

SUCCESSION PLANNING – SENIOR STAFF POLICY (NEW)

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| <p><i>Purpose of the policy:</i></p> | <p>The purpose of this policy is to specify the process to be used for succession planning for the Association’s senior staff, which includes the Chief Executive, and the other members of the members of the Leadership Team.</p> |
| <p><i>Guidance used for developing the policy:</i></p> | <p>Scottish Housing Regulator’s Business Planning Recommended Practice, 2025 & 2020.</p> <p>Scottish Housing Association’s Senior Staff Succession Planning Guidance, 2021</p> |
| <p><i>Policy complies with the following Regulatory Standards:</i></p> | <p>Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.</p> <p>Standard 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.</p> <p>Standard 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation’s purpose.</p> <p>Standard 5: The RSL conducts its affairs with honesty and integrity.</p> |
| <p><i>Policy is linked to the following DPHA policies:</i></p> | <p>Notifiable Events policy Business Continuity Plan Staff Annual Performance & Development Review Policy Recruitment Policy Procurement Policy Privacy Policy Equality & Human Rights Policy Grievance Policy</p> |
| <p><i>Date Policy last reviewed:</i></p> | <p>New Policy</p> |
| <p><i>Date revised policy approved by the Board of Management (or PRWG if delegated):</i></p> | <p>March 2024</p> |
| <p><i>Date policy is next due to be</i></p> | <p>March 2024</p> |

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| <i>revised:</i> | |
| <i>Equality Impact Assessment carried out for policy?</i> | Yes |
| Publish revised policy published on the website? | No |

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Appendix 1: Succession Plan for the Leadership Team

Appendix 2: Protocol for deputising in the Absence of the Senior Officer & Members of the Leadership Team

1. Introduction

- 1.1 Essentially, succession planning is about supporting the development of Dalmuir Park Housing Association's (DPHAs) most valuable resource, its people and preparing for change. Succession planning for staff is a critical component of risk management and is an essential aspect of business planning.
- 1.2 This Policy focuses on succession planning for the Association's senior staff, which includes the Chief Executive, and the other members of the Leadership Team.
- 1.3 The Policy has been developed based on the Scottish Federation of Housing Association's (SFHA) Senior Staff Succession Planning Guidance, 2021. The guidance is part of a series of governance good practice publications and is intended to complement the SFHA's guidance on Governing Body Member Succession Planning and Recruitment.
- 1.4 The SFHA's Senior Staff Succession Planning Guidance emphasises the importance of integrating succession planning for senior staff (and the governing body) into the Registered Social Landlord's (RSL's) Business Planning processes. The focus of the SFHA's guidance and therefore this Policy is senior staff/Leadership Team, with particular emphasis on the senior officer.
- 1.5 DPHA has adopted the SFHA's guidance in full as the procedural document which supports the implementation of its Succession Planning – Senior Staff Policy. The guidance should therefore be read in conjunction with this Policy.
- 1.6 The Scottish Housing Regulator's (SHRs) Regulatory Framework, 2024 is explicit in specifying that it is the responsibility of the governing body to ensure that the RSL can meet its objectives effectively and that a critical aspect of this is to ensure that adequate and appropriate staff resources are in place. This means ensuring that the organisational structure contains the necessary posts to support the delivery of the organisation's objectives, meet tenant and service user expectations and comply with all legal and regulatory requirements, whilst ensuring that rents remain affordable for tenants. This Policy is intended to support the Board and the senior officer in undertaking effective succession planning for senior staff, with senior staff defined as members of the Leadership Team.

Regulatory Standards 1.1 and 6.7 are the most relevant in this regard:

1.1 The governing body leads and directs the RSL to achieve good outcomes for tenants and other service users.

6.7 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.

2. Planning Ahead

- 2.1 Succession planning for senior staff, is essentially about planning ahead, although it also involves an element of contingency planning, as the absence of a senior member of staff, especially the senior officer; the Chief Executive, can have significant implications for the Association. It must be remembered that, if the senior officer intimates their resignation or intention to retire, or is absent for an extended period, this constitutes a Notifiable Event to the SHR.
- 2.2 Succession planning is also about professional development too, enabling people to grow and take on new/additional responsibilities. This might be within the Association or beyond, but supporting professional development may contribute to effectively future-proofing the organisation e.g. by enabling staff to shadow each other and thus provide cover in the event of absence and to perhaps enable the Board to accede to requests for part-time/compressed working patterns by ensuring continuity. This may be helpful in the event of a senior member of staff approaching retirement and gradually reducing their working hours in preparation.
- 2.3 Succession planning is, therefore, connected to business continuity and risk management processes. As well as ensuring that the process by which decision-making is undertaken in the event of the departure of the senior officer is robust, it is critical that the Board is assured that their organisation is able to continue to function effectively during the interim period.
- 2.4 It is important to stress that succession planning is not about creating an internal career path for incumbent staff, although it should not be about obstructing internal progression either. Senior posts will always be externally advertised to demonstrate openness and transparency, promote equality and diversity, ensure that the market is tested and demonstrate that the best candidate has been selected.
- 2.5 It is also the responsibility of the Board to undertake an annual appraisal of the senior officer's performance and to ensure that the senior officer is supported to fulfil their role. The 2024 Regulatory Standards are explicit in setting out the requirement that senior officers undertake ongoing professional development. The report of the appraisal to the Board will form part of the evidence bank for the Association's Annual Assurance Statement.
- 2.6 It is appropriate for the appraisal discussions (throughout the organisation) to include consideration of where the staff member sees themselves over the next 3-5 years; to inform training and development and also to support workforce and succession planning. This is especially important in the case of the Leadership Team and, critically, the senior officer because vacancies, or absences at these levels are likely to be more difficult to fill or to cover. Although individual plans and personal circumstances change, and unexpected opportunities arise, the Board should aim to be aware of whether or not there is a foreseeable likelihood of the senior officer leaving within the period of the Business Plan.

- 2.7 Since succession planning at senior levels is about both future-proofing and contingency planning, it is important for the Board to give advance consideration to how it will manage the departure or absence of the senior officer. The role of the Board is primarily to lead and direct the organisation and, in the normal course of events, neither the Board nor the office bearers should get involved in operational and/or organisational issues.
- 2.8 The absence of the senior officer is a significant exception to this norm and such a situation will require the Chair and other office-bearers' close involvement. There are two aspects to this: ensuring that the organisation continues to function and maintain business as usual; overseeing the tasks and processes associated with responding to the departure of the senior officer. The organisation's Business Continuity Plan and organisational structure should be sufficiently robust to support ongoing operational effectiveness, but the Board must be assured that these plans will work. An important element of effective succession planning is, therefore, ensuring that the senior officer and remaining colleagues have effective arrangements in place to support and assure the Board that normal business will be maintained.
- 2.9 It is essential that any risk of perceived conflicts of interest are recognised and managed effectively; in some situations, this may make it inappropriate for other members of the Leadership Team to be involved in supporting the Board. An obvious example would be where there is a possibility that one or more of the existing senior staff may apply for a vacancy: they cannot be involved in supporting the recruitment process. In overseeing and managing the absence of the senior officer, the Board should be especially mindful of the importance of obtaining appropriate specialist and / or professional advice.

2.10 Appraising the Senior Officer

Although this Policy is not focussed on how to carry out the senior officer's appraisal, it is important to recognise that the annual appraisal is a key component of effective succession planning. It is the responsibility of the Chair to carry out the senior officer's appraisal including setting objectives, overseeing performance and professional development. Confirmation that the appraisal has happened should be an element of the Association's evidence bank for the Annual Assurance Statement. When considering the approach to the senior officer's appraisal, consideration should be given to the following:

- **How does the senior officer's appraisal fit with the organisation's appraisal process?** Reference should be made to the Association's Staff Annual Development and Performance Review Policy.
- **Who is involved in the appraisal discussion?** As a general rule, the Chairperson and the Vice-Chair should carry out the Chief Executive's Annual Review. In the absence of the Vice-Chair, another member of the Board should be part of the appraisal process. It is important to ensure that the Board members who are

involved have received appropriate training to equip them for their role and that there is support provided on an ongoing basis.

- **Involving the Board:** There should be an opportunity for the Board to comment on the senior officer's performance; this might be in the context of the overall relationship between the Board and senior staff which is likely to form an element of the Board's annual reviews. It is essential that the Board is assured that the appraisal is being conducted in accordance with the agreed policy and that a report is presented by the Chair to the Board once it has concluded.

3. Succession Planning for the Senior Officer

3.1 Here are some key points that should be considered in order to ensure sound governance:

- Ensure there is an up-to date Succession Plan in place for the Leadership Team. The Plan should be updated annually by the Chief Executive after the annual reviews for the Leadership Team have been completed, with the revised Succession Plan being presented to the Board for approval.
- The Succession Plan specifies DPHA's arrangements for deputising in the temporary absence of the senior officer and other members of the Leadership Team as well as the interim between resignation and appointment.
- The Succession Plan also covers arrangements for back-filling in the event of another member of the Leadership Team takes on the responsibilities of the senior officer on a temporary basis.

3.2 The Succession Plan is attached at **Appendix 1**. Succession Plans form part of the evidence bank that demonstrate compliance with Regulatory requirements.

4. Considerations When Senior Officer is Leaving/will be Absent

4.1 Although the situations created by the resignation or extended absence of the senior officer are very different, there are some common considerations and requirements:

- Both constitute Notifiable Events – the Chair is responsible for ensuring that the required notification is made to the SHR and for reporting compliance to the Board. Consequently, they must have access to the necessary support and assistance from another senior staff member to fulfil their responsibilities effectively.
- There must be clarity about responsibility – the Board must have confidence that, in the absence of the senior officer, the key responsibilities of the role continue to

be fulfilled. A protocol that sets out who is responsible in the various potential absence scenarios (i.e. whilst the senior officer is routinely absent on holiday or because of short-term illness; during prolonged absence caused by illness or other exceptional circumstance; during the interim between the senior officer's departure and the successor taking up their appointment). Although not all of these scenarios directly relate to succession planning, DPHA has created a protocol for managing such situations. See **Appendix 2**.

5. Understanding Senior Officers' Future Intentions

- 5.1 Where the appraisal process identifies that the senior officer is likely to be pursuing a career move or considering retirement over the next two/three years, there are some important actions that need to be planned. If the senior officer is contemplating retirement, there is no firm rule about when someone might advise the Board of their intentions to retire and the decision is entirely personal and individual. What is essential, however, is to avoid creating uncertainty which might be de-stabilising. Consequently, succession plans should be treated confidentially and should be regarded as being subject to change.
- 5.2 As a first step, however, it is important that the Board is aware of the notice period that applies to the senior officer. DPHA requires the Chief Executive to give at least three months' notice. Once notice is given it is important to use this time effectively to ensure that everything is in place when it needs to be.
- 5.3 It is also important to recognise that it could take longer to recruit a new senior officer than the notice period provided by the departing officer and so consideration has to be given at an early stage to any need for interim cover. Having an established deputising protocol will inform the Board's consideration of what arrangements might be required.
- 5.4 The resignation of the senior officer is a Notifiable Event to the SHR.
- 5.5 In response to the Notifiable Event relating to the senior officer departing, the SHR will ask the Association what action it plans to take next. It will also seek assurance that the Association has an up-to-date Business Plan that it can use to base a decision about its strategy on.

6. Link to Business Planning

- 6.1 Where it is known that change is being contemplated by the senior officer, it is important to review the Business Plan to ensure its compliance with the SHR's recommended practice.
- 6.2 This will ensure that the Board has a framework within which to decide how to proceed in the event that the senior officer submits their resignation. Effective succession planning will support the Board in its review and monitoring of the Business Plan, as each is dependent on the other: the Board should be satisfied that the senior staff/Leadership Team have the necessary skills and knowledge to deliver the

objectives of the Association as set out in the Business Plan and structured succession planning should form part of the approach to ensuring this.

- 6.3 The focus of this Policy is on ensuring that sound governance is exercised in planning for the succession of the senior officer and overseeing the recruitment of a successor.

7. When the Unexpected Happens

- 7.1 It has to be remembered that succession planning is just that, a plan, and plans do not always work. Unexpected situations (and opportunities) can arise for individuals which cause them to rethink their intentions and make decisions which have implications for their employer. By ensuring that DPHA's Business Plan is up to date, and that the Association's strategy is regularly reviewed, the Board should be relatively well assured that it has capacity to respond to the unexpected departure (or absence) of the senior officer.

8. Managing the Interim

- 8.1 The outgoing senior officer will not play any active part in the recruitment of their successor, although their views should be sought on, for example any amendments that they might recommend to the role description and the internal capacity to cover the interim period.
- 8.2 It is essential, that the Board agrees appropriate interim arrangements as soon as the resignation is intimated. These arrangements will require to be included in the Notifiable Event notice that is submitted to the SHR on the instruction of the Chair. The protocol for deputising in the absence of the senior officer is included at **Appendix 2**.
- 8.3 Where there is a designated Deputy, the Board will need to consider the period of their acting-up responsibilities and the additional remuneration to be offered. It is likely that, in this situation, the outgoing post-holder will be able to advise on the suitability of other members of the Leadership Team for this role. The Board must be satisfied that the interim, or acting senior officer is able to carry out the required responsibilities effectively. Internal and/or external advice should be sought about whether there will be a need for any back-filling to cover some of the interim officer's responsibilities.
- 8.4 If there is not the internal capacity to cover the senior officer's absence, the Board will have to make an external interim appointment. The Board must ensure that it obtains appropriate professional advice from its lawyer, HR adviser and/or specialist consultant.
- 8.5 Throughout this process, it is essential that the Board remains well-informed and up to date about the decisions and actions being taken; the use of any delegated authority and advice sought and received.

9. Decision Making

- 9.1 The Chair is responsible for notifying the SHR of the senior officer's resignation, or absence, should the absence be longer than 4-weeks, and for ensuring that the appropriate arrangements are made to cover the interim period. This is also the case in the event of the senior officer being absent for a prolonged period, for example because of illness.
- 9.2 The Board should meet at an early stage to consider and agree the arrangements to fill and cover the vacancy. To take forward the process the Board should delegate responsibility to an existing Committee or Recruitment Panel, whether that involves proceeding immediately to recruitment or whether there is work to be done by the Board in respect of its current Business Plan. A critical consideration is ensuring that there are appropriate and effective arrangements in place to support and service the Committee and the office-bearers.
- 9.3 The Committee or Panel should have a clear remit in terms of the recruitment of the senior officer that specifies its level of delegated authority. If a Recruitment Panel is established all Board members should at least have the opportunity to consider whether they wish to participate.
- 9.4 Board members should always be adequately supported and equipped to fulfil the roles that they undertake; consideration should be given to any additional or specific training that those involved in recruitment may require.
- 9.5 Responsibility for agreeing the role description, person specification (including essential criteria), remuneration package and terms of appointment must remain with the Board, but the Committee or Panel should have delegated authority to implement and oversee the implementation of the agreed approach. An appropriate budget should be allocated to support the recruitment process.
- 9.6 Recruitment of a senior officer should always be undertaken externally. The Board should ensure that internal policies are clear and consistently applied, for example will internal candidates automatically be granted an interview?
- 9.7 Some of the tasks that the Committee are responsible for include:
- Considering:
 - The need for specialist advice and/or support and commissioning it.
 - Interim arrangements and making recommendations to the Board.
 - Agreeing:
 - The communication plan.
 - The brief for the appointment of recruitment advisers; their selection and appointment.
 - The advert, recruitment pack and recruitment timetable.
 - The selection, short-list and interview process.

- The composition of the interview panel, which should always include the Chair.
- The interview format (e.g. one or two-stage process; use of assessment tests/analysis/profiling; interview questions; presentation requirements etc)
- The selection for second/final interviews if required.
- The preferred candidate to recommend to the Board for approval.

9.8 Finally, reporting to the Board on the completion of the Committee's remit and identifying any lessons learned.

10. Additional Support

10.1 Although the Board is responsible for managing the situation created by the departure or absence of a senior officer, it is important that appropriate support is provided to the Board. This might be from internal and/or external sources. Specific consideration needs to be given to:

- How the Committee and/or Recruitment Panel will be supported.
- Responsibility for briefing/instructing/liasing with specialist advisers.
- The role of the outgoing senior officer.
- The role of other staff, for example Corporate Services and the Leadership Team.
- Management of Conflict of Interests,

10.2 If there is a possibility that one or more internal candidates will apply for the vacancy, it is critical that confidentiality is maintained. The Board will obtain some external support to fulfil the role that would, in other circumstances, be performed by the senior officer or another senior staff member.

10.3 When recruiting for a senior officer, many RSLs use recruitment advisers. The role of professional /specialist advisers is to advise, and decisions must be made by the Board in accordance with delegated authority and this includes agreeing the short-list of candidates to be interviewed. It is essential that, throughout the recruitment process, a clear audit trail is maintained. This is a role that either the recruitment adviser or whoever is supporting the Board should perform.

10.4 If external support is to be obtained, the Board should develop a brief and ensure that the Association's Procurement Policy is followed. The outgoing senior officer should be able to support this aspect of the Board's work.

11. Some Specifics to Consider

11.1 Reviewing the Senior Officer Role Description: When the senior officer's post is about to become vacant, it is good practice to review the role description and the person specification against the Business Plan to ensure that it continues to reflect the organisation's priorities, particularly going forward.

11.2 Involving Tenants and Service Users: Although the decision to appoint rests with the Board, it is important to think about how a tenant perspective can inform the recruitment process. If possible a tenant member of the Board should be directly involved in the recruitment process, and the Tenants' Panel views could be sought on the Person Specification for the role.

11.3 Advertising: Reference should be made to the Association's Recruitment Policy, which states that any vacancy for the senior officer position should be advertised both internally and externally at the same time, with any internal candidate guaranteed an interview. The recruitment process must be transparent, consistent and robust at all times.

11.4 Communication: The departure of a senior officer is a significant event, and it is important that there is clear communication to ensure that the Association's reputation is maintained. A communications plan should be developed to ensure that staff, tenants, partners and stakeholders are kept informed at key stages of the process.

11.5 Induction Training: Once an appointment is made it is important for the Board to agree the key components of the senior officer's induction programme. This is something that the outgoing senior officer should be invited to contribute to as they will be well placed to identify the core elements of a successful induction programme.

12. DATA PROTECTION

12.1 The Association will treat personal data in line with its obligations under the current Data Protection regulations and its Privacy Policy. Information regarding how data will be used and the basis for processing data is provided in the Association's Employee Fair Processing Notice.

13. EQUALITY AND HUMAN RIGHTS

13.1 The Association is committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equality of opportunity for all. This is reflected in the Association's Equality and Human Rights Policy.

14. DISSATISFACTION

14.1 Any employee not satisfied with the implementation of this Policy can in the first instance raise their concerns with the senior officer (or the Chair if the employee is the senior officer) dealing with the situation. If the employee remains dissatisfied, they should refer to the Association's Grievance Policy and procedures.

15. POLICY REVIEW

15.1 This Policy will be reviewed by the Board every 3-years or earlier if required.

Appendix 1 - Succession Plan for the Leadership Team

| Post | Date of Appointment to Role and Appraisal Date | Aspirations / Intentions / Development Priorities (with relevant BP references) | Internal Succession Candidates (e.g. current deputy) | Organisational Impact |
|---|---|--|--|---|
| <i>Director/CEO [Illustrative example only]</i> | <i>Appointed August 2008. Appraisal March 2023 (Chair & Vice-Chair)</i> | <i>Intending to retire within next 5 years; continue to pursue sector leadership and development activities; begin to prepare for retirement by attending selective training</i> | <i>Leadership Team deputise based on their service area for short-term absences only</i> | <i>Recruitment likely to be required not later than 2027/28. Review and update Business Plan. Review deputising arrangements.</i> |
| Chief Executive | Appointed: Appraisal: | | | |
| Care Services Manager | Appointed: Appraisal: | | | |
| Customer Services Manager | Appointed: Appraisal: | | | |
| Finance & Corporate Services Manager | Appointed: Appraisal: | | | |

Appendix 2 - Protocols for Deputising in the Absence of the Senior Officer & Members of the Leadership Team

(Please note that this will also be covered in the Scheme of Delegation which, of course, will be much more extensive and cover all aspects of the organisation's activities)

| PROTOCOL FOR DEPUTISING IN THE ABSENCE OF THE CHIEF EXECUTIVE | | | | | |
|--|----------------------|------------------|----------------------------|---------------|--|
| Reason for Absence | Anticipated Duration | Nominated Deputy | Authorisation Requirements | Budget Impact | Notifiable Event Requirements; Compliance Responsibility |
| Annual Leave | Up to 3 weeks | | | | |
| | 4 weeks or more | | | | |
| Non-working day(s) (e.g. compressed hours; part-time hours) | | | | | |
| Illness; Compassionate; Bereavement | | | | | |
| Jury Service | | | | | |
| Secondment | | | | | |
| Resignation Interim Period | | | | | |

PROTOCOL FOR DEPUTISING IN THE ABSENCE OF THE CARE SERVICES MANAGER

| Reason for Absence | Anticipated Duration | Nominated Deputy | Authorisation Requirements | Budget Impact | Notifiable Event Requirements; Compliance Responsibility |
|--|-----------------------------|-------------------------|-----------------------------------|----------------------|---|
| Annual Leave | Up to 4 weeks | | | | |
| | 4 weeks or more | | | | |
| Non-working day(s) (e.g. compressed hours; part-time hours) | | | | | |
| Illness; Compassionate; Bereavement | | | | | |
| Jury Service | | | | | |
| Secondment | | | | | |
| Resignation Interim Period | | | | | |

PROTOCOL FOR DEPUTISING IN THE ABSENCE OF THE CUSTOMER SERVICES MANAGER

| Reason for Absence | Anticipated Duration | Nominated Deputy | Authorisation Requirements | Budget Impact | Notifiable Event Requirements; Compliance Responsibility |
|--|-----------------------------|-------------------------|-----------------------------------|----------------------|---|
| Annual Leave | Up to 4 weeks | | | | |
| | 4 weeks or more | | | | |
| Non-working day(s) (e.g. compressed hours; part-time hours) | | | | | |
| Illness; Compassionate; Bereavement | | | | | |
| Jury Service | | | | | |
| Secondment | | | | | |
| Resignation Interim Period | | | | | |

PROTOCOL FOR DEPUTISING IN THE ABSENCE OF THE FINANCE & CORPORATE SERVICES MANAGER

| Reason for Absence | Anticipated Duration | Nominated Deputy | Authorisation Requirements | Budget Impact | Notifiable Event Requirements; Compliance Responsibility |
|--|-----------------------------|-------------------------|-----------------------------------|----------------------|---|
| Annual Leave | Up to 4 weeks | | | | |
| | 4 weeks or more | | | | |
| Non-working day(s) (e.g. compressed hours; part-time hours) | | | | | |
| Illness; Compassionate; Bereavement | | | | | |
| Jury Service | | | | | |
| Secondment | | | | | |
| Resignation Interim Period | | | | | |