



Association of
Democratic Services
Officers

Directors' Performance Management Framework and Remuneration

Submitted to ADSO Board: 8 July 2016
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1. INTRODUCTION

At the last Board meeting, the Chair, Director of Finance and the Board Secretary were asked to report back to the July meeting with recommended levels of remuneration for Directors, together with the performance framework to underpin the payments, with formal recommendations being made to the AGM in November 2016.

Discussions have since taken place with relevant Directors and this report sets out the outcomes and makes recommendations in relation to both performance management and remuneration.

2. RECOMMENDATION

The Board is asked to:

- 2.1 agree the performance management process as set out in paragraph 3 below – to be evaluated after 12 months.
- 2.2 agree that 75% of any remuneration be paid as a basic allowance outside of the performance process, leaving the remaining 25% within that process (paragraphs 4.1 – 4.3) .
- 2.3 agree a level of annual remuneration between £3,000 and £5,000 (paragraph 4.1) .

- 2.4 consider the role of the AGM in approving future increases as set out in paragraphs 4.2 and 4.3 below.

3. PERFORMANCE MANAGEMENT

- 3.1 The Board has agreed the principle that Director remuneration should be linked to their performance in undertaking their respective roles and delivering the objectives of the association.
- 3.2 Therefore work has been done on drawing up new Director role profiles against which their performance will be evaluated. These are attached.
- 3.3 Any performance management process has to strike the balance between achieving its objectives, being fair and transparent, whilst being relatively simple to operate. With that in mind, the following process is recommended. This will be evaluated after 12 months.
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| 3.3.1 | ADSO Board agrees strategic objectives | September |
| 3.3.2 | Board agrees Chair's Objectives with external advice | October |
| 3.3.3 | Chair and external advice agree Directors' objectives | October |
| 3.3.4 | Chair discusses with each Director to agree objectives | October |
| 3.3.5 | Half yearly review of Chair's objectives by sub group of Board with external advice | March |
| 3.3.6 | Half yearly review of Directors' objectives by chair | March |
| 3.3.7 | Chair's performance review – sub group of Board with external advice | September |
| 3.3.8 | Directors' performance review by chair and external advice | September |
| 3.3.9 | Agreement of chair's performance related remuneration - sub group of Board with external advice | September |
| 3.3.10 | Agreement of Directors' performance related remuneration - chair and external advice | September |
| 3.3.11 | Approval of all performance related remuneration by Board | September |
- 3.4 It is suggested that the 'external advice' referred to above be from a suitably experienced person from a similar organisation to ADSO (for example (but not necessarily) the AEA) – to be commissioned by the Chair and Board Secretary on an annual basis. This will provide an independent element to the process.

- 3.5 Payments will be retrospective for performance based on the previous year.
- 3.6 It is also recommended that the Sub-Board of Directors be any 3 Directors (depending on availability) to be co-ordinated by the Board Secretary
- 3.7 This process and the initial level of maximum payments will be submitted to the AGM in November 2016 for consideration.
- 3.8 Directors will be required as part of their evaluation to report to each Board meeting in writing on progress with their objectives.

4. REMUNERATION

- 4.1 The level of remuneration is for the Board to decide but it is recommended that this is set initially between £3,000 and £5,000 per year. It is further recommended that 75% of the agreed sum is paid as a form of basic allowance for the time and commitment to the role. This element will not form part of the evaluation process. The remaining 25% will depend on performance.
- 4.2 It was not intended to seek the approval of the AGM to the annual remuneration levels after the initial decision in November 2016. The decision will rest with the Board each year within the overall framework. However, the Board may feel that such annual approval is required to ensure that future increases are reasonable, proportionate and in keeping with the wishes of the membership.
- 4.3 As an alternative therefore, the AGM in November could be asked to agree that any future increases cannot exceed a certain percentage year on year without the prior approval of the AGM. The purpose being to ensure that the membership has control over any perceived excessive increases in the future.



DIRECTOR ROLE PROFILE: Chair

MISSION STATEMENT

To provide an independent membership organisation for the Democratic Services sector in order to develop and strengthen governance in local public bodies.

AIMS

In addition to its core functions as a professional membership body, the Association will over the next three years:

- Focus on what it sees as the critical skill set for the governance professional of the future;
- Expand its remit to support and develop improved governance in a range of public bodies;
- Ensure that the Association is “fit for purpose” to respond to the emerging devolution agenda.

ROLE OF ADSO BOARD DIRECTORS

Our main duties and responsibilities

- Constructively challenging and contributing to the Business Plan
- Monitoring the delivery of the Association’s aims and priorities
- Challenging and ensuring that financial information is accurate and that internal systems and controls are robust and accountable
- Ensuring the Board acts in the best interests of its members and other stakeholders and is fully accountable for the services provided and the public funds used
- Attending Board meetings and participating fully in the work of the Board, contributing to the corporate responsibility of the Directors
- Carrying out any tasks allocated to them as part of the Board Director role within agreed timescales
Regularly reviewing the composition of the Board to ensure appropriate representation, expertise and commitment
- Undergoing any individual and board performance management and taking part in any development highlighted as a result of the process.
- Safeguarding and promoting the good name and reputation of the Association

Chair – specific responsibilities

- Lead the development of the Association, including determining the strategic direction and business planning
- Monitor the performance of Board members by agreeing key targets and success criteria
- Work with the Director of Development on Board development, induction and succession planning
- Oversee the development of regional branches and activities and provide support for the Regional representatives
- Work with other Directors to raise the profile of the Association both regionally and nationally
- Develop links and effective working relationships with partner organisations, Government departments and agencies

- Lead on the running of the Association' annual Awards
- Formulate strategic plans and regular review of long-term strategic aims of the charity.
- Work with the Board Secretary to manage the annual cycle of Board meetings, meeting agendas, chair and facilitate meetings, monitor decisions taken at meetings and ensure they are implemented.
- Liaise with the Director of Finance to maintain a clear grasp of the Association's financial position and to ensure full and timely financial transparency and information disclosure to the Board.
- Lead and mentor other Board members to fulfil their responsibilities and enable access to training/coaching/information to enhance the overall contribution of the Board.
- Represent the Association as a spokesperson at appropriate events, meetings or functions.



DIRECTOR ROLE PROFILE: Vice Chair

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Vice Chair – specific responsibilities

- Support the Chair with the development of the Association including determining the strategic direction and business planning
- Work with the Chair to develop regional branches and activities and provide support for the Regional representatives
- Help to raise the profile of the Association both regionally and nationally
- Develop links and effective working relationships with partner and Government organisations
- Work with the Director of Development in the organisation of the annual conference
- Deputise for the Chair as required
- Identify and co-ordinate responses to any relevant consultations

- Provide support and assistance to the Chair in carrying out his responsibilities, acting as a 'critical friend' and sounding board
- Taking on specific responsibilities or projects from the Chair as required.



DIRECTOR ROLE PROFILE: Director of Finance

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Director of Finance – specific responsibilities

- Develop the financial appraisal of the Association’s strategic plans and the alignment of budgets to both short-term and long-term objectives
- Provide financial forecasts and supporting information to support business planning
- Oversee planning and budgeting processes with the Board and constructively challenge where required
- Manage the Association’s bookkeeper to ensure that all financial records are accurate and up to date
- Liaise with the Association’s bookkeeper to prepare and produce regular accounts
- Liaise with the Association’s accountants and external auditors
- Guide and advise Board members to formally approve the annual report and audited accounts.
- Keep the Board informed of reserves position regularly and advise to cope with changing circumstances.

- Ensure proper accounting records are kept, financial resources are controlled, invested and economically spent in line with governance, legal and regulatory requirements.
- Lead in the development and implementation of financial reserves, cost management and investment plans
- Seek to increase the Association's income through sponsorship and commercial activities etc.
- Provide advice and guidance in terms of the Association's fees and charges



DIRECTOR ROLE PROFILE: Director of Development

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Director of Development – specific responsibilities

- Oversee the running, development and evaluation of the Association’s qualifications, ensuring that they continue to meet the needs of the sector
- In consultation with others, develop an annual training programme for the Association
- Work with partners to develop the training and development activities offered by the Association
- Manage the contract for administering the annual training programme
- Provide information to the Board on the Association’s training activities
- Ensure that all training and qualification activities are quality ensured to provide a high standard of learning and development to members and others
- Lead on the strategic direction for training activities as part of the Association’s Business Plan

- Work with the Chair to develop Board members, ensuring that the Board has the right mix of skills and knowledge and that any new members receive an induction to their role
- Support succession planning for Board Members
- Co-ordinate the running of the Association's Annual Conference and Awards.
- Provide guidance on training brochures and materials as appropriate
- Recruit, develop and co-ordinate a pool of trainers / facilitators to deliver the Association's training programme
- Work with the Director of Finance to monitor the income, expenditure and profit for all training activities including the qualifications



DIRECTOR ROLE PROFILE: Director of Communications

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Director of Communications – specific responsibilities

- Oversee the development, implementation and evaluation of a Communications strategy for the Association
- Develop and manage the Association’s website:
 - Ensure that new and consistent information (articles, news and events) is posted regularly
 - Check that all website content is kept up to date
 - Train any new website administrators and oversee all those posting content on the website
 - Monitor the content of the Members’ Forum
- Manage the content and distribution of all electronic and print communication including newsletters (Democracy Direct), brochures, e-alerts and press releases
- Ensure that promotional material is available for any events attended by Board members such as regional and national conferences

- Develop and manage the Association's social media presence to ensure up to date and consistent messages are communicated regularly
- In conjunction with other Board members, help to raise the profile of the Association with partners and within other sectors
- Work with the Board Secretary to increase the engagement of the Association's members
- Obtain feedback from Members on the current and future services provided by the Association
- Work with the Chair and Vice Chair to increase the Association's membership



DIRECTOR ROLE PROFILES – Company Secretary

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BOARD SECRETARY SPECIFIC RESPONSIBILITIES

- Organising Board meetings and facilitating the smooth operation of the company’s formal decision making and reporting processes
- Ensuring that an Annual General meeting is held in accordance with the requirements of the Companies Act and the company’s Articles of Association
- Ensuring that the Association complies with its Memorandum and Articles of Association
- Maintaining all of the relevant statutory registers as required by the Companies Act
- Filing information with the Registrar of Companies to report certain changes regarding the company or to comply with requirements for periodic filing and other returns
- Co-ordinating the publication and distribution of the company’s annual report and accounts and interim statements, in consultation with the Director of Finance

- Continually reviewing developments in corporate governance; facilitating the proper induction of Directors into their role with the Director of Development; advising and assisting the Directors with respect to their duties and responsibilities
- Monitoring and laying in place procedures which allow for compliance with relevant regulatory and legal requirements, particularly under the Companies Acts
- Maintaining up to date membership lists and circulating these to Board Members as appropriate
- Providing new members with passwords and access to the Association's website and deleting those who cease membership