

Loreburn Group

# Governing Body Succession Planning & Recruitment Policy



**Creating Great Places to Live**

<b>Policy</b>	Governing Body Succession Planning & Recruitment Policy							
<b>Version Reference</b>	2							
<b>Approved by</b>	Management Committee							
<b>Date of Approval</b>	November 2020							
<b>Review Period</b>	3 Yearly							
<b>Review Due</b>	November 2023							
<b>Policy Champion</b>	Head of Governance & Assurance							
<b>Who this policy affects</b>	Staff	X	Customers	X	Contractors		Members of the Public	X
<b>Where this policy affects</b>	General needs	X	Sheltered	X	Supported	X	Offices/staff base	X

## 1. Introduction

- 1.1 This Policy has been prepared in line with SFHA guidance published in September 2018 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 undertake 'active' succession planning for the governing body (GB). Regulatory Standard 6.2 states:

*"The RSL plans effectively to achieve the appropriate and effective composition and profile of governing body members through ongoing performance evaluation and active succession planning..."*

- 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.

## 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 There are two, equally important starting points for effective succession planning:
  - 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, along with explanatory notes – 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. The Succession Plan will be presented by the Convener to the Management Committee for consideration and approval in July.

#### Business Planning

3.2 The business planning process 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

3.5 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. 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.”*

- 3.6 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**

- 3.7 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.
- 3.8 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.
- 3.9 Appendix B contains a sample template for Training and Development Plans, and explanatory notes which will be completed by the Convener and presented to Members for approval.

### **Associated Policies**

- 3.10 This Policy should be considered alongside the Annual Review Policy for Governing Body Members and the Membership Policy.

## **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. 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:



- 4.5 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.
- 4.7 The recruitment process will be led by the Convener, supported by the Office Bearers, the Chief Executive, 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, of new member is an open and transparent process as set out in the Rules.
- 4.8 Loreburn will look for individuals to serve as Management Committee Members who demonstrate a commitment to supporting the local community or communities of need which Loreburn serves and to support the needs of our customers by the provision and development of high quality housing and housing related services.
- 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
  - National housing publications
  - Adverts within Loreburn's offices
  - 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.
- 4.11 Any advertisement for Management Committee members will highlight the particular skills and areas of experience where gaps have been identified, and will invite applications from underrepresented groups.
- 4.12 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.
- 4.13 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.
- 4.14 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.
- 4.15 The applicant will be contacted by the Convener regarding the outcome of the interview within 24 hours and if successful the Office Bearers will put them forward for approval by the full Management Committee at the next available Management Committee Meeting.
- 4.16 The successful applicants’ Expression of Interest will be circulated to the wider Management Committee and the Office Bearers present their recommendation at the next Management Committee meeting for discussion and approval.
- 4.17 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.
- 4.18 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.
- 4.19 Applicants who have been a member of staff (and members of their family) in the preceding 12 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).

## 7. Policy Review

- 7.1 The Head of Governance and Assurance will review this Policy every three years or sooner as required a result of legislative changes, sector guidance or feedback from Members.

## 8. Responsibilities Chart

- 8.1 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			✓		

## **Appendix A**

### **Governing Body Members' Skills Assessment**

The skills analysis should be completed annually by all members and returned to the Convener ahead of the Annual Review.

The results of Members' assessments will be collated and will be used to inform the Succession Plan and Training and Development Plan.

Please evaluate your skills and experience against all elements using the scale provided.

### 1. Governance

	5 Strong	4 Good	3 Average	2 Limited	1 None
Board membership of organisations with a community/social purpose or providing public services	<input type="checkbox"/>				
Experience as a non-executive director of a private or limited company	<input type="checkbox"/>				
Working as part of a Board/committee	<input type="checkbox"/>				
Chairing Board/Committee Meetings	<input type="checkbox"/>				

### 2. People and Communities

	5 Strong	4 Good	3 Average	2 Limited	1 None
Knowledge of the communities served by Loreburn	<input type="checkbox"/>				
Representing or serving the community or a community of need	<input type="checkbox"/>				
Equal Opportunities and Diversity	<input type="checkbox"/>				
The needs of vulnerable people and groups	<input type="checkbox"/>				
Knowledge of other sectors relevant to Loreburn aims	<input type="checkbox"/>				

### 3. Business and Finance

	5 Strong	4 Good	3 Average	2 Limited	1 None
General business, financial and management skills	<input type="checkbox"/>				
Management experience in a commercial business	<input type="checkbox"/>				

	5 Strong	4 Good	3 Average	2 Limited	1 None
Management experience (public services)	<input type="checkbox"/>				
Legal, accountancy or audit	<input type="checkbox"/>				
Business planning	<input type="checkbox"/>				
Financial Management	<input type="checkbox"/>				
Treasury management and private finance	<input type="checkbox"/>				
Risk management/mitigation	<input type="checkbox"/>				
Quality management or business systems	<input type="checkbox"/>				
Human resources and organisational development	<input type="checkbox"/>				
Communications, marketing and public affairs	<input type="checkbox"/>				
Information and communication technology	<input type="checkbox"/>				

#### 4. Provision of Services

	5 Strong	4 Good	3 Average	2 Limited	1 None
Receiving services as a tenant	<input type="checkbox"/>				
Professional experience of providing or managing landlord services	<input type="checkbox"/>				
Housing support needs or services	<input type="checkbox"/>				
Managing customer services	<input type="checkbox"/>				
Building trades	<input type="checkbox"/>				
Housing markets and supply	<input type="checkbox"/>				
Design/Planning/Construction/development of housing	<input type="checkbox"/>				
Procurement	<input type="checkbox"/>				
Asset Management	<input type="checkbox"/>				
Regeneration strategy and partnerships	<input type="checkbox"/>				
Project appraisal, management and financial modelling	<input type="checkbox"/>				

Please note any other relevant skills:

**Appendix B – Training and Development Plan Template and Explanatory Notes**

GBM Name	Individual Priorities	Match to collective GB Priorities	Training Sources	Timescales	Outcomes

Statement of Collective Board Priorities:

**Explanatory Notes**

*The Development Plan will be produced by officers following completion of the annual appraisals and will incorporate the priorities identified from the appraisals into a comprehensive Training and Development Plan. It should contain:*

- *Names of each GBM*
- *Individual Training Priorities: link to specific objectives / outcomes where appropriate (e.g. Convener’s training for people interested in taking on OB role; attending SFHA Finance Conference for someone specifically interested in finance; relevant professional training for Convener of Audit Committee; attendance at TIS and/or TPAS events for GBMs interested or involved in engagement or scrutiny; induction programme for new GBMs; attendance at networking events e.g. to maintain or broaden sector knowledge or to be an ambassador for the organisation; enrolment on accredited course etc.)*
- *Training Sources: identify potential sources of training for specific issues and use this element of the plan to monitor booking / attendance / budget etc.*

- *Timescales: usually a development plan will cover a single year but it may be appropriate to include longer term development priorities e.g. where someone is working towards an office-bearing role or is undertaking a course of study*
- *Outcomes: use to record feedback*
- *A statement of the collective priorities for the governing body i.e. specific areas of knowledge that the governing body has identified a need to develop collective knowledge about e.g. the impact of the Scottish Government's energy strategy or the outcome of the SHR's Review of Regulatory standards or the impact of legislation.*
- *A column in the table can be used to see how the priorities identified by the individual marry up with the priorities of the overall GB*

## Appendix C – Succession Plan Template and Explanatory Notes

GBM Name	Date First elected / Co-opted / Appointed	Date Last re-elected	Date next due for re-election	Date nine-year rule effective	Intention to seek re-election	Office-bearing interest	End of office-bearing term

Succession Priorities	
Recruitment Priorities	
Timescales	

### Explanatory Notes

*The Succession Plan should be an easy to read table that details:*

- *Current GB membership (by name)*
- *Dates when each GBM was / is:*
  - *First elected*
  - *Re-elected subsequently (there could be a series of dates)*
  - *Next due to stand down*
  - *Affected by the nine-year rule (or if the RSL operates a maximum tenure, the date when that term ends should be identified)*
- *Dates when the Convener's and other OB terms of office expire*
- *Intentions about standing for re-election (i.e. if a GBM intends to stand at the next planned retirement date)*

- *Intentions / interest in taking on an OB role and any specific preferences (e.g. is someone is willing to Convene a sub-committee but isn't interested in becoming Convener)*
- *Highlights any 'gaps' or pressure points (e.g. the Convener must stand down in two years' time and there is no interest from current members in taking on the role; or the current vice-Convener is happy to take on the role but there is no interest in taking on the vice-Convener's responsibilities; or the Convener of the finance or audit sub-committee intends to stand down at the end of their current term and a successor needs to be identified – and potentially trained. This information should form part of the report that is made to the governing body at the conclusion of the annual appraisals.*
- *Identifies training / development / support priorities to enable individuals to take on additional roles and links to the training and development plan*
- *Identifies recruitment priorities*

