

Non-Executive Director Recruitment & Succession Planning Policy

1.0 Introduction

- 1.1 This policy sets out the process to ensure that the recruitment of Non-Executive Directors (NEDs) is conducted in an open, accountable and equitable manner.
- 1.2 The recruitment of NEDs enhances the combined skills, knowledge and expertise on the Board to enable them to carry out their responsibilities effectively to ensure the sound governance of the Group.

2.0 Scope

- 2.1 This Policy includes recruitment of NEDs and co-optees to balance the need for continuity and the opportunity to refresh the Board and Committees through recruitment to provide new thinking and challenge and maintain a range of skills and experienced appropriate for the present and the future.
- 2.2 Compliance with the Homes and Communities Agency's (HCA) Regulatory Framework and the National Housing Federation (NHF) Code of Governance is maintained with the process contained herein.

3.0 Recruitment Process

- 3.1 Prior to starting the recruitment exercise the Board will review the skills, experience and background currently represented on the Board as identified from the annual appraisal review and any recently undertaken external Board effectiveness reviews. This normally takes place in July each year.
- 3.2 The Board will assess the skills and expertise available to the Board, as compared with the desired statement of composition, with the aim of identifying any gaps and the Board will appoint a selection panel (to include the Chair) for the recruitment process.
- 3.3 Where skills gaps exist training and development will be provided for existing members to help them meet the skills and knowledge requirements.
- 3.4 Where this cannot be addressed by training and development or when a vacancy on the Board occurs this information will be used to inform the recruitment and selection process for new NEDs.
- 3.5 The same approach will be taken when considering existing Board members who have reached the end of their three year term but who wish to be considered for re-appointment.
- 3.6 Vacancies on the Board will be advertised in the local media and, where appropriate, the professional and/or national press as well as promoted within relevant local organisations / executive and non-exec networks and via social media.
- 3.7 Advertisements will clearly state the skills, experience and/or knowledge that are being sought in addition to the attributes set out in the Person Specification.

- 3.8 In tandem with the recruitment campaign, executive search (head-hunting) techniques may be used which could be based on the network of existing NEDs.
- 3.9 The Chair or CEO will act as the contact point for any enquiries from potential applicants.
- 3.10 Application packs will include a role profile, a copy of the NED Code of Conduct, facts and figures about the Coastline Group, and relevant information about the Board.
- 3.11 Applications will be sought on the basis of an expression of interest, a CV and structured application process. Applicants will be asked to complete a confidential Equal Opportunity and Diversity monitoring form.
- 3.12 The Panel will select a shortlist of candidates dependent on the identified skills gaps.
- 3.13 In advance of the Panel making a recommendation for appointment to the Board the name of any proposed candidate will be circulated electronically to the wider Board.
- 3.14 Where the standard is high and the Panel considers it worthwhile, unsuccessful candidates may be retained on a holding list, pending future vacancies and/or opportunities for co-option onto one of the Group's Committees or subsidiaries.
- 3.15 Candidates will be asked to supply the names and contact details of two referees with suitable up-to-date knowledge of the candidate. Referees need not be past or present employers but must have known the candidates for at least two years and be able to comment on their suitability as a NED against the Person Specification.
- 3.16 Successful candidates will be issued with a NED Service Agreement in addition to the usual administrative arrangements.

4.0 Conflicts or Duality of Interest

- 4.1 The conflict or duality of interest arising from potential candidates for board membership from those who are paid staff or intend to continue acting on the board of a maximum of one other social housing provider will be considered by the Selection Panel during the recruitment process, as Board places for people with such interests will be limited to one at any time. (see Board minute (2.6) 26 November 2015)
- 4.2 In addition to 4.1 above, no candidate will be considered for appointment where more than one Coastline Non-Executive Director would sit simultaneously on the Board of any other organisation (eg; two CHL NED's on the Board of the same external organisation).

5.0 Appointment

- 5.1 The Panel will recommend appointments to the Board.
- 5.2 Non-Executive Directors will be appointed on three-year terms (with the initial service agreement being generally for one-year) and on appointment will become Members of the Company.
- 5.3 In line with the 2015 NHF Code of Governance (Section D3), where a member comes to the end of an individual term of office and is eligible for reappointment, this must be subject to consideration of the member's appraised performance and skills, and to the wider needs of the board at that time.

5.4 In accordance with the Company's Articles all NEDs are required to retire after each term of office and stand for re-election as Directors at the next AGM subject to requirements of the Code of Governance.

6.0 Induction

6.1 As a minimum, the induction programme will include:

- An introductory meeting with the Chair of the Board.
- Background briefing on social housing, to include the different functions of housing associations and local authorities and the funding and regulation of Registered Providers.
- Corporate briefing by the Chief Executive and/or other senior executives, to include the roles and responsibilities of CHL and its structure.
- Briefing on the legal responsibilities of NEDs and Equality & Diversity training.
- Business Plan and financial context training by the Director of Finance.
- Service overview and an introduction to any operating subsidiaries.
- Assessment of training needs via an initial appraisal and agreement to a Year One training programme with Equality & Diversity, governance and appraisal training forming mandatory elements of the programme.

7.0 Succession Planning

7.1 Whilst the contribution of experienced NEDs is vital, boards also need new members who can provide an independent challenge to long-standing practices and thinking. Renewal is also a key element in meeting any skills and experience gap that is identified or arises through unexpected resignations.

7.2 The Group will be proactive in considering its future needs in terms of Board composition, skills and experience, planning for, and where desirable, encouraging turnover of membership.

7.3 The Board will use NED appraisals, Board effectiveness reviews and regular skills audits to identify any gaps in skills and knowledge that the Boards and Committees may have to ensure when a vacancy arises the Board can fill it in a way that best meets its needs.

7.4 To maintain continuity of understanding and knowledge as part of Board membership succession planning it is anticipated that co-optees will be adopted, as necessary, to provide the Board with the option of adding expertise on identified areas.