

Recruitment & Succession Policy

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1	16.04.21	New policy.
2	23.01.25	Review and minor updates to approach local community organisations with vacancies.

BOARD RECRUITMENT & SUCCESSION POLICY

1 Purpose

1.1 Aims & objectives

The information contained in this policy is provided to set out how Lune Valley Rural Housing Association (LVRHA) approaches its recruitment and selection to NED positions, and how it undertakes succession planning within its governance structure.

Succession will guide recruitment and selection within a fair and transparent process, and LVRHA will seek to demonstrate compliance with the principles of good governance as detailed in the adopted code of governance, currently the NHF Code of Governance 2015. The Code covers board renewal and recruitment in Section D, and states that *“Steps should be taken to identify potential board members who may have no connection with the organisation or existing board members. A range of recruitment techniques should be considered to secure a wider choice of candidates, from diverse backgrounds and with diverse attributes.”* It also states that *“The board should agree, in writing, its policies for establishing a process for succession planning”*. This statement seeks to set out an approach to this recommended practice.

2 Policy

2.1 Succession planning

NED (Non-Executive Director) renewal is important for good governance. While the contribution of experienced NEDs is vital, LVRHA will also need new members who can provide an independent challenge to longstanding practices and thinking.

LVRHA Board will agree and implement succession-planning arrangements, to ensure planned refreshing and renewal of skills and experience over a period of time. LVRHA will link the annual appraisal by the Chair and evaluation of the effectiveness of its Board with a strategic approach to training and development, and a planned approach to recruitment and succession planning.

The following key principles apply to NED succession planning at LVRHA;

- To prepare in advance, as far as possible, to fill any NED vacancies. We will use the Board Membership and Attendance Record which provides foresight on retirements and renewals to plan this
- To prepare for leadership changes over time – assessing the strategic priorities of the business and the skills required to lead and manage risk
- To assess the leadership needs of the organisation (strategic fit, new skills, representation, diversity etc.) before beginning the process of searching/recruiting a new Chair
- To develop a plan for any interim measures needed to ensure smooth transition and compliance

- To implement an approach to succession including internal succession to interim positions, a timeframe for making an appointment, communication, assessment and selection criteria
- To ensure that appraisal fits with succession planning

2.3 **Recruitment**

LVRHA seeks to apply best practice in the recruitment and selection process to ensure that the candidate has a positive experience. The LVRHA Rules state that the Board shall consist of between five and twelve Board Members (including co-optees).

Recruitment to NED vacancies must be open and transparent, and based on the Board's considered view of the skills and attributes required to discharge the Board/Committee's functions.

NEDs must be selected and appointed objectively on merit, and NEDs must undergo regular individual appraisals of their performance and effectiveness, as part of the annual appraisal process with the Chair. The appraisal process will inform the succession plan in terms of member intentions and aspirations, in order to ensure effective renewal.

The following principles are followed to recruit new NEDs;

- The Chair of the Board is responsible for overseeing the approach to recruitment and selection of all NEDs.
- All appointments are subject to approval by the Board and appointment by the Shareholders.
- All appointments are subject to a six-month probationary period and subject to an annual appraisal with the Chair.
- The Board may choose from time to time to appoint an external consultant to lead the NED recruitment process. In the recruitment to the Chair's role, the Company Secretary will normally take the lead alongside a Board panel of representatives.
- The Company Secretary will work with the Managing Agent to ensure that all new NEDs receive induction training, and that effective arrangements are made to enhance the skills, experience and knowledge of all NEDs on an ongoing basis.

2.4 **Recruitment Process**

Recruitment will commence either at the point when a NED resigns, or when it is known in advance that a vacancy will arise (e.g. ahead of the end of a term of office). The Chair will provide a regular update to the Board on any known future changes in NED membership (e.g. as noted in the appraisal process etc.). The Board will then agree the best process and timescale to fill those vacancies which will make best use of resources. For unexpected vacancies, the Chair will be alerted, and a process agreed.

All NED positions will be advertised using a range of advertising opportunities, e.g. relevant websites, social media, amongst the tenant base, business networks, social media and press if needed. The Board may also directly approach local community organisations such as Town and Parish Councils about potential vacancies. Prospective Board members may also attend a couple of Board meetings to ascertain whether there is a fit.

Proposals regarding the recruitment process for the appointment of the Chair will be presented to the Board, usually by the Company Secretary.

Information to applicants will be made available to applicants, which will include:

- a copy of the LVRHA Rules
- a copy of the accounts
- the Board Conduct Policy
- terms of Reference for the Board

Where particular skills are being sought, these will be stated in the recruitment pack and evidence will be sought through the application process.

Applicants will be asked to set out an application in the form of a CV and covering note and details on the closing date. Applicants will be asked to send their application to the Chair or Company Secretary.

The Chair or Company Secretary will acknowledge receipt of all completed applications by email. A maximum period of four weeks from the closing date is required to allow us to complete this process. Applicants will receive notification as to whether they are unsuccessful or successful in being invited to interview. The interview will usually be held with the Chair, Company Secretary or another Board member.

Any NED having completed nine years' service on the Board shall retire upon the anniversary of nine years' service and shall not be eligible for re-election, re-selection or re-appointment. This will also apply to any past serving Board members, except for where there a Board member has temporarily stood down for extenuating circumstances e.g. illness reasons. The expectation is that the Board is refreshed from time to time, in line with the NHF Code of Governance 2015.

References will be sought prior to appointment for all NED appointments and relevant checks carried out on all applicants to ensure they meet the membership criteria set out in this policy.

2.5 ***Appointment of Vice Chair, Treasurer, Company Secretary & Deputy Company Secretary***

The Board will appoint the roles of Treasurer and Company Secretary and has the option within the Rules to appoint a Vice Chair and Deputy company Secretary. Their details will be submitted to the Regulator of Social Housing and Financial Conduct Authority.

Those members wishing to express an interest in any of the above positions are required to do so before the meeting by providing a supporting statement which will be circulated to Board with the meeting papers. The supporting statement should include a summary of their skills and knowledge and what they could bring to the position in order for members to prepare for the meeting at which they will be asked to take a decision.

Ideally the Chair of the Board would not perform these roles.

2.6 **Recruiting and appointing to co-optees**

The LVRHA Rules allow for co-optees to be appointed and the recruitment process will be the same as above for Board Members. The LVRHA Rules stated that not more than five co-optees can be appointed at any one time. A co-optee may act in all respects as a Board Member, but they cannot take part in the deliberations nor vote on the election of offices nor any matter directly affecting shareholders.

2.7 **Board membership criteria checklist**

Those employed by LVRHA and other organisations contracted with LVRHA e.g. (construction partners), in either Board or senior employee capacity, cannot become NEDs at LVRHA.

NED appointments will exclude anyone declared bankrupt, with a debt relief order or with an unspent criminal conviction.

Tenants who are in breach of their obligations as a tenant, e.g. who are in rent arrears or who have an ASB order against them, will also be excluded. When making appointments to the Board, tenants will be sought in the first instance, however appointments can be made from a wider group of customers as defined e.g. community members.

Further details are set out in the LVRHA Rules (D7 and D16-D25).

3 **Regulatory**

- 3.1 The Policy relates to the Regulator of Social Housing's (RSH) Governance and Financial Viability standard ensuring that the Company complies with its governing documents and is accountable to tenants, the regulator and relevant stakeholders and safeguarding taxpayers' interests and the reputation of the sector.

The Policy also relates to the RSH Tenant Involvement and Empowerment standard by ensuring that tenants are given the opportunity to influence the strategic direction of the Company.

4 **Equality & Diversity**

- 4.1 LVRHA believe all people should be treated with dignity and respect regardless of their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including, nationality, ethnic or national origins), religion, belief or non-belief, sex, or sexuality or by association with someone with any of these characteristics or perception of having any of these characteristics.

LVRHA aims to ensure that candidates with disabilities benefit from any reasonable adjustments to the recruitment / assessment process in order to assist them in making a successful application. The Chair of the panel will make the final decision on reasonable adjustments. All recruitment processes will be conducted taking into account the relevant legal requirements.

5 Monitoring and Review

- 5.1 The Board will carry out a regular review of its own strengths and weaknesses in order to ensure its continuing effectiveness and to satisfy the requirements of Section 2 above.

This Policy will be reviewed every three years or earlier if deemed necessary through the appraisal process. Changes will be considered with regard to external good practice, regulation and legislation.