



Derwentside
Homes

Board Membership/Recruitment Policy

Policy Number

POL18

Purpose of Policy

Derwentside Homes will:

- establish a wide, and active and inclusive membership of the Association which reflects the local community.

Policy Statement

Derwentside Homes will:

- appoint Independent Company Members in accordance with its Memorandum and Articles of Association;
- actively promote and recruit/appoint tenant membership of Derwentside Homes in accordance with this policy and its Memorandum and Articles of Association;
- periodically carry out a review of its membership to determine whether it is representative of the local community and is meeting the aims of this policy.

Responsible Officer

Policy Author(s)

Date Approved by the Shadow Board

Frequency of Review

Three years or as dictated by legislation/guidance

Review Date

File Reference

Consultees

Tenants Forum
Staff

Management Team

Derwentside Homes' Shadow Board

Board Membership/Recruitment Policy

1 Introduction

- 1.1 The Board of Derwentside Homes carries the ultimate responsibility for directing the company's affairs. However, the Board will reserve the right to delegate more detailed work in policy formulation and performance monitoring to relevant Committees. Day to day management of Derwentside Homes activities will be delegated to the Chief Executive and his/her staff.
- 1.2 Although Members of the Board are volunteers, they will nevertheless shoulder a substantial responsibility in corporately determining the affairs of Derwentside Homes. As custodians of significant private and public funding, it is extremely important that only persons of appropriate calibre and experience are placed in a position where they can exert influence. Each Member of the Board must act in Derwentside Homes' interests only and not on behalf of themselves or any constituency or interest group.
- 1.3 This policy takes due regard of the Housing Corporation's Regulatory Code and Guidance – in particular Section 2.2, and the National Housing Federation's Code of Governance. More detailed information on the membership and workings of the Board can be found in Derwentside Homes' Memorandum and Articles of Association.

2 Statement of Intent

- 2.1 The Board of Derwentside Homes will be made up of 15 Members. This will comprise of:-
 - 5 Tenant Board Members;
 - 5 Local Authority Board Members;
 - 5 Independent Board Members.
- 2.2 Derwentside Homes will try to ensure that the composition of the Board as a whole reflects the communities within which it works.
- 2.3 Board Members will be expected to comply with the requirements of Schedule 1 of the Housing Act 1996. Subject to such compliance, Board Members will receive expenses properly incurred by them in attending meetings or in carrying out their duties in other approved ways.
- 2.4 Derwentside Homes recognises and understands that there is a need for those who wish to serve as Board Members to bring a range of relevant skills to that role. For Board members to be able to discharge their responsibilities effectively, Derwentside Homes will encourage the appointment of Board Members who have skills, experience and understanding of the following:-
 - the housing needs which Derwentside Homes aims to meet;
 - dealing with residents' needs and concerns;
 - community relations and community needs – including equal opportunities;
 - Derwentside Homes' general business activities, including the management of staff, property and contracts;
 - strategic management in a public or private body;

- maintaining relations with Derwentside District Council;
- development and building projects – including building maintenance;
- Derwentside Homes' finances;
- Derwentside Homes' legal affairs;
- maintaining good public relations;
- the management of information technology;
- human resource management.

2.5 Derwentside Homes will expect its Board Members to carry out the following functions on its behalf:-

- to define, promote and ensure compliance with the values and objectives of Derwentside Homes;
- to establish Derwentside Homes' strategic direction and ensure the development of policies and plans to achieve those objectives;
- to approve each year's budget and business plan and each year's accounts prior to publication;
- to establish a framework of delegation and systems of control;
- to agree policies and make decisions on all matters that might create significant strategic, financial and operational risk to Derwentside Homes, or which raise material issues of principle;
- to monitor Derwentside Homes' performance in relation to these plans, budgets, controls and decisions, taking into account customer feedback and the performance of comparable organisations;
- to appoint (and, if necessary, dismiss) the Chief Executive and be represented in the appointment of other key members of the management team;
- to satisfy itself that Derwentside Homes' affairs are conducted lawfully and in accordance with generally accepted standards of performance and probity;
- to follow Derwentside Homes' constitution in appointing (and, if necessary, removing) the Chair of the Board;
- to ensure continuous assessment and development of the Board and to ensure Board members are kept up to date with the organisation's activities.

2.6 In addition to the above functions, Derwentside Homes will expect the Board to draw up a schedule of matters specifically reserved for its decision, which cannot be delegated to its Committees or executive staff. Examples could include:-

- expansion of Derwentside Homes' operations into new activities or geographical areas;
- any decision to cease a material part of Derwentside Homes' operations;
- changes to the corporate structure or changes to the structure, size and composition of the Board;

- approval of Committee membership including chairs and the terms of reference;
 - appointment or removal of any officer of the Board;
 - approval of key policies including Derwentside Homes' Code of Conduct, as well as resolutions to be put forward by the Board at any general meeting;
 - any changes to the schedule of reserved matters.
- 2.7 The Board will account for its actions in an open manner at all times to ensure the highest standards of probity and to ensure the image and reputation of the organisation and the social housing sector is protected.
- 2.8 Derwentside Homes will expect all Board Members to be meticulous about declaring conflicts of interest and must ensure that their private or personal interests do not influence any decisions they make on behalf of Derwentside Homes.
- 2.9 Derwentside Homes accepts that proper processes for the recruitment, induction, training, and appraisal of Board Members are crucial elements in ensuring the sound governance of the Association. Recruitment will be carried out in as open a format as possible and will include consultation with interested bodies. All Board Members will receive induction training and at least an annual appraisal and Derwentside Homes will ensure that effective arrangements are in place to enhance the skills, experience and knowledge of Board members on an ongoing basis. This will be based on analysis of the training and development needs of individual Members and of the Board as a whole.
- 2.10 Derwentside Homes also accepts that it will need to have succession-planning arrangements in place regarding replacement of Board members, to ensure the planned renewal of skills and experience over a period of time. While Derwentside Homes recognises that the contribution of experienced Board Members is extremely important, it also acknowledges that it will need new Board Members from time to time who could improve long-standing practices and thinking.
- 2.11 Derwentside Homes accepts that the Board may also from time to time decide to co-opt up to a maximum of three people, including up to two of the Association's executive officers onto the Board. However, co-optees will not have a right to vote and the Board may revoke any such co-option at any time. (Clause 62 Memorandum and Articles of Association of Derwentside Homes)

3. Implementation

- 3.1 Derwentside Homes will look to implement the policy objectives stated above in a number of different ways. Some are briefly described in this section and more specific details relating to Board membership can be found in the Articles of Association of Derwentside Homes.

3.2 **Appointment and Retirement of Board Members**

3.2.1 Board Members will be appointed under procedures set out in the Memorandum and Articles of Association of Derwentside Homes.

The key features are as follows: -

Local Authority Board Members – Derwentside District Council will have the power to nominate up to five people as Local Authority Board Members and to remove them from office. Appointments and removals will be made in writing to Derwentside Homes from an authorised officer of the Council.

Tenant Board Members – tenants will have the power to appoint up to five tenants to act as Tenant Board Members. They will be elected by methods determined by the Board. The supervision and operation of such elections has been delegated by the Board to Derwentside Homes' Tenants Forum.

Independent Board Members – Members of Derwentside Homes will have the power to elect up to five people at their Annual General Meeting (AGM) in accordance with Articles 58 and 59. A person standing for election as an Independent Board Member must be recommended by the Board or be proposed by a Member. The candidate must confirm their willingness to serve on the Board in writing to the Secretary. If the proposer is a Member, he must give between fourteen and thirty five clear days written notice to the Secretary of the intention to propose that person. The Secretary shall give notice to all Members of the intention to propose the person at the meeting for appointment to the Board. The notice shall state the name of the proposer and give the particulars of the person which would if he or she were so appointed or reappointed, be required to be included in the Company's register of Board Members.

3.2.2 The Articles of Association of Derwentside Homes make special provisions regarding the cyclical retirement of Tenant Board Members and Independent Board members.

Tenant Board Members shall retire from office in the following rotation:-

- a) At the second annual general meeting of the Company two Tenant Board Members shall retire from office.
- b) At the third annual general meeting of the Company three Tenant Board Members shall retire from office.

And so forth. Tenant Board Members appointed at the second annual general meeting and thereafter shall serve for a term of three years.

Independent Board Members shall retire from office in the following rotation: -

- a) At the second annual general meeting of the Company three of the Independent Board Members shall retire from office.
- b) At the third annual general meeting of the Company two of the Independent Board Members shall retire from office.

And so forth. Independent Board Members appointed at the second annual general meeting and thereafter shall serve for a term of three years.

The length of service and retirement of Local Authority Board Members will be determined by Derwentside District Council.

3.3 Appointment and Retirement of the Chair and Vice Chair of the Board

3.3.1 At the first Board meeting following each annual general meeting the Board shall appoint a Chair and a Vice Chair from amongst themselves. Each of the Chair and Vice Chair will hold office until the next Annual General Meeting.

3.3.2 A majority of the Board Members may at any time remove the Chair and/or the Vice Chair from office and appoint a replacement.

3.4 Declarations of Interest

3.4.1 A Board Member will be expected to disclose to the Board the nature and extent of any interest they may have in any item of the Board's business at any of its meetings before the matter is discussed in accordance with the Code of Conduct.

3.5 Disqualification and Removal of Board Members

3.5.1 A person shall be ineligible for appointment as a Board member or as a Co-optee and if already appointed shall immediately cease to be a Board Member or Co-optee in certain circumstances. The full details of such circumstances are listed in the Articles of Association of Derwentside Homes, but some examples are:-

- they cease to be a Board Member under any provision of the Companies Act 1985 (as amended by the 1989 Act), or become prohibited by law from being a Board Member of Derwentside Homes;
- they resign their office by giving written notice to Derwentside Homes;
- they become insolvent or bankrupt or make any arrangements or composition with their creditors generally;
- they are a Tenant Board Member and cease to be a Tenant;
- they are a Tenant Board Member against whom there is in force either a court order for possession of their property or an injunction in respect of nuisance, harassment or anti-social behaviour;
- they are an Independent Board Member and become a Tenant or a Local Authority Person;
- they are a Local Authority Board Member and their nomination is revoked;
- they are suffering from a mental disorder which requires hospital treatment or can no longer manage their own affairs;

- a custodial sentence is imposed on them by the Court for a criminal act or omission, or they are convicted of any offence and the Board feels that they should cease to be a Board member;
- they have been absent for more than six months from Board meetings without having given an apology that is accepted by the Board and the Board members resolve that they should cease to be a Board Member.

4 Equality and Diversity

- 4.1 All Board Members are committed to promoting and observing Derwentside Homes' Equality and Diversity Policies in relation to the Code of Conduct mentioned above.
- 4.2 All Board Members will receive appropriate equality and diversity training following their appointment to the Board and will undertake suitable refresher courses thereafter, to be arranged by Derwentside Homes' Company Secretary.

5 Review

- 5.1 Derwentside Homes will expect the Board to have suitable systems in place for an annual appraisal of the Board's performance, that of the Chair and of individual Board Members. This appraisal system will look to:-
- review how well the Board performs its key tasks;
 - review how well each Board Member performs;
 - review the effectiveness of Board relationships;
 - review the composition of the Board, the skills and contributions of its individual members and Derwentside Homes ability to recruit and retain the balance of Board Members it needs; and
 - result in a clear plan to support the continuous improvement of the Board to meet the challenges faced by Derwentside Homes.
- 5.2 Derwentside Homes will also expect the Board to review the terms of reference for each of its Committees at least every two years. The aim of any review will be to see that the committee structures are clear and streamlined, adding value to scrutiny and decisions without any duplication of effort.
- 5.3 Derwentside Homes will monitor the implementation of this policy with regard to disqualifying tenants in serious breach from Board Membership to ensure that it is fairly and consistently applied to all Tenant Board Members.
- 5.4 Derwentside Homes will ensure that all interested parties, including the Housing Corporation, are consulted on any proposals to amend or change this policy.

6 Associated Documents

Equality and Diversity Policy.

Financial Regulations and Standing Orders.

Derwentside Homes' Memorandum and Articles of Association.

Code of Conduct (Board Members).

Schedule 1 Housing Act 1996.

National Housing Federation – Competence and Accountability Code of Governance.

Housing Corporation – Regulatory Code and Guidance.