THE ROYAL TOWN PLANNING INSTITUTE

BOARD EFFECTIVENESS REVIEW

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Background

The Royal Town Planning institute (RTPI) is the UK's leading planning body for spatial, sustainable and inclusive planning and is the largest planning institute in Europe with over 25,000 members. It is:

- a membership organisation and a Chartered Institute responsible for maintaining professional standards and accrediting world class planning courses nationally and internationally;
- a charity whose charitable purpose is to advance the science and art of planning for the benefit of the public; and
- a learned society.

It also runs Planning Aid as a service to the public and until recently had a trading subsidiary.

Its current corporate strategy says:

'The RTPI is reaching out very firmly to a challenging future - while mindful of the values of its past and the enthusiasm, open minds and willingness to experiment which characterised the RTPI founders in 1914.'

This review is aimed at helping the RTPI evolve and strengthen its governance.

The Charity Governance Code ('the code') was launched by its steering group in July 2017. The members of the steering group were NCVO, the Association of Chairs, ACEVO, ICSA, the Small Charities Coalition and WCVA, with the Charity Commission having observer status. It provides a set of aspirational standards for high performance in charity governance. The tool is intended as a self-improvement framework; although completion is not a legal requirement, the Charity Commission has endorsed use of the code.

The code encourages charities to make a statement in their annual trustees' report about how they have used the framework to improve governance. Trustees using the code are also expected to be able to explain reasoning, if they have chosen not to apply the code's recommended practice.

The trustees at the RTPI are committed to adopting the code and using it as a framework to identify key areas for future development.

Methodology

This review was formed of 5 key stages:

1. Desk work with the consultant, reviewing key governing documents and surveys completed by trustees
2. One to one interviews with the 17 trustees, 5 members of the executive team, the chair of the audit committee (who is not a trustee), a former trustee and discussions with the governance team
3. Observation of a board meeting
4. A workshop session with some trustees and executive
5. Presentation of the key findings at a board meeting and
6. This report.

We are very grateful to the RTPI for inviting us to carry out this review and thank the trustees, chair of the audit committee and staff for the time and effort they committed, especially the Governance Team: Sukhpreet Bhatia and Simone Tomlinson.

During the course of the review the chair stepped down due to a new professional role and a new chair was elected by the General Assembly. Work is also taking place to establish a new Corporate Strategy.

This review represents a snapshot based on our interaction with the RTPI, which has itself been looking for and introducing ways to improve. Our aim is to provide recommendations on and so support that governance improvement. Whilst we make recommendations, this was not a holistic exercise and should be considered alongside other management information before implementing recommendations.

The review is regarding board effectiveness and is not a governance review or audit against the code, however, during the course of the review it became apparent that there are wider matters which have an impact on the board effectiveness and we have referred to some of these in the report and made recommendations.

By its nature, our review and this report focusses on areas to improve and makes recommendations. It does not identify all the strengths and areas of good practice which we were told about and came across.

Many of the recommendations overlap and are inter-linked; they are like building blocks or pieces of a jigsaw to more effective governance. Some are short-term and others involve structural reforms.

This report begins by presenting the results of the Governance Wheel survey, skills audit and diversity surveys before offering observations and recommendations.

Legal form and board composition

The RTPI was established in 1914 and was granted a Royal Charter in 1959 which has been amended several times since. It is supplemented by Bye-Laws and Regulations. The RTPI is registered as a charity.

The last significant governance change was some 10 years ago when the size of the then Council was reduced and the General Assembly was created.

Board of trustees

The board is comprised of 17 trustees:

Honorary Officers:

- Vice President (elected by the Chartered Members, for a term of one year);
- President (the former Vice President, for a term of one year);
- Immediate Past President (the former President, for a term of one year);
- Honorary Treasurer (elected by the General Assembly for a term of two years);
- Honorary Solicitor & Secretary (elected by the General Assembly for a term of two years).

'Elected' trustees

These are elected by the General Assembly for a term of 2 years:

- A Chartered Member as chair of the board of trustees;
- A Young Planner;
- A Chartered Member who lives or works mainly in Scotland, elected to represent Scotland;
- A Chartered Member who is also a member of the General Assembly, elected to represent the Nations and Regions (excluding Scotland);
- Up to 6 other Chartered Members.

'Additional' (Co-opted) trustees:

2 'additional' trustees may be appointed by the board for such terms as the board determines. In 2016, the trustees agreed to appoint two additional (known as 'independent') trustees to provide additional skills in finance and marketing & communications. These trustees took up their roles in 2017. At that time a decision was made not to reduce the size of the board, so it is at its maximum permitted size of 17.

Vice chair

The trustees elect a Vice-Chair for 2 years from one of their number.

Term limits

The term of the chair may be renewed once. The terms of the other elected trustees may be renewed 3 times, after which they must have a gap of one year.

The Immediate Past President must have a gap of one year before taking up office as a trustee again.

The Honorary Treasurer and Honorary Solicitor & Secretary may serve for up to 3 x 2-year terms, extendible in exceptional circumstances by the board.

There is no overall cap on how long an individual may be a trustee overall serving in different roles.

Board committees and panels

The following 'standing committees' are required under the constitution:

- Membership and Ethics committee
- Education and Lifelong Learning committee
- Policy Practice and Research committee
- International committee
- Nations and Regions Panel

It is a constitutional requirement that a majority of the members are members of the General Assembly, that either the chair or vice chair is a trustee and if the chair is not a trustee, they shall be chosen from among the General Assembly representatives.

In addition, there is a Nominations Sub-committee and an Audit Committee which are not subject to the same restrictions. Recently the board has also established a Major Projects Scrutiny Sub-Committee. The latter two are not chaired by trustees, but 'external, independent' experts.

General Assembly

This is chaired by the President.

Other than electing trustees, its key role as stated in the Regulations is that it:

'…*shall have the power to determine the Institute's stance on matters of public policy and planning practice*…'

The General Assembly comprises the following representatives: 28 Fellow and Ordinary Members; 2 Legal Members or Legal Associates; 2 Associate Members; 6 Student Members or Licentiates; one representative from each Region in England, 2 from RTPI Cymru, 1 Representative each from Northern Ireland and the Republic of Ireland, 2 from RTPI in Scotland.

The electorate for each class of representative is set out in the Regulations. The term is for 2 years, renewable twice, after which a member must take a break of a year.

Trustees who are members of the General Assembly at the time of election to the board are not required to and do not step down as members of the General Assembly.

Its role has evolved as mentioned later in this report.

Annual general meeting

A short, formal meeting is held on the margins of a General Assembly meeting. There are few attendees.

Connected organisations

RTPI Services Limited is a wholly owned subsidiary of the RTPI. It ceased to trade with effect from 1st January 2019 and is in the process of being wound up.

RTPI Trust is a separate charity with separate trustees. It provides financial support to members of the RTPI and their families who are in financial hardship.

Desk review

We were supplied with a large amount of documentation, including board and Standing committees, Sub-committees and the Audit committee minutes and terms of reference for the committees.

The Governance Team is relatively recently in post and reported that the filing systems have been poor and that steps are being taken to address this, including the intention to establish an on-line board portal.

There are role profiles for trustees and the Honorary Officers, including the Presidential Team.

The RTPI's website details its governance arrangements and who the trustees are. It is easy to find. As a membership organisation, in the interests of openness and accountability, this is important.

We had sight of a range of committee minutes; the Standing committees appear to be well-established and to support part of the work of the board and involve the membership in planning matters. The committees have external specialists in addition to trustees and General Assembly members. Each have terms of reference.

We make more detailed observations and recommendations in this report regarding committees.

The risk register represents the most significant risks in key areas, charting inherent and residual risks based on an agreed risk-scoring mechanism. There is no overall oversight or 'deep diving' by a committee.

Board observation

We observed a board meeting on 15th May 2019. Our key observations are at Annex 3 and our recommendations are included in this report.

Workshop

The key findings and recommendations were presented at a workshop on 18th June 2019 attended by a few trustees and executive. There was insufficient time to explore all matters in detail.

There was broad support for the recommendations made at the workshop. Issues discussed included the impact of the size of the board and the requirement regarding General Assembly representation on the standing committees; the need for trustees to have relevant skills, experience and knowledge; the role of the General Assembly and the role of the board.

Observations and assessment

This section captures some observations and assessments made during this review. It reflects our desk research, the responses to the surveys, the one to one conversations and the observation of a board meeting.

Our overall reflection from our engagement with the RTPI is one of an organisation which has a commitment to good governance and is looking for ways to evolve and improve, whilst retaining the focus on and involvement with its membership and the core work of the RTPI.

There is a clear commitment to the RTPI's purposes from both trustees and executives and a strong knowledge of planning matters.

The governance of the RTPI is influenced and impacted by its history and structures. In some respects this is positive, serving as a connection between the RTPI board and the membership. In other ways, this has constrained the RTPI in bringing its practice in line with the sector's recommended practice.

We recognise that some of the recommendations will only be possible with changes to the constitution, which will involve consulting with and gaining the support of the membership, so are not implementable in the short-term. We recommend that board demonstrates its leadership in this. We have also made some shorter-term recommendations.

Governance Wheel

The trustees at the RTPI were asked to complete the NCVO's Governance Wheel. This tool is a simple method to self - assess board effectiveness against the code's eight principles and corresponding practice. All 17 trustees completed this exercise and, as such, the results in this section present a good reflection of how the board members feel about the governance.

Trustees were asked to score performance out of 10, with 10 being a level of mastery beyond where many boards get to and being a role model for other organisations and 1 being that the board is not functioning and is unaware of risk. Whilst there is an element of subjectivity to the exercise, trustees are presented with clearly defined outcome descriptors which relate to the code

for each area and score. We have considered the scoring alongside the prereading materials we were provided with and other information and observations.

In order to provide a wider perspective, the senior executive and chair of the audit committee also completed the survey. The scores in this report are of the trustees alone.

RTPI's findings

The RTPI's results have an average score across the majority of principles of 7, representing competence against the standards established in the code. There was on occasion a wide range of scores.

Average: represents the mean response: the value obtained by dividing the sum of several quantities by their number.

Range: represents the spread of responses, with the value representing the difference between the lowest and highest values.

Principle	Average Score	Range
Foundation	7.23	4
Organisational Purpose	7.88	5
Leadership	7.65	5
Integrity	8.82	4
Decision - making risk and control	7.52	5
Board effectiveness	7.18	4
Diversity	6.53	7
Open and accountable	7.3	3

Overall, the average highest scoring area was integrity, with a score of 8.82 ('competence'). The lowest average score was diversity, with 6.53 ('getting a grip').

Some comments made regarding the board's strengths are:

Organisational Purpose

- *'I feel that we are getting better at this through current corporate strategy work'*

- *'We all understand the purpose of the organisation clearly. We are clearly focused and pursuing joint objectives.'*

Integrity

- *'This is handled well. Integrity is central to our professional codes of conduct.'*

People

- *'Very impressive range of planning skills'*

- *'Nice, with excellent intentions'*

- *'Collegiate'*

Governance

'*Improvements in the last few years but still a lot to do'*

Some other themes which also came out of the one to one conversations included:

- good chairing of meetings and commitment to the RTPI
- size (too big) and skills (not enough) of the board
- how to increase constructive challenge and understanding of the role
- boundaries between governance and operational roles
- relationship with committees
- more understanding of board processes eg appointment of committees' chairs, CEO/Chair ways of working together
- some sense that as the board are volunteers there is no need for eg appraisals.

Skills audit

The trustees completed a skills audit, the results of which are at Annex 1. Other than the 2 additional trustees, the primary profession of the trustees is planning-related or planning law. There is a significant level of seniority within the planning profession represented on the board.

As is not unusual from the composition of the board, the areas of strength identified are related to planning matters and influencing government policy, planning law and best practice. The trustees also scored themselves highly in the areas of leadership and project management.

There are some areas where the skills are more balanced e.g. equality, diversity and inclusion, risk management and volunteer management.

Areas of weakness include audit, financial management and accounting, fundraising/income generation.

Some other areas which trustees identified as missing include business development, risk and media/PR.

We have not fully tested or verified the audit which has limitations as a result of being a self-assessment. Through the course of the review some of the areas where trustees had self-assessed as being strong did not appear to be demonstrated. There could be various reasons for this.

Diversity audit

The trustees completed a diversity audit, the results of which are at Annex 2.

Work has been taking place to improve diversity, particularly the gender balance of the board, which until recently has been heavily made up of men. There is a now a better gender balance. The age range is from people in their 30s to their 70s, with the highest grouping in their 40s.

There is lack of diversity as to ethnicity and sexual orientation.

A key aspect of diversity is also of skills experience and background. We feel this is also an area where there is room for improvement and will refer to it again in this report.

Themes for the report

During the review the following key themes emerged relating to board effectiveness and we decided that a helpful approach would be to structure this report and our recommendations on these:

1. Board – skills across the team, size, composition, roles
2. Committees
3. Meetings/working as a team
4. Delegations, control, risks
5. Executive – (2 way) support, voice, boundaries
6. The General Assembly and accountability to the wider membership

1   Board (code principle 5)

The size, composition, electorate and terms of the board and its members are set out in the Bye-laws and Regulations and detailed at the start of this report.

We believe that the board's effectiveness would be improved if these rules and restrictions are reviewed and, as the next stage of the RTPI's evolution, changes made.

1.1   Skills, experience and knowledge

When thinking about the range of skills needed across a board team, it is important to consider what is needed for 'business as usual' and how to drive the Corporate Strategy, manage the risks faced by an organisation and how to identify and exploit opportunities. The skills audit was devised to identify these and gaps have been identified.

By way of example, financial management was frequently mentioned. The RTPI's income is heavily dependent upon members' subscription fees, which are set annually. Declining membership is a major risk facing the RTPI. The RTPI has not faced a major financial crisis which may be why financial management does not appear to be a priority focus for the board. For example, the management accounts are low on meeting agendas and seem to receive little scrutiny. The board did, however,

have a more detailed discussion regarding a budget for office improvements. Additional professional accountancy skills and training for all trustees would enable improved scrutiny and enhance the work of the senior executive.

The key aspect here is that in effect all but the 2 additional trustees must be a member of the RTPI. Nominations for election must be supported by a set number and category of membership. As a consequence, the opportunities for recruiting individuals with sufficient additional specialist expertise and qualifications is limited. Whilst an understanding of the work of the RTPI and the planning profession is important, bringing in 'external' people whose primary profession is in other fields brings the opportunity to add specialist skills, perspectives and added value to discussions and the refinement of proposals.

The benefits of having additional trustees who are appointed for their knowledge, skills and experience on the board and committees was widely recognised.

Some organisations try to further mitigate the unpredictability by developing additional stages to the election process, whereby candidates are first interviewed to identify skills desired, backgrounds or experience and then nominated for election. The board could be more explicit when inviting nominations for election about the profile of candidates they hope will come forward and stand, based on the outcome of the diversity and skills audit.

1.2   Board Size

The board is at its maximum size - 17 trustees including a maximum of 2 additional trustees. The size of the board was mentioned frequently as inhibiting its effectiveness.

The code, under its effectiveness principle, recommends that boards should consist of between 5 and 12 people.

The rationale behind a limited board size is that larger boards tend to find it harder to ensure all trustees are able to participate meaningfully in discussions, which can undermine collective decision making. A smaller group is also generally more likely to build transparent and closer relationships and make decisions in a more agile and responsive way when required.

Although we do not feel this is a significant risk with the current board, in some cases, a larger board can lead to factions or silos; trustees can become entrenched in their views or feel a sense of loyalty to those who elected them rather than to the wider organisation.

1.3   Terms and term limits

The current term for 'elected' trustees and Honorary Officers (other than the Presidential roles) is 2 years, renewable twice. A term of 3 years (renewable once) is more usual (to enable trustees to establish themselves and be effective in the role).

Although there is a limit on terms for board members when occupying specific roles e.g. as an 'elected' trustee or as an honorary officer, there is no overall cap on the length of time an individual

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can serve as a trustee. Whilst there is always a balance to be struck between the asset of institutional knowledge, it is also important that a board is refreshed.

The code recommends that

'*If a trustee has served for more than 9 years, their re-appointment is:*

- *subject to a particularly rigorous review and takes into account the need for progressive refreshing of the board;*
- *explained in the trustees annual report.'*

1.4   Board roles

Under the constitution, the board consists of:

- 5 Honorary officer roles: Vice President, President, Immediate Past President, Honorary Solicitor & Secretary and Honorary Treasurer
- Chair of the board elected by the General Assembly
- 3 elected from particular consistencies (Young Planner, a Regional Representative, Scotland Trustee)
- 6 'elected trustees'
- Up to 2 additional trustees

The Vice Chair is appointed by the board from amongst its number.

The review did not extend to a review of the particular roles including the specific impact and contribution that an individual role has on the board effectiveness, so we don't make any specific recommendations as to the removal or reform of specific roles, but make some observations.

Especially within the context of the size of the board, having the number of reserved seats is a challenge to achieving diversity. Trusteeship is not about representing the interests of particular groups and we observed that in practice this is generally recognised and understood by trustees. At the board meeting there were contributions from the perspectives of the specific roles to the discussions which we felt were helpful rather than pushing a 'representative' position.

Within the context of reviewing the board size and alongside the recommended review of the committees, we recommend that these roles be looked at. It should be considered whether the roles remain key to the effectiveness of the board and whether there is another effective way to bring the voices into the board's oversight and decision-making.

There are role descriptions for each role. These should be reviewed also.

Knowhow non-profit provides templates for trustee and officer roles:

https://knowhow.ncvo.org.uk/tools-resources/board-basics/model-documents-and-templates/role-descriptions

As regards the Honorary Treasurer role, while financial matters are the responsibility of all trustees, the treasurer often provides advice guidance and reassurance on all aspects of a charity's financial management and reporting etc. Part of this role is being fulfilled in practice by an additional trustee and by the non-trustee chair of the Audit Committee. The Honorary Treasurer's Forum publishes a role description which sets out the now common expectations of the role:

http://www.honorarytreasurers.org.uk/Governance.html

In view of the increasing expectations of the role, some organisations have moved to co-opting a treasurer to enable the appointment of a trustee who specialises in financial management in their daily professional life, so bringing detailed knowledge, including best practice.

The role description for the Honorary Solicitor & Secretary says that the expected time commitment is 3 – 4 days a month in addition to the trustee role. This is a high expectation and may risk an over-reliance by the board and executive for legal advice from a trustee rather than from outside the board.

1.5   Chair

The chair is elected by the General Assembly for a term of 2 years, renewable once. During the review the chair changed. There was a lot of positive feedback about the way that the immediate past chair chaired meetings.

The role of President, which is outward-facing, and Chair have been split. This assists with managing the demands on the individuals and also reflects the different roles and broad qualities required for the roles.

The leadership role of and expectations on a chair have been evolving and there is increasing recognition of the responsibilities of and importance of the role.

Trustees are best-placed to identify who of their number has the qualities to be an effective chair. This will also make succession-planning possible. It is also generally thought that a 3-year term is more appropriate to enable a chair to establish themselves in the role.

Recommendations (1.1 – 1.5):

1. Develop and agree a road map to reducing the size of the board and as part of this to review the specific roles and seats
2. Review the requirements in the constitution for nominations to elections
3. Look to re-balancing the board by reducing the number of trustees who have similar skills and increasing where there are weaknesses and gaps in knowledge and skills
4. Carry out a skills audit each year and make known the skills that are particularly needed when encouraging candidates to stand for election
5. Introduce a cap on being a trustee for more than 9 years in any capacity before taking a break of 3 years

6. That the terms for trustees (except the presidential roles and co-optees) is 3 years, renewable once
7. Trustees to take an active role in championing proposed changes and agree a structured plan to support this (see also under theme 6)
8. Reflect on the short-term innovations which can be made to support effectiveness of the current board
9. Additional trustees no longer to be referred to as 'independent' (as this could create the impression that other trustees are not 'independent' and that somehow the responsibilities of the 'independent' trustees are different)
10. That the chair is selected by the trustees from amongst their number
11. That the terms for the Honorary Officers (excluding the Presidential roles) is 3 years, renewable once
12. That in addition to deputising for the chair, the vice chair has additional, specific responsibilities such as leading the trustees' appraisal.

1.6   Induction/development

In a lot of organisations, new trustees often do not have board level experience, whether as a director/trustee or senior executive, or understanding of the role. No trustee comes to a board fully-formed and it is important that trustees, whether new or long-standing, receive support and development to help them to establish themselves into and grow in their role.

This support should also include where a new role is taken on eg as a committee chair, including a structured process for handover.

It is important that there is an effective, structured induction on governance matters and the role of a trustee. Steps to improve the induction have already been taken and training was given at a board meeting early this year. Follow-up sessions should be offered after the first board meeting and a few months later.

Likewise, it is important that longer-standing trustees keep up to date with changing requirements and current expectations.

There is a collegiate culture on the board, which is positive. Some board members know each other outside the board. Some are long-standing. A risk which can arise in these situations is that new members may find It more difficult to feel fully integrated into the team, especially in such a large board.

Training and development can be achieved in various ways such as:

- support in roles individually e.g. by the appointment of a 'buddy' trustee
- training sessions delivered by staff and trustees in specialist areas e.g. financial management
- external courses

- attending wider third sector networking events and conferences
- membership of relevant associations e.g. the Association of Chairs and the Honorary Treasurers' Forum

1.7   Appraisals/review

The code recommends that the board reviews its own performance and that of individual trustees, including the chair. It is proposed that the first few appraisals of individuals should be 'light touch', led by the chair or vice chair. The chair's appraisal should be led by the vice chair and vice versa.

Using the results of this report and the results of the surveys, the trustee role descriptions, trustees should analyse their own contributions to the board. This should include attendance at and contributions at and outside meetings, whether use is being made of their knowledge, skills and experience, and any development/learning needs.

There should then be an informal meeting with the chair or vice chair. Each trustee should have an opportunity for an open discussion and the person leading the appraisal should be skilled in giving feedback appropriately.

The appraisal for the board officers should include the opportunity for other trustees to give feedback informally.

The appraisals should take place annually, with opportunities for trustees to have other one to one conversations during the year.

Recommendations (1.6 - 1.7):

13. Strengthen the induction and refresher training for trustees and committee chairs as regards governance responsibilities and expectations
14. Induction to be overseen and contributed to by the chair or vice-chair as regards the role and work of the board
15. Introduce a buddy system for new trustees
16. The chair or vice-chair to have one to one conversations with trustees at induction, after 1-2 board meetings and each year (as part of an appraisal process)
17. Introduce a formal process for the formal handover of roles (Honorary Officers, committee chairs)
18. Introduce a board handbook (already planned to be included in a new board portal)
19. Establish a training budget to support the recognition of the importance of investment in and support for continuous development
20. Introduce appraisals, developing a culture of continuous development.

1.8   Diversity (code principle 6)

Efforts have been made recently to improve the board's diversity and there is more of a gender balance now. It is understood that an equality, diversity and inclusion plan is being prepared. Diversity includes the 9 protected characteristics of the Equality Act 2010 as well as different backgrounds, life experiences, career paths and diversity of thought.

It is widely recognised that more diverse boards are more likely to engage in constructive challenge, input expertise to improve proposals and, as such, make better decisions. An effective board will demonstrate its commitment by continually reviewing the make-up of trustees against objectives it establishes around diversity.

The election process was seen as a challenge to diversity. Elections can provide an important sense of legitimacy to the board, providing a link between members and the board. They are not, however, always the best mechanism for delivering diverse boards. In general, only certain types of people are likely to stand for election, meaning there is a barrier to targeting people from particular backgrounds. There is always an element of unpredictability around elections, whereas the appointment of trustees allows an opportunity to recruit specifically on the basis of that person's background and expertise.

A balance should be struck.

The board's work to improve diversity has included raising the profile of the board's work at the General Assembly. Whilst the General Assembly is an important constituency within the RTPI, the board should demonstrate active leadership in the wider membership too in a way which would demonstrate the importance of diversity and encourage a wider pool of candidates to the board, committees and General Assembly.

As well as the diversity of the board, an aspect which came up in interviews was that due to the heavy time demands on the President, the President was frequently someone who was in a later stage of their career and able to forgo income, so limiting the pool of candidates.

There may be an opportunity to capture unsuccessful candidates. It was raised that successful candidates tend to be well-known. This could be a barrier to other talented candidates who may have a significant amount to contribute. Keeping track of unsuccessful candidates, talking to them about their experience of having run for election and encouraging them to be involved in other governance roles, eg committees, will help enable processes to be accessible as possible and that potential talent is not lost.

Recommendations (1.8):

21. Consider ways to increase diversity by
    a. Reducing time demands
    b. Improving the accessibility of board meetings
    c. Improving the visibility of the board's role and work
    d. Developing a pipeline from the General Assembly and wider membership

22. being conscious of the background and experiences which are not present in the room and establishing ways for the board to understand a range of perspectives

23. consider a more active role for the Nominations Sub-committee

2   Committees

The review did not extend to a review of the Committees, however, we make observations and recommendations as they have an impact on the effectiveness of the board.

The key role of a committee is to support the work of the board by scrutinising matters in detail and providing assurance. They can also bring in wider and stakeholder voices into the thinking and decision-making by the board. They can also reduce the number of items being dealt with at board meetings.

The role of the RTPI has different aspects including being a learned organisation, leading in influencing planning policy and setting and enforcing professional standards. The 5 standing committees/panel support these roles:

- Membership and Ethics committee
- Education and Lifelong Learning committee
- Policy Practice and Research committee
- International committee
- Nations and Regions Panel

These are chaired by a trustee.

It is a constitutional requirement that at least 51% of these committees and the Nations and Regions Panel are members of the General Assembly. On occasion it has not been possible to appoint good external candidates due to this restriction.

There are issues regarding patchy attendance at committee meetings, which the board discussed at its meeting in November 2018.

There is also a Nominations Sub-committee, chaired by a trustee.

In addition there is

- An Audit Committee
- A recently - established Major Projects Scrutiny Sub-Committee.

Both these committees are chaired by non-trustees '*who are independent from the RTPI membership with the requisite skills and background to contribute to the success of the committee'*. This recognises the importance and value of expertise. The Honorary Treasurer is an ex-officio member. An additional trustee is a member and usually reports at the board meeting.

All committees have terms of reference, which include delegated powers. It is not clear that the delegated powers are being used effectively. Some comments were made that sometimes where a committee had made a decision or recommendation that the issue was re-opened (in detail) by the board.

There may be the opportunity to extend the delegated powers, reducing the number of matters which need to come to the board for decision.

There are inconsistent terms of membership (one or two years). There is a maximum term of 6 years. A two-year term is common to enable members to establish themselves and be effective in the role.

There is a lack of effective reporting. At each board meeting the chairs of the committees provide an oral report, except in the case of the Audit and Major Projects Scrutiny Sub-Committees as these reports are given by another member of the committee who is a trustee.

During the board meeting observation, the chair of the Audit Committee attended for the audit report item only. Ideally the chairs of the committees should be trustees, especially where delegated powers are being exercised. As the current chairs of the Audit and Major Projects Scrutiny committees are not trustees, the board does not have the benefit of their knowledge and expertise in all board discussions and decision-making.

We observe that there are areas of the board's work where we think it could benefit from committees to support it in its governance role, by undertaking detailed scrutiny and providing insight. These include in the areas of:

- financial management (partly covered by the Audit committee and the Major Projects Scrutiny Sub-Committee) eg to advise on the reserves and investment policy
- remuneration for the senior executive (in addition to the CEO's Appraisal Panel) and people issues. There is a drive for increased transparency as regards senior executive pay:
  https://www.ncvo.org.uk/images/news/Executive-Pay-Report.pdf
- risk management (partly covered by the Audit committee and the Major Projects Scrutiny Sub-Committee)
- governance

There was a lack of clarity as to the way that the chairs of committees were appointed, which was being addressed already.

Recommendations:

24. That a review is carried out of the committees to identify gaps
25. That the terms of reference are reviewed to standardise as appropriate (eg as regards quorum, terms)
26. That there is consistent reporting to the board (by committees and the Nations and Regions Panel) by way of a written report submitted with the board pack rather than verbally. This should state the use of delegations (by exception) and cross-cutting matters which the board should be aware of. It should be short, ideally 1 – 2 A4 pages with the minutes available
27. That the requirement to have 51% membership from the General Assembly on the standing committees is reviewed and adjusted to enable more external members to be appointed
28. That the chairs of the committees are trustees to ensure a clearer line of accountability and information flow and the benefit of their expertise in all board discussion
29. Increase responsibilities/delegations and the board to respect these
30. That a chairs of committees' liaison group is established to enable cross-cutting matters to be addressed
31. Board to set priorities for committees

32. Make use of working groups e.g. governance

3   Meetings/working as a team

The board meets 4 times a year together with 2 longer strategy days. Meetings are usually 4/5 hours, including breaks. One meeting last year was 2 hours. Some decisions are made outside meetings by the use of 'pink papers'.

We observed a meeting on 15th June. Our key observations are at Annex 3.

Decisions by exception: Not every paper or issue which comes to the board requires detailed discussion or debate; in many cases the decision may be uncontroversial. In these cases, on the chair's instruction matters can be starred on the agenda and taken as having been read and included in a 'consent agenda'. This allows the board to agree to recommendations without discussion, freeing up time in the agenda for more substantive points. Trustees, of course, do still have a duty to read the paper and raise matters they feel warrant proper discussion.

Taking some discussion out of the boardroom: Linked to the point above, in some board meetings time can be consumed by points of clarification or tactical and operational considerations. In many cases such discussion can happen in advance of the meeting with the chair, subcommittee chairs or executive team. Trustees are therefore encouraged to consider if questions are better dealt with in advance of a meeting.

Shorter board meetings: At present the board tends to meet for 4 hours which in practice take up a day or more due to travel. Reducing the amount of time can focus discussion and, as a result, drive better decision making.

Mixed-format meetings: Ensuring a varied meeting agenda which involves presentations, break-out space, facilitation and training is considered important in ensuring that the board members all had time to contribute generatively to the organisation and the enable trustees to build relationships and understanding outside of a formal board setting.

Informal relationships: There has been effort recently in ensuring that all board members have time together informally. This is good practice**.** Carving out time to get to know each other, understand motivations and build trust between board members is always important but even more so when a board is as large as the RTPI's.

Integrity/conduct: Trustees are bound by professional codes of conduct and rightly pride themselves in having high levels of integrity. There is no specific code of conduct for trustees.

An example is at:

https://knowhow.ncvo.org.uk/tools-resources/board-basics/model-documents-and-templates/code-of-conduct

The conflict of interest policy should be reviewed to extend to all possible areas of conflict eg regarding external roles and aligned with the Bye-laws.

Recommendations:

33. Chair to invite trustees to ask that information questions are raised ahead of meeting either to the chair, committee chair or CEO
34. Those unable to attend a meeting should submit comments on the papers sufficiently ahead so that other trustees have an opportunity to consider before the meeting.
35. Re-order the agenda to ensure the most important matters which are essential for board time are dealt with early and given enough time
36. Ensure papers and information are focused on the trustees' role and clear as to what decision is sought, together with the options, risks and benefits and financial implications
37. Introduce cover sheets for board papers
38. Reporting to be as much as possible by written reports submitted with the board pack eg from Committee and the Nation and Regions Panel chairs. Recommendations regarding reports from the Chair, CEO and President are in Annex 3
39. Papers to be taken as read
40. Minutes and action log to be circulated (as now) shortly after the meeting and any changes to be notified within 7 days
41. Contributions are to be focussed on trustee role. Comments on operational matters, duplications and irrelevancies are to be avoided and trustees agree to challenge each other to justify such comments
42. Increase use of committees before bringing papers to the board (unless an initial steer is needed) and/or tasking committees or subgroups to work on a paper eg reserves policy
43. Ensure clarity as to the reason for and extent of confidentiality
43. Increase communications between meetings to share information rather than take up board time
44. Consider holding some virtual business meetings
45. Consider how to make best use of time around the meeting due to travel commitments
46. Consider how to satisfy the need for to be involved in planning issues and exchange information which is outside board business, but which is of wider interest to trustees
47. Introduce:
    a. Board-only sessions to enable the board to discuss and develop as a team without the executive present
    b. Reflections discussion at the end of meetings
    c. Chair's report
    d. Board etiquette policy and Code of Conduct
    e. An annual cycle of board business

4   Delegation, risks and controls (code principle 4)

In an organisation the size and complexity of the RTPI it is not practical or desirable for trustees to be involved in every decision. The effective delegation of board authority to subcommittees and the executive is critical. As such, trustees need to balance the sense that on some matters they feel as if they are 'rubber stamping' against the need to delegate decisions as set out in an agreed framework of delegation or dynamically at a meeting.

With 17 trustees and significant demands on the executive it is understandable that there will be more communication with officers and committee chairs and the Presidential team. As a result, the importance of communication and trust between board members is critical, as is the judgement of the chair in deciding when matters need to be discussed with the whole board.

Matters regarding the committees and reporting are mentioned under theme 2.

There is no clear delegations framework on non-financial matters between the board and the CEO or a list of matters reserved to the board. This would assist in setting clear boundaries.

Some polices are in place eg conflict of interest and some are in progress eg reserves. A review of the policies (annually or less frequent as appropriate) should be included in the board annual cycle to ensure regular review.

There should be reporting (by exception) to the board as regards the use of the delegations and policies.

There is no internal audit function which would provide the board with assurance. This has been recommended by the chair of the Audit Committee. There is a procurement policy, however, for example, utilities contracts have not been reviewed for many years.

Comments included a wish to know more about the ways of working between the chair and CEO and what types of decisions may be made between them.

There should be clarity as to when a trustee is speaking on behalf of the board and when expressing a personal opinion due to the potential for confusion. A code of conduct should include a social media use policy.

RTPI Trust

The trust is a registered charity established in 1994 under a trust deed. Its purpose is to provide financial support to members of the RTPI and their families who are in financial hardship. RTPI's website states that the trust is independent from the RTPI. The trustees are separate.

Whilst a charity should maintain its independence, due to its proximity to RTPI, use of the website and staff, it is not clear what formal arrangements should be in place between the 2 charities regarding the use of the RTPI's assets.

Recommendations:

48. introduce a delegations framework or list of matters reserved to the board
49. board to receive reports as to the use of delegations and implementation of policies (by exception)
50. introduce an internal audit function
51. clarify the relationship and if necessary, implement formal arrangements with the RTPI Trust
52. introduce a social media use policy for trustees

5   Executive Team

The executive team play a key role in supporting the board's effectiveness. There should be effective 2 - way support.

The executive team welcomes increased scrutiny, constructive criticism and expert input into their work and proposals from the board.

We have made recommendations elsewhere in relation to preparation of board meetings, papers and delegations. Reducing operational detail may assist in limiting discussions on operational detail.

During the board meeting an issue arose as regards whether a matter was a board or operational matter delegated by the board to the CEO. It is good practice to have a clear scheme of delegation or list of matters reserved to the board and how the inevitable grey areas and 'boundary' issues are decided. This would usually be initially by a conversation between the chair and CEO.

6   General Assembly (code principle 7 - accountability and openness)

As a membership organisation, RTPI's members should play a role in determining strategy and participating in governance. The recent consultation on the new Corporate Strategy was open to all.

Under the constitution the General Assembly has '....*the power to determine the Institute's stance on matters of public policy and planning practice*.' It also elects trustees, other than the Vice President.

Its role, however, has evolved. Although it is used as a sounding board, matters of public policy and planning practice tend to be led by the Policy and Practice and Research Committee.

In practice the board and the committee chairs report to the meetings of the General Assembly, which are also attended by the executive who also carry out some reporting.

Comments made in the review reflect that there is some confusion about its role: is it to decide matters of policy or to hold the board to account on behalf of the wider membership or both?

Trustees who were members of the General Assembly are not required to cease being a member when taking up the role of trustee. This creates the risk and appearance of a conflict of interest (as there is an element of the board partly reporting to itself) and reduces the number of places open to the membership.

Although members' terms are for 2 years, the reality is that some members serve for shorter periods and there is an issue regarding continuity and hence ability to hold the board to account.

It is not clear what accountability and reporting there is from the General Assembly (membership) to the wider membership.

There is an AGM held on the margins of a General Assembly meeting which is not well-attended. The minutes are not currently published.

Other than the Annual Report, there is no reporting by the board of its decisions or activities to the wider membership. Improving its visibility may also support improving its diversity.

Some of the recommendations in this review would involve changes to the Bye-laws and Regulations and impact on the role and responsibilities, especially the General Assembly. It will be important when considering the implementation of agreed recommendations to engage the General Assembly and the wider membership. It is important to build understanding of the role of the board and membership within RTPI's governance and seek to build support and input prior to (formally) introducing reforms impacting on the General Assembly and membership.

Recommendations:

53. Review the role and purpose of the General Assembly
54. Change the Bye-laws to reflect current practice or move back to its constitutional role
55. Address issues regarding quick turnovers, leading to lack of continuity
56. Review whether board members should continue as members of the General Assembly
57. Improve reporting by General Assembly to their 'constituents' and the membership
58. Improve accountability/visibility to wider membership by the board eg using the Bulletin
59. Invest in building governance understanding and support throughout the membership to support the case for governance reform