



**Craigdale**  
HOUSING ASSOCIATION

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## **Succession Planning Policy for Board Members**

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**Craigdale Housing Association can provide this document on request, in different languages and formats, including Braille and audio formats.**

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## 1. Introduction

The Scottish Federation of Housing Associations (SFHA) has produced this guidance to assist its members in their approach to succession planning and recruitment for their governing body. It has been updated since the original publication in 2018 to take account of developing practice and experience and to reflect the introduction of the SHR's new [Regulatory Framework in 2019](#).

Although it is a regulatory requirement, it is vital that succession planning is not seen purely as “something we have to do”. Instead, it should form a crucial strand of future proofing the organisation and be viewed as critical to effective governance risk management. Effective succession planning is the means by which members seek to ensure they always have access to the necessary range of skills, knowledge and experience to fulfil their obligations and meet their objectives. Additionally, formal succession planning contributes to the evidence that governing bodies will use to gain assurance when assessing effectiveness and compliance. This guidance provides examples from within the sector of good practice where this ethos has been embraced, including unique approaches to recruiting governing body members.

The Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management<sup>1</sup> require RSLs to “formally and actively plan ... to ensure orderly succession”). Regulatory Standard 6.1 states:

*“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”*

Regulatory Standard 6.3 makes the connection between annual reviews and succession planning where it states:

*“...The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans”*

Additionally, Standard 6.7 states:

*“The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer's objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development”*

Effectively meeting these standards means looking critically at the current composition of the governing body and planning ahead. Good governance depends on an effective partnership between the governing body and senior staff - and the successful delivery of the corporate objectives needs a senior staff team that is equipped with the necessary skills to implement the governing body's plans. This means that succession planning should be a key component of good business planning, ensuring that the organisation understands the range of skills, knowledge and experience required to lead and deliver the achievement of the organisation's objectives. Consequently,

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<sup>1</sup> Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

succession planning is important, in governance terms, not only for the governing body but also for the senior staff team.

This guidance focuses on succession planning for the governing body and complements guidance which SFHA has developed on the specifics of [succession planning for senior staff](#).

## 2. What Is Succession Planning?

It must be remembered that succession planning is just that – a plan. Plans do not always work out as intended, but good planning should ensure that there are contingency arrangements to fall back on. It is always a good idea to have a Plan B as well as Plan A.

Essentially, succession planning is about planning ahead and trying to future-proof the organisation. It is an important component of both business planning and risk management as successful succession planning should ensure that an organisation has the right people in the right places at the right times to lead and direct it effectively. Succession planning should ensure that the governing body is able to plan and manage turnover amongst its own members and to anticipate and prepare for change. Training, development and recruitment should be informed by succession planning. Many of the activities that well governed organisations undertake contribute to succession planning.

There are two, equally important, starting points for effective succession planning:

- Assessing the current skills, knowledge, experience and diversity that are represented by the governing body
- Considering the 'fit' between the current profiles and what is required to deliver the corporate plan

These starting points mean that there has to be clarity about:

- what the organisation is aiming to achieve – as set out in the business or corporate plan
- the respective roles of Governing Body Members (GBMs)<sup>2</sup>– described in role descriptions and standing orders
- the current strategic policy and operating environments – considered as part of the environmental scanning that informs the corporate plan
- current strengths and weaknesses - assessed by SWOT, PESTLE and other similar exercises
- how the organisation might change over the next business planning period and what the implications of change are – part of the business planning process
- future intentions/plans of GBMs (long-term commitment; planned retirement; fixed term appointments etc.) – assessed as part of the annual GBM reviews/ appraisals

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<sup>2</sup> Scottish Federation of Housing Associations (Feb 2021) [Model Role Descriptions for Governing Body Members and Office Bearers](#)

As described in the associated guidance, all of the above should also be considered when looking at Succession Planning for senior staff<sup>3</sup>.

### 3. The Key Components of Succession Planning

This section looks at the succession planning aspects of the governance activities that RSLs carry out that contribute to the development of a comprehensive succession plan. A template “succession plan” is included at [Appendix A](#), along with explanatory notes – that can be populated through considering each of the components below.

#### 3.1 Business Planning

The business planning process involves considering what the organisation intends to achieve over the period of the plan, but it should also look further ahead to assess what the longer-term future is likely to hold. As well as considering what is going to be achieved, it is also important to consider how the agreed objectives will be delivered.

Although consideration is often given to organisational structures, governance requirements can sometimes be overlooked. It is essential that the business planning process considers the challenges that the governing body is likely to have to address to ensure the effective achievement of the organisation’s goals over the period of the plan – and beyond – and to plan accordingly. Some of the questions to be considered include:

- What skills, knowledge and experience do the governing body need to support the delivery of the agreed objectives?
- If new initiatives are to be undertaken, does the GB need to recruit specific skills and/or do current members need to undertake some additional training?
- If the focus of the organisation is likely to change e.g. a less (or more) active development role, does the current GB have an appropriate range of skills, knowledge and experience to oversee both the change and the future focus?
- If a new sub-committee is to be established, are there enough GBMs to support it?
- If a subsidiary is to be established, or an existing subsidiary is to become more active, does its Board have the required range of skills, knowledge and experience?

The business plan should include specific consideration of the governance and leadership implications for the whole organisation.

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<sup>3</sup> Scottish Federation of Housing Associations (Feb 2021) [Senior Staff Succession Planning Guidance](#)

It is also important, during the life of a business plan, to translate/import learning from experience which might impact the GB's governance requirements. Specific consideration should be given, for example, to assessing the effect that any challenges encountered by the organisation have on governance requirements. Has the emergence of a new risk or the escalation of an existing risk highlighted a need for additional expertise? It is important to keep the profile of the GB under regular review to ensure that it remains fit for purpose as an appropriate framework for effective succession planning.

The Scottish Housing Regulator's advisory guidance on Business Planning is available to support this policy.

### 3.2 Skills Assessment

Part of the business planning process should involve consideration of the governing body profile – the range of knowledge and experience that, collectively, the governing body needs. This is highlighted by the SHR's Regulatory Standards of Governance and Financial Management.<sup>4</sup> Regulatory Standard 6.1 states:

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

Regulatory Standard 6.2 states:

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

The profile should form the basis of the annual reviews, which offer an opportunity for individual contributions to be considered. This will include looking at how effectively the overall profile is being achieved by individual members of the governing body working together and complementing each other's contributions. As an alternative to being a component of the business planning process, the governing body profile could be an element of the annual GBM reviews/appraisals and kept under annual review as part of the collective assessment of the effectiveness of the organisation's governance.

### 3.3 Annual Reviews/Appraisals

#### **Sector Example 1 – Osprey HA**

*For Osprey the issue is, as with most RSLs I think, trying to attract enough candidates of the right calibre on to our Board and maintain a diversity of thought and experience to ensure that the Board is functioning to its optimum. Then ensuring that our Board Members get the development and performance appraisal they need to continue this.*

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<sup>4</sup> Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

Our [Board Member Appraisal form](#) is filled in by the member before the annual performance review meeting and forms the core of that discussion. We use an external assessor on a cyclical basis to support the Chairs through the process.

Following completion of all members' appraisals we collate the results. Firstly, we look at the current members training and development gaps and use this to inform our training plan for the following year - see [Board Succession Plan Summary](#). This also gives us information on what skills are missing from the Board and we need to focus on during future recruitment campaigns. We also use the information they give us to review our [Board Succession Plan](#) to see what actions need to be taken with regard to recruitment in the following year.

**(Clare Ruxton, Corporate Services Manager, Osprey HA)**

Every RSL is required to implement a programme of annual reviews of the contributions made by individual members of the governing body to the organisation's governance. These reviews should be undertaken in the context of the organisation's business plan and should be informed by an overall assessment of the effectiveness of existing governance arrangements. The annual review should take account of how the individual can support the organisation to deliver its business plan objectives over the period of the plan.

Training and development requirements/priorities to support individual contributions should be discussed and incorporated into the collective annual GB Development Plan. A template and explanatory notes for a Training and Development Plan is included at [Appendix B](#), although it is recognised that this will already be an established tool for most organisations. A key element of the annual review should be consideration of the individual's future intentions. Do they intend to stand for re-election at the end of their current term? Are they interested in becoming an office-bearer?

At the conclusion of the annual reviews, there should be clarity about the potential for current GBMs to take on office-bearing roles, their associated training and development needs and there should also be as much clarity as possible about intended retirements in the short to medium term. This information should be presented to the governing body as a 'succession plan' (see [Appendix A](#)).

More information on annual review appraisal is available in the [SFHA's Governing Body Members Annual Review guidance](#).

### **Sector Example 2 – Kingdom HA**

*Based on the SFHA guidance we drafted a Board member recruitment and succession planning strategy.*

*An annual assessment of the skills, knowledge and experience on our Boards is conducted as part of the Board appraisal process. This identifies any gaps where the Boards could be strengthened through the appointment of members with particular*

experience and interests. The process also helps us to identify how long Board members plan on staying on the Board to assist with succession planning so we don't lose key skills. Every three years we have the process independently reviewed by an external consultant to provide the Board with assurance that we are complying with SHR guidance regarding the appraisal process.

Each year after the Board appraisal process, detailed skills analysis is conducted to identify skills gaps. A recruitment exercise, if required, is then conducted based on the key skills required for each company. This year a simple electronic registration of interest form and an advert were placed on our website and shared with organisations/publications that could target the key skills we were recruiting (For example, the CIPD was targeted for HR professionals etc).

We received 28 applications, with the majority of applicants saying they heard about the opportunity through LinkedIn, so try and use your social media channels as well as external sources such as the SFHA website and Scottish Housing News to advertise.

We shortlist the applications based on their skills and prior experience and invite a shortlisted few to a meeting with the Chief Executive and the Chair. Subject to a satisfactory meeting and both parties wishing to proceed, we take them to the appointment stage.

**(Calum Kippen, Interim Head of Governance and Organisational Support, Kingdom HA)**

### 3.4 Nine-year rule

Members of the governing body are normally elected for a three -year term, although this term may vary depending on the impact of the constitutional requirement that one third of the members retire annually. Retiring members can seek re-election for a further term without the need to be nominated, unless an individual has served for 9 years or more, in which case there are further requirements before another term - and any subsequent term thereafter - can be served. This is stated in Regulatory Standard 6.3<sup>5</sup>:

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

In these circumstances, an experienced GBM requires the governing body to be satisfied of their continued effectiveness in order to stand and be successfully elected by the membership at the AGM<sup>6</sup>. The GB’s endorsement of such nominations should be based on the outcome of the annual review following a recommendation from the Chair.

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<sup>5</sup> Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

<sup>6</sup> Scottish Federation of Housing Associations (2020) [SFHA Model Rules 2020 \(clauses 37.6 & 43.2\)](#)



More guidance around the nine-year rule is included in the SFHA's [Governing Body Member Annual Review guidance](#).

### 3.5 Training and Development Plans

These should emerge from the annual reviews which should identify both individual and collective training and development priorities and needs. Training priorities should be closely linked to the organisation's current needs, as identified through the business planning process, whilst development priorities will reflect future needs such as 'growing' office bearers (i.e. developing existing GBMs to take on additional responsibilities) or expanding knowledge to broaden the perspective of the governing body.

When considering training and development needs, it is important to be mindful of the value of networking – being exposed to other people who have similar roles in different organisations is essential to ensure that the governing body has an awareness of the bigger picture and has access to sector intelligence. Clearly, it is important to remember that, if 'gaps' are identified as a result of the business planning or annual review processes, it is not inevitable that new members have to be recruited. Offering training and development opportunities for existing members of the governing body will often be the most effective way of addressing emerging requirements.

[SFHA's Governance Forums](#) include separate groups for governance staff, governing body members and Chairs. These are an online space for members to chat with peers about current issues, ask questions and keep up to date with the latest guidance from SFHA. These forums offer a great opportunity to share good practice with peers from across Scotland. [Appendix B](#) contains a sample template for Training and Development Plans, and explanatory notes.

### 3.6 Membership Policy

To be an elected member of the governing body of a registered social landlord, individuals first need to be members of the RSL. Membership eligibility is determined by the membership policy, which should be kept under review by the governing body. It is, of course, essential that the membership policy enables the RSL to attract people who support the organisation's objectives and share its values and ethos. However, it is equally important that it also supports the recruitment of people who are likely to be able to offer the range of experience that is identified in the governing body profile as being required.

This means that the membership policy should be reviewed regularly, as part of the business planning process, to ensure that it continues to meet the organisation's requirements. It is also important to ensure that the membership policy is not too restrictive in terms of eligibility. The bigger the 'pool' of shareholding members, the more likely you will be able to attract potential members to the governing body with the experience and knowledge that you've identified as being required (See [Appendix C](#), "*Is a Governing Body Member Eligible?*").

Although the focus of the membership policy should be positive in that it describes who is eligible to become a shareholding member, it is also important to include any restrictions (e.g. only tenants and prospective tenants can be members of a fully-mutual co-op; some Rules prescribe that only people who live in the communities where the association's stock is located can be members)

It should be remembered that the GB does not have to give specific reasons for refusing a membership application but, of course, all membership decisions should accord with the terms of the membership policy and it is considered good practice that decisions are explained. Particular care should be exercised in the event that a number of applications are received at the same time. The GB should be satisfied that there is no organised campaign to undermine or disrupt the organisation.

### **Sector Example 3 – Lister Housing Co-operative**

*Lister Housing Co-operative faces challenges when recruiting and refreshing its committee membership. As a fully mutual co-operative only tenants are members, so aside from the co-option route, we need to encourage tenants (members) to stand (at the AGM) for the Management Committee. We also need to induct, train and sustain them when they are on committee. On top of that we have only 185 flats and 250 members (joint tenants have their own membership) so our gene pool is small. A proportion of our committee members have been affected by the nine-year rule and needed these effectiveness assessments, but we are pleased to say we have also been reasonably successful in the last few years about getting new committee members.*

*We encourage former committee members who are still living at Lister to consider standing again for committee, as they have great experience typically. We will also co-opt a suitable tenant between AGMs if they sound keen and could be of benefit to the committee and Lister. We also encourage all committee members, not just our three Office-Bearers to go to outside events, conferences and seminars, etc. and be ambassadors for Lister, as well as enhance their own knowledge and skills.*

**(Alistair Cant, Director, Lister Housing Co-operative)**

### **3.7 Recruitment Policy and Strategy**

[Appendix C](#) outlines a sample Governing Body Recruitment Process, which would be underpinned by a robust policy and strategy.

Recruiting members of the governing body should, ideally, be a planned exercise that is undertaken as a result of a structured approach to succession planning. Consequently, change and turnover will be anticipated and new members recruited in advance of experienced members retiring, to ensure that there is a smooth transition. Things do not always work to plan, of course, but whatever the circumstances, recruitment should always be carried out in a transparent manner.

A recruitment strategy can set out the anticipated medium term requirements of the governing body, taking account of business planning objectives and anticipated

turnover. The governing body should agree a recruitment policy and keep it under regular review (linked to the business planning process and monitored after each recruitment exercise). The purpose of the policy is to provide a framework to guide recruitment but it is also important in demonstrating and ensuring transparency and will enable the association to demonstrate compliance with regulatory standard 6.1 that the “*RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members*”<sup>7</sup>. The recruitment policy should describe how vacancies will be filled and, as a guide, should include information about:

- The range of skills, knowledge, experience and attributes that the governing body has identified that it needs collectively to deliver the agreed objectives. This should emerge from the annual review of the effectiveness of the organisation’s governance arrangements and should be presented as a ‘profile’ for the governing body. The profile should describe the key attributes that are being sought to equip the governing body for the future.
- The benefits that membership of the governing body can offer (e.g. an opportunity to develop new skills, contribute to the local community, use existing knowledge and experience). It can be helpful to include a review of what makes being a member of the governing body rewarding/satisfying in the annual reviews of individual contributions. Not only does this provide information to help associations ensure that they are meeting expectations and are able to retain voluntary members, but the information can also be used to describe to potential members how they might benefit from joining the governing body.
- How recruitment priorities will be identified - setting out the methodology for doing so. This is likely to be based on business planning, succession planning and annual reviews. These exercises will identify specific areas of experience or knowledge that the governing body anticipates will be required and consequently this will inform training and recruitment.
- The ways in which opportunities to join the governing body will be promoted (e.g. via the website and tenants’ newsletter; advertising; approaches to local groups etc.). The strategy should describe the methods that the association will use so that the approach to recruitment is transparent. The strategy might describe a range of methods including open advertising in the local media and trade press; approaches to key individuals who are identified as being able to make a potential contribution; use of social media; or/and use of specialist recruitment agencies. If the strategy provides for advertising, a budget/ resourcing commitment should be included.
- The information that will be provided to interested people. This is likely to include:

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<sup>7</sup> Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

- the most recent Annual Report and Landlord Report (if separate)
  - information about the organisation (SFHA has produced a Governing Body Members' Guide<sup>8</sup> which associations can adapt)
  - GBM role description (the SFHA has produced a model that can be adapted for this<sup>9</sup>) and profile (which should include information about the anticipated time commitment)
  - Code of Conduct for GBMs<sup>10</sup>
  - the remit for the governing body
  - the application form
  - induction policy
  - information about the recruitment process
- Eligibility criteria (i.e. based on the rules and statutory requirements)
  - The interview/selection process (including opportunities to observe one or more meetings). The appendices include a sample process which can be used for all candidates whether they are recruited or have been nominated to stand for election. It is important that there is a consistent process for everyone who is interested in joining the governing body.
  - How the recruitment process contributes to and informs the annual process for elections at the AGM. The policy should describe how the association's recruitment activities complement the democratic process at the AGM. The papers for the AGM should include the governing body profile and GBM role description and should highlight the key priorities that the governing body has identified that it needs. Nominees should be invited to describe how they can support these priorities and this information can be included in the papers that are issued in the event of an election. If there are fewer candidates than there are vacancies and an election is not required, the discussions with those candidates should be informed by the information provided. The policy should explain that the association may use co-options following the AGM to address any remaining gaps.
  - How casual vacancies will be managed. The policy should describe how the GB will seek to fill vacancies that are created between AGMs if an elected member leaves, e.g. it could be that the association maintains a waiting list or that it will advertise via the website.

The recruitment policy should include an application form and should be linked to the Induction Policy. Regulatory Standard 6.5 states:

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<sup>8</sup> SFHA (2021) [Governing Body Members' Guide](#)

<sup>9</sup> SFHA (2021) [Model Role Descriptions for Governing Body Members and Office Bearers](#)

<sup>10</sup> SFHA (2020) [Model Code of Conduct for Governing Body Members](#)

*“The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities...”<sup>11</sup>*

#### **Sector Example 4 – Cunninghame HA**

*Cunninghame Housing Association has in place a Skills & Succession Planning Sub-Committee, made up of the Chairperson, the Vice-Chair and the Company Secretary. This Sub-Committee is accountable to the Board and meets at least four times per year. It has specific responsibility for the association’s Succession Planning Strategy and recruitment of new Board members and other key aspects such as Board induction, Board yearly Appraisals (individual and collective), training and skills matrix.*

*Having this Sub-Committee in place ensures that our Board of Management structure and its governance is “fit for purpose”.*

**(Frank Sweeney, Chief Executive, Cunninghame HA)**

#### **4. What to Consider When Undertaking Succession Planning**

**Always look ahead** – try to have a three-year view of how the GB might change or develop and pin-point any potential pressure spots; consider the potential to re-schedule cyclical retirement to manage some of the impact (e.g. by bringing forward cyclical retirements by a year - if possible - to avoid a large number of vacancies being created at one time)

**Consider the ‘fit’ between GB profile and collective skills assessment** – now and three/five years ahead: are there gaps? If so, how can they best be filled? Are the ‘gaps’ specific to an initiative or project or are they core to the GB’s profile?

**Identify new or additional knowledge/expertise that might be useful** (e.g. ICT if procuring new technology; marketing if planning a new initiative; tenant engagement if that is a specific focus; community knowledge if that is or might become a gap) – and target training and recruitment to these specific areas.

**Do not just assume that you have to recruit to fill gaps** – could training for existing members develop the collective profile? Could the expertise be bought in as required (e.g. HR or legal)? Many RSLs actively plan to always have a small number of vacancies on their governing body to give them flexibility in recruiting or co-opting in response to particular needs or circumstances (e.g. an unexpected absence or a new priority or a change to the assumptions that underpin the succession plan; as long as the number of vacancies is managed and planned, this can be a valuable feature of

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<sup>11</sup> SHR (2019) Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

both succession planning and risk management. Remember that you cannot place specific responsibility on an individual GB member since all GBMs are equally responsible and you cannot rely on advice provided by a GBM in the way you can on formally obtained advice.

**How long does the GB need the knowledge, expertise or experience for?** Would a co-option be the preferred route rather than election? Co-options are a valuable way for governing bodies to recruit specific experience, knowledge and/or expertise e.g. to support a particular initiative or to tackle an immediate priority. Individuals can be co-opted relatively quickly through a direct approach (rather than open recruitment) but it is important that the 'usual' process is followed in terms of checking suitability, indication and declarations of interest. Many RSLs have benefitted from the experience and expertise of co-optees (who sometimes decide to seek election after their experience). It is important to remember that co-optees do not have to be shareholding members but there are limits on the number that a GB can have at any one time (not more than one third) and they do not count in the formation of a quorum.

**Ensure that there is a good spread of knowledge and experience** – this is essential to succession planning for the GB as a whole and not just for office bearers. Where all of the business is channelled through the GB, individual members will build up a good overall knowledge of the organisation which means that any individual GBM should have a wide knowledge base. Many RSLs operate sub-committees which can support the GB by focusing on specific aspects of the business, enabling members to build up a level of expertise in these areas. This can be hugely beneficial but there can be risks if such expertise is concentrated in a relatively small number of people, especially if circumstances conspire to result in a significant proportion of them retiring at the same time, leaving the organisation over-exposed in a specific area.

**Consider whether a time-limited commitment might be more attractive** – being clear that you are not asking potential members to sign up to nine years (or more) might enable you to attract people who would otherwise be reluctant to make a long-term commitment – perhaps one three-year term would suit both parties, at least in the first instance. Co-option for up to a year is also an option to provide a “trial run” for potential members who are unsure if they wish to become a full GBM.

**Do not concentrate all the experience in a small number of people** – try to avoid individuals holding more than one office at the same time – that way, if the unexpected happens, there is a pool of people with some office-bearing experience.

**Consider the collective experience of the GB** - look at average length of experience and calculate the relative 'age' of the GB in terms of experience, looking at the change over time. Is the balance moving too far in the direction either of experience or inexperience? It is essential to good governance that the GB is at the same time forward looking and refreshed yet also connected to and informed by what has underpinned the organisation's development.

**Monitor the demographic profile** – ideally, the membership of a GB should be balanced in terms of age, gender and economic activity and should reflect community and national demographics in terms of disability, ethnicity and other protected

characteristics<sup>12</sup>. Succession planning should identify any under-representation and recruitment should target these areas. Consideration should be given to any support that could be offered to encourage volunteers from under-represented groups and specific attention given to any reasonable adjustments that an individual might require to enable them to take up a GBM role. The business plan will contain a demographic assessment of the organisation's client group and so that would be the basis for this component of the succession plan.

**Anticipate retireals** – the annual appraisals should provide a picture of anticipated retireals amongst GBMs, enabling a succession plan to be developed to manage turnover effectively. As is emphasised throughout this guidance, it is always better to plan ahead. If there is the possibility, for example, that the range of financial experience and expertise is likely to be reduced over the next five years, it should be a priority to try to attract people with similar experience as soon as is practicable.

Be flexible – keep the succession plan under regular review to ensure it reflects changing needs (e.g. new activities or legislative requirements), emerging priorities (e.g. as the result of specific experience) and the unexpected (unplanned retireals/resignations; significant impacts on service delivery or business activity; emergence of new risks). Be willing to consider applications from people who may not 'fit' with the immediate priorities if their skills/contribution would, potentially, be valuable to the organisation without obstructing your capacity to access the full range of skills and experience needed.

## 5. Recruiting Governing Body Members

### **Sector Example 5 – Orkney HA**

*Whilst we had 10 Committee members, we were aware of one impending resignation (due to personal reasons), and another who wished to retire after a number of years' service. We decided to be pro-active and undertake a recruitment exercise before these members left. Following discussion, members agreed to participate in a "Come and Meet Our Committee Members" informal drop-in session, which was advertised widely throughout the Orkney communities. We were delighted with the response, 10 individuals came forward, 8 met with our members and 3 were elected at the next AGM.*

**(Mhairi Hughes, Head of Corporate Governance, Orkney HA)**

In common with many voluntary organisations, RSLs are experiencing difficulty in attracting people to become members of the governing body. Some RSLs have been very successful in recruiting members and there are many examples of different approaches, as described in some of the case studies that feature in this guidance.

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<sup>12</sup> Equality Act (2010) prohibits discrimination on the grounds of age, sexuality, marital status, race, ethnicity, gender, religion which are defined as 'protected characteristics'; SHR Regulatory Standards of Governance and Financial Management require governing bodies to annually assess their requirements in respect of skills, knowledge, objectivity and diversity (Standard 6.2)

It is worth thinking about targeting specific groups of people (e.g. age ranges, people with specific experience or needs) and about approaching specialist organisations. Some ideas are given below, and a sample governing body recruitment process is included at [Appendix C](#).

### **Sector Example 6 – Hanover (Scotland) HA**

*Hanover undertook recently undertook a board recruitment exercise. The Key points are outlined below:*

- *This was an event rather than just a process - has to excite and interest others;*
- *Two way process - co-optees need to get something out of being on a Board!;*
- *The event was trailed before launch - build interest;*
- *Get key stakeholders and employees on side - communicate regularly to all so they know what is happening - no secrets!;*
- *Carry out event inhouse to retain control;*
- *Budget £1,000 and spent less - bargain;*
- *Wide advertising campaign;*
- *Network, network, network!;*
- *Don't just rely on one advertising vehicle;*
- *Short, sharp and nimble event;*
- *Have key point of contact and not generic mailbox - me!;*
- *Keep the process simple, don't want to put off applicants with 12 page application form - but this requires hard work to achieve;*
- *When a task is successful, people assume that it was easy - wrong! - significant effort and focus required;*
- *Don't do multiple recruitment campaigns each year - sends wrong message i.e. what is wrong with this organisation?;*
- *Show the 'love' to all interested candidates whether they apply or not - this may be their only experience of Hanover and customer service;*
- *No pre-requisites e.g. PhD (candidates should only want to help Hanover achieve objectives);*
- *Takes significant time (3 months from start to finish) and organisation skills for event;*
- *Have tight small team - responsive;*
- *Test, test, test website and all other documents etc - do they work? and what do they look like?;*
- *Launch with a fanfare;*
- *Timeline for applications two weeks or drags on - no longer!;*
- *Avoid other advertising RSLs - competition;*
- *16 completed applications;*
- *7 applicants meet Chair, Vice-Chair and CEO;*
- *5 co-opted at November Board meeting;*
- *Variety of ages and 50/50 male/female;*



- Range of individuals/skills/interest recruited - tenant, accountant, lawyer, ICT consultant and chartered housing professional; and
- Lessons learned - **must** use variety of advertising channels but LinkedIn growing in popularity

*I appreciate that Hanover has significant resources at its disposal and that not all RSLs have resources to do this - however, the process was slick, delivered value for money and resulted in high quality co-optees. The principles could be adopted by other RSLs.*

*Hanover has never had 16 completed applications before! The exercise was a success.*

**(Alasdair Robertson, Business Support Manager, Hanover (Scotland) HA)**

**Organisations that support volunteering:** many communities have access to volunteering support which may be able to put potential volunteers in touch with an organisation that can make use of their skills. SFHA is currently developing its 'On Board' register of people who are interested in joining a governing body, and other bodies such as EVH may be able to help source volunteers.

**Local Schools:** most RSLs are keen to attract more young people to contribute. In addition to engaging with younger children about environmental and safety issues, older school students may be interested in being involved in coaching or mentoring to support their personal development and increase employability. Although GBMs must be at least 18 years old, consideration could be given to offering 16-18 year olds the opportunity to 'shadow' a GBM. This kind of initiative has resource implications for the RSL but it is likely to deliver significant benefits to the individuals involved, to the community and to the RSL.

#### **Sector Example 7 – Blackwood Homes and Care**

*We have used the [RSM Young Charity Board Member](#) initiative to help give young people an experience of what it feels like to be on a board. We don't do this to recruit members but we do recognise the value of opening up this possibility to young people.*

**(Wendy Russell, Head of Business Services, Blackwood Homes and Care)**

**Colleges and Universities:** many RSLs have a college near by and local connections are likely to be valuable in providing access to expertise and knowledge. There is already a lot of positive experience of using students to support project work, but building contacts with specific departments in colleges or university (e.g. business, education, marketing, media and communication, law, finance, accountancy, planning, construction) can be successful in recruiting (often young) people. This can bring fresh perspectives, knowledge and commitment to the governing body and the individuals can gain valuable practical experience that can help strengthen their employment potential.

**Advertising in specialist publications:** targeting relevant professional or trade journals can be a very successful way of attracting people who are keen to use their professional skills and knowledge for the benefit of others. Relevant professions have their own representative bodies and journals (accountants, legal, planners, architects, health care).

#### **SFHA OnBoard service**

*In response to the challenges being faced by RSL's with respect to the succession planning, attracting staff talent and recruiting board members, SFHA is planning a number of approaches and solutions under the thematic banner of Routes to Housing. OnBoard is the first of these initiatives, and will offer a register of prospective board members, and a space to advertise board vacancies. OnBoard aims to be much more than simply a register, offering training to prospective board members, and leadership masterclasses for incumbent trustees, supporting high functioning boards that are equipped to face the challenges and opportunities that lie ahead. The service will relaunch in March 2021.*

**How many new members to recruit:** a potential consequence of a successful recruitment campaign is that several candidates come forward who represent a 'good fit' with the RSL. It is important to consider how the addition of a number of new recruits at the same time might impact on the dynamics of the governing body – how would an increase of, say, four new members affect working relationships and is there sufficient capacity to offer mentoring/buddying and induction? It is important to recognise that the introduction of several new members at the same time will require more active management and support than a single new addition – but it is equally important to recognise that all new members should be provided with both formal induction training and ongoing support to equip them for their role.

**Use of SFHA Model Rules 2020 Optional Clause:** Within the Accompanying Guidance to the SFHA Model Rules, there are optional amendments for those RSLs who wish to have the power to directly appoint governing body members in addition to those who are elected. This could support a more targeted recruitment process where there is a specific skill set that the governing body has identified as a requirement (e.g. finance expertise or legal expertise). This could also aid with succession planning if there is a specific skill set that the governing body wishes to attract.

#### **Sector Example 8 – Flair Academy**

*FLAIR (The Federation of Local Associations in East Renfrewshire and Renfrewshire) consists of Barrhead, Bridgewater, Ferguslie Park, Linstone, Paisley and Williamsburgh HAs. Collectively we agreed to run a potential Board member induction programme to encourage new members onto our Board/Committees, Sub Committees and Subsidiaries. The induction programme is a series of training sessions which provide an insight into the main areas within housing: Governance, Finance, Housing, Technical, Wider Role, Factoring and Development. We call this programme FLAIR Academy. We felt that by having training sessions at the start, new*

*members would be more aware of, and familiar with, what would be discussed at Board/Committee meetings and participants would all start with the same level of knowledge.*

*We advertised in each of the local areas and each HA put details onto their websites and social media.*

*Anyone interested completed a registration form, had one point of contact and is “buddied” to the HA they are best suited to. Any new recruits are directed to the Association with any vacancies and these are shared out across FLAIR members.*

*The training sessions are held locally every fortnight and participants attend as observers to Board/Committee meetings so they know what is expected of them if they chose to join. The trainers are staff members from each of the Associations so the cost of running the Academy is minimal and shared.*

*After the induction programme ended each of the attendees made the decision whether to join the Board/Committee or not. The second FLAIR Academy commenced in October 2018. We gained 12 new Board members across FLAIR. Due to Covid Academy 3 (APRIL 2020) & Academy 4 (Oct 2020) have been cancelled. We will consider a virtual Academy in April 2021 if that is required.*

***(Kathleen McCutcheon (Chief Executive, Paisley HA and FLAIR member)***

### **Further Sector Examples**

Two of our members were happy to provide their policy on Succession Planning and Recruitment of Governing Body Members as examples. These are both available on the SFHA website by clicking on the links below:

- [Manor Estates HA - Management Committee: Succession Planning Policy](#)
- [Clydesdale HA - Management Committee Recruitment Policy](#)

The Glasgow and West of Scotland Forum of Housing Associations conducted a survey of its members that highlighted a number of good practice examples and approaches to governing body recruitment and succession planning in community based organisations. It is available via the link below:

- [GWSF Report \(April 2017\) Succession Planning: Attracting New Board Members and Developing Senior Staff](#)

### **Sector Example 9 – Pineview HA**

*As is similar to many community-based housing associations, the committee of management of Pineview Housing Association was traditionally composed of only local tenants and residents. However, following the completion of refurbishment and new build development programmes, the activism of local members reduced as customer satisfaction increased. Many local residents were more comfortable taking part in the Association’s customer forum and reviewing more operational, day-to-day matters. Members of the customer forum supported the Association and advised*

*they would consider joining the committee of management if the Association needed them but that their preference was to be part of the forum.*

*In order to prevent accusations of “marking your own homework” the Association had adopted the practice of not having the same members form part of the customer forum and the committee of management. As such, in order to increase numbers and introduce more diversity, the Association embarked on a recruitment process for committee members and agreed to open this to a wider field of people. Existing tenant members were pursued by letter and door knocking; adverts were placed in local and housing press; and direct correspondence was undertaken with local businesses and education establishments. This proved successful and led to the Association gaining a more varied committee of management with a good mix of differing skills and experience.*

*The committee of management acquired new members from educational and business establishments and from other registered social landlords (RSLs). The recruitment of students was a new approach and proved mutually beneficial to the Association and the students themselves. The students were keen to get involved to do volunteering and to learn about the running of a social business, whilst adding this experience to their CVs. This also meant the Association could meet its commitment to help people gain skills useful to them in their search for employment. The Association also gained new committee members from various non housing business fields (project management, legal, financial) who had an interest in volunteering and wanted to offer their skills to help the ongoing strategic management of the Association.*

*From the perspective of the Association these new members brought a completely new and fresh perspective, varied skills and knowledge and allowed the committee to develop its skills as a corporate body. In respect of other RSLs, the Association was successful in gaining new committee members who were studying for the postgraduate diploma in Housing Studies. These new members brought yet another range of skills and perspectives to the committee’s composition. These members successfully completed their studies and have remained as committed committee members, and have brought the dual benefit of their skills as professionals within the sector as well as their academic learning and good practice information.*

*The annual review of committee effectiveness supports the benefits that have been gained by the changing composition and skills of the management committee. The positive impressions from newer members provide valuable assurance that the views of more experienced members continue to be objective and stand up to external scrutiny. The annual reviews have found that the recruitment of new members in recent years is regarded as being hugely successful – bringing new ideas, opinions and perspectives. All new members have settled in well due to their own commitment to do so, and by the original committee members being so welcoming and encouraging.*

**(Joyce Orr, Director Pineview HA)**

## 6. Recruiting the Chair and Other Office Bearers

### 6.1 Recruiting the Chair

There is often a debate about the most effective way to recruit a new Chair – whichever route is selected, the key is to plan!

**Consider what experience is needed** – ask the GB what they are looking for in a new Chair about 18 months before the transition is expected and use the feedback as the basis for a discussion and review of the role profile and person specification.

**Potential candidates should be invited to explain how they fit the profile** – this could be by writing something or by a quasi ‘hustings’ held at the first meeting after the AGM. It is always advisable to seek nominations for office-bearing roles, especially the Chair, in advance to enable GBMs to consider who they wish to support and why. Nominations should be accompanied by information provided by the nominees which explains how they ‘fit’ the agreed role description and the ‘wish list’ that emerges from the GB annual reviews/appraisals.

**Make sure that the GB has time to consider** – this guidance strongly discourages holding a ‘quick meeting’ after the AGM to elect the Office Bearers unless the preparatory activities already described have been completed. Otherwise, SFHA advises that at least a week should elapse to enable the provision of all the recommended information to support informed decision-making.

**Consider how long the Chair will serve** – Chairs are elected annually by the governing body, however there tends to be an assumption in the sector that a Chair will serve for the maximum permitted continuous period of office (five years)<sup>13</sup>. Although this works very well for many organisations, a shorter length of service can offer advantages.

For some potential Chairs, would three years be preferable – and more manageable – than five? A three-year period may be more attractive to some individuals who would otherwise be reluctant to agree to being nominated. Three years is long enough for a Chair to make an impact but not so long as to make it potentially difficult for someone to ‘follow in their footsteps’. Change at three yearly intervals may help to mitigate against any complacency since there will always be a focus on succession – although that may also be a disadvantage as a longer term can offer the benefits of stability and continuity.

Being open to varying the terms of office for the Chair (and other office bearers) is recommended to strengthen succession planning and increase the pool of potential office-bearing recruits. Of course, agreeing initially to a three-year term does not rule out the possibility of an extension of one or two years if the Chair wished to stand for election again after that time elapsed. It is also possible that another GBM could stand for election to be Chair, irrespective of the length of expected term agreed with the

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<sup>13</sup> SFHA (2020) [Model Rules 2020](#)

current Chair. This is less likely however, if the GB has had proper discussions and agreed the length of time they would expect the Chair to serve.

**Consider other external experience** - when considering the experience that a new Chair is expected to bring to their role. It is important to take account of experience gained beyond the RSL, as someone who has only recently joined the GB may have valuable and relevant experience as an office-bearer in another sector. Of course, it is important that an incoming Chair has a sound understanding of the organisation, its ethos and priorities as well as the culture of the sector, and has the capacity to transfer their skills, knowledge and experience successfully and appropriately from one sector to another.

**Internal or External Recruitment?** Within the sector, there is an ongoing debate about the pros and cons of recruiting a Chair externally. For an individual RSL, this usually arises either when effective succession planning has not been undertaken or when the unexpected happens. In each scenario, the incumbent Chair is approaching the end of the maximum permitted term and there is no obvious successor. Following SFHA's guidance should ensure that, if the unexpected does happen, there will be a potential internal candidate. However, it is recognised that there could also be benefits to external recruitment. Below is an assessment of the relative advantages of recruiting a Chair internally (i.e. from within the current GB):

- Familiarity with the culture and values of the organisation
- Involvement in the review of the strategic/business plan and consequent ownership of it
- Understanding of the sector that the HA is operating in and their position in it
- Awareness of the strategic and operational environments that the HA is operating in and their impact
- Involvement in/ownership of recent significant decisions e.g. pensions, asset management
- Understanding of the HA's relationships and engagement with regulators
- Knowledge of the HA's history and recent development; strategic plan and corporate priorities
- Demonstrates good governance – effective succession planning; collective responsibility; appropriate range of talents, skills etc.

There are some potential disadvantages to recruiting a Chair externally which include:

- Availability of suitable candidates at short notice
- Lack of time to 'shadow' incumbent
- Reputational impact – advertising for a Chair sends out a potentially negative message about the strength of the current board/committee
- Lack of ownership of strategy etc.
- Lack of knowledge of the HA's history, culture, values

## 6.2 Recruiting the Vice-Chair

The SFHA Model Rules do not specify a requirement for an organisation to have a vice-chair or prescribe any limits on length of service for the role. This guidance recommends that the vice-chair should be seen as an important role in its own right rather than as a stepping-stone to becoming Chair. If an organisation is recruiting for the position, there is a need to think about both the expectations and overall commitment associated with the role. The role of the vice-chair should be to support the Chair but the GB should consider the specific responsibilities that the vice-chair might have. This is likely to vary according to the governance structure of the organisation.

It is essential think about the anticipated terms of office of the Chair (see 6.1) and vice-chair. Expecting both to serve for five years and treating the vice-chair role as a successor role to that of Chair results, effectively, in a ten-year commitment for an individual. That is potentially daunting for any individual and does not offer opportunities to others who wish to become Chair. To broaden the potential 'pool' from which a new Chair might be elected, consideration could be given to being clear at the onset that the vice-chair will not be expected to serve for more than two years, offering the potential for up to three people to have recent experience of the role at the time of electing a new Chair.

### **Sector Example 10 – Clydesdale HA**

*Our Management Committee has put in place the role of Vice Chair (Mentor) – a position that would normally be held for 12 to 24 months by a Chair who has just left office – as a support to a new Chair. This will sit alongside our Vice-Chair, which we see as a role for the most likely replacement to the current Chair.*

*Our Committee found the SFHA Succession Planning Guidance very helpful.*

**(Joe Gorman, Chief Executive, Clydesdale HA)**

## 6.3 Recruiting Other Office Bearers

All organisations are required to have a Secretary, and in the majority of organisations this is the senior member of staff. When the role is carried out by a governing body member, we would recommend considering some of the steps outlined above if recruiting for the position. It is also recommended that these steps are considered for any other office bearer roles for which an organisation may be recruiting.

SFHA has issued Model Role Descriptions for Governing Body Members and Office Bearers<sup>14</sup> that may be helpful in this process.

## 7. Examples of Effective Succession Planning

Below are some examples of how effective Succession Planning could work in practice, applying this guidance.

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<sup>14</sup> SFHA (Feb 2021) [Model Role Descriptions for Governing Body Members and Office Bearers](#)

- RSL 1 has a Chair and two vice-chairs who make up the Office Bearer (OB) group which meets with the CEO between Board meetings. This group plans and reviews agendas for the Board and committees, discusses specific proposals and issues and provides support to the CEO. The terms of office of the Chair and vice-chairs do not coincide which means that there can be quite regular changes in the composition of the OB group. The aim is that at least one of the vice-chairs should be prepared to be nominated as Chair, but there is no expectation that to become a vice-chair, an individual has to be willing to become Chair. Each vice-chair is a member of at least one committee to ensure there is a link between the two. The role of the OB group is set out in the standing orders.
- RSL 2 has a Chair and vice-chair who meet with the CEO in advance of each GB meeting and who will take decisions between meetings, if required, in accordance with the standing orders and scheme of delegation (which contain specific requirements about consultation with other GBMs and subsequent reporting in such circumstances). The expectation is that the vice-chair will succeed the Chair. The role description specifies that an incoming Chair should normally have been a GBM of the organisation for at least two years before being nominated as Chair.
- RSL 3 has a Chair and vice-chair plus three sub-committees, each with their own convenors who are responsible for reporting to the GB on the work of 'their' sub-committee. Members of the sub-committee normally serve for a maximum of two years before moving to a different committee which means that individual GBMs build up their knowledge of all aspects of the organisation rather than becoming 'specialists'. Convenors might be a sub-committee member for a year, then become Convenor for two years before moving to another sub-committee, providing experience of office-bearing roles as well as in-depth knowledge of the organisation.



## Appendix A – Succession Plan Template and Explanatory Notes

GBM Name	Date First elected/Co-opted/Appointed	Date Last re-elected	Date next due for re-election	Date nine-year rule effective	Intention to seek re-election	Office-bearing interest	End of office-bearing term

Succession Priorities	
Recruitment Priorities	
Timescales	

### Explanatory Notes

*The Succession Plan should be an easy to read table that details:*

- *Current GB membership (by name)*
- *Dates when each GBM was/is:*
  - *First elected*
  - *Re-elected subsequently (there could be a series of dates)*
  - *Next due to stand down*
  - *Affected by the nine-year rule (or if the RSL operates a maximum tenure, the date when that term ends should be identified)*

- *Dates when the Chair's and other OB terms of office expire*
- *Intentions about standing for re-election (i.e. if a GBM intends to stand at the next planned retirement date)*
- *Intentions/interest in taking on an OB role and any specific preferences (e.g. is someone is willing to chair a sub-committee but isn't interested in becoming Chair)*
- *Highlights any 'gaps' or pressure points (e.g. the Chair must stand down in two years' time and there is no interest from current members in taking on the role; or the current vice-chair is happy to take on the role but there is no interest in taking on the vice-chair's responsibilities; or the chair of the finance or audit sub-committee intends to stand down at the end of their current term and a successor needs to be identified – and potentially trained. This information should form part of the report that is made to the governing body at the conclusion of the annual appraisals.*
- *Identifies training/development/support priorities to enable individuals to take on additional roles and links to the training and development plan*
- *Identifies recruitment priorities*

*By using a spreadsheet format, it's possible to highlight particular 'pressure points' e.g. in the event that a significant number of GBMs indicate an intention to retire around the same time or there is a lack of potential successors as the end of the Chair's term of office approaches.*

*The succession plan is closely linked to the training and development plan (see Appendix B) and the two could be incorporated into a single document.*

## Appendix B – Training and Development Plan Template and Explanatory Notes

GBM Name	Individual Priorities	Match to collective GB Priorities	Training Sources	Timescales	Outcomes

Statement of Collective Board Priorities:

### Explanatory Notes

*The Development Plan will be produced by officers following completion of the annual appraisals and will incorporate the priorities identified from the appraisals into a comprehensive Training and Development Plan. It should contain:*

- *Names of each GBM*
- *Individual Training Priorities: link to specific objectives/outcomes where appropriate (e.g. Chair’s training for people interested in taking on OB role; attending SFHA Finance Conference for someone specifically interested in finance; relevant professional training for Chair of Audit Committee; attendance at TIS and/or TPAS events for GBMs interested or involved in engagement or scrutiny; induction programme for new GBMs; attendance at networking events e.g. to maintain or broaden sector knowledge or to be an ambassador for the organisation; enrolment on accredited course etc.)*



- *Training Sources: identify potential sources of training for specific issues and use this element of the plan to monitor booking/attendance/budget etc.*
- *Timescales: usually a development plan will cover a single year but it may be appropriate to include longer term development priorities e.g. where someone is working towards an office-bearing role or is undertaking a course of study*
- *Outcomes: use to record feedback*
- *A statement of the collective priorities for the governing body i.e. specific areas of knowledge that the governing body has identified a need to develop collective knowledge about e.g. the impact of the Scottish Government's energy strategy or the outcome of the SHR's Review of Regulatory standards or the impact of legislation.*
- *A column in the table can be used to see how the priorities identified by the individual marry up with the priorities of the overall GB*

## Appendix C – Sample Governing Body Recruitment Process

### Applications and Nominations

- All candidates/applicants should be provided with a Recruitment Pack (the contents should be described in the Recruitment Policy)
- All should complete an application form and eligibility statement and return to the registered office (if there is a closing date as part of a recruitment drive or for nominations to the AGM, this must be specified clearly on the form)
- If a shareholding member is seeking election at the AGM, a nomination form must also be completed and signed by another shareholding member and be submitted with the application form

### Meetings/Interviews

Shareholding members who are nominated for election should be invited to attend an informal meeting to discuss the role. This should involve at least one member of the GB (normally the Chair or another office-bearer) and a senior officer who supports the governing body. The GB should agree the composition of the group which meets with candidates. The purpose of the meeting will be to:

- Confirm the candidate's eligibility to act as a member of the GB
- Establish the candidate understands the role of GB members, including the likely time commitment involved.
- Establish the potential contribution likely to be made by the candidate, in the light of the skills, knowledge and experience described in the GB profile
- Answer any questions from the candidate
- Explain the induction process and support available

It is important to be clear that shareholding members of a RSL can be nominated, stand for election and be elected without being 'approved', as long as they meet the eligibility criteria in the rules. The recruitment process described in this guidance recognises this important principle but also seeks to introduce an early opportunity to discuss the role of a GBM with potential candidates. This can help to avoid misunderstandings about what the responsibilities are and to explain the focus of the business discussed at meetings of the GB. It is also an opportunity to describe the requirements of the Code of Conduct, which must be signed before anyone can become a member of the GB.

It is appropriate to explore why a member is seeking to stand for election at this introductory, informal meeting and, if it seems that their expectations do not reflect the role, to be clear about the discrepancy. For example, if a shareholding member seeks to join the GB because there is a specific issue that they want to resolve (perhaps relating to their tenancy or to a service they receive), it is important that it is made clear that membership of the GB specifically prevents individual, personal matters being pursued other than through the procedures that are available to all tenants and service users.

Applicants who respond to a recruitment drive such as an advert (or equivalent) or who volunteer should be invited to an interview. This should be conducted in a similar way to the informal meeting described above. It should involve at least one member of the GB (normally the Chair or another office-bearer) and a senior officer who has governance responsibilities. The GB should agree the composition of the interview panel which should have delegated responsibility to make recommendations to the GB about appointments<sup>15</sup>. The interview should:

- Confirm the applicant's eligibility to become a member of the GB
- Establish the applicant understands the role of GB members, including the likely time commitment involved
- Establish the potential contribution likely to be made by the applicant, in the light of the skills, knowledge and experience described in the GB profile
- Confirm whether the applicant is interested in becoming a shareholding member (and their eligibility)
- Explain the process by which the applicant could join the GB (e.g. co-option; filling a casual vacancy; standing for election at the AGM)
- Answer any questions from the applicant
- Explain the induction process and support arrangements
- Confirm the timescales for appointment

Applicants should be advised of the outcome of an interview within a reasonable timescale. Decisions should be made by the interview panel based on the agreed recruitment priorities, and recommendations to the GB should be linked to the profile.

Successful applicants may be invited to attend a meeting of the GB as observers before their appointment is confirmed/they stand for election.

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<sup>15</sup> It is important to ensure that any relevant interests are declared and managed – for example it would not be appropriate for someone on the panel to be interviewing someone to whom they are closely related.

It is good practice to offer any new GBMs the opportunity to be allocated a mentor or buddy to help them settle in, and the Induction Policy should include details of provision for this where it is being offered.

### **Sector Example 11 – Blackwood Homes and Care**

*One thing that we do in Blackwood when recruiting new Board Members is link them up with an existing Board Member as a Buddy/Mentor – someone who can take time with them in between meetings to help them get up to speed, alongside the L & D process that the executive team will have set up for new members – that has worked well for us.*

***(Wendy Russell, Head of Business Services, Blackwood Homes and Care)***

### **Is a potential GBM Eligible?**

Only shareholding members can stand for election to the GB. It may be that candidates who respond to a recruitment campaign apply to become a shareholding member. All applications for membership must be approved by the governing body which must be satisfied that applicants meet the terms of the membership policy.

Applicants seeking to be co-opted to the GB do not need to be shareholding members but do need to support the aims and objectives of the RSL.

The recruitment pack for prospective GBMs should include information about the circumstances that could prompt a governing body to refuse an application to join the GB as set out in the rules. The SFHA's Model Rules (2020) make provision for a GB to refuse a candidate's nomination in very specific circumstances, where concerns have been identified and evidenced about the candidate's suitability. Any such decision has to be approved by at least three quarters of the GB members.<sup>16</sup> This provision should be used in exceptional circumstances only, and Appendix I in the [Supporting Guidance to the SFHA Model Rules 2020](#) includes an example of how this might work in practice.

Where an individual has responded to a recruitment initiative (that would potentially result in them being co-opted onto the GB), the interview process is a means of gaining assurance that they have relevant skills, knowledge or experience and that their motivation is appropriate. If the panel is not satisfied

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<sup>16</sup> Rule 40.3 specifies that a nomination can be refused if either it is against the association's rules / policies; there is an identified conflict of interest that cannot be managed and adversely affects the association's work; there is clear evidence of relevant circumstances that result in the conclusion that the candidate's election is not in the association's best interests

that the GB will benefit from the contribution that the applicant is offering to make, their application can be politely declined.

Where a candidate for co-option has decided not to go ahead or an applicant withdraws or is refused, steps should be taken to suggest alternative means for them to contribute (e.g. by encouraging a candidate to get involved in scrutiny activities or by suggesting other voluntary organisations that might be a better 'fit').

Where there is a competitive election for a GBM and a suitable candidate is unsuccessful, it is important to take steps to ensure that they remain interested and engaged e.g. by being co-opted to a sub-committee or working groups, if the Rules and/or Standing Orders permit. This will mean that they are far more likely to stand for election again and become a member of the GB in the future.