CDS Co-operatives

Board Membership & Appointments Policy

Date Approved	November 2024
Responsible officer	Christina Friedenthal, Corporate Services Director
Review date	November 2028

1 Introduction

1.1 The Board of Management of CDS ("the Board") is responsible for ensuring that the charity is viable, properly governed and properly managed in line with its objects.

1.2 As a registered social housing provider, CDS must comply with the Regulator of Social Housing's regulations and any other requirements that may be published from time to time. The Governance & Financial Viability Standard requires that:

> *Registered Providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective transparent and accountable manner. Governance arrangements shall ensure Registered Providers:*
>
> - *Adhere to all relevant law*
> - *Comply with their governing documents and all regulatory requirements*
> - *Are accountable to tenants, the regulator and relevant stakeholders*
> - *Safeguard taxpayers' interests and the reputation of the sector*
> - *Have an effective risk management and internal controls assurance framework*
> - *Protect social housing assets.*
>
> *Registered providers shall adopt and comply with an appropriate code of governance. Governance arrangements shall establish and maintain clear roles, responsibilities and accountabilities for their board, chair and chief executive and ensure appropriate probity arrangements are in place. Areas of non-compliance with their chosen code should be explained. Providers' Boards should assess the effectiveness of their governance arrangements at least once a year.*

1.3 CDS has adopted the NHF Code of Governance 2020 as its adopted governance code. The key points of the code in respect of the composition of the Board are as follows:

- *Board members have the attributes and time needed to govern effectively, and each member exercises independent judgement in doing so.*
- *The organisation determines, documents, and regularly reviews the board composition best suited to its needs.*
- *The board has between five and 12 members, including any co-optees and exectutive members.*
- *Executive board members, if appointed, are in a minority on the board and in the quorum for a board meeting.*
- *There is a dedicated senior board member (normally a vice-chair or senior independent director) with duties that include appraisal of the chair and assisting the chair to ensure the effectiveness of the board.*

2 CDS Rules

2.1 a charitable community benefit society, CDS has a set of rules that set out its objects, corporate status and the powers of the Society, Board and Shareholders.

2.2 The rules state that the Board shall consist of between six and twelve Board members (including co-optees). No employee of the Society may be appointed or co-opted to the Board, if that results in more than one-third of the Board being employees of the Society.

2.3 Board members are appointed for a fixed term of three years or less. Board members stop being Board members at the end of each fixed term but may be re-appointed subject to the conditions below:

- No board member (other than those who are also employees of the Society) may serve for more than six consecutive years in office, save where the Board agree that circumstances exist where it would be in the best interests of the Society for a Board Member to serve for a longer period.

- Any board member who reaches their six-year term limit on the Board shall not be eligible for re-appointment for at least one full term of office of three years.

2.4 The rules require the Board to actively seek to fill one place on the Board with a corporate service user nominated representative and one place with a resident nominated representative, but both appointments will be subject to the individuals fulfilling the current criteria for recruitment and selection and at the complete discretion of the Board.

3 Policy on Board Membership

3.1 This membership policy will be reviewed each year as part of the annual review of governance arrangements. In addition, the board shall have a strategy for its own renewal which is based on an agreed statement of the skills, qualifications, diversity and other attributes required.

3.2 The Board shall have no more than 12 members. If at any time the membership falls below 9 members the Board will commence a recruitment campaign to recruit new members to the Board.

3.3 Employees may serve as Board members at the discretion of the Board from time to time. Employees may not constitute more than one-third of the total Board members. The Board has agreed that the Chief Executive should be appointed as a member of the Board.

3.4 Reserved Places

3.4.1 The Board reserves

- 1 board membership for a tenant or leaseholder of CDS
- 1 board membership for a corporate service user of CDS

For the avoidance of doubt, Board members recruited for reserved places act in the general interests of CDS and not as representatives of tenants, leaseholders or corporate service users.

3.4.2 Any time a vacancy arises on the Board which results in their being no resident or corporate service user representative on the Board, then targeted recruitment will be undertaken within the relevant group. People nominated or who are otherwise put forward to take up a reserved place will be considered against the normal selection criteria and will need to demonstrate that they have the required skills and are able and willing to fulfil their obligations as a Board member as set out in the rules and in the Board member contract and code of conduct as amended from time to time;

3.4.3 Any Board member appointed to a reserved place will automatically cease to be a Board member if they cease to be tenant or leaseholder of CDS or, in the case of a member nominated by corporate service users, if the organisation that has nominated them ceases to take services from CDS.

3.4.4 Notwithstanding the places reserved as set out in this clause, other CDS residents or residents of corporate service users may be recruited to fill Board member places subject to the normal selection criteria. However, no more than one third of the membership of the Board may at any time be residents of CDS or residents or nominees of corporate service users.

3.5 Whilst the rules allow for an exception to the six-year term limit for Board membership, it is the intention under this policy that this discretion will be exercised only in extreme circumstances (e.g. where not doing so would leave the Board with fewer members than are required under the rules). Any use of the exemption should be based on a one-year term extension only.

3.6 Board members should not have interests that conflict with CDS. This will normally include being on the Board of other organisations that are carrying out similar work in similar areas to CDS. This restriction also does not apply in respect any member appointed as a representative of an organisation receiving services from CDS under the reserved places clause 3.4.

4 Board Member Recruitment

4.1 The Board will agree a skill matrix to set out the core skills expected of all Board members plus any additional skills that at least some members of the Board should have. The current matrix is attached as appendix 1. Before any significant Board member recruitment campaign the matrix will be considered to see if any changes are required to fill skills gaps. This process shall also include an assessment of whether the board lacks any equality, diversity and inclusion attributes relative to the community which CDS serves.

4.2 When there are vacancies on the Board, applicants will be sought by (but not limited to):

4.2.1 Open advertisement for members with the core skills required as set out in the skill matrix;

4.2.2 Targeted advertisements should the vacancy relate to one or more of the additional skills on the skills matrix that the Board require for good governance;

4.2.3 Through use of appropriate agencies;

4.2.4 In respect of reserved places under clause 3.4 through the CDS website, resident or client newsletters or partner websites, whenever the reserved places requirement is not being met.

4.3 Adverts and invitations will explain the nature of the vacancy, the skills required, the process of selection and a closing date for nominations, including self-nominations.

4.4 All applications received by the specified closing date will be considered by the membership panel against the general criteria and any specific criteria should they apply. The panel may delegate shortlisting, as they deem appropriate.

4.5 Shortlisted applicants will be invited to an interview by the membership panel after which the panel will recommend the appointment of suitable candidates to the Board.

4.6 Successful applicants will be appointed for a specified term of not more than three years. Once confirmed, a Board member must:

- Sign the Board member contract
- Sign to confirm their acceptance of the Board members' statement of responsibilities (including the code of conduct)

4.7 Co-options

4.7.1 The rules allow for the co-option of up to three Board members so long as this does not take the Board membership to more than 12. Co-opted members can vote on most Board matters but do not become shareholders and cannot vote on the election or appointment of officers nor in any matter directly affecting shareholders.

4.7.2 The Board may use co-option places where a particular skill set is required for the duration of a specific project or strategic objective or in other circumstances where a short-term appointment of less than three years is appropriate or expedient.

4.7.3 Short term co-option, not to exceed 12 months, may also be used in circumstances where the membership of the Board risks falling below the minimum number required under the Rules (i.e. six members) to allow proper governance whilst new members are recruited openly.

4.8 A membership panel shall be appointed by the Governance & Remuneration Committee at the start of any Board member recruitment campaign. The panel shall comprise:

- The Chair of the Board or another member of the Governance & Remuneration Committee
- Up to two other members of the Board
- Either the Chief Executive or the Company Secretary

4.8.1 The membership panel may seek support from a suitable consultant or advisor, although that person shall not have any decision-making role.

5 Recruitment of the Chair of the Board

5.1 The Board appoints a Chair who must be a non-executive member of the Board and who will normally chair shareholder and board meetings. When there is a vacancy for a Chair, open recruitment for the position of Chair will be undertaken as set out in section 4 unless board members decide they want to recruit internally. Once appointed, the Chair will normally serve for a period of three years and may be appointed for a further three-year term subject to a maximum of six consecutive years.

5.2 Any non-executive member of the Board may put themselves forward to be considered for the position of Chair when it is vacant, although a Board member who has served more than seven consecutive years will not normally be considered.

5.3 The Chair may not serve as the Chair of the Remuneration Committee.

6 Induction Programme

6.1 All new Board members shall be offered an induction programme within the first month of their appointment. The induction programme shall include:

- Key papers being made available for reading;
- Meeting the Chief Executive, Chair and/or other members the SMT to discuss the business strategy, plan and operations.

7 Board Appraisal

7.1 All Board members are required to have an annual appraisal which will be conducted by the Chair. The Chair will be appraised by the Senior Independent Director. Either process may be supported by the Chief Executive or Secretary and by external advisers, as required.

7.2 The annual appraisal process will include an assessment of how each member has demonstrated the core skills as set out in the Skill Matrix. Appropriate training and development support will be arranged to support Board members in these areas and the Chair may require members to attend training from time to time.

7.3 The appraisal process will also assess how members of the Board have contributed to the effective operation of the Board including how they have used any of the additional skills identified in the Board skills matrix.

7.4 The appraisal process may include any issues of conduct or capacity as decided by the Chair and/or Governance & or Remuneration Committee.

8 Process at the end of a term of office

8.1 Any Board member who reaches the end of their term of office will be notified by the Secretary who will clarify whether they are eligible to re-stand. Board members that are not eligible to re-stand shall not be permitted to stand again for at least three years.

8.2 Members who wish to be considered for re-appointment will be considered by the Chair. This will include review of the latest Board appraisal including attendance and the skills requirements of the whole Board at that time. If a skills gap is identified that there is concern

the Board member cannot meet, then the Board member will not be recommended for re-appointment A decision not to re-appoint a Board member in these circumstances will not reflect negatively on the Board member concerned.

8.3 The Chair will recommend to the Board whether they wish to have an open recruitment campaign to meet the skills gap. Outgoing Board members can apply for open vacancies if they consider they can meet the skills requirement and may be appointed so long as they are within the term limit for members.

8.4 If there are no skills gaps and the Board member's most recent appraisal was satisfactory, then the Chair may recommend re-appointment of the Board member for a further term of office, not to exceed three years.

8.5 Co-optees will not normally be considered for re-appointment after the initial period but may be considered for a full Board appointment through open or skills-based recruitment.

9 Reporting Requirements

9.1 CDS shall annually publish information about the appointment of new board members, and about the diversity, skills and attributes of all the board members.

Christina Friedenthal
Corporate Services Director