

Management Board – for assurance

Meeting agenda title: Management Board effectiveness review

Meeting date: 10 February 2025

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. In 2023, the Corporate Governance team developed a 'light touch' self-evaluation survey for Management Board (the Board) and its sub-committees. For 2024/25, this was updated to ensure compliance with Government Internal Audit Agency (GIAA) guidelines.
- 2.2. The survey concentrates 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 2024/January 2025. There was an 80% completion rate, with 12 responses out of a possible 15.
- 2.4. This paper provides a summary of the responses received and identifies areas of good practice, areas for development and related recommendations. There have been unanticipated delays in the transition to the new governance structure, which has meant that a number of last year's recommendations (which were more relevant to the new Information Commission Board), are still awaiting substantive implementation. As anticipated, this year's results have therefore included similar themes to those contained in last year's responses and we are pleased to note that there were few new matters to consider.

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 4.29/5 and 4.06/5 respectively. The average score across all areas was 3.95/5 (slightly up on last year's score of 3.84/5), with strategy and leadership provoking the most feedback and an overall score of 3.69/5, a slight improvement on last year's score of 3.6/5.

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

3.2.1. Board operation and culture:

Good relationships continue to develop between non-executive and executive members, with increasing openness, communication and knowledge sharing reported.

The Board provides a sound balance of effective challenge, scrutiny and support, particularly in relation to the operational running of the ICO and corporate strategy.

The Board generally has a broad range of skills and the transition to a new governance structure provides an opportunity to enhance this further to provide a broader social representation and better reflect the ICO's regulatory and operational needs.

The Management Board Terms of Reference continue to work well with no changes suggested by members.

3.2.2. Sub-committees:

The Board's sub-committees are operating effectively and are continuing to play an important role in providing strategic direction, scrutiny and challenge with appropriate topics escalated to the Management Board for further discussion. Regulatory Committee, in particular, is continuing to mature well.

3.2.3. Performance on achieving strategic goals:

There has been a focus on continuously improving the performance information provided to the Board to enable it to monitor progress on achieving strategic goals, with further improvements made over the last year.

3.2.4. Risk management:

The risk management process continues to work well, with additional improvements noted in the last year and this is supported with strong guidance and input from the Audit and Risk Committee, assuring its effectiveness. Members observed that risk considerations are increasingly being considered as part of decision-making within the ICO, with the risk appetite set by the Board, cascading down through to individual operational choices.

3.2.5. Board support:

The secretariat and administrative support to the Board continues to be of a very high standard.

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: Survey responses highlighted the importance of enhancing Board input into strategic direction setting, development and prioritisation, particularly in the regulatory sphere, with considerations highlighted such as:

- enhanced sequencing of work and meetings to enable the Board to make more effective and timely contributions to strategy development and to ensure diverse perspectives are considered;
- the current Management Board's role in strategic direction setting and whether this should be strengthened to help enable the transition to the Statutory Board; and
- the coordination and intercommunication between the Board and Regulatory Committee on matters relating to regulatory strategic direction and assurance of delivery.

RECOMMENDATION: Away day for the Management Board to be scheduled to focus on strategic direction and in particular, regulatory strategic direction.

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

- Continuously ensuring a broad mix of members' expertise and skill, particularly in the data protection field;
- a wider understanding of all stakeholder needs and public perception of the ICO (particularly in the private sector, devolved nations and more marginalised sectors of society), to help drive strategic priorities;
- a deeper understanding of regulatory strategy;
- a wider understanding of broader political and stakeholder perspectives, particularly in the devolved nations;
- a deeper understanding and reflection of how we take account of any pushback/negative feedback on specific topics or overall.
- With several key challenges to finances within the ICO in the last year, the Board should reflect on how it could have helped avoid those issues.

RECOMMENDATION: As part of an Away day, discussions could cover the current and future Board's role, the ICO's context, members' expertise and consideration could be given whether to invite independent challenge from a critical friend.

3.3.3. Professional development – Responses noted that professional development opportunities for Board members could be enhanced, and that the Board may benefit from opportunities to better understand the external context of professional development opportunities and the visibility of them.

RECOMMENDATION: Organisational development to work with NEDs and the Senior Independent Director to share development opportunities.

3.3.4. Tone and culture setting: As in 2024, responses indicated a desire to increase the visibility of the Board to provide a better connection with the organisation more generally, given the Board's role in setting cultural expectations and role modelling behaviours. Responses again indicated a desire for increased

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

RECOMMENDATION: Ensure that the forward work programme incorporates items to enhance the Board’s engagement on culture discussions.

3.3.5. Monitoring performance on strategic goals: Responses noted significant improvements over the past few years but indicated that continued development in this area would be welcomed. Suggestions for potential enhancements included:

- the development of productivity, effectiveness and efficiency measures, including to ensure that technology and data investments are delivering productivity impact;
- the development of value for money indicators;
- ensuring MI is fully aligned to organisational priorities and goals to ensure action is contributing to outcomes and are focused on what is important to our stakeholders;
- meetings between board members and executives on complex topics prior to board meetings, whilst still ensuring that key issues are brought to the Board.

RECOMMENDATION: Consideration of the above suggestions will continue to be part of the ongoing improvement work on performance measures.

3.3.6. 2024 effectiveness review actions – Responses noted that there has been a delay in substantively implementing some of the actions from last year’s effectiveness review because the governance transition did not take place as anticipated in late 2024 although many are still on the radar to be included in the Governance Transition programme. One response suggested that current members can contribute to the transition to a statutory board to help set up the new structure for success, share best practice and lessons to learn.

RECOMMENDATION: The governance transition programme sponsor to ensure the NEDs are kept to date on governance transition progress and gather their input.

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?
- 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: