



GROUP GOVERNING BODY ANNUAL APPRAISAL POLICY

POLICY IMPLEMENTATION CHECKLIST	
Policy Guardian:	Chief Executive
Author:	Executive Director of People & Governance
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Diversity compliant:	Yes
Equality Impact Assessment required:	Yes
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Health & Safety compliant:	N/A
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QL system changes made:	N/A
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Training Completed:	
Posted on intranet:	Yes
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This document can be provided in large print, braille, audio or other non-written format, and in a variety of languages.

1. Introduction

1.1 This policy outlines the Group's approach to assess and measure governing body performance, contribution and effectiveness. The annual appraisal framework also informs recruitment and succession plans learning and development priorities and supports the monitoring of Board remuneration. Meanwhile the policy outlines the approach to measuring the continued effectiveness of longer serving members, i.e. members who have served 9 years or more, which is exclusive to Cordale's Management Committee. Under Caledonia's Rules, no person may serve as a Management Board member for a period of more than nine years (whether cumulative or continuous).

2. Regulatory & Best Practice Framework

2.1 This policy takes account of regulatory and best practice requirements, including Section 6 of the Regulatory Standards of Governance and Financial Management, the Scottish Federation of Housing Association's Governing Body Member Annual Review Guidance (updated February 2021) and the Code of Conduct for Governing Body Members.

2.2 The policy covers the following areas:

- Assessing and measuring individual Governing Body member performance;
- Assessing and measuring Governing Body collective performance;
- Review of Chairs' performance

3. Aims of the Appraisal Process

3.1 The Governing Body appraisal process is an opportunity to:

- Strengthen governance and support alignment with organisational vision, mission and guiding principles;
- Ensure members receive appropriate information and support to ensure their skills and experience contribute effectively to the quality of governance and decision-making;
- Understand where individual and collective governing body performance is strong and identify areas for improvement;
- Understand skills and knowledge priorities to inform learning, recruitment and succession planning;
- Review the effectiveness and performance of the Chair;
- Ensure there is a strong and constructive relationship with the CEO and Executive Management Team;
- Identify and support the development of future office bearers;
- Support the Remuneration Committee review and monitor performance of office bearers in receipt of payment
- Identify and analyse what governing body members gain from their experience; and
- In the case of Cordale where the nine-year rule applies to members, undertake an assessment of ongoing effectiveness

4. Performance and Assessment

4.1.1 In order to comply with the Regulatory Standards, the Group will carry out on an annual basis:

- An individual Governing Body member appraisal;
- A review of the Governing Body skills and knowledge matrix;
- An assessment of the overall effectiveness of the Governing Body;

- A review of the Chair's performance

- 4.1.2 The individual Governing Body member's self-assessment and review of the effectiveness and performance of the Governing Body will be administered through an annual survey. This process will also be supported by one-to-one meetings with the Chair. In advance of the survey, copies of the Governing Body member role description, the Chair's role description, the Code of Conduct and Whistleblowing Policy, and the remit of the Governing body and relevant sub-committees will be issued to members.
- 4.1.3 The Chair will also liaise with the CEO to incorporate the views of the Executive Management Team into the appraisal process.
- 4.1.4 The Chair will present and feedback to the Governing Body the findings and outcomes of the individual and collective assessment. This will be an anonymised and thematic report. Meanwhile the Vice Chair will be responsible for presenting to the Chair and Governing Body the results of the Chair's review. This process will involve the Vice Chair and a second Governing Body member conducting a review meeting with the Chair. The Executive Director of People & Governance will provide an administrative role supporting, where required, the Chairs and Vice Chairs of both Caledonia and Cordale to administer meetings, analyse survey results and identify specific outcomes for inclusion in a report to the Governing Body. The Executive Director of People & Governance will also assist and support where required the preparation of the report to the Governing Body. The report will include learning and development priorities, succession plan requirements, Board remuneration performance and an action plan to address any identified governance effectiveness improvements.
- 4.1.5 The Group will use external support on a periodic basis to oversee, evaluate and review the process to ensure the appraisal process continues to meet best practice.

4.2 Skills Matrix

- 4.2.1 On an annual basis the Governing Body skills matrix will be reviewed and updated. This builds on the individual skills, knowledge and competencies identified as part of the Governing Body recruitment and induction process. The skills matrix and annual review is used to identify the skills, knowledge and competencies present within the Governing Body and to highlight any gaps that exist. Gaps are then prioritised and addressed through the learning and development plan. If a Governing Body considers its performance requires strengthened in relation to a particular skill set, for instance finance or legal matters, it may be appropriate to consider targeted recruitment of someone with the relevant skills and knowledge.
- 4.2.2 The skills assessment also assists in succession planning. It is critical that each Association in the Group has a clear method of ensuring that a Governing Body member who may be interested in being an Officer Bearer or Chairperson has the appropriate support and training to prepare them for these important roles. The Group's Governing Body Recruitment, Development and Succession Policy provides further information on this:-

5. **Long-serving Governing Body Members (Cordale only)**

- 5.1 Regulatory standard 6.2 requires that all Governing Body members wishing to serve beyond nine years demonstrate their continued effectiveness as well as completing the regular annual appraisal process. As stated previously, this only applies to Cordale Housing Association as, under Caledonia Housing Association's Rules, its' governing body members are required to retire after having served nine years (either continuously or cumulatively).

- 5.2 Under the Regulatory Standards, governing body members serving for nine years must be able to show (i) objectivity, (ii) independent challenge and (iii) continued effectiveness.
- 5.3 Once a Governing Body member has completed a “nine year” review, they are not required to do so every year. However, in line with Rule 37.7, they will be required to demonstrate their continued effectiveness every time they are up for re-election. This means that, on average, members will need to demonstrate their continued effectiveness every three years after their first nine years.

6. Appraising the Chair

- 6.1 Appraisals of the performance of the Chairs in the Group will involve members completing an annual survey and a review meeting with the Chair. As indicated at 4.1.4, each Vice Chair will assess the results and provide feedback to their respective Chair and Governing Body, while support will be provided by the Executive Director of People & Governance.
- 6.3 Following the appraisal meeting, and if required, the Executive Director of People & Governance, in conjunction with the Vice Chair, will prepare an action plan comprising:
- Any specific learning and development required;
 - Any changes in approach to certain areas agreed during the meeting;
 - Any succession planning considerations

7 Collective Review

- 7.1 As indicated at 4.1.4, on completion of the individual and collective appraisal process, a feedback report drawing together themes and key issues emerging from both the individual appraisals and collective review will be drawn up and presented to each Governing Body for consideration and approval.

7. Review Timetable

- 7.1 The following table outlines the annual timetable of review meetings.

Details	Responsibility	Date for Completion
Appraisal Form and Skills assessment form issued to Governing Body Members for completion.	Executive Director of People & Governance	Early March
Governing Body members complete appraisal forms and skills assessment and return to Governance team.	Governing Body Members	Mid-March – Mid April
Details	Responsibility	Date for Completion
1 to 1 meetings take place between Chair and Governing Body members	Chair	Late April – Early May
Chair appraisal meetings held	Vice Chairs and second Governing Body Member with assistance of Executive Director of People & Governance as required.	Mid to Late May

Details	Responsibility	Date for Completion
Any recruitment and succession planning requirements identified through appraisal process to be included in Annual Review of Governance Report to Remuneration Committee.	Executive Director of People & Governance	June
Appraisal Outcomes Report presented to Governing Bodies on specific outcomes from the appraisal process (including Chair appraisal and any nine-year rule considerations). Report to also include an action plan to address any identified governance effectiveness arrangements.	Executive Director of People & Governance	August
Governing Body learning & Development Plan (including key training requirements and proposals for delivery) produced and presented to Governing Bodies for consideration.	Executive Director of People & Governance	August

8. Reviewing the Process

- 8.1 An annual review of the appraisals process will form part of the Governing Body consideration of the Appraisal Outcomes Report in August each year. The policy itself will be reviewed every three years to ensure it remains fit for purpose.

9. Key Related Policies

- 9.1 The key related policies are:
- Group Governing Body Members Policy
 - Group Governing Body Recruitment, Development and Succession Policy
 - Group Governing Body Members Code of Conduct

10. Compliance Statement

- 10.1 *It is important that all members of staff, in carrying out their duties for the Group, do so in accordance with the Group's policy framework. Our policy framework ensures we comply with laws and regulation, while giving guidance to inform operations and decision-making. Our policies have been designed to be clear and easy to understand, and are available on our website and intranet. If any member of staff is unclear as to their responsibilities under this policy, then they should refer to their line manager and / or the policy author for further guidance. A failure to comply with Group policies can have serious consequences for the Group. Should an employee become concerned about serious non-compliance with the policy, they should speak to their line manager or refer to the guidance set out in the Group Whistleblowing Policy.*