

# **Guidance on the appraisal of Non Departmental Public Body (NDPB) Board members and Chairs**



## Guidance on the appraisal of Board members and Chairs

Board members and Chairs are appointed as their personal skills, knowledge and experience meet the needs of the public body concerned at a particular point in time.

The performance of Board members should be regularly reviewed throughout the term of their appointment by the Board Chair. The performance of Board Chairs will be reviewed by the Senior Sponsor (normally Director or Deputy Director). The Board Chair is responsible for appraising the body's Chief Executive at least annually.

The purpose of the Board member and Board Chair appraisal process is to contribute to the continuous improvement of the public body's decision-making, effectiveness and performance.

Board members should receive, at the bare minimum, an annual performance appraisal which will assess their performance in relation to certain pre-established criteria and objectives, and provide the opportunity for meaningful discussion. For new or inexperienced Board members, it may be appropriate to adopt a system of twice yearly performance appraisal.

All Board members, including the Chair, should have objectives that relate to the strategic objectives of the organisation and their role on the Board, agreed at the beginning of each reporting period.

### General Principles

Public bodies exist because they have proven value in performing certain functions on behalf of Government. The general principles should apply to both Board members and Chairs:

- New Board members should be aware, as a general principle, constructive feedback will be given on an on-going basis throughout the reporting year. A formal appraisal will take place once a year or twice yearly depending on the individual public body and member. Members are also entitled to ask for feedback during the year.
- Appraisal should promote self-reflection on individual performance.
- It is important that appraisals look forward, not just back. This is to ensure account is taken of the future needs of the organisation, any learning and development identified and the aspirations of the Board Chair/Board member.
- Any performance-related issues which are having an adverse effect on the overall performance of the Board should be identified and discussed as part of the on-going process of constructive feedback. Feedback – particularly where there are performance issues – should not wait until the formal appraisal discussion and report. If appropriate, an action plan should be developed detailing how any performance issues will be resolved, with a clear timetable of how and by when, with a further meeting arranged to review progress.
- All documentation relating to the appraisal should be completed during, or shortly after, the appraisal and signed by both parties. Documentation recording the appraisal interview should be kept simple, focused and easy to use.
- The Board Chair should provide assurance to the Sponsor Director/Deputy Director that Board member appraisals have taken place.
- A clear process should be put in place to ensure resolution of instances where any irreconcilable differences occur between the Board Chair and Board Member. In the first instance these issues should be referred to the Sponsor Director/Deputy Director.

In developing an effective performance management and appraisal system consideration should be given to:

- The evidence that might be available to both the appraiser and appraisee in order to support the assessment process. This evidence may include contributions from others – such as other Board colleagues – as well as self-assessment.
- The criteria used must not directly or indirectly discriminate against any individual or group of individuals (for example, when people with caring responsibilities or work commitments have not been able to give time over and above the requirements of the role in the way that others might have been able to do). It will be for the Board Chair to have some flexibility in this respect.
- Where appropriate, the process should be used to identify individuals with the potential to progress. This may not only assist with succession planning within an organisation (e.g. from Board member to Board Chair roles), but it may help with planning across public bodies.

### **Board Member Appraisal**

The Board Chair is responsible for conducting formal annual appraisals for all Board members. Performance should be judged against individual objectives and the extent to which individual Board members contribute to ensuring the public body delivers its functions effectively and efficiently in accordance with Ministerial aims, policies and priorities. As part of the appraisal process there should be a review by the Chair of individual members' training and development needs.

It is recommended that Board members undertake some self-assessment of their performance over the last reporting year before the appraisal. This should include their contribution to the work of the Board, attendance and whether agreed learning and development plan actions have been achieved. Thinking ahead to setting goals for the coming year, consideration should be given to any areas of improvement or development.

### **Board Chair Appraisal**

The Sponsor Director/Deputy Director is responsible for conducting the annual appraisal of the Board Chair. Performance should be judged against individual objectives and the extent to which the Chair contributes to ensuring the public body delivers its functions effectively and efficiently in accordance with Ministerial aims, policies and priorities. As part of the appraisal process there should be a review by the Senior Sponsor of the Chair's training and development needs. It is recommended that Chairs undertake some self-assessment of their performance over the last reporting year before the appraisal. This should include their leadership of the Board, how the Chair has harnessed the benefits of Board diversity and the quality of the Chair's relationships with stakeholders. Thinking ahead to setting goals for the coming year, consideration should be given to any areas of improvement or development.

The performance of the Board Chair should be assessed on the basis of the behaviours they apply to the role rather than any specific tasks they undertake. Objectives should be proportionate, and clearly related to the strategic objectives of the public body. It is important to avoid setting any objectives that are too specific or task-orientated. The Board Chair's objectives should be reviewed and updated as required in order to reflect the current position as the Board Chair's appointment and the Board evolve, whilst ensuring the Board Chair continues to develop in the role and adds value to the organisation.

### **360 degree feedback**

For many, 360 degree feedback is used as a useful tool in providing feedback on an individual's behaviours, performance and working relationships. This method of providing feedback is often incorporated into the appraisal process for Board Chairs and Board members, but should only be used with the agreement of both the appraisee and the appraiser.

### **Re-appointment to the Board**

While effective performance is necessary to continuing appointment during a term, it does not necessarily guarantee a second term. Members may only be re-appointed for second and subsequent terms in the same role without open competition, **if they possess the skills and knowledge required on the Board at the time of re-appointment and their performance has been properly appraised as effective during the initial period of appointment.**

The final decision as to whether or not a Board member or Chair is re-appointed ultimately rests with the Minister, subject to the specific nature of the public body's constitution, the needs of the Board for the foreseen period of the re-appointment and the terms of appointment.

A Board member or Chair's total period of appointment in the same position must not exceed eight years. This eight year maximum is based on the aggregate time in post and applies regardless of whether the time in post was continuous or not. The terms and conditions of re-appointment should be outlined in a re-appointment letter.

## Guidance for conducting appraisal

The following are some suggested areas for the lead appraiser to cover during an appraisal meeting.

### For Board members

#### **Review of the year - reflection on the member's contribution during the year, including:**

- Contribution to strategy/policy formation
- Contribution to effective decision making
- Contribution to fostering constructive relationships with stakeholders and customers
- Contribution to governance issues
- Preparation for meetings
- Attendance and commitment at meetings
- Attendance at training/development activities
- Ability to challenge constructively
- Ability to work effectively as part of a diverse team
- Awareness of diversity and equality issues

#### **Looking forward - are the member's responsibilities appropriate?**

- Reflections on the organisation of committees and chairs
- Setting of any new objectives
- Identification of any learning and development needs, such as learning about the body's external environment or the organisation itself

#### **Feedback - what does the member think the focus of the Board should be/what can the Board do differently?**

- Reflections on whether or not the Board has the skills it needs
- Approaches to succession planning and outreach to potential new members
- Whether the Board spends its time on the right things
- Whether every member is encouraged to make best use of their skills

**For Board Chairs**

In addition to the points outlined for Board members, which are also of relevance for Board Chairs, it is suggested that the Chair's appraisal includes reflections on:

- The Board's performance overall and that of individual members
- How the Chair has led the Board
- How the Chair has harnessed the benefits of a diverse Board to improve Board performance
- The quality of the relationships with the sponsor Minister and Directorate, the Chief Executive/Accountable Officer and members of the Board
- The leadership of the Board's approach to succession planning and outreach activities to ensure that the Board can meet its diversity and skills needs
- The quality of relationships with Parliament and other key stakeholders
- Reflections on the performance and appraisal of the Chief Executive

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**ANNEX A****Role and Responsibilities of the Board Member**

- Understands the operational environment in which their public body operates within the context of the wider public service delivery landscape.
- Attends Board meetings on a regular basis and is well prepared by reading relevant papers in advance and, if necessary, seeks further information to ensure their understanding.
- Attends training events and keeps up to date with subjects relevant to the public body's work.
- Contributes to the work of any committees that have been established by the Board.
- Represents the Board at meetings and stakeholder events when required.
- Contributes to strategic development and decision-making.
- Clarifies which decisions are reserved for the Board and which should be delegated.
- Monitors the reporting of performance and holds management to account through purposeful and constructive challenge and scrutiny.
- As necessary, seeks further information than that which is provided to give assurance on organisational performance.
- Questions and, as necessary, challenges proposals made by fellow Board members and the executive team constructively and carefully to reach and articulate a considered view on their suitability.
- Provides a creative contribution to the Board by providing independent oversight on issues of strategy, performance and resources.
- Behaves in accordance with the agreed Code of Conduct.
- Establishes and promotes the public body's role in the community.

**ANNEX B****Role and Responsibilities of the Board Chair**

- Leads representation and links with Ministers and Scottish Parliament;
- Leads the Board, ensures that the Board has the ability to carry out functions effectively and chairs Board meetings;
- Leads the Board's approach to strategic planning;
- Leads the Board's approach to the establishment of committees and ensures the Board considers substantive reports from any committees established;
- Ensures that the work of the Board and any committees is subject to regular self-assessment and that the Board is operating strategically and effectively;
- Leads the Board's approach to succession planning to ensure the Board is diverse and effective;
- Ensures that the Board, in accordance with recognised good practice in corporate governance, is diverse both in terms of relevant skills, experience and knowledge appropriate to directing the public body's business, and in terms of protected characteristics under the Equality Act;
- Ensures the Scottish Ministers are advised of the body's needs when Board vacancies arise;
- Ensures the Board members are fully briefed on terms of appointment, duties, rights and responsibilities;
- Together with the other Board members, receives appropriate induction training, including on financial management and reporting requirements and, as appropriate, on any differences that may exist between private and public sector practice.
- Ensures there is a Code of Conduct for Board members in place, approved by the Scottish Ministers;
- Assesses the performance of individual Board members on a continuous basis and undertakes a formal appraisal at least annually; and
- In consultation with the Board as a whole, as appropriate, is responsible for undertaking an annual appraisal of the performance of the Chief Executive.



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