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**Loreburn Group**

**Governing Body  
Recruitment &  
Succession Planning  
Policy**

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<b>Policy</b>	<b>Recruitment &amp; Succession Planning</b>					
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<b>Approved by</b>	<b>MC</b>	<b>X</b>	<b>LET</b>		<b>MT</b>	
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<b>Policy champion</b>	<b>Head of Governance &amp; Assurance</b>					

## 1. Introduction

- 1.1 This Policy has been prepared in line with SFHA guidance published in February 2021 to enable effective succession planning and recruitment for the Governing Body. Loreburn's Governing Body is the Management Committee.
- 1.2 This Policy applies to the Governing Body of both Loreburn Housing Association and Dumfries and Galloway Homes Limited, referred to collectively as Loreburn Group.
- 1.3 The Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management require RSLs to formally and actively plan...to ensure orderly succession. Regulatory Standard 6.1 states: "The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body".
- 1.4 This means looking critically at the current composition of the governing body and planning ahead. Good governance depends on an effective partnership between the governing body and senior staff; the successful delivery of the corporate objectives needs a senior staff team that is equipped with the necessary skills to implement the governing body's plans. Succession planning should be a key component of good business planning: ensuring that the organisation understands the range of skills, knowledge and experience required to lead and deliver the achievement of the organisation's objectives. 1.5 This Policy should be considered alongside the Annual Review Policy for Governing Body Members and the Membership Policy.

## 2. What Is Succession Planning?

- 2.1 Succession planning is about planning ahead and trying to future-proof the organisation. It is an important component of both business planning and risk management as successful succession planning should ensure that an organisation has the right people in the right places at the right times to lead and direct it effectively. Succession planning should ensure that the governing body is

able to plan and manage turnover amongst its own members and to anticipate and prepare for change. Training, development and recruitment should be informed by succession planning. Many of the activities that well governed organisations undertake contribute to succession planning.

2.2 Two, equally important starting points for effective succession planning are:

- Assessing the current skills, knowledge, experience and diversity that are represented by the governing body
- Considering the ‘fit’ between the current profiles and what is required to deliver the corporate plan

2.3 These starting points mean that there has to be clarity about:

- what the organisation is aiming to achieve – as set out in the business or corporate plan
- the respective roles of Governing Body Members (GBMs)– described in role descriptions and standing orders
- the current strategic policy and operating environments
- current strengths and weaknesses
- how the organisation might change over the next business planning period and what the implications of change are
- future intentions / plans of GBMs

### 3.The Key Components of Succession Planning

3.1 This section looks at the succession planning aspects of the governance activities that Loreburn carry out that contribute to the development of a comprehensive succession plan. A template “succession plan” is included at Appendix A, that can be populated through considering each of the components below. The Succession Plan will be completed the Convener supported by the Office Bearers and the Head of Governance and Assurance. It is intended that the Succession Plan will be presented by the Convener to the Management Committee for consideration alongside the Governing Body Appraisals. A copy of the skills assessment is available in the Governing Body Annual Review Policy.

## Business Planning

- 3.2 This involves considering what the organisation intends to achieve over the period of the plan but it should also look further ahead to assess what the longer-term future is likely to hold. As well as considering what is going to be achieved, it is also important to consider how the agreed objectives will be delivered.
- 3.3 The business planning process will consider the challenges that the governing body is likely to have to address to ensure the effective achievement of the organisation's goals over the period of the plan – and beyond. Members will consider:
- What skills, knowledge and experience do the governing body need to support the delivery of the agreed objectives?
  - If new initiatives are to be undertaken, does the GB need to recruit specific skills and/or do current members need to undertake some additional training?
  - If the focus of the organisation is likely to change e.g. a less (or more) active development role, does the current GB have an appropriate range of skills, knowledge and experience to oversee both the change and the future focus?
  - If a new sub-committee is to be established, are there enough GBMs to support it?
  - If a subsidiary is to be established, or an existing subsidiary is to become more active, does its Board have the required range of skills, knowledge and experience?

## Skills Assessment & Annual Reviews

- 3.4 The succession planning process will involve consideration of the governing body profile – the range of knowledge and experience that, collectively, the governing body needs. This is highlighted by Regulatory Standard 6.1 that states:

*“The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members”.*

Regulatory Standard 6.2 states:

*The governing body annually assesses the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs."*

- 3.5 The profile should form the basis of the annual reviews, which offer an opportunity for individual contributions to be considered. A skills assessment template is available at Appendix A. Every Member will be required to complete the skills assessment ahead of the annual review. The results will be collated to identify strength, weaknesses and skills gaps.

### Training and Development Plans

- 3.6 These should emerge from the annual reviews which should identify both individual and collective training and development priorities and needs. Training priorities should be closely linked to the organisation's current needs, as identified through the business planning process, whilst development priorities will reflect future needs such as 'growing' office bearers or expanding knowledge to broaden the perspective of the governing body.
- 3.7 Where 'gaps' are identified as a result of the business planning or annual review processes, that cannot be addressed adequately by training, the Governing Body may consider that new members have to be recruited. This will be informed by the skills gap analysis included within the Annual Appraisal Policy.
- 3.8 A template for Training and Development Plans is included at Appendix A. Any such plan will be compiled following the annual review process and will be agreed between Members and the Convener.

### Nine Year Rule

- 3.9 One third of elected governing body members are required to retire annually in line with the Rules. Retiring members can seek re-election for a further term without the need to be nominated, unless an individual has served for 9 years or more, in

which case there are further requirements before another term - and any subsequent term thereafter - can be served. This is stated in Regulatory Standard 6.3 5 : “...The governing body ensures that any non-executive member seeking re-election after nine years’ continuous service demonstrates continued effectiveness.” In these circumstances, an experienced GBM requires the governing body to be satisfied of their continued effectiveness in order to stand and be successfully elected by the membership at the AGM . The GB’s endorsement of such nominations should be based on the outcome of the annual review following a recommendation from the Convener

### Membership Policy

- 3.10 To be an elected or appointed member of the governing body of a registered social landlord, individuals first need to be members of the RSL. Membership eligibility is determined by the Rules and our membership policy. The membership policy enables us to attract people who support the organisation’s objectives and share our values and ethos. It also supports the recruitment of people who are likely to be able to offer the range of experience that is identified in the governing body profile as being required. The membership policy should be reviewed regularly, as part of the business planning process, to ensure that it continues to meet the organisation’s requirements. It is also important to ensure that the membership policy is not too restrictive in terms of eligibility.
- 3.11 Whilst the focus of the membership policy is positive in that it describes who is eligible to become a shareholding member, it also sets out ambitions of the composition of our membership and provides scope for the governing body to reject applications from individuals where applications are not considered to be in the best interest of the Association (see the Membership Policy for further details). The governing body does not have to give specific reasons for refusing a membership application but, of course, all membership decisions should accord with the terms of the membership policy and the Rules. Particular care should be exercised in the event that a number of applications are received at the same time, the GB should be satisfied that there is no organised campaign to undermine or disrupt the organisation.

## 4.0 Recruiting Governing Body Members

- 4.1 Recruiting to fill identified skills and demographic gaps and to address anticipated retirements is an essential part of Succession Planning and the process will be led by the Convener with support from the Corporate Services team. It is also essential to ensure that there are always Members with the necessary skills, capacity and values to undertake the roles of Office Bearers.
- 4.2 Management Committee should consider skills gaps and how best to attract new skills and demographics to the Governing Body. Annual Appraisals should be used to identify skills gaps as well as the lack of diversity of representation within the Governing Body with reference in particular to age, gender, ethnicity, disability and socio-economic circumstance. Where such gaps are identified efforts will be made within the recruitment process to promote the interests of underrepresented groups. This may mean varying the approach to advertising including reaching out to particular groups directly and adapting our standard approaches to the application and selection processes that may present as barriers to particular groups. It is recognised that a 'one-size fits all' approach is not appropriate and the strategy for each recruitment process will vary as required to ensure the approach is as accessible as possible to the people we are trying to reach. Depending on the demographic gaps identified, more comprehensive changes may be required to working practices such as altering the timing, format and approach to meetings to encourage involvement of under represented groups i.e. those in full-time employment or with caring responsibilities that may make attending long meetings challenging. Any such alterations will require to maintain compliance with the Rules.
- 4.3 It is anticipated that prospective members should have knowledge, skills and experience of at least one of the following areas: business skills and knowledge; specialist housing knowledge; knowledge of construction and the built environment; renewables and innovation; local knowledge and community and social enterprise.
- 4.4 At Loreburn we believe that skills and knowledge can be gained and whilst we recommend applicants be able to demonstrate skills and/or knowledge in one of the areas above, we place an equal emphasis on our GREAT values and look to recruit Members who will uphold and role model our values at the highest level:



## Our values make us GREAT!

### Growth Mindset

We aim to be the best and continue to learn, grow and change to achieve this.

### Respect

We care about all that we do and how we do it.

### Exceptional Customer Experience

We always put our customers first, with a strong commitment to positive and proactive ways of working.

### Accountable

We are responsible for all that we do and we're happy to learn from our successes or failures.

### Together

We deliver our best results when we work as a team.

- 4.5 Further guidance on membership of the Association is set out in section 7 of Loreburn's Rules. The Management Committee has the important responsibility of directing and controlling the Association and as a registered social landlord and a charity it is vital that people with the right skills and experience carry out the role.
- 4.6 Recruitment will be done in accordance with the Rules and values and will take the form of co-option or the filling of vacancies within the Management Committee by appointment or election. Recruitment does not supersede the rights of a Loreburn shareholder to seek election to the Management Committee. As noted at 3.10, only shareholding members can be elected or appointed to the Management Committee.

## Recruitment Process

- 4.7 The recruitment process will be led by the Convener, supported by the Office Bearers, the Chief Executive and/or Director of Corporate Services, the Head of Governance and Assurance and the Corporate Executive Assistant. The role of the Chief Executive is to provide support. The Chief Executive will take no part in the selection process. Recruitment, through election at the Annual General Meeting and by appointment and co-option during the year, is an open and transparent process as set out in the Rules and the Membership Policy.
- 4.8 Loreburn will look for individuals to serve as Management Committee Members who demonstrate a commitment to supporting the aims of the organisation and the communities we serve.
- 4.9 Opportunities to become a Member of the Management Committee may be advertised through several mediums including:
- Loreburn's newsletter
  - Loreburn's social media facilities
  - The local press
  - Advertising via recruitment agencies
  - National housing publications/SFHA
  - SFHA On-Boarding Campaigns
  - Adverts within Loreburn's developments
  - Loreburn's website
  - Loreburn's AGM notification to shareholders
  - Reaching out directly to groups or individuals to address identified skills gaps and under-representation within the Management Committee by the most appropriate means identified.
- 4.10 Any advertisement for Management Committee members will highlight the particular skills and areas of experience where gaps have been identified. This may include inviting applications from underrepresented groups. The Management Committee may from time to time aim to attract a wider demographic by seeking to appoint individuals looking to develop board experience and, growing both personal and professional development, in a supportive environment. This may include students or individuals from under represented groups who will receive additional support as required. Methods of engaging in such circumstances may differ from those noted at 4.9. All efforts will be made to remove any barriers from engagement and this will be considered on a case by case basis to ensure equality of opportunity for all those who wish to engage and participate.

4.11 The Assistant to the Chief Executive will issue anyone enquiring to become a Management Committee member with a recruitment pack, consisting of the following:

- Information on the background and history of Loreburn.
- Explanatory information on the process of becoming a Management Committee member.
- Management Committee member role profile.
- Information on skills, knowledge and values.
- A template for a 2 page submission, the Expression of Interest, on the skills and experience the applicant can bring to the role (where appropriate and as identified within a targeted recruitment strategy)
- Where a written submission is not considered appropriate varying methods may be used to identify the potential skills and knowledge of interested individuals such as an informal conversation/meeting with a member of staff or an Office Bearer who will capture and agree key information as an Expression of Interest that can then be shared with Members.

4.12 Completed applications will be returned to the Assistant to the Chief Executive. The Chief Executive will offer support to process the applications with a view to confirming eligibility and passing to the Office Bearers. The Chief Executive's role is to provide support, but they take no part in the selection process.

4.13 Under instruction from the Convener, the Assistant to the Chief Executive will invite eligible applicants to a meeting with the Office Bearers. The purpose of the meeting is to:

- Confirm the applicants' eligibility to act as a member of the committee.
- Establish the applicants understanding of the role of the Management Committee including the likely time commitment.
- Establish the potential contribution the applicant is likely to make in relation to the skills gaps or underrepresentation on the Management Committee.
- Answer any questions the applicant may have

This meeting may be by virtual means where this is agreed between the Office Bearers and the applicant.

4.14 The applicant will be contacted by the Convener regarding the outcome of the interview as soon as practicable and within 3 working days and if successful the

Office Bearers will put them forward for approval by the full Management Committee at the next available Management Committee Meeting.

- 4.15 The successful applicants' Expression of Interest will be circulated to the wider Management Committee and the Office Bearers will present their recommendation at the next Management Committee meeting for discussion and approval.
- 4.16 Co-opted members of the Management Committee are encouraged to become shareholding members of the Association; however, it is not an essential requirement. Co-optees can only serve on the Management Committee until the AGM following their co-option at which point if they wish to continue to serve as members of the Management Committee they may stand for election. Appointed Members will be encouraged to stand for election to ensure the elected Membership maintains majority.
- 4.17 Members will serve for a maximum of 9 years unless approved for a longer term by the Management Committee in line with the Nine-Year Rule.
- 4.18 Applicants who have been a member of staff (and members of their family) in the preceding 18 months are unable to apply to become Management Committee members.

## **5. Complaints**

- 5.1 Loreburn has a commitment to valuing complaints and ensures the organisation benefits from feedback to identify areas for change or improvement.
- 5.2 Loreburn has a Complaints Policy which ensures there are robust and effective procedures in place for complaints to be properly managed and acted upon.
- 5.3 Anyone dissatisfied with the outcome of their complaint having exhausted Loreburn's complaints procedure has the right to refer the matter to the Scottish Public Services Ombudsman.

## **6. Equality, Diversity & Inclusion**

- 6.1 Loreburn aims to ensure that equality, fairness, dignity and respect are central to the way we work and how we treat our customers. We support diversity and uphold equal opportunities in all areas of our work as an employer and service provider.

- 6.2 Loreburn will not discriminate against customers, staff, visitors, suppliers or others based on their age, sex, sexual orientation, race, disability, religion or belief, marital status, pregnancy and maternity or gender reassignment (collectively referred to as ‘protected characteristics’ in the Equality Act 2010).
- 6.3 As part of our commitment to equality, diversity and inclusion, Loreburn will support the use of trainee management committee programmes to attract non traditional backgrounds into the management committee and to ultimately strengthen our recruitment and succession planning approaches.

## 7. Responsibilities Chart

- 7.1 The chart below illustrates the responsibilities of Members and staff in relation to this policy.

Responsibilities	Man. Committee	Office Bearers	Head Governance & Assurance	Assiss. To Chief Executive	All Staff
To set the Governing Body Succession Planning & Recruitment Policy	✓				
To lead annual review appraisal process and ensure suitable facilitation is provided as required.		✓	✓	✓	
Present annual review and succession planning information to Management Committee		✓	✓		
To agree targeted recruitment strategies based upon feedback from annual appraisals and members feedback.	✓				

Lead recruitment initiatives including meeting with candidates		✓			
Liaise with and interview potential candidates		✓			
Present findings of recruitment exercises to Management Committee with recommendations for approval		✓			
Approve appointments to the management committee following recruitment exercises	✓				
Manage the annual election process as detailed within the Rules.			✓		
Policy Review			✓		

## 8. Policy review

- 8.1 The Policy Champion is the Head of Governance & Assurance.
- 8.2 This Policy will be reviewed every three years or sooner as required due to legislative or substantive change.

## Appendices

### Management Committee Expression of Interest Form Training & Development Plan & Succession Plan