

Minutes from Online Remuneration and Nominations meeting - Non-Confidential held 17th March 2022

Attendance	Trish Blain (TB) (Chair), Beverley Grimster (BG), Jason Langley (JL), Ian Mason (IM), Steve Slater (SS), Liz Garner (LG), Adam Waller (AW)
Recorder	Rhian Watts (RW)
Apologies	None
Quorate?	Yes

Item	Notes	Action for
1	Meeting commenced at 17:36 No apologies received. No declarations of interest.	
2	<u>Agree non-confidential minutes of the 09.12.21 meeting and to note progress on current action points</u> The Committee agreed the non-confidential minutes of the 09.12.21 meeting were a true record and noted progress on current action points.	
3	<u>Review of NED Appraisal Policy</u> AW introduced the NED Appraisal Policy and explained that it aimed to ensure that NEDs had a regular opportunity to review their contribution to CBH and develop in the role. He noted that the review of the Policy had updated the format and language in line with other governance documents and aid clarity. AW added that the appraisal template had also been updated following feedback from the initial round of appraisals in 2021-22.	

	<p>TB commented that with JL due to step down in October 2022 there was limited value in carrying out an appraisal but that it could be a good opportunity for him to feedback on his experiences as Chair and any improvements needed. JL agreed that it would be a good idea for this to be more of a reflection on his experience.</p> <p>The Committee reviewed the updated Non-Executive Director Appraisal Policy and process and recommended it to Board.</p>	
4	<p><u>Review of NED Learning and Development Policy</u></p> <p>AW introduced the NED Learning and Development Policy and explained it aimed to establish an effective development programme and integrate a number of new approaches to learning. He explained that this included the Board InSight Programme, CBH Learning Zone courses, training from external sources and sector opportunities.</p> <p>AW highlighted that feedback had been received from a NED that it was not going to be possible for them to attend the Board InSight sessions due to work commitments. He noted that these had originally been timed for before Board meetings to avoid additional evening meetings. AW explained that sessions were recorded and provided to Board to mitigate against NEDs missing sessions but noted that this potentially limited a NED's opportunity to ask questions. He added that ET and LT were always happy to answer questions outside of meetings. AW highlighted that the policy had required NEDs to attend 2 Board InSight sessions at the time of the meeting each year and noted that it was suggested that this requirement be removed to reflect the difficulty attending provided to some NEDs. TB commented that there is a benefit to attending the Board InSight sessions at the time and that it would be good to consider moving the sessions to a different evening. BG commented that it was difficult for her to make the current timing and that she would prefer to attend the sessions rather than rely on recordings. JL agreed but noted that it was important to also consider the impact on the business and be considerate of requests on officers attending multiple evening sessions. He suggested that</p>	

	<p>priority could be given to ensuring NEDs were able to attend core sessions and that consideration could be given to incorporating sessions in Away Days. JL added that it was also important to highlight to NEDs that they can follow up Board InSight sessions with questions afterwards. TB noted that this should be discussed with the wider Board.</p> <p>ACTION - Review Board InSight session schedule</p> <p>AW explained that since the introduction of the policy there had been a large increase in engagement, particularly with external training opportunities but that we were primarily seeing a small number of NEDs attending. He noted that changes had been recommended to clause 5.5 to ensure that the training and development budget was not only used by a few NEDs but was fairly apportioned. JL commented that the suggested changes to the policy were good in principle but that it would also be good to consider why only a few NEDs are participating and how we can ensure more are participating. He suggested that the policy should ensure that we are connecting training needs identified in the appraisal process and linked to the needs of the business. BG commented that part of the difficulty was finding time to identify what training would be useful, particularly when there are work commitments. AW commented that the Governance Team can support NEDs in finding the right training more proactively and through administration of appraisals.</p> <p>ACTION - Heighten the links with appraisals in the NED Learning and Development Policy</p> <p>SS commented that it was also important that when NEDs attend training and conferences that they feedback to the Board and the business to ensure that the benefit of the training is spread more widely. TB commented that it did tend to be the same people attending conferences and suggested that this might be because some NEDS don't feel confident in attending. She noted that when we have multiple NEDs interested in attending conferences or training that we should assess who would benefit the most from</p>	<p>RW/AW</p> <p>RW/AW</p>
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	<p>attendance. TB also agreed with SS that it is good to know that feedback would be provided by NEDs after events.</p> <p>ACTION - Highlight within the Policy that NEDs should provide feedback to Board on training and conferences attended</p> <p>The Committee agreed that the Policy be withdrawn and an enhanced version based on the feedback provided be brought back to the Committee in June.</p> <p>The Committee rejected the updated NED Learning and Development Policy so that it can be enhanced and brought back to the Committee in June.</p>	RW/AW
5	<p><u>Review of NED Induction Policy</u></p> <p>AW introduced the NED Induction Policy and explained that it aimed to make newly appointed NEDs and co-optees feel welcomed, valued and provide them with the skills and knowledge they need to fulfil their role. He explained that we had discussed their experience with those currently undertaking inductions and updated the policy based on their feedback. AW added that some of the actions in Induction Programme have unfortunately not been completed which was reflected in the feedback. He explained that we would be reviewing the allocation of our time and resource to improve that in the future. AW noted that it was also likely to be easier in the future as it is unlikely that we will have such a high turnover of Board members.</p> <p>TB asked IM and BG to provide insight into how they have found the induction. IM commented that he had found it broadly very positive and that the online learning was excellent and the required reading had been very interesting. He noted that the external training opportunities were very good for someone new to the sector. IM added that what he had found most useful was the opportunity to ask AW and RW for additional support when he had questions. BG agreed that the online learning was really useful and that she been surprised at the depth of it. She noted that it was a very strong</p>	

	<p>induction. BG added that it would be useful to have more check-in meetings with JL and the Governance Team. JL agreed that this was an important element.</p> <p>JL commented that although we now have a much more structured induction it was important to acknowledge that it will likely take new NEDs a year to fully understand the role and CBH. He highlighted that new NEDs need to be reassured that it is alright that people undertake the induction at their own pace so that they are not overwhelmed. TB agreed that there was a lot to learn particularly for those who are working or have other commitments. BG commented that the wrap around support is very important and that NEDs will need different levels of support. She added that it is also important to ensure that NEDs feel they can ask for that support when they need it and regular check-ins would help. BG noted that hearing from other Board members would also be beneficial. TB agreed and noted that NEDs could send out any questions they have to the entire Board which would give them a broader spectrum of answers. JL commented that it had been an unusual situation with such a high turnover and that hopefully in the future it would be relatively easy to match new NEDs with a mentor already on the Board.</p> <p>The Committee reviewed the updated NED Induction Policy and recommended it to Board.</p>	
6	<p><u>Executive Team Remuneration, Appraisal and Succession Policy</u></p> <p>AW introduced the Executive Team (ET) Remuneration, Appraisal and Succession Policy. He explained that it ensures proper arrangements are in place for the annual appraisal of ET, that effective succession plans are in place and that the terms and conditions of their contract are reviewed every 2 years. AW noted that the Committee will receive a summary report from the CEO following the annual appraisals of the Executive Directors.</p>	

	<p>LG noted that the policy cemented the practices carried out in previous years. She explained that the approach mirrors that taken with colleagues to ensure that the ET are fully embedded into the practices of the organisation. LG highlighted that colleague appraisals have been reconsidered recently and built into a full Performance Lifecycle which will also be used to appraise the ET. SS added that the ET will also be assessed on how the organisation performs against the Business Plan through the measures of success. He explained that this provides two elements to the ET appraisal - a more human performance lifecycle that considers how you can personally effect the goals combined with consideration of the Business Plan progress at Board. SS highlighted that the personal side will also consider wellbeing and development.</p> <p>JL commented that this was a good policy but suggested that the section on Benchmarking should specifically state that the assumption is we will benchmark to the median, unless there are other reasons or justifications to adjust the amounts. SS agreed that this should be included with the specification that Board can deviate from the practice, for example, to reflect the operating environment.</p> <p>ACTION - Include statement in the ET Remuneration, Appraisal and Succession Policy that remuneration will be benchmarked to the median unless there is a reason to deviate.</p> <p>SS asked whether the Committee would like him to leave the meeting at this point but they confirmed that they would prefer him to stay.</p> <p>The Committee considered the benchmarking report provided by Campbell Tickell. SS highlighted that whilst Campbell Tickell had recommended the implementation of the 2022-23 NJC pay award from April 2022, ET feel it would be more prudent not to implement this due to the current operating environment. JL asked whether the recently agreed 2021-22 pay award had been implemented. SS confirmed that it was both reflected in current salaries and was reflected in the benchmarking review completed by Campbell</p>	<p>LG/ET</p>
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	<p>Tickell. JL agreed that it would be prudent to recommend the median level to Board without the 2022 pay award. SS confirmed that this would then be subject to the 2023-24 inflationary pay award and would be externally reviewed again in 2024-25. The Committee agreed that the median remuneration level should be recommended to Board, without the 2022-23 pay award.</p> <p>TB commented that it has been a difficult 2 years and asked whether the pay awards would be implemented for colleagues. SS confirmed that the 2021-22 pay award has been implemented, with colleagues receiving a backdated 1.75% increase and ET receiving a 1.5% increase. He explained that the 2022-23 negotiations have started and will be implemented for colleagues. SS added that due to the current market and inflation rate there will be pressure for a greater increase, dependent on the NJC negotiations. LG commented that due to the length of negotiations for the 2021-22 pay award, the amount seems out of place in the current context but that this will be taken into account in the upcoming negotiations.</p> <p>The Committee reviewed the draft Executive Team Remuneration, Appraisal and Succession Policy and Recommended this for approval by Board, subject to the changes noted in these minutes.</p>	
7	<p><u>Progress on Governance Review Improvement Plan - Remuneration and Nominations specific (standing item)</u></p> <p>AW updated the Committee on the progress of the Governance Review Improvement Plan and noted that the 1 outstanding action relating to NED remuneration could now be considered complete. He asked the Committee to consider whether to close this recommendation and close the Remuneration and Nominations specific items on the Governance Review Improvement Plan.</p> <p>The Committee approved the completion of recommendation 7 and closed the Remuneration and Nominations specific items</p>	

	of the Governance Review Improvement Plan.	
8	<p><u>Succession Planning (Standing item)</u></p> <p>TB introduced the report and noted that this is an important subject for the Committee and the report has been enhanced to capture discussion around tenures, recruitment and appointment, skills, and nominations.</p> <p>TB noted that whilst the report was normally only for discussion, on this occasion it asks for the Committee to recommend an approach to the recruitment of a new Chair to the Board. She added that it would be important to advertise and recruit to the role as soon as possible to allow the new Chair to have a handover period before JL's departure in October. SS commented that previously they had discussed a preference for having the Chair sit on the Board for 12 months prior to appointment and explained that CBC had highlighted during ongoing discussions around the Management Agreement that they would like this to be an external recruitment. He commented that internal applications would be welcome but this would allow for a competitive recruitment to take place. SS added that it is proposed that the panel that appoints the Chair would have members from both CBC and CBH to provide a balanced view – the panel to reach a consensus position ready for final agreement by CBC. He highlighted that whilst recruitment will be taking place prior to the approval of the Management Agreement it was recommended that we align with CBC's requests with regards to recruitment. JL noted that the Management Agreement will be approved separately from any recommendation the Committee makes. He added that this will be a good opportunity to test this process and ensure that we are comfortable with the suggested changes. JL highlighted that the Committee's recommendation would be to temporarily change the approach for recruitment of the Chair.</p> <p>TB commented that the purpose of the 12 months on the Board was to ensure the person appointed fits the ethos of CBH, understands</p>	

	<p>the organisation and supports the direction of our work. She noted that it will be difficult to gain this insight through an interview process, so we will have to consider how to capture this with external recruitment. AW noted that we have established a much improved recruitment process in the last year as reflected in the strength of the new NEDs. He highlighted that this was a value based recruitment which could be replicated with updates for the Chair position. AW added that it is also expected that internal candidates will apply. SS confirmed that this is a good middle ground that allows current Board members to apply whilst allowing us to test the open market as well. He added that we could find a great candidate externally that fits CBH's ethos and brings important skills to the Board.</p> <p>BG commented that it would be good to ensure candidates have the opportunity to spend time with teams and Board to get a flavour of how they interact with different people and get a sense of their personalities. AW noted that in the current recruitment process candidates meet with the Governance Team, JL and then the Selection Panel. He asked whether it was felt candidates for the Chair should meet with a wider group. BG commented that she has had interviews which included a morning spent looking around the organisation and talking to different people. She highlighted that this could be useful to include and that it would also be good for them to meet with available Board members. JL agreed and suggested that the Chair's recruitment should be modelled after the CEO Recruitment, which included an initial interview and a stakeholder interview. He explained that with limited NEDs on the final panel it would be good to include them in an advisory fashion during the stakeholder interviews.</p> <p>IM left the meeting.</p> <p>AW highlighted that IM's position as a co-optee is due to be reviewed by the Committee in June to consider whether he be appointed as a Tenant or Leaseholder NED, extended as a co-optee or retired. JL highlighted that he has ongoing meetings with IM</p>	
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	<p>every 4-6 weeks. He added that these are open and transparent conversations and they will discuss what the Committee are likely to recommend before June. The Committee also discussed that if IM doesn't become a NED he could be a fantastic addition to the Tenant Scrutiny Improvement Panel (TSIP).</p> <p>IM joined the meeting.</p> <p>AW commented that the report highlights that the currently dormant New Supply Committee will be addressed as part of the review of the Management Agreement. He noted that discussion at the Board Away Day had also raised concerns that committee membership is currently low leading to risks of non-quoracy. AW noted that he had consulted with Rob Beiley (Trowers & Hamlin) and have confirmed that co-optees could sit on a standing committee as a voting member. AW added following the Away Day we will also be considering additional delegation to committees with the 3 Chairs and will be bringing it back to Board in the summer.</p> <p>JL asked whether we will be asking NEDs not currently a committee member to join a specific committee. SS suggested that JL could discuss this with NEDs directly. JL agreed that he would talk to them and report back to the Committee. He noted that both Council NEDs have expressed difficulty with having the time to serve on committees. SS commented that with the desire to delegate more powers to committees it would be good governance to have a Council NED on the committee.</p> <p>AW introduced the updated skills matrix and commented that it shows a good breadth of knowledge. He highlighted that we feel some NEDs may be underscoring themselves and asked whether the Committee feel a more collaborative approach to scoring should be considered in the future. AW suggested as an example that this could be included for the Chair to review with a NED as part of the appraisal process. Committee agreed that they feel underscoring is possible and noted that assessing your own skills can be very difficult. JL suggested that the Committee could also consider using</p>	
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	<p>statistical analysis to review how people are scoring themselves and use that to adjust their scores.</p> <p>ACTION - AW to investigate in-house tools to enable statistical analysis of skills matrix entries</p> <p>AW noted that the role of Board Champions had been discussed at the Away Day with suggestions for further areas that could benefit from additional oversight. He noted that currently David Clowes (DC) was serving as Board Champion for Risk and Trish Blain was serving as Board Champion for Communities. TB noted that she had been unable to carry out much work as Communities Champion during the pandemic but that activities were beginning to increase again. She commented that with new roles it was important that a NED had a personal interest in the area. JL commented that there was a particular concern that there had not been a Health & Safety Champion reporting into Audit & Risk since Shane Brimfield had retired and suggested that candidates should be encouraged to put themselves forwards. SS commented that DC had done a fantastic job with the Risk Champion work and suggested that it would be good to have someone shadowing him. He noted that part of the success was having a clear reporting line into Audit & Risk. SS noted that it will be important to clarify how the Communities and Equality, Diversity & Inclusion Champion roles interact with committees or Board. JL noted that Remuneration & Nominations doesn't feel like a natural fit for either area he suggested that these could be roles that report back to Board. He added that it also felt like there was possibility for these roles to interact with the Vice Chair, if appointed, which would also provide more of a purpose and structural role for the Vice Chair position.</p> <p>ACTION - Ask for candidates to put themselves forward for the Health & Safety Champion role</p> <p>ACTION - TB, JL, and BG to discuss Communities and EDI Board Champion Roles, consider the part the Vice Chair could play in relation to these roles in discussion AW</p> <p>ACTION - Establish clear reporting lines for the Communities and EDI Board Champions and schedule on relevant workplans to tie into activities in those areas</p>	<p>AW</p> <p>RW/AW</p> <p>TB/JL/BG</p> <p>RW/AW</p>
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	<p>BG asked whether the suggestion at the Away Day was to introduce a Values Champion. She noted that this feels like an area where all of Board have a responsibility. JL agreed that this didn't feel like it needed a separate position. SS commented that it was important that Board Champions represented both the skills on the Board and a need within the business. He noted that the 4 roles discussed (Risk, Communities, EDI and Health & Safety) all have the potential to provide real value for CBH and should be our current focus.</p> <p>The Committee considered and provided feedback on the succession matters raised in the report and recommended an approach to the recruitment for the Chair of the Board to the Board for approval.</p>	
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Meeting Closed at 19:13



Signed.....

Date: 15/09/2022

Chair of the Remuneration and Nominations Committee