

BOARD AND COMMITTEE MEMBER RECRUITMENT, AND SUCCESSION POLICY

Date when Policy is to become effective	Date approved by Remuneration and Nomination Committee
Who is the lead person for the policy	Company Secretary
Who has been consulted	Executive Leadership Team Company Secretary
Who approves this Policy	Remuneration and Nominations Committee (delegated authority dated 29/01/2019)
When is the next review due	3 years
Which version number is this	New Policy, version 1
To be read in conjunction with:	
Internal	The Rules Board Members Code of Conduct Board and Committee Member Induction, Training and Development Policy Equality and Diversity Policy Shareholder Policy Remuneration and Expenses Policy Board Appraisal Policy
External	NHF Code of Governance HCA Regulatory Standards – Governance and Financial Viability Standard
Strategic priority that this policy supports	Sustain and Grow
Brief Policy Summary:	
<ul style="list-style-type: none"> ●To provide a fair, transparent and consistent framework for the recruitment and succession planning of Board and Committee members; ●To ensure that our Board and Committees plan effectively for changes in Board and Committee membership; ●To ensure that our Board and Committees are equipped with the right balance of skills, knowledge and experience to provide effective oversight of the delivery of our Corporate Strategy with membership, maintenance and succession planning clearly linked to the future direction of LHP; ●To ensure that our Board and Committee membership has regard to the diversity of the communities in which we operate. 	

1. Introduction

- 1.1. This policy will outline the aims and key policy commitments related to the recruitment and succession planning of our Board and Committee members. The purpose of this policy is to ensure we continue to have the right skills, experience, behaviours and diverse backgrounds represented on our Boards and Committees to provide effective governance and achievement of our Corporate Strategy.

2. Board composition, and responsibilities

- 2.1. Under our Standing Orders the Board can consist of between one to twelve members including up to 3 (non-voting) co-optees.
- 2.2. Each full voting member is appointed as a shareholder. Our Shareholder Policy sets out what this means.
- 2.3. Our Rules set out full details of our governance arrangements and structures as well as certain restrictions on who can apply to be, or remain as a member.
- 2.4. The Regulator of Social Housing's Regulatory Framework requires registered providers to ensure 'that due regard is given to skill, independence, diligence, effectiveness, prudence and foresight' for Board Members.
- 2.5. This policy outlines how we meet that responsibility.

3. Recruitment

- 3.1. It is the responsibility of the Chair of the Board and the Chair of each Committee to work with the Company Secretary to identify any requirements for recruitment. This will include the timing of such recruitment and any specific gaps to be addressed in terms of skills and experience.
- 3.2. An appropriate role description will be developed for all recruitment processes and will be approved by the relevant Chair and also by the Company Secretary (to ensure consistency of approach and compliance with Regulatory standards).
- 3.3. The Board will determine the recruitment process to be followed for each appointment based on the selection criteria for the post. Comprehensive recruitment packs will be developed in each case ensuring that appropriate focus is given to the particular skills, experience and attributes that have been identified. The Board may delegate the delivery of the recruitment process to the Remuneration and Nomination Committee.
- 3.4. The process for appointing Independent Committee members shall be in accordance with this policy but otherwise shall be determined by the relevant Committee Chair who shall seek the advice of the Company Secretary.

- 3.5. It is considered 'best practice' by LHP and the sector that the position of the Chair of the Board and the Chair of the Audit and Risk Committee are openly advertised even if there is a member (or members) within the current Board or Committee who has expressed an interest.
- 3.6. All Board and Committee appointments will be made following a competitive process save where the Board determines to the contrary, for example where a particular skill gap requires filling quickly through the co-opting of a new member.
- 3.7. Recruitment processes will also take account of behavioural and diversity requirements. Consideration will be given in each case as to how to target advertising and recruitment processes to best secure a highly skilled and diverse Board, reflective of our local population.
- 3.8. All appointments will be made following an interview with a panel of 3-5 members (the Panel), the composition of which will be determined by:
- 3.8.1. For Board appointments, the Board or the Remuneration and Nominations Committee acting under delegated authority from the Board.
 - 3.8.2. For Independent Committee appointments, the Chair of the relevant Committee.
- 3.9. The majority of the Panel members in all cases will be Non-Executive members.
- 3.10. The Chief Executive (or nominated Director) and, or an independent advisor may support the process as non-voting members of the Panel.
- 3.11. For the position of Chair of the Board or Chair of the Audit and Risk Committee an independent advisor will always be appointed to support the process.
- 3.12. The Panel will agree all candidates to be invited to interview.
- 3.13. All appointments to the Board shall be approved by the Board at the next available meeting following the conclusion of the recruitment process followed by ratification at the AGM.
- 3.14. All appointments to Committees shall be approved by the Board at the next available meeting or by a Committee with delegated authority from the Board followed by ratification at the AGM.
- 3.15. All appointments shall sign a Service Agreement acknowledging their rights, role and responsibilities to LHP, including the responsibility to act in accordance with the Board and Committee Members Code of Conduct. Fees and expenses payable for any role shall be in accordance with levels approved by the Board and reviewed in accordance with the Board Member Remuneration Policy.

4. Appointment and Term of Office

- 4.1. Appointment and details regarding the term of office of our Board members is set out in our Rules.

5. Succession and Renewal

- 5.1. Succession planning is the responsibility of each Board or Committee Chair with the support of the Company Secretary.
- 5.2. Effective succession planning comes from a clear understanding of the skills, experience and knowledge required for achievement of LHPs Corporate Strategy, as well as the changing business needs and future direction of LHP. The process should be continuous and proactive.
- 5.3. The following will be reviewed at least annually and prior to any recruitment process by the Remuneration and Nominations Committee to inform succession planning:
- 5.3.1. Outputs from member's individual appraisals (see Board Member Appraisal Policy), including the Skills Matrix and Action Plan
 - 5.3.2. Consideration of LHP's Corporate Strategy, the external environment and potential impact on LHP's business and governance requirements
 - 5.3.3. Current member term lengths
 - 5.3.4. Corporate Risk Register
 - 5.3.5. Board Member Term of Office Schedule
- 5.4. No less than four months prior to the end of a member's period of appointment the Company Secretary shall notify the Chair of the Board of the end of the appointment and seek authority to progress with a recruitment process.
- 5.5. In the case of the Chair of the Board and the Chair of the Audit and Risk Committee, a minimum of six months prior to the end of their period of appointment the Company Secretary shall notify the Chair of the Board (in the case of the Chair of Audit term coming to an end) or the Vice Chair and Chief Executive (in the case of the Chair of the Board term coming to an end) and seek authority to progress with a recruitment process. The time allowed to secure a new Chair must be sufficient for external advertisement of the post, selection, appointment and at least 4 weeks handover.
- 5.6. If there is a need to appoint a Chair Designate then appropriate support and/or coaching will be provided based on the individual's needs.
- 5.7. It is the overall responsibility of the Board to ensure that appropriate succession plans are in place for the Board and all its Committees so as to maintain a high level of governance effectiveness.