

DURHAM AGED MINEWORKERS' HOMES ASSOCIATION

Board Membership Policy

Date written: November 2019

Date(s) reviewed: 5th December 2020

Purpose: To set out DAMHA's approach to the membership and composition of its Board, and associated Committees and the way in which members to the Board (and Committees) of DAMHA are recruited and what plans are in place for ensuring a seamless succession when members leave.

Scope: The Board of DAMHA and any Committees associated with it. Where there is any conflict between this policy and the Rules the Rules shall prevail. Where there is any conflict between this policy and the Standing Orders, the Standing Orders shall prevail.

Definitions:

Board Member: A member of the Board of Trustees at DASHMA who may also serve on its committees. This includes both Property Trustees and Elected Trustees.

Co-optee: A member co-opted on to the Board who may also serve on a committee. Co-optees are appointed by the Board.

Independent : A member co-opted on to a specific committee but not serving on the Board. The appointment of Independents is ultimately a matter for the Board.

Member: Includes Board Members, Co-optees and Independents.

Associated documents:

Standing Orders

Rules

Date for review: The earlier of November 2022 or Incorporation March 2021

Responsibility: Chief Executive

POLICY

1. Introduction

- 1.1 On all issues and matters of governance, DAMHA adheres to the nine principles of good governance as set out in the Code of Governance that we have adopted (NHF). These principles are: ethics, accountability, customer first, openness, diversity and inclusion, review and renewal, clarity, control, and structures.
- 1.2 In order to enable the board(s) to effectively discharge their responsibilities, it is essential that there is a good balance of skills, knowledge, experience and diversity in its membership.
- 1.3 To maintain this balance, DAMHA aims to ensure that its recruitment and succession policies promote diverse membership and encourage people to join the governance structure who have a wide range of different skills, interests and expertise. We may actively seek members from currently under-represented groups, however, not to the detriment of the board's balance of skills.

2. Policy statements

2.1 Membership

- 2.1.1 The composition of the Board is set out in the Rules of DAMHA.
- 2.1.2 The resignation or removal of a board member from the board will automatically result in their resignation or removal from any Committees that they are members of by virtue of their Board membership.
- 2.1.3 Members must meet the HMRC guidance on the 'fit and proper persons test' and make a signed declaration certify as such.
- 2.1.4 A tenant will not be accepted as a member, if their tenancy is subject to court action by their landlord, or if court action is being seriously considered as a result of them breaching their tenancy or licence agreement.
- 2.1.5 Any new member will have their new appointment formalised and ratified by the full board.
- 2.1.6 Officers cannot be appointed as Board Members.
- 2.1.7 All new members must:
 - Provide their full name, current address and contact details.

- Enter into a formal “Agreement for Services” (Agreement to Act as a Board Member, Board Co-optee or member of a Committee relating to their obligations);
- Abide by any restrictions of terms, codes of conduct or role descriptions that are stipulated or inherent in that formal agreement;
- Sign to agree that they will abide to the Association’s Code of Conduct (Standards of Behaviour); and
- Uphold the vision, mission and values of the organisation, acting in its best interests at all times.
- Confirm their compliance with HMRC’s fit and proper person test.

2.1.8 On appointment to the board, members will receive a formal ‘Agreement for Services’, stipulating all their responsibilities, which they are required to sign and return.

2.1.9 All new members of the board will undergo a formal induction process and will be provided with access to key governance and strategic documents.

2.1.10 Board Members are appointed for a three-year term subject to annual review and appraisal. Board Members may serve a maximum of two three-year terms with a further three one-year terms being permissible subject to the needs of the organisation. To simplify the succession and renewal process, a term is deemed to have commenced in the September of the year of a member’s appointment and the first meeting of the Board after the 1st September each year will have board membership appointments as a standard agenda item. The maximum contiguous term of office is to be nine years inclusive of any period of office prior to the first AGM

2.1.11 A former Board Member may only be re-appointed to the Board following a break of at least a term (3 years).

2.2 **Co-optees & Independents**

2.2.1 The Board of DAMHA may co-opt up to five suitable persons to the board and/or its committees from time to time. Co-options will be reviewed annually and used as part of our succession planning measures as required. The date of their first appointment as a co-optee will begin this term of office. Time served as a board co-optee counts towards the maximum board membership tenure. In any case, the maximum term of office is to be nine years inclusive of any period of office prior to the first AGM.

2.2.2 In line with their terms of reference, a committee may appoint a co-optee (who may also be referred to as an Independent) to support its role. The committee will normally be responsible for the selection process with any appointment being subject to endorsement by the Board. Independents count towards the maximum number of co-optees (five) allowed under the Rules. An Independent cannot serve on a committee for more than six years.

2.2.3 The roles and responsibilities of a Co-optee or Independent are the same as those of a Board Member serving on the same Board or Committee except they cannot take part in the deliberations nor vote on the election or appointment of Officers nor any matter directly affecting the Membership of the Association.

2.3 Board Members' Interests

2.3.1 No board member, or committee member, shall have any financial interest in any contact or other transaction of DAMHA.

2.3.2 Every board member or committee member shall ensure that the Chair has a list of all other bodies in which they have an interest, in accordance with the Code of Governance, and keep this up to date at all times.

2.3.3 All members shall abide by the policies that form DAMHA's approach to Probity.

2.4 Recruitment – Board Members, Co-optees and Independents

2.4.1 The Board has established a list of essential and desirable skills that the boards and committees requires to undertake its role and discharge its responsibilities effectively. The Remuneration and Nominations Committee reviews the skills matrix annually, identifying any skills gaps and updates the Board Development and Succession Plan. Recruitment will be based on the skills gap analysis and take into account the diversity of the membership.

2.4.2 All appointments will be at the absolute discretion of the Board.

2.4.3 We will maintain an open policy of application for recruitment to our board (and committees), and any person over the age of 18, may apply at any stage to become a member of a board (or committee).

2.4.4 Should a vacancy become available we will aim to fill it as soon as possible. The Chief Executive is responsible for organising and overseeing the recruitment process on behalf of the Board.

2.4.5 Where required, we may advertise in specific locations, using certain types of media or publications to attract applications from

people who we feel would enhance our board / committees by bringing significant specialist expertise or life experience or improve the diversity of the Board.

2.4.6 Should we feel it is appropriate to do so, we may utilize specialist recruitment agencies or services to help us meet our Board and Committee recruitment needs.

2.4.7 Candidates will be asked to complete an application form or submit a CV, declare any actual or potential conflicts of interest, declare that they meet the UK Fit and Proper Persons Test, and provide references.

2.4.8 Where board vacancies arise, co-optees or members of committees, who are not already sitting on the Board (ie Independents), who meet the identified skills and experience requirement may be offered the opportunity to apply prior to the vacancy being advertised externally.

2.4.9 In order to encourage openness and accountability, having advertised, DAMHA will interview short-listed candidates. The shortlist will be agreed with the Chair supported by the Chief Executive, and any retained recruitment consultant. The short-list will comprise those candidates' best meeting the role profile and the identified skills and experience requirement with due regard being given to the diversity of the membership. The aim of this interview will be to ensure candidates understand the commitment they may be taking on, to assess the skills and expertise a candidate can offer the organisation, to identify any conflicts of interest that may preclude a candidate from membership, and to ensure the candidate has empathy and understanding for the objectives and work of DAMHA.

2.4.10 Prior to an interview being held, candidates will receive an initial information pack containing basic information about DAMHA.

2.4.11 Board candidates will be interviewed by the Chair, and other board members as agreed. The Chief Executive and any independent advisor may also be in attendance in an advisory capacity.

2.4.12 In the case of Independents on a Committee, candidates will be interviewed by the relevant Chair of the Committee and another board member(s) of the relevant Committee. The Chief Executive, or any other relevant Director may also be in attendance at these interviews in an advisory capacity. All such appointments are subject to ratification by the Board

2.4.13 Co-optees' and Independents' appointments are subject to annual review by the Board.

2.5 Recruitment – Chair & Vice-Chair

2.5.1 A Chair will normally be appointed for a three year term (subject to the overall board membership maximum tenure) with an annual review. At the end of a term, a formal selection process must be followed. The incumbent Chair can put themselves forward for re-selection subject to the maximum tenure rule.

2.5.2 The Chair does not have to be a current board member but on appointment would become a member therefore must meet the requirement for board membership.

2.5.3 In addition to the Board Chair, the Board will appoint on an annual basis Committee Chairs following recommendations from the Remuneration and Nominations Committee.

2.5.4 The Board may appoint a Vice Chair, who, in instances of the Chair's absence will assume their role for a temporary period, and act as a Chair. The Vice Chair will be appointed for a three year term (subject to the overall board membership maximum tenure) with an annual review.

2.5.5 In the case of recruitment for a Chair, an external facilitator will be used to gauge whether there are any internal candidates (including the out-going Chair if they are eligible to serve a further term) who meet the person specification for the role and have the support of at least one other member.

2.5.6 Where there are one or more candidates, the Remuneration and Nominations Committee will establish a panel to interview the candidates and make a recommendation to the Board. Where there is only a single candidate from within the Board, the external facilitator will advise the Remuneration and Nominations Committee whether that candidate has the general support of the other members.

2.5.7 If there are no internal candidates, or the panel do not make a recommendation to appoint a candidate, an external recruitment exercise will be undertaken overseen by the nominated panel which will make a recommendation to the Board. As part of that process, applications from the existing members will be considered alongside the all external applications.

2.5.8 The role of Vice-Chair will be appointed from the existing Board membership. The Chair will nominate a candidate or candidates to the Remuneration and Nominations Committee which will make a recommendation to the Board. The Remuneration and Nominations Committee may at its discretion, interview the candidate or candidates as part of the process.

2.6 **Succession Planning**

2.6.1 Should a member wish to retire or vacate their position, they should state their intentions in writing to the Chief Executive and the Chair giving at least 30 days' notice.

2.6.2 Members are appointed for fixed terms (subject to an annual appraisal process). The re-appointment of a member whose term is coming to an end, and is eligible to serve a further term, will be considered by the Remuneration and Nominations Committee which will make a recommendation to the Board.

2.6.3 While the contribution of experienced board members 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.

2.6.4 DAMHA will be proactive in considering its future needs in terms of board composition, skills and experience; planning for, and where desirable, encouraging turnover in membership.

2.6.5 We will use the annual appraisal of board members, 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, we can fill it in a way that best meets our needs and in line with our agreed Board Skills and Experience requirements.

2.6.6 In the event of an upcoming vacancy, we will identify specific needs the Board has and we may contact appropriate organisations such as specialist companies, professional bodies, universities, and religious or cultural organisations, if we believe we can strengthen our board or committee by recruiting someone with specific skills or interests.

2.6.7 To maintain continuity of understanding and knowledge as part of board membership succession planning, it is anticipated that where required the Board will use its option to maintain a maximum of 5

co-optees to the Board. In addition, the use of co-optees can provide the board with the option of adding expertise on identified areas of temporary need.

2.7 Concerns, Removals, and Ending Board Membership

2.7.1 There may be occasions when it is judged that a member should not remain on a board or committee, for example through:

- Irregular attendance;
- Improper behaviour at board, committee meetings or other corporate events;
- Failure to declare appropriate interests; or
- Failure to abide by the Rules and corporate policies of DAMHA.
- They no longer meet the Fit and Proper Persons Test

2.7.2 Should this occur, the Chair (or Vice Chair, in their absence) will take action following the procedure detailed in the Code of Conduct. A member may be removed by the board at its absolute discretion.

2.7.3 There may be occasions when a member for personal reasons seeks a leave of absence, and may do so with the consent of the Chair. Such a leave should be no longer than 6 months, will count towards their total term of office and the Board will reserve the right to appoint a temporary co-optee in their place, should they see fit.

2.7.4 A board member will cease to be a board member immediately if:

- They are disqualified from acting as a director of a company, as a Board Member of another registered society or as a charity trustee for any reason; or
- They have been convicted of an indictable offence which is not, or cannot be, spent; or
- They become bankrupt or makes any arrangement/composition with their creditors generally in satisfaction of their debts; or
- They have missed three consecutive Board or committee (as may be the case) meetings in a twelve-month period (without leave of absence); or
- They are, in the written opinion of a health practitioner, physically or mentally incapable of acting as a Board Member,

co-optee or committee member for more than three months;
or

- They are a tenant and are in serious or material breach of their tenancy agreement or lease (see separate policy); or

2.7.5 Board members who are tenants are expected to resign their position forthwith, if they breach their tenancy agreement, and / or become subject to court action by their landlord. However, they have the right to a hearing undertaken by a panel appointed by the board which will make a recommendation to the board. In such matters, the decision of the Board is final.

3. Responsibility for implementation

3.1 It is the responsibility of the Chief Executive, or their nominated representative, to monitor compliance with this policy and advise the board of any areas of non-compliance and recommend appropriate remedial action.

3.2 It is the responsibility of the Chair to inform the Regulator of Social Housing if any area of non-compliance is considered to be a breach of Regulatory Standards.

3.3 It is also the responsibility of the chairs of the board and committees to consider the skills present in their members and advise of any skills gaps to be addressed, based on these observations, and to act in line with the agreed skills requirement of the Board.

3.4 The Chief Executive, or their nominated representative, will also maintain a register of board members.

4. Implementation of the policy

4.1 This policy is to be implemented when any appointment is made to a board or committee and whenever a vacancy arises.

5. Monitoring the policy

5.1 This policy will be monitored by the retention of a Register of Members as well as regular statistical analysis of our board(s) composition. Documentation pertaining to the appointment, retiring, and recruitment of all members to board and committee(s) will be retained in line with our data retention policy. These will be available should any scrutiny of the process be required.

5.2 In addition there is an annual member appraisal and board effectiveness system in operation which assesses and records any skills gaps and future succession planning needs.

6. Resources

6.1 There are no direct impacts on resources as a result of this policy.

7. Equality and Diversity

7.1 An equality and diversity impact assessment has been undertaken on this policy. In carrying out its services, we are committed to:

- Treating all customers, employees and members positively regardless of any personal characteristics including gender, age, ethnicity, disability, sexuality, gender reassignment or religion.
- Taking seriously all complaints and investigating and responding accordingly.
- Using plain language and providing information in other languages, large print, audio and Braille on request.