Report to: Police Authority

Agenda #: 9

Date: 26 September 2019

Subject: Board Effectiveness Evaluation 2019/20 Proposal

Sponsor: BTPA Chair

Author: Head of Governance and Compliance

For: Approval

1. Purpose of paper

1.1 This paper sets out the proposed structure of the board effectiveness evaluation for 2019/20 for approval. It also reports on progress against the delivery of the action plan arising from the 2018/19 evaluation.

2. Background

2.1 The Code of Good Practice on Corporate Governance in Central Government Departments puts a requirement on Arm's Length Bodies (ALBs) to conduct an annual review of board effectiveness. Although a requirement this is an excellent opportunity to drive improvement in the way we operate by:

- Identifying areas of good practice/governance and sharing them across the Authority and its committees.

- Identifying areas that could be improved and ways of delivering these improvements.

- Identifying areas for development whether at board, committee or an individual level to ensure the board development programme for 2020/21 focuses on the areas where we can add the most value.

2.2 In the previous two years the BTPA has delivered a fairly light touch evaluation focused at full Authority level and involving completion of a questionnaire based on the National Audit Office's (NAO's) template, followed by short interviews.

2.3 It is recommended that in 2019/20 the BTPA adopts a more comprehensive approach, with a focus on assessing the impact of the delivery of the most recent action plan and the Governance Review completed by the Government Internal Audit Agency

(GIAA) in 2018/19. This will also put the Authority in a strong position for its tailored review led by the Department for Transport (DfT), now anticipated to take place in 2020/21.

3.   Proposal

Scope

3.1 It is proposed that the 2019/20 evaluation encompasses three strands:

- Board level effectiveness
- Committee level effectiveness
- Individual effectiveness

3.2 This approach reflects good governance and ensures a thorough review at each level to feed into the board development plan for 2020/21 to drive continuous improvement.

Timeline/methodology

3.3 The below table details the methodology and timeline:

Month	Board level evaluation	Committee level evaluation	Individual evaluation
September	Board effectiveness evaluation proposal approved.	Work plans approved at Q1 meetings. A new item added to the end of agendas to reflect at the end of each meeting on how effective the meeting has been, noting good practice and areas for improvement.	Annual appraisals covering committee attendance, portfolio fulfilment, feedback sent and any other responsibilities.
October			
November			
December		Meeting of committee chairs and Chief Officer Group to reflect on 2019	
January	Board Effectiveness Survey sent to Members and an abridged version to other attendees.	Audit Committee checklist and surveys for all committees (completed by Committee Members, Accounting Officer (for ARAC only) and all other committee attendees)	

February	Follow up interviews/phone calls following receipt of survey by Head of Governance and Compliance	Follow up phone calls as necessary to explore feedback by Head of Governance and Compliance and Executive Committee leads.	
March	Private session before the main meeting to discuss the findings.	Private session to discuss feedback.	
April	Drafting report.	Drafting reports.	
May		Final reports and Q4 reflections on progress against work plans, delivery of and relevance of terms of reference and general effectiveness in terms of information received and debated.	
June	Submit final BEE report and action plan for Authority approval.		

3.4 It is recognised that this requires a significant level of resource to complete. It is therefore proposed that the committee level evaluation only be completed every three years so after this year the next committee level evaluation will take place in 2022/23.

3.5 In the last two evaluations the Authority has used the NAO's board evaluation template with some minor revisions. It is proposed that for the 2019/20 review a more tailored questionnaire be developed focusing on those areas of most relevance to the Authority with the most potential for improving effectiveness. The questionnaire will include more open questions for qualitative feedback with less of a focus on quantitative scoring. The refreshed questionnaire will retain elements from the NAO template and other sources of good practice, including material produced by the Financial Reporting Council and ICSA: The Governance Institute.

4. Progress against 2018/19 Action Plan

4.1 The Authority/Executive is progressing well against the 2018/19 action plan. A full update is provided at Annex B.

5.   Recommendation

It is recommended that:

5.1   The Authority approves the scope, timeline and methodology as described in this paper.

5.2   The Authority approves the proposed questionnaire attached at Annex A.

5.3   The Authority notes progress against the 2018/19 action plan reported at Annex B.

Annex A: Proposed Questionnaires

Scope of the full Authority Questionnaire

Leadership, purpose and strategy	
Theme	**Areas to explore**
Strategy, direction and leadership	1. Does the Authority fully recognise the requirements to be undertaken before it is able to issue a three year strategy plan? How does the Authority ensure that these requirements are fulfilled? 2. How will the Authority ensure that the balance between the focus on immediate issues and long-term success is appropriate? 3. Does the Authority have an effective mechanism to monitor the implementation of the Strategy (and annual Policing Plans)? 4. Does the operation of the Authority set the right tone for the wider organisation? Please explain your view.
Culture, values and behaviours	5. Is there sufficient understanding of the culture, values and their alignment with the Strategy? 6. Has the Authority had sufficient input into setting the values and behaviours for BTP?
Stakeholder relationships	7. Has the Authority sought input from enough stakeholders to be comfortable it has a rounded view? 8. Has the Authority listened properly to the stakeholder voice and how has this impacted on BTPA decisions?
Performance measurement	9. Is performance information sufficiently integrated with financial reporting? 10. Are you content that the areas of performance exception are being reported to the Authority – both positive and negative? If not, what is missing?
Assurance	
Theme	**Areas to explore**
Financial management, audit and propriety	11. Is the Authority content that there is adequate review (internal and external) of the operation of key controls, including fraud and propriety issues? 12. Is the Authority satisfied that it receives full and timely notification of all significant losses, special payments and other leakage and takes appropriate action to address weaknesses or failures? 13. Is the Authority satisfied that it receives regular updates and post-evaluation reviews for all programmes and projects it has approved and others judged high risk?
Risk management	14. Is the Authority satisfied that adequate internal policy and controls are in place for risk and that these are reviewed annually? 15. Is the Authority satisfied that full account of risk is taken when taking major decisions? Please provide examples.

Board operation and development	
Theme	**Areas to explore**
Skills and structure	16. Is the Authority the right size and equipped with the right skills and experience to fulfil its duties and functions effectively? If not, why? 17. Could the governance structure including the committee structure and portfolio arrangements be improved? If so how?
Decision-making	18. Is the Authority appropriately briefed at an early stage on significant items that will come for approval to ensure assumptions are able to be challenged and concerns shared well before the point of decision? 19. Does the Authority have a sufficient understanding of alignment with strategy and values and impact on stakeholders when taking decisions?
Board culture	20. Is there a culture of openness, ability to express dissenting points of view and a collegiate way of escalating and resolving differences? 21. Is there a culture of accountability for delivery of committee and individual work plans?
Operation of governance structure	22. Is the programme of the full Authority driven by strategy and focused on the right issues? 23. Are papers of sufficient quality, appropriate length, clarity and focus to support effective discussion and decision-making? Please state any areas requiring improvement.
Board development agenda for 2020/21	24. What are the main strengths of the Authority? 25. What are the main areas for improvement/development? 26. What are your three main actions to develop the Authority in the next year?

Annex B: Progress against action plan arising from the 2018/19 Board Effectiveness Evaluation

	Action	Owner	Deadline	RAG Status
1	A focus on developing a relationship of openness, trust and confidence between the Authority, the Executive and BTP to be pursued.	Members and Executive	Ongoing	**In progress:** The leadership of BTP and BTPA have been working together with a focus on developing openness, trust and confidence with a 'no surprises' ambition. A board development session with the Chief Officer Group, Executive SLT and other key BTP staff is also being planned for 3 December with a focus on joint stakeholder strategy and division of responsibilities.
2	Clarity on where the 'line' is for the Authority, individual members and BTP colleagues to be established	Members and Executive	May 2019	**In progress:** This formed part of the discussion at the board development session held on 22 May. Discussions with BTP will continue as part of action 1.
3	The Executive to work with BTP colleagues to improve liaison with respect to reporting requirements to ensure they are timely and fit for purpose.	Executive	May 2019	**Complete:** Commissioning briefs are now routinely sent with agendas to ensure reporting requirements/purpose is understood.
4	Communication to be improved between committees. This could take the form of: • A dashboard of KPIs from the committees • Improved briefing from the Executive Team ahead of meetings ensuring context provided for decisions required • More regular Chair's meetings	Executive	Ongoing	**In progress:** Meetings of the Chairs of the committees are being scheduled quarterly to improve communications between committees and reduce the risk of overlap/gaps. Highlight emails will be sent to members following committee meetings, starting from the September round. A chat group has been established on LinkedIn to provide an informal and quick way for members to update each other on non-sensitive matters from committees/portfolios etc. This will be explored further.

5	The format and content of the Performance and Delivery Committee to be reviewed and refined.	Members and Executive	May 2019	**In progress:** A significant amount of effort has gone into reviewing and refining the requirements and format of papers for this meeting. Meetings were held between the Committee Chair/CFO/DCC ahead of the June meeting which resulted in improved products coming before the committee. Review group meetings have taken place to support the Q1 committee. The format and delivery continues to be monitored seeking continuous improvement, as it is recognised that more is required.
6	Timely circulation of meeting papers	Executive	May 2019	**In progress**: Deadlines have been clarified and a new process introduced to ensure earlier and clearer commissioning of papers. This is yet to be fully embedded though. A map of Authority/committee requirements across the year is also being developed and will be refreshed annually. Meeting dates have also been reviewed to ensure alignment with reporting requirements.
7	Improved communications from the Executive Team to the members including: • Comprehensive briefings focused on key points and additional contextual information required for meetings • Updates on legislative, political and industry etc news	Executive	July 2019	**Complete:** Briefings are now provided as a matter of course ahead of meetings and will continue to be developed in line with requirements. The Chief Executive is sending regular emails updating Members on key work-streams which cover any significant legislative, political and industry updates.
8	Portfolio working to be reinvigorated.	Executive	May 2019	**Complete:** The new portfolio allocations became effective from 1 July. The Executive has revised the associated guidance and is working with members to ensure that these are delivered successfully.

9	Member development arrangements to be improved	Executive	May 2019	**In progress:** There is a focus on Board Development with a session having taken place in May and the actions from this are in the delivery phase. A second board development session is scheduled for December. The Chair is conducting annual member's appraisals. A more comprehensive board effectiveness evaluation is being proposed for 2019/20 which will incorporate board development as a topic.
10	The business case process at both the Authority and BTP to be slicker and quicker.	Executive for BTPA	July 2019	**In progress:** The Executive is working with BTP to understand their governance processes and map these across to the Authority's governance with a view to optimise arrangements. This is an area which is being revisited by the GIAA.
11	The Authority to spend more time focused on culture and assessing the culture within the force.	Executive	September 2019	**In progress:** The Executive is developing a proposal for the Authority on how we engage and add value with this topic in this area.