

“AdvanceHE

+ The changing face of governance - Episode 5: ESG

Podcast transcript



Key

- + **Kim Ansell:** KA (host)
- + **Joy Carter:** JC
- + **Peter Ptashko:** PP

Transcript

KA: Hello and welcome to this Advance HE podcast celebrating 20 years of governance support in the HE and more recently, the FE sector. We're doing a series of podcasts talking about the changing face of governance. Today, we're talking about the board's role in sustainability oversight and ESG to different but related topics. I'm Kim Ansell from Advance HE, and I have the pleasure of working with and for the sector on many aspects of governance and leadership, and I'm a member of the board at the University of West London. My perception is that ESG, environmental, social and governance means different things to different people and different types of organisation with its origins based on how an organisation assesses, manages the risks and opportunities created by external shifts in the environmental, economic and social systems. It is evolving into principles, approaches, frameworks that analyse how sustainably an organisation is operating. It includes key elements around environmental and social impact, as well as how transparent and accountable governance structures are. From what I see in the sector, sustainability oversight is evolving so that there is a better articulation from student to board about what the institution does to have the most impact and create the most value across the spectrum of sustainability issues. I'm joined today by professor Joy Carter and Peter Ptashko. I'd like to ask them to introduce themselves and give us some insight into why this topic is important to them.

JC: Well, thank you Kim, and I'm really looking forward to the conversation today. Um, I'm a Professor Emeritus of Environmental Geochemistry and Health at the University of Winchester, and I'm also the former Vice Chancellor at the university. I held that role for some 15 years, joining around the same time as the first code of governance in higher education was published. So what that means is I've seen changes in higher education governance first hand over some 20 years plus. And what I've seen is a relatively narrow focus originally on financial sustainability and related matters, then moving on to include academic strategy and to a position now where ESG and sustainability are becoming increasingly important. And that's an exciting transition and something that I'm really keen to talk with you about today. I should add, I was co-chair of the UK Climate Commission for Higher and Further Education, and I'm also pleased to be an honorary fellow of the AUC organisation, which is the environment and sustainability champion for the sector. You asked me why sustainability and ESG are important to me. Kim in response, I'd just say

they're right at the heart of my being socially equity, environmental protection, economic stability, preservation of resources, health and wellbeing, and hugely important as well global cooperation. They've never been more important for the world and for universities and their governing bodies.

KA: Thank you Joy. That's a great place for us to start. Uh, Peter, what does this topic mean to you?

PP: Thank you, Kim, for inviting me onto the podcast today. Thank you for the warm introduction as well, Joy. Uh, I've been working in the field of sustainability for the last 15 years, initially in the social enterprise sector. So really business doing good. I've had the privilege of working for a variety of foundations and networks, giving away other people's money, which is always a fun thing to do. Um, but with a purpose at the heart of that. Um, I've also spent some time, uh, in the IT sector working in universities and think tanks, um, and also running a groundbreaking programme supporting 5000 social entrepreneurs in 100 universities that were sponsored by the then Hefce. Um, we invested around £10 million into that programme. So there has been a lot of change in the realm of sustainability and social enterprise in an HE context specifically. Um, I'm passionate about it because it's really at the heart of why I got into working in the IT sector, but why I got into, um, my career at all. I always wanted to do good sustainably, and I felt that social enterprise in particular was an incredible vehicle for that. And I also think that doing it in an AG setting, there is no better place. Lastly, I've got a range of broad experience. Um, and I've been sitting on boards probably for the best part of 20 years. Initially, um, in my own student union, I studied originally at the University of Warwick. Um, and that was a transformative experience. But I felt like student unions and student leadership are a great place to start on this issue. And we can say more about that later, but also in NHS on a foundation trust board in schools in, in, in wider secondary education too. So I think there's a really interesting role for students in this conversation that I'd like to bring out today.

KA: Thank you, Peter, and understanding the student voice and how that shaped progress in the sector is really important for me, as is combining that insight with what's happening outside of the sector. They're really important indicators. Joy, how do those issues play out at Winchester?

JC: Well, first of all, I should say I absolutely agree that the student voice is endlessly important, and it's really key for governors to be aware of it and for it to inform and shape strategy. And so at Winchester, we work with students on what we call the formal curriculum, which is what it sounds like, the informal curriculum, things like Winchester Green Week and the subliminal curriculum and things that are around that just subliminally influence students and that students can really put their heart into. So one project we did alongside students was reusable cups made from waste chewing gum, and we actually won an award for that, which is quite fun. It sounds horrible, but it was really successful. And at one time we paid for a secondment from the organisation SOS Students Organizing for sustainability. If anyone doesn't know this organisation, it's fabulous. And we seconded a member of their staff to work with us to help us to audit the curriculum. And this was a

student led audit, which was really exciting. The whole university, and it involved a group of students coming to my office to interview me and to hold me to account, and that's quite an exciting way to do things. It's my belief and really heartfelt belief that sustainability should be mainstreamed throughout the university, and governors need a strategic oversight of this mainstreaming, and that's what I'd like to offer you.

KA: That sounds like a really powerful combination. Joy. So where are we now in terms of sustainability oversight and ESG? At Advance HE, we know that most institutions are actively considering and evolving what they do to have the most impact and to create the most value, including with respect to sustainability. Many institutions have adopted UN SDGs, made carbon reduction commitments, and have strong education for sustainable development ambitions, just like the ones that Joi was describing. With the student engagement as the institution juggles its dual role and responsibilities of commitment to its own sustainability agenda and the education of the next generation, how does the board get a holistic view of the outcomes and impact? We certainly have a more nuanced and sophisticated framing for sustainability. Senior leaders and governing bodies are thinking about financial, economic, social and environmental sustainability in their strategies, and there are lots of tools to help governing bodies make sense of institutional strategy. Peter, could you offer some views on where we are now?

PP: Yeah. Thank you. Kim, I'm happy to I'm happy to do that. From my experience in wider sustainability. And then I'll make some comments on the board before I pass over to Joy. And I'm sure we'll have more to say there. Um, in terms of ESG specifically, we spent a lot of time focusing on the in the G environmental and governance. We don't spend enough time talking about social, in my view. Of course, all of that is interconnected, especially the E and the S, but in reality, there's a bit of a gap when we talk about people and the role that people play. Um, I think that's as relevant in Asia as it is in any sector. Um, so I'd like to spend a bit more time focusing on, on people led, um, entrepreneurship, as I call it. So I'm a bit less focused in my work on the legal vehicles and the businesses and a bit more focused on the the social entrepreneurs at the heart of those that are empowered to lead change. And we see so much of that, I think naturally, again, in the IT sector. And I would also say is that there is a bit of a debate about where ESG is going next. Um, and I see it as sitting underneath that umbrella of sustainability really neatly. It's one tool often used by bigger organisations, maybe a university, maybe a corporate. Um, but there are lots of other approaches, including social innovation and social enterprise as vehicles for that social change we're all looking to deliver. In my work, I lead a social change consultancy called Cambio, which launched about five years ago.

We do a lot of work directly with social entrepreneurs, social enterprise change makers. We also work with third parties like universities, corporates to embed a culture of social change and to be able to encourage and support them to talk about the impact that they're having. So yes, I think using frameworks like the SDGs, for me, SDG 17, which is all about partnership, is key. So how do we work together in partnership between universities, corporates, the public sector more effectively than perhaps we do currently. But also it's

about the numbers, you know, what is that impact measurement tool or framework that we can be using to tell a stronger and more effective story? Personally, I like Theory of Change. It's a great way of telling a story that brings numbers and narrative together. Um, I think we need to do a bit more on impact measurement, uh, in honesty, to, to prove the impact we're having. But also, I think alongside that, we need to tell powerful stories. And jury's already given some examples from Winchester of individual enterprises and students that are making a difference. There are so many of those across our universities, we could be telling those stories more effectively than we probably are doing. A couple of organisations to sort of name drop for You Unlimited of the UK Foundation for Social Entrepreneurs. They do a lot of work on the ground supporting these individuals and giving out some grant funding. It's a great resource for any of you who are looking to start some kind of change organisation, even from scratch, but I also am the chair of the board at Manchester Student Union, and it's an eight figure turnover organisation, and a lot of the work that we do there is fuelled by social enterprise.

So a number of the departments or aspects of the organisation are run like a social enterprise. We also support student led social enterprises. We work with organisations like Enactus um who support student led social entrepreneurship. So there is a lot of work going on, but it could perhaps be a bit more joined up. And the final things I want to say are really in relation to board level decision making, whether it be at a student level, at a university level, then partnership between the two. It's quite often the case that we see sustainability as something for a specific subcommittee to tackle, or that is the purview of a particular sustainability lead. And of course, there needs to be accountability and responsibility from the top. We know that. And I think the sort of leadership that Joy has shown at Winchester is the kind of leadership we should be aspiring to across the sector. But it's more than that, isn't it? I think it needs to sit as a golden thread across the board, whether it be we're talking about the environment and climate, we're talking about, um, EDI or equality, diversity and inclusion or employer engagement or outcomes or research, of course, teaching or decolonisation of the curriculum, whatever topic it may be. I think there's a role for ESG and sustainability to play, but that's enough from me. Joy, in your experience, what tools do we think the board are currently using and why are they impactful?

JC: Thanks very much for that, Peter. I should say that I absolutely share your passion for the social aspects of ESG. Um, maybe I can just start by saying that board development and training in this area for me is important and often neglected. So several organisations can help with this, including Advance HE themselves. And there are lots of tools available, and it's important to draw on those. And the AUC is a great organisation. On their website, they've got a leadership and governance section with toolkits available and the membership organisations, UUK, GuildHE. The Association of Colleges are doing some great work with some reports that can be useful. So so there's lots of ways in which um, tools can be used. And of course boards could use integrated reporting tools. They could look at sustainability reports from some of the world leading institutions in this area, such as the University of Auckland in New Zealand. And I'm always in awe of their reports and what they're doing as well. And including on governance. So, Kim, this I'm not giving an exhaustive list here

because I know you're going to put some links in the Advance HE website in the governance section. So hopefully people will go to those and use them because I think they're important. So I'd just like to maybe if you'll let me at this stage, Kim, raise a few questions. Um, and the first one is this with respect to sustainability oversight, governing bodies could usefully, um, do a few things. But the first question is, how does the organisation best inform and report to the board about performance across the sustainability agenda? That's key. The second one is how should we measure success? How should we measure success? And how do we articulate sustainability impact in a holistic way? And that holistic word is important as well. And there is a third question, which isn't such an obvious one, and I'd like to come back to that later, if I may. And it's this is the institution alive to its wider purpose. More about that later.

KA: Great questions Joy. Thank you and great tips from both of you. In terms of beware of delegating the strategic joining up to committees. Make sure that's alive and golden thread. Thank you Peter. And training and developing the governing body with some some really good signposts there from Joy. They need to engage and they need to add value. So enabling them to do that is really important. So we've spoken a lot about what our governing bodies do around sustainability oversight. But how do they do it. We'll be thinking about this more in our Advance HE sustainability conference in June. But can ESG help with some of the reputational challenges that the sector faces with transparency, with navigating the regulatory landscape, or most importantly, supporting robust, ethical and sustainable decision making? All focused around that key question from Joy about purpose. Peter, what are your final thoughts on what next for governing bodies?

PP: Yeah. Thank you. Kim. Building on what Julia has just shared there, I've got a couple of thoughts. First of all, coming back to this idea of a golden thread across everything that a university does, it cannot be compartmentalized at board level or frankly, at an operational level either. We are looking for that comparable framework. The SDGs, I think, are a ready framework for us that are recognized internationally, and we know we need to be doing more there. In reality, coming down the line in the EU, mandatory reporting is going to be expected on a social and environmental level anyway. So there's a real opportunity for universities and other large organisations to think about not just their bottom line, but their triple bottom line. What's their impact on people and planet as well as profit? Ultimately, if we're having a positive impact on those two, we ought to be generating more profit and being more sustainable in all meanings of that word. Secondly, as Joy rightly said, we need to come back to this idea of purpose, and I know she'll say more about that in a moment. But for me, the work of somebody like Simon Sinek is very instructive here in that if we align our why with our how or our value proposition or unique selling point, we should then align our what are our operational day to day alongside that, too often I think we keep our purpose separate from the operational day to day, which I think is a missed opportunity.

I would quickly fly the flag again for social enterprise, which is obviously a, you know, at my core, I suppose I think there's a real opportunity to support more social start ups and scale ups in a university environments, whether they be student led, staff led, administrative or

academic. So I think there's more opportunity to actually foster social innovation on university campuses. It's just an incredible ecosystem to do that in. And finally, in my own work, I often talk about proximity and authenticity. I think proximity to some of the world's biggest social problems that university academics often have are sometimes forgotten about and not brought back into the center of the university. So let's remember that proximity, that knowledge base that can help to solve these big, sticky global challenges, but also authenticity. We have people that really care about these problems and want to make a difference, understand them, and often come from those backgrounds. Let's make better use of that. I think, again in driving forward the sustainability agenda.

KA: Fascinating Peter and definitely stuff for the sector to explore more, but particularly for boards to think about that proximity and authenticity as the next layer after the training and development that we hope that they'll be getting, um, as they progress their roles as governors on boards in the sector. So, Joy, what do you think are the key things that the governing bodies have to navigate in the future?

JC: Thanks, Kim. Well, it would be remiss of me, wouldn't it? Not to mention a game. Financial sustainability, because it's such an important area for many institutions, an increasingly important area. But it's really useful to recognize that it interlinks in a powerful way. With ESG, it's not just on its own. The whole lot are interlinked. And I also want to come back to this question, which is often neglected by boards. And it's this is the institution alive to its wider purpose, because it's my view that we need to reflect and rethink the purpose of every university in relation to sustainability, ESG, university values. And we need to do it at frequent intervals. It's not just a one off. We need to keep coming back to this. Luckily, there's help at hand. And, um, educational philosophers, for example, are a wonderful bunch of people and I love them. And from time to time we need to look at what they're telling us. So I'm going to read you just two sentences from that fabulous book, knowledge in the University by the two educational philosophers, two of my favorites, Ron Barnett and Soren Bengtson. So I've got the book here, and I'm just going to turn to two sentences, which I want to think about. So knowledge is not a product that the university produces to give to the world, but rather the very connection between universities and the life of the universe, which includes the life that teams on the earth. So the first sentence and the second sentence is this when knowledge approaches wisdom, it stands before the world in humility as it struggles to comprehend the world. And I think what they're inviting us to do is to say that we need to engage more with the world to help solve the challenges of the 21st century. We need to do it with wisdom and with humility. And Kim, I know that the boards have a key role to play in this area.

KA: I think that's an amazing opportunity for reflecting on the role of the board and such a lovely way of doing it. Thank you Joy. We've talked about so many things that need to be on the governing body radar, if they aren't already. And from the perspective of the role of the board, it's my view that similar responsibilities and accountabilities apply regardless of their shape, size or scope of organisation or sector. So we very much hope that this podcast has offered enough insight to make you curious and purposeful in in your future thinking around

sustainability oversight and ESG. Thank you Joy and Peter. Your insights were invaluable and thank you. If you've taken the time to listen to this podcast, we'd love to hear your feedback or comments and you can reach us through the Advance HE website. Thank you and goodbye.

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