

 <p><b>Northwards Housing</b> North Manchester's Council Homes</p>		<b>Report to:</b> Northwards Housing Board 10 August 2010		<b>Item No:</b> <p style="font-size: 2em;"><b>9d</b></p>	
<b>Title:</b>		Board Succession Planning			
<b>Date:</b>		26 July 2010			
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<b>Confidential:</b>		Yes			
<b>For:</b> (Please tick action required)		<b>NOTING</b>		<b>DISCUSSION</b>	
				<b>APPROVAL</b> √	
<b>PURPOSE OF REPORT</b>					
The Board is asked to consider limiting the term of office for Board Members and the process for doing this. To begin preparations to elect a new Vice Chair and prepare for the possibility of electing a new Chair of the Board.					
<b>RECOMMENDATION</b>					
<p>a) <b>Term of appointment –The Board are recommended to select 9 year retirement by rotation given the current climate and the uncertain future of Northwards. The term will be reviewed in 3 years.</b></p> <p>b) <b>It is recommended that Option 1 – 9 Year Retrospective is adopted. This option gives the Board most stability and provides adequate renewal and opportunities to meet skills gaps and achieve representation targets. It is further recommended that the process applies to all Co-optees and includes all service by members on the Board or as a Co-optee.</b></p> <p>c) <b>The Governance Support Manager will contact Board Members by email to establish interest in standing for Chair and/or Vice Chair of the Board.</b></p>					
<b>IMPLICATIONS</b>					
<b>Equality &amp; Diversity:</b>		Representation targets are considered within the plan			
<b>Financial:</b>		Recruitment costs may increase			
<b>Staffing:</b>		None directly			
<b>Decency Target:</b>		None directly			
<b>Governance:</b>		Board Member renewal and retention balance is key to good governance			
<b>Risk Assessment:</b>		Risk of not meeting TSA and Audit Commission standards if the Board does not consider the implications of terms of office			
<b>Equality Impact Assessment (EIA) – not applicable</b> When a new policy, procedure or initiative is being submitted for approval an Equality Impact Assessment must have been completed. Please give details below.					
<b><u>Consultation/Consideration:</u></b>					

	Yes, No or N/A:	Name:	Date:
<b>Sub-Committee:</b>	n/a		
<b>Area Panel:</b>	n/a		
<b>Task Groups:</b>	n/a		
<b>Ward Councillors:</b>	n/a		

## **Board Succession Planning 2010**

### **Background**

The Board approved the following recommendation, but to date has not taken this forward. The Memorandum and Articles are under review and in order to incorporate this rule change the Board need to consider the implications of this change and the options available. The Board were presented with the options at the July 10 Away Day and asked to consider the implications of the various options.

### **Board Meeting 10 March 2009- Approved Recommendation**

Currently Northwards Housing do not have a maximum service as Board Members. The Board are asked to consider restricting Board Membership to 3 terms or 9 years as a maximum. The National Housing Federation Good Practice recommends this and is considered good governance. Further consideration to the implementation would be required to ensure that the Board has long-term sustainability. The change if approved would be implemented at the Annual General Meeting in October as part of the rules review.

### **Regulator's Opinion**

The TSA have not stated specifically any term for members, although it is assumed that a Board would need to demonstrate why it has decided upon the maximum term of office for its Board Members.

The National Housing Federation are now promoting a maximum of six years service and the Board are asked to also consider this. Consideration should be given to the uncertain future of Northwards. The Management Agreement is extended to March 2012, the implications of the Housing Finance Review and the current political and economic climate all suggest change for Northwards over the next 2 years. Five current Board Members would be required to retire between 2011 and 2014.

### **Current**

There is no requirement to restrict terms of office and this is a rolling programme of retirement by rotation. All Board Members are allowed to re-stand or be re-elected. This practice would be open to criticism from both the TSA and Audit Commission. Board renewal is considered important for good governance. While the contribution of experienced Board Members is vital. Boards also need new members who can provide an independent challenge to long-standing practices and thinking. Targeted recruitment can also support the Board's representation targets and fill skill gaps. Council appointments are not subject to any rotation or retirement processes. Any changes would also not apply to Council representatives unless the Council wish to adopt this practice in nominating their representatives to the Board.

### **Option 1 – 9 Year Retrospective**

This programme would take effect from 2014 requiring 3 members to retire. A further 3 members would retire in 2017 and 2 members in 2019. This is manageable and would give us 4 years to ensure succession planning is effective. The Board should remain stable.

### **Option 2 – 9 Year Immediate Effect**

This option gives 9 years of succession planning. However the whole Board would be required to retire at the same time (subject to changes in personnel) which would cause stability issues.

### **Option 3 – 9 Year Rolling Programme from Rotation**

This option postpones any enforced retirement to 2019. It is likely that most current Board Members would want to voluntarily retire before this time.

This option could be open to criticism from the Regulator as some Members could be in post for 16 years which is not considered good practice.

### **General**

Succession Plans are subject to change, as Board Members leave, retire, do not re-stand or are not elected.

It is recommended that any changes apply to all Co-optees and all service on the Board or as a Co-optee would apply.

### **Chair and Vice Chair**

Martin McKevitt stepped in as Vice Chair following Paul Seymour's departure. Martin does not wish to re-stand as Vice Chair following the AGM in October.

Sue Ratchford is up for rotation/election at this AGM. If she is not reappointed a new Chair will be needed.

The Board were asked at the 10 July Away Day to consider standing for either or both positions following the AGM on 14 October.

### **Recommendation**

- a) Term of appointment –The Board is recommended to select 9 year retirement by rotation given the current climate and the uncertain future of Northwards. The term will be reviewed in 3 years.**
- b) It is recommended that Option 1 – 9 Year Retrospective is adopted. This option gives the Board most stability and provides adequate renewal and opportunities to meet skills gaps and achieve representation targets. It is further recommended that the process applies to all Co-optees and includes all service by members on the Board or as a Co-optee.**
- c) The Governance Support Manager will contact Board Members by email to establish interest in standing for Chair and/or Vice Chair of the Board.**







