



Board Recruitment, Induction, Appraisal and Succession Policy

January 2022

Review Process

Policy review frequency:

This policy will be reviewed annually

Responsible for review:

This policy will be reviewed by: Chrysalis Executive Board

Version Control

Version	Date approved:	Next review date:	Author / Title:
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1. Purpose

- 1.1. Chrysalis Supported Association Limited (CSA Ltd) is committed to ensuring that it is governed according to the highest standards and in line with its adopted code of governance; the Charity Governance Code.
- 1.2. Governance is the way in which an organisation ensures that it fulfils its overall purpose, achieves its intended outcomes for its customers and operates in an effective, efficient and ethical manner, providing good quality services and achieving value for money.
- 1.3. This policy will enable us to continue to remain true to our core operational values of Fairness, Honesty and Integrity.
- 1.4. The overall policy is framed and supported by specific principles of the above code of governance:
 - Every company should strive to establish an effective board, which is collectively responsible for the long-term success of the company, including the definition of the corporate strategy;
 - All directors will receive induction on joining the board and should regularly update and refresh their skills and knowledge;
 - That there should be a balanced, diverse and effective board which leads and controls the organisation and complies with its legal requirements and upholds more detailed principles relating to: ethics, accountability, customer first, openness, diversity and inclusion, review and renewal, clarity, control, and structures.
- 1.5. The policy is also framed in order to ensure good practice in governance:
 - The board should undertake a formal and rigorous annual evaluation of its own performance and individual directors;
 - All directors should be considered for re-appointment at regular intervals, subject to continued satisfactory performance
- 1.6. The Board must always be well equipped to carry out its governance responsibilities.
- 1.7. The collective skills, experience, competencies and personal qualities of each Board Director must be sufficient to provide good governance. This Board Recruitment, Induction, Appraisal and Succession policy will ensure this happens. New Directors will be provided sufficient knowledge and information of the company to enable them to discharge their respective duties and responsibilities effectively.
- 1.8. The Board should have the appropriate balance of skills, experience, and independence at all times. The main objective of this policy is to keep the Board refreshed with the required skills and experience, and aligned with the current and future business strategy in a way that clearly demonstrates compliance with:
 - The Charity Governance Code; and,
 - The Regulator of Social Housing (RSH) Regulatory requirements.
- 1.9. Plans will also be put in place for orderly succession for appointments to the board, so as to maintain an appropriate balance of skills and experience within the company and on the board and to ensure progressive refreshing of the Board.

2. Legal and Regulatory responsibilities (not exhaustive)

- Data Protection Act 1998
- General Data Protection Regulation (GDPR)
- Charity Governance Code
- Social Housing Regulatory Framework (Governance and Financial Viability Standard)
- Relevant Housing Legislation

3. Scope

- 3.1. This policy will apply to all board appointments.

4. Policy

- 4.1. Essential to the effective functioning of any board is dialogue which is both constructive and challenging. The problems arising from a lack of independent thought have been exposed in particular as a result of the 2008 financial crisis. One of the ways in which constructive debate can be encouraged is through having sufficient diversity on the board. This includes, but is not limited to, gender and race. Diverse board composition in these respects is not on its own a guarantee. Diversity is as much about differences of approach and experience, and it is very important in ensuring effective engagement with key stakeholders in order to deliver the business strategy. As a minimum, CSA Ltd will, where practicable, seek to appoint a board that is balanced in terms of race, skills, expertise and gender.
- 4.2. CSA Ltd's Board will lead the process for board appointments.
- 4.3. CSA Ltd will put in place written role profiles and person specifications for each of its Board roles.
- 4.4. All Members will be appointed on the basis of the skills and experience they bring to the Board.
- 4.5. Independent non-executive directors (NEDs) are specifically appointed for their expertise or knowledge in particular areas which the Board deems necessary for its effective performance.
- 4.6. All NEDs will be appointed for terms of three years and subject to re-appointment and to statutory provisions relating to the removal of a director. Usually maximum terms will not exceed 9 years, except in special circumstances for a non-executive director. Terms beyond this will be subject to particularly rigorous review.
- 4.7. All Board Director appointments made during the year are subject to confirmation at the next Annual General Meeting (AGM).

5. Induction, Training and Development Support for NEDs

- 5.1. CSA Ltd will support NEDs with a programme of induction and training.

- 5.2. The induction programme will be tailored to the requirements of each role and will be devised by the Chair of Board with support from the Company Secretary.
- 5.3. In addition, a training programme for NEDs will be arranged annually by the Chair of Board and new NEDs will join the training programme upon appointment.
- 5.4. All NEDs are expected to keep their skills up to date by attending appropriate training events and conferences funded by CSA Ltd.

6. Appraisals

- 6.1. All NEDs will engage in an annual appraisal with the process agreed from time to time by either the Board. The collective feedback will be fed into a training plan and effectiveness reviews for the Board.

7. Succession Planning

- 7.1. The Board will be proactive in looking at its future needs in terms of Board composition, skills and experiences to ensure that it retains the ability to discharge its duties effectively. It will also consider how the Board reflects the diversity of the communities within which it works. It will also ensure that it complies with its Rules and consider from time to time how it would deal with situations such as Force Majeure and agree its preferred approach.
- 7.2. The Chair and Board will be proactive in ensuring that succession arrangements for both the Chair and for the Board as a whole are in place.
- 7.3. Board Members will typically be appointed for three-year terms subject to an annual appraisal after one year. However, in order to ensure good succession planning, a term of office may be varied. This is designed to ensure that large numbers of NED vacancies do not have an adverse effect on the overall skills, knowledge and experience on the governance structure.
- 7.4. The Association will utilise succession plans to consider different time horizons. These include:
 - Contingency planning – for sudden and unforeseen departures;
 - Medium-term planning – the orderly replacement of current board members and senior executives (e.g. retirement); and,
 - Long-term planning – the relationship between the delivery of the corporate strategy and objectives to the skills needed on the board now and in the future
- 7.5. The succession plans will also be used to restate diversity objectives; to emphasise the breadth of diversity (i.e. not just gender and race); to state the business case for board diversity; to outline the relationship between board and executive; and to set out targets, if appropriate, including how to achieve and review these

8. Skills Evaluation

- 8.1. To enable an effective succession plan to be developed and implemented, a regular

evaluation of skills will be required.

- 8.2. The board should consider the balance of skills, experience, independence and knowledge of the company on the board, its diversity, how the board works together as a unit, and other factors relevant to its effectiveness.
- 8.3. In combination with good practice, the de facto standard is for terms of three years, and a maximum of three terms, with an option (in extreme circumstances) for extensions subject to rigorous review.

9. Continuity and Succession

- 9.1. While the importance of identifying and introducing new talent to CSA Ltd Board is recognised, the Board shall have in mind the option to provide development opportunities for existing Independent Members.
- 9.2. To facilitate the above, opportunities will be given to enhance the skills of existing NEDs and Independent Members through training, conferences and mentoring.
- 9.3. Wherever possible and practical, we would seek for outgoing board members to be shadowed by prospective successors, ideally for a minimum term of 6 months prior to their retirement. This will ensure a comprehensive handover and compliment any induction and/or training program.

10. Particular Roles

- 10.1. The Chair: is appointed with a specific term of office. The succession planning for the role will fit around that term. It is the responsibility of a nominated NED, to lead on the annual appraisal of the Chair. The CEO will lead the process to recruit a new Chair in conjunction with the NED. The retiring Chair will not play any part in the recruitment of their successor and shall vacate all roles within CSA Ltd at that point.
- 10.2. Therefore, the CEO should commence the succession process for a new Chair, at least 12 months before the expiry of the current Chair's term of office.
- 10.3. The CEO will work with the Board to plan and recruit to the Chair role, in accordance with the board recruitment policy.

11. Responsibilities

- 11.1. The Chair:
 - Has overall responsibility for recognising the strengths and addressing the weaknesses of the board and, where appropriate, proposing the appointment of new directors to the board or seeking the resignation of existing directors; and,
 - Has responsibility for ensuring that the performance of the Board overall is kept at the optimum level and that may require interventions outside of the normal term cycle of individual NEDs in line with the annual collective performance evaluation.
- 11.2. The Board will be responsible for:

- Evaluating the balance of skills, experience, independence and knowledge on the board and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
- Undertaking recruitment, including appointing independent search/ recruitment consultants where required;
- Reviewing the size, structure and composition of the Board, including knowledge, experience and diversity, and making recommendations to the Board with regard to any changes;
- Developing and reviewing objectives for the implementation of board diversity, and monitoring progress;
- Deciding the continuation in office of board directors;
- Commissioning board effectiveness reviews;
- Setting the processes for the recruitment and appointment of NEDs and giving advice on this issue to the Board as appropriate;
- Identifying and nominating candidates, based on skills and competencies appropriate to the business and its direction and against objective criteria, for approval by the Board (except the Chair which shall be a matter for the whole Board), using external advisers as required;
- Deciding on the re-appointment of any non-executive board director or independent member at the conclusion of their specified term of office;
- Reporting its own work in a distinct section of CSA Ltd's annual report. This will include descriptions of the process it has used in relation to board appointments.

12. Policy Review

- 12.1. This policy will be reviewed every two years.



Chrysalis is a Registered Society under the Co-operative and Community Benefit Societies Act 2014, with registered number 29818R, set up for the benefit of the community as a not for profit organisation, regulated by the Financial Conduct Authority (FCA) and is also a Non-Profit Private Registered Provider of Social Housing Registered Number: 4751, Regulated by The Regulator of Social Housing (RSH). CSA are members of the Housing Ombudsman and subscribe to their standards of complaints management and fair practice procedures for all tenants. Registered Office 3 Brook Office Park, Emersons Green, Bristol BS16 7FL.