

Natural Resources Wales

Board Meeting

26 February 2013

Paper Title	NRW Board development
Paper Reference:	Paper B (02/13)
Paper Prepared By:	Liz Davis

Purpose of Paper:	Discussion
Recommendation:	
Decision Required:	If applicable

Impact: To note – all headings might not be applicable to the topic	Impact on the Environment: Impact on the Economy: Impact on Community: Impact on Knowledge:
--	--

Issue

1. The creation of Board development process and supporting tools to facilitate the induction, objective setting, appraisal and continuous learning of the Board and its members.

Summary

2. There is a discrete academic body of knowledge on learning organisations¹ and specifically the Learning Board². It is proposed that this is used as the framing for the development of the Board for Natural Resources Wales.
3. The development of the Board includes the process of induction, objective setting and review, Board effectiveness and individual and team learning and the development of tools to support these activities.

Background

Developing a Learning Board

4. The concept of a Learning Board is introduced by Bob Garratt in his work on the development of competence in Directors (see Annex A). There are two sides to a Learning Board – Board Conformance and Board Performance. He proposes that Boards and thereby Directors – and in particular non-executive Directors – have four complimentary functions:

- ✓ Accountability
- ✓ Policy formulation and foresight
- ✓ Strategic thinking
- ✓ Supervising management

¹ The concept of a learning organisation has a long history in academic thinking. In the latter part of the 20th century Garrett, B, Senge P, Pedler M *et al* have written extensively on this

² Garratt, B, 2003, The fish rots from the head, Profile Books Ltd

5. In the Welsh Public Service there is considerable experience of Board Development utilising the core resource that was in Public Service Management Wales and is now in Academi Wales.³ They can provide diagnostic, assessment, reflection and challenge to Board effectiveness and considerable insight to the development of individuals and teams.

Induction

6. All of the non Executive Board members have been recruited to bring skills, experience and knowledge to the overall governance of Natural Resources Wales. It may seem that a formal induction process would be unnecessary or a luxury. However Natural Resources Wales is a new organisation, seeking to innovate and learn.
7. It is suggested that the Chairman lead a process of induction for all non executive Board members to include a reading pack, a series of 'listening opportunities' in the organisation and the development of a personal learning plan to include conceptual thinking on the Learning Board and learning organisations.

Objective setting and review (annexe B)

8. All non executive Board members including the Chair are required to undertake regular performance reviews.⁴ The 'normal cycle' for appraisal within NRW will be an objective setting meeting with the Chair within 3 months of appointment and the annual appraisal will take place in April of each year. The appraisal will be used when consideration is given to reappointment. Appraisals should be evidence based with relevant examples for each conclusion drawn. In addition the conclusions should:
- ✓ Refer to the criteria at appointment
 - ✓ Be clearly linked to the objectives set out in the objective setting process
 - ✓ Consider the link to the organisations ambition and purpose
 - ✓ Cover attendance at meetings, preparation and ability to challenge constructively

³ Academi Wales is a pan Welsh Public Service hosted by Welsh Government and supporting leadership development. NRW will be a client.

⁴ Public Appointees are required in their terms of appointment to undertake appraisal ref OCPA

9. In the unlikely event of unsatisfactory performance the Chair may seek a more frequent review and in extremis recommend to the Minister that an appointment be terminated.

10. The Chair will be reviewed by the Welsh Minister with responsibility for NRW.

11. The performance review process for Executive Directors is the responsibility of the Chief Executive. The appraisal of the Chief Executive is the responsibility of the Chairman in co-ordination with the Permanent Secretary and Minister in relation to accounting officer responsibilities.

Board effectiveness

12. In parallel to the induction and development of the NED Directors the regular review of the Board's effectiveness in relation to its role within the Learning Board framework may be considered. There are several ways this can be actioned including time for personal reflection and self assessment, observation and feedback from skilled and experienced senior development practitioners and more formal review including external audit.

13. To provide a baseline or touchstone against which effectiveness can be measured it is suggested that a Board handbook be developed that sets out the 'ways of working' for the Board (including behaviours and values)

Individual and team learning

14. From the objective setting process learning needs will emerge for individuals and for teams. The responses to those needs may range from individual coaching through team development and subject specific training. A budget will be identified to support the Board development process.