



**Non-Executive Director
Talent Management Policy
2025- 2028**

Non-Executive Talent Management Policy

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Contact Officer:	Jess Hyland Corporate Head of Governance & Regulation
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Policy Links:	LHP Constitution (The Rules, Standing Orders) NHF Code of Governance RSH Regulations Code of Conduct Member Conduct, Performance & Grievance Policy Equality & Diversity Policy Shareholding Policy Board & Committee Member Remuneration & Expenses Policy

Brief Policy Summary:

This policy sets out LHP's approach to attracting, developing, appraising, and retaining high-quality Non-Executive Directors (Board, Independent Committee, Co-opted and Trainee Board Members). It provides a joined-up framework for appointment, induction, development, performance appraisal, succession planning also describes the monitoring and responsibilities required.

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Introduction

1. This policy outlines the aims and commitments related to the succession, appointment and development of our Non-Executive Directors (NEDs). Its purpose is to ensure NEDs receive fair appointment, induction and development opportunities to enable them to be successful in their role in providing effective governance and achieving our Corporate Strategy.
2. The objectives of this policy are to:
 - enable proactive succession planning to ensure we have the right skills, experience, behaviours and diverse backgrounds representative of our customers and communities and clear links to the future direction of LHP and delivery of our Corporate Strategy;
 - ensure fair, open, and inclusive appointment of NEDs;
 - provide comprehensive induction and development that is fair, transparent and consistent;
 - deliver effective performance appraisals; and
 - support high levels of engagement and governance effectiveness.
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 a NED.
4. To comply with the NHF Code of Governance 2020 (the Code) and Regulatory Standards, the Board should:
 - have a diverse membership with collective skills and attributes needed to govern effectively;
 - have a maximum tenure of up to six consecutive years, unless agreed by Board it is within LHP's best interests to extend to a maximum of nine years. A NED who has left the Board cannot be re-appointed for at least three years;
 - ensure due regard is given to skill, independence, diligence, effectiveness, prudence and foresight for all NEDs;
 - ensure all NEDs receive a full induction and have an agreed programme of ongoing development opportunities which includes assessing needs identified through the appraisals process;
 - have a full, rigorous and documented appraisal process for NEDs, including the Chairs, and conducted at least every two years. The appraisal of the Chair should be undertaken by a Senior NED informed by views of all NEDs;
 - ensure there is an appropriate process for responding to individual NED under performance and to any conduct which may breach policies or codes; and
 - ensure a Senior NED assists the Chair to ensure effectiveness of the Board.

Succession Planning

5. Effective succession planning comes from a clear understanding of the skills, experience, behaviours and diversity required to govern effectively and ensure achievement of LHP's strategic priorities, as well as the changing business needs and future direction of LHP. This process should be continuous and proactive.
6. The following will inform succession planning with recommendations made to the Board:
 - outputs from NED individual appraisals, including the skills and behaviour matrix;
 - outcome of the Board & Committee Effectiveness Reviews;
 - consideration of NED diversity compared to the diversity of LHP's customers and communities;
 - consideration of LHP's Corporate Strategy, the external environment and potential impact on LHP's business and governance requirements;
 - current NED terms of office and committee membership requirements in compliance with the Code; and
 - strategic risk register.
7. Succession planning will be based on the following principles:
 - a minimum requirement of six Board members and a maximum of 12, with succession plans based on nine in role, with the ability to appoint up to 12 to allow for handover periods;
 - prioritised to appoint NEDs with the skills to ensure the Board and Committees remain effective, timed to maximise the ability to attract quality applicants to the roles, and enable a period of overlap between new NEDs starting and existing NEDs leaving to enable induction; and
 - review and refresh annually following the appointment of new NEDs.

Appointment Process

8. All appointments will be made following an anonymised, open and merit-based process except where Board determines this is not suitable, for example, where there is a particular skill gap and co-opting a NED is more appropriate.
9. Role descriptions will be developed in accordance with the succession plan.
10. Comprehensive appointment packs will be developed ensuring appropriate focus is given to competencies, skills, attributes, diversity and experience identified from succession planning. This will include clear eligibility criteria to ensure compliance with legal and regulatory requirements and safeguard LHP's reputation.
11. Consideration will be given to targeted advertising and taking positive action to attract applicants with the particular competencies, skills, attributes, diversity and experience sought.

12. The Board are committed to equity of opportunity and support will be provided throughout the appointment process via the provision of accessibility options and adjustments to meet applicant needs. The Board have adopted the principle that where meetings are in person, hybrid options will be available by exception and we will make it clear that only accessible buildings will be used for in-person events and meetings. However, the Chair reserves the right to request in person presence where appropriate for the purpose of continued board effectiveness.
13. All appointments will be made following an interview with a panel of three to five NEDs (the Panel). The Panel composition will be determined by the People & Governance Committee and will consist of a majority of NED's and at least one customer where possible. The Chief Executive (or nominated Executive Director) and / or an independent advisor may support the process as non-voting Panel members.
14. The Panel will agree all applicants to be invited to interview.
15. The interviews will be conducted on the principle that the Panel can, by exception, appoint more than the number of NED's sought, if this increases diversity and collective skills and the appointment will reduce the need to appoint other NED's in the near future, in line with the succession plan.

Onboarding & Induction

16. Once a conditional offer has been made to the successful applicant(s), eligibility and criteria checks will be conducted which will include an online due diligence review, completion of satisfactory references, Disclosure and Barring Service (DBS) and Right to Work in the UK.
17. All NEDs will take part in the induction programme on commencement in role, to assist acquisition of the skills and knowledge needed to effectively fulfil their role and understand LHP's expected corporate values and behaviours.
18. The Induction Programme is split into five core areas; pre-commencement, equipment; senior team; NED toolkit and development. A checklist outlines a range of activities and sessions that NEDs can expect to complete during their first 12 months in role.
19. To ensure NEDs gain a clear understanding of their role and responsibilities and LHP's Corporate Strategy quickly, 'Phase One' of the induction programme will be completed within three months in role.
20. This will be followed by 'Phase Two' of the induction programme (development) over the remainder of their first 12 months in role. Phase Two will have mandatory and tailored elements to be agreed between the NED and the Chair of the Board or relevant Committee Chair (in the case of Independent Committee Members). NEDs will be expected to engage in development and networking opportunities to enhance their understanding of LHP and the Corporate Strategy.
21. There is also a structured Buddy system which allocates an experienced NED or Executive Director to the new NED. This helps to facilitate learning and networking. While primarily responsible for offering advice, support and guidance regarding the

day-to-day aspects of LHP, the buddy will also offer encouragement and knowledge resources as they introduce the new NED to the LHP culture.

Ongoing Development

22. Development opportunities are offered to all NEDs, either formally through fixed internal or external development sessions as agreed via the Learning & Development Plan, or on a self-serve basis.
23. The Learning & Development Plan details on-going support available through inductions, Board Bulletins, sector publications, opportunities to engage with customers and individually identified objectives and development needs.
24. The Learning & Development plan will be reviewed annually and informed by:
 - outcomes of individual appraisals and collective Board and Committee effectiveness reviews; and
 - consideration of LHP's Corporate Strategy, the external environment and potential impact on LHP's business and governance requirements.

Appraisals & Self Assessments

Skills & Behaviour Self Assessments

25. Prior to annual appraisal discussions, NEDs are required to update their skills and behaviour self-assessment (initially completed on induction), which will be discussed and moderated during the appraisal discussion. These assessments are used to identify development needs, gaps for succession planning and inform the learning and development plan.
26. The skills self-assessment helps identify core, desirable, and committee specific skills required to govern effectively and to deliver strategic priorities.
27. The skills matrix reflects various factors including current NED skills mix, business needs, strategic priorities, regulatory and legal environment and is reviewed routinely. This ensures the Board continues to meet identified business needs and identify any gaps in skills and knowledge.

Appraisal Meetings

28. All NEDs will be individually appraised annually by the Chair of the Board or Chair of Committee (if an independent Committee member). The appraisal of the Chair of the Board will be conducted by the Senior Independent Director (SID), considering feedback from all NEDs. If appropriate, third-party feedback can also be utilised to inform appraisal discussions. External support may be used to support the process and administration support from the Governance Team will be provided.
29. The appraisal meeting will include discussion of performance (informed by third party feedback if provided), identification of development needs and agree individual personal learning or other relevant objectives.
30. In addition to completion of the skills and behaviour self-assessment, NEDs are required

to prepare for the appraisal in advance by completing and submitting the self-assessment sections on the appraisal form to inform discussion. This includes collective and individual performance, meeting attendance, review of progress against objectives, moderation of self-assessment scoring, identification of development and support needs and future objective setting with clear timelines.

31. Where areas for further support are identified during the appraisal, the areas will be discussed with the NED and an action plan agreed to support the member within an agreed timeframe with clear objectives.

Monitoring and Responsibility

32. The **Board** is responsible for:

- overseeing governance effectiveness through robust succession planning, appointment, induction, development, and appraisal processes; and
- ensuring there is a strong and diverse Board aligned to the needs of LHP and its strategic priorities.

33. The **Chair**, working with the **Corporate Head of Governance and Regulation**, is responsible for:

- leading succession planning - ensuring arrangements are in place for the timely replacement of NED's;
- aligning the Learning & Development Plan with annual appraisal outcomes, Board and Committee effectiveness reviews, skills & behaviour matrix analysis and evolving strategic priorities;
- reviewing onboarding and induction progress of NEDs throughout their first 12 months;
- addressing concerns around NED performance through the NED Conduct, Performance & Grievance Policy;
- ensuring the induction programme content is kept up to date and relevant;
- overseeing the appraisal process and ensuring it meets the requirements of the Code of Governance;
- appraising NEDs (or delegating if appropriate such as Independent Committee Members); and
- setting appraisal timelines and expectations.

34. The **Senior Independent Director (SID)** is responsible for leading the annual appraisal of the Chair and seeking the views of all NEDs and third parties (where relevant) to inform the appraisal.

35. **All Non-Executive Directors** are responsible for:

- completing the induction programme within 12 months of appointment;

- engaging in the appraisal process, including submitting self-assessments at least two weeks prior to their appraisal, participating in appraisal discussions and providing constructive feedback on peers where requested; and
- completing mandatory training and development within agreed timeframes.

36. The **Governance Team** is responsible for:

- supporting delivery of the appointment, induction, development, and appraisal process;
- maintaining records of NED development and induction progress;
- providing regular updates to the Chair;
- co-ordinating appraisal timelines and logistics;
- ensuring the annual Learning & Development plan is developed, approved and monitored;
- publishing information about NED appointments and diversity, and collective skills;
- monitoring and reviewing appointment processes to support a highly skilled and diverse Board that reflects the communities it serves; and
- ensuring continuous improvement in processes by obtaining feedback from applicants and NEDs to ensure expectations are met and identify changes to benefit future applicants and NEDs.

Equality and Quality Impact Assessment (EQIA)

Title of Policy/Event/Decision: Non-Executive Directors Talent Management Policy

Lead Officer(s): Jess Hyland, Corporate Head of Governance and Regulation

Date of EQIA: 26/03/2025

Scope and Purpose	
Briefly describe the policy/event/ decision being assessed:	This Policy addresses the talent management process for LHP's Non-Executive Directors.
What is the aim or purpose of this policy/decision?	The policy sets out to provide a fair, transparent and consistent framework for appointment and to ensure effective succession planning, onboarding, induction and development.
Which departments or groups will be affected by this policy/event/ decision?	The Governance Team Executive Leadership Team Non-Executive Directors
Data Collection and Evidence	
What data or evidence have you used to identify how different groups may be affected? (e.g., customer demographic data, service usage statistics, consultation feedback)	The data was provided by applicants for Non-Executive Director (NED) roles and appointed NEDs by completion of the Diversity monitoring form. This information was evaluated to generate insights relating to each of the protected characteristics, providing a clearer understanding of the overall diversity profile of the NED's.
What does this data tell you about the potential impacts on different equality groups?	The data confirms that applicants from all protected characteristics are actively encouraged to apply for Non-Executive Director (NED) roles. Analysis of recent appointment processes shows a positive trend in applications received from individuals representing a broad range of backgrounds, including age, ethnicity, gender, disability, sexual orientation, and other protected characteristics. This suggests that our inclusive appointment messaging and practices are having the desired impact. Furthermore, the current composition of the Board, featuring NEDs who reflect a wide range of protected characteristics, demonstrates our commitment to representation and inclusivity at the highest level. This

	<p>visible diversity plays a crucial role in building trust and encouraging prospective applicants, as it signals that LHP values and welcomes difference.</p> <p>The confidence applicants display in applying for these roles, with no apparent barriers or restrictions, is a strong indicator that our efforts to create an inclusive appointment environment are effective. Continued monitoring and proactive engagement with underrepresented groups will help us build on this success and further strengthen diversity in leadership.</p> <p>While our efforts have been successful in attracting a broad range of applicants for NED roles, we have yet to see significant engagement from younger applicants or individuals facing language barriers. Currently, the Board is predominantly composed of people over the age of 50, all of whom are fluent English speakers.</p> <p>Positive impacts have been identified for the following groups:</p> <ul style="list-style-type: none"> • Applicants across various age groups • Female Applicants • Male Applicants • Applicants with disabilities • Married individuals • Professionals in senior occupations • Applicants from diverse socio-economic backgrounds <p>Areas of concern and potential negative impact remain for:</p> <ul style="list-style-type: none"> • Applicants under the age of 40 • Non-English-speaking applicants or those with English as a second language, particularly those of Eastern European Heritage who are representative of our communities <p>To address these gaps, further work is needed to ensure our appointment practices and messaging are inclusive and accessible to all, particularly those currently underrepresented.</p>
RAG Impact Assessment on Protected Characteristics	
<p>Use the RAG system to assess the level of potential impact for each protected characteristic:</p> <ul style="list-style-type: none"> • Red (High Risk): Significant potential for negative impact requiring immediate action to mitigate. • Amber (Medium Risk): Some potential for negative impact, which can be mitigated with changes. • Green (Low or No Risk): Little to no negative impact identified. <p>Ensure that you state reasons (the why) for your justifications.</p>	

Protected Characteristic	Impact (Positive, Negative, Neutral)	RAG Rating	Description of Potential Impact	Mitigation/ Enhancement Actions	Responsible Officer
Age	Positive groups 50+ Negative groups under 40	A	Underrepresented by younger talent groups	<p>Continue to promote the trainee Non-Executive Director programme, which supports younger candidates to become board-ready.</p> <p>As part of the governance and customer involvement review, explore establishing a youth advisory group or similar initiative to strengthen youth engagement.</p> <p>Increase outreach to younger audiences through targeted communications and partnerships with youth-focused organisations.</p> <p>Highlight the career development benefits of NED roles to attract emerging leaders.</p>	Corporate Head of Governance and Regulation (CHoGR)
Disability	Positive	G	No impact to applicants	Positive action has been taken to ensure hybrid options are	CHoGR

				<p>available for in person events and only accessible venues are used.</p> <p>Reasonable adjustments are offered with use of plain English and accessible formats.</p>	
Gender Reassignment	Positive	G	No direct impact identified	Maintain inclusive culture, use appropriate pronouns in hearings	CHoGR
Marriage and Civil Partnership	Positive	G	No impact to applicants	N/A	N/A
Pregnancy and maternity	Negative	A	The role's time commitment and expectations may be a barrier for applicants who are pregnant or have young children.	<p>Review current Board expectations and explore ways to improve flexibility in fulfilling role commitments.</p> <p>Clearly communicate the availability of hybrid meeting options to support applicants with caring responsibilities.</p> <p>Ensure that all venues used for in-person meetings provide a private space suitable for breastfeeding, where needed.</p> <p>Promote an inclusive and</p>	CHoGR

				supportive environment by reinforcing flexibility and family friendly practices in recruitment materials.	
Race / Language	Negative	R	Impact to applicants who have English as a second language	Documents to be made easy to read, translatable and possible adjustments can be made for interview process	CHoGR
Religion or Belief	Positive	G	No impacts	N/A	N/A
Sex	Positive	G	No impacts	N/A	N/A
Sexual Orientation	Neutral	G	No impacts	N/A	N/A
Mitigating Negative Impact					
What actions will you take to reduce or mitigate any identified negative impacts? Provide specific mitigation measures for each characteristic where a negative impact (Red or Amber rating) was identified.		<p>Age – AMBER - A potential negative impact has been identified for applicants under the age of 40. To mitigate this, we will continue with the NED Trainee Programme and highlight benefits such opportunities for professional development, and the value such roles can bring to broader career progression. We will also seek to build targeted networks and outreach initiatives to help younger applicants feel encouraged and supported to apply.</p> <p>Pregnancy and Maternity – AMBER - The role's time commitment may present a barrier for pregnant applicants or those with young children. To address this, we will undertake a review of current Board expectations and explore options to make the role more accessible. This may include reassessing time demands, introducing greater flexibility in how commitments are fulfilled, and clearly communicating support measures to encourage applications from women of childbearing age.</p> <p>Language – RED - There is a significant barrier for non-English speakers, particularly in engaging with Board documentation and the application process. We will review how Board papers are written to improve readability and explore the feasibility of providing translated materials where appropriate. Additionally, we will work towards offering simplified, plain English application forms and guidance, alongside support for applicants who may require assistance with language accessibility.</p>			

Who is responsible for implementing these actions?	Corporate Head of Governance and Regulation
Consultation and Engagement	
Have you consulted any stakeholders or equality groups? If so, who and how?	<p>All applicants are asked for feedback at the end of the process.</p> <p>NEDs are asked for feedback through appraisals, board and committee effectiveness processes, post-meeting surveys and ad-hoc targeted surveys such as the end of an induction programme.</p> <p>Third party guidance was sought for the appointment process to benchmark accessibility.</p>
What feedback have you received, and how has this influenced your assessment?	<p>From feedback and diversity data, we were able to reassess the information for applicants and refine the language used in the advertisements to ensure it was both inclusive, explicit regarding adjustments and accessibility and aligned with the role's demands. As a result, we were able to target a wider and more diverse pool of applicants. This approach helped ensure fairness in appointments and improved our ability to attract high-quality applicants from a broad range of backgrounds.</p>
Decision Making	
How has this EQIA informed or influenced the final decision?	<p>The EQIA has informed us to continue with adopting more inclusive appointment practices and to review accessibility, particularly regarding language and flexible options.</p> <p>Additionally, for the inclusion of younger NEDs, to continue with the NED trainee programme and review the governance structure on how younger applicants can get involved.</p>
Were any changes made to the policy/decision because of the EQIA?	<p>Additional mitigations and enhancements to ensure inclusive identified as part of impact assessment. Although no specific changes to the Policy, when delivering the process, we will ensure:</p> <ul style="list-style-type: none"> • reasonable adjustments are available for accessibility and to also review further needs such as language; • respectful and sensitive to diversity by using appropriate pronouns and avoidance of key religious observances; and • continue with the NED Trainee Programme as well as explore other options to encourage younger people involvement
Monitoring and Review	
How will you monitor the actual impact of the policy/decision	<p>Non-Executive Directors complete an Equality, Diversity and Inclusion (EDI) form on appointment that is carefully analysed and reviewed as part of the annual succession planning.</p> <p>All applicants are also asked to complete an EDI form so any gaps can</p>

once it is implemented?	<p>be identified and positive action recommended for future campaigns.</p> <p>This ongoing review process supports the development of an inclusive and effective appointment strategy for future NED appointments. Success will be measured by the volume and diversity of applications received, as well as the diversity of NEDs. We will also continue to monitor diversity data alongside appraisal feedback to ensure all relevant factors are captured and addressed.</p>
When will the policy/decision be reviewed?	This policy is on a three-year cycle and EQIAs reviewed every 6 months
Sign-Off EQIA Completed By: <i>Lead Officer(s)</i> <i>Name(s):</i> <i>Date:</i>	<p>Jess Hyland</p> <p>Corporate Head of Governance and Regulation</p> <p>08 April 2025</p>
Approved By: <i>Approval Name:</i> <i>Date:</i>	<p>Abigail Iyaho</p> <p>Strategic Customer Inclusion and Insight Lead</p> <p>15/04/2025</p>