

with Bernadette Barber



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# Setting the agenda



## Old habits often share the blame for poor agendas.

If you have not yet read the recent ICSA report, *Mapping the Gap*, which looks at 'the disconnect between governance best practice and reality in the NHS', I would recommend that you take a look. Don't be put off if, not working within the NHS, you think it won't be relevant to you. While consideration of 'clinical matters' may not form part of your own particular day job, you are likely to be surprised by how many of the issues raised could equally apply to any organisation, in any sector.

Despite evidence of awareness and understanding amongst directors of good governance practice, one of the most striking features of the report's findings is that, on average, only 10 per cent of agenda items relate to strategic issues. This is in contrast to NHS guidance that suggests that 60 per cent of a board's time should be devoted to strategy. Given the key responsibility of any board to set the direction and strategy of its organisation, this disparity leaps out as a stark illustration of how easy it is, in the absence of a well-disciplined approach, for good governance theory to be translated into poor governance practice.

The report is based upon research which analysed, amongst other things, almost 1,300 board agendas. The fact that board agendas were used as primary research material in this way brings home just how key the agenda setting process is in influencing governance processes. The agenda is the starting point for each meeting, it shapes both the content of the papers and the progress of the meeting itself. Its importance, in my view, can hardly be overstated, yet it is frequently undervalued and paid far less attention than it deserves.

Old habits also often share the blame for poor agendas. Each new agenda deserves the application of original thought, rather than undergoing a casual process of regurgitating a previous agenda in slightly amended form. Of course there are issues of standard format to take into account, as well as the chairman's preferred style, but still agenda creation warrants proper consideration.

Board agendas need to form part of an overall annual plan, providing balance throughout the year in terms of the issues considered and the timing of their consideration and review. However, they also need to be flexible and responsive to the changing

circumstances of the organisation. It is this need for flexibility which frequently disguises a hidden risk, leaving agendas overburdened with current high-profile issues at the expense of longer-term; bigger picture concerns.

Urgent requests for an item to be included on the next board agenda can be hard to resist; that imminent transaction, which must go before the board, or the restructuring that promises attractive tax benefits. It can be hard to say 'no' and sometimes that would not be the right answer anyway, but in our quest to be helpful, slipping those additional operational items into the agenda can, over time, result in the board being distracted from its proper focus.

The research also looked at the indications provided on board agendas regarding the purpose of each paper. For example, whether a particular item requires a decision, approval, agreement or ratification, or whether it is just to be noted. Only 18 per cent of items indicated on the agenda required a form of board action, meaning presumably that the other 82 per cent may simply have been included for the board to note.

Making it clear on the face of the agenda what action, if any, the board is required to consider taking can make it easier for those involved in drafting the agenda to get a sense, at a glance, of whether they are getting that all-important balance right. Such express indications are also helpful in providing a quick reminder to the chairman and board members of the purpose of each item and what is being asked of them. It is such a simple thing to implement and a wonderful example of how making the most basic of changes can have a positive impact on board effectiveness.

The report has many other insights and recommendations to offer and many of its observations relate to aspects of practice which those Chartered Secretaries working closely with boards can, and do, influence. In addition, for a little light entertainment, check out the chart showing examples of poor boardroom behaviours (para. 42) and see how many you can identify as displayed by individuals on your own board!

### » About the author

Bernadette Barber is the author of *ICSA's Corporate Governance Handbook*, published by ICSA Publishing. Order your copy at [www.icsabookshop.co.uk](http://www.icsabookshop.co.uk).