



**SOUTH DEVON RURAL**  
HOUSING ASSOCIATION LIMITED

Board Appraisal Training  
29<sup>th</sup> March 2017

Michael Guest

## Consultant

Michael Guest is a well-established and sought-after consultant and trainer in housing. His expertise and experience extends across most of the housing industry. He is known for his highly professional, yet relaxed and approachable working style that lends itself in particular to learning and development assignments. This is combined with working comfortably from political and governance levels, through executive, management and operational staff and very much with involved residents and communities.

After holding a number of senior management and governance positions in housing, Michael has been for the last 21 years Director of Michael Guest Associates Ltd., providing consultancy and training to the sector.

Michael is a Chartered Housing Professional, a Fellow of the Chartered Institute of Housing and is a:

- Regular Chair and Chief Assessor on its Post Graduate Direct Finals Professional Interview Panels
- Registered CIH Mentor for Senior Housing Professionals
- Member of the Housing Academy.

He is also a Fellow of the Royal Society for Public Health, the Chartered Management Institute and the Institute of Consulting. Outside of Housing, Michael is a Vice Chair of Governors at one school and until recently Governor (Chair of Resources) at another. He is also a designated *additional skills governor* and a member of the Surrey Governors Association executive.

Michael is recognised as a key advisor on Governance over the last twenty years having undertaken an extensive range of Governance Reviews, Board Member Appraisal Programmes, Coaching and Mentoring, Programmes of Board Development, Advice and Support to Senior Executives, Strategic Reviews as well as bespoke solutions to Governance requirements. This has been for Housing and Regeneration Groups, Housing Associations, ALMOs, Local Authorities, TMOs and non-housing Charitable Boards of Trustees.

His work on Governance extends across the *co regulatory relationship* to extensive experience as an Independent Advisor to Resident Scrutiny and Inspection Groups and Resident Engagement more generally.

Michael is currently completed an MSc. in Leadership and Management, his dissertation research concerning future Leadership and Management requirements arising from the shift in the social v commercial balance in the housing sector.

## Objective:

To ensure that board members and senior executives have an applied understanding of board member appraisal and its role in board development

## Programme

- 10.00 Introduction
- 10.10 Our **experience of appraisal**  
Paired discussion, feedback and whole group discussion
- 10.30 Appraisal – its **purpose and application**  
Presentation and whole group discussion
- 10.50 **Competencies** – the blend of skills, knowledge and behaviours for **effective housing association governance**  
Presentation and whole group discussion
- 11.15 Break
- 11.30 Method – the process of **undertaking a board member appraisal exercise**  
Presentation and whole group discussion
- 11.45 Method – the process of **undertaking a chair appraisal**  
Presentation and whole group discussion
- 12.00 **Outcome** – the **application** of board member and chair exercises  
Presentation and whole group discussion
- 12.15 **Chief Executive appraisal** – role of the board  
Presentation and whole group discussion
- 12.30 Close

Our experience of appraisal

Notes

Appraisal – its **purpose and application**

Appraisal – its purpose and application

**Board Member Appraisal**

- To identify continuing training and development requirements of individual board members
- Helps with succession planning whenever a member leaves the board
- Gives an overall analysis of the board's development requirements

**Whole Board Review**

- To identify board effectiveness
- By comparing itself with benchmarks of *effective governance*
- And any work programmes it had set for itself
- To decide what needs to be done where it considers it has not reached the benchmark standard

**Both**

- To demonstrate to stakeholders that the business's governance development is being planned for
- To ensure that the regulator is satisfied that the *Governance and Viability* Standard is being at least met

Notes

***Competencies*** – the blend of skills, knowledge and behaviours for effective housing association governance



**Competencies – the blend of skills, knowledge and behaviours for effective housing association governance**

**Board Member Competencies**

This approach to appraisal is based upon the *Essential Functions of the Board* paper produced as a part of good practice guidance for effective governance and subsequently reproduced in *Achieving Excellence: Board Appraisal* published by the National Housing Federation (Gibson, 2007). It sets out nine main areas of skill and/or knowledge and behaviour that are considered important to be present in a well-functioning board (competencies). It should be stressed that these are not looked for in each individual board member, but rather across the board as a whole. However, all individual board members should be looking to develop over time to a reasonable level across the range of competencies. Annual appraisals can help to identify progress.

It is a tried and trusted approach and because widely used, can enable comparison with other boards.

- Applying specialist knowledge
- Self-management
- Personal development
- Leading and motivating
- Directing strategy
- Representing
- Analysing and scrutinising
- Teamworking
- Group decision making

Each competency has a number of elements, which are the subject of the appraisal.

## Chair Competencies

- Leadership
- Chairing skills
- Team working
- Ambassadorial
- Creating sustainability

Notes

Method – the process of **undertaking a board member appraisal exercise**

## Method – the process of undertaking a board member appraisal exercise

### Based upon self-appraisal

#### 1. Completing the questionnaire

Each board member is asked to work through the questionnaire and indicate a self-rating in the box provided against the individual elements. The ratings to be used (1, 2, 3, 4, or 5) are as follows. Use:

1. Where you consider that you have a **clear development need** for the particular item. In other words, you have little or no knowledge or experience of it, and/or feel that it is something you need training and support with.
2. Where you consider that you do have some knowledge or skill, but where you would **still benefit from training or support**. It may be that your knowledge is limited, or where perhaps you feel that things have moved on and you are not as up to date as you would like to be.
- ~~3. Where it is considered that you have **adequate** knowledge or skill, but still lack some confidence and where **training or support would still be useful**.~~
4. Where you feel **reasonably confident**. For example, if it is an area of knowledge, you consider that you may not expect to lead a discussion on the topic, but you could make **informed contributions** to the discussion.
5. Where you are **very confident**. Again, if a knowledge area, you consider that you could **lead a discussion** on the topic.

Not all matters to be rated are *knowledge*. Some are skills and some are behaviours. However, the same approach and principles as set out above apply.

At the end of the questionnaire, there are some matters to consider in preparation for a **meeting with the Chair**.

Whatever you do – be honest! This is all about getting a true picture of the board's needs.

## **2. What happens after you have completed the questionnaire?**

Together with those from your board colleagues, your questionnaire is returned and forwarded for analysis. This analysis involves equating all the questionnaires together to provide the position for the board overall. A meeting is arranged for you and the Chair (supported as appropriate) to discuss your self-appraisal and additional matters set out at the end of the questionnaire.

A report is then prepared indicating where the board stands across all the competencies and their elements, and what therefore is recommended for its continued development. The report does not identify individual board member outcomes.

## **3. What are the practical arrangements?**

Complete the questionnaire when convenient to you, but please return it to (nominated person) by (date). It may be returned in sealed envelope if you wish.

## **4. Help and support**

Please do contact (x) if you require help and support whilst completing the questionnaire.

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## **Appraisal Meeting with the Chair**

- Prepared for
- Appraisals are meant to be 80% appraisee led and 20% Appraiser
- To discuss key features of the self-appraisal and Chair's views
- Agree moderation if appropriate
- Agree ratings outcome
- Agree objectives for last period outcome
- Agree objectives for next period
- Consequences – such as training & development, coaching, mentoring, briefing, succession planning

## Undertaking Board Member Appraisal on a 360 degree basis

- Still based upon self-appraisal
- And Chair appraising all members
- In addition
  - Peer appraisal by colleague board members (three per board member)
  - An appraisal by the Chief Executive and Directors (one collective)
- Separate analysis shown for each to enable comparing and contrasting
- Overall analysis produced

Produces even richer data and ability to analyse

### Further enhanced by

- **Board Observation**, seeking demonstration by the whole board of the same competencies as in the appraisal
- **Whole Board Review** using a recognised method such as *Langlands Principles of Good Governance* self-assessment questions for governing bodies

Notes

Method – the process of **undertaking a chair appraisal**  
Presentation and whole group discussion

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Presentation and whole group discussion

Undertaken on a 360 degree basis

- Chair Self Appraisal
- Each individual board member also completes a form
- Chief Executive and Directors complete one collective form
- Returned to the administrator for analysis
- Meeting with the Chair (with Administrator, other external person, mentor, etc.)

Notes



**Outcome – the application of board member and chair exercises**

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**Requirements for effective appraisals**

**Preparation for the Appraisal Interview**

- Collect the information
- Prepare the environment
- Prepare the appraisee

**The Appraisal Interview**

- Introduction to the Interview
- Main part of the interview
- Setting effective objectives

**Skills required for effective appraisal interviewing**

- Questioning
- Listening
- Empathy
- Giving and receiving feedback
- Problem solving
- Note taking
- Being fair

**The Role of the Appraisee (80%)**

- Understanding the feelings and emotions around appraisal
- How to help the appraisee prepare for their appraisal
- Confidentiality

**Appraisal Documentation**

- Key elements to be included
- Examples of different models

## Outcomes

### Board Members

- Letter from Chair confirming outcome
- Copy to (Company Secretary) or nominee to prompt any actions required and for next year's record
- Actions may be
  - Objectives for next period
  - Training & Development
  - Guided Reading
  - Manager Briefing(s)
  - Coaching
  - Mentoring
  - Research and report-back
  - Particular role
  - Succession Planning

### Chair

- Letter from administrator, Chief Executive/Company Secretary or nominee
- As above

### Notes

**Chief Executive Appraisal – role of the board**

## Chief Executive Appraisal – role of the board

### **Chief Executive Appraisal** (Acevo, Website accessed 06 03 17)

It is particularly important to have a system of appraisal for the chief executive because the complexity of the relationship between governance, leadership and management in the third sector places upon him or her many expectations and responsibilities. These need to be made explicit to the post holder on his or her appointment. They also need to be agreed and supported by the board members on a collective basis, and reviewed regularly.

Why appraise the CEO?

CEO support and development:

- Identify areas for the chief executive's training, support and development
- Adjust the shape of the chief executive's role
- Review the support by the chair of the chief executive
- Review the support by the board as a whole of the chief executive
- Build good working relationships and trust between the chair, the chief executive and the board

Performance management:

- Review the chief executive's achievements and weaknesses against agreed objectives, competences or performance benchmarks
- Review the chief executive's achievements as role model for the organisation's values
- To make the CEO aware of any concerns about his or her performance
- To improve the performance of the organisation as a whole by establishing a culture of appraisal and development

Strategy and objectives:

- Set short, medium and long term objectives for the chief executive and indirectly for the top team
- Identify barriers to success of the organisation in the past and avenues for action in the future

- Communicate common ground or differences in vision, attitudes and objectives for the future

#### Compliance and accountability:

- Demonstrate compliance with the sector's Code of Governance
- Reassure funders and regulators that the organisation takes performance management seriously
- Ensure the board members are meeting their duty to deliver effective leadership and management for the organisation

#### Arrangements

- Annual, with short updates six or three monthly
- Planned and documented
- Integrated with the Association's Corporate Strategy and Business Plan
- Undertaken by the Chair, supported by a limited number of board member colleagues
- May be a formal body or ad hoc – have regard to the Association's Rules and Scheme of Delegation
- May or may not be linked to pay review
- Preparation vital
- Room and environmental arrangements be thought about
- 80/20 principle should be aimed for
- Skills as per board member appraisals applied
- Practical, tangible outcomes required
- Documented and fed back

#### Notes



<p><b>B) Self-Management</b></p> <p>(a) Prepares for meetings by reading the papers provided</p> <p>(b) Clarifies points prior to the meeting</p> <p>(c) Attends meetings and is punctual</p> <p>(d) Governs - does not manage (avoids acting operationally)</p> <p>(e) Uses power appropriately</p> <p>(f) Demonstrates enthusiasm and commitment to the work of the Board</p> <p>(g) Respects confidences</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><b>C) Personal Development</b></p> <p>(a) Is open to learning</p> <p>(b) Completes learning actions or projects</p> <p>(c) Demonstrates learning</p> <p>(d) Retains learning</p> <p>(e) Is in touch and up-to-date with relevant issues</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><b>D) Leading and motivating</b></p> <p>(a) Demonstrates commitment to the values of social housing</p> <p>(b) Demonstrates commitment to the purpose of the organisation</p> <p>(c) Sets and maintains standards</p> <p>(d) Expresses a view about appropriate behaviours</p> <p>(e) Develops and maintains relationships with people (e.g. executive team members)</p> <p>(f) Delegates responsibility appropriately</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><b>E) Directing strategy</b></p> <p>(a) Sees the long-term implications</p> <p>(b) Takes a broad overview</p> <p>(c) Offers creative ideas or perspectives</p> <p>(d) Spots opportunities or possibilities</p> <p>(e) Contributes to activities that involve planning, controlling and monitoring</p> <p>(f) Contributes to setting and prioritising objectives</p> <p>(g) Shows willingness to take calculated risks</p> <p>(h) Recommends business directions for the organisation</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>



<p><b>F) Representing</b></p> <p>(a) Attends events in addition to Board meetings</p> <p>(b) Acts responsibly and appropriately</p> <p>(c) Makes contact with people in the organisation, through appropriate channels</p> <p>(d) Makes contact with people outside the organisation, through appropriate channels</p> <p>(e) Demonstrates loyalty to the organisation</p> <p>(f) Creates or maintains a good image of the organisation</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><b>G) Analysing and scrutinising</b></p> <p>(a) Analyses data to determine key issues</p> <p>(b) Spots omissions (e.g. from the presented information)</p> <p>(c) Examines various facets of a problem or issue</p> <p>(d) Explores the implications of a proposal or action</p> <p>(e) Takes an original perspective</p> <p>(f) Offers appropriate and relevant comparisons or parallels</p> <p>(g) Keeps to the appropriate level of detail</p> <p>(h) Considers social and commercial aspects</p> <p>(i) Weighs up the pros and cons</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>
<p><b>H) Team Working</b></p> <p>(a) Supports the Board's aims and goals</p> <p>(b) Respects the roles of others - inside and outside the Board</p> <p>(c) Respects the feelings of others</p> <p>(d) Challenges freely and constructively</p> <p>(e) Compromises when appropriate</p> <p>(f) Does not let personal relationships interfere with fulfilling the Board's purpose</p> <p>(g) Sticks to the Board's decision</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>

**l) Group decision-making**

- |   |                          |
|---|--------------------------|
| (a) Influences others through persuasive discussion                                     | <input type="checkbox"/> |
| (b) Sticks to the point - does not waste discussion time                                | <input type="checkbox"/> |
| (c) Allows others to contribute - does not dominate the discussion                      | <input type="checkbox"/> |
| (d) Listens - sees the views of others  | <input type="checkbox"/> |
| (e) Puts time and effort into reaching a decision                                       | <input type="checkbox"/> |
| (f) Contributes at an appropriate time  | <input type="checkbox"/> |
| (g) Can confront and challenge without appearing aggressive                             | <input type="checkbox"/> |
| (h) Gives a reasoned, thought-through contribution                                      | <input type="checkbox"/> |
| (i) Endures long or detailed or complex debate  | <input type="checkbox"/> |
| (j) Reaches conclusions based on a rational interpretation of the available information | <input type="checkbox"/> |
| (k) Does not jump at a decision under pressure  | <input type="checkbox"/> |
| (l) Can express opinions that contradict those of others (e.g. the Chair)               | <input type="checkbox"/> |

Please add any additional comments you may have on the reverse of this document.

**Signature:** .....

Please also consider the following in readiness for your appraisal meeting with the Chair

Examples knowledge and skill that you bring to the board

Learning you consider you have achieved in the last learning period (i.e. in 200?)

Feedback on your experience of the board so far

Agreement of objectives to the next appraisal

Any special role or tasks to be undertaken

## Appendix 2

### Chair Appraisal Form – showing elements of the competencies

#### ABC Housing Association

#### Ratings

- 1 Clear development need
- 2 Moderate development need
- 3 Adequate
- 4 Moderate strength
- 5 Clear strength

Please indicate ratings in the shaded boxes below – any note you wish to make in relation to individual ratings or in general, should be written on the reverse of the questionnaire.

Competency	Rating
<b>Leadership</b> – demonstrated by	
Showing commitment to the organisation, its mission and its values	
Providing clear direction	
Promoting the organisation	
Using authority to resolve issues	
<b>Chairing skills</b> – demonstrated by	
Keeping to the agenda	
Managing meeting time	
Encouraging participation	
Controlling discussion	
Summarising	
<b>Team working</b> – demonstrated by	
Being inclusive	
Providing support and challenge to the board and executive	
Developing team spirit	
Ensuring minority voices are heard	
Working constructively with the executive	
<b>Ambassadorial</b> – demonstrated by	
Presenting the organisation in a positive light	
Promoting strong working relationships with external bodies like the Audit Commission, local authority and other agencies	
Using professional and personal networks to the benefit of the organisation	
<b>Creating sustainability</b> – demonstrated by	
Delegating across the board to grow talent	
Being a mentor and coach to others	
Planning for succession	

Name: \_\_\_\_\_