

Management Board – for assurance

Meeting agenda title: Management Board effectiveness review

Meeting date: 22 January 2024

Time required: 10 minutes

Presenter: Louise Byers

1. Objective and recommendation

1.1. This report provides an overview of the outcomes of the Management Board's recent 'light touch' effectiveness review and recommends a number of actions as a result.

2. Developing a common understanding

2.1. For 2023, the Corporate Governance team developed a new 'light touch' self-evaluation survey for Management Board (the Board) and its sub-committees.

2.2. The survey concentrated on three main areas:

- Strategy and leadership
- Assurance
- Operation of the Board

2.3. Executive and non-executive members (NEDs) of the Board and attendees were asked to complete this survey in December 2023/January 2024. There was an 81% completion rate, with 13 responses out of a possible 16.

2.4. This paper provides a summary of the responses received and identifies areas of good practice, areas for development and related recommendations. As a result of the ongoing governance transition, some recommendations apply to the current Management Board, and others will be more relevant to the new Information Commission Board as indicated.

3. Matters to consider to achieve objective

3.1. Overall, the responses indicated satisfaction with the current operation and effectiveness of the Board, particularly in the areas of Assurance and Board operation, which scored an average of 4.1/5 overall. The average score across all areas was 3.84/5, with

strategy and leadership provoking the most feedback and an overall score of 3.6/5. Annex A sets more details of the survey results across all areas.

3.2. The survey highlighted the following areas of good practice:

3.2.1. Board operation: The increase in diversity of the Board in the last 18 months has been a welcome development with good relationships developing between NEDs and Executive members. The Board's membership generally provides varied perspectives, experiences and capabilities with a broad range of commercial and public sector experience and particular expertise in corporate governance, technology and people and change. Overall, it was felt that the Board provided a good mix of capabilities and demonstrated a positive and inclusive tone.

3.2.2. Risk management: The risk management process continues to develop well with strong guidance and input from the Audit and Risk Committee, assuring its effectiveness. The Board's regular review of risks and risk appetite is appropriately focused on areas of urgent, high or emerging risks. The lack of outstanding audit points gives confidence that appropriate systems and controls are in place.

3.2.3. Monitoring performance: The Board is adept at holding ET to account for delivery against long term strategic goals and receives appropriate performance information and scorecards to enable it to monitor performance.

3.2.4. Sub-committees: The Board's sub-committees are operating effectively, playing an important role in proving strategic direction and delivering scrutiny and challenge.

3.3. The feedback identified some themes for further consideration and development as set out below. In the spirit of continuous improvement, recommendations have been included for the Board to consider to ensure that the Board continues to function effectively.

3.3.1. Strategic direction and development: The importance of enhancing Board input into strategic direction setting and development was a main theme of survey responses, with considerations highlighted such as:

- improving synchronisation between strategy and resourcing decisions: and
- improved Board input into strategic budget decisions.

RECOMMENDATION: Away day for the new Information Commission Board to be scheduled to focus on strategic direction ahead of work on the next corporate plan.

3.3.2. Scrutiny and Challenge: The following development areas were identified to support effective scrutiny and challenge and allow the Board to add value:

- Board members' understanding of the ICO's context;
- Continuously ensuring a broad mix of members' expertise and skill;
- a wider understanding of stakeholder groups and public perception of the ICO to help drive strategic priorities;
- a deeper understanding of strategy;
- a wider understanding of longer term technological and political shifts;
- strengthening healthy challenge by the Board; and
- improving oversight and scrutiny of complaints management.

RECOMMENDATION: As part of an Away day, the new Information Commission Board could discuss the Board's role, the ICO's context and members' expertise.

RECOMMENDATION: ensuring that continuous evaluation of the required NED skill mix is a key part of the work programme of the new Nominations and Remuneration Committee which will be established following Governance Transition.

3.3.3. Tone and culture setting: Responses indicated a desire to increase the visibility of the Board to provide a better connection with the organisation more generally. This was considered desirable because of the Board's role in setting cultural expectations and role modelling behaviours. Responses also indicated a desire for increased Board

engagement on culture discussions and the need to obtain a wider sense of the organisational culture.

RECOMMENDATION: Develop an action plan to increase visibility, impact and understanding of the Board's role in light of the transition.

RECOMMENDATION: Ensure that the Board's views are included as a key stakeholder as part of the 'Doing it Differently' culture programme.

3.3.4. Monitoring performance on strategic goals: Responses expressed overall satisfaction with the performance information available to the Board, but indicated that further development in this area would be welcomed. Suggestions for potential enhancements included:

- the development of productivity, effectiveness and efficiency measures;
- the development of direction of travel and value for money indicators;
- improved quantifying of impacts.

RECOMMENDATION: Consideration of the above suggestions to take place as part of the ongoing improvement work on performance measures.

3.3.5. There were a number of additional matters raised by individual respondents as set out in Annex B. In light of the transition to a new governance structure which is likely to take place in late 2024, some of these recommendations will be better considered as part of that work, including Board succession planning, a fresh identification of strategic risks, Board professional development, the mix of membership and skills particularly around regulation, and the conduct of Board meetings to ensure that they are effective and proportionate. The comments will be incorporated in the Governance Transition project to ensure the effective operation of the new Information Commission Board.

4. Areas for challenge

- 4.1 Does this summary give the Management Board sufficient assurance as to its effectiveness and are there any other areas of development that can be identified?
- 4.2 Does the Board agree with the recommendations? In particular, does the Board agree with the recommendations which relate to the new Information Commission Board and current Management Board respectively?
- 4.3 Are there any enhancements which can be made to the “light touch” effectiveness tool for future use?

5. Communications considerations

- 5.1 There are no communications considerations for this report.

6. Next steps

- 6.1 The next steps for this work are to implement the recommendations and any options agreed by the Board, and to undertake annual effectiveness reviews going forward.

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List of Annexes: N/A

Publication decision: This report can be published internally and externally.

Outcome reached:

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Annex A: Management Board effectiveness – analysis of numbers

Analysis of scores

- Participants were asked to score each of nine questions.
- The average score across all of the questions was 3.84 (out of 5).
- The groups of questions about Assurance and Board Operation scored highest – both with an average of 4.1 out of 5. The group of questions about Strategy and Leadership scored lower, at an average of 3.6.
- The lowest scores (2 out of 5) were given for questions about the Board’s role in Strategy and Leadership. No participants gave a score of 1 out of 5 to any questions.
- Every question received the highest score (5 out of 5) from at least one participant, except the question about Tone and Culture where the highest rating given was 4 out of 5.

Analysis of the number of comments

- Participants were given the option of providing comments for eleven questions.
- 13 participants took part in the questionnaire.
- The questionnaire contained more questions about Strategy and Leadership, and these questions also solicited more comments than the other areas: an average of 8 comments for each Strategy and Leadership question, compared to 4 comments for each Assurance question and 3 comments for each Board Operation question).

Area	Question	Average score	Range of scores	No. of comments
Strategy and Leadership	Strategy and direction: Management Board should provide strategic direction to ensure the long-term objectives for the organisation are met successfully and sustainably. How well does the Board fulfil this function?	3.38	2-5	8
	Culture, values and people: Management Board should play an essential role in setting the tone and culture of the ICO. How well does the Board fulfil this function?	3.54	2-4	7
	Management Board should consider outside perspectives to ensure the ICO is delivering for its stakeholders. How well does the Board fulfil this function?	3.62	2-5	8
	Management Board should monitor the performance of the ICO towards achieving its strategic goals. How well does the Board fulfil this function?	3.77	2-5	7
Assurance	The Board should assure itself of the effectiveness of the ICO's risk management system, procedures and internal controls and give a clear steer on the desired risk appetite. How well does the Board fulfil this function?	4.15	3-5	6
	Management Board should ensure sound financial management of the ICO. How well does it fulfil this function?	4.00	3-5	1

Area	Question	Average score	Range of scores	No. of comments
Operation of the Board	Management Board's membership should have the right structure, skills, training and experience to enable it to fulfil its role. How well does the Board meet this criteria?	4.00	3-5	5
	Board culture has a significant influence on the way that the Management Board carries out its work and shapes the Board's performance. How well does Management Board foster a healthy board culture?	4.00	3-5	2
	Management Board should meet regularly, operate efficiently and have appropriate administrative support to enable it to fulfil its responsibilities. How well is this criteria met?	4.15	3-5	1
	Other comments	-	-	4
	Good practice seen from other organisation's Management Boards (or equivalent)	-	-	2

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Annex B: Management Board effectiveness – comments

Themes highlighted in more than one comment have been analysed in the main report. The following list includes summarised comments which were not necessarily included in the themes because they were only made by one respondent.

Areas of good practice

- The benefit of advice and guidance received from NEDs outside the Board meetings was noted.
- The Board was very engaged with the development of ICO 25.
- Board culture has continued to improve as new members of the Executive Team have joined the ICO, with a positive level of openness and personal accountability.
- The relationship between the NEDs and ET is strong, demonstrating mutual respect.
- The session with Chris Hodges was enjoyed; a follow up discussion around what it might mean for the ICO would be interesting.

Areas for further consideration and development

- The Board would benefit from more involvement in and discussion of horizon scanning, including on the longer term shifts and issues, whether technological, political or other, that are likely to mean we need to do things differently or adapt.
- The Board could be more engaged with discussions on culture and values. It is difficult for the NEDs to get a sense of the culture throughout the organisation. The strategic talent plan that is being prepared will assist us with clarity around where we are and where we need to be.
- There isn't as clear a view about succession planning at a Board level.
- The Board could have more debate about where the biggest vulnerability gaps are, and how the ICO prioritises across different groups given the resources available.

- There are potential benefits of feedback/insights from those that have negative issues around the ICO - perhaps from certain user groups or Data Protection Officer groups.
- The Board could usefully have more involvement in the oversight of complaints management.
- Sometime during 2024 it would be useful for ET to consider risks with a clean sheet of paper - and for the Board to do the same - especially to consider any unidentified risks.
- Financial reporting could be enhanced - including a view on fixed/variable costs, and connecting costs to headcount / resource allocation more clearly.
- It may help Board members to know what others do for their professional development.
- The Board could consider their time spent together, to better understand what each person can contribute.
- With a large number of people attending Board, contributions need to be concise and focussed, to ensure that the meetings are not too long.