

**BOARD REVIEW AND APPRAISAL WORKSHOP - Joint Report by Chief
Executive and Company Secretary**

Summary

This report updates Directors on the outcome of the High Life Highland Board Review and Appraisal Workshop held on 2 December 2015 and facilitated by David Gass of Upper Quartile.

It is recommended that Directors:-

- i. note the final Board Review Workshop report;
- ii. agree the actions and implementation timetable proposed in the action plan; and
- iii. agree a formal review by the Board of progress on actions in six months at the August 2016 meeting.

1. Business Plan Contribution

1.1 This report supports all the Business Outcomes from the High Life Highland (HLH) Business Plan:

- 1. To advance sustainable growth and financial sustainability**
- 2. Deliver the Service Delivery Contract with THC**
- 3. Improving staff satisfaction**
- 4. Improving customer satisfaction**
- 5. A positive company image**
- 6. Services designed around customers and through market opportunities**
- 7. Sustain a good health and safety performance**
- 8. A trusted partner**

2. Background

2.1 On 2 December 2015, David Gass of Upper Quartile facilitated a Board Review and Appraisal Workshop for HLH. This was the 3rd workshop undertaken by the HLH Board.

2.2 The purpose of the workshop was to enable the Board to review its effectiveness and benchmark its performance against the best practice standards of a high performing Board. The final report at **Appendix A** represents the facilitator's summary of the session – with proposed actions and timescales added by the Chief Executive for Directors approval at **Appendix B**.

3. The Workshop

3.1 In advance of the workshop on 2 December 2015, David Gass issued a questionnaire to Directors to enable them to reflect on the key issues prior to the meeting. The questionnaire was designed to stimulate Directors to assess the effectiveness of the Board in seven key areas:

- i. setting out a clear and shared vision and strategic direction for the organisation;
- ii. maintaining high standards of corporate governance and accountability;
- iii. clarity on Board and Board member roles and responsibilities;
- iv. performing effectively as a Board;
- v. working effectively with the senior management team of the organisation;
- vi. representing High Life Highland to its key stakeholders and partners; and
- vii. Board Membership and Development.

3.2 This year, Directors were keen to examine the way in which the Board performs in greater detail. As well as identifying areas where it was working well, the Board identified areas where there was room for improvement. In general, the Board scored itself highly in most areas and collectively, demonstrated that it continued to operate very effectively and to a high standard of accountability and performance.

3.3 In summary, the facilitator, working with Directors, confirmed that there were no major issues to be addressed across the seven key performance areas which were reviewed. It was agreed that the basics of good governance are now well embedded within HLH. At the end of the workshop, Directors agreed an action plan which identified areas for improvement and/or development.

4. Action Plan

4.1 The areas for improvement and/or development identified during the Board Effectiveness Workshop are detailed in the action plan at **Appendix B**.

5. Implications

5.1 Resource Implications – there are no new resource implications arising from the recommendations of this report.

5.2 Legal Implications – there are no new legal implications arising from the recommendations of this report.

5.3 Equality Implications – there are no new equality implications arising from the recommendations of this report.

5.4 Risk Implications – there are no new risks arising from the recommendations of this report.

Recommendation

It is recommended that Directors:-

- i. note the final Board Review Workshop report;
- ii. agree the actions and implementation timetable proposed in the action plan; and
- iii. agree a formal review by the Board of progress on actions in six months, at the August 2016 meeting.

Signature:

Designation: Chief Executive

Date: 25 February 2016

Signature:

Designation: Company Secretary

Date:



High Life Highland

Board Review Workshop

Final Report

18 December 2015

upperquartile

1. Introduction & Background

Further to previous work with High Life Highland around the forward strategy and the development of new business opportunities for the organisation over 2015, David Gass of Upper Quartile was asked to facilitate a short review of the effectiveness of the current Board of High Life Highland in December 2015 as part of the on-going corporate governance arrangements in place for the organisation.

The review and workshop followed on from an earlier Board Effectiveness Workshop facilitated by On Board Training and held on 23 August 2013, and the subsequent Board report of 27 February 2014 setting out the Director Personal Development Plan process for the Board of High Life Highland. The main findings of the workshop in 2013 have now largely been implemented and are in place, and it was felt appropriate to conduct a further short review at this time given the changes in Board membership and the continued growth of High Life Highland.

The last two years have seen the development of High Life Highland's scope of work, and further progress in developing and taking forward the growth ambitions of the organisation under a clear vision and strategic direction for the future. The focus for 2014 was on the development of the new business plan for the organisation, and now was felt to be an appropriate time to review the effectiveness of the Board within this context.

The Board of High Life Highland have played a central leadership role in the growth of the organisation, and it is important that the Board continues to maintain and develop the high standards of collective governance and scrutiny, and leadership and good practice in place.

A short questionnaire was issued to all current Board members to gain their input and views on how effectively the Board is currently performing across a number of key areas including:

- Setting out a clear and shared vision and strategic direction for the organisation
- Maintaining high standards of corporate governance and accountability
- Clarity on Board and Board member roles and responsibilities
- Performing effectively as a Board
- Working effectively with the senior management team of the organisation
- Representing High Life Highland to its key stakeholders and partners
- Board Membership and Development

Responses were received from 9 of the current Board, and the responses were collated and formed the agenda for a Board workshop on the morning of 2 December 2015 to discuss the findings and agree any actions required from the Board going forward. The workshop sought to assess the on-going performance and effectiveness of the Board, highlight areas of continuing good practice and any development issues or areas identified by the Board members, and identify any actions and further support required by the Board to fulfil its role.

David Gass would like to express his thanks to the Board and Senior management team of High Life Highland for their responses to the questionnaire, and their full participation in the workshop to discuss and agree the findings of the review. This report sets out the main findings from the review.

2. Principal Findings of the Review

Overall the results of the Review show that the Board is continuing to operate very effectively, and there are no major issues to be addressed across the seven key performance areas which were reviewed. The presentation to the Board set out the scoring and principal findings for each area, which were then explored and discussed in the workshop, and any action points or areas for improvement noted as follows:

2.1 Setting out a clear and shared vision and strategic direction for the organisation

The Board was performing strongly in this area, both in terms of the Board's active involvement in the strategic planning for the organisation, and in setting clear priorities and objectives for High Life Highland. There was also felt to be adequate opportunity for any Board member to highlight any areas they wished further discussion or information on from the Heads of Service Performance report.

Two areas for improvement were agreed:

- The first Board meeting of each financial year should set out and re-affirm the vision and priorities for the organisation for the coming year, and provide the opportunity for a wider Board discussion on the operating environment and any major issues or opportunities likely to impact on High Life Highland over the coming year.
- The Chief Executive should provide a comprehensive overview of the strategic vision and direction of the organisation as part of the induction process for any new Board members.

2.2 Maintaining high standards of corporate governance and accountability

The Board were content that high standards of corporate governance were being maintained, with an emphasis on the role of the Finance & Audit Committee to lead this role on behalf of the Board. It was agreed that all Board members should have an involvement and greater understanding of the Board's role in this area, with the following agreed:

- All Board members to attend one meeting/annum of the Finance & Audit Committee to allow a fuller understanding of the detailed scrutiny undertaken of the work of High Life Highland.
- Opportunities for Board members to attend key stakeholder performance meetings over the year should be provided.

2.3 Clarity on Board and Board member roles and responsibilities

While the Board felt overall the role and responsibilities of Board membership was clearly set out, a number of Board members felt there could be more opportunity to add value and contribute more to the Board, whilst recognising the voluntary nature of the position.

Areas for improvement included:

- Further clarity provided in terms of the strategic role and opportunity to contribute as a Board member should be set out both in the recruitment and interview process for Board membership.
- The membership and role of each Board sub-committee should be reviewed at the start of each year by the full Board.

- Individual and informal conversations should take place with each Board member on an annual basis in terms of the opportunity and their ability to contribute and add value to the work of the Board – both at and around Board meetings.
- Exit interviews should take place with all Board members leaving the Board.

2.4 Performing effectively as a Board

Board meetings were felt to work well, and all Board members were satisfied with the level of information provided to them. Interaction between Board meetings scored slightly lower and this reflected the previous discussion in terms of the opportunity for Board members to be involved more proactively if time allowed between Board meetings.

There were no specific areas of improvement required in this area, other than to continue to ensure Board members were kept updated on any significant news or events between Board meetings.

2.5 Working effectively with the senior management team of the organisation

The relationship between the Board and senior management was seen to be strong and working well, with no specific areas for improvement identified.

2.6 Representing High Life Highland to its key stakeholders and partners

This area scored the lowest across Board members with a number of Board members feeling they could offer more, and be more visible, in this area. It was recognised that the majority of the formal Board involvement in this area fell on the Chair and Vice Chair, and could be distributed more across the Board, also recognising the informal support which is provided by Board members on individual issues where they were able to add value and influence.

Areas for improvement were as follows:

- Opportunity for other Board members to substitute for the Chair and Vice Chair as appropriate in Community Planning and partnership meetings.
- Update and recirculate the Board director listings of areas of interest
- Further develop and formalise the stakeholder engagement plan for the organisation, identifying the potential role and value add provided by the Board and Board members in building and maintaining stakeholder relations
- Ensure regular circulation to Board of different events and meetings where Board representation would be welcome.

2.7 Board Membership and Development

The importance of ensuring the Board had a membership which reflected the customer base and demographic profile served by High Life Highland was felt by all the Board members to be desirable, alongside ensuring the Board had the necessary skill sets and knowledge of the areas High Life Highland worked in, and was developing into, as an organisation.

The Board are already discussing this area as a result of the recent resignations from the Board, and the forthcoming merger of Inverness Leisure into High Life Highland.

The areas for improvement identified were:

- To provide a comprehensive statement of the Board membership profile and approach to recruitment, including succession planning, through the Nominations Committee, and bring this to the full Board for agreement and approval.
- To review the Board membership on an annual basis in terms of skill sets and any development/training needs identified for Board members.

3. Conclusion

The Board of High Life Highland continues to operate very effectively and to a high standard of accountability and performance. Each key area of the Board's operations scored strongly in terms of individual Board member scoring, and the workshop discussed and agreed any further performance improvement and agreed actions for each area to continue to develop the effectiveness of the Board.

The improvement areas highlighted in this report will be discussed by the Chief Executive and Chair of High Life Highland, and the agreed actions then communicated to the full Board.

APPENDIX B

HIGH LIFE HIGHLAND - BOARD EFFECTIVENESS WORKSHOP 02/12/15– ACTION PLAN

| Number/Title | Areas for improvement | Lead | Action | Deadline | Status |
|---|---|------|--|--|------------------|
| 1 – Setting out a clear and shared vision and strategic direction for the organisation. | a) The first Board meeting of each financial year should set out and reaffirm the vision and priorities for the organisation for the coming year, and provide the opportunity for a wider Board discussion on the operating environment and any major issues or opportunities likely to impact on HLH over the coming year. | CE | Annual review added to Board Work Plan Calendar | June 2016 | Process in place |
| | b) The CEO should provide a comprehensive overview of the strategic vision and direction of the organisation as part of the induction process for any new Board members. | CE | Director induction session to focus more on business plan content | As required following appointment of Directors | Process underway |
| 2 – Maintaining high standards of corporate governance and accountability | a) All Board members to attend one meeting per annum of the Finance and Audit Committee to allow a fuller understanding of the detailed scrutiny undertaken of the work of HLH. | CE | Implement process from financial year 2016/17 to record attendance | To commence May 2016 F&A meeting | Process in place |
| | b) Opportunities for Board members to attend key stakeholder performance meetings over the year should be provided. | CE | CE to issue general and/or targeted invitations as appropriate | Ongoing | Process underway |
| 3 – Clarity on Board and Board member roles and responsibilities. | a) Further clarity provided in terms of the strategic role and opportunity to contribute as a Board member should be set out both in the recruitment and interview process for Board membership. | CE | CE to update recruitment pack and to confer on draft with Chair and Vice Chair | In advance of next recruitment exercise | Process underway |

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| | <p>b) The membership and role of each Board sub committee should be reviewed at the start of each year by the full Board.</p> <p>c) Individual and informal conversations should take place with each Board member on an annual basis in terms of the opportunity and their ability to contribute and add value to the work of the Board – both at and around Board meetings.</p> <p>d) Exit interviews should take place with all Board members leaving the Board.</p> | <p>CE</p> <p>Chair/Vice Chair HLH Board</p> <p>Chair/Vice Chair HLH Board</p> | <p>Annual review added to Board Work Plan Calendar</p> | <p>June 2016</p> <p>Quarterly</p> <p>As required</p> | <p>Process underway</p> <p>Process underway</p> <p>Process in place</p> |
| 4 – Performing effectively as a Board | Board members to continue to be updated on any significant news or events between Board meetings. | CE | Continue to issue between board email updates and any one-off urgent messages | Quarterly and as required | Process in place |
| 5 – Representing HLH to its key stakeholders and partners. | <p>a) Opportunity for other Board members to substitute for the Chair and Vice Chair as appropriate in Community Planning and partnership meetings.</p> <p>b) Update and recirculate the Board director listings of areas of interest.</p> | <p>CE</p> <p>CE</p> | <p>CE aware of and will circulate as required</p> <p>Annual exercise to be updated on appointment of Directors after AGM</p> | <p>Quarterly</p> <p>Annual - March</p> | <p>Process underway</p> <p>Process underway</p> |

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| | <p>c) Further develop and formalise the stakeholder engagement plan for the organisation, identifying the potential role and value add provided by the Board and Board members in building and maintaining stakeholder relations.</p> <p>d) Ensure regular circulation to the Board of different events and meetings where Board representation would be welcome.</p> | <p>Head of Development</p> <p>CE</p> | <p>Update Marketing Plan for 6 monthly Board review</p> <p>CE to issue general and/or targeted invitations as appropriate</p> | <p>June 2016</p> <p>On going</p> | <p>Process underway</p> <p>Process underway</p> |
| 6 – Board Membership and Development | <p>a) To provide a comprehensive statement of the Board membership profile and approach to recruitment, including succession planning, through the Nominations Committee, and bring this to the full Board for agreement and approval.</p> <p>b) To review the Board membership on an annual basis in terms of skill sets and any development/training needs identified for Board directors.</p> | <p>CE</p> <p>Chair HLH Board</p> | <p>On completion of current recruitment process compile and discuss with Nominations Committee prior to HLH Board consideration</p> <p>Tie in with Director annual review exercise</p> | <p>June 2016</p> <p>Ongoing</p> | <p>Process underway</p> <p>Process underway</p> |