

## Guidance notes: Board Self Evaluation

*This guidance note is for Chairs, principals, Clerks and governors who are considering how they evaluate the board's performance.*

- **How effective is your board's performance?**
- **Why engage in board self-evaluation?**
- **What are the key elements of an effective board self-evaluation?**
- **What improvements would you like to see in your board's performance?**
- **How will you measure your improvement over time?**

### Introduction

A college's governing body is legally responsible for the oversight of mission, educational character, values and ethos and for ensuring the efficient and effective use of resources, financial solvency and the safeguarding of assets. How the board performs these duties will have an immediate and lasting impact on the college's success.

*'For individual colleges the ultimate responsibility for raising standards and challenging poor performance rests with the governors. Governors are accountable for the quality of what is delivered. Effective governance and leadership are essential ingredients of a strong institution, and weak governance and leadership is almost always at the root of poor performance'. Matthew Hancock – Parliamentary Under Secretary of State for Skills April 2013.*

The importance of the leadership role of governors is further emphasised in the English Colleges' Foundation Code of Governance: *'Collectively members have an unambiguous leadership role in fostering an environment that enables the college to fulfil its mission for the benefit of learners'. Furthermore, the code requires that 'the governing body should undertake a formal self-evaluation of its effectiveness as frequently as it determines is appropriate, but at least every three years....the Chair should ensure that the performance and effectiveness of all governors is assessed on an ongoing basis'.*

Board evaluation in the public and private sector has been the subject of increasing scrutiny since the Financial Reporting Council announced the new Corporate Governance Code in June 2010. This requires companies to demonstrate in the annual report under the 'comply or explain' principle how the performance evaluation of the Board, its committees and individual directors has been conducted. It also requires the evaluation to be externally facilitated at least every three years and that the performance of the Chair should be undertaken by reference to all members of the board, and members of the executive.

There are at least five good reasons for a board to evaluate its performance:

- to address specific issues

- to benchmark against other governing bodies
- to ensure the board is doing the very best it can and is aspiring to be outstanding
- to demonstrate leadership, given the importance of annual self-assessment of college performance as the basis for Ofsted judgements and the need to demonstrate accountability to the public for the effective and efficient use of taxpayers' money
- to provide the foundation for an effective succession plan

### **The challenges for governance in the Learning and Skills sector**

The Education Act 2012 has given colleges many new freedoms from local and central control. Governors now make decisions based on their own analysis and understanding of needs and are held directly accountable by their stakeholders. They are free to adopt new models of governance including charitable trusts, merged corporations, federations of schools and colleges and public/private partnerships.

New Instruments and Articles can facilitate a significant reduction in board numbers and a board structure that requires only two committees, the Audit Committee and Search Committee. A major challenge for the foreseeable future includes having to operate within tightly constrained or reducing budgets.

These challenges and opportunities are testing the quality of governance and leadership of colleges and training and skills providers. Governors lead a learning organisation and can set a powerful example by taking the annual self-assessment of their performance seriously and developing a specific governance quality improvement plan with targets, deadlines and responsibilities that are reviewed on a regular basis.

### **The process of governance self-assessment**

The responsibility for self-assessment of the board rests on the shoulders of the Chair. He/she must set an example by giving the process high status and ensuring that adequate time and resources are allocated to it. The Clerk generally is given specific responsibility for overseeing the process and ensuring that the annual performance report is widely discussed and acted upon. There are various methods by which the self-assessment may be conducted. These include:

- evaluation of meetings
- evaluation of papers
- evaluation of the value-added by governors in a meeting to the overall performance of the college and to learner outcomes
- evaluation of governance induction
- individual governor performance review
- appraisal of committee Chairs
- appraisal of board Chair

Templates for the evaluation of meetings and papers are available in the governance repository.

Induction of new governors is of critical importance. If planned and carried out effectively, a new governor should be able to make a full contribution to the board within 6 months. Good practice includes giving new governors an early experience of all committees and access to an experienced governor as mentor.

Governors need to have a clear understanding of what is expected of them, which in turn provides the basis for an annual appraisal of individual performance. Evaluation of the induction experience should provide the board with valuable information as to how the process can be improved. Particular attention should be paid to the induction of staff and student governors whose role as governor is somewhat different to other governors. ( See Induction section of the governance library)

**An example of a governor appraisal procedure might involve the following:**

The corporation Chair conducts an annual appraisal meeting with each committee chair. The appraisal should take place by reference to an agreed set of performance objectives (based around the Terms of Reference of the Committee) and take the form of a dialogue resulting in agreed and recorded actions. Following their own appraisal, committee Chairs would then conduct the appraisals of members of their respective committees. In some cases, the Chair of the corporation might conduct the appraisals of governors other than committee chairs or, where there are few committees, conduct all of the appraisals with the support of the Vice-Chair.

In advance of appraisal meetings, governors may be asked to complete a questionnaire by which they are asked to evaluate their performance over the year. The responses inform the appraisal meeting where the following issues may be discussed:

- progress against previously agreed targets
- development and training needs
- contribution to the work of the corporation
- identification of any potential change in committee or advisory group membership
- identification of aspirations to become Chair or Vice-Chair of the corporation or any committee
- agreement of targets and objectives for the year.

The appraiser will produce a summary of the meeting discussions and once signed by both parties as a true and accurate record of the meeting, the notes will be forwarded to the Clerk of the corporation.

The content of appraisal meetings should remain confidential to the individual governor, the appraiser and the Clerk. A report summarising the key themes arising from the appraisal process is produced by the Clerk for consideration by the corporation or appropriate committee.

## **Appraisal of the Chair**

As with the general governor appraisal process, this will be agreed by the corporation and may take the following form:

Each member of the corporation and senior post holder is asked annually to complete a questionnaire to appraise the Chair's performance. Individual responses are collated by the clerk who then produces a summary report for feedback. This report is passed to a designated appraiser, who could be an external consultant or fellow chair from another organisation, who arranges a meeting to discuss the outcomes with the chair. The Clerk informs the corporation when the meeting has taken place and, in agreement with the Chair, any agreed actions in response to the feedback.

## **The Governance Self-Assessment Report and Quality Improvement Plan**

The governance SAR should be produced in the same way as that of the whole college SAR, of which it will form a part. It should contain an evaluation of performance against the criteria for outstanding governance with supporting evidence and associated action plan.

The governance quality improvement plan (QIP) arising out of the self-assessment process should:

- have a time frame of a year or more (QIPs are usually done on an annual basis)
- focus on a few key actions to improve governance
- be realistic and achievable
- identify responsibility for agreed actions
- have clear critical success factors whereby achievement can be assessed
- be linked to outcomes of the individual governor appraisal process
- indicate key development needs and how these are to be met
- be regularly reviewed by the corporation (good to have on corporation agenda as a standing agenda item)

## **External verification of self- assessment**

The Ofsted inspection report will provide evidence for judgements made about leadership and management. To date, inspectors' comments about governance have been limited. However, where a college is judged to be inadequate the government has appointed a commissioner, supported by advisers, who is required to report quickly on recommendations which could include dissolution of the governing body.

*'However rigorous the governance self-assessment process may be, a number of colleges have found the support of an experienced governance external consultant to be of value in validating outcomes and in suggesting areas for improvement.'*

Senge, P. M. *The Fifth Discipline – The Art and Practice of a Learning Organisation*. 2006, Random House, London.

See also Briefing notes on Chairs appraisal, Governor appraisal.

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