



# Group Policy:

## Board Membership and Recruitment Policy

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Approval Body	RCHG Board
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This policy is available, on request, in different languages and in other formats such as large print, audio format and braille as required.

## 1. Scope

- 1.1 This is a Group policy and therefore applies to Board and Committee members of The RCH Group of companies. As at August 2021, The RCH Group consists of River Clyde Homes and its subsidiary, Home Fix Scotland Ltd.

## 2. Introduction

- 2.1 Good governance is at the heart of the RCH Group. The foundation of good governance is a balanced, diverse and effective Board which leads and controls the organisation and ensures compliance with its legal requirements.

- 2.2 The aims of this policy are to ensure that the RCH Group:

- Fulfil its legal and regulatory requirements
- Governs effectively and efficiently
- Takes a strategic approach to Board composition, continuity, skills and diversity
- Plans for the future when dealing with Board Member recruitment, retention and development
- Recruits in an open and transparent way

- 2.3 This policy requires to be read in conjunction with:

- RCH Articles of Association
- HFS Articles of Association
- Standing Orders and Delegations
- Code of Governance
- Code of Conduct
- Entitlements, Payments and Benefits Policy
- Financial Regulations

### 3. Definitions

Community Board Member – any person who is neither a Council Board Member nor a Customer Board Member and Community Board Members shall be individuals (including representatives of organisations, with the exception of the representative of the Council as a corporate body who will not be eligible for Board membership) who shall have the business, or technical knowledge, experience, skills or expertise complementary to, and be compatible with, the objects of the Company.

Council Board Members – the two persons nominated by Inverclyde Council to sit on the Board, who will be deemed to be Members for the duration of their nomination.

Customer Board Member – an individual who (i) holds a tenancy or licence or lease of a residential property from, and occupies a property belonging to River Clyde Homes, or any subsidiary of River Clyde Homes or the partner or spouse residing with that individual in accordance with the definition of partner or spouse in section 108(1)(a) of the Housing (Scotland) Act 2001, or (ii) is the owner of a house in respect of which River Clyde Homes or any subsidiary of River Clyde Homes provides a factoring service.

Executive Board Member – an employee of River Clyde Homes appointed as a Board Member.

### 4. Policy Statement and Responsibilities

- 4.1 River Clyde Homes supports the principle that the Board should consist of members with a variety of skills and knowledge so as to establish better leadership and strategic direction which will help to ensure realisation of the organisation's vision, values and strategic outcomes. This reflects the organisation's responsibility to all customers and stakeholders.
- 4.2 River Clyde Homes will seek to promote Board membership in a variety of ways with a view to achieving a more diverse Board that is representative of our community. River Clyde Homes recognises the value of a diverse Board in delivering its services to the wider community.
- 4.3 The terms of this Policy should be adhered to. If extenuating circumstances require deviation from the policy, then this must be approved by the RCH Group Board.

#### **RCH Parent Company Board**

- 4.4 In accordance with Article 32 of the Articles of Association, the River Clyde Homes Board comprises a maximum of 12 Board members comprised of ten Customer Board Members, Community Board Members or Executive Board Members and two Inverclyde Council nominated Board Members. The ten

Customer, Community or Executive Members are appointed or elected on a systematic and continuous basis to avoid major changes in Board membership at infrequent intervals and serve three year terms for a maximum of 9 years.

4.5 In line with the SHR's Regulatory Standard 6.3:

“The governing body ensures that any non-executive member seeking re-election after nine years' continuous service demonstrates continued effectiveness.”

Any non-executive Board Member seeking re-election after nine years' continuous service needs to apply via a written statement to the RCH Group Board. The statement should demonstrate their continued effectiveness.

4.6 All Board members must meet the criteria detailed in Article 50 and also the requirements of the role profile which is contained within the Standing Orders, Delegations and Governance Code.

4.7 In accordance with Article 56 of the Articles of Association, the Board members shall appoint, at their first meeting after the AGM, a Chair, Vice-Chair and the Chairs of Standing Committees from among their number (office bearers). These appointments shall not extend, on annual renewal, beyond a five-year period and shall not be made from Executive Board members nor co-opted Board members.

4.8 When seeking to appoint to these roles, the Board shall appoint members who are most equipped to undertake the roles and shall ensure that individuals meet the criteria of the Role Profiles for the Chair and Vice Chair which are contained within the Standing Orders, Delegations and Governance Code. In recruiting to the Chair role, the Board will take account of the fact this is a remunerated post and recruit accordingly.

4.9 At the first meeting after the AGM or as required, the Board shall appoint a Company Secretary who need not be a Board member and may be an employee of River Clyde Homes or any other suitably skilled person.

4.10 All Board members must participate in the Board Member Induction Programme, the individual and collective annual appraisal process, and the Board Training and Development Plan.

4.11 The eligibility criteria for Board members is detailed in Article 50 of the Articles of Association. The following guidance to definitions is given:

**50 (i) “special leave of absence”**

Where the Board believe that, in the whole circumstances of the situation, it is appropriate to grant a leave of absence to an individual Board member, the Board can make a resolution to that effect for a specified period determined by the Board, which cannot extend, in any

circumstances, beyond a 6 month period. Any responsibilities of the Board member, in terms of, for example, Standing Committee membership will be delegated for the period of the absence to another Board member.

**50 (p) “in arrears, of an amount greater than the maximum level set by the Company in its Board Membership Policy”**

Where a Board member is in arrears to River Clyde Homes, whether in respect of rent or any other financial obligation, it will be possible for the Board member to continue as a Board member provided that:

- the Board member is not party to legal proceedings raised by River Clyde Homes, and
- a Notice of Proceedings has not been served, and
- the Board member discloses an interest and does not participate in any discussion in relation to such arrears nor general arrears policy or target-setting, and
- there is an arrangement in place to meet the arrears which has been set and approved by RCH and is rigidly adhered to.

Failure to enter into or maintain the agreed arrangement will result in removal of the Board member.

**50 (aa) “he/she is an employee of the Company or a close relative of such an employee or he/she “is a close relative of another Board member or co-optee”**

A person is a close relative if:

- he/she is the spouse or civil partner or he/she cohabits with that person (whether of the same or different sexes), or
- he/she is that person’s parent, grandparent, child, stepchild, grandchild, brother or sister.

4.12 In terms of Article 48 of the Articles of Association, Board members can be removed from office by resolution of a majority of the members of the company, voting at an Extraordinary General Meeting (EGM). Such EGMs will be dealt with in the same way as those called under Article 15 in relation to the consideration of the expulsion of a member of River Clyde Homes.

4.13 Separately, in terms of Article 50(k) of the Articles of Association, Board members can be removed by means of a resolution of (or written notice signed by) at least three quarters of all the other Board members.

4.14 Such resolutions of the Board will only be permissible where the Board member in question has been found to have:

failed to perform to the published standards laid down by the Scottish Housing Regulatory (SHR) or the Scottish Charity Regulator (OSCR);

- 4.15 Failed to comply with or committed a serious breach of the Standing Orders, Delegations and Governance Code and/or Financial Regulations. A process for this is outlined in the Code of Governance.
- 4.16 There may be circumstances where a Board member feels that the conduct of the Board or of an employee falls short of the high standards necessary and they should therefore refer to the RCH Group Grievance and Dignity at Work Policy and Procedures.

## RCH Parent Company Board Member Recruitment

### Customer and Community Board Members

- 4.17 In line with the SHR's Regulatory Standard 6.4:

“The RSL encourages as diverse a membership as is compatible with its constitution and actively engages its membership in the process for filling vacancies on the governing body.”

RCH will advertise Board vacancies prior to the AGM. Recruitment will be targeted to address skills gaps identified by the Board and adverts will highlight the recruitment priorities, particular skills and knowledge we seek to strengthen the Board. Board adverts will highlight our commitment to promoting equality, valuing diversity, and challenging prejudice and discrimination in all its forms and that membership and participation in the governance of our organisation is open to everyone, and applications are welcome from all.

- 4.18 We will contact our membership directly to advertise the recruitment exercise; advertise on the Group's website; advertise on the Group's social media; and directly approach those who we think may be interested in response to other contacts we have had with them.

- 4.19 In line with the SHR's Regulatory Standard 6.1:

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

All prospective Board Members will be provided with a recruitment pack. The recruitment pack will include:

An introduction and overview to the Group and the relevant Board(s) with the vacancy

An explanation of the knowledge, skills or experience gap that the Board is looking to fill

A Board Member Role Description which sets out the responsibilities and expectations

Explanatory information on the process for becoming a Board Member and instructions on how to apply.

- 4.20 Those applicants meeting the eligibility criteria will have their applications forwarded to the Remuneration and Nominations Committee for shortlisting. Shortlisted applicants will be invited for interview by the Remuneration and Nominations Committee or representatives of the Committee to discuss their application, their understanding of what constitutes good governance, the way in which they would strengthen the Board and contribute to the effective operation of the organisation and any other relevant questions. The Remuneration and Nominations Committee will answer any questions from the applicant.
- 4.21 Unsuccessful applicants will be notified at the relevant stage (eligibility / shortlisting / interview) with an explanatory note.
- 4.22 Successful applicants to the subsidiary Board will require their appointment to be approved by the RCH Group Board.
- 4.23 Successful applicants to RCH Group Board will require to be appointed as casual Board members until they can stand for Election at the next AGM.
- 4.24 Persons who wish to be considered for election to the RCH Board require to:
- Submit an application form in line with Article 46(c);
  - Be selected as a candidate by the Remuneration and Nominations Committee; and
  - Be approved as a candidate by the Board
- 4.25 At each AGM direct or indirect elections will be held for the election of Customer or Community Board members to fill the vacancies. If the number of Community Board members and Customer Board members standing for election is equal to the number of vacancies, the Chairperson can declare them elected without a vote.

### **Executive Board Members**

- 4.26 The Board can appoint to the Board any employees the Board considers are suitable to the role of Executive Board Members subject to the provisions of Article 32 and provided that Executive Board Members do not constitute a majority of the total number of Board Members at any time. Executive Board Members shall serve until removed by the Board and shall not be subject to the terms of Article 43(a). Executive Board Members can also serve on any sub-committees. The Executive Board Members can take part in discussions at the Board or any sub-committee meetings on all matters except those which directly affect the membership of the Company or the election of the Company's Office Bearers. Executive Board Members cannot stand for election, nor be elected as one of the Office Bearers of the Board.



### **Nomination / Removal of Council Board Members**

- 4.27 The Council may nominate or remove any Council Board Member at any time, by sending written notification to River Clyde Homes' registered office. Such a nomination or removal is effective when the written notification is received by the Company, or on a later date if the notification sets a later date. On an annual basis, prior to the AGM, River Clyde Homes will contact the Chief Executive of Inverclyde Council and request that the Council nominates two people to serve on the River Clyde Homes' Board from the date of that AGM. For the absence of doubt, the Council may re-nominate some or all of the same individuals that are currently sitting as Council Board Members if it so wishes.

### **Co-optees**

- 4.28 Where the Board believes that it is necessary to supplement the existing skills on the Board by filling a vacancy with someone with specific expertise, the Board may co-opt any person as a co-opted Board Member. However, a co-opted Board Member cannot be a local authority person and need not be a company member. Such a co-opted Board Member will serve as a voting Board member (except on votes directly affecting membership of the Company or the election of its officers) until the following Annual General Meeting, or for a shorter period as required. Co-opted Board members can also serve on sub-committees. Co-opted Board Members cannot hold Office Bearer positions and will not count towards any quorum for Board or sub-committee Meetings. The maximum number of Board members, including any co-optees, cannot exceed 12. The Board can revoke the appointment of a co-opted Board member at any time.

### **Appointment of Board Members to fill Casual Vacancies**

- 4.29 Casual vacancies occurring among Board members will be filled by the Board in accordance with Article 47 of the Constitution. All Board members who fill a casual vacancy will have the same rights as other Board Members (other than co-opted Board Members) but will be required to resign at the commencement of the following Annual General Meeting.

### **Appointment of Board Members by the Scottish Housing Regulator**

- 4.30 The Scottish Housing Regulator, pursuant to its powers contained within section 65 of the Housing (Scotland) Act 2010, may from time to time appoint additional Board members for such period and on such terms as The Scottish Housing Regulator may specify. Such Board members shall be entitled to take part in the deliberations of the Board and vote at any meetings thereof on all matters. Exceptionally, appointments made by The Scottish Housing Regulator under this provision are not subject to the "maximum 12" as outlined in Article 32.

### Home Fix Scotland Board

- 4.31 In accordance with Article 10 of the Articles of Association, the Home Fix Scotland Board comprises a maximum of 5 Board members appointed via the Parent Company who have the authority as per article 12 to appoint directors and remove them. A subsequent Ordinary Resolution amended the maximum number of HFS Board members to 7.
- 4.32 All Board members must meet the criteria detailed in Article 12 and also the requirements of the role profile which is contained within the Standing Orders, Delegations and Governance Code.
- 4.33 All Board members must participate in the Board Member induction programme, the individual and collective annual appraisal process, and the Board Training and Development Plan.
- 4.35 The HFS Articles of Association are not prescriptive in relation to the appointment of office bearers and the following process should be adhered to:
- (i) The Chair of the HFS Board will be appointed via the Parent Company who have the authority as per article 12 to appoint directors and remove them. When seeking to appoint to this role, the Board shall appoint a candidate who is most equipped to undertake the role and should ensure that the criteria of the Role Profile for the Chair which is contained within the Standing Orders, Delegations and Governance Code is met. In recruiting to the Chair role, the Parent Company will take account of the fact this is a remunerated post and recruit accordingly.
  - (ii) This appointment shall not extend beyond a five year period and shall not be made from Executive Board members, office bearers of the RCH Board or Co-optees.
  - (iii) If the Chair remains in place for five years and wishes to continue service on the Board, they will have the opportunity to do so, in line with Article 12, for a further four year period.
- 4.36 The eligibility criteria for Board members are detailed in Article 12 of the Articles of Association.
- 4.37 There may be circumstances where a Board member feels that the conduct of the Board or of an employee falls short of the high standards necessary and they should therefore refer to the RCH Group Grievance and Dignity at Work Policy and Procedures.

### HFS Board Member Recruitment

- 4.38 The RCH Group Parent Board has authority for appointments to the HFS Board.

- 4.39 RCH will advertise Board vacancies and recruitment will be targeted to address skills gaps identified by the Board and adverts will highlight the recruitment priorities, particular skills and knowledge we seek to strengthen the Board. Board adverts will highlight our commitment to promoting equality, valuing diversity, and challenging prejudice and discrimination in all its forms and that membership and participation in the governance of our organisation is open to everyone, and applications are welcome from all
- 4.40 Persons who wish to be considered for election to the HFS Board require to:
- Submit an application form in line with Article 12.4;
  - Be selected as a candidate by the Group Remuneration and Nominations Committee; and
  - Be approved as a candidate by the Parent Board

### **Employees of the Company or the Parent**

- 4.41 The Parent may appoint persons as a Director of the Company, this includes any employees of the Company or the Parent that the Parent considers suitable subject to the provisions of Article 10 and provided that Executive Directors do not constitute a majority of the total number of directors at any time.

### **Co-optees**

- 4.42 The Board may co-opt persons to the Board or to a sub-committee and may at any time revoke such co-option. Co-optees must have attained 18 years of age and no more than three people may be co-opted on to the Board or a sub-committee at any one time. Such a co-opted Board Member will serve as a voting Board member (except on votes directly affecting the Articles of Association, membership of the Company or the election of its officers) until removed by the Board. Co-opted Board members can also serve on sub-committees. Co-opted Board Members cannot hold Office Bearer positions and will not count towards any quorum for Board or sub-committee Meetings. The Board can revoke the appointment of a co-opted Board member at any time.

### **Induction of New Board Members**

- 4.43 In line with the SHR's Regulatory Standard 6.5:

“The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities. Existing governing body members are given ongoing support and training to gain, or refresh, skills and expertise and sustain their continued effectiveness.”

When new members are first appointed to a Board they are required to take part in the process as outlined in the Induction Programme Checklist. New Board members are also offered the opportunity to (buddy)

- 4.44 The annual 1:1 with the Chair or Vice Chair will be an opportunity to provide feedback and identify any further training and development required.

### **Building and Retaining a Strong Board**

#### **Identification of Skills Needed**

- 4.45 In line with the SHR's Regulatory Standard 6.2 which states that:

“The Governing Body annually assesses the skills, knowledge, diversity and objectivity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, deliver good tenant outcomes, and manage its affairs.”

An annual review will take place of the skills matrix, for the Group. This will detail the skills, knowledge, experience and interests that each Board needs represented by its Board Members. In order to populate the skills matrix, Board Members should consider the strategic plan and the diversity of the communities that it serves.

#### **Board Member 1:1s**

- 4.46 In line with the SHR's Regulatory Standard 6.3:

“The RSL ensures that all governing body members are subject to annual performance reviews to assess their contribution and effectiveness. The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans.”

On an annual basis, individual members of each Board will have a 1:1 meeting with the relevant Board's Chair and / or Vice Chair. External support may also be present during these meetings. The Chair of the subsidiary Board will be appraised by the Group Board Chair and Vice Chair. The Chair of the Group Board will be appraised by the Group Vice Chair and will incorporate feedback on their performance from Board members.

- 4.47 An appraisal form will be issued to individuals for completion to be returned in advance of the 1:1 meeting. This will gather information to inform discussions at the meeting.
- 4.48 The notes taken during appraisal discussions will inform
- A Board Members Succession Plan
  - A Board Members Training and Development Plan
  - A Boards Recruitment Needs

#### **Collective Board Appraisal**

4.49 In line with the SHR's Regulatory Standard 6.2:

“The governing body annually assesses the contribution of continuing governing body members, and what gaps there are that need to be filled.”

On an annual basis, each Board member will be asked to complete a Collative Board Appraisal Form to review the Board's functioning, composition and skills. Following on from this it will identify any existing or projected gaps in skills, experience or representation that might be filled through recruitment, training or structure / process changes.

### **Succession Planning**

4.50 In line with the SHR's Regulatory Standard 6.1

“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.”

On an annual basis, the RCH Group Board will review information gathered from 1:1s for members of each Board with regard to their intentions and aspirations. Following on from this it will identify any existing or projected gaps in skills, experience or representation that might be filled through recruitment, training or structure / process changes. This will form the basis of the formal Succession Plan for the Group which will be presented to the Board annually as part of the report on appraisal outcomes.

### **Training and Development**

4.51 Non-executive members of each Board are volunteers who give freely of their own time and are a key resource for the Group. The group will seek to attract and retain Board Members by ensuring that they are properly supported and that as far as possible the experience of being a Board Member is enjoyable and fulfilling. It will do this through effective induction, training, development and support.

4.52 There will be an annual opportunity for each member to discuss and assess their current skills with the relevant chair / vice chair at their 1:1 and to request any training, development or support needed to assist them in their role or to support them to achieve their aspirations within the RCH Group.

4.53 Information gathered from 1:1s for members of each Board will be used to populate a structured training and development programme. The Leadership Team will oversee and monitor progress against the Training and Development Programme.

## **5. Equality and Diversity**

- 5.1 The RCH Group will apply this policy fairly and consistently. In implementing this policy, we will not directly or indirectly discriminate against any person or group of people because of their race, religion or belief, gender, disability, age, sexual orientation, or any other grounds. Our commitment to equality and fairness will apply irrespective of factors such as age, disability, gender reassignment, marital or civil partnership status, pregnancy or maternity, race, religion or belief, sex, sexual orientation, or other personal attributes.

## **6. Review**

- 6.1 This policy will be reviewed in its entirety every 3 years, unless an earlier review is required due to changes in legal, regulatory or best practice requirements, or because monitoring and reporting reveals that a change in policy is required sooner.