

<b>Policy Name</b>	<b>Shareholding and Board Membership Policy</b>
<b>Policy Category</b>	Corporate
<b>Policy Number</b>	C1
<b>Officer Responsible</b>	Chief Executive
<b>Date to Board</b>	11 <sup>th</sup> April 2011
<b>Next Review Date</b>	March 2014

## **1. Accountability**

The Association strongly believes that it has a responsibility to account for itself to tenants and sharing owners of its homes, the wider communities in which it works, the local authority, its regulators and its funders. There are numerous ways in which the Association seeks to demonstrate its openness and accountability, such as:

- (i) Production of an Annual Report and Financial Statements;
- (ii) Development of a robust and meaningful Tenant Participation Strategy;
- (iii) Annual returns to Regulators;
- (iv) Subscribing to the Codes of Governance and Codes of Conduct of the Scottish Federation of Housing Associations;
- (v) Policy for the promotion of Shareholding Membership;
- (vi) Open and clear policies for dealing with complaints;
- (vii) Tenants and other service users recruited to the Board;
- (viii) Customer Satisfaction Surveys;
- (ix) Engagement with Community Councils and other community partners.

## **2. Shareholding Membership**

The Association seeks to ensure that its membership is diverse and adequately reflects the broad spectrum of local community and interest groups it serves, including Community Councils, other local community and minority groups as well as its tenants and sharing owners. In encouraging the establishment of a wide and diverse membership, the Association publicises opportunities to apply for membership through its Tenants Newsletter and in its dealings with the communities in which it operates. Accordingly,

membership is available to tenants, individual members of the public and community organisations, as well as to other stakeholders and partners.

The Association seeks to develop growth in shareholding membership from individuals and organisations who have the aims and objectives of the Association as their prime motivation for applying and who are also able to make a positive contribution to the furtherance of the Association's objectives. Information on how to become a Member is available to members of the public at the Association's offices together with an application form.

The Association maintains a Register of Members, a duplicate of which is available for public inspection. The Association's Rules 7 - 11 regulate the processes of becoming a Shareholding Member of the Association and of ceasing Membership. Prospective Shareholding Members will be asked to complete and sign a standard application form giving the reasons for wishing to become a Shareholder. They will also be required to submit a membership fee of £1.

The Board will consider applications for membership at the meeting following receipt of the application, or as soon as possible thereafter. The Association welcomes and encourages applications for individual or corporate membership from:

- Any Lochaber resident over the age of 16 years;
- Any community council or similarly elected and democratically accountable body based in or operating in Lochaber;
- Any individual who lives or works in Lochaber, or who has another well-established connection with Lochaber, and who can demonstrate a clear commitment to the aims and charitable objects of the Association.

The Association will inform the applicant within 5 working days of the Board's decision.

In the event that an application is refused, the Association will advise the applicant of the grounds for refusal and the means by which the applicant can submit an appeal. Appeals against a Board decision to refuse an application for membership will be heard by a Sub-Committee of members convened for the purpose and who did not take part in the original decision to refuse.

### **3. Board Membership**

The Board has the important responsibility of directing and controlling the Association. Rules 45 to 47 set out the constitutional position of the Board, while the Association's Standing Orders set out the remit of the Board and the mechanisms for delegating its responsibilities

The effective functioning of the Board depends on the active contributions of individual Board Members. The roles and responsibilities of individual Board members are set out in our Board Member Role Description. In order to ensure that the contributions of individuals serve the interests of the Board as a whole, each member is expected to sign the Board Member's Code of Conduct, which is based on the SFHA Model.

In accordance with Rule 37, the Board may have a minimum of 7 and a maximum of 15 Members. In addition, up to five additional members may be co-opted in order to ensure the

active input from partner organisations; up to three of these co-opted places are reserved for co-options from Highland Council.

Membership of the Board is intended as far as is possible to reflect the broad spectrum of community and interest groups in accordance with its policy on shareholding membership.

It is the Association's policy that one third of the membership of the Board will be tenants or other service users of the Association at any time. In the event of a tenant or service user ceasing to be a member or ceasing to be a service user, the Association will seek to replace that member at the earliest opportunity.

#### **4. Board Members**

The Association expects its members to demonstrate the following:

- (i) A willingness to work as member of an effective team which has the responsibility for strategic decisions for social result;
- (ii) A commitment to support the communities of Lochaber through the provision of high quality housing and housing related services;
- (iii) An ability to apply skills, knowledge and experience in one or more of the following areas:
  - Direct knowledge of the needs and aspirations of the communities and people served;
  - General business, financial and management skills;
  - An understanding of the external framework and operating environments in which the Association works;
  - Other relevant specialist skills such as legal, property and development, and public affairs.

The list in (iii) above represents the skills and knowledge which the Board collectively needs to have to function effectively. The Association will periodically assess the skills, knowledge and experience of its existing members against this list with a view to identifying any gaps between the skills required and those available to the Board at the time. Attempts will then be made to fill any such gaps by a mix of Recruitment (in accordance with Section 6 of this policy) and Training and Development (in accordance with section 9 of this policy).

#### **5. Election**

In accordance with Rules 39 to 41, Board Members may be elected by the shareholding membership of the Association at the Annual General Meeting; or recruited by co-option. The Association seeks to appoint the maximum number of Board Members allowable under its Rules. Accordingly, in the event of there not being sufficient numbers of shareholding members elected, or in the event of elected members resigning, the Association will take steps to recruit members up to the maximum allowable number.

The Association will seek to ensure that shareholding members seeking election to the Board will, if elected, be in a position to make relevant and appropriate contributions. In seeking nominations from the shareholding membership for election to the Board, the Association will make it clear what it expects of its Board Members, by providing information on the roles and responsibilities of the Board as part of the application pack, the expectations of individual members, the specific skills sought at any time and any specific aims in relation to equality and diversity.

## **6. Recruitment**

The policy in relation to Board Member recruitment, retention and renewal seeks to:

- (i) Ensure, as far as is reasonable, that the Board is broadly representative of the Association's geographical area of operation;
- (ii) Ensure that the Board is composed of Members with a diversity of skills which will enable it to discharge its responsibilities fully;
- (iii) Provide opportunities for tenant and service user membership;
- (iv) Ensure that the Association meets its commitment to promoting equality and diversity by providing opportunities for involvement to individuals who are currently under-represented in public life or who are currently under-represented on the Board.

Where places are to be filled by recruitment, the Association will aim to be open and transparent in its attempts to appoint suitable individuals. The recruitment will be done in accordance with our constitution, and will take the form of co-option or the filling of casual vacancies left by the retirement of existing Board members.

We will promote the opportunity to become a member of the Board through the use of:

- Advertisements in the local press;
- Circulation of information to partner organisations and other stakeholders;
- Circulation of information to tenant organisations and community groups;
- Circulation of information to members of the Association;
- Approaches to trade bodies or institutions.

The advertisement and circulated information will identify any particular skills or areas of experience where gaps have been identified, and will in particular invite applications from underrepresented groups.

Those enquiring will be issued with a recruitment pack, consisting of the following:

- Information on Background and History of the Association;
- Explanatory information on becoming a Board member;

- Board Member Role Description;
- Eligibility criteria;
- Application form, which asks for information on the areas of skills, knowledge and experience which the applicant can offer, and for personal information to allow equal opportunities monitoring.

The process of advertisement may be supplemented by personal approaches from members of the Board and senior staff of the association. In the event of such an approach being positive, the details of the individual will be submitted to the Chief Executive, who will issue the recruitment pack as described above.

Completed application forms will be sent to the Association's offices, and the Chief Executive will screen the applications with a view to confirming eligibility.

Eligible applicants will then be invited to attend an informal interview with the Chief Executive and one or more members of the Board (of whom one will normally be the Chair). The purpose of the meeting will be to:

- Confirm the applicant's eligibility to act as a member of the Board;
- Establish the applicant understands of the role of Board;
- Establish the potential contribution likely to be made by the applicant, in the light of the skills, knowledge and experience sought by the Association;
- Answer any questions from the applicant.

In deciding the suitability of potential Board Members, the panel will be mindful of the skills or areas of expertise on offer, together with any deficiencies within the current Board Membership. The panel will also take account of any imbalance that may exist with regard to gender, age and representation from ethnic minorities.

Within 24 hours of the interview, the applicant will be informed of the result of the interview i.e. acceptance as a member of the Board or non-acceptance, with reasons for the decision

Successful applicants will be invited to attend a meeting of the Board as observers before their membership of the Board is confirmed.

## **7. Co-options**

The Board may appoint up to five of its number as co-optees, who may or may not be shareholders of the Association. Persons so appointed must stand down at the next AGM, although they may stand for election at that time in the usual way. Up to three co-opted places will be made available to The Highland Council who will be invited to nominate Councillors to serve on the Board. Co-opted members of the Board are encouraged to become shareholding members of the Association but this is not a requirement.

The Board can, at its own discretion, remove co-optees at any time. Rule 42 governs the appointment, removal and status of co-optees.

Co-opted members cannot vote on matters relating to the membership of the Association or the election of office bearers; nor can they themselves stand for election as office bearers.

The co-option process may be used to fill casual vacancies left by the retirement or resignation of existing Board members during the course of the year. Under the Association's Rules, an individual filling a casual vacancy must first become a member of the Association

## **8. New Members**

The Association will provide a structured induction programme to every new Board Member, whether elected or recruited, in order to ensure that the member's existing knowledge and skills are further developed to meet the Association's governance responsibilities. This programme will be tailored to the needs of the individual, but is likely to include:

- A meeting with the Chief Executive and the Chair to discuss how the Board operates, to discuss what the new member has to offer and identify any potential barriers to the individual's participation;
- The provision of an induction pack, consisting of:
  - SFHA Handbook for Board Members;
  - SFHA Code of Conduct for Board Members;
  - Rules of the Association;
  - Standing Orders;
  - History and structure of the Association;
  - SHR Regulatory Code of Governance;
  - Organisational policies relating to the Board Member's governance responsibilities (including policies on payments and benefits, gifts and expenses);
- The opportunity to meet senior members of staff;
- Visits to a selection of the Association's properties;
- The opportunity to learn through observation about the work of the Association's sub-committees or working parties, with a view to the individual making informed decisions about involvement and participation.

In addition, all new members will be offered the support of an experienced Board member acting in a mentoring role for a period of six months. The mentor will be in a position to provide advice, encouragement and support, on matters including the interpretation of reports, the use of terminology and background to the issues facing the Board.

## **9. Training and Development for Board Members**

The Association recognizes that members of the Board benefit from the opportunity to advance their learning and develop their skills, and that the Board itself will operate most effectively when individuals have the opportunity to develop. The Association will therefore promote learning and provide opportunities for members to develop their skills, consistent with their own needs and the needs of the organisations.

A Skills Audit and training needs assessment of Board Members will be completed periodically, against the skills and knowledge required by the Association. The results will be used to identify the priorities for collective Board training, and will be organised primarily on an in-house basis by Association staff or by specialist trainers working to a brief provided by the Association. Training opportunities may include the use of briefing sessions on particular topics and the preparation of briefing materials as an ongoing source of reference.

Where the training need identified relates to individuals or relatively few members, or where it would be impractical to provide in-house training, appropriate courses offered by other organisations will be identified and promoted.

The Association recognises that formal training is only one method of developing knowledge and skills, and will promote other opportunities, including:

- Active participation in Away Days and other events run by the Association;
- Networking with other members of the Board Attendance at conferences and seminars relevant to the work of the organisation;
- Networking through meetings with Board members of other organisations, both in the Highlands and nationally;
- Making written information available on key developments;

All members are expected to share the responsibility for identifying their own development needs, and to attend relevant courses and other events.

## **10. Succession Planning**

The Association will keep under constant review the future governance needs of the organisation. In particular the Association will seek to ensure that it is always able to replace the experience and expertise of individual Board members should they no longer be in a position to serve on the Board , and thus to reduce its dependence on those individuals. This will involve consideration of the need to:

- Attract and retain Board members with the requisite skills and knowledge to direct and control the organisation in the future;
- Ensure through the programme of Board member development that there is a common platform of knowledge and skills possessed by all Board members;
- Ensure that there is always adequate cover within the Board in the event of the departure or absence of office bearers or other experienced members;
- Ensure that the Board benefits from the experience of its longer-established members and makes this available to its less-experienced members;
- Provide opportunities for less experienced members to take on office bearer and other responsibilities within the Board;

- Plan strategically to replace office bearers over the medium to long term.

## **11. Ending of Membership of the Board**

Rules 43 and 44 govern leaving the Board.