BOARD SELF-EVALUATION

The Crown requires that each board undertakes periodic evaluation of its performance. The board evaluation is an important contribution to the process by which the responsible Ministers consider the skills make-up of each board when they deliberate on appointments and reappointments. However, its prime function is as a basis for the mentoring of directors by chairs and fellow directors, and it therefore forms a vital element in the seamless process of director induction and development.

There is no longer one prescribed process for evaluation. However, there is a general requirement for Crown company boards to evaluate annually the performance of individual directors, the chair of the board and the board as a whole.

Individual boards are able to develop processes for themselves that best meet their needs – provided that the minimum expectations (as set out below) are met. Boards may find it useful to have access to tools to assist them in this process, and default evaluation templates are available from COMU, if required.

The shareholding Ministers expect that each board will have a process in place that meets the needs of the board and the minimum stated requirements. The key deliverables from this process will be:

- formal high-level board feedback to COMU on overall board performance, key focus areas for continuing development and assurance that the process has been appropriately implemented

- individual director performance assessments and development plans that will be implemented by the organisation (these plans are to be retained by the board and not shared with COMU), and

- a board succession plan which is annually updated and advises the shareholder of gaps in current board composition and risks going forward as director rotation occurs.

Boards are not required to submit individual director or chair evaluation reports to COMU. However, COMU does require written confirmation that an appropriate process has taken place. COMU will confirm its requirements each year, but chairs should anticipate a minimum requirement to report that a suitable evaluation has been undertaken, briefly describing what that process was and what the high-level outcomes were – with particular reference to overall board performance. The advice should include commentary on any significant issues that chairs consider should be brought to the attention of the shareholding Ministers or COMU.