

Board Membership Policy

1. Introduction

On all issues and matters of governance, Bernicia, adheres to the National Housing Federation (NHF) Code of Governance 2020.

Succession planning will guide recruitment and selection within a fair and transparent process at Bernicia and will ensure that prospective board members should have the opportunity to learn about the role and duties of a board member and the commitment the role requires. In relation to general succession planning, we also seek to incorporate:

- A commitment to prepare in advance, as far as possible, to fill any Board Membership vacancies, using a term of office tracker to plan this.
- Preparation for leadership changes (i.e. Chair of board, chairs of committees) over time.
- A commitment to assess the leadership needs of the organisation (strategic fit, new skills, representation, diversity etc.) before beginning the process of searching/recruiting a new Chair.
- Developing a plan for any interim measures needed to ensure smooth transition and compliance.
- Implementing an approach to succession (including internal succession) and to interim positions, a time frame for making an appointment, communication, assessment, and selection criteria.

In order to enable the board(s) to effectively discharge their responsibilities, it is essential that there is a good balance of skills, knowledge, experience, and diversity in its membership.

To maintain this balance, Bernicia Group aims to ensure that its recruitment and succession policies promote diverse membership and encourage people to join the governance structure who have a wide range of different skills, interests, and expertise. We may actively seek members from currently under-represented groups, however, not to the detriment of the board's balance of skills.

This policy is to be implemented when any appointment is made to a board or committee and whenever a vacancy arises.

2. Policy Standards

Standard 1: Membership

The composition of the Group Board is set out in the Rules of Bernicia Group.

Bernicia operates a closed shared holding and non-executive board members will also be shareholders. Board Membership and shareholding are co-terminus. Board Members who are co-optees or Group employees cannot be shareholders.

Shareholders are required to purchase a nominal £1 share in the relevant company, which is subsequently relinquished should the member leave their post at any time. No Board Member can hold more than one share in a given organisation.

The resignation or removal of a member from the board will automatically result in their resignation or removal from any Group Committees or Subsidiary or Associate Boards that they are members of by virtue of their Group Board membership.

All candidates for Board Membership and therefore shareholding must meet the HMRC guidance on the 'fit and proper persons test' and the eligibility criteria set out in the Bernicia Rules. All candidates must make a signed declaration to certify as such. Only candidates who complete such a declaration and meet all required criteria will be considered for recruitment.

A tenant will not be accepted as a member for any part of the group if their tenancy is subject to court action by their landlord, or if court action is being seriously considered as a result of them breaching their tenancy or licence agreement.

Any new member will have their new appointment formalised and ratified by the full board.

All new members must:

- Provide their full name, current address and contact details.
- Enter into a formal "Agreement for Services" (Agreement to Act as a Board Member, Board Co-optee or Independent member of a Committee) relating to their obligations and remuneration;
- Abide by any restrictions of terms, codes of conduct or role descriptions that are stipulated or inherent in that formal agreement;
- Sign to agree that they will abide to the Group's Code of Conduct (Standards of Behaviour); and
- Uphold the vision, mission, and values of the organisation, acting in its best interests at all times.

On appointment to any board of the group, members will receive a formal 'Agreement for Services,' stipulating all their responsibilities, which they are required to sign and return.

All new members of the board will undergo a formal induction process and will be provided with access to key governance and strategic documents.

Board Members are appointed for a three-year term subject to annual review and appraisal. Board Members may serve a maximum of two three-year terms with a further three one-year terms being permissible subject to the needs of the organisation. To simplify the succession and renewal process, a term is deemed to have commenced in the September of the year of a member's appointment and the first meeting of the Group Board after the 1st September each year will have board membership appointments as a standard agenda item.

Bernicia will only appoint a former Board Member in very exceptional and limited circumstances. Bernicia considers that the approach to renewal and refreshment of membership will generally take precedence over familiarity with the organisation or any individual member. Any former Board Member (in any capacity within the Group) may only be re-appointed to the Group Board (or any part of the Bernicia governance structure) following a break of at least a term (3 years). For the avoidance of doubt any term of office served by a former board member will continue to count towards the members cumulative term of office irrespective of the length of any break period between appointments.

Standard 2: Co-optees & Independents

The Board of Bernicia Group may (as is permitted by the Bernicia Rules) co-opt up to five suitable persons to the Group Board from time to time. Those persons may also be appointed as a Co-optee to a committee. They will have voting rights in accordance with the Rules of the association. Co-options will be reviewed annually and used as part of our succession planning measures as required. The date of their first appointment as a co-optee will begin this term of office. Time served as a board co-optee counts towards the maximum board membership tenure.

In line with their terms of reference, a committee may appoint Independent members to support its role. The committee will normally be responsible for the selection process with any appointment being subject to endorsement by the Board. Independents do not count towards the maximum number of co-optees (five) allowed under the Rules. An independent cannot serve on a committee for more than six years.

The Customer Services Committee may appoint both paid and unpaid Independent committee members in line with its terms of reference.

The Commercial Board may appoint an Independent member in line with its terms of reference. As a non-social housing board, these positions do not form part of the maximum of five co-optees allowed under the Rules of Bernicia Group.

The roles and responsibilities of a Co-optee or Independent are the same as those of a Board Member serving on the same Board or Committee save that in relation to Co-optees they cannot take part in the deliberations nor vote on the election or appointment of Officers nor any matter directly affecting Shareholders.

Standard 3: Board Members' Interests

No board member, or committee member of the Group, shall have any financial interest in any contact or other transaction of the Group.

Every board member or committee member of the Group shall ensure that the Director of Corporate Governance has a list of all other bodies in which they have an interest, in accordance with the Rules, and keep this up to date at all times.

All members shall abide by the policies that form the Group's Probity Framework.

Standard 4: Recruitment – Board Members, Co-optees and Independents

The Group Board has established a list of essential and desirable skills that the boards and committees require to undertake its role and discharge its responsibilities effectively. The RRA Committee reviews the skills matrix annually, identifying any skills gaps and updates the Board Development and Succession Plan. Recruitment will be based on the skills gap analysis and take into account the diversity of the membership.

All appointments will be at the absolute discretion of the Group Board.

We will maintain an open policy of application for recruitment to all our boards (and committees), and any person over the age of 18 may apply at any stage to become a member of a board (or committee).

Should a vacancy become available we will aim to fill it as soon as possible. The Head of Governance is responsible for organising and overseeing the recruitment process on behalf of the Board.

Where required, we may advertise in specific locations, using certain types of media or publications to attract applications from people who we feel would enhance our board(s) / committees by bringing significant specialist expertise or life experience or improve the diversity of the Board.

Should we feel it is appropriate to do so, we may utilise specialist recruitment agencies or services to help us meet our Board and Committee recruitment needs.

Candidates will be asked to complete an application form or submit a CV, declare any actual or potential conflicts of interest, declare that they meet the UK Fit and Proper Persons Test, and provide references.

Where board vacancies arise, members of committees, who are not already sitting on the Group Board (i.e., Independents), may be offered the opportunity to apply prior to the vacancy being advertised externally.

In order to encourage openness and accountability, having advertised, the group will interview short-listed candidates. The shortlist will be agreed with the Chair supported by the Chief Executive, Head of Governance, and any retained recruitment consultant. The short-list will comprise those candidates' best meeting the role profile and the identified skills and experience requirement with due regard being given to the diversity of the membership. The aim of this interview will be to ensure candidates understand the commitment they may be taking on, to assess the skills and expertise a candidate can offer the organisation, to identify any conflicts of interest that may preclude a candidate from membership (employment with or holding a governance role with another regional registered provider would normally preclude a candidate), and to ensure the candidate shares the values of the organisation and has empathy and understanding for the objectives and work of the group.

Prior to an interview being held, candidates will receive an initial information pack containing basic information about the group.

Board candidates will be interviewed by the Group Chair, and other board members as agreed. The Group Chief Executive may also sit on the panel, and the Head of Governance may be present in an advisory capacity.

In the case of Independents on a Committee or subsidiary Boards, candidates will be interviewed by the relevant Chair of the Committee/ Board and another board member(s) of the relevant Committee/Board. The Group Chief Executive or any other relevant Director may also sit on the panel or be in attendance at these interviews in an advisory capacity. All such appointments are subject to ratification by the Group Board.

Co-optees' and Independents' appointments are subject to annual review by the Group Board.

Standard 5: Recruitment – Chair & Vice-Chair

In line with the Rules, Bernicia Group will appoint a Chair who shall Chair Board Member and Shareholder meetings.

The Chair does not have to be a current board member but on appointment would become a member and shareholder and therefore must meet the requirement for board membership.

A Chair will normally be appointed for a three-year term (subject to the overall board membership maximum tenure) with an annual review, exceptions to this may be agreed by Board, e.g. to support transition. At the end of a term, a formal selection process will be followed. The incumbent Chair can put themselves forward for re-selection subject to the maximum tenure rule.

In addition to the Group Board Chair, the Board will appoint on an annual basis Committee and subsidiary Board Chairs following recommendations from the RRA Committee.

The Board may appoint a Vice Chair, who, in instances of the Chair's absence will assume their role for a temporary period, and act as a Chair. The Vice Chair will be appointed for a three-year term (subject to the overall board membership maximum tenure) with an annual review.

In the case of recruitment for a Chair, an external facilitator (or the Head of Governance) may be used to gauge whether there are any internal candidates (including the outgoing Chair if they are eligible to serve a further term) who meet the person specification for the role and have the support of at least one other member.

Where there are one or more candidates, the RRA Committee will establish a panel to interview the candidates and make a recommendation to the Group Board. Where there is only a single candidate from within the Board, the external facilitator (or the Head of Governance) will advise the RRA Committee whether that candidate has the general support of the other members.

If there are no internal candidates, or the RRA panel do not make a recommendation to appoint a candidate, an external recruitment exercise will be undertaken overseen by

the RRA nominated panel which will make a recommendation to the Group Board. As part of that process, applications from the existing membership will be considered alongside the external applications.

The role of Vice-Chair will be appointed from the existing Board membership. The Chair will nominate a candidate or candidates to the RRA Committee which will make a recommendation to the Board. The RRA Committee may at its discretion, interview the candidate or candidates as part of the process.

Standard 6: Succession Planning

Should a member wish to retire or vacate their position, they should state their intentions in writing to the Head of Governance and the Chair giving at least 30 days' notice.

Members are appointed for an annual fixed term. Bernicia implements a maximum tenure of two terms of three years. We will use individual appraisal of board members to discuss member performance, contribution and the skills and competency alignment with the Bernicia strategy to agree tenure renewal or expiry on an annual basis. The re-appointment of a member whose term is coming to an end, and is eligible to serve a further term, will be considered by the RRA Committee which will make a recommendation to the Group Board.

Bernicia may by exception extend a member's tenure by up to a further three years (a maximum of nine years) subject to an annual review. This option would only be considered in exceptional circumstances. This would be considered by RRA Committee for recommendation to Group Board where there is a clear requirement for cover for skills that are difficult to replace, difficulties in recruitment and smoothing the member transition process. The approach to extended terms will not be applied as a "blanket" option for all members and should not be seen to set any precedent for other members going forward. In signing up to the NHF Code of Governance 2020, Bernicia is committed to a standard term of six years.

While the contribution of experienced board members is vital, boards also need new members who can provide an independent challenge to long standing practices and thinking. Renewal is also a key element in meeting any skills and experience gap that is identified or arises through unexpected resignations. Regular renewal can also support diversity within the governance structure.

The Group will be proactive in considering its future needs in terms of board composition, skills, and experience; planning for, and where desirable, encouraging renewal in membership.

We will use the annual appraisal of board members, board effectiveness reviews and regular skills audits to identify any gaps in skills and knowledge that the boards and committees may have to ensure when a vacancy arises, we can fill it in a way that best meets our needs and in line with our agreed Board Skills and Experience requirements. We will use a Statement of Preferred Board Composition to consider future needs.

In the event of an upcoming vacancy, we will identify specific needs the Group has, and we may contact appropriate organisations such as specialist companies, professional

bodies, universities, and religious or cultural organisations, if we believe we can strengthen our board or committee by recruiting someone with specific skills or interests.

To maintain continuity of understanding and knowledge as part of board membership succession planning, the Group may make best use of its option to have in place up to a maximum of 5 co-optees to the Board. In addition, the use of co-optees can provide the board with the option of adding expertise on identified areas of temporary need.

Standard 7: Concerns, Removals, and Ending Membership

There may be occasions when it is judged that a member should not remain on a board or committee, for example through:

- Irregular attendance;
- Improper behaviour at board, committee meetings or other corporate events;
- Failure to declare appropriate interests; or
- Failure to abide by the Rules and corporate policies of the group.
- They no longer meet the Fit and Proper Persons Test

Should this occur, the relevant Chair (or Vice Chair, in their absence) will take action following the procedure detailed in the Standards of Behaviour Policy. A member may be removed by the board at its absolute discretion.

There may be occasions when a member for personal reasons seeks a leave of absence and may do so with the consent of the Chair. Such a leave should be no longer than 6 months, will count towards their total term of office and the Group will reserve the right to appoint a temporary co-optee in their place, should they see fit.

A board member will cease to be a board member immediately if:

- They are disqualified from acting as a director of a company, as a Board Member of another registered society or as a charity trustee for any reason; or
- They have been convicted of an indictable offence which is not, or cannot be, spent; or
- They become bankrupt or makes any arrangement/composition with their creditors generally in satisfaction of their debts; or
- They are not a shareholder (unless they are a co-optee or employee); or
- They have missed three consecutive Board or committee (as may be the case) meetings in a twelve-month period (without leave of absence); or
- They are, in the written opinion of a health practitioner, physically or mentally incapable of acting as a Board Member, co-optee or committee member for more than three months; or
- They are a tenant and are in serious or material breach of their tenancy agreement or lease (see separate policy); or
- They are an employee, and their contract of employments is terminated.

Board members who are tenants are expected to resign their position forthwith, if they breach their tenancy agreement, and / or become subject to court action by their

landlord. However, they have the right to a hearing undertaken by a panel appointed by the board which will make a recommendation to the board. In such matters, the decision of the Group Board is final.

3. Responsibility for Implementation

It is the responsibility of the Head of Governance, or their nominated representative, to monitor compliance with this policy and advise the board of any areas of non-compliance and recommend appropriate remedial action.

It is also the responsibility of the chair of boards and committees to consider the skills present in their members and advise of any skills gaps to be addressed, based on these observations, and to act in line with the agreed skills requirement of the Board.

The Head of Governance, or their nominated representative, will also maintain a register of board members.

4. Monitoring the Policy

This policy will be monitored by the retention of a Register of Members as well as regular statistical analysis of our board(s) composition. Documentation relating to the appointment, retiring, and recruitment of all members to board(s) and committee(s) will be retained in line with the Group's data retention policy. These will be available should any scrutiny of the process be required.

In addition, there is an annual member appraisal and board effectiveness system in operation which assesses and records any skills gaps and future succession planning needs.

5. Definitions

Word/Phrase	Definition
Group Board Member	A board member of Bernicia Group who may also serve on its committees or the commercial board.
Co-optee	A member co-opted on to the Group Board who may also serve on a committee. Co-optees are appointed by the Group Board.
Independent	A member appointed to a specific committee but not serving on the Group Board. The appointment of Independents is ultimately a matter for the Group Board.
Board Membership (as used in this Policy)	Includes Group Board Members, Co-optees and Independents.

Version Number: V5.2

Effective From: September 2026

Applicable To: If going to *all* colleagues:

This policy applies to Board Members, Co-optees, and Independent members.

Associated Documents:

The following resources support the Board Membership Policy. These can be found in the relevant policy folders on the intranet:

- Standing Orders
- Non-Executive Director Remuneration Policy

Equality, Diversity & Inclusion: An ED&I Assessment was completed in September 2024. Please contact the Governance team if you require a copy.

Approved By: Chief Executive

Policy Author: Head of Governance

Policy Owner: Chief Executive

Next Review: September 2027

Reference Number: POL-0024

6. Change Control

Version Number	Effective Date	Amendment made by	Version approved by	Description of changes
V5.2	September 2026	Policy & Governance Advisor	Head of Governance	Updated appendix – removal of Foundation now replaced with CIC, updated skills matrix to reflect new strategy, update CSC membership to reflect that 3 Independents will be tenants or their advocate or have recent lived experience.
V5.1	February 2026	Policy & Governance Advisor	Head of Governance	Minor amends – Change control added to policy and amend to name and job titles