

Nominations & Remuneration Committee

Date of Meeting	Thursday 10 October 2019
Paper Title	Board Self-Evaluation Process 2019-20
Agenda Item	13
Paper Number	NRC1-J
Responsible Officer	Board Secretary
Status	Disclosable
Action	For Consideration and Agreement

1. Report Purpose

- 1.1 To allow the Committee to review arrangements for the Board's self-evaluation in 2019-20.

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 then be asked to note the process at its meeting on 28 October.
- 2.2. The Committee is asked to **consider** and **provide feedback** on the approach that should be taken to full-Board evaluation activity, with reference to item 3.7.

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 various strands of evaluation activity are now aligned to the same point in the year further to the Committee’s review of evaluation arrangements in 2018.
- 3.3.** 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.
- 3.4.** Members should note that the recent one-to-one evaluations conducted by the Chair were additional, mid-term meetings, recognising 2019 as a transition year when formal one-to-one evaluations were moving from the end of the academic year (2018) to the turn of the calendar year (2020 onwards).
- 3.5.** The following proposed schedule of activity is aligned to the calendar year and SFC reporting deadline with one exception: the review of compliance with the Code of Good Governance remains aligned to the financial year on the basis that the Board must include a statement of compliance with the Code in its annual financial statements.
- 3.6.** Member 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.
- 3.7.** Members are invited to consider whether the questionnaire issued to the full Board in January should follow the same approach as was set by the external assessor in 2018 and replicated in 2019 (ie, a scaled questionnaire with around fifty questions based on the Code of Good Governance) or take a more focussed and qualitative approach to reviewing aspects of the Board’s performance which have been highlighted as areas for development in previous reviews and/or which emerge in the forthcoming individual and committee reviews.

Depending on Committee feedback on this point, a proposal paper on the approach to full Board evaluation in 2019-20 will be brought to the Committee meeting on 12 December.

4.0 Proposed Schedule of Evaluation Activity

ACTIVITY	DATE
<u>Committee Effectiveness Reviews:</u>	
Nominations & Remuneration Committee	12.12.19
Audit & Assurance Committee	18.12.19
Performance & Resources Committee	18.12.19
Reports to Board	27.01.20
<u>Evaluation of Board Chair by Senior Independent Member:</u>	
Issue of questionnaire/feedback form to all Members	02.12.19
Return of questionnaire/feedback form	18.12.19

Dialogue/meetings as appropriate with individual Members	06.01.20 – 17.01.20
Meeting with Chair	w/c 20.01.20
Report to Board (high level)	27.01.20
<u>Full Board Evaluation:</u> (Note item 3.7 above)	
Issue of questionnaire (ref Code of Good Governance) to all Members	w/c 06.01.20
Return of questionnaire	20.01.20
Board evaluation session (discussion based on feedback to questionnaire)	27.01.20
<u>Board Member Individual Evaluations:</u>	
Issue of self-evaluation forms:	w/c 03.02.20
One-to-one meetings with Chair:	17.02.20 – 13.03.20
<u>Overall Report on Effectiveness Review:</u>	
Report to Board (for approval)	30.03.20
Submit to SFC/publish	31.03.20
<u>Report on Compliance with Code of Good Governance</u> (Board Secretary report):	
Report to Audit & Assurance Committee	26.05.20
Report to Board/Approval of Compliance Statement	15.06.20

5.0 Risk Analysis

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 0011: the capacity and capability of the Board is inadequate and standards of governance fall below the level required, and risk 0012: there is a breach of legislation/guidance/code of practice and this results in a failure of governance.

6.0 Legal Implications

There are no new legal implications associated with this report.

7.0 Resource Implications

There are no new resource implications associated with this report.

8.0 Equalities Implications

There are no equalities implications associated with this report.

9.0 Strategic Implications

This report is not directly relevant to the Regional Outcome Agreement/Strategic Plan, however, robust governance arrangements are the essential to the effective determination and delivery of GCRB objectives.