



Hendre

Hendre Board composition statement 2024



Board Composition Statement September 2024

Background

In line with the rules of Hendre and Hafod the composition of the Hendre Board, its subsidiaries and committees are reviewed annually. The review of the governance structure and membership is undertaken by Hendre's Remuneration, Appointments and Governance Committee (RAG) who scrutinise these matters in line with its terms of reference.

This statement sets out composition as of the 30 September 2024 and includes the following:

- Board composition
- Board membership
- Equality and diversity monitoring
- Skills assessment
- Recruitment needs for 2024/25
- Succession planning including length of service
- Pathway to board programme

- **Board Composition**

Hendre is the parent board with strategic responsibilities and Hafod board focused on operational oversight, the structure and roles of each board are designed to ensure effective governance at different levels of the organisation. Here's how these roles and compositions differ and complement each other:

Hendre Board: Strategic Oversight

Hendre Board governs at a high level, focusing on long-term strategy, financial viability, treasury management, risk management, and overall corporate governance. Its composition reflects the need for strategic expertise with members having experience in leadership, industry knowledge, and corporate strategy to set the organisation's overall direction.

The Board needs a diverse perspective with members from varied backgrounds, geographies, and sectors to provide insights into the broader market and to ensure well-rounded decision-making. It also requires individuals capable of assessing new business opportunities, mergers, acquisitions, and innovation, ensuring the organisation is forward-thinking and politically savvy.

Hafod Board: Operational Oversight

Hafod board oversees the more specific, operational aspects of business areas. It focuses on ensuring the strategic goals set by the parent board are executed effectively. Its composition reflects operational expertise, technical and functional skills, local, regional and political understanding: performance and compliance focus.

- **Board Membership**

Under Rule D2 Hendre's Board shall consist of between 5 and 15 board members (including co-optees).

Hendre currently has # 8 Board members

Under Rule D2 Hafod's Board shall consist of between 9 and 15 board members (including co-optees).

Hafod Board currently has #11 members

By focussing on the competencies, we ensure we have the right mix of skills and expertise necessary for effective governance. This optimal size allows for more streamlined decision making while still providing the diverse range of perspectives needed to guide the organisation and enhance overall board performance.

In the period since the last Composition Statement two members retired under the 9-year rule and 1 member resigned.

- **Equality, Diversity, and Inclusion**

In October each year the Hendre Group produces a diversity and monitoring report for Welsh Government.

Hendre is steadfast in its commitment to promoting equality, diversity, inclusion, and social mobility, with a particular focus on our board and committee membership. We understand that diverse leadership is essential for driving innovation and fostering equitable decision-making. As we continue to improve, we remain dedicated to ensuring that our board reflects the broad range of backgrounds, experiences, and perspectives within the communities we serve. Additionally, we are committed to supporting social mobility, actively seeking to create opportunities for individuals from all socioeconomic backgrounds to contribute to our board's work.

We will continue our membership of the Pathway to Board programme to create an accessible route to leadership for individuals from diverse backgrounds. This initiative seeks to identify, mentor and develop talented individuals who may not have traditionally had access to board-level opportunities, including those from underrepresented groups and varying socioeconomic backgrounds.

This approach enables us to better understand and address the diverse needs of our community while promoting an inclusive culture that values every voice.

- **Skills Assessment**

The purpose of the skills assessment is to evaluate the competencies, expertise, and technical understanding of our boards and committees, ensuring they are equipped to meet the organisation’s strategic objectives. This process involves identifying the optimal composition of the board, conducting an annual performance review of individual members, and developing both individual and collective development plans to address any gaps. Additionally, the overall effectiveness of the board is reviewed to ensure strong governance and leadership. This entire process is overseen by the Remuneration and Governance Committee, which ensures accountability and alignment with the organisation’s governance goals.

In September 2024 Hendre’s Remuneration, Appointments and Governance Committee discussed and updated the skills required of board and committee members. See Appendix 1 for the skills matrix.

- **Recruitment needs 2024/2025**

The Board composition for the coming year has been reviewed in line with the 2024 skills gap analysis. We identified a good overall mix across all boards and committees with the following vacancies:

Vacancy: RAG has identified one vacancy on FRAC for a member with expert knowledge and experience in Health and Social Care

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Vacancies: RAG has identified two vacancies on the Hendre Board for members with HR legal - expert and Health and Social Care - expert

- **Succession planning**

As an organisation we adopt the CHC Code of Governance and as such no member will serve beyond 9 years. We monitor this on an annual basis analysing both terms of office as well as skills and experience.

Table 1. Length of service

Time served on Boards and Committees as at September 2024

	Members within first 3 year term	Members between 3 and 6 years term	Members in year 7	Members in year 8	Members in final year
Board members	8	3	3	0	0
Independent members	1	1	0	0	1

- **Pathway to board scheme**

In 2021, we pledged our commitment to the 'Pathway to Board' scheme which is a programme designed to provide opportunities to people from Black, Asian, Ethnic Minorities backgrounds to build the skills and experience they require to join boards and committees across south Wales.

We continue to support the scheme with a financial contribution and mentorship. The Executive Team has also coached potential board members who were not successful in obtaining Board roles but demonstrated future potential.
