

BOARD MEMBER RECRUITMENT & SELECTION

Report of the Director & Company Secretary

1. SUMMARY

The purpose of this report is to consider proposals for the recruitment and selection of Board Members under the revised governance arrangements.

2. RECOMMENDATION

To consider the proposals and make recommendations to the Board.

3. MATTER FOR CONSIDERATION

- 3.1 One of the outcomes of the Review of Housing Services was a decision to discontinue elections for tenant board members. The Board requested that detailed proposals for the recruitment and selection of Board Members be brought to the Governance Services Committee for consideration, prior to obtaining Board approval.
- 3.2 The election process was previously largely unused and did not represent value for money. The Board agreed it should be replaced by a selection process in which tenants themselves are involved, ensuring that those selected are reasonably representative of tenants as a whole and thereby bringing any positive skills into consideration in the selection process.

Derby Homes Board Members

- 3.3 Attached at Appendix 1 is the Part IX of the Governance Arrangements for the Appointment and Recruitment of Board Members, approved by the Board on 26 September 2013.
- 3.4 There are no proposals to amend the procedure for the appointment of Councillor and Independent Board Members.
- 3.5 The main changes to the process for appointing Tenant Board Members are:
- The election process will be discontinued and replaced by a selection process similar to that used for Independent Board Members.
 - A representative of the Derby Association of Community Partners (DACP) will be invited to sit on the selection and interview panel.

- Geographical representation will no longer apply. This means tenants (or family members) living in any area of the City can apply for any Tenant Board Member vacancy that arises.
- 3.6 The detailed procedure for the recruitment and selection of Tenant Board Members is attached at Appendix 2.
- 3.7 The current Tenant Board Members are Dennis Rees and Fiona Walker, in addition there is one vacancy following the resignation of Brian Perry which is to be filled by the DACP on a casual basis. Dennis is due to stand down in 2015, Fiona and the casual tenant board member are due to stand down at this year's AGM.
- 3.8 At the meeting in January, the Board agreed that recruitment of two permanent Tenant Board Members takes place this year, one post from 2014 to 2016 and the other 2014 to 2017.
- 3.9 It is anticipated that recruitment for these two positions will commence in the Summer, subject to the Board's approval of the new procedure. The two positions will be advertised in Derby Homes News, through the DACP and other engagement activity.

City Board Members

- 3.10 The size of the City Board is to be reduced to 8 tenants plus one leaseholder along with the 3 main Board Members, giving a total of 12 members, which it is hoped will prove a much more manageable size for meaningful debates in the future.
- 3.11 The proposed procedure for the appointment and recruitment of City Board Members is largely the same as that for Derby Homes Board Members. However it is proposed that two tenant places are reserved specifically for
- The Chair of the DACP
 - A nomination of a tenant/family member of a tenant from Derby City Council's 'Voices In Action' youth forum
- 3.12 The nomination of a tenant/family member from DCC's 'Voices in action' youth forum would provide a positive representation of young people at City Board level. The Council has an established Youth Forum (Voices In Action) and Derby Homes has youth representation at that forum and this would provide an established route for selection.
- 3.13 In the event of either group not nominating, there would be an additional general place filled on a 'casual' basis in line with Board policy, until such time either group could make a nomination.
- 3.14 The balance of 6 places to be selected from any nominations following an announcement in Derby Homes News and at DACP meetings that this process is underway.
- 3.15 A selection panel would be formed to select the best candidates from those that applied. The method of selection would be by application and if necessary interview to determine the relevant skills and abilities of the candidates. The

selection panel should consist of a majority of tenants including (where available) any Tenant Board Members and any City Board Members or members of the DACP who do not wish to stand themselves for selection on the City Board. If that selection panel wishes they could be supplemented by officers from Derby Homes as they wish.

3.16 The intention would be that the selection panel determine the essential and desirable characteristics of the general tenant City Board Members. Essential criteria would be kept to a minimum to allow the majority of tenants to be able to stand, but desirable criteria could be given weight by the selection panel depending on the circumstances at the time. For the initial selection process, it is anticipated that the panel will need to balance the skills of the individuals and their ability to balance representation of the group as a whole.

3.17 Suggested possible desirable criteria might include:

- Previous experience in representing tenants at Derby Homes or elsewhere
- Previous experience in getting successful change delivered whether directly or indirectly
- Previous experience in representing others in different arenas, eg trade union
- Ability to represent a group underrepresented on the City Board
- Ability to express their view clearly to others
- A desire to help deliver services to other tenants
- A positive attitude towards Council housing and its future
- Ability to work with others to a common goal

3.18 The City Board supported this process to commence following approval and/or amendment by the Governance Services Committee and the main Board in March. It is anticipated that the recruitment would take place in time for the June City Board meeting and therefore current tenant members would all step down at that point to be replaced by those selected under the process above. Existing members – apart from those already nominated by others: namely the three full Board Members plus the Leaseholder representative (who is nominated by the Leaseholder Focus Group) - would therefore have to apply should they wish to continue to be a City Board member.

4. CONSULTATION IMPLICATIONS

The City Board was consulted at its meeting on 20 February 2014 and supported the proposals for the recruitment and selection of its members.

5. EQUALITIES IMPACT ASSESSMENT

The Board needs to ensure that tenants are represented fairly and that sufficient diversity remains on the Board and seek to maintain adequate levels of diversity in its membership alongside the relevant mix of skills required for the role.

The areas listed below have no implications directly arising from this report:

Financial and Business Plan

Legal and Confidentiality

Council

Personnel

Environmental

Health & Safety

Risk

Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: None

Part IX

Appointment and Recruitment of Board Members

(The detailed rules are in Articles 13 to 17 of the Articles of Association and these rules take priority over anything in these procedures.)

1. **MEMBERSHIP OF THE BOARD**

The membership of the Board is divided between three constituent groups

3 Council Board Members

3 Tenant Board Members

3 Independent Board Members

It is the Board's intention to limit the number of Board Members who are the paid staff or Board Members of other housing providers to 50% of the Board.

2. **APPOINTMENT AND RECRUITMENT**

Appointment and recruitment will be as follows

2.1. **Council Board Members**

2.1.1. Council Board Members will be appointed by the Council, usually at its AGM for each year, and should be generally able to attend the dates of Board meetings.

2.1.2. Before each appointment Derby Homes will recommend to the Council the criteria Derby Homes would like the Council to adopt when appointing Council Board Members.

2.1.3. If the Council fails within three months of a written request by the Board to make the appropriate appointments the Board may fill the vacancies until the next AGM.

2.2. **Tenant Board Members**

2.2.1. Three tenants will be appointed. They will retire in rotation at the AGM so that each Tenant Board Member will serve for a term of office as close to three years as possible. When calculating this length of time in office, a person who was appointed to fill a casual vacancy is treated as though he/she had held office from the date of the appointment of the Tenant Board Member he/she replaced.

2.2.2. Casual vacancies for Tenant Board Members where there remains less than three years of their term of office will be filled by Derby Association of Community Partners who will nominate

Tenant Board Members until the next annual general meeting, prior to which a recruitment exercise will be carried out in compliance with Article 15.

- 2.2.3. Applications will be sought for the position(s) that are retiring that year. This will be done by advertisement in the Derby Homes News, and by posters displayed at offices of Derby Homes.
- 2.2.4. All candidates will undergo an eligibility test. Details of the criteria included in the test are provided in Article 15(6) and 15(7) in the Articles of Association. Details of the criteria included are also printed on the candidate nomination forms.
- 2.2.5. All prospective Tenant Board Members will be required to undertake a recruitment process to be determined by the Board. A report will be taken to the Board to approve the process to be followed. The Board will agree an appointments panel with delegated powers to make a decision.

2.3. Independent Board Members

- 2.3.1. Independent Board Members are appointed by the Council following a recommendation by the Board. A report will be taken to the Board to approve the process to be followed. The Board will agree an appointments panel with delegated powers to make a decision.
- 2.3.2. A skills audit of existing Board Members will be carried out and a person specification drawn up to weight skills required on the Board. An advert will be placed in newspapers, including the Derby Evening Telegraph, and in offices of Derby Homes. Interested individuals will apply for the position as an Independent Board Member using the relevant Application Form.
- 2.3.3. A shortlist of applicants will be carried out using the person specification, and interviews of candidates carried out by the Appointments Panel. Each candidate will be required to provide two references. The Council will be asked to approve the decision of the Appointments Panel and the appointment will then be confirmed at the next ordinary Board meeting or annual general meeting.
- 2.3.4. Where a casual vacancy occurs, the same procedure will be followed. If the Council fails to fill the vacancy within three months of being asked to do so the Board can fill the vacancy until the next AGM.
- 2.3.5. Independent Board Members will retire by rotation at the AGM so that each Independent Board Member serves for a term of office as close to three years as possible. When calculating the length of time in office for the above purposes, where a person was appointed to fill a casual vacancy they shall be deemed to have held office from the date of the appointment of the Independent Board Member they replaced.

- 2.3.6. An independent Board Member cannot be a tenant, or a family member of a tenant, or a councillor.

2.4. Disqualification and removal of Board Members

(This is covered in paragraph 18 of the Articles of Association)

- 2.4.1. Grounds for removal from the Board include where a Board Member:

- is prohibited by law from being a company director;
- is disqualified from elected membership of a local authority;
- is bankrupt;
- suffers from a mental disorder and enters hospital under the Mental Health Act;
- resigns;
- removed by resolution of three quarters of the Board after being given an opportunity to put his case;
- is absent from three Board meetings in a period of 12 months unless the Board resolves otherwise on or before the third absence. If removed, a Board Member may apply to the Board to be reinstated;

Absences incurred prior to a Board Member's re-election or reappointment will be discounted following their re-election or re-appointment;

- is a tenant Board Member, when they cease to be a tenant or leaseholder, except where this occurs temporarily, due to improvement works;
- is a tenant and is in serious breach of their obligations as a tenant or leaseholder, as agreed by three quarters of other Board Members;
- is an independent Board Member and becomes a tenant or family member of a tenant or a Councillor;
- is removed by resolution of the City Council.

- 2.4.2. Family member means any person who is a parent, brother, sister or child of a tenant or leaseholder whether by blood or marriage, a spouse or a partner and who in every case is at least 18 years old.

- 2.4.3. References to tenants and leaseholders only include residential tenants or leaseholders of the Council or Derby Homes (not private tenants).

- 2.4.4. Board Members must notify the Company Secretary as soon as they become aware of any circumstances that would lead to the disqualification of any Board Member, including themselves.

Derby Homes will monitor where Board Members are automatically removed from office.

2.5. Board Member Services Agreement

- 2.5.1. All Board Members will be required to sign the Board Members' Agreement to Services.

2.6. Board Member Induction Programme

- 2.6.1. All new Board Members will be required to participate in an induction programme.

2.7. Continuing Training and Development

- 2.7.1. Board Members are obliged to participate in Board evaluations.
- 2.7.2. Board Members should offer help and support to less confident and inexperienced Board Members.
- 2.7.3. Board Members should try to keep up to date with general developments in the housing sector and issues relevant to Derby Homes.
- 2.7.4. Unless permission is obtained from the Chair, Board Members will attend all compulsory training and development sessions provided by Derby Homes.

2.8. Board Champions

- 2.8.1. Board Members will be expected to take on a designated Board Champion role.

Tenant Board Member Recruitment & Selection

1. Vacancies for Derby Homes Board and the City Board will be advertised through
 - Derby Homes News
 - Derby Homes website and social media
 - Derby Association of Community Partners
 - Any other appropriate forms of engagement activity
2. All secure tenants of Derby City Council and Derby Homes will be eligible to apply but will be subject to the eligibility rules in Article 15.
3. Interested tenants will be invited to submit an application. An application pack and form will be available for downloading on our website or will be posted on request.
4. If time permits, interested tenants will be invited to attend a specified number of meetings as observers to give them an insight into the role of the Board Member. This can take place before and/or after selection.
5. A selection panel will be formed of at least three members and will be made up of Tenant Derby Homes Board Member(s), Tenant City Board Member(s) and a representative from the Derby Association of Community Partners, who do not wish to stand themselves for selection. The Board will determine the panel for Board member selection and the City Board for City Board member selection.
6. In addition, the panel may invite a Councillor or Independent Board Member or Derby Homes' senior manager to sit on the selection panel in whatever capacity they chose.
7. The selection panel will determine the essential and desirable characteristics of the Tenant Board Member.
8. Applicants will be shortlisted against an agreed criteria/person specification and those shortlisted will be invited to an interview/discussion with the selection panel. The selection panel will receive support from Derby Homes' staff.
9. The panel will select the suitable candidate(s) and recommend them for appointment to the Board at its next available meeting or AGM.
10. Existing Tenant Board Members who are due to stand down from the Board may reapply for Board membership and will be subject to the selection process

11. Casual vacancies, where there remains more than one year until retirement, will be subject to this process. Where the remaining period is under one year, the Board's normal casual vacancy process will apply.
12. The reserved posts on the City Board, namely the Chair of the DACP and a Youth Forum representative are not subject to the selection process.