Chartered Governance Institute UK & Ireland

Boardroom Bellwether

SUMMER 2025

About The Chartered Governance Institute UK & Ireland

The Chartered Governance Institute UK & Ireland is the qualifying and membership body for governance with over 125 years' experience of educating and supporting governance professionals. With a Royal Charter purpose of leading 'effective and efficient governance and administration of commerce, industry and public affairs', we provide professional development, guidance and thought leadership, and work with regulators and policymakers to champion high standards.

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Introducing the Boardroom Bellwether

Batten down the hatches

Boardroom Bellwether is the annual survey by The Chartered Governance Institute UK & Ireland (CGIUKI), a snapshot of sentiment inside British boardrooms. It canvasses the views of, predominantly, governance professionals to find out how boards are responding to the economy, market conditions, shifting risks, people and technological challenges – and the wider business and governance environment.

This year's survey was conducted in April and May 2025, at a time when the US government's tariff vacillations and attacks on ESG and DEI policies were prominent in the news; both economic and geopolitical uncertainty were at elevated levels; and just as UK-EU talks were getting underway.

While this might be expected to have affected sentiment around specific risks and business drivers, longer-term factors are evident in the responses. Company secretaries and other governance professionals are not immune to topical hyperbole – but they are defined by an ability to see beyond moment-to-moment shifts in mood.

For 2025, we have expanded the survey to include the FTSE 100, FTSE 250, smaller quoted businesses, those held privately (including by private equity funds) – and governance professionals from other organisations, such as housing associations, health trusts and charities. This reflects the diverse make-up of the British governance landscape.

The results remind us that boardroom decision-making has rarely been more challenging. Organisations of every type are operating in a fluid, and often hostile, environment that (this year particularly) offers few certainties and elevated risk. Boards are trying to unpick the temporary from the permanent, the cyclical change from the secular shift. That means they need more support than ever from those charged with ensuring their decisions are responsible – our CGIUKI members.

Governance professionals also have a duty to help boards navigate internal risks – making businesses sustainable, not just in an environmental, social and governance (ESG) sense, but around wider engagement with investors, other stakeholders and their infrastructure. This year, our questions on cybersecurity and AI, for instance, feel particularly revealing.

The overall picture for 2025 is of governance professionals – and their boards – making additional preparations against uncertainty. They want to see government create firm, and fertile, ground for growth – but know that in an environment where risks are multiplying and intensifying, protecting their organisations through discipline and prudence is a priority.

CGIUKI, as always, seeks to help them do that. In unpredictable circumstances, good governance offers us all valuable certainty.

> Governance professionals want… firm, and fertile, ground for growth – but know that when risks are multiplying and intensifying, protecting their organisations through discipline and prudence is a priority.
>
> **Peter Swabey FCG,**
> Policy & Research Director, CGIUKI

Key findings

01 Uncertain economics

Boards are dealing with unpredictable, and in some cases hostile, economic conditions. Expectations for conditions in both the global and UK economies in the year ahead have turned sharply negative. The last time this happened, in 2022, the data proved our respondents correct in their pessimism: global GDP growth halved.

02 Rising risks

Rising risks are encouraging organisations to prioritise efficiency over growth. While the proportion of organisations forecasting a 12-month rise in capital expenditure is consistent with previous years, the number predicting a 'considerable' increase is now zero. Meanwhile the proportion saying capex will fall in the year ahead has climbed above 25%.

03 Cybersecurity concern

Cybersecurity is the number one concern for a majority of boards. Two-thirds of governance professionals rate it 'very important' this year; just 3.6% say it's relatively unimportant. 71% of respondents see cyber risks increasing this year; two-thirds will be boosting spending on security as a result.

04 AI adoption accelerates

AI has now been formally adopted by a majority of quoted companies. Nearly two-thirds (64%) of quoted companies have a formal board policy in place for monitoring and exploiting AI, up from 44% last year. In fact, just 22% of all organisations have yet to officially deploy some kind of AI technology anywhere in their organisation.

05 DEI policy pressure

DEI is changing, not going away. Under political and economic pressure, many firms are looking again at their DEI policies. But respondents are more likely to be increasing than cutting resources – although vastly more are 'reviewing' and 'refocusing'. Quoted governance professionals are much more likely to say their boards are diverse – but there's still a lot of work to do, not least around socio-economic background and disability.

06 Net Zero

Net Zero requires regulation and compliance. Quoted companies seem to be fulfilling the requirements to plan for Net Zero. Non-quoted organisations? Not so much. Enlightened self-interest is still a powerful force for good, but for more definitive action, wider clarity on the target and its regulation might be needed.

Business outlook

Tough times
2025 sees a sharp decline in optimism – only 1-in-20 boardroom leaders expect global economic conditions to improve.

The lion sleeps
Two-thirds of governance leaders expect UK economic conditions to decline in 2025/26.

Atlantic challenges
US policy now the number one factor in medium-term planning; half of governance leaders see EU relations as "challenging".

Listing badly
Only 1-in-8 think the London Stock Exchange can halt its decline over the next five years.

Hunker down
More than 50% of companies are prioritising efficiency – and only 1-in-8 growing market share.

The Trump effect

It's hard to see beyond the impact of President's Trump's policies – or, at least, their announcement – in the data on economic conditions and the business environment.

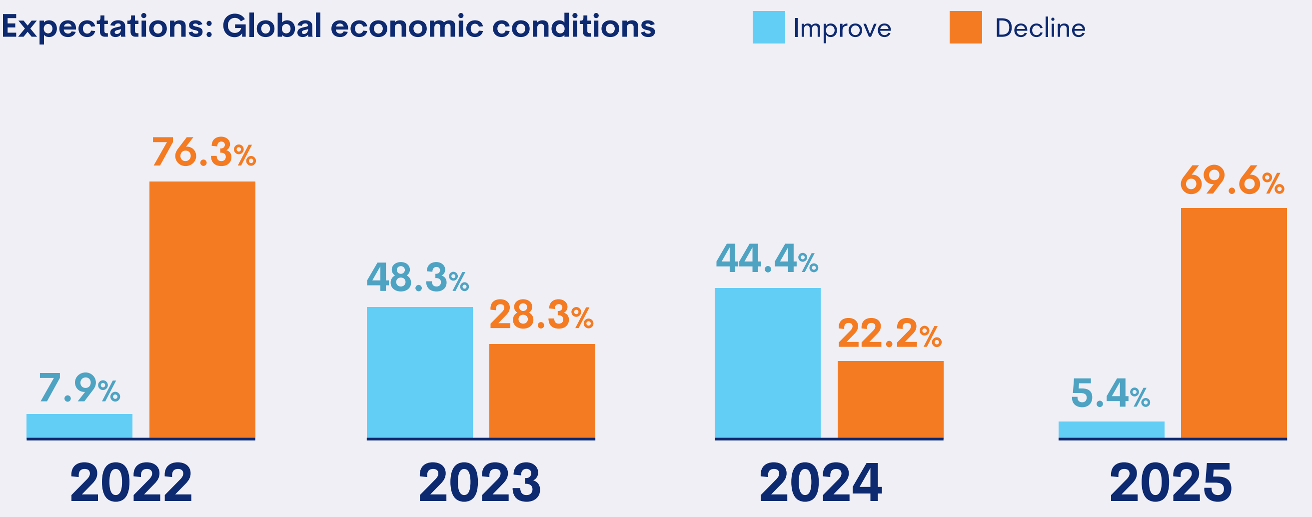
Whether or not the specific policies stick over the 12-month period we asked about is moot: governance professionals understand that less predictability is becoming normal in both national and global economies – and that's not great for business.

The global economy

After a couple of years of positivity, we're back to a more negative outlook on global economic conditions. In 2022, the pessimistic view reflected the unwinding of the post-Covid boom, and the invasion of Ukraine – and was borne out later when global GDP growth for the year halved from 6.4% in 2021 to 3.2% in 2022.

The proportion forecasting a decline in conditions has dipped from 2022 levels; what's slightly more concerning is the percentage of respondents predicting an improvement in global economic conditions is even lower than three years ago.

Expectations: Global economic conditions



The UK economy

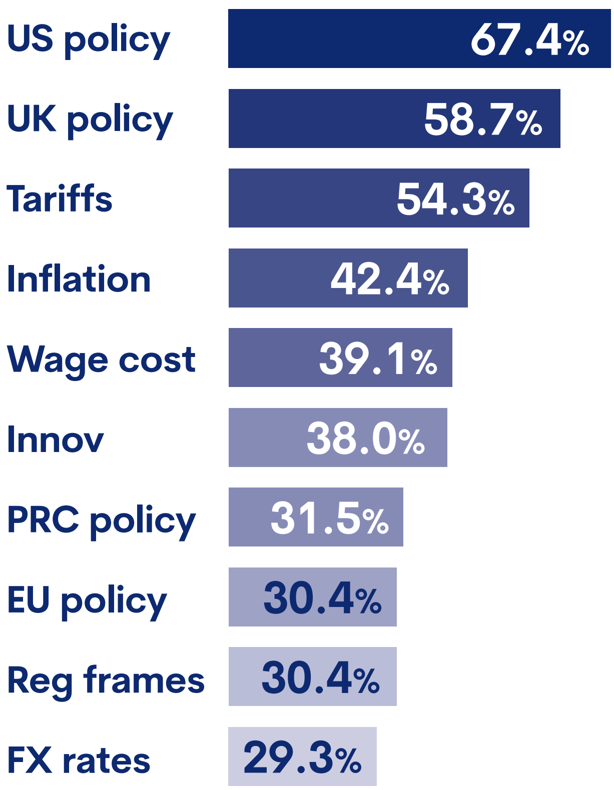
The picture at home is similar: a couple of years of respite, then a return to gloom. Bright spots? Although the total number is still small, in 2025 more respondents have declared for "significant improvement" in the UK outlook over the next 12 months.

One reason for boardroom pessimism might be found in another question: "How do you see the competitiveness of the UK economy evolving over the next five years?" Just a third of respondents said they expect it to improve, sharply down from 47% in 2024. Note that the survey was completed just before the EU-UK talks on reducing administrative and trade friction between their economies.

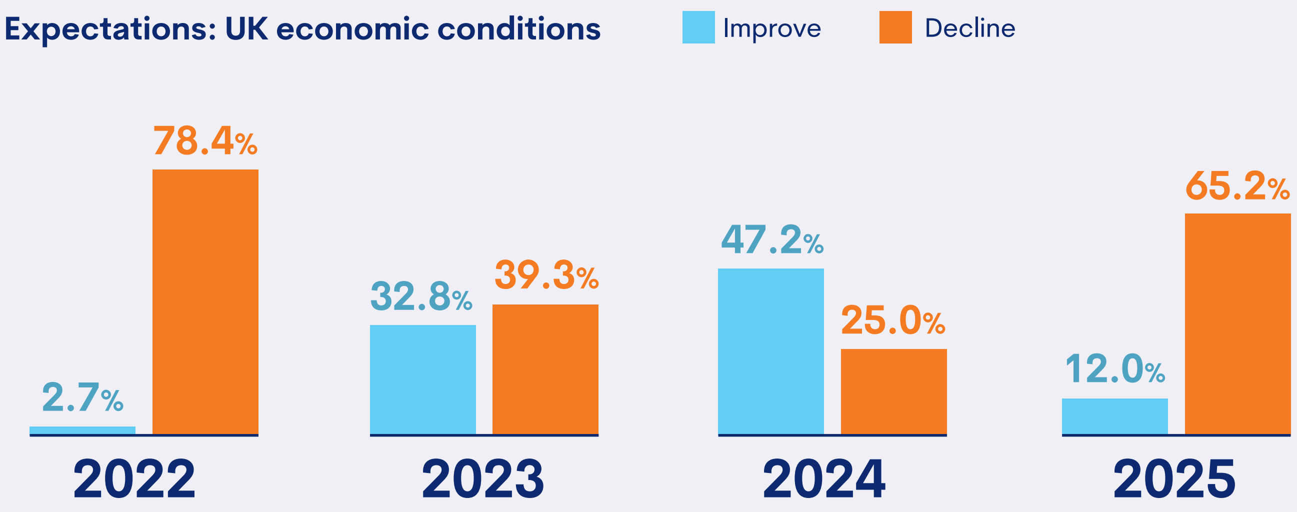
That was, in fact, one of the factors we asked respondents to evaluate for impact on UK competitiveness. But when we ranked them by the proportion declaring they have a "major impact" on UK competitiveness, EU policy ranked relatively low. The Trump effect is clearly visible here – and it's surprising wage costs were mid-table, given the recent increase in employer's National Insurance and the minimum wage.

(It's a reminder that for many decision-makers in business, internal factors feel manageable – while external ones challenge their ability deliver the predictability business needs in order to be grow.)

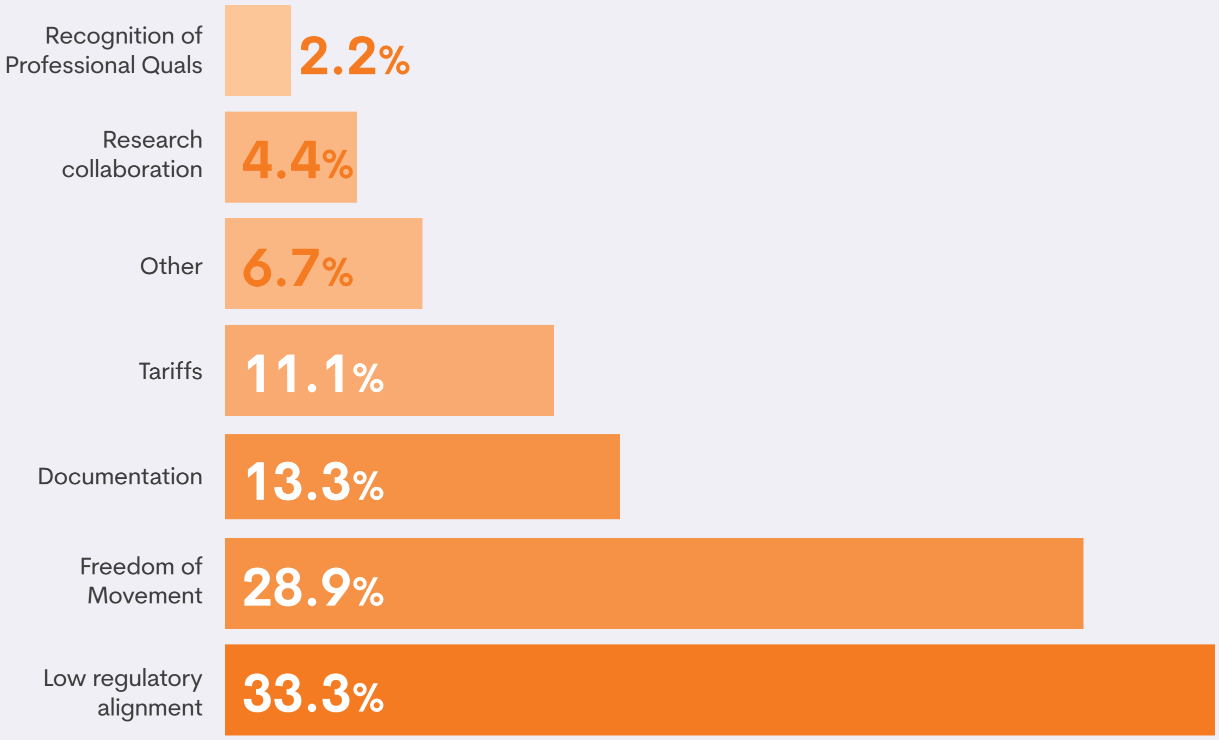
Factors considered to have major impact on UK competitiveness (3-5yr)



Expectations: UK economic conditions



EU challenges



EU turn if you want to...

But that's not to say EU issues weren't also a factor. Of the governance professionals directly affected by the EU, half rated trading and other relations there "fairly challenging." So we asked, "Which of the following factors are responsible for the challenges you are currently experiencing in EU trading or other relations?"

The shift in government sentiment after the UK-EU trade agreement in May suggests that these concerns have been heard – up to a point. Freedom of movement remains the biggest EU headache for a quarter of respondents, and that seems unlikely to change radically in the near term. And, unsurprisingly for a survey of governance and compliance officers, regulatory alignment is the biggest problem. Finding a solution to that within broader notions of Brexit remains a significant challenge.

(Note that among the financial services respondents, only freedom of movement (33%) and regulatory alignment (66%) were mentioned as EU challenges.)

> 2025 is shaping up to be a year of caution, rather than confidence... the decline in perceptions of competitiveness over the longer-term is unsurprising, given how weak the prospects for productivity and potential growth remain. Turning this around has to be an imperative for the government, working in partnership with business.
>
> **Alpesh Paleja,**
> CBI Deputy Chief Economist

What should the government be doing?

The government has been highly visible in talks with the US and EU to secure that foundation for trade. But it's also made prominent statements about rebuilding the economy, and last October issued its industrial strategy *Invest 2035* to support the policy. The White Paper is due out shortly – so what do those charged with assessing risk and related governance questions think it should prioritise?

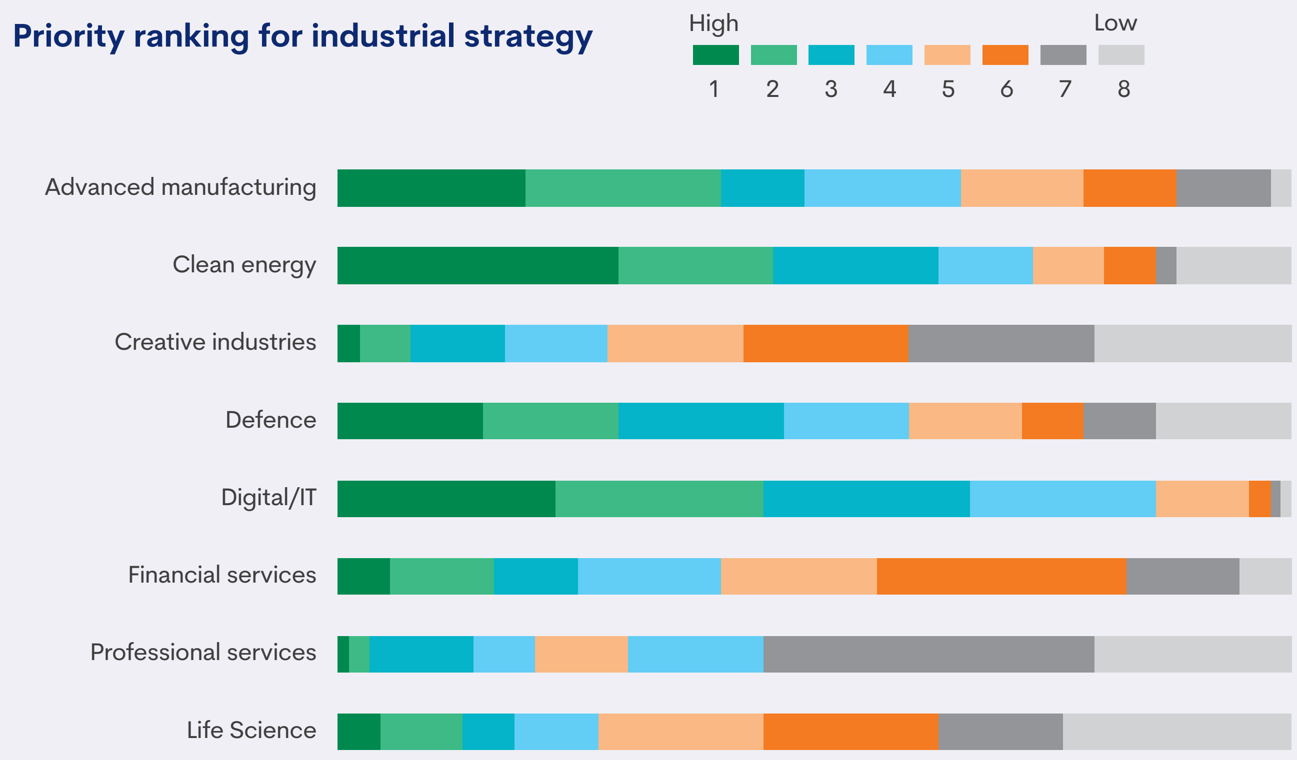
We asked respondents to rank eight areas of strategic focus that the government might prioritise – and the results offered it a clear steer. This question yielded the highest number of free-text responses; policymaking to encourage and deliver national investment seems to be a universal concern. "Unfortunately, we as a country seem to view investment in infrastructure as somebody else's problem," complained one company secretary at a professional services firm – highlighting that even those not directly affected see a value in an industrial strategy.

And unpredictability in 2025 has hardened sentiment towards making bolder investment decisions, at least at the national, state-supported level. As one company secretary from the financial services sector put it: "Taking advantage of Trump's trade war with China is an opportunity for everyone; the UK government should prioritise support [for advanced industrials] in the near term to build for longer-term success."

Reasons respondents gave for the four 'winning' priorities were instructive. It remains to be seen whether the Spending Review will shift sentiment sufficiently to lift levels of investment.

- **Digital infrastructure**: "AI and other technological developments are critical... the ability to effectively defend against abuse of the technology." – FTSE 250
- **Clean energy**: "We need to be creative and innovative on climate change and differentiate ourselves for 2030 onwards." – FTSE 250
- **Advanced manufacturing**: "With the strange stance being taken by US and possibly others, it is important for UK to be increasingly self-sufficient." – FTSE small-cap
- **Defence**: "A sense of security seems to increasingly underpin the drive to recover from the pandemic." – Property sector

Priority ranking for industrial strategy



Stock answers

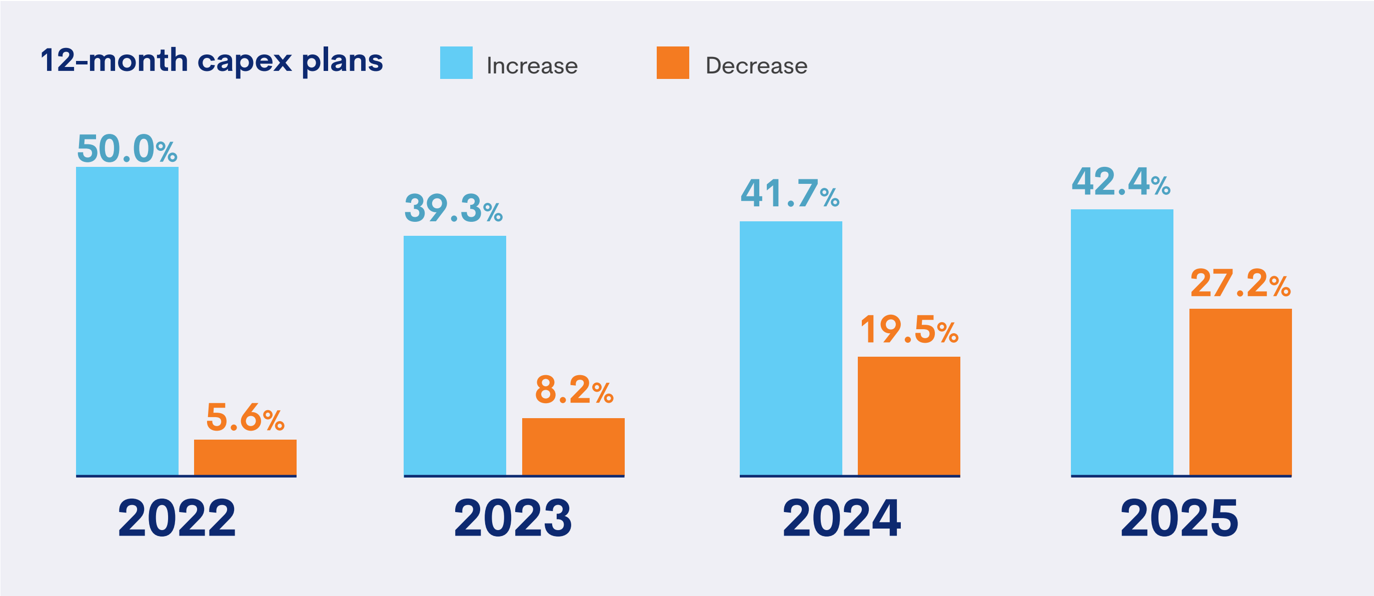
The status of the London Stock Exchange (LSE) also raises questions about the UK's international standing. Listings have declined over recent years, and we asked whether our respondents – often the leader changed with managing relationships with shareholders and overseeing listing requirements – could see the LSE halting its decline over the next five years. Last year, 53% said 'no'. This year? It's risen to 61%, and actually marginally more than that among quoted company leaders.

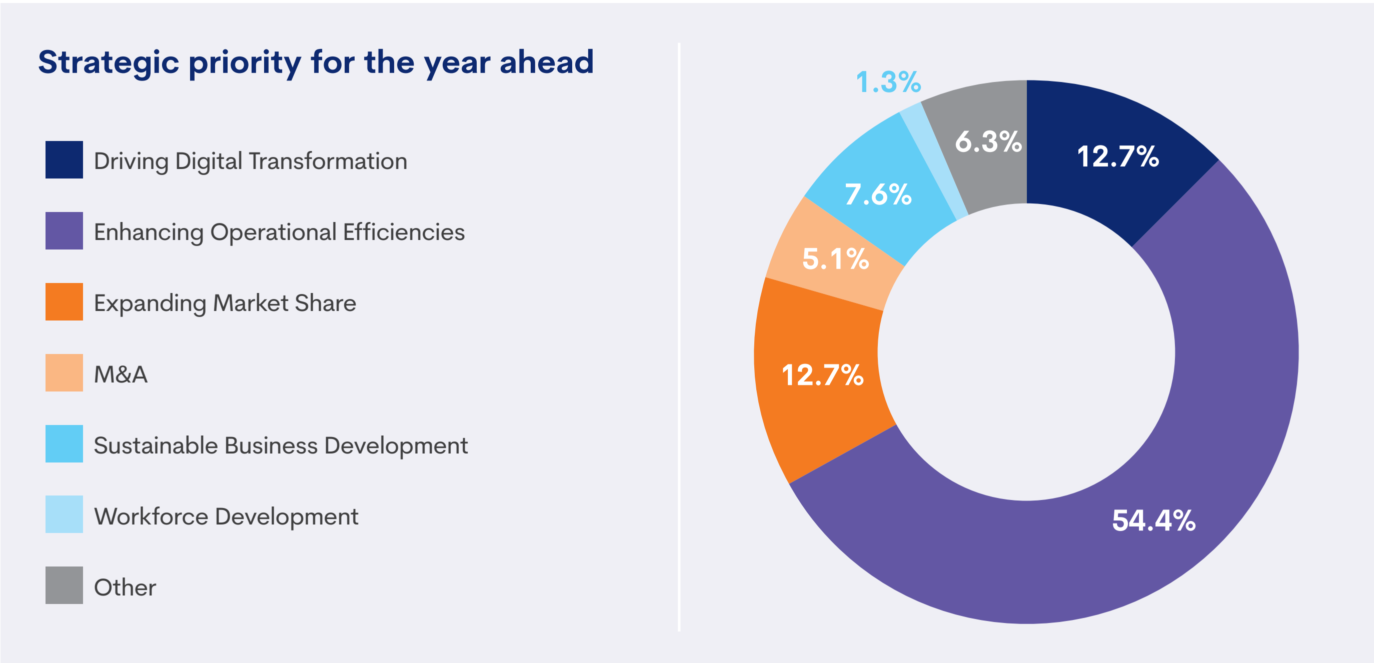
Only one in eight governance professionals have faith the decline can be halted. Reforms designed to bolster the attractiveness of AIM, and to refresh London's status as a leader for trading more generally, seem more urgent than ever, then. But respondents want to ensure that making a case for UK exchanges in the face of stiff competition from private ownership and overseas markets doesn't threaten London's status as a haven for good governance – and well-managed risk.

> The focus of the debate that we have had amongst members is how and where to balance the relaxations of rules to encourage more companies to list in the UK market against the potential associated loss of valued investor protections. Strong corporate governance is a significant advantage – indeed a USP – for the UK market.
>
> **Lyn Colloff,**
> Chair of the Corporate Governance Forum, CGIUKI

The upshot: plans for the year ahead

Every year we ask members about their intentions for investment. *None* of the respondents said capital expenditure would increase significantly in the year ahead; last year, nearly 14% expected a 'considerable' increase. The percentage expecting some kind of increase overall did remain steady. More concerning is that the proportion of respondents forecasting a fall in capex over the next 12 months is now above one-in-four. A majority of companies tell us they are focused on operational efficiencies. Low scores for M&A and even market share expansion suggest a battening down of the hatches – in the face of instability, economic weakness and disruption. One-in-eight respondents said digital transformation was this year's focus – which is simply another lens to view managing disruption, it could be argued, particularly given the predictable rise in spending on cybersecurity. That's the major theme of our next section.





Risk

Riskier business
Only 3% see overall risk exposure falling this year; 7-in-10 predict a rise.

Hacked off
Cybersecurity is near-universally accepted as a dominant risk; 71% see it getting even more acute in 2025/26.

Be seen to be right
Reputation remains the second most widely accepted "important" risk.

AI in harness
Two-thirds of quoted companies have policies in place for responsible AI use.

Risk is rising

We had thought that the proportion of governance professionals predicting increased board exposure to risk was elevated in 2024 at 57%. In 2025, it's now up to 72%. And while many of the same factors remain key drivers of that greater exposure this year, on most there's been a drift from 'fairly' to 'very' important. As one respondent pointed out: "Principal risks are a blend of the highlighted factors, of which several are currently elevated."

Only in two areas was the proportion of governance professionals selecting 'very important' actually lower than in 2024: climate change and (strangely, given the tariffs) protectionism.

Hacking

As in 2024, almost three-quarters of respondents see cyber risks increasing this year. So it's a surprise that only two-thirds of boards are looking to increase cybersecurity spending in 2025/26, versus 80% in 2024/25.

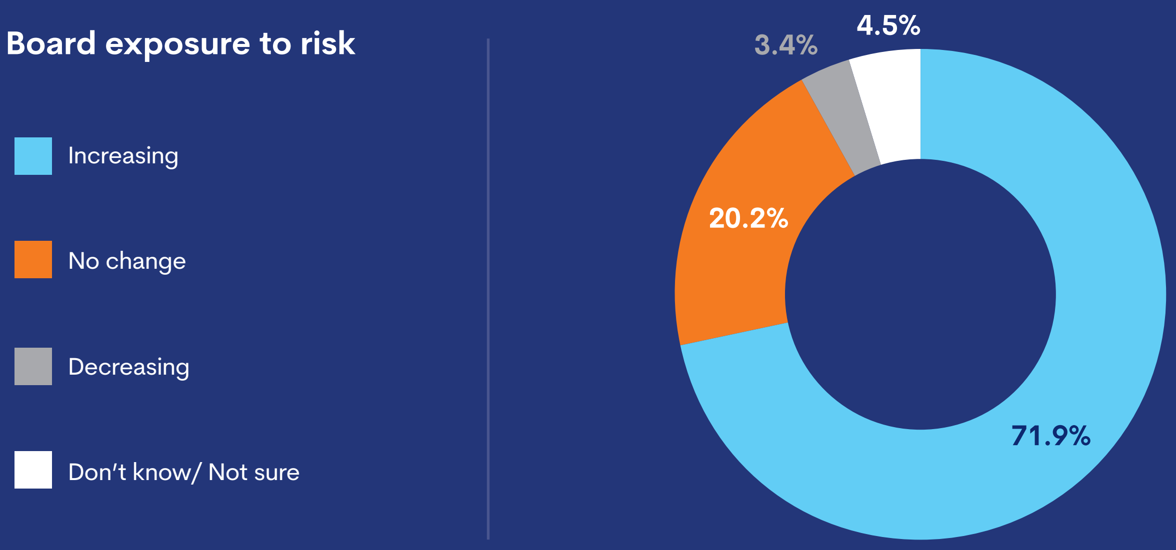
One FTSE 250 company secretary pointed out that there's a kind of gearing at work when it comes to digital dangers. "Cyber risk is increasing – not just exposure to malicious actors, but also greater reliance on technology compounding the risks," they told us. Another added: "As a banking institution where customers (and staff) use the internet and cloud-based systems, the cyber risk is high, and consistent messaging and awareness might not match the evolving tactics used by perpetrators."

In some ways the catastrophic cyber-attacks of 2025 might be helping in this area: watching the struggles of those charged with good governance and compliance in afflicted retail businesses has surely pushed the issue even higher up the agenda. And given the prominence of reputational risk in our results, it's not surprising that avoiding a PR disaster post-attack is a priority.

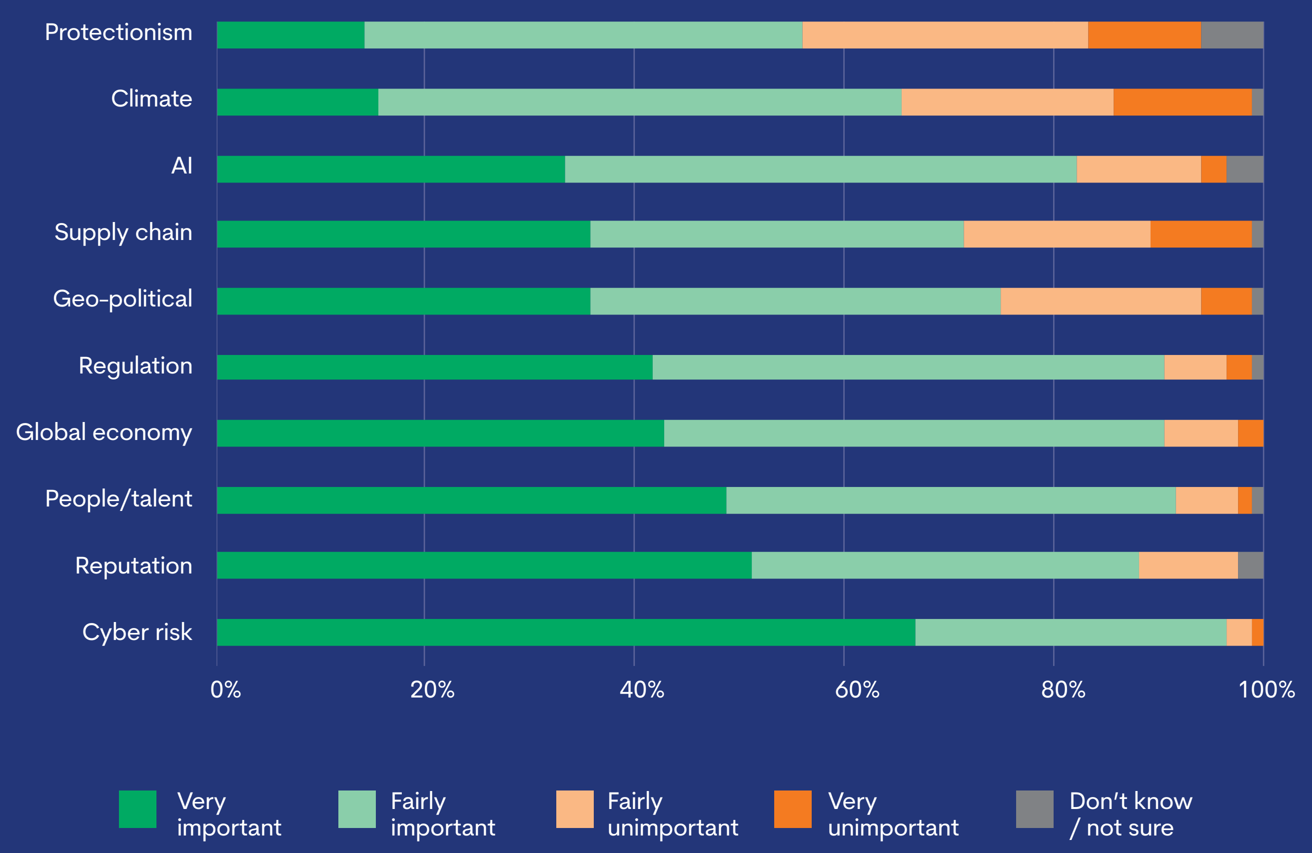
Cyber prompted more comments than any other risk, with respondents citing supply chain disruption (including falling victim to hacks perpetrated on third parties), technical debt (from legacy systems and past 'quick fixes') and, in several cases, uneven adoption of AI as critical areas for concern. "[AI, for us] is considered a more important risk. It is being increasingly used throughout the business, and the wider market," explained the company secretary at one mutual group.

That sentiment was shared elsewhere: "Our company uses a lot of technology and we are on the journey of going completely paperless – so that raises the cyber risks we have. We also still do a lot of manual tasks... but with AI, that will change."

Board exposure to risk



Factors important to driving higher risk exposure

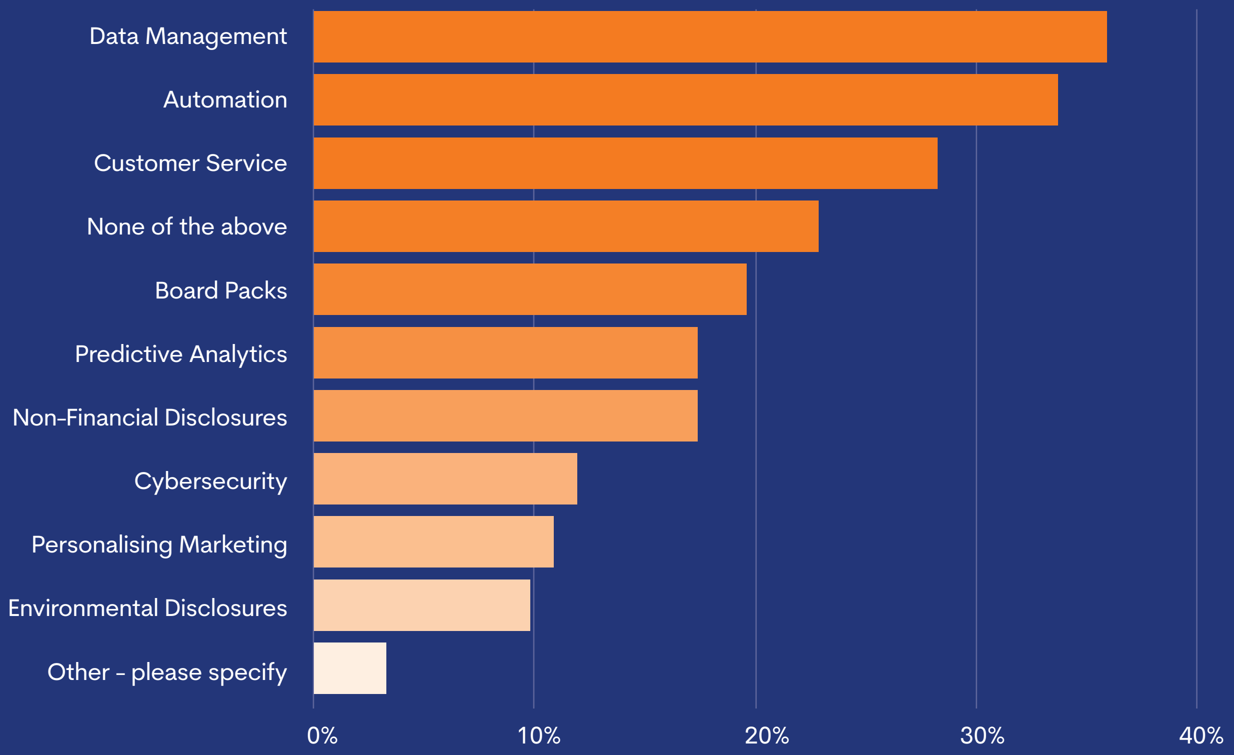


AI: making inroads

Nearly half of boards have now implemented policies and processes on the ethical use of Artificial Intelligence (AI) within their organisations. But it's notable that among the quoted companies, that rises to 64.5% – a significant increase on the 44% in the 2024 survey.

Nearly a quarter of boards aren't seeing AI use in any of the cases we listed. And for none of the use-cases is uptake much over a third of organisations. So while AI is now a fixture in most organisations – especially within quoted companies – it is still looking to cement its role in business beyond the more easily deployed functionality.

AI tool use



> It is not surprising that cyber security remains at the top of company's risk registers. The potential disruption to business, costs and damage to reputation underscore why it is vital those risks are taken seriously. The new Cyber Governance Code of Practice, sets out the most critical governance actions that Boards need to take ownership of and the National Cyber Security Centre has released a Cyber Governance Training Package to support Boards and Directors.
>
> **Cub Llewelyn-Davies,**
> Head of Strategic Resilience Levers, National Cyber Security Centre

> Having a general AI policy is a great start. But, with generative AI tools becoming a feature of the corporate desktop, companies must consider their use in the context of every policy to ensure that AI happens not by accident, to our detriment, but by design, to our advantage. And, we must train people to use these tools properly. The current patchy approach we're seeing is a fantastic opportunity for governance professionals to become the strategic advisor on AI that Boards so urgently need.
>
> **Claire Bodanis,**
> Founder and Director of specialist reporting advisory firm, Falcon Windsor, and author of 'Your Precocious Intern – How to use generative AI responsibly in corporate reporting'

Diversity and Inclusion

Diversity divergence

Three in ten boards are reviewing their DEI activities this year – but only 6% say they plan definite reductions in resource allocation; 15% say they will invest more.

DEI's new frontiers

Board diversity is still badly lacking around socio-economic background and disability. A third of boards are planning (or have) policies to address wider socio-economic workforce diversity.

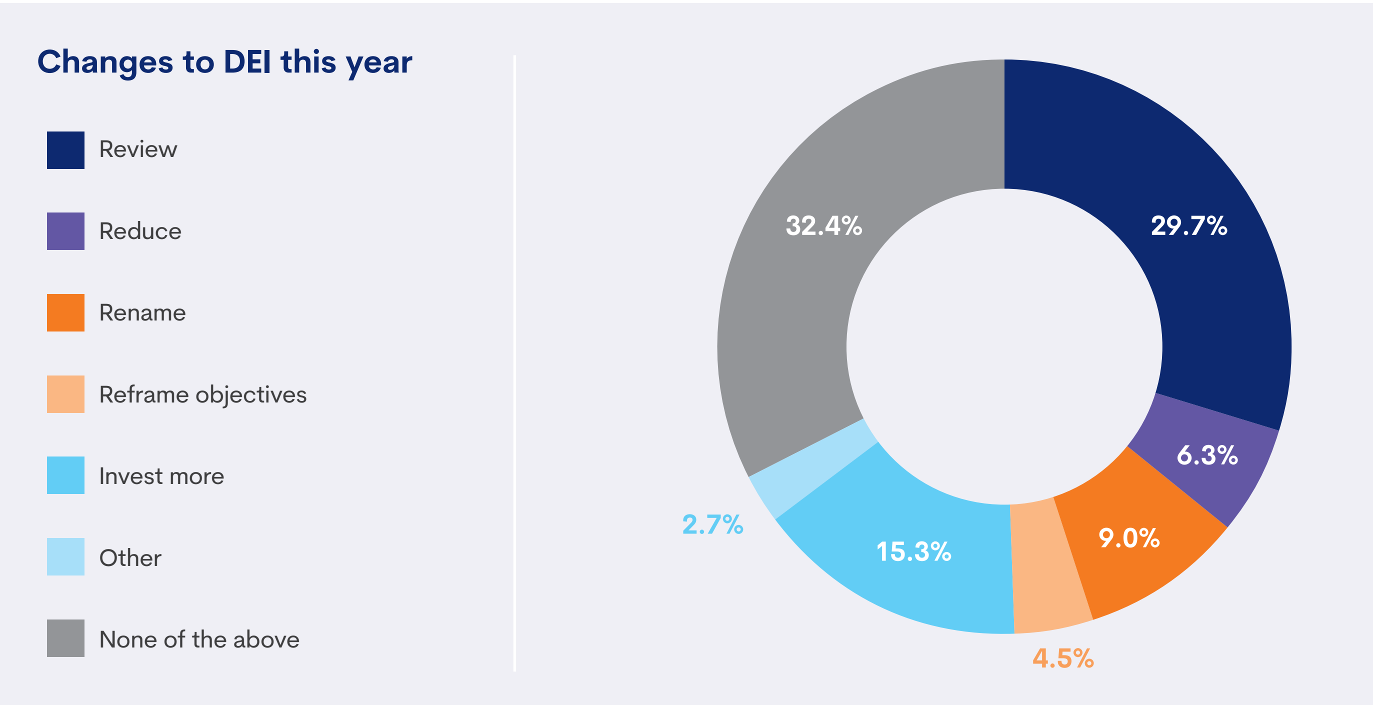
Gaps in pay gap reporting

A third of organisations predict difficulties in meeting proposed pay-gap reporting rules.

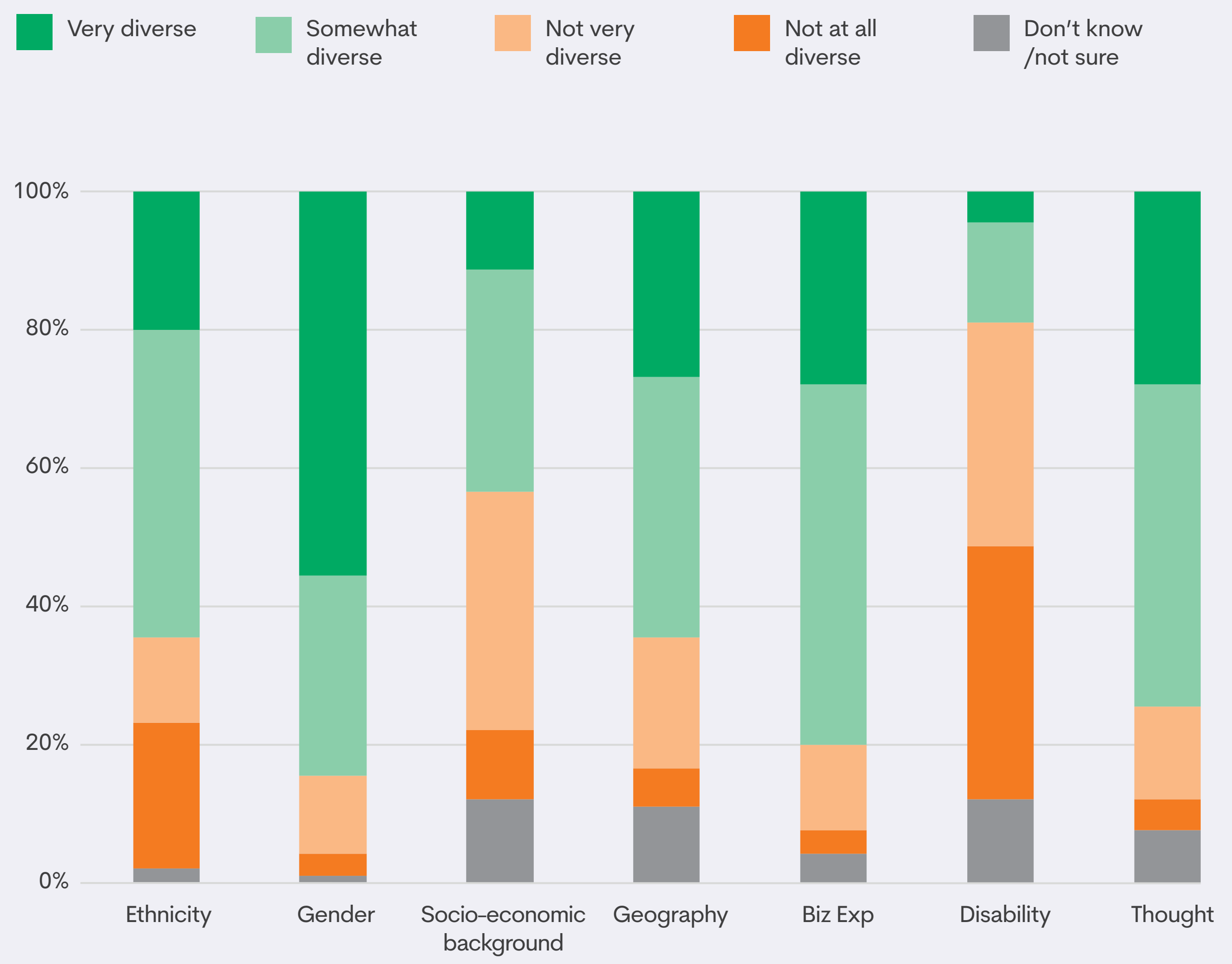
Time to DEI?

The more obvious pressures on diversity, equity and inclusion (DEI) have come from the political climate, with a tonal shift in many regions of the world and (especially for our FTSE 100 respondents with greater international exposure) legislative developments in the US. But even without those drivers, potentially worsening economic conditions, rising perception of risk, and modest spending would have prompted some changes to DEI approaches after a rapid five-year build-up.

The research bore this out. While a third of respondents felt none of the suggested changes were relevant (we interpret 'none of the above' as 'steady as we go'), another third chose 'reviewing activities' or 'reframing objectives' as their best option. And while around 6% planned to reduce activity, nearly three times as many are planning to invest more. Interestingly, the quoted companies were less likely to select the 'steady state' option – and the FTSE100 companies were the least likely. In the larger quoted companies, a higher 36.4% said they are reviewing DEI activities; and they're more likely to be 'reframing the objectives' or 'renaming' their programme (14% each).



How diverse is your board on these criteria?



Board diversity: getting there

Two areas really stand out here: disability and socio-economic background. As with all board-level diversity issues, talent pipeline is a factor, especially with background issues (see overleaf), but these are clearly priorities as organisations review their approach to inclusion. Most governance professionals report a good degree of diversity on gender – along with business experience (highlighting the value of non-executives with specific skills and experience), and diversity of thought close behind. That's reflected in the fact that only a quarter of respondents said they were facing a challenge recruiting the right skills onto their board. We didn't get much data on the specific skills shortage – IT and other technical skills emerged through free text comments, as did sector-specific experience. But one FTSE 250 governance professional pointed out: "Our [recruitment] challenge was a clash between business and candidate expectations around time in the office." And another governance professional (from the public sector) added, perhaps wryly, that the skill they were having trouble finding was: "not wanting excess remuneration."

Background: mixed

Separately, we asked respondents to tell us where they were with socio-economic diversity policies more widely in the organisation. Had there been discussions at board level? And what were the outcomes? Interestingly, given the acknowledgement that boards themselves face this issue, more than a third of respondents admitted that their board had no plans to discuss wider policies. More encouragingly, the same number said they had, and either would or have already put policies in place to address any bias.

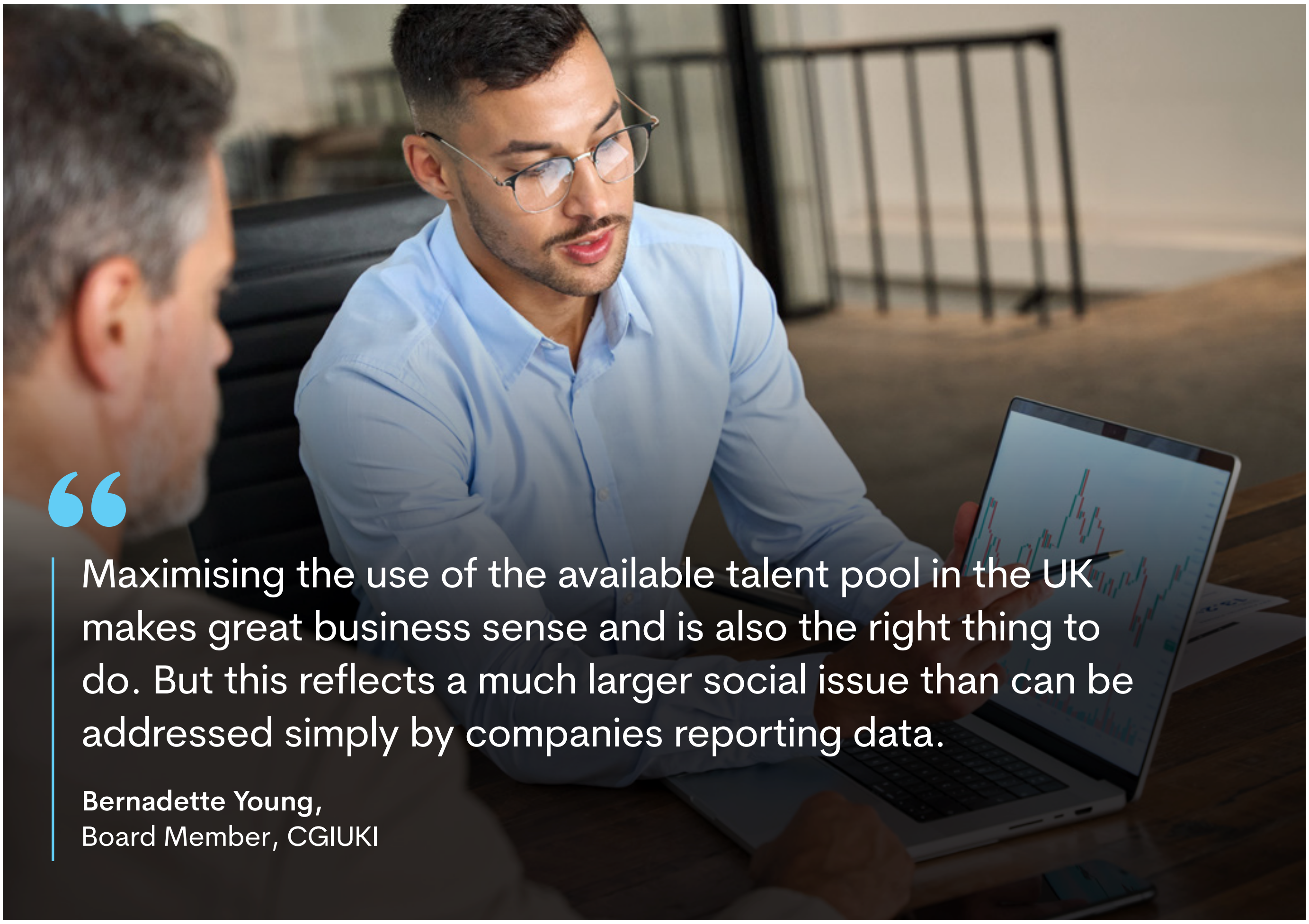
Mind the gap

People remain one of the critical risk factors for the vast majority of organisations, and additional regulatory burdens have joined wage inflation and higher employment taxes in making this a sizeable challenge for boards.

We wanted to know specifically how well they were coping with the (DEI-related) pay-gap reporting rules, particularly as larger organisations prepare for ethnicity and disability pay-gap reporting as outlined in the Equality (Race and Disability) Bill. The picture here is mixed.

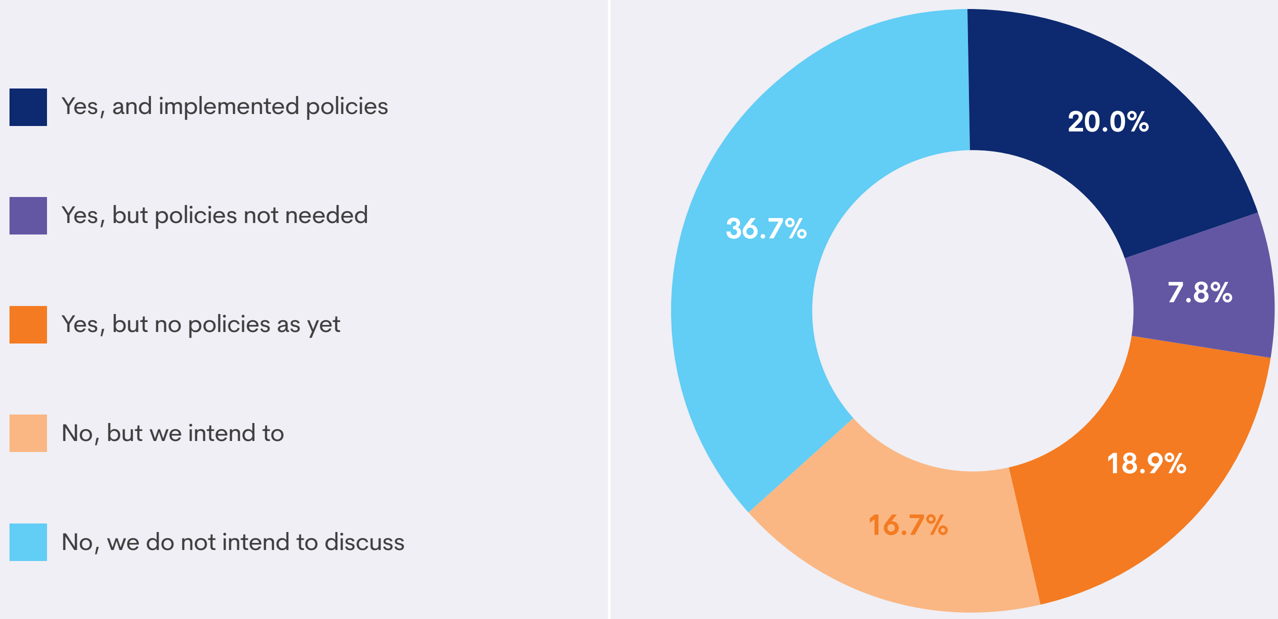
On the positive side, there's very little to choose between existing gender pay-gap reporting and that for ethnicity. And around 40% of respondents (well over half of those actually affected by the rules) claim compliance is easy.

But that does mean around one in seven of those affected find getting and publishing the data 'very difficult' and another third 'fairly difficult'. There's clearly work to do bringing HR systems up to speed – and for many organisations, lack of ethnicity (and potentially disability) data could be a challenge next year.

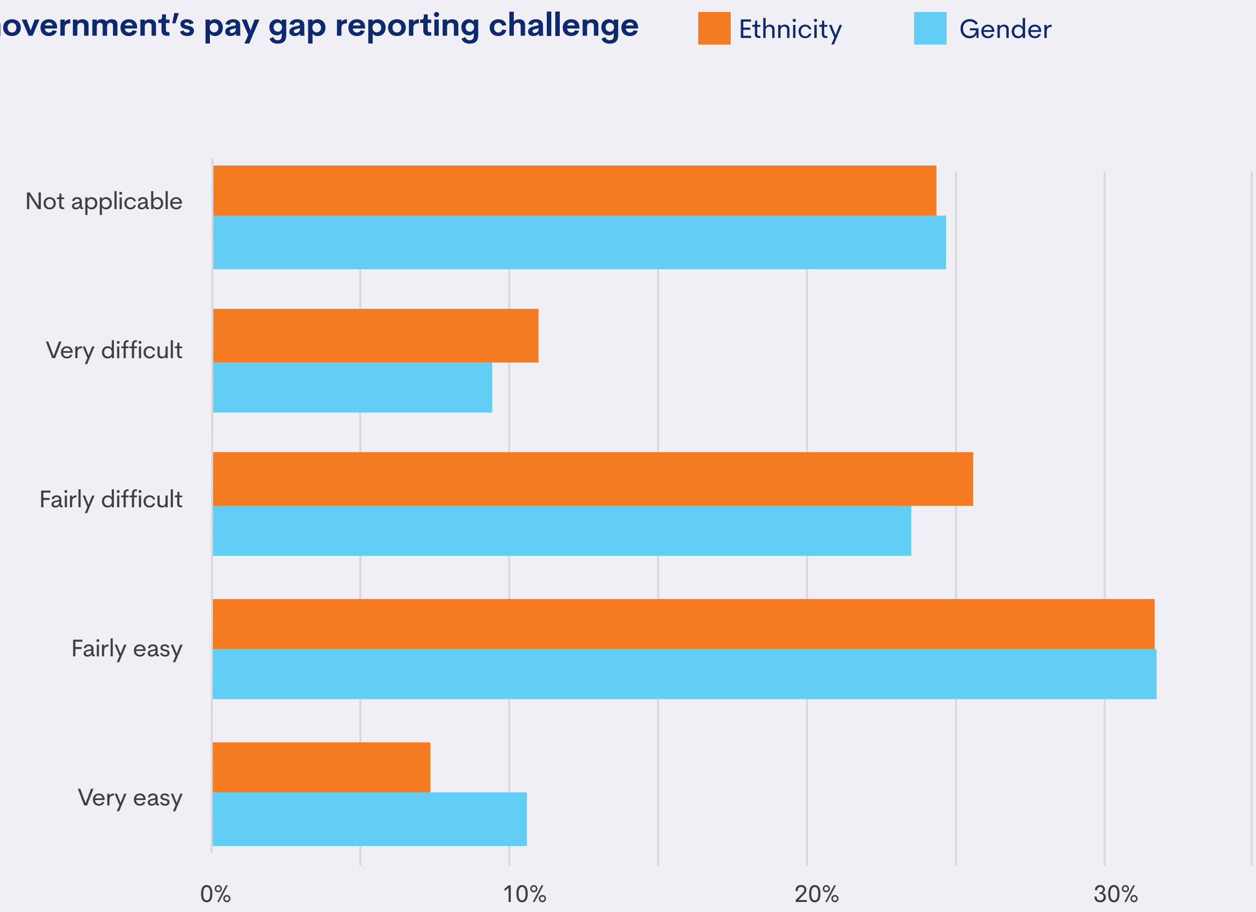


> Maximising the use of the available talent pool in the UK makes great business sense and is also the right thing to do. But this reflects a much larger social issue than can be addressed simply by companies reporting data.
>
> **Bernadette Young,**
> Board Member, CGIUKI

Addressing socioeconomic diversity



Government's pay gap reporting challenge



Regulation

Tackle the tape
Three-quarters of quoted governance professionals say business regulation remains excessive – up from 44% in 2024.

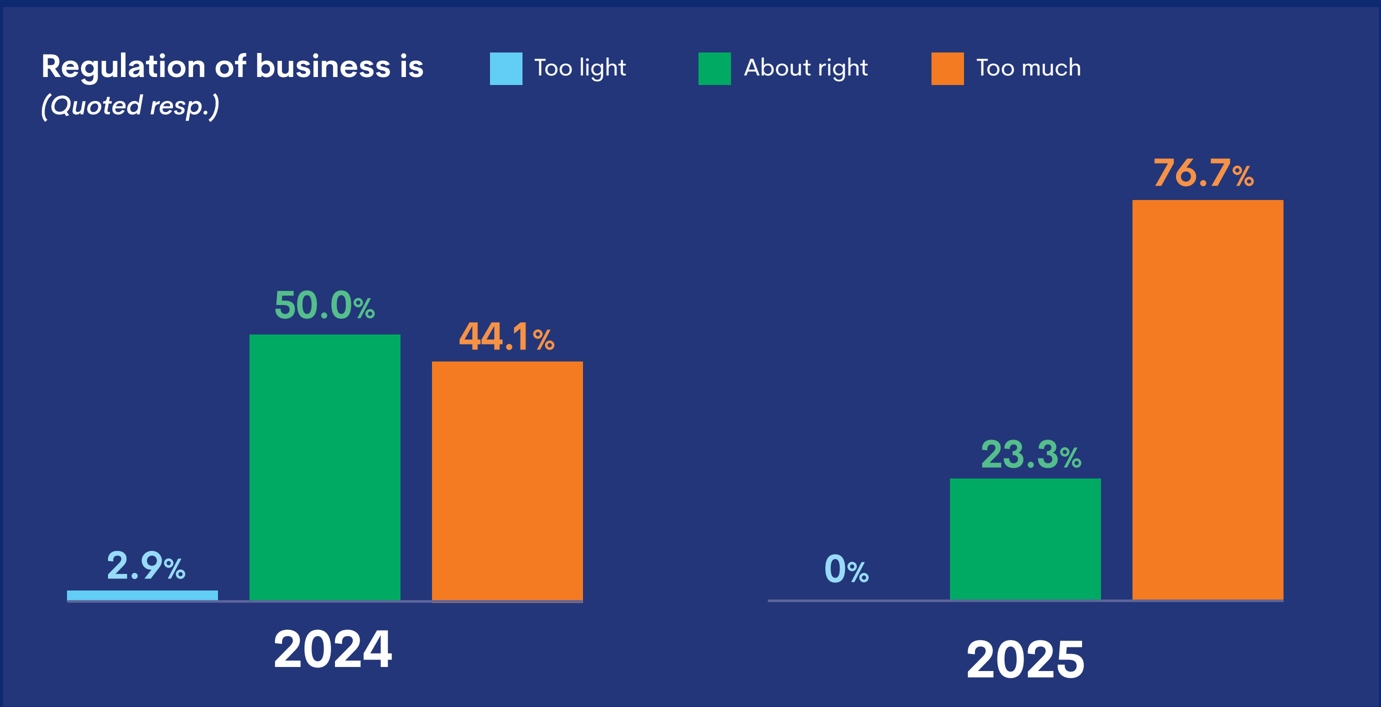
The ARGA can
Key proposals for the Auditing, Reporting and Governance Authority get a thumbs-up from respondents, with near universal approval for CGIUKI's recommendation for qualifed governance professionals in larger private companies.

Caught in the Net Zero
Four in ten organisations have a clear transition plan, but 30% don't even intend to set targets. Regulations on quoted companies make a huge difference.

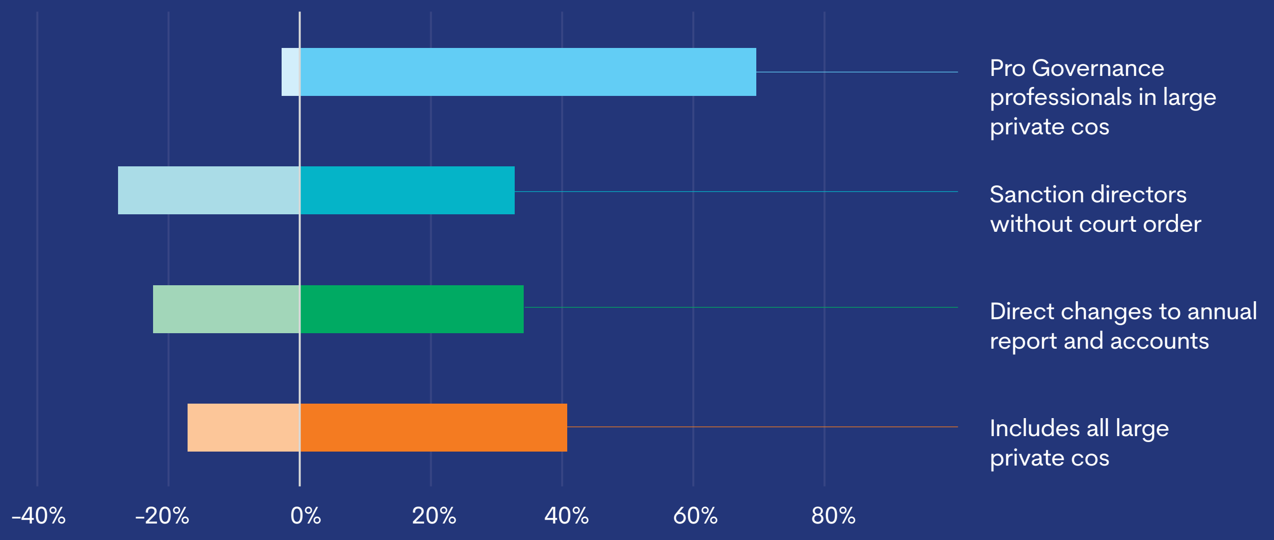
Regulation feels worse

The survey was conducted less than a year into a new government, but it's already apparent that organisations are feeling greater strain from red tape. Across all organisations, the proportion who said regulation is 'too much' is now 64%, but the figure is higher (77%) among quoted governance professionals. This is a considerable increase on 2024.

It's important to qualify this finding. Among the quoted governance professionals, only 10% consider regulation 'very excessive' and, in most cases, the presence of regulation is not the issue – it's calibrating it for optimal balance between sustaining a strong competitive environment that protects, for example, workers and customers; and freeing up growth. Robust competition relies on there being a level playing field and properly enforced rules – which helps explain why the bulk of that 77% selected 'slightly excessive'. With the government committed to reducing red tape, some of this rise may be down to as-yet-unfulfilled expectations.



Negative vs. positive impact of proposed changes for ARGA (CGIUKI policy wishlist)



Where it bites

We offered respondents the opportunity to talk more freely about which regulations they would like to see amended or removed.

Financial services governance professionals are well represented in the survey, and many of them had specific regulatory gripes. For example: "CSDR [Central Securities Depositories Regulation] reporting is taking up a lot of board time and internal resource. There is concern about how we manage this without disrupting operations," said one FTSE 250 governance professional.

Another banking governance professional agreed, adding that additional certainty around reporting requirements might help: "[Regulation] reduces focus on strategic and operational delivery and adds complexity to investment-focused decision making. Uncertainty around future regulatory change can also inhibit investment and innovation." Those concerns about the reporting to supervisor bodies were echoed by this FTSE 100 governance professional: "The Corporate Governance Code is good. [But] requirements for annual report content are excessive and overlapping. Other statutes, such as the Building Safety Act, are a complete quagmire."

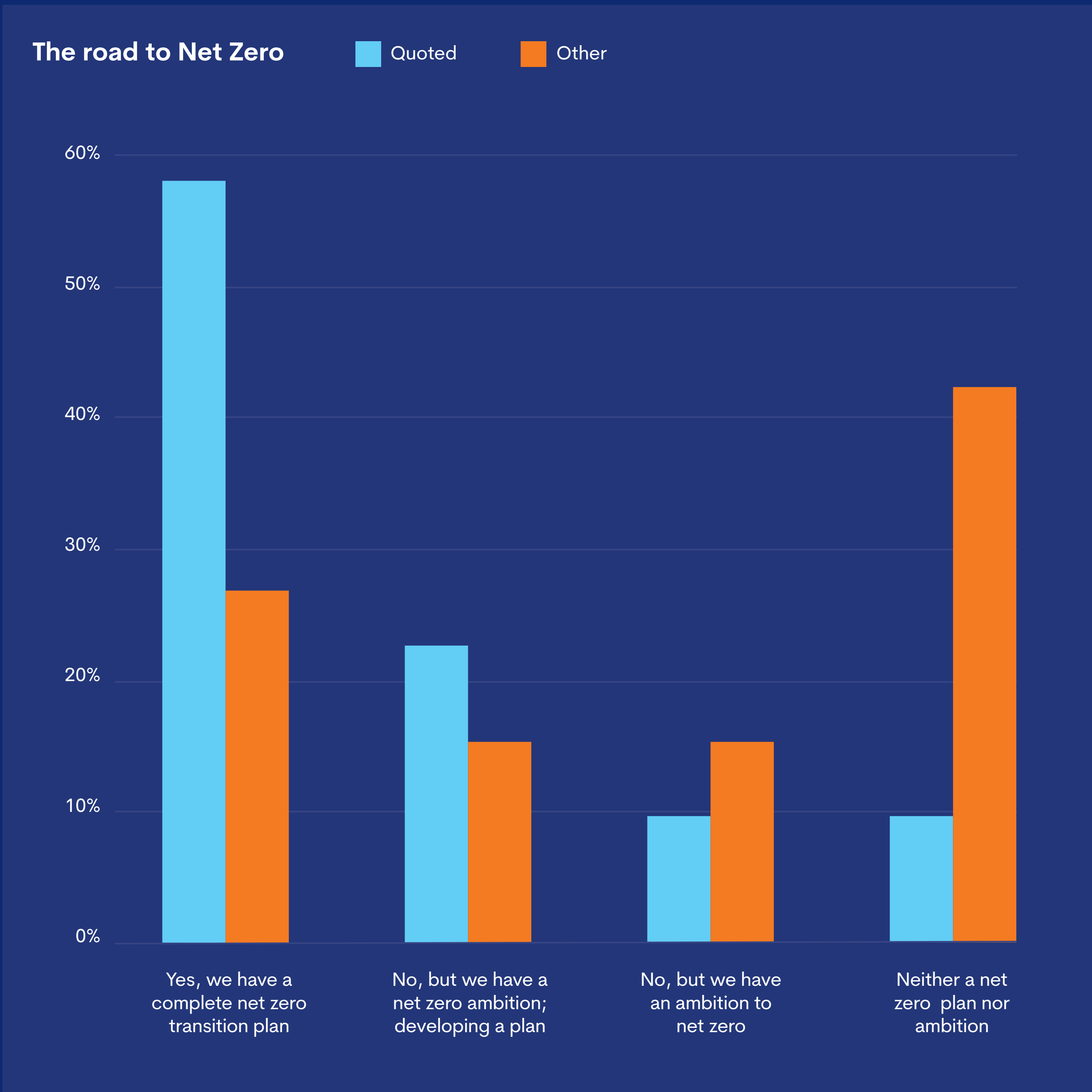
In addition to external complexity, some governance professionals are finding that regulation drives additional workload on internal organisation: "Having regulated subsidiaries in a group can create misalignment where regulators expect subsidiary autonomy. Finding a balance between group direction and subsidiary autonomy is a challenge," said the governance professional at a quoted finance business.

And several picked up on ESG compliance and reporting as a headache. This comment was typical: "Lighten the burden of climate change reporting, please. We need to drive change, but reporting has become onerous."

Most of the proposed powers of the new Auditing, Reporting and Governance Authority (ARGA) received an endorsement. We weren't surprised that governance professionals were enthusiastic about our proposal for governance professionalism in larger private companies, or that those companies should be in ARGA's remit. But, rather surprisingly, some other measures were less popular – and it seems boards might take some time to get used to ARGA's proposed sanctioning powers.

ESG: clinging to the agenda

For most companies, both ESG policies and ESG reporting are enlightened – they help create a level playing-field for taking decisions in the best long-term interests of a business. But ESG is also subject to shifting reporting standards and some stiff compliance challenges. Regulation (as well as greater transparency in reporting) clearly plays a part in driving the board's ESG agenda, as the difference between quoted and unquoted organisations makes clear. Among quoted companies, 58% have discussed climate change fewer than four times in the past year. For non-quoted organisations, it's 79% - of which more than a third haven't discussed climate at all as part of the board's agenda.



> The resources required to fulfil reporting obligations can be significant. There is concern amongst our members as to the ever-increasing length of annual reports, accommodating more information every year. Much of this increase is driven by non-financial reporting. Our members stress the importance of harmonisation of reporting requirements and of proportionality. A significant concern is that the only reason they are reporting some data is to feed the demand from investors and other stakeholders – not for managing the company.
>
> **Ruairí Cosgrove,**
> Vice Chair, CGIUKI

Governance

You get what you pay for
57% of quoted company secretaries say rules and scrutiny on exec pay are detrimental to hiring the right people.

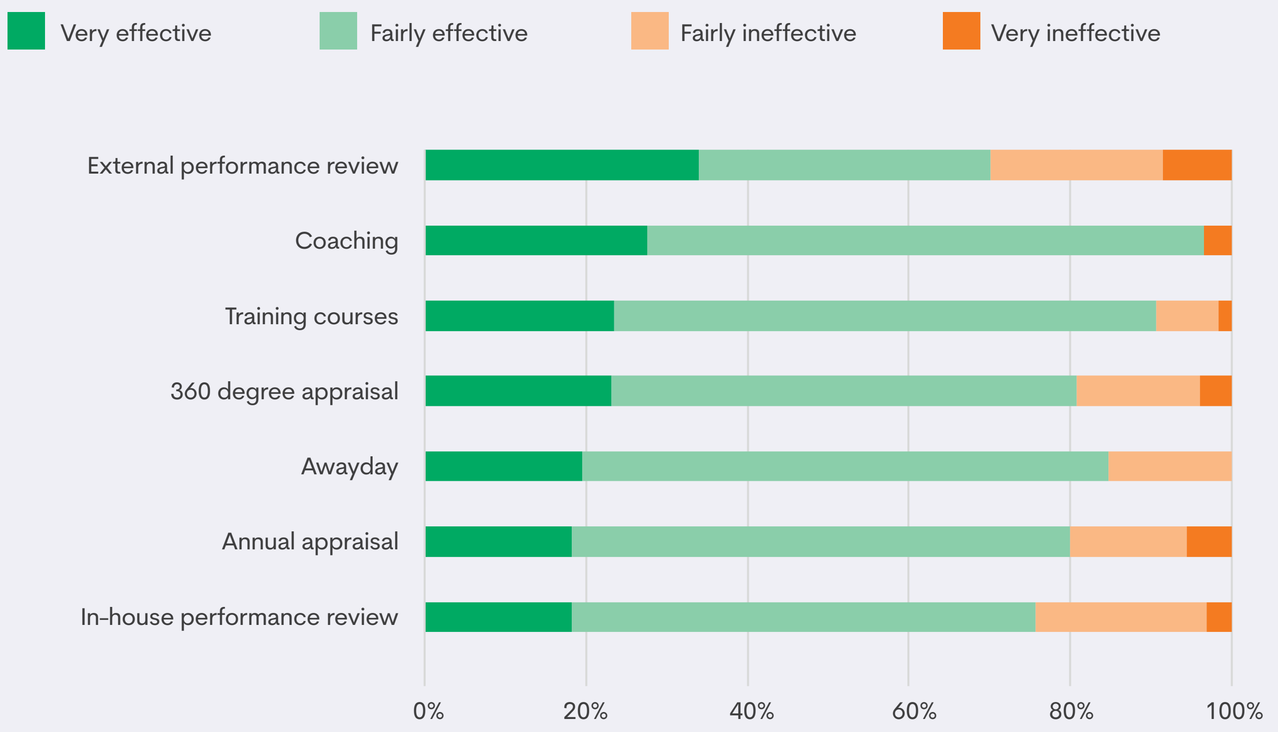
Coach me!
One-on-one coaching is only used by 27% of boards to improve director performance – but is rated effective by almost all who do use it.

Board optimisation

Governance professionals are always looking for ways to help drive board effectiveness, and there are several ways boards can optimise their performance. The most commonly used approach (an in-house performance review – 83% of companies use them) actually had the smallest proportion of respondents reporting them 'very effective'. Used by four out of five organisations, training courses fared a little better, with few declaring them ineffective.

But one-on-one coaching (used by just a third of boards) and external performance reviews (where 60% of respondents have bought in services) fare somewhat better. The proportion of quoted governance professionals who say that the rules and scrutiny applied to executive pay is detrimental to hiring the right people to the board is steady this year, at 57% - roughly the same as in 2024.

Effectiveness of board optimisation approaches



The company secretary

In larger companies, the secretariat is often a sizeable team; in smaller organisations, it might be a single person, perhaps supported by bought-in governance. In 40% of organisations, the company secretary is on the executive committee – falling to around a third among quoted companies.

For the larger teams, we ask each year how easy respondents are finding the search for new governance recruits. Of those who made appointments in the past year, only 8.3% said the search was 'very easy' – and two-thirds declared it 'fairly difficult'. In fact, among the governance professionals of quoted companies – the comparable group to the 2024 survey – the proportion was steady at around half in the 'fairly difficult' camp. The solution? Of those who proffered a response, external recruitment agencies were the most common fix.

About the survey

We conducted the survey online in late April and early May 2025. CGIUKI members were invited to take part.

In total, 228 members accessed the survey, 177 provided partial responses, and we have based this report on the 96 respondents who completed the entire questionnaire, to ensure there was no duplication of answers or automated responses. All of the valid respondents are from organisations based, or operating, in the UK.

In total, 35% of the responses came from governance professionals in private companies; 35% came from representative of quoted companies (of which just under half were FTSE 100 governance professionals); and 30% from public sector, charities and other ownership structures.

Quoted vs private companies

Because this year's survey included private businesses, we were able to identify areas of divergence – where the governance and board planning experience was markedly different between differing ownership structures. On many of the questions, this was marginal – a few percentage points either way.

In many cases where the split was greater, this was simply a function of either size or geographic spread. For example, quoted governance professionals were much more likely to say that policymaking by the Chinese authorities was a 'major impact' over the medium term than their private counterparts. And they are more likely to categorise risks such as protectionism and geopolitics in the 'important' categories.

Size also explains the fact that quoted respondents were more likely to select as their EU challenge 'regulatory alignment' (which is more problematic for international businesses) than 'documentation' (which is more of an issue for private governance professionals where import/export is more likely to be the key activity). And it's natural that larger businesses, with greater IT resources, would have taken more definitive steps to implement specific policies around AI.

In some areas, however, the difference was harder to explain. For example, a smaller proportion (67%) of quoted governance professionals listed 'wage costs' as an impact over the medium term than private respondents (91%). This might simply be a question of the relative importance of risks and costs within the business; and it's not as if the quoted governance professionals were blasé about the challenge, either.

Interestingly, some of the biggest differences were in the questions on DEI. Quoted company secretaries were much more likely to say their board is diverse in terms of ethnicity (88% vs 43%) and gender (94% vs 70%), and scored higher across the measures of diversity we offered for evaluation. Is this a question of scale? Of transparency? Perhaps scrutiny and regulation?

A similar pattern revealed itself in the risk areas – where climate was rated an 'important' risk by three-quarters of quoted governance professionals, and just 46% of private company respondents. (Unsurprisingly, quoted boards are more likely to have discussed climate change more frequently.) We do know they're more likely to be facing climate-related disclosures; and to have operations that are materially affected by climate change. But the gap is clear.

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