (or similar) to advise it on the appointment of new members and the terms of existing members as well as the perceived skills balance required on the governing body. Normally final decisions on appointment are taken by the governing body.

The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.

Remit and membership

3. The Higher Education Code of Governance requires that all governing bodies must have a Nominations Committee which will oversee and advise on the appointment of new members, as well on the terms of membership for existing members.
4. The governing body and its committees need to have an appropriate balance of skills and experience. Ensuring that this is planned and executed falls to the Nominations Committee. To discharge this responsibility effectively the Nominations Committee will need an accurate record of the terms and durations of service for all members, being particularly mindful ahead of the expiry for terms of membership and the mix of skills and experience required to support the effective operation of the committees.
5. Clearly there is an important interrelationship between the Nominations Committee and the governing body, where the former takes on the responsibility for surveying the breadth of skills required and instigating the process for recruitment, while the governing body will be required to ratify or sign off appointments. The responsibilities of the Nominations Committee should be clearly set out in its terms of reference, informed by the delegation of authority.
6. A Nominations Committee would typically number anywhere between four and 12, always with a lay majority. It should be chaired by a lay member of the governing body (often the Chair), and populated with other lay members. The head of the institution is almost always a full member, and typically the University Secretary would be in attendance.

¹ In different universities, the governing body is variously called the Council, Court, Board of Governors or Board of Trustees. In this document, the term 'governing body' is used to cover all these variants.

² Committee of University Chairs (2014) [Higher Education Code of Governance](#).

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7. A number of higher education institutions (HEIs) have chosen to use their Nominations Committee to encompass wider governance matters. This would typically give it a broader remit which would consider the membership of committees, their role and structure, wider development for governors and other features of corporate setup (e.g. the publication of minutes, support for governors etc.).
8. The key argument in favour of a committee with a wider responsibility for processes of governance, is that there is a central committee which focuses on specific aspects of governance which might otherwise get overlooked; the primary con is that it might dilute the focus on nominations and succession planning.

Planning

9. The Nominations Committee will usually have a general role in the oversight of succession planning – not of just governing body members, but in the assurance that effective plans are in place to manage succession for key roles.
10. The Nominations Committee will want to be clear about the timeline to which they are working. This will often help inform what stages and processes they may intend to implement. In the case of the Chair, it is usually helpful for the vacancy to be filled before the current post-holder completes their term of office.
11. It is helpful for the governing body and the Nominations Committee to agree on the range of skills and expertise it needs to retain, and to have a schedule of when existing members finish their terms of office, so that when a gap emerges through the departure of a member there is a new person with comparable skills to fill their place. It is also important that the Nominations Committee considers any equality and diversity targets the institution has set itself when developing both the skills matrix and the specific approach to be used in filling posts.
12. There is no prescribed format for the recruitment of members, though there are several factors which are considered to be good practice as part of an effective recruitment process. This would typically start with a reflection of what is needed – perhaps after an effectiveness review – in the context of how governance is seen (e.g. what model they want to have – accountability, strategic direction, value adding, etc.). Central to any recruitment process is the importance of being able to identify the skills and experiences that are being sought. Often this is achieved through the creation and maintenance of a skills matrix, which can then be analysed against the requirements of a specific committee or the governing body to determine essential and desirable criteria. Usually a role description would be created for the Chair, sub-committee Chairs, governors and members of sub-committees. The role description will typically capture the essential requirements for all members of the committee or governing body, providing clarity for the organisation and also the post-holders.
13. The requirements placed on governing bodies have increased over the last few years and accordingly some institutions now devote some time to developing a prospectus to accompany a role description. These set out the benefits and rationale for joining a governing body, bearing in mind these are usually voluntary unpaid roles. Typically, they will cover the chance to give something back by making a real difference to the lives of students, engaging with a complex and interesting organisation, learning about the fascinating research that is being carried out within the institution and generally shaping the development of organisations that are crucial to the development of society.
14. Ensuring that appointments to the governing body and sub-committees are made according to skills requirements and the requisite breadth of experience is crucial. The Nominations Committee is expected to own

and maintain a skills matrix which captures the key strengths of individual members and the requirements of the governing body or committee. This is perhaps best generated as a part or consequence of an effectiveness review.

15. While skills are clearly important, it is important not to overemphasise on them. Arguably, it is possibly more important that post-holders can question intelligently, debate constructively, challenge rigorously, decide dispassionately, appreciate the difference between governance and management and be sensitive to the views of others, both inside and outside governing body meetings.
16. There are a variety of means by which a skills matrix is constructed. Usually they are created based on self-declarations by individual members. More sophisticated skills matrices will encourage individual members to assess their own strengths according to a scale (e.g. out of 5 or 10, or against a degree of competence such as expert, experienced or novice). While self-evaluation is the most common means to collate skills matrices, they rely almost exclusively on the judgement of individual members without any real external assessment or rigour. Nominations Committees will also have to take into account any specific requirements set out in the institution's Articles or Charter.
17. To that end, Nominations Committees usually review the results of their skills matrices holistically, and consider how they inform individual and collective governor induction, training and development, and appraisal and review.
18. It is important to be mindful of the lead time requirement in the appointment of governors. It is common for the full process to take around a year, particularly where there is a requirement for a committee of independent members to appoint new governors, and leaving sufficient time to have these written in to the governance documents.

Recruitment

19. A significant part of the work of the Nominations Committee will be to oversee and execute the process of governing body member recruitment. The Nominations Committee may also oversee the process for Vice-Chancellor or head of institution (although this is often conducted through a special committee) and more commonly the Chair of the governing body. These two appointments are particularly significant, and will encompass recruitment over several stages. Separate Illustrative Practice Notes (IPNs) on Vice-Chancellor and Chair recruitment have been published to address these processes in more depth.³ Nominations Committees might also oversee the process of appointing other officers of the governing body, such as a Deputy Chair and Treasurer.
20. The Nominations Committee would be expected to offer a steer on the number of stages required for a specific recruitment process. Given that the vast majority of governor roles in HEIs are voluntary, there is an important balance to strike between not being overly burdensome while still allowing candidates the opportunity to demonstrate their skills and ability to undertake the role. It is typical for the recruitment of a governor to invite applicants to send their CVs and expressions of interest and suitability for the role. There are generally two distinct approaches: the first, still quite common, is for someone to be invited for an informal discussion to ensure that expectations are clear on both sides, although a formal interview may never take place. The second more formal recruitment route, potentially through the advertisement of vacancies, would typically culminate with a formal interview.

Brunel University

The university has for some time maintained a skills matrix covering the skills and experience possessed by its Council members. It is important that Council members possess a preponderance of the skills and experience listed in the skills matrix, as these are qualities that allow them to be contributing members of Council.

The university's Nominations Committee oversees this process and wants Council members to focus on the areas where their main skills were evident. A format has been created whereby Council members are asked to identify up to six key skills or experiences from the skills matrix where they consider their primary areas of expertise lie. Council members are then asked to separately identify areas where they may have some useful skills or experience but would not regard these as key or primary areas. This may be an area they are no longer active in or engaged with. The skills matrix is also separated into categories of 'headline skills' and 'sub-categories'; this more accurately reflects where the skills or expertise lies. It is further suggested that Council members leave blank any areas where they have limited or no experience.

This process has allowed Council members to consider carefully before identifying their main area of expertise, while still allowing them to indicate where they consider they have some expertise. Unless there is good reason, only the primary areas that are taken into account when the skills matrix is reviewed by the Nominations Committee.

³ Committee of University Chairs (2017) [IPN5: Recruiting a VC](#).
Committee of University Chairs (2017) [IPN6: Recruiting a Chair](#).

21. To generate a significant pool of candidates, the Nominations Committee will also give a steer on the avenues they would like to see pursued to encourage and invite applications. There are a number of means to generate applications, and each Nominations Committee will refine this depending on their circumstances. However, commonly used routes include: local advertisement, national advertisement, exploration of existing networks of members, promotion to university alumni and promotion to specialist networks to support non-executive and trustee recruitment (e.g. Women on Boards, the 30% Club, Common Purpose).
22. The avenues for promotion should take care to ensure that the role is likely to be reached by a diverse range of prospective applicants.
23. Some institutions report that advertisements sometimes generate too many inappropriate applications. The key to avoiding this is to be very clear about the essential attributes required by the role, emphasising the utility of a skills matrix.
24. In some cases, the process of appointment need not involve all members of the Nominations Committee, and the Secretary may be tasked with undertaking all background research. The Nominations Committee may then receive a report on backgrounds and have an indication of a preferred candidate. Some institutions are also participating in Board Apprenticeship schemes.⁴

Head-hunters/search firms

25. Several Nominations Committees have chosen to appoint search firms or head-hunters to support the process of governor recruitment. Although this often has a significant cost, it has proven to be useful in some, but not all circumstances – but particularly when an institution is clear about the specific contribution they would like an external firm to bring (e.g. to deliver a pool of candidates with specific backgrounds or characteristics, or to bring added rigour to the process).

Frequency

26. There is no set frequency for which Nominations Committees are prescribed, although most institutions will settle on a cycle for each academic year. However, depending on the scale of recruitment required, or other business which falls within their terms of reference, the number of meetings may need to increase. In exceptional circumstances additional meetings may need to be arranged to deal with increased workload.
27. The scheduling of meetings needs to be coordinated with that of the governing body so that their business can proceed in a timely fashion and be ratified or agreed by the governing body.

Conflicts of interest

28. The institution will need to ensure that a process is in place to allow members of the governing body and sub-committees to declare any conflicts of interest or wider business interests. Institutions often ask the Nominations Committee to have oversight of this process. Usually a conflict of interest relates to pecuniary or financial matters, where an individual stands to gain or lose money because of an actual or potential decision of the governing body. Other conflicts of interest relate to membership or involvement with professional or other bodies with a close connection to the sector in which we are operating. In addition to personal conflicts of interest being recorded, those of immediate relatives and partners are recorded too.

University of Gloucestershire

The University of Gloucestershire worked with Board Apprentices to appoint two apprentices to their Council for 2017/18. Board Apprentices is a not-for-profit organisation dedicated to increasing diversity on boards in the private and public sectors by widening the pool of board-ready candidates. Working with Board Apprentices, the university appointed two individuals from diverse backgrounds with relevant skills who had not previously thought of joining a governing body in the HE sector. The university hopes that supporting the Board Apprentices scheme will enable it to recruit an increasing proportion of external Council members from more diverse backgrounds, including, but not limited to: gender, ethnicity, culture, age, disability, personality, skill set and professional background in the future.

⁴ For example, [Board Apprentices](#)

29. The process to capture and publish any conflicts of interests exists to demonstrate the independence of the governing body's decision making, but also to be transparent about any potential conflicts. In exceptional circumstances, and where material conflicts exists, governing body or sub-committee members may absent themselves for specific items of business. Where a conflict of interest exists without the possibility of direct material benefit to the individual, affected members will continue to be present and where appropriate participate in discussion and decision-making, but the conflict of interests register is still maintained to inform other members of a particular interest from a fellow member.
30. It is standard and accepted practice that conflict of interest registers are published, usually online, and updated on annual basis (or when a major change arises for an individual member).

Equality and diversity

31. The CUC Higher Education Code underscores the importance of equality and diversity and the sovereign role that the governing body has to scrutinise this, for itself and for the institution as a whole.
32. As part of the cycle of business in any given year, the governing body will expect to receive an update on equality and diversity matters relevant to the institution. Depending on the context and circumstances of the institution these updates will vary, but typical information will include student performance and retention information by relevant protected characteristics, wage and promotion information on staff by protected characteristics and compliance with relevant legislation, such as the Equalities Act 2006.
33. While the governing body will be routinely informed on issues relating to equality and diversity, much of the more detailed scrutiny will be undertaken by the Nominations Committee. As well as regular items considering the detailed performance of the institution regarding equality and diversity matters, the Nominations Committee should always be mindful of ensuring this is central to their deliberations, particularly in relation to recruitment.
34. As part of the approach to improving their own diversity, some governing bodies have chosen to introduce targets for specific characteristics on their own membership.
35. In March 2016, HEFCE published their Equality and Diversity Statement and Objectives. Objective 4 set out: 'We will actively seek to promote greater diversity on university governing bodies: HEFCE has already set a target of 40 per cent for the proportion of women on governing bodies by 2020, and we will encourage progress toward greater ethnic diversity and across other protected characteristics. As part of this, we will investigate ways of enhancing the equality monitoring of governing bodies.'
36. From work carried out by the Leadership Foundation, it has been shown that how HEIs describe or set up application processes can be an area that needs consideration, with some potential applicants feeling the language and process was a deliberate way of maintaining the status quo. So HEIs will need to think carefully about what is needed – what messages does the proposed process/form etc. send out? How much is it geared to encouraging a wider pool of candidates? Are we sure there is no unconscious bias in our forms and processes?

Open University (OU)

The OU's Governance and Nominations Committee regularly reviews the composition of the Council and its committees, taking into consideration the balance of knowledge, experience and skills required, diversity (including protected characteristics) and other factors relevant to its effectiveness, and advises the Council accordingly. It also conducts an annual review of the Council Diversity Policy, which seeks to ensure that equality and diversity in its broadest sense is a significant feature of the Council, and recommends any revisions that may be required. The policy recognises that a diversity of perspectives will promote more constructive and challenging debate at Council meetings, thereby helping to avoid 'groupthink' and improving governance outcomes.

The university's Equality Scheme 2016-2020, approved by the Council, includes the objective 'Increase the diversity of the university's Council and governance committees'. Currently, the key performance indicators (KPIs) for this objective, which are incorporated into the Council Diversity Policy, are:

- All university committees will always be comprised of at least 40% women and 40% men.
- All university committees with ten or more members (including co-opted members) will be comprised of at least 20% people with a declared minority characteristic (disabled, ethnic minority, religious minority or lesbian, gay, bisexual) by 2020. At least one third of the Council will always be comprised of members aged 55 or under.

The Committee has considered the constraints to increasing diversity on the Council and its committees, and ways in which the objective could be achieved. Consequently, the recent recruitment process for Council members included: specific targets for executive search consultants aligned to the KPIs; the inclusion of an equality and diversity statement in recruitment documentation; encouraging underrepresented groups; and the use of targeted media.

Scotland

37. In 2016, the Scottish Government passed legislation concerning governance of HEIs. The legislation takes Scottish HEIs in a different direction compared to their counterparts in England, Wales and Northern Ireland with a great deal more instruction coming from government.
38. As part of this legislation, the Act determines the composition of the Court/governing body, and this will need to be observed for the Nominations Committees of Scottish institutions.
39. As well as setting out the composition of the governing body, the legislation also sets out that there must be an election for the senior lay member who has 'the duty to preside at meetings of the governing body, the leadership and effectiveness of the governing body and ensuring that there is an appropriate balance of authority between the governing body and the Principal of the institution.'⁵

⁵ [Higher Education Governance \(Scotland\) Act 2016](#). Chapter 1. (2016)

Higher Education Governance (Scotland)

Act 2016

Composition of governing body

1. The membership of the governing body of a higher education institution is to be composed of—
 - a. the person appointed to the position of senior lay member by virtue of section 8,
 - b. 2 persons appointed by being elected by the staff of the institution from among their own number,
 - c. 1 person appointed by being nominated by a trade union from among the academic staff of the institution who are members of a branch of a trade union that has a connection with the institution,
 - d. 1 person appointed by being nominated by a trade union from among the support staff of the institution who are members of a branch of a trade union that has a connection with the institution,
 - e. 2 persons appointed by being nominated by a students' association of the institution from among the students of the institution,
 - f. such other persons as are appointed—
 - i. by virtue of an enactment, or
 - ii. in accordance with the governing document of the institution.
2. For the purposes of paragraphs (c) and (d) of subsection (1), a trade union nominating a person from among a category of staff must be one that—
 - i. is recognised by the institution in relation to the category of staff, as described in section 178(3) of the Trade Union and Labour Relations (Consolidation) Act 1992, or
 - ii. otherwise appears to the institution to be representative of the category of staff, having regard to all relevant factors.

Support and training for governing bodies

40. Particularly where a Nominations Committee is also responsible for governance within its terms of reference, they would also consider training and development opportunities for the governing body, individual governors and members of sub-committees. In part, this may well be informed by the skills matrix, but also by horizon-scanning to consider topical or new responsibilities that are being placed on the governing body and would therefore lend themselves as topics for training or briefing. Some institutions have in place formal appraisal schemes for governing body members, while others rely on annual informal discussions with the Chair on progress and future contributions to the work of the governing body. Nominations Committees can be useful places where all of this is brought together to establish a consolidated development programme.

41. Nomination Committees themselves will also need to consider their specific needs, and some have recognised that they need external support in respect of training in dealing with unconscious bias.
42. The Nominations Committee can also help build a diverse pool for the future by providing training for potential governors and co-opting non-governors to sub-committees to gain experience.
43. While there are inevitably pressures on the time of governors and sub-committee members, it is a reasonable expectation that they engage in relevant training and development during their term of office, to ensure they are keeping abreast of relevant developments as well as looking to fill any individual training needs to enhance their contributions as governors.

Central School of Speech and Drama

In accordance with Element 7 of the Higher Education Code of Governance, Central has introduced a programme of continuing governor development and review, including a range of opportunities for formal and informal feedback and performance review to follow on from the initial induction meeting with the Chair, Clerk and Principal.

Central recognises that while all governors have equal responsibility, the skills and experience will vary widely not only across independent governors but also between independent governors, staff governors and student governors, thus requiring a range of support. The Chair and Deputy Chair of governors and the Clerk to Governors offer informal meetings with any governor throughout their term of office (if required), but also schedule more formal one-to-one development and feedback meetings with governors to provide an opportunity to assess their own performance and to provide feedback on the governance processes.

To ensure sufficient time and availability for these one-to-one meetings across the governing body, it was agreed that it would be most practical and strategically effective to plan meetings with governors midway through each term of office and also at the end of their third term, by way of an exit interview. These meetings are supplemented by other formal feedback opportunities, such as effectiveness reviews and feedback through the committee structure, as well as regular opportunities for informal discussion.

All feedback is reported to the Nominations Committee for review to put appropriate action plans in place and to regularly monitor and report progress to the governing body.

Governance effectiveness

44. The governing body will also wish to routinely assess their own effectiveness, since the Code says governing bodies must conduct a regular, full and robust review of their effectiveness and that of their committees every four years. While ultimately the responsibility of the governing body, some of the detailed work is often delegated to the Nominations Committee, particularly in those committees that have explicitly widened their terms of reference to consider governance and nominations.
45. Usually, governing bodies will undertake a relatively light-touch internal assessment of effectiveness on an annual basis. This may involve a questionnaire, a discussion item on the agenda of the meeting or individual meetings with the Chair and/or Clerk or Secretary, and typically these findings will be brought together in a summary report with recommendations for possible improvements on and enhancements to practice.

46. Less frequently, the governing body will conduct an externally facilitated or supported review. This allows for an additional degree of independence to consider the wider effectiveness of the governing body, and may also consider several thematic issues the governing body wishes to have examined.

Transparency

47. Central to all business for the Nominations Committee needs to be attention to transparency. From their role to advise on the appointment of new members, through to understanding and capturing the requisite skills, the decisions of the committee need to be easily accessible and understandable. Given the wider duty that providers have to students, the government and the communities in which they are situated, it is important that the rationale and basis for their decisions can be seen and understood.
48. Transparency will normally extend to the publishing of the minutes of Nominations Committee meetings, including (where possible) the rationale and objective of any decisions taken. The commitment to transparency also covers the actions they are overseeing, particularly in relation to recruitment.