



**The Langstane Group**

**Board of Management Recruitment and Succession Planning Policy**

<b>Senior management team approval</b>	August 2020
<b>Board / Committee</b>	Board of Management - Langstane
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<b>Policy Version</b>	<b>Date of Approval</b>	<b>Changes made to Policy</b>
V1	17 March 2008	-
V2	24 March 2014	-
V3	16 December 2019	Rewrite and now Group policy
V4	30 November 2020	As part of review of high level governance policies

## 1. Introduction

Registered in 1977, Langstane Housing Association is a Co-operative and Community Benefit Society, and a registered social landlord with charitable status.

The Langstane Group (Langstane / the Group) consists of Langstane Housing Association Limited and its wholly owned subsidiaries.

This policy applies to all group members i.e. companies of the Langstane Group.

The Rules / Memorandum of Association for each group member must be followed at all times and take precedence over policies. These documents should be referred to for more detailed guidance on all matters.

Langstane Housing Association has no fewer than seven and no more than fifteen (including co-optees) governing body members at any given time (see Section 37, Rules).

Governing body members are elected by the membership at the annual general meeting and must be aged 18 or over. They must agree to and have signed the Code of Conduct for Board members, before taking up their duties as governing body members.

An employee of the Association, or a close relative of an employee, may not be a Board of Management Member.

The maximum and minimum number of Directors on the governing body of subsidiary companies will be determined from time to time by Langstane's Board of Management. In turn, Langstane's Board of Management will have due regard to any provisions on such matters as contained in the constitutional documents of each subsidiary. Due consideration will be given by Langstane's Board of Management, wherever possible, to ensuring arrangements are in place at any given time to ensure no one person gains significant control, by ensuring appointment of at least three members to subsidiary governing bodies.

At all times, governing body members must act in the best interests of the group member on whose governing body they serve. Where a member has failed to do so or where their actions have created a situation whereby they are no longer eligible to hold the office of a governing body member, appropriate action will be taken by Langstane's Board of Management; and they will be asked to stand down.

The term 'Board of Management' is used to describe the governing body of each group member.

## 2. Aim of the Policy

The aim of the Board Recruitment and Succession Planning Policy is to ensure there is a skilled and diverse governing body in place at all times that can fulfil the Langstane Group's governance and financial management requirements. In particular, this will ensure the Scottish Housing Regulator's Regulatory Standards are met. These are:

1. The governing body leads and directs the Langstane Group to achieve good outcomes for its tenants and other service users.

2. The Langstane Group is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders and its primary focus is the sustainable achievement of these priorities.
3. The Langstane Group manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.
4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the Association's purpose.
5. The Langstane Group conducts its affairs with honesty and integrity.
6. The governing body and senior officers have the skills and knowledge they need to be effective.
7. The Langstane Group ensures that any Association changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

#### Association

The Board of Management of each group member aspires to have the required skills, knowledge, experience and diversity that is reflective of the business undertaken and, where practical, the client base. Although it would be beneficial to have tenants on the Board of Management, it is more important to ensure tenants and other customers have credible ways in which their voices are heard and they influence decision making in a way and in a format that meets their individual needs.

### 3. Links to other strategic documents and policies

The Group's Board Recruitment and Succession Planning policy is linked to a number of strategic / corporate documents and policies in particular but not solely:

- Rules / Memorandum of Association of each group member;
- Code of Conduct;
- Membership Policy; and
- Governing body documentation e.g. Role Descriptors.

### 4. Policy

The Langstane Group acknowledges and respects the diversity of individuals who volunteer to be governing body members.

#### Reviewing skills required for governing body to fulfil its role

When an analysis of the skills set required by the governing body is being carried out, each group member will assess the requirements against the delivery of their agreed objectives (contained within the Business Plan); the respective roles of governing body members; the current strengths and weakness – assessed by either a SWOT<sup>1</sup>, PEST<sup>2</sup> or similar exercise; consideration of Langstane's top risks, as informed by the strategic risk register; what

<sup>1</sup> SWOT – analysis of Strengths, Weaknesses, Opportunities and Threats

<sup>2</sup> PEST – analysis of Political, Environmental, Social and Technological opportunities / threats

changes may occur; what new initiatives are being undertaken; and the future plans of existing governing body members.

On an annual basis, a review of the governing body takes place and takes into account the overall profile of the governing body and how individual members work together and compliment each others' skills and knowledge.

Following the annual reviews, the training and development requirements of individual and collective governing body members will be updated. Clarity will also be gained on the skills and capacity of individual members to advance to an office-bearing role, or become a Committee Convener. This exercise will be recorded.

The above will form the basis for a report presented to the governing body. This report will be timed and considered prior to the Annual General Meeting, in good time both to leave time for advertising for or approaching potential governing body members to fill skills gaps at the Annual General Meeting. This report will detail any succession planning required over and above that already in place. Where skills gaps are evident, suggestions as to how these gaps are filled e.g. further recruitment through the filling of a general vacancy or use of co-optees, and / or increased training will be made available.

### **Criteria for governing body membership**

Eligibility for governing body membership is governed by each group member's Rules.

In particular, those seeking to join the governing body must:

- Not be subject to any of the grounds for disqualification outlined in the Rules. Prospective governing body members will be required to sign a declaration that they are not subject to any grounds of disqualification.
- Agree to and sign the Code of Conduct for governing body members.

More generally, governing body members will have the skills and aptitudes required by the group member. The key skills and aptitudes required amongst the governing body members include an understanding, knowledge of and expertise in:

- Local housing needs
- Tenants and residents needs and concerns
- Housing and support needs of the typical profile of Langstane tenants
- Strategic management
- Performance management
- The running of a business
- Financial matters
- Legal matters
- Community relations
- Equalities and human rights issues
- Working with local authorities and statutory agencies
- Property development/building
- Human resources
- Public relations
- Information technology

As prospective governing body members are unlikely to possess all of the skills and knowledge identified above. In addition, it may be the case that collectively some of the desirable skills are not always available to or represented on governing bodies. Group members will therefore ensure appropriate ongoing training and support is provided to enable its governing body members to discharge their duties.

### **Succession planning**

Although governing body members are volunteers, it is important to fully understand the role undertaken when joining any Board of Management within the Langstane Group. The effectiveness of the group's leadership is dependent upon key skills being available on governing bodies.

The Board of Management agrees the role descriptors for all governing body roles, including that of office-bearers, on a three-yearly basis and the remit for Committees as an when appropriate or stipulated within the remit document itself. Office-bearers, except that of Secretary, are elected from within the membership of the Board of Management on an annual basis following the annual general meeting. There is no requirement to have office bearer roles other than those of Chairperson and Secretary.

Within the bounds of respecting governing body members' wishes and ambitions, and confidentiality, Langstane will endeavour to build up its knowledge of future planned retirements and resignations from the governing body. In this way, it will build up a 'picture' of the availability of skills in the short, medium and longer terms and this will help in the planning to address such skills gaps.

This proactive management of current and future skills availability will be improved not only to plan for the governing body's needs, but where possible to cultivate and nurture the additional skills required of the Association's office bearers.

Where particular skills or knowledge gaps are identified, or it is known or anticipated that these gaps will arise, Langstane will consider a number of ways of addressing these gaps, as follows:

- advertising for suitable candidates to bolster the governing body
- approaching individuals with those recognised skills and / or knowledge and inviting them to consider becoming co-opted members of the governing body
- where such expertise is required on an ongoing basis, invite co-optees to become members of the Association where eligible, with a view to standing for appointment to the governing body in their own right
- drawing the attention of the Association's general membership to forthcoming vacancies and the skills gaps to be met
- Advertising through tenant newsletters and websites
- Advertising in specialist and / or local media
- Approaching other organisations whose active managers, employees or participants may be publicly spirited, and have individuals with the necessary skills for the governing body. Such organisations may include those in the third sector; business representative bodies such as Chambers of Commerce; businesses with a known corporate social responsibility track record; and locally-based large employers sensitive to their broader responsibilities in the wider community.

## Skills Matrix

Langstane will continue to develop its skills matrix. This is a tool that will allow the group to continually build its knowledge of skills required by group members, and to anticipate changes of skills required in response to the group's changing business and risk environment. The skills matrix records not only the range of desirable skills, but skills available through governing body members. This helps to focus recruitment and succession planning activities to address demonstrable skills gaps.

## **Other factors influencing governing body membership and skills available**

Due consideration will be given to the following matters:

### *Nine-year rule*

Governing body members are normally elected for a three-year term although this may vary depending on each group member's Rules / Articles of Association.

Those serving nine years or more, are required to demonstrate their continued effectiveness and require endorsement from the governing body in order to stand again and be successfully elected by the membership at the annual general meeting. This will be based on the outcome of the annual review and following a recommendation from the Chairperson.

### Holding Office

Co-optees cannot be office bearers and the Chairperson cannot hold office continuously for more than five years.

### *Filling casual vacancies*

Resignations from the Board of Management are made in writing to the Secretary, giving seven days notice. When a governing body member resigns between annual general meetings, this creates a casual vacancy and the Board can appoint a member to fill the vacancy until the next general meeting. Where possible the casual vacancy is used to fill skill gaps and ensure the diversity of governing body members is reflective of the work of the Board of Management and those it serves.

Where a governing body member has resigned for anything other than personal reasons, this is notifiable to the Scottish Housing Regulator, as a Notifiable Event. Office Bearers of Langstane Housing Association and the Chief Executive hold authority to create and view Notifiable Events on the Scottish Housing Regulator's Landlord Portal. Board Members and Senior Staff with the authority to make Notifiable Events on behalf of Langstane, are identified in the Notifiable Events policy.

### Co-optees

The Board of Management can co-opt onto the Board anyone the Board considers is suitable to become a governing body member. Co-optees do not need to be members but they can only serve as co-optees until the next annual general meeting or until removed by the Board. Co-optees can serve on Committees in addition to the full Board. Co-optees

may not make up more than one-third of the total number of Board or Committee members at any one time and do not form part of the quorum (see individual Rules / Memorandum of Association).

### **Protected characteristics groups and reasonable adjustments**

The Langstane Group recognises the benefits a diverse Board of Management brings to its activities and decision making. The Group is proactive in removing any barriers by making reasonable adjustments and ensuring there are arrangements and facilities in place on a case-by-case basis, to allow attendance and full participation.

When planning events, the Group considers the potential needs of those participating at planning stage. Where governing body members require support from an assistant, meeting any additional costs will be considered on a case by case basis.

### **5. Monitoring and review**

This policy will be reviewed on a 3-yearly basis or earlier if there are reasonable grounds for undertaking such a review.

### **6. Equality and diversity**

The Langstane Group is committed to promoting equality and diversity across all areas of its work, and discrimination or harassment of any kind is not tolerated.

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