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| logo-black | **Meeting Date** | **21 July 2021** |
| **Agenda Item** | **7** |

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| **Subject** | **Non-staff performance review process** |
| **Purpose** | **For Decision** |
| **From** | **Director of Finance and Resources** |
| **If you have any enquiries on this paper, please contact Marc Stoner at** [**marcs@arb.org.uk**](mailto:marcs@arb.org.uk) | |

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| **1.** | **Summary** | | |
| To agree to the process of providing feedback to the Board in relation to the Chair and Board members’ performance reviews and selection of an independent individual to carry out the Chair’s performance review.  This paper was presented to the Remuneration and Appointments Committee (RaAC) at their meeting on 8 June 2021 and the changes were fully supported. Minutes of the RaAC can be found under agenda item 10 of this meeting. | | |
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| **2.** | **Recommendations** | | |
| It is recommended that the Board:   1. Agrees the changes to the review process as outlined in sections 5 (iv) and (vii) below. | | |
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| **3.** | **Open Session** | | |
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| **4.** | **Contribution to the Board’s Purpose and Objectives** | | |
| In delivering the Act, ARB’s objectives are: | | |
| Protect the users and potential users of architects’ services  Support architects through regulation  The prudent financial management of ARB enables the delivery of all of ARB’s statutory requirements and objectives. | | |
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| **5.** | **Key Points** | | |
|  | | The Board’s policy on non-staff performance review process was last reviewed in September 2020 (attached at **Annex A**). This was prior to the start of the 2020 review of the Board members and Chair’s performance where the policy was amended to state that the Chair’s review must be independent, as outlined in their terms and conditions issued by MHCLG. |
|  | | Following completion of the Board and Chair’s reviews, the process was evaluated, and it was identified that there was no formal process to provide an overview of the review outcomes to the Board. |
|  |  | | Having conducted some desk top research, it appears that policies vary considerably amongst similar statutory regulators although there is evidence that use of independent reviewers is commonplace and that where Boards have appointed a Senior Independent Director (SID) (or similar), they have a formal role in reviewing the reports which relate to the Chair. Where there is no SID, it is also common for the Remuneration and Appointments Committee (or equivalent committee) to have a role in providing assurance to the whole Board that the process has been completed successfully and feedback provided. The Board have appointed a Senior Independent Board Member (SIBM). |
|  |  | | Set out below is an updated process which we are proposing should be used in the future to ensure suitable independence in the process. Also, to provide assurance to the Board and MHCLG, ARB’s sponsoring department, that the review process has been completed properly and that feedback has been provided to the Chair for ongoing development:  **Board members**  Upon completion of each review process and once agreement has been reached between the Chair and individual Board members regarding their individual review reports, the Chair will summarise any common themes, trends and any areas for future development arising from collective Board members’ reviews. This summary will be communicated to the Board in a confidential pre-meeting of the Board. Individual development or other issues will be dealt with on an individual basis.  The Chair, in the open session of the Board, as part of Chair’s update will provide confirmation that the Board members’ review process has been completed.  **Board Chair**  The Chair’s performance review is undertaken by an independent external individual with the relevant experience. The independent external reviewer, upon completion and agreement of the review report, should meet with the SIBM and the Chief Executive and Registrar to share the Chair’s review report and highlight any specific development recommendations for the Chair.  Once the review process is complete, the Chair will provide a verbal summary of any key points emerging from the review process in a confidential pre-meeting of the Board. The SIBM will be invited to add any further comments.  The Chair, in the open session of the Board, as part of Chair’s update will provide confirmation that the process has been completed.  **All other non-executives**  There are no proposed changes and the process will remain the same as set out in Annex A |
|  |  | | It is important that participants in any review process feel confident that they can give open and honest feedback that will remain confidential. In the case of the Chair’s review, Board members will be free to contribute feedback as part of the process through a variety of ways, however only the appointed independent external reviewer, the CEO and the SIBM will routinely see the full review report. Summaries of the Chair’s report will be dealt with as outlined above. In the case of individual Board members, reports, the Chair will provide a summary of any key themes, trends etc., as described above. No individuals will be identified within the Chair’s summary. |
|  |  | | MHCLG can request to see any Board members’ reviews in full, and they must be provided if a Board member or the Board Chair is seeking re-appointment. |
|  |  | | As part of transparency of process, it is also important that the policy sets out how the independent person carrying out the Chair’s appraisal is selected. Therefore, it is proposed that:   * In consultation with the Chair of the Remuneration and Appointments Committee, the CEO and SIBM will select an appropriate individual to carry out the Chair’s review. |
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| **6.** | **Resource implications** | | |
| There are no significant financial resource implications in moving forward with the adjustments to the review process of the Board and Committee members. However, there will be human resource required to co-ordinate the process along with the Board Chair. | | |
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| **7.** | **Risk Implications** | | |
| The revisions are aimed at ensuring ARB has an effective, robust but proportionate performance review process, which aligns with the ARB/MHCLG Framework Agreement and Board members’ conditions of appointment in place. | | |
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| **8.** | **Communication** | | |
| Having a clear and transparent performance and review process in place supports good corporate governance. | | |
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| **9.** | | **Equality and Diversity Implications** | |
| None identified. | |
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| **10.** | | **Further Actions** | |
|  | | Subject to approval, we will update the policy and make the relevant corresponding adjustment to the SIBM’s role description as stated within the paper. | |