

Nominations & Remuneration Committee

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| Date of Meeting | Thursday 6 October 2022 |
| Paper Title | Board Self-Evaluation Process 2022-23 |
| Agenda Item | 10 |
| Paper Number | NRC1-F |
| Responsible Officer | Marianne Philp, Interim Board Secretary |
| Status | Disclosable |
| Action | For Decision |

1. Executive Summary

1.1 The report outlines arrangements for self-evaluation activity during 2022-23 and a timetable for the Committee's consideration.

2. Recommendations

2.1. The Committee is invited to **consider** and **agree** the proposed schedule of evaluation activity as set out under item 4.0. The Board will be asked to note the process at its next meeting.

2.2. The Committee is asked to **note** the reference under item 3.4 to responding to a recommendation from the last External Effectiveness Review.

3. Background

3.1. All sector boards are required by the Code of Good Governance to undertake evaluation annually, with reference to the following excerpts:

D.22 Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.

D.23 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self -evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.

D.24 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.

D.25 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.

D.27 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.

3.2. The SFC requires that boards submit reports on their effectiveness reviews by 31 March each year. To allow for completion of the different strands of evaluation and for board approval, evaluation activity therefore takes place around the turn of the calendar year.

3.3. Members should also note that timing of the evaluation of the Board Chair will be subject to the agreement and availability of the Senior Independent Member.

3.4. One of the recommendations arising from the Externally Facilitated Effectiveness Review was to consider the value to governance from considering the impact for governance from compliance with the expectations of the Code. This approach may identify ways to refine governing practice in future.

While this is a broad recommendation and could be approached in different ways, it is proposed that the full Board self-evaluation process, which is generally based on a questionnaire, should seek to focus on the impact of the Board's governance practices. This will be picked up by the Board Secretary on her return.

4. Proposed Schedule of Evaluation Activity

| ACTIVITY | DATE |
|--|---------------------|
| <u>Committee Effectiveness Reviews:</u> | |
| Nominations & Remuneration Committee | 08.12.22 |
| Audit & Assurance Committee | 17.01.23 |
| Performance & Resources Committee | 14.12.22 |
| Reports to Board | 30.01.23 |
| <u>Evaluation of Board Chair by Senior Independent Member:</u> | |
| Issue of questionnaire/feedback form to all Members | 05.12.22 |
| Return of questionnaire/feedback form | 16.12.22 |
| Dialogue/meetings as appropriate with individual Members | 09.01.23 – 17.01.23 |
| Meeting with Chair | by 20.01.23 |
| Report to Board (high level) | 30.01.23 |
| <u>Full Board Evaluation:</u> | |
| Issue of questionnaire/programme to all Members | 09.01.23 |
| Return of questionnaire | 20.01.23 |
| (If required by process) Board discussion/evaluation session | 30.01.23 |
| <u>Board Member Individual Evaluations:</u> | |
| Issue of self-evaluation forms: | w/c 06.02.23 |
| One-to-one meetings with Chair: | 13.02.23 – 10.03.23 |
| <u>Overall Report on Effectiveness Review:</u> | |
| Report to Board (for approval) | 27.03.23 |
| Submit to SFC/publish | 31.03.23 |
| <u>Report on Compliance with Code of Good Governance (Board Secretary report):</u> | |
| Report to Audit & Assurance Committee | 30.05.23 |
| Report to Board/Approval of Compliance Statement | 19.06.23 |

5. Risk & Compliance Analysis

5.1 There are compliance and performance implications of failing to undertake evaluation activities annually in line with the Code of Good Governance. This report is therefore intended to mitigate risk 0012: the capacity and capability of the Board is inadequate and standards of governance fall below the level required, and risk 0013: there is a breach of legislation/ guidance/code of practice and this results in a failure of governance.

6. Financial & Resource Implications

6.1 There are no resource implications associated with this report.

7. Equalities Implications

7.1 There are no equalities implications associated with this report.

8. Learner Implications

8.1 This report does not have direct implications for the learner, however, robust governance arrangements are the essential to the effective determination and delivery of GCRB objectives.