

Renewal and Succession policy for Board, Committee and Customer Voices Members

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1. Policy Statement

- 1.1. This Policy and its supporting documents will enable us to attract and retain the best talent, with the right skills, knowledge, and experience to help deliver our strategic aims and objectives. It provides a framework to ensure the Board is effective in delivering our vision of “**we believe in a life without barriers**” and is a key document to ensuring good governance.
- 1.2. The production of and adherence to this Policy will ensure compliance with our adopted the Code of Governance (NHF Code of Governance 2020, “the Code”) and compliance with the Regulator for Social Housing Governance and Financial Viability Standard. The Code contains an explicit requirement for the Board to have a strategy for its own renewal which is based on an agreed statement of the skills, qualifications, diversity, and other attributes required.

2. Policy Aims

- 2.1. The Board should have a diverse membership with the necessary skills and attributes to govern effectively. This should be an appropriate balance of skills and experience and aligned to the current and future needs of the business.
- 2.2. Succession planning allows the Board to ensure it remains effective and able to achieve high standards of governance and links directly to our Corporate Plan objective to be a sound, secure and sustainable business. It is based on an analysis of the skills and experience required to deliver our Corporate Plan objectives.
- 2.3. It is essential to know when Board member terms are due to expire or reach maximum tenure, to ensure that future appointments fulfil skills requirements, as well as requirements of key governing documents including our Rules, Code of Governance and the Governance and Financial Viability Standard. Appointed Board members should also share our vision and values and be a cultural fit.
- 2.4. We need to be proactive in looking at future needs in terms of Board, Committee and Customer Voices composition, skills, and experience and in line with the requirements of the Code.

3. Scope

Succession Planning

- 3.1. This Policy (and supporting policy documents) covers the renewal and succession arrangements for Board and Customer Voices members. Supporting documents include:
 - **Executives on the Board Policy (Appendix A)**
 - **Recruitment Policy for Non-Executive Board and Committee Members (Appendix B)**
 - **Customer Voices Recruitment Policy (Appendix C)**

- **Role Profiles**
- **Skills Set**
- **Induction Procedure**
- **Chief Executive Appraisal Procedure**
- **Board member Appraisal Procedure**
- **Customer Voices Appraisal Procedure**
- **Training and Development Plan**

- 3.2. The Board will be proactive in looking at its future needs in terms of Board composition, skills, and experience to ensure it retains the ability to govern effectively. The policies, procedures and documents supporting this Policy together form the key elements of succession planning.
- 3.3. Appointments and removals will be made in line with provisions contained within Board and Committee Terms of Reference. Board members should be appointed on a systematic and continuous basis to avoid greater changes at infrequent intervals. Our Rules are clear that no Board member may serve more than nine consecutive years and in line with the Code, Board members will normally serve up to six consecutive years (typically comprising two terms of office). Where a member has served six years, and the Board agrees that it is in the organisation's best interest, their tenure may be extended up to a maximum of nine years, reviewed annually. This is considered on a case-by-case basis and there should be no assumptions that Board members will hold their role for the maximum tenure, that it will apply to all Board members, or become the norm.
- 3.4. Where a Board member is approaching the end of their term and is eligible for reappointment, this will be subject to consideration of their performance and skills as well as the needs of the Board, as part of the appraisal procedure.
- 3.5. Board members should notify the Chair as soon as reasonably possible of their intention to resign from the Board. All members leaving the Board will be offered an exit interview to feedback their membership experiences which will be used to inform the organisation of its effectiveness of governance.
- 3.6. Prior to a recruitment campaign commencing, the Board will consider the skills and experience requirements set out in the Board member role profile, as well as matters relating to equality, diversity of thought and lived experience.

Board Composition

- 3.7. Our Rules determine the composition of our Board including that it shall consist of up to twelve Board Members (including co-optees).

Co-optees

- 3.8. The Board may appoint co-optees to serve on the Board on such terms as the Board resolves. No more than three co-optees can be appointed to the Board or any Committee at any one time and the total permissible number of Board members is never more than 12.

- 3.9. Co-optees can be appointed to the Board where specific skills are required (which are not currently available on the Board), 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.
- 3.10. The terms of appointment and requirement to comply with statements of obligations/codes of conduct etc would be determined by Board on the recommendation from the Committee as detailed above.

Board Member Tenure and Terms of Office

- 3.11. All members will be appointed for a fixed term of up to three years. The Board can set shorter terms if it deems it appropriate, for example, to stagger retirements and ensure continuity or better reflect skills needs and review performance on a more regular basis.
- 3.12. 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.
- 3.13. 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.
- 3.14. In accordance with the Code, any term served by a Customer Voices member who is then appointed to Board, would not count towards the overall tenure limit.

Appointments to Committees

- 3.15. The Board will appoint Committee members based on their expertise and experience in the areas delegated to the relevant Committee.

Executives on the Board

- 3.16. The Board has two Executive Board members, the Chief Executive and the Executive Director of Investment, Growth and Performance. The Executives on the Board Policy at Appendix A details the role of Executive Board members and the specific areas that they are not allowed to participate in at Board and Committee meetings.

Recruitment of Non-Executive Board Members

- 3.17. Recruitment to non-executive Board member roles must be undertaken in accordance with the Rules of the organisation and the Code. These documents set out the framework for recruitment, as well as eligibility of Board members.

- 3.18 The Recruitment Policy for Non-Executive Board and Committee Members at Appendix B details the open and merit-based assessment to establish suitability in line with the above documents and Board member role profiles, ensuring the Board has a diverse membership with collective skills and attributes to govern effectively.

Recruitment of Customer Voices Members

- 3.19 The Customer Voices Recruitment Policy at Appendix C sets out the criteria and approach that will be used in the recruitment of members to Customer Voices as well as eligibility of Customer Voices members, to ensure that the process is consistent with best practice, regulatory requirements, and the overall aim of Customer Voices. The recruitment process is designed to focus on the outcomes, skills and behaviours needed by Customer Voices to support the needs of the business.

Induction

- 3.20 Newly appointed Board and Customer Voices members will receive a full induction for their role. The purpose of the induction process is to provide clarity in respect of responsibilities and to equip new members with information to help them carry out their role efficiently and effectively.
- 3.21 The Induction Procedure supporting this Policy outlines the induction process.

Board Performance and Review

- 3.22 Good governance requires that proper and appropriate arrangements are in place for both collective Board appraisal and that of individual Board members. The Chair will lead the appraisal process, assisted by the Vice-Chair/Senior Independent Director, with appropriate support from the Governance Team or an external consultant when required.
- 3.23 Appraisals are the mechanism by which the Board looks to satisfy itself that it is doing high quality, valuable work that contributes to the success of the business. The aim of appraisals is to improve outcomes for both the Board and the business and is critical to achieving good governance through a robust process.
- 3.24 Appraisal outcomes are shared with the Board to ensure ownership of the process and informs the review of skills, succession planning including recruitment, induction and training and development needs.

Appraisal of the Board

- 3.25 Also known as collective effectiveness or triennial review, appraisal of the Board is a detailed effectiveness review to ensure best practice is reflected and that documentation is compliant with the latest legislation and regulations. This is distinct from the individual appraisals for Board members.

3.26 Effectiveness of governance reviews are conducted on a three-year cycle, years one and two are led by the Governance Team, with the more detailed review conducted every three years using an external consultant. The use of an external consultant demonstrates transparency, invites challenge to how our governance is organised and allows the Board to consider recommendations based upon consultants' sector experience, skills, and knowledge. This approach is in line with the Code of Governance and its supporting guidance.

3.27 The external effectiveness of governance review may include:

- Collective effectiveness survey (and workshop to explore the results)
- Review of key documentation
- Board and Committee observations (collective and individual performance)
- Review of Board skills

Board Member Appraisal

3.28 Non-executive Board member appraisals will be carried out every year, with external consultant support every third year. Appraisals will review the skills and contribution of individual members, explore learning and development opportunities, succession planning, values and behaviours. The appraisal procedure which supports this Policy will identify the methods by which appraisals will be undertaken and will include a skills self -assessment and validation.

3.29 The appraisal of the Board Chair is led by the Senior Independent Director/ Vice Chair and is informed by the views of all Board members.

Chief Executive Appraisal

3.30 The appraisal of the Chief Executive is a key requirement of demonstrating good governance. The purpose of the appraisal is to assess the performance in their role and to appraise how they have contributed to achieving the delivery of the organisation's vision, values, and Corporate Plan objectives.

3.31 The Chair will conduct the appraisal of the Chief Executive and the Remuneration, Nominations and HR Committee will receive a summary of the appraisal to be presented to the Committee and then to the Board.

3.32 As an Executive Board member, the Chief Executive will be appraised in both roles.

3.33 The process for the Chief Executive appraisal is detailed in a supporting procedural document.

Customer Voices Appraisal

3.34 Customer Voices is a key component of our governance structure and members receive an annual appraisal which considers their performance and contribution alongside a behaviours matrix.

- 3.35 Supported by the Governance Team, appraisal discussions are undertaken by the Customer Voices Chair and Performance and Standards Committee Chair, the outcomes of which inform training and development both individually and collectively to ensure the group can meet its terms of reference. Outcomes of appraisals are reported to Customer Voices and the Board.
- 3.36 The Customer Voices Chair appraisal is undertaken by the Board Chair and Performance and Standards Committee Chair.

Training and Development Plan

- 3.37 Learning and development activity for the Board is based on an analysis of the needs of individuals and the Board as a whole. This is to ensure individuals remain up to date and continue to add value to the work of the Board to deliver the Corporate Plan objectives.
- 3.38 Customer Voices learning and development activity is informed by appraisal discussions and will address the needs of individuals and Customer Voices as a whole to assist them in fulfilling its responsibilities.
- 3.39 A training and development plan is reviewed annually and considers training identified through appraisal processes, is informed by the Board skills matrix, discussions at Strategic Planning Events, as well as reflecting the Deep Dive Programme presented to the Audit Committee through regular risk reporting.

4 Roles and responsibilities

- 4.1 The Director of Corporate Strategy and Assurance has overall responsibility for this Policy.
- 4.2 The Assistant Director of Governance and Assurance and Governance Manager are responsible for implementing this Policy.

5 Monitoring and review

- 5.1 This Policy will be reviewed every three years, unless there is a change in circumstances which would warrant a review being carried out at an earlier date.

6 Links to other policies and procedures

- 6.1 The document should also be read in conjunction with:
- Rules
 - NHF Code of Governance 2020
 - Board Member Agreement for Services
 - Executives on the Board (policy at Appendix A)
 - Recruitment – non-executive Board members (policy at Appendix B)
 - Recruitment – Customer Voices members (policy at Appendix C)
 - Induction Procedure

- Chief Executive Appraisal Procedure
- Board member Appraisal Procedure
- Skills Set
- Customer Voices Appraisal Procedure
- Training and Development Plan
- Role Profiles
- Board and Committee Terms of Reference