

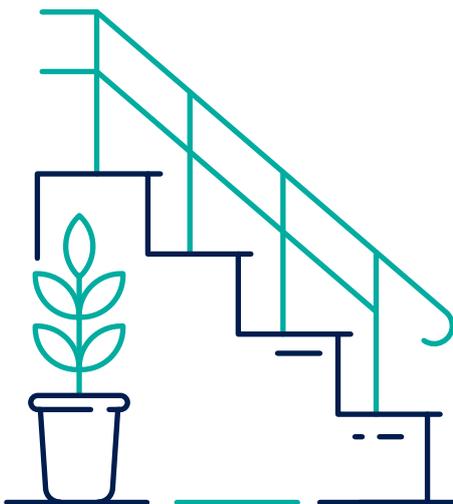
renewal and succession for non-executive board and committee and values members policy

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believe
housing

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section 1

introduction

- 1.1 Good governance is at the heart of any successful organisation and the foundation of good governance is a balanced, diverse and effective Board which leads and controls the organisation and ensures compliance with its legal requirements. Good governance is business-critical for registered providers (RPs) and it is of utmost importance to have the right people with the right skills who work together with the right team culture.
- 1.2 The Renewal and Succession Policy for Non-Executive Board Members Committee and Values Group Members has been developed to provide a framework to ensure that we fulfil the legal and regulatory requirements. It clearly sets out the position on Board member renewal, succession and recruitment. Any reference to “Member” relates to any non-executive individual appointed to the Boards, Committees or Values Group.
- 1.3 This Policy will provide a framework to ensure the Board is effective in delivering our vision of **we believe in a life without barriers.**
- 1.4 The production of and adherence to this Policy will ensure compliance with the National Housing Federation (NHF) Code of Governance 2020 (the Code), compliance with the Governance and Viability Standard
- 1.5 The Remuneration Nominations and HR Committee has delegated authority to regularly review (at least annually) the Renewal and Succession Policy for Non-Executive Board Members, Committee and Values Group Members and whenever we are about to undertake new activities which may expose new risks, recommend changes to the Board.

section 2

context

- 2.1 Since the establishment of the organisation in 2015, there have been significant changes to the operating context of the social housing sector including regulatory changes, welfare policy changes and ongoing pressure and uncertainty from the broader economic climate. These create more risk, opportunity and require boards to be appropriately skilled and aware of the challenges and choices that are required.

There have been significant issues impacting upon Social Housing; including:

- Revised regulatory framework
- Reduced public funding for social housing
- Welfare reform and housing policy
- More complex finance and development activities
- Diversification away from just social housing and into more commercial activities
- Social housing rent reduction
- The impact of the Grenfell tragedy leading to changes in safety and compliance
- The decarbonisation agenda
- The 2020 White Paper – A Charter for Social Housing Residents ONS re-classification of RP’S and the subsequent de-regulation agenda reinforcing the need for good and effective governance

- 2.2 Following an In-Depth Assessment undertaken by the Regulator during January to March 2020 we retained our G1 for governance and V2 for viability grading.
- 2.3 The NHF reviewed the 2015 Code and published the 2020 Code which we adopted in April 2021. The 2020 Code contains an explicit requirement referenced at 3.7.1 that the Board has a strategy for its own renewal which is based on an agreed statement of the skills, qualifications and other attributes required.
- 2.4 Board members have both an individual and collective responsibility to ensure that they have the right skills to carry out their duties.
- 2.5 The environment for RPs requires a continued focus to ensure finances are robust, and that governance is effective and able to understand and navigate the increased risk. It is therefore essential that the Board, Committees and Values Group are equipped and appropriately skilled to meet these challenges.
- 2.6 This Policy sets out how we will equip ourselves to deliver effective governance, through ensuring that Board members have the required skills to fulfil their roles.

section 3

board committee and values group member recruitment

- 3.1. The Code requires that recruitment to Board vacancies must ensure that the Board has a diverse membership with collective skills and attributes to govern effectively. Board members must undergo an open and merit based assessment process to establish their suitability.
- 3.2. In November 2014, the Board approved a Board Member Recruitment and Succession Policy and in May 2019 a separate recruitment process for Values Group Members. This continues to take account of the requirements of the Code, changes to the Rules and the introduction of revised Terms of Reference to reflect the governance structure. In line with requirements this is reviewed annually.
- 3.3. To assist in identifying the most appropriate individuals for appointment to the Board and its committees, we operate in accordance with the following:
 - 1. Terms of Reference (within standing orders)
 - 2. Role Profiles (attached as Appendix 1)
- 3.4. The Recruitment Policy for Non-Executive Board Members and Committee Members is attached to this Policy as Appendix 2A. Appendix 2 B is the Values Group process believe housing will take the opportunity, as part of its regular effectiveness of governance arrangements reviews, to consider Executive Membership to ensure this remains appropriate and such a review will be undertaken in the event any Executive Board Member leaves our employment.
- 3.5. This Policy and the supporting documentation has been carefully considered alongside the requirements of the Regulatory Framework (RSH April, 2015) to ensure compliance, particularly in terms of expectations in the Governance and Viability Standard around having an appropriately skilled Board to manage the affairs of the business and in ensuring the effectiveness of the governance arrangements.

section 4

board committee and values group member induction

- 4.1. The induction process should provide information on the role and responsibilities of the Board as well as tailored information for each individual Board member.
- 4.2. We acknowledge the importance of supporting new Board members to settle into their new role and have developed the attached Board, Committee and Values Group Member Induction Process (Appendix 3) to provide clarity in respect of members responsibilities and to equip new members with information to help them carry out their role efficiently and effectively.

section 5

board committee and values group member training and development

- 5.1. A Training and Development Programme has been developed (annually approved and reviewed by Remuneration Nominations and HR Committee) taking into account the training identified during the Board Committee and Values Group Member appraisals. This is further informed by the skills matrix. Consideration has also been given to the skills required in line with the approved role descriptions and Board Committee and Values Group terms of reference. Sitting behind this programme, each Board member has their own individual plan. The Remuneration Nominations and HR Committee oversee and monitor progress against the Training and Development Plan.
- 5.2. The provisions within the Code (3.9.4) in respect of learning and development state “All members have an agreed programme of ongoing learning and development opportunities. This includes addressing any needs identified through the appraisal process”.
- 5.3. Every attempt will be made to make training as accessible as possible, however, failure to attend appropriate training and development sessions will be addressed in accordance with the Board Member/Committee Member and Values Group agreement for services, Board Member/Committee Member and Values Group Acceptance of Obligations Form and, where necessary, the Disciplinary Policy.
- 5.4. We will encourage training both to develop personal skills and to broaden knowledge and understanding of all areas of our work and of the wider housing sector.
- 5.5. It is the individual responsibility of members to ensure that they update their skills and participate in the training provided and to take responsibility for their own personal development.
- 5.6. Where the Member does not meet the skills profile, this will be addressed through training and through recruiting Board/Committee/ Values Group members with the relevant skills or procuring specialist advice as required on relevant topics. Additionally, Provision 3.3.2 of the Code allows for the Board to appoint co-optees Our rules at D5 allow for the appointment of Co-optees to serve the organisation on such terms as it resolves.
- 5.7. Guidance within the Code advises that learning and development activity should be based on an analysis of the needs of individuals and the Board as a whole to ensure that individuals remain up to date and continue to add value to the work of the Board.
- 5.8. The Training and Development Plan and training budget will be agreed annually to ensure that members receive the training they require to allow them to fulfil their roles and responsibilities.

section 6

appraisal

- 6.1. The Code at 3.10 states that “A full, rigorous and documented appraisal process for the individual members of the Board and its Committees, including the Chairs, is carried out at least every two years.”
- 6.2. It is intended that the individual Board member appraisal process will continue to be facilitated by consultants for 2020/21 and 2021/22 and then this position will be reviewed at the end of the approved three year appraisal process.

Skills Assessment and Individual and Collective Board Member Appraisals:

- 6.3. A skills matrix and development plan for the Board, Committee and Values Group members is in place and reviewed at least annually in line with changes to corporate priorities, changes in the operating context of the organisation and changes in Board, Committee and Values Group membership.
- 6.4. Individual Board member skills assessments and development plans have continued to be agreed as part of the individual appraisal process.
- 6.5. Appendix 4 is the skills matrix which takes into account sector best practice, believe housing’s corporate objectives and member role profiles and person specifications. Board members self-assess their skills against the skills matrix using the four -point scale below to identify the depth of their skills in each of the areas:
 - 1 You need significant development in this area before you can fully contribute to Board discussion.
 - 2 You have some understanding of this area, but further development is needed to be able to fully contribute to Board discussion.
 - 3 You have a good level of knowledge of this area and regularly contribute to / promote Board discussion.
 - 4 You are an expert in this area with current skills and knowledge.
- 6.6. The individual skills assessments will continue to be combined and analysed to identify any gaps in addition to feeding into the collective board development plans, will be used as an important tool for succession planning.

Collective Board Appraisal:

- 6.7. believe housing carries out individual Board and Committee member appraisals and a collective Board appraisal process in accordance with the Code. Additionally, in accordance with good practice, a collective appraisal of the Audit Committee, Remuneration Nominations and HR Committee, Performance and Standards Committee, Development and Investment Committee (from 2022) and Values Group is also undertaken as detailed in Appendix 5A. The Annual Development Support and Development Review for the Values Group is detailed at Appendix 5B.

The Chief Executive’s Appraisal:

- 6.8. The Chief Executive is appraised in both their capacity as an Executive Board Member and Executive role. Any other Executive Board Members similarly be appraised in both their role as an Executive and in their role as an Executive Board Member. A copy of the Chief Executive Appraisal Process is attached as Appendix 6.

section 7

board, committee and values group succession planning

- 7.1. It is important to be proactive in looking ahead at future needs in terms of Board/Committee/ Values Group composition, skills and experience. The Code highlights the requirement to have a Policy that balances the need for experienced members with that for new thinking and independent challenge and also provides for review whenever we are about to undertake new activities or become exposed to new risks.
- 7.2. We will plan ahead, and on an annual basis, to develop the skills needs generally, and as part of the appraisal/recruitment process so that the Board its Committees and Values Group comprises of effective and skilled members who contribute to a properly governed organisation.
- 7.3. Succession planning is a way of ensuring that the Board/Committees/Values Group remain effective and able to achieve high standards of governance. Planning ahead for succession is vital and it is essential to know when members are due to retire/be aware of terms of appointments including the maximum tenure which for non-executive Board members has been agreed at 6 years.
- 7.4. 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.
- 7.5. When considering terms of office, it should be noted that in accordance with the Code 3.7.5 states that provisions concerning tenure apply to office held across all of the organisations Boards and Committees and those of predecessor organisations including service as a co-optee, save where the Board agree that circumstances exist where it would be in the best interest of the believe housing for a Board Member to serve for a longer period. Any proposal to serve beyond 9 years will be the exception and require appropriate engagement with the Regulator before reaching a conclusion.
- 7.6. We will be proactive in looking at our future needs in terms of Board, Committee and Values Group composition, skills and experience planning and encouraging, where desirable, turnover in membership.
- 7.7. Wherever possible, members should notify the Chair of their intention to resign giving as much written notice as possible.
- 7.8. It is intended that the Values Group will be utilised as a means of "developing" potential Board members and members of that group will be encouraged and offered support to facilitate their development to enable them to be considered for a future role on the Board.
- 7.9. To assist the succession planning process, we provide a mentoring programme for members.
- 7.10. The Recruitment Policy for Non-Executive Board Members and Committee Members will ensure that recruitment of individuals is targeted at those who have the required range of skills and experience necessary to discharge their duties effectively and will ensure future renewal continues to be based upon the activities, risks and needs of the organisation. Wherever possible we will look to address areas of under-representation and inclusion in its recruitment. Recruitment to the Values Group will maintain a focus on behaviours in accordance with Appendix 2B.

- 7.11. With regard to succession of the Chair of the Board, the Vice-Chair will be offered the opportunity to Chair at least one Board meeting during the financial year.
- 7.12. With regard to succession of the Chair of the Committees, each Committee Vice-Chair will be offered the opportunity to Chair at least one Committee meeting during their one year appointment. The same opportunity will be afforded to the Values Group Chair and Vice Chair.
- 7.13. The Board is responsible for succession planning and has delegated the responsibility for making recommendations to it around such planning to the Remuneration Nominations and HR Committee.

section 8

conclusion

- 8.1. This Renewal and Succession Policy will enable us to attract and retain the best talent, with the right skills, knowledge and experience to help deliver the organisations strategic aims and objectives. The Policy will be reviewed at least annually to ensure it continues to be based upon the activities, risks and needs of the organisation.
- 8.2. It is the responsibility of the Board to approve any changes to the Renewal and Succession Policy following recommendations from the Remuneration Nominations and HR.
- 8.3. In accordance with best practice, this Policy will be published on the organisation's website.

