

Board Paper

for Open session

Subject:

Revising the Board and Committee Members', and Associates' Annual Performance and Development Review Process

Board meeting:

6 December 2023

Agenda item:

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Action:

- For noting
- For discussion
- For decision

Purpose

To note the plans to review the Board and Committee Members, and Associates' Annual Performance and Development Review processes.

Recommendations

The Board is asked to note the plans to review the annual performance and development review processes as agreed by the People Committee.

Annexes

Annexe A – Timeline for development of revised annual performance and development review process

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1. Open Session

2. Background and Key points

2.1. The Board and Committee Members Annual Performance and Development Review process was last updated in 2020. However, much of the process dates back to the early 2010s and is in need of an overhaul. This is also the case in relation to the Associates review process.

2.2. Some deficiencies in the existing Board and Committee Members process were identified from feedback received in 2022 and, in advance of a full review of the process, some minor amendments were introduced for the 2023 round of annual performance and development reviews. The minor amendments were:

- a. The need to provide an update on progress in relation to any development actions from the previous year.
- b. Making more explicit a review of performance against the Board Member role specification, focusing on four key areas¹ of this.
- c. Consideration of what had gone well and not as expected over the previous year.
- d. Feedback from at least two board members to cover positive contribution; what they could do more of and what they should stop, start and continue doing. Collective feedback from the Senior Leadership Group would also be provided.

2.3 Noting a wider overhaul of the processes is now needed, we intend to develop them further over the coming months so that the revised processes become effective for the next performance review year onwards. For Board members we will roll out the revised process during the last quarter of 2024; for the Associates we will start rolling out the revised process towards the end of 2024 and across 2025. The Board will be meeting early in 2024 to consider and agree Board Values and Behaviours. This will enable the Board and Committee Members annual reviews to consider performance against new agreed Values and Behaviours.

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- ¹ Contribution to the overall strategic direction of the Board.
 - Establishing and building effective and constructive working relationships.
 - Contribution to the decision-making process, ensuring the Board operates and exercises its function in accordance with the highest standards of conduct and probity.
 - Model the values and inclusive nature of ARB maintaining open and supportive relationships with the Chair and Board member colleagues.

2.4 The future processes will be designed to include a more comprehensive performance and development review form which will incorporate the opportunity for discussions at a high level, around the following areas:

- Past and future objectives
- Reflections on the previous year's performance
- Behaviours, and
- Board Member Competencies/Associates Competencies

The process will also include more opportunities to gather and discuss feedback regarding Board and Committee members' performance and development, enabling them to develop structured objectives and actions for the following year.

2.5 The aim will be to brief and train all participants in developing objectives for the year, giving feedback and understand the updated approach to reviewing performance within ARB.

2.6 The feedback model will be developed based on a 360-degree approach, although this may not be fully in place until 2025 as it will take time to develop and implement. We will want to consider availability and explore the potential benefits of online 360 appraisal software which could provide some process enhancements and efficiencies.

2.7 The principles outlined above will also be used as a basis for the Chair of the Board's annual performance and development review, but the Chair's process will need to reflect the role and responsibilities of the Chair; and incorporate provision for the Chair's review to be undertaken by an independent, external reviewer (as required under the ARB/Department for Levelling Up, Housing and Communities Framework Agreement).

2.8 The Board and Committee members annual performance and development review process will also form the basis of a separate but comparable process for ARB's Associates.

2.9 **Annexe A** sets out the timeline and steps that we will undertake to develop the Review process.

2.10 Under its Terms of Reference, the People Committee's responsibilities include approving the performance process for Board and Committee members. The People Committee reviewed the plans and provided initial feedback to the Executive on the development of the revised processes at its meeting on 15 November 2023. The Committee also approved the proposed direction of travel, as outlined within this paper. However, the Committee felt that it was important to

consult and involve the Board, Committee members and Associates in the development of the revised review processes as the review progressed. Our proposed timeline incorporates opportunities to do this, as outlined in Annexe A.

3. Resource Implications

- 3.1 We are working closely with one of ARB's independent external HR consultants to develop the revised process.
 - 3.2 Provision for the revision of the annual performance and development review processes, as well as the relevant briefing and training to support this, has been made in the Governance budget for 2024.
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4. Risk Implications

- 4.1 Providing opportunities for Board and committee members to meet with the Chair of the Board/Chair of the Committee at least once a year to review their performance and development is an important part of maintaining robust and effective governance processes. It offers the opportunity for Board and committee members to discuss areas of development that may be beneficial as well as identifying ways in which they can continue to improve their performance and contributions to the organisation and enables the organisation to support this. This is similarly the case for ARB's Associates who will need an opportunity to meet with a reviewer each year. Failure to provide adequate and structured opportunities to discuss these matters could lead to poor performance and ultimately a failure to deliver ARB's core functions.
- 4.2 Board members, including the Chair, are appointed and re-appointed in line with the Architects Act 1997 and through the Public Appointments process; as a consequence of this there are certain requirements and expectations around Board members' annual reviews which ARB needs to ensure are fulfilled. These are set out in the ARB/Department for Levelling Up, Housing and Communities Framework Agreement. We will ensure that the relevant requirements are picked up and incorporated into the revised process.
- 4.3 Securing support and buy-in from those who will be participating in the processes, i.e., Board members, Committee members and ARB's Associates, is an important factor as the process is revised; lack of opportunities to contribute and provide feedback may lead to dissatisfaction and a lack of engagement with the revised process once it is rolled out. To mitigate this risk, we have built in opportunities for

Board members, and where possible Committee members and ARB's Associates, to feed into the development process.

5. Equality and Diversity implications

- 5.1. We will ensure that Equality and Diversity implications are considered and addressed throughout the review process; in particular, the opportunity to benchmark across associate groups we think will mitigate risks of unconscious bias. We also explore the potential benefits that may be gained from the use of more formal online 360 survey tools.
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6. Recommendations

- 6.1 The Board is asked to note the plans to review the annual performance and development review processes as agreed by the People Committee.

ANNEXE A

Updated Timeline for review of Board, Committee and Associates Annual Performance and Development Review process

21 November 2023

[Following feedback from People Committee on 15 November 2023]

Activity	Date
Update and seek relevant input from the Board on proposed direction of travel and outline of the future process	December Board Meeting 2023
Notify independent external Committee members and Associates of the review and seek their feedback on making revisions to the process	January 2024
Board Values and Behaviours to be considered	January (and if needed, March) Board Workshop(s) 2024
Development of Board and Committee members' Role Profiles and Competency/Behaviour Document	Mid February 2024
Update and seek agreement from the People Committee for the continued development of the revised process and relevant documents	February People Committee Meeting 2024
Update and seek input from the Board on continued direction of travel and relevant documents that have been developed by this point. Seek the Board's approval of the Values and Behaviours	February Board Meeting 2024
Develop and update the performance and development review forms Development of guidance on the following:	Early - Mid March 2024

Activity	Date
<ul style="list-style-type: none"> • Structured Objective Setting (new) • Performance Reviews (current document to be updated) • Gaining and managing feedback (new) 	
<p>Opportunity to update and seek input from the Board and independent external Committee members [from the Audit and Risk Assurance Committee; People Committee and Accreditation Committee] developments regarding the review process</p>	<p>March Board Workshop 2024</p>
<p>Testing of new process, forms and guidance</p> <p>[Test with the following:</p> <ul style="list-style-type: none"> - One lay Board member - One architect Board member - Independent External member of Audit and Risk Assurance Committee - Chair or a member of the Accreditation Committee - Small number of Associates] 	<p>First half of April 2024</p>
<p>Final approval of documents and approach</p>	<p>May People Committee Meeting 2024</p>
<p>Update the Board with final details of the revised process</p> <p>Update independent external Committee members and Associates with final details of the process</p>	<p>May Board Meeting 2024</p> <p>Mid May 2024</p>
<p>Briefing and Training Sessions for ARB Board Chair, ARB Board Members and Committee members</p>	<p>June 2024</p>
<p>Revised Board and Committee Annual Performance and Development process rolls out</p> <p>Note: training and the roll out of the revised processes for ARB's Associates will begin in 2024 and continue into 2025.</p>	<p>September – December 2024</p>