



Succession Planning Policy for Board Members

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1. Introduction

As their approach to supporting Governing Body Members (GBMs) has developed – and the demands on governing bodies have increased- housing associations have developed robust, long-term governance planning. Succession planning takes account of the current composition of the governing body, the agreed ‘profile’¹ required to support achieving the business plan and anticipated changes in membership. A formal succession plan should be an output from the annual GBM reviews and should support the housing association’s learning and development plan and recruitment activity.

A pro-active approach to succession planning is also a regulatory requirement, but it is vital that it is not seen purely as “something we have to do”. Instead, it should form a crucial strand of future proofing the organisation and be viewed as critical to effective governance risk management. Effective succession planning is the means by which members seek to ensure they always have access to the necessary range of skills, knowledge and experience to fulfil their obligations and meet their objectives. A formal succession plan should be a key output from the annual GBM reviews² and contributes to the evidence that governing bodies use to gain assurance when assessing effectiveness and regulatory compliance.

Effective, structured succession planning supports both learning and development and recruitment activities by providing an assessment of the current GB ‘profile’: highlighting strengths, anticipating change and identifying potential areas where the GB could benefit from knowledge development e.g. to support achievement of a new strategy or to address emerging issues.

This guidance provides examples of good practice from within the sector where this ethos has been embraced, including unique approaches to recruiting governing body members.

The Scottish Housing Regulator’s Regulatory Standards of Governance and Financial Management³ require RSLs to “*formally and actively plan ... to ensure orderly succession*”). Regulatory Standard 6.1 states:

“The RSL formally and actively plans to ensure orderly succession to governing body places to maintain an appropriate and effective composition of governing body members and to ensure sustainability of the governing body”

Regulatory Standard 6.3 makes the connection between annual reviews and succession planning where it states:

¹ The description of the range of skills, knowledge, experience, outlooks, expertise that the governing body has agreed the GB needs to fulfil its governance responsibilities

² SFHA Get Governance: GBM Annual Reviews (January 2025)

³ Scottish Housing Regulator (2024) [Regulatory Standards of Governance and Financial Management Standard 6.1](#)

“...The governing body takes account of these annual performance reviews and its skills needs in its succession planning and learning and development plans”

Additionally, Standard 6.7 states:

“The governing body is satisfied that the senior officer has the necessary skills and knowledge to do his/her job. The governing body sets the senior officer’s objectives, oversees performance, ensures annual performance appraisal, and requires continuous professional development”

Effectively meeting these standards means looking critically at the current composition of the governing body and planning ahead, using information from the annual reviews about current GBMs’ intentions to assess learning and development priorities as well as planning for recruitment.

Good governance depends on an effective partnership between the governing body and senior staff - and the successful delivery of the corporate objectives needs a senior staff team that is equipped with the necessary skills to implement the governing body’s plans. This means that succession planning should be a key component of good business planning, ensuring that the organisation understands the range of skills, knowledge and experience required to lead and deliver the achievement of the organisation’s objectives. Consequently, succession planning is important, in governance terms, not only for the governing body but also for the senior staff team.

Establishing and maintaining a constructive relationship between the governing body and the senior officer is a key responsibility for the Chair. The GB is responsible for ensuring that the senior officer’s performance is appraised annually and that the RSL has an effective approach to senior staff succession planning: SFHA has produced separate guidance⁴ about this aspect of governance, which complements this GB-focused guidance.

Sector example 1 – Whiteinch & Scotstoun

*By integrating storytelling into our recruitment strategy, we created a more compelling and humanized approach that improved our potential to attract the right candidates whilst establishing **WHY** we do what we do and **WHY** people should want to be part of our team. We crafted a compelling company narrative by communicating our **Purpose, Way and Impact** in a way that resonates emotionally with potential candidates.*

We highlighted what makes WSHA unique and why our team is passionate about their work. We were determined to keep our messaging authentic and consistent to ensure that our narrative was genuine and aligned with our WSHA’s culture. Consistency across all our communication channels was key to building trust with interested individuals. We aimed to engage emotionally by using storytelling techniques to connect with our audience on a deeper level. Stories that evoke emotions are more memorable and impactful and this is where our videos really resonated.

⁴ Senior Staff Succession Planning (January 2025)

As a community-based housing association, **our purpose** is to provide quality, safe and affordable homes that will sustain individuals and families. It is our **purpose** to sustain and support the creation of **equitable, secure and thriving communities** that people are proud to call home.

The **way** we deliver this **purpose** is through housing, investment, maintenance, community services and environmental services. We **integrate** our customers' aspirations, challenges and needs as stakeholders in our business and as neighbours in our communities. **Together**, we create opportunities to **work and thrive** and have a positive impact now and for generations to come.

We **create communities**, not just provide services. **Our communities** promote dignity through stability, equity and social connection. **Our customers** have a voice in decision-making and the opportunity to shape our services. **Our impact** is revealed in **thriving communities** where people trust and rely upon one another, where local voices guide decisions and where everyone contributes to ensure people, place and the community flourishes. **We exist** to spark individual and community transformation that generates sustainable, welcoming, reliable, thriving neighbourhoods for the people who call them home

We incorporated real stories, shared testimonials, case studies, and success stories to make our narrative more relatable and credible. We emphasised our impact and vision by communicating the impact WSHA has made and our vision for the future. This helped to inspire and motivate our audience, showing them the bigger picture.

One of the biggest factors was to use the contents of the digital library we had created to showcase the work WSHA do. We incorporated videos, photos, and other multimedia elements to bring our story to life. This made our recruitment materials more engaging and memorable and had a significant impact on the number of people who viewed our content and then expressed an interest.

- [WSHA - Management Committee Recruitment \(youtube.com\)](#)
- [WSHA Christmas Event 2023 \(youtube.com\)](#)
- [Annual Reports \(wsha.org.uk\)](#)

James Ward, Chief Executive, Whiteinch & Scotstoun HA

2. What Is Succession Planning?

Essentially, succession planning is about planning ahead and trying to future-proof the organisation. It is an important component of both business planning and governance risk management, as successful succession planning should ensure that an organisation has the right people, in the right places, in the right roles, at the right times to lead and direct it effectively. Succession planning should ensure that the governing body is able to plan and manage turnover amongst its own members and to anticipate and prepare for change. Preparing for the future can be supported by ongoing learning and development for current GBMs; recruitment priorities and activities should be

informed by succession planning: all are supported by an effective programme of annual GBM reviews.

There are two, equally important, components for effective succession planning:

- Assessing the current skills, knowledge, experience and diversity that are represented by the governing body, identified as part of the annual reviews
- Considering the ‘fit’ between the current GB profile and what is required to deliver the corporate plan

There has to be clarity about:

- what the organisation is aiming to achieve – as set out in the business or corporate plan
- the respective roles of Governing Body Members (GBMs)⁵– described in role descriptions and standing orders
- the current strategic policy and operating environments – considered as part of the environmental scanning that informs the corporate plan
- current strengths and weaknesses - assessed by SWOT, PESTLE and other similar exercises
- how the organisation might change over the next business planning period and what the implications of change are – part of the business planning process
- future intentions/plans of GBMs (long-term commitment; planned retirement; fixed term appointments etc.) – assessed as part of the annual GBM reviews/ appraisals⁶

As described in the associated guidance, all of the above should also be considered when looking at Succession Planning for senior staff⁷.

It must be remembered that succession planning is just that – a plan. Plans do not always work out as intended, but good planning should ensure that there are contingency arrangements to fall back on. It is always a good idea to have a Plan B as well as Plan A.

3. The Key Components of Succession Planning

This section looks at the components of an RSL’s governance activities that contribute to the development of a comprehensive succession plan. A template “succession plan” is included at [Appendix A](#), along with explanatory notes – that can be populated through considering each of the components below.

⁵ Scottish Federation of Housing Associations (July 2024) [Model Role Descriptions for Governing Body Members and Office Bearers](#)

⁶ SFHA Get Governance: GBM Annual Reviews (January 2025)

⁷ Scottish Federation of Housing Associations (January 2025) [Senior Staff Succession Planning Guidance](#)

3.1 Business Planning

The business planning process involves considering what the organisation intends to achieve over the period of the plan, but it should also look further ahead to assess what the longer-term future is likely to hold. As well as considering what is going to be achieved, it is also important to consider how the agreed objectives will be delivered.

Although consideration is often given to organisational structures, governance requirements can sometimes be overlooked. It is essential that the business planning process considers the challenges that the governing body is likely to have to deal with to support the effective achievement of the organisation's goals over the plan's term – and beyond – and to plan accordingly. Some of the questions to be considered include:

- What skills, knowledge and experience do the governing body need to support the delivery of the agreed objectives?
- If new initiatives are to be undertaken, does the GB need to recruit specific skills and/or do current members need to undertake some additional learning, and/or development?
- If the focus of the organisation is likely to change e.g. a less (or more) active development role, does the current GB have an appropriate range of skills, knowledge and experience to oversee both the change and the future focus?
- If a new sub-committee is to be established, are there enough GBMs, with the right skills and time, to support it?
- If a subsidiary is to be established, or an existing subsidiary is to become more active, does its Board have the required range of skills, knowledge and experience?

The business plan should include specific consideration of the governance and leadership implications for the whole organisation: the GB profile should be agreed as part of the business planning process and then forms an essential component of the annual GB reviews and succession plans (see Section 3.2 below).

It is also important, during the life of a business plan, to translate/import learning from experience which might impact the GB's governance requirements. Specific consideration should be given, for example, to assessing the effect that any challenges encountered by the organisation have on governance requirements. Has the emergence of a new risk or the escalation of an existing risk highlighted a need for additional expertise? It is important to keep the profile of the GB under regular review to ensure that it remains fit for purpose as an appropriate framework for effective succession planning.

The Scottish Housing Regulator's advisory guidance on Business Planning is available [here](#).

3.2 GB Profile and Skills Assessment

Part of the business planning process should involve consideration of the governing body profile – the range of knowledge, skills and experience that, collectively, the governing body needs to meet its governance responsibilities. This is highlighted by the SHR’s Regulatory Standards of Governance and Financial Management.⁸ Regulatory Standard 6.1 states:

“The RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members.

Regulatory Standard 6.2 states:

“The governing body annually assesses the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL’s purpose, deliver good tenant outcomes, and manage its affairs...”

The profile should form the basis of the annual reviews, which offer an opportunity for individual contributions and the GB’s collective effectiveness to be considered (see SFHA’s accompanying guidance on GBM annual reviews)⁹. Following completion of the annual reviews, the annual succession plan should be reviewed to assess how effectively the overall profile is being achieved by individual members of the governing body working together and complementing each other’s contributions.

As well as setting out the range of skills, knowledge, experience and expertise that the collective GB needs, it may be useful for the GB profile to indicate the importance of maintaining a balance between experience and fresh perspectives. This is an important consideration for succession planning and recruitment.

3.3 Annual Reviews

The Succession Plan should be an output from the annual programme of GBM reviews, as will the learning and development programme. Recruitment activity will be informed by both.

The annual learning and development priorities will emerge from the annual GBM reviews. A template and explanatory notes for a Learning and Development Plan are included at [Appendix B](#), although it is recognised that this will already be an established tool for most organisations.

A key element of the annual review should be consideration of each GBM’s future intentions. Do they intend to stand for re-election at the end of their current term? Are

⁸ Scottish Housing Regulator (2024) [Regulatory Standards of Governance and Financial Management](#)

⁹ SFHA Get Governance: GBM annual reviews (January 2025)

they interested in becoming an office-bearer? It is important that there is a shared understanding amongst GBMs about anticipated turnover and impending vacancies for office bearing positions: this is gained from the preparation of a formal succession plan which is shared with the GB as part of the outputs from the annual reviews. The succession plan should be monitored during the course of the year as part of the GB's oversight of the outcomes of the annual reviews.

Sector Example 2 – Osprey HA

For Osprey the issue is, as with most RSLs I think, trying to attract enough candidates of the right calibre on to our Board and maintain a diversity of thought and experience to ensure that the Board is functioning to its optimum. Then ensuring that our Board Members get the development and performance appraisal they need to continue this.

Our Board Member Appraisal form is filled in by the member before the annual performance review meeting and forms the core of that discussion. We use an external assessor on a cyclical basis to support the Chairs through the process.

Following completion of all members' appraisals we collate the results. Firstly, we look at the current members training and development gaps and use this to inform our training plan for the following year - see Board Succession Plan Summary. This also gives us information on what skills are missing from the Board and we need to focus on during future recruitment campaigns. We also use the information they give us to review our Board Succession Plan to see what actions need to be taken with regard to recruitment in the following year.

(Clare Ruxton, Director of Corporate Services, Osprey HA)

More information on annual review is available in the SFHA's Governing Body Members Annual Review guidance.

Sector Example 3 – Kingdom HA

In Kingdom, we follow our Board Member recruitment and succession planning strategy, which is based on the SFHA guidance document. We find that succession planning is crucial for forward planning targeted Board recruitment exercises to prevent any skills gaps on the Board.

The process begins each year as part of our annual Board appraisal process. We carry out an assessment of the skills, knowledge and experience on our Boards as well as asking each Member how long they see themselves remaining on the Board. This identifies any gaps where the Boards could be strengthened in the short term and lets us know what skills we could lose and when. Every three years we have the process independently reviewed by an external consultant to provide the Board with assurance that we are complying with SHR guidance regarding the appraisal process.

If a recruitment exercise is required, it is then conducted based on the key skills required for each company. We use a simple electronic registration of interest form and we place an advert on our website and share it with organisations/publications that can target the key skills we are recruiting (For example, the CIPD was targeted for HR professionals etc).

We always receive a good number of applications, with the majority of applicants becoming aware of the opportunity through LinkedIn, so try and use your social media channels as well as external sources such as the SFHA website and Scottish Housing News to advertise.

We shortlist the applications based on their skills and prior experience and invite them to a meeting with a member of our Executive Team and the Chair. Subject to a satisfactory meeting and both parties wishing to proceed, we invite them to observe a Board Meeting and if in agreement they move to the appointment stage.

(Calum Kippen, Director of Governance, Performance & Risk)

3.4 Nine-year rule

Members of the governing body are normally elected for a three -year term, although the term served may vary depending on the impact of the constitutional requirement that one third of the members retire annually. Retiring members can seek re-election for a further term without the need to be nominated, unless an individual has served for 9 years or more. For experienced GBMs in this situation, there are further requirements before another term - and any subsequent term thereafter - can be served. This is stated in Regulatory Standard 6.3¹⁰ and is also a constitutional requirement set out in the Rules¹¹:

“...The governing body ensures that any non-executive member seeking re-election after nine years’ continuous service demonstrates continued effectiveness.”

Once they have completed nine years as a GBM, an experienced GBM requires the governing body to be satisfied of their continued effectiveness and approve their intention to seek election, if they wish to continue. The GB’s endorsement of such nominations should be based on the outcome of the annual review following a recommendation from the Chair.

More guidance around the nine-year rule is included in the SFHA’s [Governing Body Member Annual Review guidance](#).

3.5 Learning and Development Plans

These should emerge from the annual reviews and should identify both individual and collective training and development priorities and needs. Learning priorities should be

¹⁰ Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

¹¹ Scottish Federation of Housing Associations (2020) [SFHA Model Rules 2020 \(clauses 37.6 & 43.2\)](#)

closely linked to the organisation's current needs, as identified through the business planning process, whilst development priorities will reflect future needs such as 'growing' office bearers (i.e. developing existing GBMs to take on additional responsibilities) or expanding knowledge to equip the GB to manage emerging legal, regulatory or policy priorities as well as to broaden the GB's collective perspective and awareness. The Learning and Development Plan is an essential component of the GB's succession planning.

Clearly, it is important to remember that, if 'gaps' are identified as a result of the business planning or annual review processes, it is not inevitable that new members have to be recruited. Offering learning and development opportunities for existing members of the governing body will often be the most effective way of addressing emerging requirements and retaining valuable 'organisational memory'.

When considering learning and development needs, it is important to be mindful of the value of networking – being exposed to other people who have similar roles in different organisations is essential to ensure that the governing body has an awareness of the bigger picture and has access to sector intelligence. Including networking opportunities in learning and development plans is an effective way of ensuring that this aspect of development is not overlooked and that attendance / participation at such events is not regarded as either a luxury or an optional extra – they are core components of a well-equipped and knowledgeable GB. [Appendix B](#) contains a sample template for Training and Development Plans, and explanatory notes.

[SFHA's Governance Forum](#) and [Governing Body Members Forum](#) give SFHA members the chance to meet to learn about current issues, share common challenges and share best practice. The Governance forum meets quarterly, with the GBM Forum meeting every six months (mainly online). These forums offer a great opportunity to share good practice with peers from across Scotland.

3.6 Membership Policy

To be an elected member of the governing body of a registered social landlord, individuals first need to be members of the RSL. Membership eligibility is determined by the membership policy, which should be kept under review by the governing body. It is, of course, essential that the membership policy enables the RSL to attract people who support the organisation's objectives and share its values and ethos. However, it is equally important that it also supports the recruitment of people who are likely to be able to offer the range of experience that is identified in the governing body profile as being required. Membership eligibility is defined in the Rules, which also require the RSL to approve and publish a membership policy¹²: this should be available via the RSL's website, together with information about how to become a member. Regulatory

¹² SFHA Model Rules (2020): Rules 7-10

Standard 6.4 requires RSLs to ‘actively engage’ with its membership when filling vacancies on the GB¹³.

This means that the membership policy should be reviewed regularly, as part of the business planning process, to ensure that it continues to meet the organisation’s requirements. It is also important to ensure that the membership policy is not too restrictive in terms of eligibility. The bigger the ‘pool’ of shareholding members, the more likely you will be able to attract potential members to the governing body with the experience and knowledge that you’ve identified as being required (See [Appendix C](#), “*Is a Governing Body Member Eligible?*”).

Although the focus of the membership policy should be positive in that it describes who is eligible to become a shareholding member, it is also important to include any restrictions (e.g. only tenants and prospective tenants can be members of a fully-mutual co-op; some Rules prescribe that only people who live in the communities where the association’s stock is located can be members).

It should be remembered that the GB does not have to give specific reasons for refusing a membership application but, of course, all membership decisions should accord with the terms of the membership policy: it is considered good practice that decisions are explained. Particular care should be exercised in the event that a number of applications are received at the same time. The GB should be satisfied that there is no organised campaign to undermine or disrupt the organisation. The GB should be mindful that the Rules prevent consideration of membership applications in the period immediately before a general meeting (i.e. AGM or SGM)¹⁴.

Sector Example 4 – Lister Housing Co-operative

Lister Housing Co-operative faces challenges when recruiting and refreshing its committee membership. As a fully mutual co-operative only tenants are members, so aside from the co-option route, we need to encourage tenants (members) to stand (at the AGM) for the Management Committee. We also need to induct, train and sustain them when they are on committee. On top of that we have only 185 flats and circa 240 members (joint tenants have their own membership) so our gene pool is small. A proportion of our committee members have been affected by the nine-year rule and therefore needed effectiveness assessments, but we are pleased to say we have also been reasonably successful in getting new committee members.

We encourage former committee members who are still living at Lister to consider standing again for committee, as they have great experience typically. We will also co-opt suitable tenants between AGMs if we establish that their skills and experience could be of benefit to the committee and to Lister. We also encourage all committee

¹³ SHR Regulatory Standard 6.4: “The RSL encourages as diverse a membership as is compatible with its constitution and actively engages with its membership in the process for filling vacancies on the governing body”

¹⁴ SFHA Model Rules (2020): 7.3

members, not just our three Office-Bearers, to go to outside events, conferences and seminars, etc. and be ambassadors for Lister, as well as enhance their own knowledge and skills.

(John Rankin, CEO, Lister Housing Co-operative)

3.7 Recruitment Policy and Strategy

Appendix C outlines a sample Governing Body Recruitment Process, which would be underpinned by a robust policy and strategy.

Recruiting members of the governing body should, ideally, be a planned exercise that is undertaken as a result of a structured approach to succession planning. Consequently, change and turnover will be anticipated and new members recruited in advance of experienced members retiring, to ensure that there is a smooth transition. Things do not always work to plan, of course, but whatever the circumstances, recruitment should always be carried out in a transparent manner.

Sector example 5 – Fife Housing Group

In January 2021, Fife Housing Group commenced a recruitment exercise for the appointment of Board members to both its strategic and subsidiary boards. A range of recruitment methods were used including advertising through LinkedIn which had previously been used successfully.

On this occasion a large number of applications were received from a wide range of candidates some of which had previous board experience. Two positions were offered and accepted by candidates with previous board experience with a further position being offered to a candidate without board experience but who was an experienced senior manager. This candidate had applied for the position as he wished to serve on a board in his local area to build on his current experience and as part of his ongoing development and also to widen his business networks. This application was held in high regard by the interview panel and they were keen to appoint such an experienced candidate.

In conclusion, it was felt in the first instance that this candidate be offered a position on the subsidiary board with a view to joining the main board at a later date after gaining some experience. This has worked out really well for both the candidate and the Fife Housing Group as the person went on to be the Chair of the subsidiary board which allowed him to sit on the main board which he has been serving on for around 2 years.

Nicki Donaldson, Chief Executive, Fife Housing Group

I applied for the role of Board Member with Fife Housing Group having seen it advertised on LinkedIn in January 2021. I had recently moved into a new role at my organisation and was looking to gain experience in a board position.

I was delighted to be offered the position of Board member on the subsidiary Board which was PACT at that time (now Fife Housing Group Yourplace Ltd). Having serving

on the Yourplace board for 18 months I then became the Chair in September 2022 which allowed me to also have a position on the Fife Housing Group Board.

I have gained a lot of experience and understanding of corporate governance whilst being able to support the Business Leadership Team. This has been invaluable in my ongoing personal development.

Ricky McAulay, Chair of Fife Housing Group Your Place Ltd and Fife Housing Group Board member

A recruitment strategy can set out the anticipated medium-term requirements of the governing body, taking account of business planning objectives and anticipated turnover. The governing body should agree a recruitment policy and keep it under regular review (linked to the business planning process and monitored after each recruitment exercise). The purpose of the policy is to provide a framework to guide recruitment but it is also important in demonstrating and ensuring transparency and will enable the association to demonstrate compliance with regulatory standard 6.1 that the “RSL has a formal, rigorous and transparent process for the election, appointment and recruitment of governing body members”¹⁵.

Sector example 6 - Whiteinch & Scotstoun

First Impressions

Board recruitment for RSL’s is becoming more and more competitive. Therefore, leaving a positive and lasting first impression is crucial, as it can significantly influence your audience. Here are some of the key points we focussed on to make a positive first impression during the recruitment process:

- *Be Approachable*
- *Prepare Thoroughly*
- *Create a Welcoming Environment*
- *Show Genuine Interest*
- *Professional Appearance*
- *Positive Online Presence*

By focusing on these aspects, we created a positive and lasting first impression that helped make the recruitment process more of a two-way conversation which helped everyone feel they got what they needed from the process.

James Ward, Chief Executive, Whiteinch & Scotstoun HA

¹⁵ Scottish Housing Regulator (2019) [Regulatory Standards of Governance and Financial Management](#)

The recruitment policy should describe how vacancies will be filled and, as a guide, should include information about:

- The range of skills, knowledge, experience and attributes that the governing body has identified that it needs collectively to deliver the agreed objectives. This should emerge from the annual review of the effectiveness of the organisation's governance arrangements and should be presented as a 'profile' for the governing body. The profile should describe the key attributes that are being sought to equip the governing body for the future.
- The benefits that membership of the governing body can offer (e.g. an opportunity to develop new skills, contribute to the local community, use existing knowledge and experience). It can be helpful to include a review of what makes being a member of the governing body rewarding/satisfying in the annual reviews of individual contributions. Not only does this provide information to help associations ensure that they are meeting expectations and are able to retain voluntary members, but the information can also be used to describe to potential members how they might benefit from joining the governing body.
- How recruitment priorities will be identified - setting out the methodology for doing so. This is likely to be based on business planning, succession planning and annual reviews. These exercises will identify specific areas of experience or knowledge that the governing body anticipates will be required and consequently this will inform training and recruitment.
- The ways in which opportunities to join the governing body will be promoted (e.g. via the website and tenants' newsletter; advertising; approaches to local groups etc.). The strategy should describe the methods that the association will use so that the approach to recruitment is transparent. The strategy might describe a range of methods including open advertising in the local media and trade press; approaches to key individuals who are identified as being able to make a potential contribution; use of social media; or/and use of specialist recruitment agencies. If the strategy provides for advertising, a budget/ resourcing commitment should be included.
- The information that will be provided to interested people. This is likely to include:
 - the most recent Annual Report and Landlord Report (if separate)
 - information about the organisation (SFHA has produced a Governing Body Members' Guide¹⁶ which associations can adapt)
 - GBM role description (the SFHA has produced a model that can be adapted for this¹⁷) and profile (which should include information about the anticipated time commitment)

¹⁶ SFHA (2024) [Governing Body Members' Guide](#)

¹⁷ SFHA (2024) [Model Role Descriptions for Governing Body Members and Office Bearers](#)

- Code of Conduct for GBMs¹⁸
 - the remit for the governing body
 - the application form
 - induction policy
 - information about the recruitment process
- Eligibility criteria (i.e. based on the rules¹⁹ and statutory requirements)
 - The interview/selection process (including opportunities to observe one or more meetings). The appendices include a sample process which can be used for all candidates whether they are recruited (to fill a casual vacancy or by co-option) or have been nominated to stand for election. It is important that there is a consistent process for everyone who is interested in joining the governing body.
 - How the recruitment process contributes to and informs the annual process for elections at the AGM. The policy should describe how the association's recruitment activities complement the democratic process at the AGM. The papers for the AGM should include the governing body profile and GBM role description and should highlight the key priorities that the governing body has identified that it needs. Nominees should be invited to describe how they can support these priorities and this information can be included in the papers that are issued in the event of an election. If there are fewer candidates than there are vacancies and an election is not required, the discussions with those candidates should be informed by the information provided. The policy should explain that the association may use co-options following the AGM to address any remaining gaps.
 - How casual vacancies will be managed. The policy should describe how the GB will seek to fill vacancies that are created between AGMs if an elected member leaves, e.g. it could be that the association maintains a waiting list or that it will advertise via the website and/or more widely.

The recruitment policy should include an application form and should be linked to the Induction Policy. Regulatory Standard 6.5 states:

“The RSL ensures all new governing body members receive an effective induction programme to enable them to fully understand and exercise their governance responsibilities...”²⁰

Sector example 7 – Ark HA

At Ark we decided to use an agency to recruit Governing Body members, because of the extent of our needs. We had created a new Governance Structure and required

¹⁸ SFHA (2024) [Model Code of Conduct for Governing Body Members](#)

¹⁹ SFHA Model Rules (2020): Rule 43.1

²⁰ Scottish Housing Regulator (2024) [Regulatory Standards of Governance and Financial Management](#)

to recruit a minimum of 8 new members. Using an agency enabled us to reach people that a standard recruitment process could not.

The scope and methodology of the search the agency used allowed us to engage with people, some of whom may not have been considering a Board position at that point. The agency also carried out a lot of the administration around the recruitment which was very helpful and efficient for us.

It was a very successful process for Ark, we have sufficient Governing Body members to deliver our structure and to ease the load a little on the existing Board members, all in, a very positive experience.

Bobby Duffy, Chief Executive, Ark HA

4. What to Consider When Undertaking Succession Planning

Always look ahead – try to have a three-year view of how the GB might change or develop and pin-point any potential pressure spots; consider the potential to re-schedule cyclical retirement to manage some of the impact (e.g. by bringing forward cyclical retirements by a year - if possible - to avoid a large number of vacancies being created at one time and/or losing a lot of experience at the same time). Although the 'usual' term is three years, there is no reason why a GBM should not stand for re-election on the understanding that they will step down sooner.

Consider the 'fit' between GB profile and collective skills assessment – now and three/five years ahead: are there gaps? If so, how can they best be filled? Are the 'gaps' specific to an initiative or project or are they core to the GB's profile?

Identify new or additional knowledge/expertise that might be useful (e.g. energy efficiency / green technology; ICT if procuring new technology; marketing if planning a new initiative; tenant engagement if that is a specific focus; community knowledge if that is or might become a gap) – and target learning, development and recruitment to these specific areas.

Do not just assume that you have to recruit to fill gaps – could training for existing members develop the collective profile? Could the expertise be bought in as required (e.g. HR, technical or legal)? Many RSLs actively plan to always have a small number of vacancies on their governing body to give them flexibility in recruiting or co-opting in response to particular needs or circumstances (e.g. an unexpected absence or a new priority or a change to the assumptions that underpin the succession plan); as long as the number of vacancies is managed and planned, this can be a valuable feature of both succession planning and risk management. Remember that you cannot place specific responsibility on an individual GB member because of their expertise, since all GBMs are equally responsible, and you cannot rely on advice provided by a GBM in the way you can on formally commissioned advice.

How long does the GB need the knowledge, expertise or experience for? Would a co-option be the preferred route rather than election? Co-options are a valuable way for governing bodies to recruit specific experience, knowledge and/or expertise e.g. to

support a particular initiative or to tackle an immediate priority. Individuals can be co-opted relatively quickly through a direct approach (rather than open recruitment) but it is important that the 'usual' process is followed in terms of checking suitability, indication and declarations of interest. Many RSLs have benefitted from the experience and expertise of co-optees (who sometimes decide to seek election after their experience). It is important to remember that co-optees do not have to be shareholding members, but there are limits on the number that a GB can have at any one time (not more than one third) and they do not count in the formation of a quorum. Co-optees have to stand down at the AGM (although they can be 're-co-opted' following the AGM). It is good practice to include a maximum term for co-optees (e.g. via the recruitment policy) to ensure that this mechanism is used for specific purposes.

Ensure that there is a good spread of knowledge and experience – this is essential to succession planning for the GB as a whole, and not just for office bearers. Where all of the business is channelled through the GB, individual members will build up a good overall knowledge of the organisation which means that any individual GBM should have a wide knowledge base. Many RSLs operate sub-committees, which can support the GB by focusing on specific aspects of the business, enabling members to build up a level of expertise in these areas. This can be hugely beneficial, but there can be risks if such expertise is concentrated in a relatively small number of people. This is especially true if circumstances conspire to result in a significant proportion of them retiring at the same time, leaving the organisation over-exposed in a specific area. Such a risk can be managed by ensuring that sub-committee membership is rotated e.g. by limiting the time that members serve on a specific sub-committee (perhaps to 3 years) and/or by restricting the number of sub-committees that a GBM may join. This will help to ensure a rotation of membership and maintain effective scrutiny at both the GB and sub-committees

Consider whether a time-limited commitment might be more attractive – being clear that you are not asking potential members to sign up to e.g. nine years (or more) might enable you to attract people who would otherwise be reluctant to make a long-term commitment: perhaps one three-year term would suit both parties, at least in the first instance. Co-option for up to a year is also an option to provide a "trial run" for potential members who are unsure if they wish to become a full GBM. This might also be useful when considering office bearer succession: the maximum term for the Chair is 5 years – but it's perfectly reasonable for a Chair to commit to a shorter term (e.g. three)

Do not concentrate all the experience in a small number of people – try to avoid individuals holding more than one office at the same time or membership of sub-committees being concentrated amongst a limited number of GBMs – that way, if the unexpected happens, there is a pool of people with both detailed knowledge and office-bearing experience. The governance structure should be capable of being supported by a broadly similar commitment from each GBM.

Consider the collective experience of the GB - look at average length of experience and calculate the relative 'age' of the GB in terms of experience, looking at the change over time. Is the balance moving too far in the direction either of experience or

inexperience? It is essential to good governance that the GB is, at the same time, forward looking and refreshed, yet also connected to and informed by what has underpinned the organisation's development.

Monitor the demographic profile – ideally, the membership of a GB should be balanced in terms of age, gender and economic activity and should reflect community²¹ and national demographics in terms of disability, ethnicity and other protected characteristics²². Succession planning should identify any under-representation and recruitment should target these areas. Consideration should be given to any support that could be offered to encourage volunteers from under-represented groups and specific attention given to any reasonable adjustments that an individual might require to enable them to take up a GBM role. The business plan will contain a demographic assessment of the organisation's client group and so that would be the basis for this component of the succession plan.

Anticipate retirements – the annual reviews should provide a picture of anticipated retirements amongst GBMs, enabling a succession plan to be developed to manage turnover effectively. As is emphasised throughout this guidance, it is always better to plan ahead. If there is the possibility, for example, that the range of financial experience and expertise is likely to be reduced over the next five years, it should be a priority to try to attract people with similar experience as soon as is practicable.

Be flexible – keep the succession plan under regular review to ensure it reflects changing needs (e.g. new activities or legislative requirements), emerging priorities (e.g. as the result of specific experience) and the unexpected (unplanned retirements/resignations; significant impacts on service delivery or business activity; emergence of new risks). Be willing to consider applications from people who may not 'fit' with the immediate priorities if their skills/contribution would, potentially, be valuable to the organisation, without obstructing your capacity to access the full range of skills and experience needed.

5. Recruiting Governing Body Members

Sector Example 8 – Orkney HA

A few years ago, we had 10 Committee members, were aware of one impending resignation (due to personal reasons), and another who wished to retire after a number of years' service. We decided to be pro-active and undertake a recruitment exercise before these members left. Following discussion, members agreed to participate in a "Come and Meet Our Committee Members" informal drop-in session, which was advertised widely throughout the Orkney communities. We were delighted with the response, and this has since become a successful annual recruitment event.

²¹ In this context, 'community' refers to both geographic communities and communities of interest

²² Equality Act (2010) prohibits discrimination on the grounds of age, sexuality, marital status, race, ethnicity, gender, religion which are defined as 'protected characteristics'; SHR Regulatory Standards of Governance and Financial Management require governing bodies to annually assess their requirements in respect of skills, knowledge, objectivity and diversity (Standard 6.2)

(Mhairi Hughes, Head of Corporate Governance, Orkney Housing Association)

In common with many voluntary organisations, RSLs are experiencing difficulty in attracting people to become members of the governing body. Some RSLs have been very successful in recruiting members and there are many examples of different approaches, as described in some of the case studies that feature in this guidance.

It is worth thinking about targeting specific groups of people (e.g. age ranges, people with specific experience or needs) and about approaching specialist organisations. Some ideas are given below, and a sample governing body recruitment process is included at [Appendix C](#).

Electing members of the governing body is the responsibility of shareholding members: they are entitled to seek election themselves and to vote for candidates at the Annual General Meeting. The Rules set out the maximum membership of the governing body (usually between 12-15 members).

The governing body can co-opt people to the governing body, as permitted by the Rules (not more than one third) and can also fill any vacancies that occur during the year, if an elected member leaves their position. Decisions about co-options and filling casual vacancies are the responsibility of the governing body, who may delegate the task of interviewing candidates to a small number of their members who will then make recommendations to the GB.

Sector Example 9 – Home in Scotland

To attract and develop effective board members, we run interactive ‘On Board’ sessions. These workshops, held in person or online, are open to our customers and anyone else interested in joining our Board. The aim is to provide potential candidates with the confidence and knowledge needed to contribute meaningfully.

Our sessions cover the following key areas:

- *Organisational overview: Introducing our mission, strategy, and priorities.*
- *Board responsibilities: Explaining governance, oversight, and strategic roles.*
- *Regulatory context: Outlining the role of the Regulator and compliance requirements.*
- *Practical insights: Walking through a real board paper, the format etc.*
- *Mock Board meeting: Simulating a meeting with three real papers presented by their authors. We encourage attendees to put themselves in the position of board members and ask the questions which come to mind.*
- *Q&A session: A chance to address questions and reflections.*

Feedback highlights the value of these sessions in boosting confidence and understanding. Some feedback includes:

“I learnt lots about looking at the big picture and it wasn’t intimidating at all.”

“I felt inspired; the content and sessions were just right.”

In summary, our 'On Board' sessions simplify board responsibilities and empower candidates to feel confident to step into governance roles. They have proven effective in helping us recruit customer board members in particular.

Bryony Willett, Director of Scotland, Home in Scotland

Organisations that support volunteering: many communities have access to volunteering support which may be able to put potential volunteers in touch with an organisation that can make use of their skills. SFHA's 'On Board' register of people who are interested in joining a governing body is a possible source of volunteers for SFHA members, and other bodies such as EVH may also be able to help.

Sector example 10 – Scottish Federation of Housing Associations

Our OnBoard service supports SFHA members that are looking to recruit to their boards. OnBoard works in two ways: members can contact us when opportunities arise, and these will be added to a register of recruiters.

We also invite people who would like to become governing body members to join the register as potential candidates. We then match candidates with organisations, depending on organisations' needs and the candidates' skillsets.

Gillian Duddy, Membership and Funding Manager, SFHA

Local Schools: most RSLs are keen to attract more young people to contribute. In addition to engaging with younger children about environmental and safety issues, older school students may be interested in being involved in coaching or mentoring to support their personal development and increase employability. Although GBMs must be at least 18 years old, consideration could be given to offering 16-18 year olds the opportunity to 'shadow' a GBM. This kind of initiative has resource implications for the RSL but it is likely to deliver significant benefits to the individuals involved, to the community and to the RSL.

Sector example 11 – Osprey HA

As part of Osprey's Board succession planning process, we have noted over time that due to the voluntary unpaid nature of the position, it has been difficult to recruit Board member applicants whose life experiences reflect all areas of the communities we serve. We tended to attract the retired professional age group and while their experience is always valuable, we wished to have more diversity of thought on our Board. This was made doubly important as our Board members reach retirement age and we seek to replace them.

Conversely, we recognised a gap in the career experience of young people who, if they wish to progress, are expected at a certain point in their careers to join Boards

but have not previously been exposed to that level of management and can struggle with the concept.

We therefore developed an exciting project for the purpose of both giving younger people exposure to a Board environment and also increasing the diversity and experience of our Board in the future. We advertised the opportunity widely seeking the right person for an initial one-year period to gain first-hand experience, through observation, of the workings and dynamics of our Board with a view to giving them the tools to become an effective Board Member in the future.

We were overwhelmed by the number of quality applications that we received and ended up recruiting two Board Apprentices in April 2023. They are subject to the Code of Conduct for Board Members and able to contribute to Board discussions however they are not expected to accept and share collective responsibility for the decisions taken by the Board. They are required to always act only in the best interests of Osprey and its customers, not on behalf of any interest group, constituency or other organisation and not in a personal capacity to benefit themselves or someone they know.

The Scheme has been a great success with both Apprentices reporting at their annual appraisal the experience had greatly improved their understanding of both the sector and also the governance issues and requirements of being on a Board. In April 2024 both requested that their apprenticeships be extended for a further year as they felt they had reached a stage their understanding would make them able to contribute more and give something back. Both were enthused and sure that they would like to take up Board positions in the future. It should also be noted that the employers of both the Apprentices have been very supportive of them, agreeing to give them time off their usual duties to attend governance meetings

The scheme has been a resounding success and we plan to recruit further Board Apprentices next year when the term of the current Apprentices is completed.

Clare Ruxton, Director of Corporate Services, Osprey HA

Colleges and Universities: many RSLs have a college near by and local connections are likely to be valuable in providing access to expertise and knowledge. There is already a lot of positive experience of using students to support project work, but building contacts with specific departments in colleges or university (e.g. business, education, marketing, media and communication, law, finance, accountancy, planning, construction) can be successful in recruiting (often young) people. This can bring fresh perspectives, knowledge and commitment to the governing body and the individuals can gain valuable practical experience that can help strengthen their employment potential.

Advertising in specialist publications: targeting relevant professional or trade journals can be a very successful way of attracting people who are keen to use their professional skills and knowledge for the benefit of others. Relevant professions have

their own representative bodies and journals (accountants, legal, planners, architects, health care).

How many new members to recruit: a potential consequence of a successful recruitment campaign is that several candidates come forward who represent a 'good fit' with the RSL. It is important to consider how the addition of a number of new recruits at the same time might impact on the dynamics of the governing body – how would an increase of, say, four new members affect working relationships and is there sufficient capacity to offer mentoring/buddying and induction? It is important to recognise that the introduction of several new members at the same time will require more active management and support than a single new addition – but it is equally important to recognise that all new members should be provided with both formal induction training and ongoing support to equip them for their role.

Sector Example 12 – Hanover Scotland

Over the past few years Hanover has conducted several successful Board Recruitment exercises, using a trusted recruitment company within the sector. They worked with us to develop an agreed advert and marketing campaign, and then actively sought out potential candidates to fit the skills profile that we were looking for. This meant that we got candidates who were not necessarily searching for a Board Member position, but who became interested once they heard about the Vision and Strategy in Hanover. Whilst this option cost a bit more than doing our own internal campaign, it meant that it freed up our own team to focus on improving our onboarding experience for new members joining – so was definitely worth the investment.

(Wendy Russell, Director of Business Support and Transformation, Hanover Scotland)

Use of SFHA Model Rules 2020 Optional Clause: Within the Accompanying Guidance to the SFHA Model Rules, there are optional amendments for those RSLs who wish to have the power to directly appoint governing body members in addition to those who are elected. This could support a more targeted recruitment process where there is a specific skill set that the governing body has identified as a requirement (e.g. finance expertise or legal expertise). This could also aid with succession planning if there is a specific skill set that the governing body wishes to attract.

Sector Example 13 – Flair Academy

FLAIR (The Federation of Local Associations in East Renfrewshire and Renfrewshire) consists of Barrhead, Bridgewater, Ferguslie Park, Linstone, Paisley and Williamsburgh HAs. Collectively we agreed to run a potential Board member induction programme to encourage new members onto our Board/Committees, Sub Committees and Subsidiaries. The induction programme is a series of training sessions which provide an insight into the main areas within housing: Governance, Finance, Housing, Technical, Wider Role, Factoring and Development. We call this

programme FLAIR Academy. We felt that by having training sessions at the start, new members would be more aware of, and familiar with, what would be discussed at Board/Committee meetings and participants would all start with the same level of knowledge.

We advertised in each of the local areas and each HA put details onto their websites and social media.

Anyone interested completed a registration form, had one point of contact and is “buddied” to the HA they are best suited to. Any new recruits are directed to the Association with any vacancies and these are shared out across FLAIR members.

The training sessions are held virtually each week for 9 weeks and participants attend as observers to Board/Committee meetings so they know what is expected of them if they chose to join. The trainers are staff members from each of the Associations so the cost of running the Academy is minimal and shared.

After the induction programme ended each of the attendees made the decision whether to join the Board/Committee or not.

We have been running FLAIR Academy since 2018 (although had a break during covid) and have successfully recruited 18 board members. Training sessions include any new Board/Committee members or any existing Board/Committee members or any staff members wanting a bit of a refresher on a particular topic.

(Fiona McTaggart (Chief Executive, Paisley HA and FLAIR member)

Further Sector Examples

Two of our members were happy to provide their policy on Succession Planning and Recruitment of Governing Body Members as examples. These are both available on the SFHA website by clicking on the links below:

- [*Manor Estates HA - Management Committee: Succession Planning Policy*](#)
- [*Clydesdale HA - Management Committee Recruitment Policy*](#)

The Glasgow and West of Scotland Forum of Housing Associations conducted a survey of its members that highlighted a number of good practice examples and approaches to governing body recruitment and succession planning in community-based organisations. It is available via the link below:

- [*GWSF Report \(Jan 2022\) Succession Planning: Attracting New Board Members and Developing Senior Staff*](#)

Sector Example 14 – Pineview HA

As is similar to many community-based housing associations, the committee of management of Pineview Housing Association was traditionally composed of only

local tenants and residents. However, following the completion of refurbishment and new build development programmes, the activism of local members reduced as customer satisfaction increased. Many local residents were more comfortable taking part in the Association's customer forum and reviewing more operational, day-to-day matters. Members of the customer forum supported the Association and advised they would consider joining the committee of management if the Association needed them but that their preference was to be part of the forum.

In order to prevent accusations of "marking your own homework" the Association had adopted the practice of not having the same members form part of the customer forum and the committee of management. As such, in order to increase numbers and introduce more diversity, the Association embarked on a recruitment process for committee members and agreed to open this to a wider field of people. Existing tenant members were pursued by letter and door knocking; adverts were placed in local and housing press; and direct correspondence was undertaken with local businesses and education establishments. This proved successful and led to the Association gaining a more varied committee of management with a good mix of differing skills and experience.

The committee of management acquired new members from educational and business establishments and from other registered social landlords (RSLs). The recruitment of students was a new approach and proved mutually beneficial to the Association and the students themselves. The students were keen to get involved to do volunteering and to learn about the running of a social business, whilst adding this experience to their CVs. This also meant the Association could meet its commitment to help people gain skills useful to them in their search for employment. The Association also gained new committee members from various non housing business fields (project management, legal, financial, teaching, community development, and caring) who had an interest in volunteering and wanted to offer their skills to help the ongoing strategic management of the Association.

From the perspective of the Association these new members brought a completely new and fresh perspective, varied skills and knowledge and allowed the committee to develop its skills as a corporate body. In respect of other RSLs, the Association was successful in gaining new committee members who were experienced and skilled in housing management and asset management. studying for the postgraduate diploma in Housing Studies. These new members brought yet another range of skills and perspectives to the committee's composition. These members successfully completed their studies and have remained as committed committee members, and have brought the dual benefit of their skills as professionals within the sector as well as their academic learning and good practice information.

The annual review of committee effectiveness supports the benefits that have been gained by the changing composition and skills of the management committee. The positive impressions from newer members provide valuable assurance that the views of more experienced members continue to be objective and stand up to external scrutiny. The annual reviews have found that the recruitment of new members in

recent years is regarded as being hugely successful – bringing new ideas, opinions and perspectives. All new members have settled in well due to their own commitment to do so, and by the original committee members being so welcoming and encouraging.

(Joyce Orr, Director, Pineview HA)

6. Recruiting the Chair and Other Office Bearers

6.1 Recruiting the Chair

There is often a debate about the most effective way to recruit a new Chair – whichever route is selected, the key is to plan! The Succession Plan should identify when the incumbent Chair's maximum term is due to end and to flag if an earlier date is likely. It is important that this knowledge is shared throughout the GB to ensure that a smooth transition can be supported and the Rules are not breached. Identifying the expected end of the Chair's term should help to avoid any sense amongst GBMs that they might appear to be competing with the Chair and support development through mentoring for those who might be interested. The succession plan will also identify whether there is potential interest from current members – if there isn't, the GB must actively plan ahead. Recruiting a new GBM to become Chair immediately is not recommended, in the normal course of events.

Consider what experience is needed – ask the GB what they are looking for in a new Chair, about 18 months before the transition is expected, and use the feedback as the basis for a discussion and review of the role profile and person specification. Annual reviews should consider the Chair's contribution and this information will contribute to the succession plan.

Potential candidates should be invited to explain how they fit the profile – this could be by writing something or by a quasi 'hustings' held at the first meeting after the AGM. It is always advisable to seek nominations for office-bearing roles, especially the Chair, in advance, to enable GBMs to consider who they wish to support and why. Nominations should be accompanied by information provided by the nominees which explains how they 'fit' the agreed role description and the 'wish list' that emerges from the GB annual reviews/appraisals.

Make sure that the GB has time to consider – this guidance strongly discourages holding a 'quick meeting' after the AGM to elect the Office Bearers, unless the preparatory activities already described have been completed. Otherwise, SFHA advises that at least a week should elapse to enable the provision of all the recommended information to support informed decision-making. The Rules require that the Chair is elected from the committee members and must be prepared to act until the end of the next AGM²³: the Standing Orders should set out the arrangements for the Chair's position in the interim e.g. that the incumbent Chair continues until the

²³ SFHA Model Rule 59.7

first committee meeting following the AGM or, in the event that the Chair ceased to be a member at the AGM, the former vice-Chair will serve until the election²⁴.

Consider how long the Chair will serve – Chairs are elected annually by the governing body, however there tends to be an assumption in the sector that a Chair will serve for the maximum permitted continuous period of office (five years)²⁵. Although this works very well for many organisations, a shorter length of service can offer advantages.

For some potential Chairs, would three years be preferable – and more manageable – than five? A three-year period may be more attractive to some individuals who would otherwise be reluctant to agree to being nominated. Three years is long enough for a Chair to make an impact, but not so long as to make it potentially difficult for someone to ‘follow in their footsteps’. Change at three yearly intervals may help to mitigate against any complacency, since there will always be a focus on succession – although that may also be a disadvantage as a longer term can offer the benefits of stability and continuity.

Being open to varying the terms of office for the Chair (and other office bearers) is recommended to strengthen succession planning and increase the pool of potential office-bearing recruits. Of course, agreeing initially to a three-year term does not rule out the possibility of an extension of one or two years if the Chair wished to stand for election again after that time elapsed. Effective succession planning is the key as it will identify potential successors and the most appropriate timing for the people involved and the governing body. It is also possible that another GBM could stand for election to be Chair, irrespective of the length of expected term agreed with the current Chair. This is less likely however, if the GB has had proper discussions which are reflected in the succession plan.

Sector example 15 – Almond HA

“When I became Chair, many experienced board members had retired, and newer ones were settling in. Though I planned to serve for about three years, it was clear from the board appraisal process that there was no clear successor.

A relatively new board member was identified early-on as a potential future Chair. In taking steps towards this she was asked to chair the Audit and Finance sub-committee to gain office bearer experience. With this having been a success she became Vice Chair with a view to taking over as Chair when the time felt right for her.

Ultimately, I have continued as Chair for a year longer than originally planned but this has allowed time for the vice-chair and I to develop a close working relationship when preparing for Board meetings and strategy days. The vice-chair joins me in the regular meetings I have with the CEO which has built their working relationship and I have been open in sharing my own experience of the role and my approach to it as she

²⁴ SFHA Get Governance: Points to consider when drafting Standing Orders (December 2023)

²⁵ SFHA (2020) [Model Rules 2020](#)

looks to bring her own style. We are now both ready for and looking forward to our changing roles.

Our experience highlights the importance of being proactive and thinking long term in succession planning and of putting in place the support and pragmatic timetable required for an effective transition”

Adam Turner, Chair, Almond HA

Consider other external experience - when considering the experience that a new Chair is expected to bring to their role. It is important to take account of experience gained beyond the RSL, as someone who has only recently joined the GB may have valuable and relevant experience as an office-bearer in another sector. Of course, it is important that an incoming Chair has a sound understanding of the organisation, its ethos and priorities as well as the culture of the sector, and has the capacity to transfer their skills, knowledge and experience successfully and appropriately from one sector to another. It is very important that the Chair has a sense of identity with the organisation from the start of their term of office. Some RSLs have a policy that expects candidates for Chair and vice-Chair to have been a member of the GB for a specified minimum period (e.g. 1/2 years).

Internal or External Recruitment? Within the sector, there is an ongoing debate about the pros and cons of recruiting a Chair externally. For an individual RSL, this usually arises either when effective succession planning has not been undertaken or when the unexpected happens. In each scenario, the incumbent Chair is approaching the end of the maximum permitted term and there is no obvious successor. Following SFHA’s guidance should ensure that, if the unexpected does happen, there will be a potential internal candidate. However, it is recognised that there could also be benefits to external recruitment. Below is an assessment of the relative **advantages** of recruiting a Chair internally (i.e. from within the current GB):

- Familiarity with the culture and values of the organisation
- Involvement in the review of the strategic/business plan and consequent ownership of it
- Understanding of the sector that the HA is operating in and their position in it
- Awareness of the strategic and operational environments that the HA is operating in and their impact
- Involvement in/ownership of recent significant decisions e.g. pensions, asset management
- Understanding of the HA’s relationships and engagement with regulators
- Knowledge of the HA’s history and recent development; strategic plan and corporate priorities
- Demonstrates good governance – effective succession planning; collective responsibility; appropriate range of talents, skills etc.

There are some potential **disadvantages** to recruiting a Chair externally which include:

- Availability of suitable candidates at short notice
- Lack of time to 'shadow' incumbent
- Reputational impact – advertising for a Chair sends out a potentially negative message about the strength of the current board/committee
- Lack of ownership of strategy etc.
- Lack of knowledge of the HA's history, culture, values

6.2 Recruiting the Vice-Chair

The SFHA Model Rules do not specify a requirement for an organisation to have a vice-chair or prescribe any limits on length of service for the role. This guidance recommends that the vice-chair should be seen as an important role²⁶ in its own right rather than as a stepping-stone to becoming Chair. If the GB wishes to elect a vice-chair, it is important to think about both the expectations and overall commitment associated with the role. The role of the vice-chair should be to support the Chair but the GB should consider the specific responsibilities that the vice-chair might have. This is likely to vary according to the governance structure of the organisation.

It is essential to think about the anticipated terms of office of the Chair (see 6.1) and vice-chair. Expecting both to serve for five years and treating the vice-chair role as a successor role to that of Chair results, effectively, in a ten-year commitment for an individual. That is potentially daunting for any individual and does not offer opportunities to others who wish to become Chair. To broaden the potential 'pool' from which a new Chair might be elected, consideration could be given to being clear from the start that the vice-chair will not be expected to serve for more than two years, offering the potential for up to three people to have recent experience of the role at the time of electing a new Chair and supporting strong succession planning too.

Sector Example 16 – Clydesdale HA

Our Management Committee has put in place the role of Vice Chair (Mentor) – a position that would normally be held for 12 to 24 months by a Chair who has just left office – as a support to a new Chair. This will sit alongside our Vice-Chair, which we see as a role for the most likely replacement to the current Chair.

Our Committee found the SFHA Succession Planning Guidance very helpful.

(Joe Gorman, Chief Executive, Clydesdale HA)

²⁶ SFHA Model Role Description for Vice-Chair (July 2024)

6.3 Recruiting Other Office Bearers

All organisations are required to have a Secretary, and in the majority of organisations this is the senior member of staff. When the role is carried out by a governing body member, we would recommend considering some of the steps outlined above if recruiting for the position. It is also recommended that these steps are considered for any other office bearer roles for which an organisation may be recruiting.

SFHA has issued Model Role Descriptions for Governing Body Members and Office Bearers²⁷ that may be helpful in this process.

7. Examples of Effective Succession Planning

Below are some examples of how effective Succession Planning could work in practice, applying this guidance.

- RSL 1 has a Chair and two vice-chairs who make up the Office Bearer (OB) group which meets with the CEO between Board meetings. This group plans and reviews agendas for the Board and committees, discusses specific proposals and issues and provides support to the CEO. The terms of office of the Chair and vice-chairs do not coincide which means that there can be quite regular changes in the composition of the OB group. The aim is that at least one of the vice-chairs should be prepared to be nominated as Chair, but there is no expectation that to become a vice-chair, an individual has to be willing to become Chair. Each vice-chair is a member of at least one sub-committee to ensure there is a link between the two. The role of the OB group is set out in the standing orders.
- RSL 2 has a Chair and vice-chair who meet with the CEO in advance of each GB meeting and who will take decisions between meetings, if required, in accordance with the standing orders and scheme of delegation. These contain specific requirements about consultation with other GBMs and subsequent reporting in such circumstances. The expectation is that the vice-chair will succeed the Chair. The role description specifies that an incoming Chair should normally have been a GBM of the organisation for at least two years before being nominated as Chair.
- RSL 3 has a Chair and vice-chair plus three sub-committees, each with their own convenors who are responsible for reporting to the GB on the work of 'their' sub-committee. Members of the sub-committee normally serve for a maximum of two years, before moving to a different committee which means that individual GBMs build up their knowledge of all aspects of the organisation rather than becoming 'specialists'. Convenors might be a sub-committee member for a year, then become Convenor for two years before moving to

²⁷ SFHA (July 2024) [Model Role Descriptions for Governing Body Members and Office Bearers](#)

another sub-committee, providing experience of office-bearing roles as well as in-depth knowledge of the organisation.

Sector example 17 – Whiteinch & Scotstoun

*We mapped our recruitment process before we advertised and discussed our priorities with the Management Committee and identified where the skills gaps were that we needed to fill through the recruitment process to create a stronger governance model for WSHA. If you follow a clear process as set out in **the diagram below**, you will feel that you have created the right opportunity to match the needs of your organisation.*



*Set up or use existing social media platforms such as LinkedIn, Instagram, Facebook, Twitter etc. This will increase your audience and increase your potential recruitment market. Remember and upsell the career development impact of a non-executive appointment to individuals. Most importantly, you will attract the interest of good quality candidates who buy into the **Purpose, Way and Impact** of your organisation.*

The process delivered the following outcomes:

- *Process commenced in February and was completed with official appointments in June at the AGM.*
- *28 Expressions of Interest*
- *22 Applications Received*
- *12 Shortlisted for Screening and Interview by CEO and Chairperson*
- *7 Candidates recommended for appointment and reported to the Management Committee for consideration.*
- *Candidates invited to attend 2 meetings as observers.*

It also delivered the following bonus outcomes:

- *Candidates who were shortlisted but not recommended for appointment were offered appointments with our subsidiaries.*
- *We managed to secure 3 new Board Members for one of our subsidiaries*
- *The age profile has been reduced*
- *The diversity of our Management Committee has now become more representative of the communities we provide services to*
- *Levels of enthusiasm and appetite to get involved have improved.*
- *Existing members have also received a boost by the new members joining.*

James Ward, Chief Executive, Whiteinch & Scotstoun

Appendix A – Succession Plan Template and Explanatory Notes

GBM Name	Date First elected/Co-opted/Appointed	Date Last re-elected	Date next due for re-election	Date nine-year rule effective	Intention to seek re-election	Office-bearing interest	End of office-bearing term

Succession Priorities	
Recruitment Priorities	
Timescales	

Explanatory Notes

The Succession Plan should be an easy to read table that details:

- *Current GB membership (by name)*
- *Dates when each GBM was/is:*
 - *First elected*
 - *Re-elected subsequently (there could be a series of dates)*
 - *Next due to stand down*
 - *Affected by the nine-year rule (or if the RSL operates a maximum tenure, the date when that term ends should be identified)*

- *Dates when the Chair's and other OB terms of office expire*
- *Intentions about standing for re-election (i.e. if a GBM intends to stand at the next planned retirement date)*
- *Intentions/interest in taking on an OB role and any specific preferences (e.g. is someone willing to chair a sub-committee but isn't interested in becoming Chair)*
- *Highlights any 'gaps' or pressure points (e.g. the Chair must stand down in two years' time and there is no interest from current members in taking on the role; or the current vice-chair is happy to take on the role but there is no interest in taking on the vice-chair's responsibilities; or the chair of the finance or audit sub-committee intends to stand down at the end of their current term and a successor needs to be identified – and potentially trained. This information should form part of the report that is made to the governing body at the conclusion of the annual appraisals.*
- *Identifies training/development/support priorities to enable individuals to take on additional roles and links to the training and development plan*
- *Identifies recruitment priorities*

By using a spreadsheet format, it's possible to highlight particular 'pressure points' e.g. in the event that a significant number of GBMs indicate an intention to retire around the same time or there is a lack of potential successors as the end of the Chair's term of office approaches.

The succession plan is closely linked to the learning and development plan (see Appendix B): the two could be incorporated into a single document.

Appendix B – Learning and Development Plan Template and Explanatory Notes

GBM Name	Individual Priorities	Match to collective GB Priorities	Training Sources	Timescales	Outcomes

Statement of Collective Board Priorities:

Explanatory Notes

The Development Plan will be produced by officers following completion of the annual appraisals and will incorporate the priorities identified from the appraisals into a comprehensive Training and Development Plan. It should contain:

- *Names of each GBM*
- *Individual Training Priorities: link to specific objectives/outcomes where appropriate (e.g. Chair’s training for people interested in taking on OB role; attending SFHA Finance Conference for someone specifically interested in finance; relevant professional training for Chair of Audit Committee; attendance at TIS and/or TPAS events for GBMs interested or involved in engagement or scrutiny; induction programme for new GBMs; attendance at networking events e.g. to maintain or broaden sector knowledge or to be an ambassador for the organisation; enrolment on accredited course etc.)*

- *Training Sources: identify potential sources of training for specific issues and use this element of the plan to monitor booking/attendance/budget etc.*
- *Timescales: usually a development plan will cover a single year but it may be appropriate to include longer term development priorities e.g. where someone is working towards an office-bearing role or is undertaking a course of study*
- *Outcomes: use to record feedback*
- *A statement of the collective priorities for the governing body i.e. specific areas of knowledge that the governing body has identified a need to develop collective knowledge about e.g. the impact of the Scottish Government's energy strategy or the outcome of the SHR's Review of Regulatory standards or the impact of legislation.*
- *A column in the table can be used to see how the priorities identified by the individual marry up with the priorities of the overall GB*

Appendix C – Sample Governing Body Recruitment Process

Applications and Nominations

- All candidates/applicants should be provided with a Recruitment Pack (the contents should be described in the Recruitment Policy)
- All should complete an application form and eligibility statement and return to the registered office (if there is a closing date as part of a recruitment drive or for nominations to the AGM, this must be specified clearly on the form)
- If a shareholding member is seeking election at the AGM, a nomination form must also be completed and signed by another shareholding member and be submitted with the application form

Meetings/Interviews

Shareholding members who are nominated for election should be invited to attend an informal meeting to discuss the role. This should involve at least one member of the GB (normally the Chair or another office-bearer) and a senior officer who supports the governing body. The GB should agree the composition of the group which meets with candidates. The purpose of the meeting will be to:

- Confirm the candidate's eligibility to act as a member of the GB
- Establish the candidate understands the role of GB members, including the likely time commitment involved.
- Establish the potential contribution likely to be made by the candidate, in the light of the skills, knowledge and experience described in the GB profile
- Answer any questions from the candidate
- Explain the induction process and support available

It is important to be clear that shareholding members of a RSL can be nominated, stand for election and be elected without being 'approved', as long as they meet the eligibility criteria in the rules. The recruitment process described in this guidance recognises this important principle but also seeks to introduce an early opportunity to discuss the role of a GBM with potential candidates. This can help to avoid misunderstandings about what the responsibilities are and to explain the focus of the business discussed at meetings of the GB. It is also an opportunity to describe the requirements of the Code of Conduct, which must be signed before anyone can become a member of the GB.

It is appropriate to explore why a member is seeking to stand for election at this introductory, informal meeting and, if it seems that their expectations do not reflect the role, to be clear about the discrepancy. For example, if a shareholding member seeks to join the GB because there is a specific issue that they want to resolve (perhaps relating to their tenancy or to a service they receive), it is important that it is made clear that membership of the GB specifically prevents individual, personal matters being pursued other than through the procedures that are available to all tenants and service users.

Applicants who respond to a recruitment drive such as an advert (or equivalent) or who volunteer should be invited to an interview. This should be conducted in a similar way to the informal meeting described above. It should involve at least one member of the GB (normally the Chair or another office-bearer) and a senior officer who has governance responsibilities, who will report to the GB. The GB should agree the composition of the interview panel which should have delegated responsibility to advise the GB about appointments²⁸. The interview should:

- Confirm the applicant's eligibility to become a member of the GB
- Establish the applicant understands the role of GB members, including the likely time commitment involved
- Establish the potential contribution likely to be made by the applicant, in the light of the skills, knowledge and experience described in the GB profile
- Confirm whether the applicant is interested in becoming a shareholding member (and their eligibility)
- Explain the process by which the applicant could join the GB (e.g. co-option; filling a casual vacancy; standing for election at the AGM)
- Answer any questions from the applicant
- Explain the induction process and support arrangements
- Confirm the timescales for appointment

Applicants should be advised of the outcome of an interview within a reasonable timescale. Decisions should be made by the interview panel based on the agreed recruitment priorities, and recommendations to the GB should be linked to the profile.

Successful applicants may be invited to attend a meeting of the GB as observers before their appointment is confirmed/they stand for election.

²⁸ It is important to ensure that any relevant interests are declared and managed – for example it would not be appropriate for someone on the panel to be interviewing someone to whom they are closely connected – but a cautious approach should be adopted to recruiting GBMs who are connected to each other: some Rules prevent members of the same household being members of the GB..

It is good practice to offer any new GBMs the opportunity to be allocated a mentor or buddy to help them settle in, and the Induction Policy should include details of provision for this where it is being offered.

Is a potential GBM Eligible?

Only shareholding members can stand for election to the GB. It may be that candidates who respond to a recruitment campaign apply to become a shareholding member. All applications for membership must be approved by the governing body which must be satisfied that applicants meet the terms of the membership policy.

Applicants seeking to be co-opted to the GB do not need to be shareholding members but do need to support the aims and objectives of the RSL.

The recruitment pack for prospective GBMs should include information about the circumstances that could prompt a governing body to refuse an application to join the GB as set out in the rules. The SFHA's Model Rules (2020) make provision for a GB to refuse a candidate's nomination in very specific circumstances, where concerns have been identified and evidenced about the candidate's suitability. Any such decision has to be approved by at least three quarters of the GB members.²⁹ This provision should be used in exceptional circumstances only, and Appendix I in the [Supporting Guidance to the SFHA Model Rules 2020](#) includes an example of how this might work in practice.

Where an individual has responded to a recruitment initiative (that would potentially result in them being co-opted onto the GB), the interview process is a means of gaining assurance that they have relevant skills, knowledge or experience and that their motivation is appropriate. If the panel is not satisfied that the GB will benefit from the contribution that the applicant is offering to make, their application can be politely declined.

Where a candidate for co-option has decided not to go ahead or an applicant withdraws or is refused, steps should be taken to suggest alternative means for them to contribute (e.g. by encouraging a candidate to get involved in scrutiny activities or by suggesting other voluntary organisations that might be a better 'fit').

Where there is a competitive election for a GBM and a suitable candidate is unsuccessful, it is important to take steps to ensure that they remain interested

²⁹ Rule 40.3 specifies that a nomination can be refused if either it is against the association's rules / policies; there is an identified conflict of interest that cannot be managed and adversely affects the association's work; there is clear evidence of relevant circumstances that result in the conclusion that the candidate's election is not in the association's best interests



and engaged e.g. by being co-opted to a sub-committee or working groups, if the Rules and/or Standing Orders permit. This will mean that they are far more likely to stand for election again and become a member of the GB in the future.