Governing Body Member Annual Review Guidance
1. Introduction

“As one appraised I found it a worthwhile experience, an opportunity to reflect and discuss my own performance & contribution in the scrutiny of the housing association’s business. The appraisal process gave me reassurance that good governance practice is in place which in turn should benefit the organisation, tenants, customers & other stakeholders.” Teresa McNally, Board Member, Ochil View Housing Association

One of the most valuable features of Scotland’s voluntary housing sector is the enormous contribution made by volunteers to leading, directing and supporting housing associations. Every Scottish housing association is led by a governing body that is made up of volunteers – people who are committed to the aims and objectives of the organisation that they support and who want to play a part in shaping these objectives and influencing how they are achieved.

Members of the governing body have huge responsibilities – ensuring the association’s financial strength and legal compliance; setting standards and monitoring performance; using the views of tenants and service users to shape services; setting and leading the association’s strategic direction. Staff are employed to support the governing body in their strategic role, to implement strategy and achieve objectives and performance standards.

In 2012, the Scottish Housing Regulator (SHR) published its Regulatory Framework\(^1\) which set the standards for governance and financial management that all registered social landlords are required to demonstrate. This Framework introduced a requirement for the contribution of all governing body members to be reviewed annually – a requirement that must be fully implemented by April 2015. This guidance has been prepared by SFHA to help housing associations, both those who are introducing a review system for the first time and those who are updating existing systems.

Although requiring annual reviews to be carried out, the SHR has not been prescriptive about which approach should be adopted. This is very welcome because it means that individual organisations can adopt a system or process which suits their circumstances and priorities – and can be varied over time. SFHA believes very strongly that a single model would be inappropriate and so this guidance contains general advice and a range of examples to enable you to consider what might work for you. What is essential, however, is that the review involves a face to face discussion. The templates and examples offered in this guidance are

\(^1\) Scottish Housing Regulator (April 2012) Regulation of Social Housing In Scotland Our Framework available [here](#)
intended to be used as the basis for a conversation and one of the key benefits of
the review is the opportunity to explore issues that have been identified as important.
Annual reviews should not be a paper exercise.

SFHA members have contributed to the development of this guidance by providing
quotes relating to their experiences of governing body annual review. Members
also provided us with an outline of the different approaches that they use, which we
have adapted to form some general examples at Appendix A-D (p18-25). It is not
one size fits all, and we have tried to include a broad range of examples to show this.

2. Why Carry Out Annual Reviews

When originally introduced I think there was a feeling of “as volunteers why do
we need to be appraised?”. Now it is recognised as an important tool to
ensure that individually and collectively the Committee continues to function
effectively and that evidence is available to support this”. George Tainsh,
Chief Executive, Ochil View Housing Association

As a regulatory requirement, the introduction of annual reviews – or “appraisal” as it
has been referred to by some - has met with some trepidation. There has been lots
of concern about how reviews will be carried out; whether reviews are a ‘test’ that
individuals must ‘pass’ and some concern from those who believe that the concept of
a review does not ‘fit’ with the principle of voluntarism which is so important to
housing associations.

On the other hand, some housing associations had been including some form of
review – very successfully - in the support that they offered to GBMs for several
years. This guidance is designed to dispel any fears individuals may have about
such reviews.

Housing associations are complex, multi-million pound organisations that are
responsible for providing services to a wide range of customers – who are often
vulnerable. Housing associations have significant borrowings from the private sector
as well as public grants; they employ staff and many are key members of
partnerships in the public and private sectors. The governing bodies that lead them
must be competent – and that competence can’t just be assumed.

Governing bodies have to be able to assure customers, regulators, funders and
partners that they have the necessary skills and knowledge to do what’s required of
them and carry out their responsibilities effectively. Annual reviews are a way of
achieving this and if carried out effectively can ensure that voluntary GBMs feel
valued and appreciated. They are an opportunity to endorse what people are good at
and to support and encourage development. It is good practice to provide volunteers
with some feedback about how they are doing – and that feedback should come
from peers, with the Chair responsible for ensuring that annual reviews are carried out and involved in the process.

Carrying out annual reviews enables associations to identify learning and development needs for the governing body as a whole and for individual members. They are a way of finding out more about members and why they want to contribute and supporting them to get as much out of their role as they can.

It’s important to remember that the annual review should be a combination of individual reviews and a collective review – so there’s an opportunity for the governing body as a whole to take some time to consider and discuss together how governance works in their organisation. This opportunity to reflect and share opinions can be very valuable in maintaining and strengthening relationships and understanding.

Managing risk is a critical responsibility for housing associations and annual reviews should be seen as one of your risk management ‘tools’ – a way of planning for the future – providing training and development to support the governing body in achieving its aims and objectives and identifying additional skills, knowledge and experience that are needed either through training or recruitment.

As well as being good practice, however, annual reviews are also a regulatory requirement.

3. Regulatory Standards

“Board Member Appraisal has also given a new impetus to assessing collective and individual training plans, so we can be confident that we have the skills to manage the risk we face and grasp the opportunities that are available to us. Whilst there was some initial apprehension with respect to the regulatory requirements and the terminology that is used, this has now dissipated and Board Members see this as an integral part of our annual cycle of work.” Nile Istephan, Chief Executive, Eildon Housing Association

All RSL are required to be fully compliant with the SHR’s Regulatory Framework by April 2015. Consequently, all RSLs must be able to demonstrate that:

“The RSL upholds and promotes the standards of behaviour and conduct it expects of governing body members and staff through an appropriate code of conduct. It manages governing body members’ performance” (Standard 5.2)

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2 Scottish Housing Regulator: (April 2012)Standards of Governance and Financial Management [here](#)
“The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members. The governing body annually assesses the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL’s purpose, deliver good tenant outcomes, and manage its affairs” (Standard 6.1)

An annual review process is required to demonstrate compliance with these standards – and “All governing body members need to be subject to annual performance reviews to assess their contribution and effectiveness. The governing body needs to take account of these annual performance reviews in its succession planning” (SHR Regulatory Framework paragraph 5.21)

It’s important to note the two aspects of the requirement: a review of individual contributions and a collective assessment (“We require RSLs to assess their governance structures and arrangements against the standards and identify and take any actions needed to comply with the standards” (SHR Regulatory Framework paragraph 5.8).

One of the most contentious aspects of the Regulatory Framework is the requirement for governing bodies to be satisfied that anyone who is seeking re-election having completed nine years’ continuous services is able to demonstrate continued objectivity and independent challenge (Regulatory Framework paragraph 5.22). This has become known as the ‘nine year rule’: It is important to note that it does not mean that members of the governing body have to stand down after nine years. This is covered in more depth in Section 7.

“The introduction of annual appraisals for board/committee members of RSLs can only be of long-term benefit to the sector. The legislative requirements and regulation of registered social landlords demand that board/committee members exercise a professional understanding of their roles and responsibilities. Appraisal of members can only lead to enhanced efficiency.”

David Dawson, Vice Chair of Orkney Housing Association

The following documents also relate to the SHR’s requirements:

- **Model Rules**
  - The 2012 Regulatory Framework included constitutional standards that all RSLs must demonstrate full compliance with by April 2015. In 2013, SFHA published new Model Rules\(^3\) to enable associations to achieve that compliance. These model rules include a requirement that the association implements an annual review process for members of the governing body: “The Board shall assess annually the skills, 

\(^3\) SFHA (2013) Charitable Model Rules 2013 available [here](#)
knowledge, diversity and objectivity it needs for its decision making and what is contributed by the Board members by way of annual performance reviews. The Board shall satisfy itself that any Board Member that is seeking re-election to the Board having completed service as a Board Member for a continuous period in excess of nine years can demonstrate their continuing effectiveness” SFHA Model Rule 37.6).

- **Code of Conduct**
  - The Regulatory Framework and the Model Rules require RSLs to have an appropriate Code of Conduct in place. Members of the governing body must agree to uphold the Code – you cannot be a member of the governing body unless you have signed the Code (SFHA Model Rule 44.5.2). The Code of Conduct for Governing Body Members published by SFHA and endorsed by the SHR requires governing body members to “…participate in and contribute to an annual review of the contribution you have made individually to our governance” (Code of Conduct F5)

4. **Developing an Approach**

"Some of our Board members were concerned or even apprehensive about the prospect of an appraisal process. One of the ways we overcame this was to use the term “conversation” - this is a real dialogue, a two-way discussion, rather than some sort of interview. We were very keen to ensure that the process we implemented would suit our own needs as an organisation, as well as meeting regulatory requirements.”  

Gerry O’ Sullivan, Chair Bield Housing Association

This section applies equally to organisations taking their first steps in implementing annual reviews and those who are reviewing their existing approach.

The following should be considered.

a) **What do you want to achieve?**

This is a key question! For those who have already established an annual review process, it is worth periodically reviewing what has been achieved and what the benefits have been, i.e. have aims and expectations been met? It is also a good idea to review your approach regularly as it is very important to avoid any sense of routine creeping in. If the form or template become too familiar, the information that they yield will be less valuable and the meetings will not be beneficial.

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4 SFHA (July 2014) Code of Conduct for Governing Body Members available [here](#).
For those introducing reviews for the first time, it is crucial that you do not see such reviews as something that only has to be done to satisfy the Regulator. If you do, the approach adopted will end up being the minimum to ‘tick the box’ with little consideration given to the benefits that the association and individuals might gain.

A good review process offers the opportunity to consider some or all of the following:

- **Making people feel valued**: the annual review is an opportunity for volunteers to get some feedback about their contribution – how they as an individual benefit the organisation and why their contribution is important. A personal ‘thank you’ is very important – and often doesn’t happen.

- **Getting to know members better**: whereas governing body meetings tend to be intense occasions with little opportunity for people to talk to each other; annual reviews provide an opportunity for the Chair (and others involved) to get to know each other better and understand their perspectives. One association produced and distributed pen portraits of their Board members so that everyone would benefit from the information shared during their appraisals.

- **Finding out what people think about how meetings work**: the volume of business at regular meetings doesn’t usually offer an opportunity to think about how business is conducted. The annual review process should be a combination of individual and collective review, looking at how individuals contribute but also looking at how well the governing body functions together. Annual reviews are an opportunity to consider how much time is required and whether that’s reasonable and manageable. As a result of appraisal discussions, one association introduced changes to the way Board papers were presented to make it easier for members to navigate heavy bundles of paper.

- **Discussing the relationships between governing bodies and staff**: good governance depends on an effective partnership between the governing body and the senior staff. Annual reviews are an opportunity to consider how well these relationships are working – is there clarity about roles and responsibilities? Does the governing body challenge staff constructively? Are decisions based on good information? Are questions asked and answered effectively? Several associations have gained a better understanding of how staff and Board members perceive each other and their contributions – and governance has benefitted as a result.

- **Considering the quality of information presented to the governing body**: is the format and style of reporting appropriate? Is sufficient information provided in the right format to enable good decision making? Is risk assessed and managed effectively? Is financial information presented in a meaningful way? Do members have confidence in the information they receive?
• **Identifying potential for change and improvement:** what can be done better – and why? The governing body should receive a report at the end of the review process that draws together suggestions made and issues raised so that there can be agreement about how they are taken forward. This provides a useful starting point for subsequent reviews.

> “As a new committee member I was able to spend some time with our vice chairman who I had only met once previously. We tackled the appraisal form together and it helped identify skills I already possessed and also areas where some training would be appropriate.”  
> Fiona Lettice, Management Committee member, Orkney Housing Association

• **Finding out what makes a member feel their contribution is worthwhile:** it is very important to understand why people want to be members of the governing body – so that the association can maintain and develop their interest and contribution and so that it can plan for the future. Knowing what people get out of their role is critical in attracting new members – highlighting how individuals can benefit from their voluntary contribution

• **Identifying potential office-bearers:** Chairs cannot serve more than five years in that role – and five years pass much faster than they should! It is essential to good governance that there is a smooth transition between office-bearers and that people feel able to express interest in taking on an office-bearing role. The annual review is a good time to discuss these possibilities, without people feeling the pressure of declaring their intentions or hopes for the first time at a meeting. By including this topic in the annual review, it also means that associations can identify potential problems – for instance if no one is interested or willing to become Chair and the present Chair has only another year or two to serve, swift action will be needed. This is a good example of how annual reviews can contribute to effective risk management.

• **Planning for the future:** Just as the reviews can help identify potential office bearers, they can also identify members’ intentions to remain involved. Good governance depends on planning for the future – in every respect – and making sure that there are enough members with the right blend of skills, knowledge and experience is critical. Annual reviews can help to identify when/if members plan to leave and enable recruitment to be planned to make sure the governing body can continue to function effectively.

> “The outcome of the appraisals has allowed us to create a full link between our appraisal process and our Board Learning and Development. From the appraisal process we have now created an overarching Board Learning & Development plan for the coming year, and are now starting to create individual board member learning & development plans to support members.”  
> Wendy Russell, Head of Business Services, Blackwood Housing Association
Nine Year Rule: Decisions by the governing body about whether or not to endorse the nomination of someone seeking election for a fourth (or subsequent) term of office need to be based on an objective assessment of the role that they play in an association’s governance. Annual reviews are the means of satisfying that requirement in a consistent way that members will become familiar with over time – and which provide a basis for office-bearers to make a recommendation.

It’s important that the governing body as a whole is involved in deciding the approach that the organisation is going to take (whether for the first time or as a result of a review). Suggestions can be presented by office bearers and / or staff for the governing body to consider and decide. This should happen either at a regular meeting of the governing body or at a session held specifically for that purpose. The governing body should also agree the documentation to be used and the people involved (i.e. who is going to be involved in the individual meetings; who will lead the collective assessment; who will prepare the final report).

b) Who is going to be involved?

“Even when board members had felt a bit worried about the appraisal meeting, we found they were able to relax and were very open about what they felt confident with and what they wanted to build upon. It’s the job of the appraiser to make them feel comfortable and explore the development and support that members need.” Lynn Wassell, Chair of River Clyde Homes and CEO of Maryhill Housing Association

The Chair is responsible for ensuring that an annual review is carried out but it would be unreasonable (and unrealistic) to expect her/him to do that single-handedly. As well as considering what administrative help is needed (to organise the process etc), consideration should be given as to whether other office bearers should be involved and whether external support is needed and / or would be helpful. Think about the number of people before you make decisions – it might seem like a good idea for all the office-bearers to participate in each discussion but how will that ‘feel’ for the individual, especially if there’s also someone taking notes? Generally there shouldn’t be more than two people plus the individual who’s contribution is being reviewed – otherwise it risks being intimidating.

It is very important to make sure that the people conducting the reviews feel confident and comfortable about their role. Before the process starts, there should be a discussion amongst those involved about any training they feel would help: even if not specifically regarding reviewing voluntary contributions, some courses on appraisal and people skills are likely to be relevant.
Whilst some associations run the process entirely ‘in-house’ others get support (in varying degrees) from external sources – what’s important is that the process is controlled by individual organisations and meets their requirements.

There are different views about the role of the CEO / Director. Some governing bodies prefer the senior staff member to be involved in an advisory and / or administrative role; some are comfortable with and expect a more direct involvement; whilst others prefer him / her not to be involved at all. Senior staff themselves also hold different views. Consequently, there are a variety of models in operation.

On balance, it’s recommended that the senior staff member should not be involved in the annual individual GBM reviews. In terms of the collective assessment, however, it is recommended that this should be jointly undertaken by the governing body and senior staff – as each has a critical role to play in ensuring effective governance and good governance depends on an effective partnership between the two.

“It was very useful to have the opportunity to reflect on our activities and performance as Board members individually and collectively, and to have the ear of the Chair for a frank discussion.” Marian Jacobs, Board Member, Blackwood Housing Association

c) How much time will it take?

There is no doubt that annual reviews take a lot of time. A good system needs a face to face discussion with each member of the governing body as well as a collective discussion about the overall effectiveness of the association’s governance. As a general indication, it’s likely to take about three months to complete an annual review (once a process has been established): from the initial meeting to start the process until the final report is considered by the governing body.

The time involved in individual meetings will vary and will be influenced by the approach adopted by each organisation but each is likely to take between 30 minutes to an hour, although some might extend for longer. At a minimum, therefore, the Chair is likely to spend around 15 hours carrying out annual reviews. The calendar of individual meetings needs to be planned to ensure that it’s manageable for the people leading the process – each meeting has to be conducted as if it’s the first of the day - so make sure programmes aren’t too demanding so that the people leading the discussions aren’t over-tired. When planning the programme, offer appointments at different points in the day and try to ensure that all the meetings take place over a relatively short time (e.g. two – three weeks). If GBMs have to travel some distance to get to the association’s office, perhaps the interviewers could travel to them and make use of an appropriate local facility to hold the meeting. Aim to get the note of the meeting to individuals within ten days to ensure it’s still fresh in the minds of the GBM and the note-taker.
Each association will decide the best time for their organisation to carry out annual GBM reviews. In order to inform plans for the AGM (such as recruiting new members), many carry out their annual reviews early in the year (February – May). Others prefer to wait until after the AGM and use the annual reviews as preparation for induction, mentoring and support as well as training and development. Some adopt what might be described as a ‘two stage’ approach with the assessments (collective and individual) carried out in advance of the AGM and the feedback report presented to a later event such as a briefing session or Away Day. Some like to align the process with their staff appraisal calendar but others deliberately avoid that because they want to emphasise that the two processes are entirely separate.

5. Examples of Approaches

This guidance includes examples of templates that can be adapted by organisations for the purposes of carrying out an annual review (see Appendix A-D p18-25). These templates been developed from approaches that our members shared with us.

It is important to note that it is not one size fits all, although there are some common features which this guidance recommends:

- There is a **template** for the individual review that is **consistent** for every member of the governing body
- The template reflects the **principles of good governance** and the SHR’s **regulatory standards**
- The template is provided to GBMs **in advance** (having been **agreed** by the governing body first)
- There is an emphasis on **self-assessment** in the templates (balanced by the subsequent discussions)
- The templates combine a ‘**ranking**’ approach with more **open** questions to prompt **reflection**
- All are **confidential** – notes are agreed between the note-taker and the individual before being retained by the association in a confidential file

“I gained as both Appraiser and being appraised by getting to know my Board colleagues quicker as a result of exchanges on a 1 to 1 basis, especially their personalities and aspirations. As an organisation we benefited by using the process to aid our succession planning and good governance techniques.”

Ken Ward, Chair of Cairn Housing Association
Related Documentation

The annual review of individual contributions should be informed by the role description that the association has agreed for GBMs. This is what sets out the role and responsibilities of members and the purpose of the review is to consider the effectiveness of the individual’s contribution. It should be remembered that it is good practice to agree a role description for GBMs and office-bearers – and that it is a regulatory requirement that roles and responsibilities for GBMs and staff are clearly set out. A model Role Description for Governing Body Members is available from the SFHA5

It is good practice to issue (or refer to) the role description when the review template is produced. It’s also good practice to refer to the Code of Conduct both in preparation for and as part of the review.

Organisations should set out the approach they are adopting to carry out annual reviews in a policy document: this can be either a specific policy on annual reviews or a component of the learning and development policy (or equivalent).

6. Carrying out the Process

“Board Member Appraisal is now a normal part of our business. We have always regarded the strength of our governance arrangements as the centrepiece of what we do, and the focus on Board Member Appraisal has strengthened this. It has enabled us to look afresh at the skills mix that we have and this in turn has directly informed the succession and recruitment process that we have in place.” Nile Istephan, Chief Executive, Eildon Housing Association

Collective Review: having agreed the approach and timing, the first element of the annual review should be the collective assessment of the effectiveness of the organisation’s overall governance. This can be done in a variety of ways:

- A specific event where effectiveness is considered / discussed
- A slot at a regular GBM meeting or as part of an Away Day (or similar event)
- A paper-based assessment that is analysed and reported to the GBM, with an opportunity for discussion
- A combination of these approaches

Individual Reviews: the individual reviews should take place after the collective assessment has been completed so that members are aware of the strengths and weaknesses identified. The note taker should agree the notes of these individual discussions with the member before passing to the Chair.

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5 Scottish Federation of Housing Associations (April 2015) Model Role Description for Governing Body Members available here
Feedback Report: this should draw together the themes and key issues emerging from both the collective and individual reviews and be presented to the governing body for consideration and approval. This report will consider themes only – individual confidentiality must be preserved. Where appropriate, an action plan may be proposed to deliver identified improvements. This report should also include or be supplemented by the succession plan and annual training plan.

Succession Plan: this should identify, on the basis of information provided during the annual reviews, when vacancies are likely to occur (both for members and for office-bearers) and should be the basis for planning how to ensure that there is an effective transition plan in place for office bearers. The succession plan should include specific information about those experienced members who are seeking re-election for a fourth (or subsequent) term – this is where the recommendations about endorsing such nominations should be considered.

"Governing Body appraisals are not only good because they create some one-to-one quality time between the Chair and other governing members, but they help us with the overall succession plan too. We now know a good six months before our AGM what the skill gaps are likely to be, and that gives us a great opportunity to fill them, (either by new training or looking for new people), in good time. It's great not to have surprises at our AGM anymore!" Charles Turner, Chief Executive, Thenue Housing Association

Training and Development Plan: this should be an annual plan that shows the priorities for the governing body as a whole: an assessment of whether or not sufficient resources are available should be included and this should inform future budgeting exercises.

7. Nine Year Rule
One of the most contentious aspects of the Regulatory Framework is the requirement for governing bodies to be satisfied that anyone who is seeking re-election having completed nine years’ continuous services is able to demonstrate continued objectivity and independent challenge (Regulatory Framework paragraph 5.22). This has become known as the ‘nine year rule’:

It is important to note that it does not mean that members of the governing body have to stand down after nine years. What it means is that before standing for re-election, anyone who is seeking to be re-elected to a fourth (or subsequent) term would be subject to an additional review before they would be able to do so. This applies retrospectively from April 2015 (i.e. those who have already served 9 years or more would have to undergo a review at the point they are next due for re-election).
It is also important to note that a GBM would have to undergo a review every time they wish to stand for re-election (i.e. every three years) once reaching 9 years’ service. This would mean undertaking many reviews if serving well beyond 9 years.

However, the 9 year reviews should not be feared. The annual review is the basis for demonstrating the continued effectiveness and objectivity of GBMs who have gained nine or more years’ experience through continuous service with a single RSL. It is recommended that this assessment should form part of the annual review rather than being conducted as a separate exercise. Appendix E (p26) gives examples of some suggested areas for discussion as part of the 9 year review.

When considering the nine year rule it’s important to think about the positives – it’s not a tool to remove people; think of it as a means of countering the saying that ‘familiarity breeds contempt’ and demonstrating that with experience comes the confidence and knowledge needed to provide constructive challenge and rigorous scrutiny.

Some of the things to think about when reviewing the contributions of experienced members are their objectivity, enthusiasm, capacity to embrace and / or drive change and their participation in ongoing training and development. It’s also good to consider their involvement in supporting newer members and helping them to develop their potential as office bearers as well as the support that they can offer to office bearers and the organisation as a whole.

8. What support will be needed

“The Chairman and Vice Chairman (appraisers) conducted the appraisals following a lengthy training session and felt confident carrying them out. They thought the appraisal form was straightforward and easy to follow and this allowed the meetings to be structured.” Sharon Keenan, Chief Executive, Clydebank Housing Association

Annual reviews don’t just happen and there is a range of practical tasks that need to be allocated.

- Who is going to arrange the meetings, maintain the calendar, organise the room(s) and liaise with individual members?
- Who is going to lead the discussions and who is going to take notes?
- Who is going to ensure that the individual notes are agreed with members and then passed to the Chair?
- What are the arrangements for secure storage of the notes?6

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6 Records of each meeting should be retained by the association and can be provided to members in subsequent years as the basis for future discussions. They should not be shared with any third party without the individual GBM’s express permission. The SHR will not request to see individual notes: the final report prepared for the governing body should be sufficient to satisfy any regulatory interest.
- Who will be responsible for preparing the final report (that draws together any themes and/or issues emerging from the process) and for drafting the training and development plans? This could be the CEO – even though they will not have been involved in the actual meetings.

The governing body should agree these arrangements before the process starts so that no one is surprised by who is present at the meetings – and lead responsibility should be identified in the relevant policy document.

9. Reviewing Chair’s performance

“My experience as Chair is that Board members bring a high degree of honesty and a real depth of self-perception to the process. This makes my job a lot easier and adds considerable value to the discussion. The process gave me an opportunity as Chair to provide Board members with individual feedback on their contribution - something that can be hard to find time for at busy Board meetings” Gerry O’ Sullivan, Chair, Bield Housing Association

The Chair’s own contribution should be reviewed at the end of the individual review programme. The same template / format should be used and the discussion should involve other office-bearers (including the Vice-Chair). It is not generally appropriate for the CEO / Director to review the Chair’s performance (the Chair appraises the CEO to fulfil the governing body’s employment responsibility and it is not advisable for the employee to be appraising the employer). The views of the governing body about the Chair’s effectiveness should be sought in advance (either through a specific request – see models at the end) or as part of the individual discussions and this should inform specific feedback to the Chair. It would also be appropriate for the vice-chair (or other relevant office-bearer) to seek feedback from the senior officer about the effectiveness of the working relationship between these two key individuals.

10. Discussing Difficult Issues

“We believe that being a Housing Association Committee member should be a rewarding and enjoyable experience and we used our appraisal process to reinforce this – it’s about being supportive - not critical.” Margaret Torrance, Chief Executive, Paragon Housing Association

The annual review meeting should not be used as the first opportunity to raise significant concerns with an individual member about their contribution: concerns about how an individual member is contributing or performing should be raised by the Chair at the earliest opportunity.

Whilst the vast majority of annual review meetings will be positive, it is inevitable that discussions at some individual reviews will involve some difficult issues. It might be
that issues have arisen over the course of the year which have been tackled – but can’t just be ignored, either because they haven’t been fully resolved or because they form part of the year that’s under review. It might be that a GBM raises something at their discussion for the first time – the opportunity to have a one to one discussion about how they feel they’re performing might be the chance they need to discuss something they are unhappy about.

Where there is an issue that the Chair wants to include in the review, the key is preparation – think about what needs to be discussed; why it’s an issue and what needs to happen to resolve it. So, for example, if the question of how well someone prepares for meetings comes up, the points to make might be:

“You sometimes seem to have overlooked information that’s contained in the papers because you ask questions that are covered in the reports – are the reports unclear?”

“Sometimes it seems that you might not have had time to read the detail of the papers – do you find the time demands challenging and what can we do to help?”

“You ask a lot of questions about the accounts – would you like the Finance Manager to spend some time with you to give you some more background information?”

“Our appraisal process boosted the Management Committee’s confidence and feedback from the process has resulted in some improvements. For example, in terms of contributions from members who maybe weren’t as vocal as others and more enthusiasm for attending training events and engaging in continuous learning.” Sharon Keenan, Chief Executive, Clydebank Housing Association

Although the emphasis of the individual discussion should be positive, difficult issues or problems should be tackled. If, during the course of the year, there has been an allegation of a breach of the Code of Conduct or an investigation about conflicts of interest, for example, these should be referred to in the discussion to ensure that any agreed action is being followed through. This is also the opportunity to stress the importance of achieving the desired improvement(s) – and the consequences of not.

If attendance is an issue, that needs to be challenged too – and asking someone if they have been surprised by the amount of time involved in being a GBM is perfectly reasonable, as is asking if they are going to be able to fulfil their role now that the extent of the commitment is clear.
11. **What to Avoid**

**Surprises** – anything that needs to be raised with an individual should be raised as soon as it is an issue – and referred to at the annual review. The review meeting should not be the first time it is mentioned (unless it is mentioned by the GBM themselves).

**Bureaucracy** – make sure the process that you adopt is clear and well documented – but avoid bureaucracy. Templates should be manageable, with as much information supplied in advance. Do not ask GBMs to fill in details about training attended, how many meetings they’ve missed and how long they’ve been members – provide that information from records.

**Intimidation** – do not have long forms that take a long time to complete and discuss and do not have too many people involved in the meetings. Try to make the meetings relaxed and enjoyable – tea and biscuits and an informal environment are essential.

**Too Many Questions** – try to strike a balance between giving a view and direct questions – and do not ask too many. Keep the review template and discussion focussed: if the meetings are regularly taking more than 45 minutes to an hour, the approach needs to be reviewed.

**Ticking the boxes** – the opposite of too many questions: not enough depth in the discussion and too light a touch. This won’t help manage risk or plan succession and might mean that you miss out on helping a star achieve their potential.

**Putting people off** – annual reviews should be a means of celebrating achievements and highlighting skills; saying thank you to people for helping the association and making them feel valued. If the process seems bureaucratic and / or negative, some people might decide to offer their talents elsewhere rather than participate in the process.

12. **Reviewing the Process**

As with all new processes, it is important to review how the first round of annual reviews went. This should be part of the governing body’s consideration of the feedback report. Views can be sought either at the meeting where the report is considered or by means of a short survey (paper / electronic / telephone) to ensure that the next year is informed by this initial feedback. Such an exercise also provides an opportunity to see whether any fears or objections that people had were realised or allayed. The process itself should be reviewed every three-four years to ensure it remains fit for purpose.

Whilst it is advisable to retain the overall structure of the agreed approach from one year to the next, it is important to ensure that the areas for discussion remain
relevant and up to date, and that any specific issues that are important to an organisation are addressed. It is important that people make connections between the issues covered from one year to the next, but they should still treat each review as a new exercise rather than just a repeat of the previous year. Consequently it is recommended that, at least two months before the annual review programme starts, the template is reviewed and any amendments proposed to the governing body.

“River Clyde Homes has benefitted greatly from Board member appraisals. It has given our members a great opportunity to discuss their individual development needs and to propose ways in which our overall governance can be improved.” Kevin Scarlett, Chief Executive, River Clyde Homes
Appendix A – Example Template For Annual Review

Outline Template

*The table should be pre-populated with the required information before being sent out to members in advance of their scheduled meeting – at least a week in advance*

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date first elected</td>
<td></td>
</tr>
<tr>
<td>Membership of sub-committees/ working groups etc</td>
<td></td>
</tr>
<tr>
<td>Training attended in last year</td>
<td></td>
</tr>
<tr>
<td>Office-bearing / additional responsibilities</td>
<td></td>
</tr>
<tr>
<td>Date current term started</td>
<td></td>
</tr>
</tbody>
</table>

**Topic: Effectiveness of the RSL and its governance**

**Issues to consider:**
- Review of past year – what has gone well and what could have been better
- Reasons / factors
- Contribution / part played by individual
- Anything that could / should be done differently; reasons; how this might be achieved

**Topic: Individual contribution**

**Issues to consider:**
- Achievements during the year – what has given GBM satisfaction / pleasure
- What are the individual's strengths?
- Are strengths / skills / knowledge used effectively to benefit RSL? Examples?
- Individual contributions to meetings – describe / review
- Confidence that contributions will be invited / considered / respected

**Topic: Support to Governing Body**

**Issues to consider:**
- Focus of the GB – strategic / operational; balance
- Effectiveness and quality of papers / reports / information
- Relationship between GB and senior staff
- Access to information and to staff
- Time required to prepare for meetings
- Frequency and management of meetings
- Role of the Chair – effectiveness; inclusion; delegation
- Support from staff and other GBMs

**Topic: Scrutiny and Challenge**

**Issues to consider:**
Are the right questions asked about the right things?  
GBM role in exercising scrutiny  
Constructive challenge – tone and style of questioning  
Quality of information provided in response  
GBM contribution to discussion and debate  
Does GBM feel equipped to take informed decisions?  
GBM effectiveness  
What might be done differently and how to achieve that

**Topic: Training Priorities**

**Issues to consider:**
Value and effectiveness of training undertaken during year (GB and GBM)  
Individual priorities for the year ahead: reasons; objectives; link to strategy, priorities, role description  
Priorities for the GB as a whole  
Preferred training style  
Means of keeping knowledge up to date

**Topic: Meeting Objectives**

**Issues to consider:**
What the GB wants to get out of being involved; are objectives / aspirations / expectations being met?  
How this has changed over time  
Greater or less satisfaction now than originally?  
Contributing factors  
What's good / not so good about role

**Topic: Succession Planning**

**Issues to consider:**
Potential / aspiration to develop current role  
Intention / aspiration to become office-bearer  
Potential from other GBMs  
Intention to seek re-election

**Topic: Looking Ahead**

**Issues to consider:**
What the GBM wants to achieve in the coming year – for themselves and for the RSL  
What might influence success / achievement
Appendix B - Example Template for Governing Body Review

What’s Expected

Governing Body members should review the Governing Body member role description; the Chair’s role description and the remit for the Governing Body; you should be prepared to discuss your own contribution as well as the functioning of the Governing Body and the role and contribution of the Chair.

The Chair and [Vice-Chair/Secretary/Chief Executive] should prepare for the meeting by considering the contributions made by each member and agreeing the feedback to be offered, based on the agreed role description. Similar preparation is expected by the Vice-Chair and Secretary for their meeting with the Chair.

At the Meeting

The discussion should cover the following [not all of these topics will be covered every time but a selection should be agreed in advance and a consistent approach followed for each interview – everyone should be asked the same: those marked * are suggested as ‘core’ questions that should always be asked]:

Have you enjoyed being involved with XYZ over the last year?

*What has made your involvement rewarding/fulfilling/worthwhile?

or

*What has given you most satisfaction?

*Have you been frustrated /disappointed by any aspect of your involvement?

How well do you think the Governing Body has operated:

- As a team*
- As strategic thinkers/ planners
- In partnership with senior staff*
- As governors (as opposed to managers)

How effective is the Chair? (refer to role description)

What works well?

*What could be improved?

How well is the Governing Body supported by staff?

*Do you feel you have access to sufficient information to take informed decisions?

*How well informed are you / the Governing Body about the views of service users?
How useful was the training and development you participated in?

*What do you think are the priorities for your own training/collective training?

Do you see yourself as an office bearer? (If 'yes', what training will you need to help you?)

Do you intend to seek re-election? [if member is approaching re-election]

**What Happens Next**

The meeting should be recorded (a template should be available) and a copy of the record provided to the member for agreement; a copy should be retained on file.

A summary report of all interviews should be made to the governing body highlighting:

- Key training requirements and proposals for delivery
- Skills/knowledge gaps and proposals to address them
- Priorities for recruitment; anticipated vacancies and proposals to attract potential members
**Appendix C – Example of Template for Governing Body Review**

This is intended to guide the committee in beginning to evaluate its performance annually. The evaluation should be carried out in advance of the AGM (maybe around May/June) so that the committee can identify any gaps in skills or knowledge that could be filled by seeking new members at the AGM. It could be adapted to form the basis of 1:1 discussions for a RSL that is starting to implement a formal evaluation system.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>We have a clear idea of where the Association is going and how it will get there</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We know what risks face the association and we’ve agreed how they will be managed</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We understand the finances of the organisation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Our specialist knowledge is: strong/ reasonable/ not as good as it could be</strong></td>
<td></td>
</tr>
<tr>
<td><strong>There are particular gaps in: housing management/ maintenance/ development/ legislation/ finance/community development/ equalities</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Our business knowledge is: strong/ reasonable/ not as good as it could be</strong></td>
<td></td>
</tr>
<tr>
<td><strong>There are particular gaps in: strategic or business planning/ employment/ risk assessment/ health and safety/ performance monitoring/ financial planning/ compliance</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We apply our knowledge: effectively/ reasonably/ not as well as we could</strong></td>
<td></td>
</tr>
<tr>
<td><strong>When we attend committee meetings we are: well prepared/ reasonably prepared/ not prepared</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We are clear about what the committee is expected to do and what the role of staff is</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We strike the right balance between the big picture and the local situation</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We act as leaders</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We ask the right questions and monitor performance well</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We plan ahead</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We have an effective relationship with staff</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We have an effective Chair</strong></td>
<td></td>
</tr>
<tr>
<td><strong>We share responsibility</strong></td>
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</tbody>
</table>
Appendix D – Example Template for Governing Body Review

Governing Body Self Assessment Form: Confidential

Name...........................................................................................................

How long have you been on the Board? ..........................

Which committees do you serve on?

..............................................................................

..............................................................................

How am I performing as a member of the Governing Body?

<table>
<thead>
<tr>
<th></th>
<th>Confidently and Effectively</th>
<th>Quite Good</th>
<th>Not as good as I would like</th>
</tr>
</thead>
<tbody>
<tr>
<td>My attendance at meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My contributions to discussions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reading papers before meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working effectively with colleagues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working effectively with staff</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding the big picture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applying my knowledge and experience appropriately</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My attendance at training, conferences or other events</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being an ambassador for ABC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Upholding the Code of Conduct</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How do I rate my knowledge?

<table>
<thead>
<tr>
<th></th>
<th>Sound and up to date</th>
<th>Quite Good</th>
<th>Not as good as I would like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance management</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Business planning</td>
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<td></td>
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<tr>
<td>Risk</td>
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<tr>
<td>Housing</td>
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<td></td>
<td></td>
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<tr>
<td>Care</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and regulatory issues</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Employment and HR issues</td>
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<td></td>
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<tr>
<td>--------------------------</td>
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<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Equalities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customers’ views of ABC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partners’ views of ABC</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**How Confident Am I?**

<table>
<thead>
<tr>
<th>How confident</th>
<th>Very confident</th>
<th>Confident</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explaining ABC’s strategy and objectives</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Describing ABC’s culture and values</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explaining ABC’s main priorities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Explaining my role as a Board member</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asking questions of staff</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Explaining ABC’s activities to customers</td>
<td></td>
<td></td>
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</tbody>
</table>

**How well is the Governing Body led? (omit for Chair)**

<table>
<thead>
<tr>
<th>How well is the Governing Body led? (omit for Chair)</th>
<th>Agree strongly</th>
<th>Agree</th>
<th>Not sure</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyone is encouraged to contribute their views</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings are well run</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We always get through the agenda with enough time for discussion</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We are kept informed of important events between meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We work well as a team</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>We have a good relationship with staff</td>
<td></td>
<td></td>
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<tr>
<td>Key decisions are summarised</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>We are encouraged to attend training and conferences</td>
<td></td>
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</tr>
</tbody>
</table>

**How do I rate myself as Chair?**

<table>
<thead>
<tr>
<th>How do I rate myself as Chair?</th>
<th>Very good</th>
<th>Good</th>
<th>Not as good as I would like</th>
</tr>
</thead>
<tbody>
<tr>
<td>I encourage members to contribute their views</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I keep the Governing Body’s skills under review</td>
<td></td>
<td></td>
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<tr>
<td>I have a clear view of ABC’s future that is shared by the Governing Body</td>
<td></td>
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<tr>
<td>I work well with the CEO and senior staff</td>
<td></td>
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<tr>
<td>I keep members informed between meetings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am approachable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I keep my knowledge up to date</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I attend conferences and training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I try to bring out the best in Governing Body members</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>I drive performance review and improvement</td>
<td></td>
<td></td>
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</tbody>
</table>
What could be improved?

What could ABC do over the coming year to support you in your role?

........................................................................................................................................................................

..........

What could the Governing Body do better?

........................................................................................................................................................................
Appendix E - 9 Year Rule Suggested Additional Discussion Points

How do you think your role as a GBM has changed during your time with the RSL?

Do you find being a GBM more or less rewarding/interesting now than 3 years ago? Why?

What do you expect to contribute over the coming 3 years?

What do you think the RSL’s priorities over the next 3 years will be? How will you contribute individually to achieving them?

Is there anything you would do differently as a committee member over the next 3 years? Why?

How would you describe your contribution to the RSL?

How do you make sure that you can rely on the information that you’re given as a GBM?

How do you keep up to date with things?

Do you feel that other members of the GB value your experience? How is this demonstrated?