

# non-executive board and committee members policy

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**believe**  
housing

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## section 1

# introduction

- 1.1 This policy applies to all non-executive Board and Committee members. A separate policy has been produced for the Values Group.
- 1.2 The purpose of this policy is to set out the criteria that will be used to identify and recruit Board members to the Board and its Committees and to detail the procedures to be followed to ensure that it is consistent with best practice and regulatory requirements. We appoint on a skills basis across our governance structure in an appropriate, timely and skilled manner.
- 1.3 The policy aims to ensure that the Board and its Committees have the appropriate balance of skills, qualities and experience to enable them to discharge their respective duties and responsibilities effectively.
- 1.4 The policy aims to ensure a membership which includes people from diverse backgrounds and with diverse attributes to provide healthy debate and challenge from a range of perspectives.
- 1.5 The policy provides a procedure which will ensure that prospective members are assessed against objective criteria.
- 1.6 This policy sets out the procedures to be followed when recruiting to the Board and its Committees in accordance with the Rules of the organisation and/or this document and terms of reference.
- 1.7 The purpose of the recruitment and selection process is to attract and select the best candidates for the relevant posts.
- 1.8 Policies and documents relevant to this policy include, but are not limited to:
  - Rules of the Organisation
  - Agreement for Services
  - Role Profiles
  - Board and Committee Terms of Reference
  - Skills set and associated matrices

## section 2

# summary of applicable rules

- 2.1 We are represented by a Board that is made up of up to twelve Board Members (including co-optees) or such other number as may be determined by the Board from time to time with provision in our Rules allowing:
- Up to Two Board Members may be Residents
  - Up to Two Board Members may be nominated by the Council
  - Up to Two Board Members may be Executive Directors
- 2.2 No employee may be appointed (or co-opted) to the Board if, following their appointment (co-option), more than one-third of the Board will at that time be employees.
- 2.3 No one can become or remain a Board member, a Committee member or co-optee at any time if:
- they are disqualified from acting as a director of a company, as a Board member of another registered society or as a charity trustee for any reason; or
  - they have been convicted of an indictable offence which is not, or cannot be, spent; or
  - a composition is made with that person's creditors generally in satisfaction of that person's debts; or
  - they have failed to attend at least four consecutive meetings of the Board or committee (as the case may be) without special leave of absence from the Board or relevant committee; or
  - a registered medical practitioner who is treating that person gives a written opinion to the association stating that that person has become physically or mentally incapable of acting as a Board member, co-optee or committee member and may remain so for more than three months; or
  - they are a Resident and in the opinion of the Board are in material or serious breach of their tenancy agreement or lease or are subject to a possession order or are in breach of a suspended possession order, or are subject to any of the following types of court order: anti-social behaviour injunction, demoted tenancy, or closure order; or
  - they are a Resident and the Association has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the Association provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a Board Member, co-optee or committee member upon failed to meet the terms of the order; or
  - they are an employee and their contract for employment is terminated;
  - and any Board member, co-optee or committee member who at any time ceases to qualify under the above rule shall immediately cease to be a Board member, co-optee or committee member (as appropriate)

## section 3

# summary of the requirements under the nhf code of governance 2020

- 3.1 The main requirements under the National Housing Federation (NHF) Code of Governance 2020 (the Code) are outlined in principle 3: board effectiveness which includes requirements stating the Board has a diverse membership with the collective skills and attributes needed to govern effectively, with prospective Board and Committee members undergo an open and merit based assessment process to establish their suitability This will also be applied to Committee Members.
- 3.2 The Code requires that where the organisation’s constitution provides for one or more Board members to be nominated or directly elected, the organisation must ensure that those coming forward have the necessary attributes and qualities, and that they are aware of the responsibilities of the role, including those of exercising independent judgement. This provision will apply equally to nominees to any part of the governance structure of the organisation. New Board (or Committee) members must not be appointed without undergoing a due selection and assessment process to establish their suitability.

## section 4

# summary of delegated responsibilities in accordance with the terms of reference

- 4.1 The Remuneration, Nominations & HR Committee has delegated authority in accordance with its Terms of Reference to make recommendations to the Board on the appointment (and removal) of Board members, Chairs and Vice Chairs of the Board and all Committees (other than that Committee which Board appoints directly to). Values Group appointments are recommended to Board by Remuneration, Nominations and HR Committee as defined in their Terms of Reference. The Committee must identify candidates for appointment based on skills and competencies appropriate to the organisation, using external advisors where appropriate and ensuring that a fair and transparent methodology is adhered to throughout the appointment and removal processes.
- 4.2 The Remuneration, Nominations and HR Committee also has the responsibility to make recommendations to the Board for the re-appointment (or not) of Board or Committee members at the conclusion of their specified term of office.
- 4.3 In accordance with its Terms of Reference, the Board has responsibility to appoint (and remove) members, Chairs and Vice Chairs of the Board and Committees. following recommendations by the Remuneration, Nominations and HR Committee. The Values Group Terms of Reference make explicit provision for Board making appointments to it and this Policy clarifies that removal is also the role of the Board.

## section 5

# board member/committee member recruitment procedure

- 5.1 When a vacancy for a Board or Committee or member arises or is expected to arise due to the retirement of a member who is approaching the end of their appointed term of office or maximum term of office or where a resignation occurs, the skills matrix will be used to establish any potential gaps which may arise on the Board or Committee. The skills set may be reviewed by the Remuneration Nominations and HR Committee to ensure that it remains current and takes into account new activities and potential risks. The Remuneration, Nominations and HR Committee may also consider equality and diversity profile data alongside any actions agreed by Board in relation to this. An independent advisor may be appointed by the Secretary from the outset of the recruitment process (before a panel is formed under paragraph 5.13 below).
- 5.2 Prior to a vacancy being advertised, a check of the current reserve list (see paragraph 5.23 below) will be made to see if there are any suitable candidates. If a suitable candidate is identified from the list, he/she will be invited for interview to ensure their skills are still relevant with a view to appointment without an external recruitment campaign.
- 5.3 Potential candidates known to existing Board members or senior staff through a variety of networks and thought to possess the appropriate skills and experience may be contacted and invited to respond to the advertisement.
- 5.4 It is intended that the Values Group will be used as a means of developing potential Board members. When a vacancy to the Board arises, members of the Values Group will be invited to declare their expression of interest in being considered for the role alongside any interested external candidates.
- 5.5 Should no suitable candidate be identified from the current reserve list, external applicants will be sought and as the organisation naturally transitions to single status, recruitment for any vacancy will be advertised through various channels such as advertising in relevant publications, newspapers, social media and public awareness events as deemed appropriate by Remuneration, Nominations and HR Committee. Durham County Council will also be asked if they wish to nominate candidates for interview that meet our skills requirements. A natural transition would occur when a Board Member:
- a. reaches their retirement time limit; or
  - b. resigns prior to the end of their current term; or
  - c. reaches the end of their existing term and does not seek or is not offered reappointment.
- 5.6 At this point the Remuneration Nominations and HR Committee will consider whether or not a recruitment consultant will be approached to identify and approach potential candidates.
- 5.7 In order to ensure people with direct lived experience of (or particular insight into) the communities served by the organisation are meaningfully engaged in the governance structure, geographical representation and knowledge of the areas which make up the organisation, the recruitment campaign will primarily concentrate on attracting candidates who have a strong connection with or reside within the North East of England although other exceptional candidates will be considered.
- 5.8 Applications will only be accepted for candidates aged 18 and over.
- 5.9 Upon request, all interested candidates will be sent a Recruitment Pack and invited to apply for the position.

- 5.10 The Pack will include as a minimum:
- Introduction to the organisation and welcome letter from the Chair
  - Terms of Reference
  - Role Profiles(s)
  - Skills Requirements and Skills Audit form
  - Declaration of Interest form
  - Eligibility checklist
  - Equality and Diversity monitoring form
- 5.11 As part of their application, all candidates will be requested to demonstrate how their skills and experience will be of benefit to the Board/Committee.
- 5.12 As part of the application, eligibility criteria consent will be obtained which will ask every candidate to confirm they comply with the Rules across the organisation. Checks will be carried out in respect of applications received from tenants (residents)/leaseholders to ensure compliance with Rules D8.6 and D8.7.
- 5.13 The Interview Panel or appointed independent advisor sitting alongside any /members of the Interview Panel will assess the applications received based on a list of requirements in line with the skills matrix to create a longlist.
- 5.14 Shortlisting will be conducted by the Interview Panel, with assistance from the independent advisor and/ or Governance Team as appropriate. Short-listed candidates will be invited to attend an interview with the Interview Panel. Alternative interview methodology such as via virtual platforms, such as Microsoft Teams, will be considered in exceptional circumstances.
- 5.15 The Interview Panel will be formed comprising of the Chair of the Board, Senior Independent Director (SID), Chair or Vice Chair of the Remuneration, Nominations and HR Committee and a member of the Executive Management Team. An independent advisor appointed by the Secretary may sit alongside the Interview Panel and a member of the Governance Team will provide support in an advisory capacity.
- 5.16 Consideration will also be given at this stage to any potential conflicts of interest which may arise. The Interview Panel must be mindful of potential conflicts of interest which can arise where employees and/or Board members of other housing providers sit on the organisations Board and/or Committees.
- 5.17 Individuals who are employees and/or Board members of other housing providers can provide an excellent source of relevant skills and expertise, but potential conflicts must nevertheless be managed. The number of employees and/or Board members of other housing providers should be limited to a number which ensures that conflicts can be appropriately managed, and this should be assessed by the Board from time to time and on a case by case basis. Their ability to be appointed to the Remuneration, Nominations and HR Committee must also be carefully considered by Board to ensure there is no indirect or perceived duality or conflict of interest.
- 5.18 Candidates who are not shortlisted will be advised accordingly.
- 5.19 Candidates must disclose whether any of their activities or membership of other organisations might lead to a conflict of interest with the organisation's work. Candidates must also disclose during the recruitment process any issue which may automatically prevent them being admitted as a Shareholder/Board member as defined in the Rules. The Interview Panel will agree a set of questions, as set out below, which will provide the candidate with an opportunity to disclose whether any of their activities or membership of other organisations might lead to a conflict of interest with our work.

- 5.20 The interview will provide sufficient time for discussion about the role and give opportunity for the Panel to gain an understanding of how the candidates experience, skills and capabilities are relevant to the position, as well as how the candidate would fit with the values and behaviours of the business. Interview questions will be agreed by the Interview Panel, with assistance from the independent advisor and/ or Governance Team as appropriate.
- 5.21 Interview questions will allow candidates sufficient time to give considered answers and examples. These, as well as the scoring of interviews will be agreed by the Panel in advance of interviews. The independent advisor and/ or Governance Team can provide advice to the Panel, if necessary, during both the scoring and final deliberations.
- 5.22 Candidates will be notified by telephone by the Chair of the Interview Panel/the independent advisor and in writing of the outcome of the interview.
- 5.23 The Interview Panel recommendations will be presented to the Remuneration, Nominations and HR Committee, who will then make recommendations to the Board in respect of Board and Committee appointments. Values Group appointments are detailed within the separate policy (see paragraph 7 below).
- 5.24 In the event that there are more suitable candidates than there are vacancies, those candidates who are deemed to be appointable but due to the competition cannot be appointed, will be placed on a reserve list (should they wish to). The reserve list will only remain valid until the next September General Meeting following their inclusion on the list or such other period as the Board determine but no longer than the second September General Meeting after listing.
- 5.25 Reserve candidates may be invited to attend Strategic Planning Events and training, as appropriate, to assist with future appointments/ in anticipation of a further Board member vacancy becoming available. Should a Board member vacancy be expected to arise, a reserve candidate with the required skills and attributes may be interviewed and an appointment agreed by the Board to commence at a later date (which should be no later than 12 months to ensure skills requirements are up to date). The candidate may be invited to observe Board and relevant Committee meetings as agreed by the Board, following completion of a confidentiality agreement.
- 5.26 Following confirmation of the appointment, all Board Members/Committee Members including Co-opted Members will be expected to sign an Agreement for Services and Acceptance of Obligation form.

## section 6

# council board and committee members

- 6.1 When a vacancy for a Council Board Member arises and should we wish to appoint a further Council member, the Council will be requested to make a nomination in accordance with Rule D10.
- 6.2 Discussions will take place with the Council to ensure that as far as possible Council nominees have the necessary skills and expertise as required by the organisation.
- 6.3 Council nominees will be required to follow the recruitment process as detailed above.
- 6.4 To ensure a fair and transparent process and to avoid potential conflicts of interest, a serving council Board member may not form part of the Interview Panel for a council Board member position.

## section 7

# values group

- 7.1 Recruitment to the Values Group will also be through the recruitment process detailed at Appendix 2B.
- 7.2 Members of the Values Group will be appointed by the Board, following recommendations from the Remuneration, Nominations and HR Committee.
- 7.3 Board members may not serve on the Values Group.

## section 8

# executive board members

- 8.1 The Board may appoint two executive Board members. This recruitment policy does not apply to executive Board Members, however, in accordance with the Rules, they cannot remain a Board member if their contract of employment is terminated.

## section 9

# board member tenure and terms of office

- 9.1 All members will be appointed for a fixed term of up to three years. If it deems it appropriate, the Board can set shorter terms e.g. in order to stagger retirements and ensure continuity or better reflect skills needs and review performance on a more regular basis.
- 9.2 In line with the Code, Board members will normally serve up to six consecutive years (typically comprising two terms of office), but where a member has served six years, and the Board agrees that it is in the organisation's best interests, their tenure may be extended up to a maximum of nine years, reviewed annually.
- 9.3 No Board member may serve beyond nine consecutive years in office (and for this purpose time served on the Board of any predecessor of the Association shall be counted), other than where the Board agree that circumstances exist where it would be in the best interest of the Association for a Board Member to serve for a longer period. Any proposal to serve beyond nine years would be the exception and require appropriate engagement with the Regulator before reaching a conclusion.
- 9.4 Any Board member having completed nine years' continuous service (or nine years' continuous service plus any extended period agreed by the Board under rule D12) on the Board shall not be eligible for re-appointment until one full term of office (3 years) has expired.
- 9.5 In accordance with the Code, any term served by a Values Group member who is then appointed to Board, would not count towards the overall tenure limit.

## section 10

# co-optees

- 10.1 The Board may appoint co-optees to serve on the Board on such terms as the Board resolves. However, no more than three co-optees can be appointed to the Board or any Committee at any one time and in no circumstances can the overall makeup of the Board be more than 12 members.
- 10.2 Co-optees could be appointed to the Board where specific skills are required (which are not currently available on the Board and usually for a short period of time), for time limited projects or in any other circumstance the Remuneration, Nominations and HR Committee deem it appropriate to make such a recommendation to Board.
- 10.3 The terms of appointment and requirement to undertake to comply with statements of obligations/codes of conduct etc would be determined by Board on the recommendation from the Committee as detailed above.

## section 11

# recruitment and selection process for chair positions of the board and committees

- 11.1 When the Chair of the Board announces his or her intention to resign, or is approaching the end of their appointed term, existing Board members will be invited to apply for the position, prior to an external recruitment campaign taking place.
- 11.2 When the Board Vice-Chair announces their intention to resign, or is approaching the end of their appointed term, existing Board members will be invited to express an interest to the Secretary/ Governance Team. The same approach will be followed in the event of Committee Chair/ Vice Chair announcing their intention to resign, or is approaching the end of their appointed term.. These expressions will be considered by the Remuneration, Nominations and HR Committee and appropriate recommendations made to the Board.
- 11.3 Any contest will, at the discretion of the Board, be held by secret ballot.

## section 12

# appointments to the audit committee, remuneration nomination and hr committee, performance and standards committee and development & investment committee

- 12.1 In accordance with appropriate Terms of Reference, Committee members will be selected by the Board, following recommendations from the Remuneration, Nominations and HR Committee on the basis of their expertise and experience in the areas delegated to the relevant Committee and; they will serve for a maximum of three years and may be reappointed for up to two further three year terms if they hold the appropriate skills required at that time and add value.
- 12.2 Recruitment to the Audit Committee will continue to ensure membership includes at least one person with recent and relevant financial experience, proportionate to the size and complexity of the organisation, in line with requirements of the Code.

## section 13

# induction

- 13.1 Following approval of the appointment by the Board, we will support all new Board Committee and Values Group members with a programme of induction in accordance with the Board and Committee Member Induction Process. (See Appendix 3 of the Renewal and Succession Strategy for Non- Executive Board Members and Committee Members).

## section 14

# training and development plan

- 14.1 To support Board, Committee and Values Group members to fulfil their roles and responsibilities, we offer a detailed plan of training and development. This is developed based on the training needs of individual members and the Board and Committees as a whole and is identified during the induction/appraisal process. This plan also identifies training and development for Values Group members.

## section 15

# succession planning

- 15.1 In line with the Renewal and Succession Policy for Non-Executive Board Members and Committee Members, we will be proactive in looking at its future needs in terms of Board and Committee composition, skills and experience, planning for and where desirable, encouraging turnover in membership..

