



NED Network briefing

8 November 2021

Set up by [HACT](#) and [PlaceShapers](#), with the support of [Anthony Collins Solicitors](#) and [Badenoch + Clark](#)

How mentoring for succession planning can help address diversity at Board level across the sector

A discussion led by Elyse Hodgess, Board Trustee, Leadeership 2025 and Senior Manager, Badenock + Clark

Building on Patricia McCabe's June session [Actions speak louder than words – how should Board Members lead their organisations on equality, diversity and inclusion that delivers real change](#), this session considered the importance of board member inclusivity.

Attendees heard from Mushtaq Khan, CEO of Housing Diversity Network, who shared his view on Diversity at Board Level, Kam Urwin who outlined HDN's Board Diversity Programme and Luke Jno Baptiste who shared his experience of being a Trainee Board Member. Mushtaq opened the discussion by delivering a presentation on Optimising Board Effectiveness by improving board diversity.

Inside Housing Survey 2021

- 25 out of 101 boards are all white
- 41% of board members are women
- 2.6% of board members identify as lesbian or gay
- 4.9% of board members have a disability
- 8% of board members are tenants.

Why Diversity Matters in Housing: Regulatory Reasons

- [The Social Housing White Paper](#) which mentions treating tenants "fairly and with respect", focuses on tenant engagement and good quality homes and neighbourhoods. It is difficult to achieve any of those things without having a good agenda on board diversity and diversity across the organisation as a whole.
- [The National Housing Federation Code of Governance](#) - Boards must demonstrate clear and active commitment to EDI
- [Public Service Equality Duty](#), came into force 5th April 2011, to "have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people"
- [Equality Act 2010](#) protects individuals from unfair treatment in the provision of goods, services, facilities and employment.
- [Human Rights Act 1998](#) requires public organisations to treat everyone equally and with fairness, dignity and respect.
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Why Diversity Matters in Housing- "We are about meeting the need!"

- Social housing exists to help people have a decent affordable home- we need to understand and meet the needs of those most at risk of poor housing and homelessness:
- People with caring responsibilities
- People needing care
- Older and younger people
- People who have faced discrimination and abuse
- People with less money or opportunity
- Figures from Shelter show that 1.15m households were on waiting lists with only 290,000 homes made available, leaving a shortfall of 800,000+ homes (Guardian, 9th June 2018).
- Are our boards as diverse as those 800k homeless households? Typically, 30% of homeless households are from minority backgrounds. HDN therefore requested to create the Board Diversity programme.

Diversity Dividend

- Prioritising diversity offers a competitive advantage as well as attaining a heightened level of satisfaction (DBIS).
- [McKinsey and Co in their report 'Diversity Matters'](#), examined data sets from 366 public companies across the Americas & the UK showing:
- Companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns than their respective national industry medians
- Those in the top quartile for gender diversity are 15 percent more likely to have greater financial returns
- Conversely, companies in the bottom quartile both for gender and ethnicity and race, are statistically less likely to achieve above average financial returns.

As well as for workforce diversity, there's similar evidence for Board Diversity (Fairfax, 2005)

Why a board trainee programme?

- Essentially a succession planning programme which says you cannot magic up a diverse board overnight
- Recruits on potential rather than the finished article
- Looking for people who are new, close to the community, and people who have never considered board roles before

HDN board trainee programme

1. Preparing and positioning existing board and organisation for a more diverse board- avoids ignorance, unhelpful terminology, unconscious bias, paternalism
2. Searching for and selecting of diverse board members - particularly re: ethnicity and younger members, a concerted effort is required to create a pool of diverse individuals. Recruiting for potential, 2-year programme working on their board development.



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3. Inducting and consolidating these board members - (actual or prospective) knowledge, behaviour and good practice.
4. Retaining and ensuring good contribution from new members - experience of adverse conditions affects the individual/s or even the reputation of board/ organisation.

What else are HDN doing with boards?

- Board excellence programme for new and existing board members, good for people wanting to improve their governance ability
- Direct recruitment help
- Working as recruitment advisors to help with the whole process
- BME Board Member Network- provide support and help, because quite often when diversity is spoken about all eyes turn on one person which is an unfair burden
- BME Action Learning Set
- Podcasts/ webinars and conference
- Organisational EDI Accreditation

Luke shared his experience of being a Trainee Board Member. His day job is as a Senior Community Development Officer at Community Gateway Association. He joined the programme in 2019; applying partly out of curiosity as to how decisions are made at his own organisation. He was also persuaded by the programme's advert. The bold question "how would you make a difference with £74 million?" drew him in. The language seemed targeted at a more diverse audience rather than a select field of professionals with backgrounds in things like finance or law. The focus was placed on individuals' spirit and not their background. This took away the worry about whether you were the right person as it was clear they would work with you to develop you.

At the assessment centre for the programme, he was asked questions about his passions. It was a person-centred approach, rather than focusing on technical experience or knowledge of the organisation. The programme centred on three areas: mentoring, training, and observing. He was given three mentors, a board buddy, an exec mentor, and a business mentor to support him through the process and contextualise his understanding. The training section covered 4 full day training workshops and several bitesize training sessions. The observation section gave him the opportunity to sit in on board meetings and watch practised board members in action. Following the programme, he was successful in applying to be a BM at Mossclare St Vincent's HA and TLC: Talk, Listen, Change.

Kam explained that in her personal development role she works one to one with trainees, taking a strength-based approach to development. Trainees' non-executive experience does not matter, but their experience from other areas of their lives does. This means that people can maintain their individuality and not get sucked into an institutionalised mind frame. Trainees are able to develop their confidence, leadership skills and strategic thinking. The programme also provides networking opportunities for trainees across the housing sector.



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Q&A session

1. Board members who had mentored on the programme found it a very positive experience. They described it as a two-way street where they learnt as much from their mentee as they taught them
2. Since the [NHF Code of Governance](#) was released last year, other organisations have been running their own mentoring groups to bring in new board members, particularly those from underrepresented groups. Organisations have been setting aside dedicated time to consider their EDI journey and to review and map the diversity figures in their organisations. The consensus was that these have been positive and impactful steps but there is still much more that needs to be done
3. It was recognised that, whatever your background, joining a board can be a challenging and daunting experience so extra support and guidance is of real value
4. To persuade boards who are less inclined to centre EDI as a key strategic policy, a good approach is to emphasise it is a key component of succession planning
5. There is also a need to curate better storytelling on EDI issues and their successes, e.g., Luke's case study which clearly highlights the benefits of mentoring and less traditional recruitment methods
6. Successful diverse recruitment and succession planning takes considerable time. Boards need to think about their strategies in advance and there is no quick fix. They need to take the time to get it right
7. It is important not to overemphasise the value of technical expertise. Boards which look good on paper are not always the highest performing or the boards to ask the difficult questions. We should acknowledge that not everybody is fully formed with professional backgrounds when they start their board journey, but they may be better at having the harder conversations. E.g., those surrounding damp and mould
8. There is a need to reach people who do not engage in EDI issues. Fewer people attended this event than other NED network meetings. Strategies need to be developed to attract people who are disengaged and make sure that people understand this needs to be a high priority issue. Board Member financial remuneration may continue to attract older, male candidates. Different incentives over support, mentoring and personal development should be used. Catchier advertising of the issues is a potential avenue; EDI issues could be framed as a method of future proofing organisations. Governance managers may be a route into organisations, but they will not always have a strong influence
9. Focusing on the governance element of the ESG reporting standard may be a method for influencing change and providing a tool for accountability.

Peter Hubbard and Holly McKechnie
Anthony Collins Solicitors LLP

Next meeting: Monday 22 November 4pm - 5pm - [Register Here](#)

[How boards conder XXXX Social Value XXXXX](#)

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