

Guidance on Succession Planning for Public Body Boards



Scottish Government
Riaghaltas na h-Alba
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Summary

This 'light touch' guidance seeks to help public bodies develop effective succession plans for their Boards. This has been co-produced by the Scottish Government's Public Bodies Unit and Public Appointments Team, sponsor teams and a range of staff and Board members of public bodies, building on good practice.

An **interactive 'toolkit'** of resources to support this guidance is also available, which will be updated regularly. It will be up to each public body to decide which elements of the toolkit (if any) are most likely to be of assistance to them and what is likely to work best for them in relation to different stages of succession planning. There is no requirement for public bodies to use any element of the toolkit.

Introduction

The purpose of succession planning is to deliver highly effective, diverse Boards.

Diversity simply means difference. In relation to Board diversity and succession planning we use it to refer to two distinct, but related, concepts: members' skills, experience, knowledge and other relevant attributes, such as personal values; and diversity of members in relation to their protected characteristics as defined by **The Equality Act 2010**. Both concepts of diversity are equally important and should be reflected in public bodies' succession plans.

Diverse Boards are more likely to be better able to understand their stakeholders and to benefit from fresh perspectives, new ideas, vigorous challenges and broad experience. This diversity of thought and contribution should result in better corporate governance and decision-making, and, in turn, support continuous improvement of our public services in Scotland.

A Board that reflects the people and communities that it serves is also more likely to have credibility with them; thus promoting public trust in Board decision-making. Moreover, a public body which understands its diversity in relation to the protected characteristics of its members, and can demonstrate the steps it has taken to secure or improve its diversity, is far more likely to be able to demonstrate compliance with the legal requirements of the Public Sector Equality Duty.

Succession planning will differ from body to body, for example, the Boards of some bodies have a proportion of their membership nominated by other bodies or directly elected, or there may be requirements for particular skills (e.g. a minimum number of legally qualified members). Although the Scottish Ministers are ultimately responsible for making most Board appointments, there is much that public bodies can do themselves to ensure that, when Chair or Board positions do arise, they are prepared to maximise opportunities to attract candidates that meet the body's needs, including from the existing membership of the Board or its committees. The important thing is that consideration is given to planning ahead, and to the future needs of each body and its Board.

Legislation and Policy

In addition to helping bodies to deliver more diverse and effective Boards, this guidance seeks to help bodies address the requirements of new policy and legislation:

The Public Sector Equality Duty

The **Public Sector Equality Duty (PSED)** was created under the Equality Act 2010 and came into force on 5 April 2011. It consists of a general equality duty, supported by specific duties which are imposed by secondary legislation. **Those subject to the PSED** must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

These are sometimes referred to as the three aims or arms of the general equality duty. The Act explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

The equality duty covers the nine protected characteristics as defined by The Equality Act 2010: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation.

Further information and supporting guidance on the PSED is provided by the **Equality and Human Rights Commission**.¹

The Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016

The **Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016** require listed public authorities with appointed Board members to use information about their Board's diversity to better perform the PSED.

Each listed public authority is expected to include in the mainstreaming reports that are published every two years as part of the requirements of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 details of the steps they plan to take across all relevant protected characteristics to promote member diversity. Because of the small numbers involved care must be taken not to inadvertently disclose protected characteristics associated with individuals. Other than numbers of men and women as members of the authority, no information on protected characteristics will be published in the report.

¹ <https://www.equalityhumanrights.com/en/commission-scotland/public-sector-equality-duty-scotland>

Gender Balanced Boards – The Partnership for Change

The Scottish Government's Programme for Government encourages public, private and third sector organisations to sign up to the Partnership for Change and to set a voluntary commitment for gender balance on their boards of 50/50 by 2020. Most public bodies have signed up to the [Partnership for Change](#).

The Gender Representation on Public Boards (Scotland) Bill

The Gender Representation on Public Boards (Scotland) Bill will ensure that Boards have an equal representation of women and men on them.

The Bill sets a goal for gender balance in non-executive membership of public Boards, requiring action to be taken to achieve this. It also requires organisations to encourage applications from the under-represented gender.

The Public Appointments and Public Bodies etc. (Scotland) Act 2003

Bodies should also be aware of the pre-existing legislative context in which regulated appointments are made to their Boards.

The Commissioner for Ethical Standards in Public Life in Scotland regulates appointments to the Boards of many of Scotland's public bodies. The appointment process is run by officials on behalf of the Scottish Ministers. The Commissioner has, in consultation with the Scottish Ministers, Scottish Parliament and the Boards of Scotland's public bodies, produced a Code of Practice that gives guidance on the way in which the appointments should be made. The principles underpinning the code are merit, integrity, diversity and equality.

The Commissioner has also produced a strategy, entitled [Diversity Delivers](#), intended to enhance equality of opportunity and to increase the diversity of the Boards of Scotland's public bodies. As well as including recommendations for the Scottish Government, the strategy includes a number of recommendations for activities that public bodies themselves should engage in to secure more diverse Boards. This also includes a helpful checklist.

Key Issues

The following issues will usually be central to the consideration of the Board's approach to succession planning:

- Scottish Ministers are ultimately responsible for making most Board appointments, but there is much that public bodies can do themselves to ensure that when Chair or Board positions do arise, they are prepared to maximise the opportunities associated with these.
- Succession planning is led by the Board, has the support of the SG sponsor and harnesses the knowledge and expertise of the Chief Executive and other executive officers.
- Succession planning should be conducted with the dual purpose of ensuring that the members of the Board have the requisite skills, experience, knowledge and other relevant attributes for the Board to perform effectively, and ensuring there is diversity in relation to members' protected characteristics.

- Board succession should be considered in light of the body's long-term strategy – which sets out what the body will do, how and when they will do it, and the approach to monitoring progress – recognising existing strengths and acknowledging the skills, experience and knowledge that are needed in the future (e.g. digital skills).
- Boards should think creatively about the sorts of skills and attributes they need, and the balance of these, in order to be as effective as possible.
- Once the Board has identified the skills and attributes it needs in order to be effective, and any gaps in terms of its membership, the Board will wish to design engagement, outreach and development activity to attract people from target groups to its work so that they are in the best possible position to maximise the opportunities at appointment rounds.
- It can be helpful to mainstream succession planning into the body's communications and outreach activity, taking every opportunity to build awareness and understanding of the Board's work and make connections with potential members.
- Succession planning should consider how to nurture a talent pool which allows those with no previous Board experience to develop the skills required to become a Board member, for example through shadowing or mentoring.
- It can be beneficial to engage with some target groups on an ongoing basis, in order to develop awareness and understanding. Existing Board members from such target groups can act as role models and help make connections.
- Evaluating the effectiveness of individual members and how that in turn has an impact on the effectiveness of the Board should be an ongoing activity, and inform succession planning.
- The approaching end of every appointment term is a real decision point; re-appointment is never automatic. Members may only be re-appointed by Ministers for second and subsequent terms in the same role if: they possess the skills and knowledge the Board requires going forward when their term comes to an end; and at formal appraisal their performance has been assessed as effective.
- As well as considering planning for succession through open competitions, there is a need to think about succession planning within public bodies for Board leadership roles such as chairs for sub-committees, and how to build capacity among existing Board members to take these on.

Additional considerations

Boards may also wish to consider the following:

- In order to promote synergies between Board succession and a body's long-term strategy, it may be appropriate for the Board's succession plan to be appended to the body's corporate plan and for the plan to cover the duration of the corporate plan (usually three or five years). In all circumstances, succession plans should be reviewed on a regular basis.
- Boards may wish to consider establishing a dedicated Succession Planning Committee to evaluate the existing skills of Board members and those that will be needed in future. It is important that any committee operates in a fair and transparent manner and that it has the delivery of an effective, diverse Board as its central purpose so as not to reinforce the status quo. Some bodies may prefer to adopt other ways of delivering the same outcome.

Roles and Responsibilities

This section outlines the usual roles and responsibilities of the key players involved, noting that not all appointments to Boards are made by Ministers; some members are directly elected or nominated by other bodies.

The Chair

- Leads the Board's approach to succession planning to ensure that the Board is diverse and effective.
- Effectively harnesses the diverse contributions that Board members make.
- Establishes any Succession Planning Committee and seeks agreement of the Board for its terms of reference.
- Regularly reviews, with members, Board work in relation to succession planning.
- Ensures that Ministers and Scottish Government sponsors are aware of the needs of the Board and that Ministers' views are reflected in the Board's succession plan.
- Keeps up-to-date with any developments in equality and diversity relevant to the work of the Board, circulating to Board members as appropriate.
- Supports Board colleagues to overcome barriers and promotes a coaching/mentoring environment, including in relation to unsuccessful candidates.
- Conducts Board member appraisals to establish whether existing and new Board members are fulfilling their potential; addresses development opportunities and poor performance to ensure Board's needs are met.
- Leads the Board in its community engagement and other outreach activities, including those designed to encourage applications from people in currently underrepresented groups.

Board Members

- Operate as role models and take part in relevant communications.
- Are visible and use their contacts or networks to promote Board positions and the work of the Board.
- Contribute ideas and reflections through individual appraisals and Board reviews.
- Participate directly in succession planning activity such as being part of a selection panel or a member of any Succession Planning Committee.
- Participate in community engagement and other outreach activities, including those positive action activities designed to encourage applications from people in currently underrepresented groups.

The Chief Executive

- Advises the Board on the skills and other attributes required to support the delivery of the corporate plan and Ministerial priorities.
- Harnesses appropriate executive support for designing and delivering the succession plan (e.g. HR, equality, communications leads).
- Ensures that corporate communications in relation to community engagement and outreach activities are consistent with the brand and values of the body and with Ministerial aims for the Board to be reflective of society.
- Is responsible for ensuring compliance with the **Equality Act 2010 (Specific Duties) (Scotland) Amendment Regulations 2016**.

Ministers

- Set the policy and performance framework for public bodies.
- Offer early input to thinking around succession and planning for appointments.
- Where appropriate, agree the Board's succession plan in the context of the body's corporate plan.
- Approve the appointments to Boards.
- Promote the value that they place on effective and diverse Boards.
- Build awareness of the work of Boards and encourage members of the public, particularly those from underrepresented groups, to apply for Board roles.

Sponsor Teams

- Advise and support public bodies, their Boards and Ministers on the development of high quality Board succession plans.
- Ensure that succession plans are shared as appropriate with Ministers.
- Work with Boards to review and update succession plans in light of changing priorities and Board composition.
- Facilitate appointment rounds with support from the Public Appointments Team.

Public Appointments Team

- Provides support and guidance on appointments, including direct support for appointment rounds.
- Shares intelligence from the Board's previous rounds, and learning and good practice from other appointment rounds, including positive action measures that can be taken on an ongoing basis.
- Delivers a national outreach programme and work with Boards on bespoke outreach and community engagement events.

Public Bodies Unit

- Provides advice and guidance around Board succession planning.
- Organises networking and capacity-building events, and the sharing of good practice.

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