

**Board**



**Date: 8 June 2022**

**Item: Board Effectiveness Review 2022**

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**This paper will be considered in public**

**1 Summary**

- 1.1 This paper provides an update on the issues for consideration that arose from the Board Effectiveness Review 2021, reported to the Board on 8 December 2021. It also seeks approval for the proposed scope of an externally led Board Effectiveness Review for 2022.
- 1.2 Members are invited to suggest further issues for the review to consider or focus on. The review will be conducted in summer/autumn and reported to the Board in December 2022.

**2 Recommendations**

- 2.1 **The Board is asked to approve the scope for the externally led Board Effectiveness Review 2022, as set out in the paper.**

**3 Background**

- 3.1 In line with good corporate governance practice, TfL reviews the effectiveness of its Board and its decision-making structure every year. Reviews are led by the Deputy Chair of TfL, with an externally led review commissioned every third year. The review reports are submitted to the Board for discussion.
- 3.2 The last two reviews have been led by the Deputy Chair and so it is proposed to commission an external expert to conduct the review for 2022.

**4 Progress against the 2021 Review**

- 4.1 The 2021 review concluded that the robustness of our decision-making structure and clarity of our role, along with the calibre and diversity of our Members and the strength of our culture, had enabled the Board to step-up to the challenges posed over the last two years. It was acknowledged that the Board had shown great fortitude and flexibility during this difficult period and despite the challenges had continued to add tremendous value.
- 4.2 Under each of the scope headings, there were further items for consideration. These are listed below, along with a mid-year update on progress.

## **Role of the Board**

4.3 There were two issues for consideration:

- (a) We will continue to allocate more time for informal engagement, including on the Business Plan and risk management: Members continue to be offered opportunities for briefings and informal engagement.
  - (i) A Board and Executive Committee discussion has been held on risk management in May 2022. Engagement on the Business Plan will commence following approval of the next funding settlement.
- (b) We will invite Members to TfL stakeholder engagement events as they occur and continue to provide more information on engagement with and the view of stakeholders on TfL's proposals and services.
  - (i) To date, Members have attended events relating to the testing and then opening of the Elizabeth line alongside key stakeholders. Stakeholder engagement and views are increasingly included in Board level papers, though there is more to be done to make this systematic.

## **Board composition**

4.4 There were two issues for consideration:

- (a) We will maintain the aspiration for the Board to match the profile of London for all future recruitment and appointment processes.
  - (i) There has been a significant improvement in the diversity of the Board since 2016 and this will again be a key consideration for the Mayor in 2024.
- (b) Existing Members were encouraged to provide support and guidance to the new Members and to all fellow Members in the transition to the new membership arrangements for the Committees and Panels.
  - (i) Induction programmes were provided for the new Members.
  - (ii) The outgoing Chairs and Vice-Chairs of Committees and Panels effectively supported their successors to ensure a smooth transition. The effectiveness of the Committees and Panels, under their new membership, will be assessed as part of the 2022 review.

## **Board culture and relationships**

4.5 There were three issues for further consideration:

- (a) We will continue the focus on reducing the time spent presenting papers to allow more time for discussion.

- (i) This is an ongoing process.
- (b) We will continue to explore the use of technology to enhance Member engagement and the efficiency and transparency of our decision-making.
  - (i) We have continued to contemporaneously webcast our Board-level meetings and the recordings are archived. Teams is used to enable Members and staff unable to attend a meeting in person to still take part in discussions.
- (c) We will continue refining the summaries in reports to provide better signposting of key issues.
  - (i) We have continued to improve the focus of summaries. This is an ongoing process.

### **Board Committees, Panels and reporting**

4.6 There was one issue for further consideration:

- (a) Proposals to establish a Land and Property Committee, including membership, Terms of Reference, and consequential changes to Standing Orders and the Terms of Reference of the Finance Committee, will be submitted to the Board for approval in 2022.
  - (i) The meeting of the Board on 23 March 2022 agreed to establish the Committee. The first meeting is scheduled for 30 June 2022.

## **5 Scope of the 2022 Board Effectiveness Review**

5.1 It is proposed that the scope of the review be consistent with the most recent externally led and Deputy Chair reviews, as that enables progress to be benchmarked. The proposed areas of focus are drawn from the issues considered by the 2021 review:

- (a) The role of the Board – with a focus on:
  - (i) its engagement in relation to London and TfL’s recovery and securing long-term funding and moving toward financial sustainability; and
  - (ii) considering the views of stakeholders.
- (b) Board composition – to review:
  - (i) the current skills, knowledge and experience mix; and
  - (ii) the effectiveness of the induction arrangements for new Members.
- (c) Board culture and relationships – with a focus on:

- (i) the hand over arrangements following the substantive changes to the composition of the Committees and Panels from 1 January 2022;
  - (ii) the way reports are presented at meetings, to allow more time for discussion; and
  - (iii) the progress in refining paper summaries to provide better signposting of key issues.
- (d) Board Committees, Panels and reporting – to review:
- (i) the impact of the substantive changes to the composition of the Committees and Panels from 1 January 2022;
  - (ii) the effectiveness of the establishment and operation of the new Land and Property Committee; and
  - (iii) if any further changes to the decision-making structure are required for the Board to fulfil its role.

5.2 Members are invited to suggest further issues for the review to focus on. This may be refined further by the external specialist provider based on current best practice.

5.3 The review will be conducted by an external provider later in the year. This will include a review of Board information and meetings, a questionnaire to Members and the Executive Committee and 1-1 interviews. The final report will be submitted to the Board for consideration in December 2022.

### **Appendices to this paper**

None

### **Background Papers**

Board Effectiveness Review 2021 paper considered by the Board on 8 December 2021.

Contact Officer: Howard Carter, General Counsel  
Email: [HowardCarter@tfl.gov.uk](mailto:HowardCarter@tfl.gov.uk)