

**Subject:** Board Effectiveness Review  
**Meeting date:** 2 March 2016  
**Report to:** Chairman's Committee  
**Report of:** David Goldstone, Chief Executive

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**This report will be considered in public**

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**1. SUMMARY**

- 1.1. This report sets out the outcome of the review of Board and Committee effectiveness as agreed at the last Chairman's Committee on 13 October 2015.

**2. RECOMMENDATION**

- 2.1. **The Committee is asked to note the findings of the review and agree the proposed actions as set out in Appendices 1 and 2.**

**3. TIMING**

- 3.1. Following consideration by the Chairman's Committee a report on the recommendations from the Board and Committee effectiveness review will be presented to the Board on 10 March 2016.

**4. BACKGROUND**

- 4.1. In line with good corporate governance practice, Boards should undertake an evaluation of its performance and that of the Committees and the individual members on a regular basis. These reviews can be conducted in-house or by specialist companies. At the meeting on 13 October 2015, the Chairman's Committee agreed that a review be carried out internally.
- 4.2. In December 2015, Board members were sent an online questionnaire to complete, on the effectiveness of the Board. Members of the Executive Management Team and the GLA Observers to the Board and Committee were also asked to complete the Board effectiveness questionnaire. Individual members of the five Committees were asked to complete questionnaires on the effectiveness of the Committees on which they served.
- 4.3. The questionnaires focused on the following areas:
- Board or Committee role, composition, and performance
  - Board or Committee support and processes
  - The role of the Board or Committee Chairman
  - Improving the effectiveness of the Board or Committees
  - The Board's relationship with the CEO

- The Board's view of Committee performance and effectiveness
- 4.4. The response rate to the questionnaires ranged from 59-100 per cent. The GLA observers and some new Board or Committee members responded that, given their brief involvement in the Board or Committees, they did not feel able to complete the questionnaires at this point.
- 4.5. The findings of the questionnaires have been discussed with the Chairman and a number of immediate actions and longer term recommendations have been identified. The findings are summarised below in sections 5 and 6 and the immediate actions and recommendations are summarised out in section 7 and set out in Appendix 1 and 2.

## **5. BOARD EFFECTIVENESS QUESTIONNAIRE FINDINGS**

### **Board Role, Composition and Performance**

- 5.1. Overall, members of the Board and EMT members strongly agreed or agreed with positive statements relating to the Board's effectiveness in performing its functions, its understanding of its roles and responsibilities, its communications with stakeholders and the management team, its cohesiveness and whether it had the right mix of skills.
- 5.2. Board and EMT members were asked for comments on how to improve the effectiveness of the Board. Areas for improvement highlighted in this section included:
- Spending more time discussing strategic issues;
  - Reviewing the size of the Board;
  - Reviewing the skills mix of the Board during succession planning to reflect the priorities and business areas of the Legacy Corporation over next five years;
  - Spending time together informally to consolidate working relationships and improve cohesiveness;
  - Creating opportunities for earlier engagement on issues between EMT and the Board;
  - Creating a common understanding of what success looks like in the future;
  - Improving inductions for new Board members; and
  - Reviewing the quality and length of Board papers.
- 5.3. These suggestions are addressed in the recommendations section of this report.

### **Board Support and Processes**

- 5.4. Overall, members of the Board were happy with the way it was run and strongly agreed or agreed to positive statements relating to the support and processes of the Board. EMT members also broadly agreed with the statements but highlighted some procedural issues which will be reviewed with the Chief Executive and Secretariat.

### **Role of the Chairman of the Board**

- 5.5. The majority of Board Member respondents strongly agreed or agreed with positive statements relating to the role of the Chairman. The EMT response was similar. Areas for improvement highlighted in this section related to enabling Board Members to raise issues for the agenda.

### **The Board's Relationship with the Chief Executive**

- 5.6. Board Members agreed strongly or agreed with the positive statements about the relationship with the Chief Executive around whether there was a clear understanding of where the Board's role ends and the CEO's begins; whether there was good two-way communication; whether the Board trusts the CEO's judgement or whether the Board provides direction to the CEO. EMT members also agreed or strongly agreed with these statements.

### **The Board's View of the Committees**

- 5.7. Board and EMT members were asked to rate how strongly they agreed or disagreed with the statement that the "Board's committees are effective, perform well and interact well".
- 5.8. Overall, Board and EMT members agreed that the Committees were working well, although some comments were made about individual Committees that will be discussed with the Committee Chairs.
- 5.9. Areas for improvement included:
- Reviewing the content and detail of Committee reports to Board to ensure it provides a fuller summary of the discussions.
  - Considering how to increase interaction between Board and the Committees.
  - Consider how to enable Board to debate key issues more.
- 5.10. These suggestions are addressed in the recommendations section of this report.

## **6. COMMITTEE EFFECTIVENESS QUESTIONNAIRE FINDINGS**

### **Committee role, composition and performance**

- 6.1. Overall, members of the Committees strongly agreed or agreed to positive statements relating to the committees' effectiveness in performing their functions and having the right mix of skills and experience. Some responses to the Planning Decisions Committee questionnaire indicated that more could be done to involve members earlier in issues including earlier briefings on LLDC schemes and that more could be done to improve the cohesiveness of the Committee. This will be raised with the Committee Chair.
- 6.2. Committee Members identified several areas where the skills mix could be enhanced and this will be taken into account in future succession planning.

### **Committee Support and Processes**

- 6.3. Most respondents strongly agreed or agreed with the positive statements relating to committee support and processes for the committees around information, meeting length and frequency, Secretariat support and opportunities to refresh skills and knowledge related to LLDC.
- 6.4. Areas for improvement highlighted in this section included:
- Improving the quality of committee papers.
  - Outlining a regular cycle of agenda items for the Chairman's Committee.
  - Providing a schedule of training for Planning Decisions Committee members including the areas identified in the review
  - Providing more information on the forward plan of items to be covered at the Planning Decisions Committee briefing sessions and providing updates on schemes as they develop.
  - Providing regular updates to the Regeneration and Communities Committee on the Olympicopolis project.

6.5. These suggestions are addressed in the recommendations section of this report.

### **Role of the Chairman and Improving the effectiveness of the Committees**

6.6. Overall, the respondents agreed or strongly agreed with statements relating to the role of the Chairman in terms of taking into account committee members' views and managing relationships with stakeholders.

6.7. Areas for improvement highlighted in this section included:

- Considering how to enable members to raise issues to be included on the agenda.
- Reviewing the length and format of Planning Decisions Committee meetings to enable applicants and objectors to have sufficient time to speak and to enable fuller discussion.
- Organising a calendar of site visits for Investment Committee Members.

6.8. These suggestions are addressed in the recommendations section of this report.

## **7. RECOMMENDATIONS**

7.1. The questionnaires have highlighted a range of important issues. These can be divided into some immediate actions to address the feedback and longer term recommendations particularly related to future Board composition and increased focus on strategic issues.

### **Immediate Actions**

7.2. The immediate actions are: to address issues with the quality of Board and Committee papers; increasing the level of detail in the Committee reports to Board; enabling Board members to raise issues for the agenda; providing more information on the forward plan of agenda items for Committee meetings and briefings; providing a calendar of site visits and planning related training; and reviewing the format of the Planning Decisions Committee.

7.3. The immediate actions are set out in the in Appendix 1 along with the action owner and timeframe for completion.

### **Longer Term - Succession Planning and Future Recruitment**

7.4. One of the themes in the findings related to succession planning and the future skills mix of the Board.

7.5. The LLDC Board is appointed by the Mayor and currently has 13 Members, including the elected Mayors of the London Boroughs of Hackney, Newham, and Tower Hamlets and the leader of Waltham Forest Council. Apart from the elected Members and the Chairman, the appointments of the other Board members are due to end in December 2016.

7.6. The recommendation involves undertaking succession planning to identify the skills required that will enable the Board to operate effectively and that reflect the future priorities and business areas of the Legacy Corporation. It is proposed that this will take place in summer 2016, including short discussions with the Chairman to discuss individual Board Member's future plans. The outcomes of this succession planning will support the next Mayor with recruiting and appointing new Members. A number of additional and future skill sets were identified by Board Members and these will be taken into consideration as part of the recruitment of the future Board Members alongside increasing the gender and ethnic diversity of the Board.

7.7. Consideration will be given to using a specialist search agency to recruit new Members.

7.8. Having a smaller, more focused Board was raised by some Members. This is something that could also be considered by the next Mayor, noting that the Localism Act 2011 states that a Mayoral Development Corporation Board should

consists of at least six members including at least one elected member from each London Borough in the LLDC's area.

### **Longer Term - Strategic Focus**

- 7.9. Another theme from the findings related to the Board spending more time discussing strategic issues. This related to other comments about creating a common understanding of what success looks like in the future, and opportunities for earlier engagement on issues between EMT and the Board.
- 7.10. The recommendation involves more away days and/or informal briefings to provide the opportunities to debate and engage on strategic issues. The Board is holding an away day in April 2016 and this will be used to review the key areas of focus identified in the questionnaire by Board and EMT members in order to prioritise and help shape future Board away days and meetings agendas. The away days will also provide opportunities for Board Members to spend time together informally to consolidate working relationships and improve cohesiveness
- 7.11. These longer term recommendations are set out in Appendix 2 along with the action owner and timeframe for completion.

## **8. LEGAL IMPLICATIONS**

- 8.1. There are no legal implications from this report.

## **9. FINANCIAL IMPLICATIONS**

- 9.1. Further work on the costing of the implementing the recommendations is required, but it is anticipated that these can be accommodated from within the Board and Committee budget line in the Ten Year Plan.

## **10. LIST OF APPENDICES TO THIS REPORT**

- 10.1. Appendix 1 – Board Effectiveness Review Action Plan 2016 – immediate actions
- 10.2. Appendix 2 – Board Effectiveness Review Action Plan 2016 – longer term recommendations

### **List of Background Papers**

Papers for the meeting of the Chairman's Committee 13 October 2015

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## Appendix 1 – Board Effectiveness Review Action Plan 2016 – Immediate Actions

Finding/Issue	Action	Owner	Timeframe
Reviewing the quality and length of Board and Committee papers.	<p>Refresh guidance for report writers including on structure, level of detail and the length of papers.</p> <p>Revise template to reflect new guidance.</p> <p>Consider whether to implement a standard coversheet which flags key issues, risks and links to strategy in line with the coversheet being introduced by Transport for London</p> <p>Implement the recommendations from the planned Internal Audit on Board Information in March 2016.</p>	Board Secretary	31 March 2016
<p>Enabling Board members to raise issues for the agenda.</p> <p>Considering how to enable members to raise issues to be included on the agenda</p>	<p>Introduce a new standing item on Board and Committee agendas “Member suggestions for future agenda discussions” to facilitate engagement on strategic areas.</p> <p>Using the upcoming Board away day to prioritise future areas for discussion at Board meetings.</p>	Board Secretary	24 May 2016
Reviewing the content and detail of Committee reports to Board to ensure it provides a fuller summary of the discussions.	Include more detail on the areas of discussion in the Committee reports to Board, particularly where these are not covered under separate items on the Board agenda	Board Secretary	24 May 2016
Considering how to increase interaction between Board and the Committees	<p>Implement more detailed Committee reports to Board as above.</p> <p>Consider whether the Committee Chairs could give a brief introduction to items that have been through their Committees at the Board meetings.</p> <p>The increased discussion on strategic issues should help increase interaction between the Board and Committees.</p>	Board Secretary Chairman and Chief Executive	24 May 2016
Outlining a regular cycle of agenda items for the Chairman’s Committee.	Prepare a forward plan of agenda items for the Chairman’s Committee meetings.	Board Secretary	31 March 2016
Providing a schedule of training for Planning Decisions Committee members	Develop a training programme for new and existing planning committee members including the areas identified in the review.	Director of Planning Policy and Decisions	31 June 2016

Providing more information on the forward plan and providing updates on schemes as they develop.	Issue a forward plan of items to be covered at the Planning Decisions Committee briefing sessions including a summary of what will be covered under each item	Director of Planning Policy and Decisions	31 March 2016
Providing regular updates to the Regeneration and Communities Committee on the Olympicopolis project.	Include as a standing item in the Executive Director of Regeneration and Community Partnership's report to the Committee.	Board secretary	31 March 2016
Reviewing the length and format of Planning Decisions Committee meetings to enable applicants and objectors to have sufficient time to speak and to enable fuller discussion.	Consider the length and format of the Planning Decisions Committee meetings and report back to the Chair.	Director of Planning Policy and Decisions	31 March 2016
Organising a calendar of site visits for Investment Committee members.	Identify the site locations that the Committee Members would like to visit and arrange forward plan of visits every six months.	Board secretary	31 March 2016

## Appendix 2 – Board Effectiveness Review Action Plan 2016 – Longer Term Recommendations

Issue raised	Action	Owner	Due date
Reviewing the skills mix of the Board during succession planning to reflect the priorities and business areas of the Legacy Corporation over next 5 years	Take into account the areas identified during the review in future succession planning and recruitment as well as the gender and ethnic diversity of the Board in order to support the new Mayor with recruiting and appointing new members.	Chairman	30 June 2016
Reviewing the size of the Board	Take into account the size of the Board in the succession planning and present a recommendation for the new Mayor to consider	Chairman	30 June 2016
Improving inductions for new Board members	Develop a comprehensive induction programme for new Board or Committee members.	Board Secretary	December 2016 (or earlier depending on recruitment timetable for new Board members)
<p>Spending more time discussing strategic issues</p> <p>Spending time together informally to consolidate working relationships and improve cohesiveness</p> <p>Creating a common understanding of what success looks like in the future</p> <p>Creating opportunities for earlier engagement on issues between EMT and the Board</p> <p>Considering how to increase interaction between Board and the Committees</p>	<p>Schedule a Board away day at regular intervals (e.g. every 6-8 months) to prioritise strategic issues to focus on.</p> <p>This will also provide opportunities for earlier engagement between the Board and EMT members on strategic issues, to agree a common approach to issues and increase the interaction between the work of the Committees and the Board.</p> <p>Board and EMT members were asked to list key areas of focus for the next year. These areas will be reviewed and prioritised at the forthcoming away day to help shape future Board meetings agendas.</p>	David Goldstone	30 June 2016
Considering how to enable Board to debate key issues more	In addition to the above, consider a schedule of informal briefings for Board members.	Board Secretary	31 March 2016