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Dear David

As part of our continued development of North Hertfordshire Homes we have been discussing with you the development of skills and competencies which form the core of our Board and Executive. My letter asks that the Council agree to the proposed changes which are set out below and which have been consulted upon with our residents.

As the complexity of our business grows and the pressure in society to provide and manage affordable housing intensifies we have been conscious of the need to develop the skills and expertise of our leadership in accordance. As a result, we have worked with a number of advisors over the past year to help us establish that range. This has included:

- A review of our executive staff and recruitment to a new range of roles.
- A competency analysis of our Board members to help ensure we have the right range of skills and breadth of personality types to successfully guide the business.
- A governance review of our business to ensure we follow best practice.

Our governance review recommended that we consult on changing the make up of our Board to ensure it is best placed to fulfil its fiduciary duties. In order to achieve this it recommended the following:

- A reduction in the overall size of the board from 12 to ten members.
- A reduction in the number of Council nominees from three to two.
- An increase in number of Independent Board Members from six to eight and a corresponding reduction in Tenant Board Members from two to zero.
- Maximum term of office reduced from nine years to six years with an extension of one year on a year-by-year basis under exceptional circumstances\* to an absolute maximum of nine years.

These recommendations reflected on both the need for organisations to demonstrate a much stronger understanding of the voice of their customer business wide and the need to ensure the right balance of skills and expertise are present in our governance structure.

Following this advice we undertook a 6 week consultation process where all tenants of NHH were written to about the proposed changes. The consultation process ended on 30 September 2016. Out of a total of 8794 tenants, NHH received only 33 responses. These responses were as follows:

For: 4  
Against: 24  
Neutral: 5

From the experience of our advisors the level of response that we received is normal in this type of tenant consultation as the response rate is usually very low. Following a review of the consultation we are assured that our customers are not overly concerned by the proposed changes and that the concerns raised by the 24 responses against the proposal largely dealt with the issue of where our customer voice will be heard across the business if a customer is not present at Board meetings as a Board member.

Our proposals do not exclude customers from the Board room and the recommendation we are pursuing is that our current tenant board member remains on our Board as an independent member. Additionally, we have been undertaking extensive work across our business to enhance the voice of our customer. Our Board have recently signed off our new voice of the customer strategy which puts our customers at the heart of our service design and involves the creation of a new panel which will be open for customers to join and which will oversee the work we do to capture a wide range of customer voices.

On this basis we feel confident that the changes we are proposing are in the best interests of our organisation and our customers. As a result I would value the support of the Council in accepting these changes ahead of NHH's board signing them off and ask that you seek the agreement of the Council to this change as required by North Hertfordshire Homes' terms.

If we can be of any assistance in supporting this process then please do not hesitate to ask.

Yours sincerely



Gavin Cansfield  
Chief Executive