

## Board Appointments Policy

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<b>Document Ref:</b>	CHG06
<b>Revision No.</b>	2.0
<b>Date approved:</b>	19 February 2025
<b>Related documents:</b>	Succession Plan, Skills Knowledge Matrix, Appraisal documents

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### 1 Purpose

- 1.1 This policy describes the processes and standards by which non-executive directors are appointed, contracted, and retire. The policy represents the ‘lifecycle’ of a non-executive director, and how their appointment contributes to the functioning and compliance of the board as a whole.

### 2 Policy Statement

- 2.1 CHG is registered as a provider of social housing, and as such it has a range of minimum standards that it must adhere to. This policy evidences the commitment to the board’s chosen code of governance.
- 2.2 CHG board comprises, three shareholder directors and four non-executive directors. The shareholding directors are not subject to the terms of this policy, except for undergoing a director appraisal, and undergoing a board skills assessment.
- 2.3 All board directors shall be competent in their role and able to fulfil their role with impartiality and in the best interests of the Group. Directors that are non-executives shall be appointed for their skills and knowledge and the ability to express themselves independently of other directors. There shall be ongoing assessment of each directors performance, and support will be offered to keep skills and knowledge relevant. From time to time, non-executive directors will step aside to make way for new directors with suitable skills, knowledge and independence.

### 3 Collective Skills and Knowledge Evaluation

- 3.1 The board shall adopt a list of skills and knowledge criteria and declare the number of directors that collectively comply with the stated criteria. A self-assessment of compliance against the skills and knowledge criteria shall take place periodically. Following an assessment, where a serious shortfall in skills and knowledge is evident, the board shall determine actions, which might include triggering a director recruitment exercise.
- 3.2 The required skills and knowledge of the board shall be reviewed by the board every three years, or when there is a substantive change in strategy, or business risk profile. A copy of the criteria shall be adopted alongside this policy.



#### **4 Recruitment of New Board Directors**

- 4.1 The board shall determine when recruitment of a new director is necessary, and this shall be based on the outcome of a skills and knowledge evaluation, or when the size of the board falls below four non-executive directors.
- 4.2 The board delegates authority to a recruitment panel to oversee the recruitment exercise, which shall comprise at least one director. The vacancy shall be advertised in a form designed to attract a diversity of applicants; and the process shall be subject to identifying potential conflicts of interest at an early opportunity. Otherwise, the panel shall determine the recruitment process, subject to any conditions set by the board.
- 4.3 Once a successful candidate has been identified, the board shall confirm the appointment and authorise the necessary filings to be made.

#### **5 Induction Programme**

- 5.1 All new board directors shall be offered an induction programme within the first month of their appointment. The induction programme shall include:
- 5.1.1 key documents being made available for reading;
  - 5.1.2 opportunity to meet with the Chief Executive to discuss the business strategy;
  - 5.1.3 opportunity to meet with the Chair to discuss how the board operates; and
  - 5.1.4 opportunity to visit homes, and meet front line staff and residents.

#### **6 Remuneration**

- 6.1 It is a matter for the Board to determine whether it is in the interests to remunerate board directors, and if it is, to review and approve the level of remuneration. In determining what remuneration is reasonable, the Board shall have regard to prevailing market conditions, and the remuneration that is required to attract/retain Board directors that are competent to manage its affairs.
- 6.2 The need for, and level of, remuneration shall be reviewed every three years by the board. Remuneration of non-executive board directors was last reviewed in 2023 and set at £4,000, and the Chair was last reviewed in 2023 and set at £7,500. Remuneration is a declarable matter in the annual report and accounts.
- 6.3 **Expenses:** if remunerated, out of pocket expenses will be reimbursed for costs incurred away from the place of work as stated on the services agreement that relate to Cromwood. All receipts should be appended to a prescribed form. Use of own vehicle will be reimbursed as the prevailing rate prescribed by HMRC.

#### **7 Agreement for Services**

- 7.1 Each non-executive director shall enter into an agreement for services in a form that meets the requirements of the board. The term of each agreement may be for a period up to three years for years 1-6, and one year for years 7-9. A shareholder director shall not be subject to a service

agreement. A copy of each agreement shall be placed on the RP record, and the secretary shall monitor compliance.

## **8 Director Appraisal**

8.1 The board has determined that each board director shall undertake an appraisal every two years. The administration of the appraisal process will be managed by the secretary, and the output from the process shall allow evaluation, and set objectives for the individual and board as a whole. The Chair shall conduct one-to-one sessions, with the Board nominating one of its own to undertake the Chairs appraisal. Following completion of the annual appraisal process, all paperwork shall be sent to the secretary for filing, and production of a summary report for consideration by the board.

## **9 Reappointment & Succession Planning**

9.1 The secretary shall report to the Board regarding director appointment plans. The purpose of the report is to highlight to the Board when an individual's current terms of service is reaching an end so that recruitment, reappointment, and retirement planning may take place.

9.2 Subject to no matters of concern arising in the previous term, a non-executive director shall be eligible to a second term of three years. After six years continuous service, the non-executive director shall retire from the board. However, should there be skills deficit arising at retirement, then the non-executive director may be reappointed for up to a further three-years on one-year terms of service. The Board shall document why a non-executive director is being retained in excess of six years continuous service.

## **10 Retirement**

10.1 Retirement shall occur if no reappointment is made. It may also be used to capture instances where a Board director has resigned mid-term. There are provisions in various documents, including the Agreement for Services that need to be adhered to. This includes agreeing a leave date, notifying payroll, and returning confidential documents.

## **11 Equality & Diversity**

11.1 The Board is committed to demonstrating a commitment to having a Board that is diverse in its representation and outlook. In respect to this policy, the Board shall consider the following:

11.1.1 Not setting skills and knowledge criteria, or other conditions, that might alienate protected groups from applying to become a director;

11.1.2 When vacancies are advertised, ensuring that the person responsible for advertising is reaching out to protected groups, and encouraging applications (this includes looking outside the pool of sector familiar candidates); and

11.1.3 Having facilities and processes in place that allows existing Board directors to feel comfortable and supported in their role, and so improving retention.

## **12 Responsibilities**

12.1 The Secretary shall be responsible for managing the requirements of this policy.



**13 Performance, Monitoring and Evaluation**

13.1 The following matters will be reported annually:

13.1.1 The prevailing skills assessment;

13.1.2 Board appraisal outcome; and

13.1.3 Director appointments plan.

13.2 These reports may give rise to event driven actions and shall be reported by the secretary.

13.3 This policy will be subject to review no later than three years from the date of approval, or sooner if a substantial change in circumstances requires.