



## **GOVERNANCE STANDING ORDERS AND FRAMEWORK**

**Date Created:** 18.02.16

**Review Period:** ANNUAL CHECK AND OVERALL REVIEW  
EVERY 3 YEARS

**Previous Review:**

**Next Review Due:** February 2017

**EIA Screening:**

**Review By:** RESOURCES DIRECTOR

**Responsible Director:** CHIEF EXECUTIVE

**Approved By:** BOARD

**Associated documents:**

# YORK HOUSING ASSOCIATION

## STANDING ORDERS

### INTRODUCTION

York Housing Association (YHA) is an independent social business working with local people and partner organisations to benefit local communities. The Association was established in 1964 and its mission is to be an excellent landlord, providing high quality housing and support services, making a positive contribution in the communities with which we work. YHA's values are as follows:

- Ensure that customers are a driving force behind the business.
- Be pro-active in finding ways to support a diverse range of individuals and local communities.
- Treat all those with whom it is associated equally, fairly and with respect and actively challenge any form of discrimination.
- Use creativity and innovation to achieve continuous improvement.
- Maximise the positive environmental impact of our activities.

### LEGAL CONSTITUTION

York Housing Association is a registered society registered under the Co-operative and Community Benefit Societies Act 2014 and as a registered provider of social housing with the Homes and Communities Agency. It is an exempt charity.

### BACKGROUND

This document is designed to ensure that York Housing Association demonstrates the highest standards of governance.

It seeks to follow the guidance provided by the National Housing Federation (NHF) in the *Code of Conduct 2012* as well as following the code itself.

The Standing Orders and Governance Framework are intended to be a practical tool, outlining how York Housing Association will ensure compliance with best practice.

## **The Principles of Good Governance**

The 12 principles to which YHA subscribes are set out below:

### **Standards**

It operates according to high ethical standards, explicit values and *The Code of Governance*.

### **Accountability**

There is proper accountability to, and involvement of, all of the organisation's stakeholders, primarily to its members and residents.

### **Customer First**

Organisations should put the needs of their existing and potential services users at the heart of business decisions and strategy.

### **Openness**

There is a spirit of openness, making full disclosure of governance matters and other information.

### **Equality and Diversity**

There is a fairness and equality of opportunity and a recognition of diversity in all aspects of the organisation's governance.

### **Review and renewal**

There are formal and open processes for the periodic review of the Board's own performance, and to ensure its renewal on an ongoing basis.

### **Clarity**

There is clarity of roles, delegations and responsibilities between the organisation's Board members and paid employees.

### **Control**

There are effective control systems for internal delegation, audit and control.

### **Information**

The Board receives adequate and timely reports and advice to inform its decisions.

### **Structures**

There are effective employee and committee structures to support the Board's work.

### **Audit**

There are effective and proper relationships between the organisation and its external auditors, internal auditors and regulators.

### **Skills & Knowledge**

Those charged with governance have appropriate skills and knowledge to discharge their functions.

## **SECTION 1 STANDING ORDERS**

**These Standing Orders do not override the Rules of the Association.**

Board members must fulfil their duties and obligations responsibly; acting at all time in good faith and in the best interests of the Associations, its residents and other service users.

### **1.0 The Board's Responsibilities**

1.1 In accordance with the Rules of the Association, the Board is responsible for directing the affairs of the Association in accordance with its objects and Rules. Its functions shall include:

- a) Defining and ensuring compliance with the values, vision, mission and strategic objectives of the Association and ensuring these are set out in each annual report;
- b) Establishing policies and plans to achieve those objectives;
- c) Satisfying itself as to the integrity of financial information, approving each year's budget and business plan and annual accounts prior to publication;
- d) Establishing, oversee and review annually a framework of delegation and systems of internal control;
- e) Establishing and overseeing a risk management framework in order to safeguard the assets of the Association;
- f) Appointing (and if necessary dismiss) the Chief Executive and approve his/her salary, benefits and terms of employment;
- g) Ensuring at all times that the Association takes account of any obligation imposed upon it by the regulator in exercise of its powers;
- h) Establishing and operating a performance appraisal system for the Board, the Chair and individual Board members;
- i) Satisfying itself that the Association's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
- j) Taking appropriate advice.

None of these functions is capable of delegation.

1.2 As well as the powers conferred on the Board by the Rules, the following are additional responsibilities:

- a) The appointment of Directors;
- b) Any extension or restriction in the scope of the Association's activities or functions;
- c) Major matters with regard to relationships with central government, the Homes and Communities Agency, local authorities, other statutory bodies and other Housing Associations;
- d) Any item which is referred to it by a General Meeting;

- e) Any matter reserved to it by the Financial Regulations;
- f) Any allegation or instance of fraud which affects the Association, and bring any such matter to the attention of the Homes and Communities Agency in an appropriate manner.
- g) Comply with all relevant legislation, such as Health and Safety.

1.3 The Board may create Standing and other Committees, Sub-Committees or Working Groups to which it may delegate or refer business for detailed consideration from time to time.

1.4 Any matter may be referred by the Board to a General Meeting of the Association.

## **2.0 Time and Place of Meetings**

2.1 In addition to the Annual General Meeting or Special General Meetings, meetings of the Board for the transaction of business shall (as required by the Rules) be held at least 3 times in every calendar year. The Board has determined that it will be usual for the Board to meet 6 times per year.

2.2 The Annual General Meeting shall be held no later than 6 months after the close of the financial year and will normally be in September. The Board will decide the time and place.

2.3 Dates and times of Committee meetings shall be determined by the Committees and agreed by the Board.

## **3.0 Notice of meeting**

3.1 The notice of a meeting and accompanying papers for meetings will be sent to the members of the Board or Committee at least 7 days before the date of the meeting. This will indicate the date, time and place of each meeting and will specify the business to be conducted. Where unavoidable, and only in exceptional circumstances, late reports be tabled with the permission of the Chair.

## **4.0 The Annual General Meeting**

4.1 The functions of the AGM are:

4.2 To receive the Annual Report which shall contain:

- the revenue account and balance sheet for the last accounting period;
- the auditor's report on those accounts and balance sheet;
- the Board's report on the affairs of the Association;
- the Board's statement of values and objectives of the Association;

- a statement of current obligations of Board members to the Board and the Association;
- a statement of skills, qualities and experience required by the Board amongst its members.

4.3 Agree a policy for admitting new shareholders.

4.4 To appoint the auditor

4.5 To elect Board members

4.6 To transact any other general business of the Association included in the notice convening the meeting including any business that requires a special resolution

## **5.0 Co-optees**

5.1 The Board may appoint co-optees to serve on the Board on such terms as the Board resolves. The Board may also remove co-optees. A co-optee may act in all respects as a Board member, but cannot take part in the deliberation on the election of members or any matter directly affecting shareholders.

5.2 For the purposes of this document, a co-optee is not included in the expression "Board member" or "member of the Board".

5.3 No more than three co-optees can be appointed to the Board or to any Committee at any one time.

5.4 Co-optees are subject to the restrictions on continued membership as set out in section D8 of the Rules.

## **6.0 Order of Business of the Board**

6.1 Order of business at every meeting shall be:

- a) Election of Chair in absence of Chair and Deputy Chair;
- b) Receipt of apologies for absence;
- c) Approve as a fair record and sign minutes of the previous meeting;
- d) Officers' reports taking items for decision first followed by items for noting or for information;
- e) Receipt and approval of any Committee reports (if appropriate) from meetings held since the last meeting taking items for decision first followed by items for noting or information.

## **7.0 Quorum**

7.1 A meeting will only have decision making powers if it is quorate. Quorum is as follows:

- a) A quorum at Board meetings shall be 5 Board members. The majority of Board member present must be non-executives; A quorum at HR and Governance Committee meetings shall be 3 members;
  - b) A quorum at an Audit Committee meetings shall be 3 members.
- 7.2 Virtual presence e.g. by telephone, teleconferencing, Skype etc, will count as a member in determining if a meeting is quorate.
- 7.3 A Co-optee does not count as a member in determining if a meeting is quorate.
- 7.4 If the number and make up of Board members falls below the required quorum, the remaining Board members may continue to act as the Board for a maximum period of 6 months and the provision for a majority of non-executive members shall be suspended for that period. At the end of the 6 month period the Board must have taken action to bring the number and make-up of the Board to the required quorum.
- 7.5 If the number and make up of the Board is appropriate, but a quorum is not present within half an hour from the time appointed for a Board or Committee meeting then those present at the meeting will make a decision about the manner in which the meeting will be dealt with in accordance with the following options:
- a) If agreed by the majority of members present, the meeting will continue and discuss all matter in an advisory capacity. Any decisions will be ratified through circulation of the minutes to other members within 5 days of the meeting taking place.
  - b) If requested by a majority of those members present, the meeting will be adjourned to such time and place as the members present determine. If, at the adjourned meeting, a quorum is not present within half an hour from the time appointed for the meeting then, the members present will constitute a quorum.

## **8.0 Agenda, reports to the Board and Minutes**

- 8.1 Planning meetings will be held between the Chief Executive and the Chair to agree items for the Board meeting agenda. Board members may request items to be placed on the agenda in line with agreed timescales for submission and circulation of information prior to meetings.
- 8.2 All items will be included on the agenda with the agreement of the Chair.
- 8.3 Items on the agenda will provide:
- The name of the employee or Board member who will present the report at the Board meeting.

- The name and contact details of the employee or Board member who can be contacted for further information.

8.4 Reports to the Board will:

- Identify the title and date of the meeting
- Identify whether the contents are for information or decision
- Identify whether the report is confidential
- Be succinct and to the point
- Identify the author and contact officer for further information

8.5 The minutes of all general meetings and all Board and Committee meetings shall be accurately recorded, agreed by the relevant subsequent meeting and signed by the Chair of the subsequent meeting and stored safely.

## 9.0 Rules of Debate

9.1 A member when speaking shall address the Chair. If two or more members wish to speak, the Chair shall decide the order.

9.2 A member shall restrict himself/herself to the matter under debate, a personal explanation, or a point of order.

9.3 A member may speak on a point of order or in personal explanation and shall be entitled to be heard. A point of order shall relate only to an alleged breach of a Standing Order and the way which it is said to have been broken.

9.4 The Chair's ruling on a point or on the admissibility of a personal explanation shall not be open to discussion.

9.5 The Chair will ensure that a decision is reached, either by consensus or by vote, on any matter where a decision is required. In the case of equality of votes, the Chair shall have a second vote.

## 10.0 Respect and Conduct at Meetings

10.1 YHA will ensure that the conduct of Board and Committee meetings and the behaviour of Board members demonstrates respect for all and promotes the values of the Association.

10.2 Board members should prepare for meetings in advance by reading the papers and ensuring that they understand their contents and any decisions they are being asked to make. If there is any need for clarification these matters should be raised with the relevant officer or the Chair in advance of the meeting.

10.3 Should any member misconduct himself/herself by persistently disregarding the ruling of the Chair, or by behaviour which obstructs Committee business, the

Chair (or any member) may press for the motion under discussion to be put to the vote, if seconded, without further discussion.

- 10.4 If the same member continues his/her conduct after a motion has been carried, the Chair shall:
- a) Either put a motion that the member leave the meeting – which can be determined without seconding or discussion; or
  - b) Adjourn the meeting according to his/her discretion;
  - c) In the event of a general disturbance which in the opinion of the Chair renders conduct of business impossible, he/she will adjourn the meeting for a necessary period.

## **11.0 The Conduct of Staff in Meetings**

- 11.1 Staff are not members of the Board or Committees and do not have any right to vote. It is however, their responsibility to ensure that the Board and Committee are properly advised. The Staff will normally introduce reports that they are responsible for. The Chair should in addition ensure that the opportunity exists for staff to respond to comments or provide further information, during any subsequent discussion.

## **12.0 Attendance and Non-attendance**

- 12.1 Board members should make every effort to attend scheduled meetings and any ad hoc meetings that are called.
- 12.2 In line with the Board member contract and service statement, members should arrive promptly for the start of the meeting and remain until the end. Where exceptionally, there is a need to leave before the end, Board members should seek the Chairs permission to leave.
- 12.4 Every member attending a Board or Committee meeting shall have his or her name recorded, and attendance will be reported annually to the Board.
- 12.4 Board members, co-optees and relevant officers who are unable to attend Board or Committee meetings are expected to notify the Chief Executive or Chair as soon as possible. Members who are unable to attend are encouraged to contact the Chief Executive or Chair to make their views known and ask that they are communicated to the meeting.
- 12.5 In line with the Code of Conduct, Board members risk removal from the Board if, for more than six consecutive months, they are absent without permission of the Board from meetings of the Board held during that period or are absent from at least 60% of meetings of the Board during any period of 12 months.

12.6 If a Board member is absent from three consecutive meetings or three in a six month period, this absence will be discussed by the Chair and the Board member concerned, other than if the Board had given approval to the absence.

### **13.0 Custody and Use of the Seal**

13.1 The Common Seal of the Association, together with a Seal Record Book, shall be kept by the Secretary. The Seal should not be used except under the Boards authority and these Standing Orders.

13.2 Any two members of the Association are authorised to use the Seal of the Association in conjunction with the Company Secretary counter-signing.

13.3 In the absence of the Secretary, one of the Directors is authorised to use the Seal in conjunction with any two members of the Association.

13.4 The Board may in the alternative authorise the execution of deeds in any other way permitted in the law.

### **14.0 Registers**

14.1 The Board will ensure that certain registers are maintained by the Association, are kept at the Associations registered office and are available for inspection by the Board on request or at least annually. These will include:

- A register of shareholders showing their names and addresses, statement of shares held by each Board or Committee member and amount paid, statement of any other property in the association held by the shareholders, date that the shareholder was entered on to the register
- A duplicate register of shareholders showing their name, address and date they became shareholders
- A register of the name and addresses of officers, their offices and the dates they assumed office
- A duplicate of the register of officers
- A register of holders of any loans
- A register of mortgages and charges on land
- A copy of the rules of the association
- A register of frauds

14.2 The Association will also make available a copy of its latest balance sheet and auditor's reports, its last annual return and auditors report on the accounts and its register of interests and its gifts and hospitality register for inspection at its registered office.

## **15.0 Inspection of Documents**

- 15.1 Any Board member may for the purpose of duty as a member, inspect any document, with the exception of those marked as confidential items, that has been considered by a Committee or the Board. The Chair of the Board or Chair of Audit will make a decision in relation to the access to any confidential items.

## **16.0 Attendance at Committee meetings**

- 16.1 Any Board member can attend and observe any Committee of which he/she is not a member at the invitation of the Chair. Board members attending Committee meeting of which he/she is not a member may only speak at the invitation of the Chair and do not have the right to vote.

## **17.0 Inspection of Land and Premises**

- 17.1 Unless specifically authorised by the Board, no Board member other than the Chair of the Board or any Committee, shall be entitled to inspect any of the Association's land or premises. The Chair of the Board or Committee should only inspect the Association's land or premises with the prior knowledge of the Chief Executive or, in their absence a member of the Senior Management Team.

## **18.0 Standing Committees**

- 18.1 The Rules permit the Board to delegate any of its powers under written terms of reference to a Committee (subject to Standing Order 1.1). The following principles apply:
- Committee structures are clear and streamlined, adding value to scrutiny and decisions without duplication of effort.
  - Each Committee has clear Terms of Reference, reviewed every two years by the Board.
  - Each Committee Chair has a role profile, outlining his/her responsibilities, approved by the Board.
  - In the case of a dispute, the Board's decision must override that of a Committee. (NB the Chair of the Committee responsible for audit has the right to report any such decision to the external auditors and if necessary to external regulatory bodies.)
  - The Chair of the Audit Committee will not also Chair the Board. The Chair of the Board will not be a member of the Audit Committee.
  - No Committee can incur expenditure on behalf of YHA unless at least one board member or co-optee on the board who is also a member of that Committee has voted in favour and the Board has previously approved a budget for the relevant expenditure.

- 18.2 The membership of any Committee is determined by the Board and must include at least one Board member and can include co-optees to the Board. The Board will also appoint the Chair of any Committee and shall specify the quorum.
- 18.3 All matters dealt with by committee will be reported to the Board usually by way of the minutes of the committee meeting.
- 18.4 In addition to the Board the following shall be Committees of the Association: Audit and HR and Governance.
- 18.5 The minimum numbers of members of each Committee will be:
- Audit - 4
  - HR and Governance - 4
- 18.6 The terms of reference of these Committees are outlined below.

## **19.0 Unfinished Business**

- 19.1 There is no agreed maximum duration for meetings of the Board or its Committees, however there is an expectation that meetings will last for approximately two hours.
- 19.2 The structure of the agenda should prevent unfinished business. However, if due to an excessively long meeting the full business of the Board or Committee may not practically be completed, the meeting may stand adjourned if the majority of the members so wish. A further meeting date will be held within 10 working days.

## **20.0 Urgent Matters**

- 20.1 From time to time decisions on matters not delegated to staff need to be taken quickly – either before the appropriate Board or Committee is scheduled to meet or even before an emergency meeting could effectively be convened. In such circumstances the Chief Executive, or with their sanction, the appropriate senior officer, is authorised to deal with urgent work arising at any time in line with the process set out below.
- 20.2 On these occasions the Chief Executive or Officer will seek a decision from the Chair. If the Chair is not available then the Deputy Chair or Chair of Audit may advise having regard to the subject of the decision.
- 20.3 When considering how to deal with the decision a range of factors will be considered:
- What are the implications of not reaching a decision in time;
  - What are the implications of wanting to reverse the decision later;

- How important a decision is it – questions of scale, financial implications and principles;
  - To what extent have precedents been set by earlier decisions;
  - The likely views of Board members.
- 20.4 The underlying principle behind all decision-making at the Association is the importance of achieving as much consensus as possible: that is a particularly important consideration in these circumstances.
- 20.5 The range of options are:
- Decision taken by the Chair, details recorded and reported to the next Board or Committee;
  - Decision taken after discussion with the Chair and other selected Board members: recorded and reported as above;
  - Decision taken after discussion with the Chair and all available Board members: recorded and reported as above;
  - Decision taken after some (or all) Board members have received a written briefing and given a written response: recorded and reported as above;
  - Decision taken by convening an appropriate Board or Committee.
- 20.6 In all cases decisions must be taken with regard to Associations' written policies and procedures and within its Rules.
- 20.7 As a general rule, the authority described in this section does not extend to policy decisions, even if urgent, which should be the subject of a specially convened meeting.

## **21.0 Suspension of Standing Orders**

- 21.1 In order to enable expediency, it may occasionally be necessary to suspend certain Standing Orders. This may be done at any Board meeting but will be in exceptional circumstances.

## **22.0 Variation and Revocation of Standing Orders**

- 22.1 These Standing Orders may be added to, varied or revoked, if so proposed and seconded at a meeting of the Board.

## **23.0 Interpretation of Standing Orders**

- 23.1 The ruling of the Chair of the Board as to the construction or application of any of these Standing Orders, or any Board or Committee proceedings, shall not be challenged at any meeting of the Board.

## 24.0 Terms of Reference for the Board

### 24.1 Membership:

- The Board shall consist of between 5 and 12 Board members (including co-optees) as may be determined by the Board. The majority of Board members must be capable of being appointed or elected by shareholders.
- Employees can be appointed or co-opted to the Board, but they cannot exceed more than one-third of Board members.

### 24.2 The Board's Responsibilities - In accordance with the rules of the Association, the Board is responsible for directing the affairs of the Association in accordance with its objects and rules. Its functions shall include:

- a) Defining and ensuring compliance with the values, vision, mission and strategic objectives of the Association and ensuring these are set out in each annual report;
- b) Establishing policies and plans to achieve those objectives;
- c) Satisfying itself as to the integrity of financial information, approving each year's budget and business plan and annual accounts prior to publication;
- d) Establishing, oversee and review annually a framework of delegation and systems of internal control;
- e) Establishing and overseeing a risk management framework in order to safeguard the assets of the Association;
- f) Appointing (and if necessary dismiss) the Chief Executive and approve his/her salary, benefits and terms of employment;
- g) Ensuring at all times that the Association takes account of any obligation imposed upon it by the regulator in exercise of its powers;
- h) Establishing and operating a performance appraisal system for the Board, the Chair and individual Board members;
- i) Satisfying itself that the Association's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
- j) Taking appropriate advice.

None of these functions is capable of delegation.

### 24.3 As well as the powers conferred on the Board by the rules, the following are additional responsibilities:

- a) The appointment of Directors;
- b) Any extension or restriction in the scope of the Association's activities or functions;
- c) Major matters with regard to relationships with central government, the Homes and Communities Agency, local authorities, other statutory bodies and other Housing Associations;
- d) Any item which is referred to it by a General Meeting

- e) Any matter reserved to it by the Financial Regulations;
- f) Any allegation or instance of fraud which affects the Association, and bring any such matter to the attention of the Homes & Communities Agency in an appropriate manner.

24.3 The Board may create Standing and other Committees, Sub-Committees or Working Groups to which it may delegate or refer business for detailed consideration.

24.4 Any matter may be referred by the Board to a General Meeting of the Association.

24.5 Operation of the Board - The Board will:

a) Approve annually:

- An annually updated 5 year corporate plan including business plan
- Annual budgets and cash flow projections and determine the resources to fulfil financial and operational requirements
- Accounts, auditors report, management letter and Board disclosure letter
- Rent increase in line with the Rent Policy
- Asset management strategy
- Value for money strategy
- Internal control statement
- Internal Audit Report – Audit Committee Annual Report to the Board
- Appointment of members of the Board, Committee Members, Chairs and Deputy Chairs
- Bids for capital funding
- Parameters for regeneration projects, development projects, new initiatives and agency arrangements
- Authorised signatories
- Risk Management Strategy on the recommendation of the Audit Committee

b) Review and approve on a regular basis:

- Standing Orders and Financial Regulations
- Treasury management strategy and policies ensuring that there is a borrowing strategy in place in order that YHA is able to implement its plans

c) Approve from time to time:

- New strategies and policies, together with major changes to existing ones, which will determine the way in which the Association operates
- Specific projects that fall outside the parameters determined by the relevant strategy
- Applications for shareholding membership of the Association
- Co-options and casual appointments to the Board or Committees

- d) Review annually a schedule of all policies approved by the Board and in operation, deleting any that are now redundant, and noting any changes agreed by the CE during the year.
- e) Receive reports at each meeting, or as the need arises, on:
  - Use of the seal
  - Any appeals panel decisions
  - Urgent decisions taken between meetings
- f) Deal with SMT grievances and disciplinary matters.
- g) Approve the setting up of any working groups, sub groups or ad hoc committees that involve Board members and undertake tasks on behalf of the Board.

## **25.0 Terms of Reference for the HR and Governance Committee**

### **25.1 Membership and Quorum**

- The Board shall appoint the Committee Chair. The Chair of the Board and the Chair of Audit and Risk Committee may not serve as the Chair of the HR and Governance Committee.
- The Board shall also appoint the Committee's members.
- The Committee will consist of 4 Members. Members may be required to sit on appeal panels.
- The Committee has the power to co-opt up to 2 additional members as it sees fit in order to ensure that it discharges its duties effectively.
- The quorum of the committee will be 3 Board members.
- The Committee must ensure that it communicates effectively on matters within its remit to the Board and all other board members as appropriate.

### **25.2 Scope:**

- The Committee is tasked with reviewing and making recommendations on matters concerning human resources and governance. In connection with this, the Committee shall be responsible for the areas listed in the paragraphs below.
- The Committee is authorised by the Board to seek any information it requires to fulfil its terms of reference. It may either make decisions under the Scheme of Delegation or make recommendations to the Board where final decisions will be taken.
- The Committee is authorised to establish working groups to undertake detailed work on any matter covered by its terms of reference.

### **25.3 Human Resources: To consider all employment issues relating to the organisation including:**

- Ensuring that there is an independent review of payment to the Chief Executive and Directors, taking into account good practice, market comparisons and industry norms on at least a triennial basis. The Committee has responsibility to commission, monitor and evaluate the outcomes of such an independent review.

Following the independent review, the Committee will consider the proposed level of Chief Executive and Directors pay and contractual conditions and make appropriate recommendations to the Board.

- The appraisal of the Chief Executive; including agreeing performance targets, that reflect the objectives of the Business Plan, and agreeing, if appropriate, personal development targets for the Chief Executive;
- Setting conditions of service including remuneration for all employees of the organisation.
- The determination or amendment of the authorised establishment of posts for the organisation within the parameters of the existing scheme of delegation including the grade and number of posts to be established or deleted.
- Agreeing early retirement, harmonisation of conditions of employment, severance pay and redundancies within the parameters of the existing scheme of delegation.
- The development and amendment of HR strategies and policies on behalf of the Board.
- Taking independent advice (subject to the board confirming budget availability) and consider independently written reports on matters of remuneration principles.

#### 25.4 Governance

- To lead for the board on ensuring that the organisation maintains the highest standards of governance and learns from best practice from all sectors.
- To oversee process for individual and collective appraisal of board members, including the Chair. To report outcomes of the appraisal process to the Board for approval.
- To ensure that there are effective working relationships between Board, Employees and the Company Secretary.
- To ensure that processes are in place to ensure adherence to regulatory requirements and to receive reports on all cases of non-compliance.
- To ensure that the organisation has an adequate and well documented Code of Conduct and that this is aligned to the culture and values of the organisation.
- To recommend a process for recruitment and succession planning for vacancies on the board or committees for approval by the board.
- To oversee a process for recruitment of board members to vacancies on the board or committees in line with the succession plan and the recruitment policy approved by the board. To report outcomes on the appointment process to the board for approval.

25.5 General: To report and make recommendations to the Board on all of the above matters as the Committee sees fit.

25.6 Frequency of Meetings: The committee will meet as required with a minimum of 2 meetings per year.

- 25.7 Skills and Experience Requirements of Members: The relevant areas are: human resource management, governance, equality law & good practice, housing sector and employment law.
- 25.8 Review: At least every two years, the Committee shall review its structure, delegated responsibilities and reporting arrangements and these terms of reference and, if it sees fit make recommendations to the Board to update them.

## **26.0 Terms of Reference for the Audit Committee**

- 26.1 To recommend the appointment of the external auditor and the terms of appointment.
- 26.2 To agree a programme of internal audits for the organisation to ensure that internal controls management is aligned to key business processes and drives both service improvement and increased efficiency.
- 26.3 To monitor the internal audit programme, consider major findings of internal audit investigations and management responses, and ensure appropriate coordination between the internal and external auditors.
- 26.4 To discuss issues arising from the interim and final audits, and any matters the auditor may wish to discuss.
- 26.5 To monitor the performance and effectiveness of external and internal audit.
- 26.6 To receive the draft annual accounts and consider elements of the annual financial statements including the audit opinion and management letter.
- 26.7 To at least once per annum meet with auditors in a closed session.
- 26.8 To lead for the Board on all risk management issues including the regular review of the Risk Management Strategy.
- 26.9 To ensure that risk management processes are aligned to key business processes and drive both service improvement and increased efficiency.
- 26.10 To receive reports on how the organisation's key business risks are being control and management via a Risk Management Strategy and Plan and to receive any exception reports on the organisation's management of risk.
- 26.11 To ensure that appropriate insurance arrangements are in place.
- 26.12 To report and make recommendations to the Board on all of the above matters as the Committee sees fit.

26.13 The Committee is authorised by the Board to seek any information it requires to fulfil its terms of reference. It may either make decisions under the Scheme of Delegation or make recommendations to the Board where final decisions will be taken. The Committee is authorised to establish working groups to undertake detailed work on any matter covered by its terms of reference.

26.14 To consider reports from whistle blowers, to respond to such reports and to act on those reports if necessary.

26.15 The Chair of the Audit Committee cannot be the Chair of the Board. The Chair of the Board will not be a member of the Audit Committee.

## **SECTION 2 CODE OF CONDUCT**

The Association expects its Board and Committee members to comply with details set out in the NHF document entitled “Code of Conduct 2012”.

The following ground rules agreed by the Board outline the expectations for the conduct of all YHA Board members;

### **Do’s**

- Ensure you understand and support the YHA mission, vision, values and customer base.
- Show your commitment to YHA by regularly attending Board and Committee meetings (75% minimum).
- Recognise the need to keep YHA matters confidential.
- Join at least one Committee.
- Be open, honest, discreet and loyal.
- Contribute constructively to discussion, allow others to speak.
- Be courteous and respectful of others views.
- Challenge and be constructively critical when appropriate, be hard on the issue not on the person!
- Get to know each other, work as a team and learn from each other.
- Respect the expertise and skills of other Board members.
- Send apologies for unavoidable non-attendance in good time.
- Keep to the agenda and timekeeping.
- Be available to staff and customers.
- Do what you say you will do.

### **Don’ts**

- Stay quiet if you are unsure, (say you don’t understand or need clarification).
- Arrive at meetings unprepared (always read papers well beforehand).
- Create personal conflict with others on the Board (resolve difficulties outside of the meeting with the help of the Chair if necessary).

- Let personal interests cloud independent judgement about issues.
- Continually revisit decisions made previously.

## **27.0 Probity and Conflicts of Interest**

27.1 Board and Committee members will ensure that they act and are seen to act, wholly in the interests of York Housing Association, its residents and other service users. All actual or potential conflicts of interest will be declared and properly resolved.

- a) Board and Committee members and staff must ensure that their private or personal interests do not influence their decisions, and that they do not use their position to obtain personal gain of any sort. The organisation maintains a register of the interests of Board and Committee members and senior staff, which is available for public inspection. Every Board member, co-optee and Committee member must ensure that the register is kept up to date.
- b) On appointment Board and Committee members are required to complete a form to register any personal, financial and other interests which could potentially conflict with their role. Board and Committee members are required to amend their form whenever a change occurs – either in their own interests or that of a person closely connected to them which could potentially conflict with their role. These forms are reviewed by the Company secretary, countersigned and retained on file.
- c) During a meeting, when the Board, or a Committee or Working Party, discusses an item which involves a conflict of interest for any Member or employee present, that person must declare the interest. If the conflict is clear and substantial, the Board or Committee Member should withdraw, unless invited by the Chair to remain and, if invited to remain, refrain from voting on the matter. Where such a conflict is likely to recur on a frequent basis, the Board or Committee Member will offer to resign. All interests declared before or during a meeting will be recorded in the minutes. Where there is evidence that a Board or Committee member has withheld information or provided misleading information about their interests or close connections – whether deliberate or through insufficient care – the Board will consider removal of that Board or Committee member.
- d) In the case of any debate in relation to the treatment of a conflict of interest which cannot be resolved by the Board then the matter should be referred to the Chair. The Chair's ruling in relation to any Board member other than the Chair is final and conclusive. If the question relates to a conflict in respect of the Chair, then the matter should be decided by the decision of the Board members at that meeting. At that part of the meeting, the Chair cannot be counted for voting or decision purposes.

- e) It should be noted that such a conflict of interest may apply in the case of a Board or Committee Member who is a paid employee or a Board Member of, or a supplier of goods or services to another housing organisation, voluntary agency or local authority.
- f) The Rules (D17 – D27) provide detailed guidance on matters relating to conflicts of interest.

## **28.0 Personal benefit**

28.1 Board or Committee members will ensure that they and those with whom they are closely connected receive no preferential consideration in the provision of housing, employment, support for social or welfare purposes, contracts or services. York Housing Association adopts the following definitions of close connections:

### **Family members and close connections**

A closely connected person includes family members and persons with whom a Board or Committee member has a close association. This has a wide meaning and includes persons who might reasonably be regarded as similar to family members even where there is no relationship by birth or in law. This includes:

- A partner (someone to whom the Board or Committee member is married, a civil partner or someone with whom they live in a similar capacity)
- Parent or parent-in-law
- Son, daughter, stepson, step-daughter, the child of a partner
- Brother, sister, brother or sister of a partner
- Grandparent, grandchild
- Uncle, aunt, nephew, niece
- Partners of any of the above
- Any dependents
- Any person on whom the Board or Committee member depends
- Estranged, separated, divorced family members or those reasonably regarded as family members
- Those with whom the Board or Committee member has a close association in terms of regular or irregular contact over a period of time who is more than an acquaintance, e.g., friend, colleague, neighbour, business associate.

### **Connections with an organisation**

A Board or Committee member is connected with a company, partnership or other organisation if he or she or a family member or close connection:

- Is employed by the organisation, either directly or as a sub-contractor or agent
- Is a director, owner, Board member, trustee or has some controlling or financial interest in the organisation
- Holds shares in or has some other financial stake or interest in the success of the organisation

- If there is some other connection or link that a reasonable person could take to create a conflict of interest

28.2 Any Board or Committee member having an interest in any arrangement between the organisation and another person or body will disclose that interest to the meeting before the matter is discussed by the Board or Committee of the Board. Such disclosure must comply with any Code of Conduct adopted by the Board of Directors. Unless it is expressly permitted by the Rules they shall not remain present (unless requested to do so by the Board of Directors or committee), and they shall not have any vote on the matter in question.

## **29.0 Prevention of fraud, bribery and corruption**

29.1 The Association takes any acts or allegations of bribery, corruption, or fraud or attempted bribery, corruption or fraud, very seriously and has a zero tolerance approach. It is committed to their avoidance and prevention and will take robust action against any party involved, in the event of any such act or allegation occurring.

29.2 Board or Committee members must take responsibility for the prevention and detections of bribery, corruption and fraud. Members must not offer, seek, canvass or accept bribes or inducements to act improperly or corruptly.

29.3 Members should not seek or accept gifts, hospitality or other benefits from individuals or organisations that might reasonably be seen to compromise member's judgement or integrity or place members under any obligation. Further guidance is set out below.

29.4 The Board is responsible for ensuring that systems are in place for the prevention, detection and investigation of fraud. The Board will ensure the following:

- A Fraud Policy and an Anti-Bribery Policy are in place
- That all members are aware of the implications of the Bribery Act and Proceeds of Crime Act
- That there is effective day to day operation of these policies, procedures and controls

29.5 Any acts of bribery corruption or fraud or attempt at such, must be reported immediately in accordance with the Fraud and Anti-Bribery policies and/or the Whistle-blowing Policy.

## **30.0 Gifts and hospitality**

30.1 You must not accept cash or personal gifts of a significant monetary value, under any circumstances. When you have to decline a gift, you should be courteous but

firm, and draw the attention of the person making the offer to the existence of this Code.

30.2 Items of nominal value, such as free promotional pens, calendars and similar items may be accepted but must be recorded in the Associations register.

30.3 You should never accept lavish hospitality, or any hospitality which could be interpreted as a way of exerting an improper influence over the way you carry out your duties. Nor should you offer such hospitality to others on behalf of the Association. The timing of hospitality in relation to procurement or purchasing decisions which Association may be taking is especially sensitive. Above all, you must never solicit hospitality or gifts.

30.4 When you have to decline hospitality, you should be courteous but firm, and draw the attention of the person making the offer to the existence of this Code. If necessary, you should pay your share of any costs, and claim these from the Association in the ordinary way.

30.5 You may accept and give modest working meals and light refreshments without making any declaration or obtaining written consent.

30.6 Other hospitality may be accepted or given, with prior written consent, for instance where:

- There is a genuine need to impart information or represent the Association in the community.
- Where an event is clearly part of the life of the community or where the Association should be seen to be represented.
- The hospitality concerns attendance at a relevant conference or course where it is clear the hospitality is corporate rather than personal.

30.7 All such hospitality must be recorded in the gifts and hospitality register, as should any hospitality given on behalf of the Association.

### **31.0 Authority of Members**

31.1 No Board or Committee member should misuse the Associations funds or resources.

31.2 No Board or Committee member shall either orally or in writing, enter into any contract on the Association's behalf.

31.3 No Board or Committee member shall issue any order respecting works, capital or non-capital, which are being carried out by or on behalf of the Association.

31.4 No individual Board or Committee member shall issue an instruction to a member of staff.

## **32.0 Confidentiality**

- 32.1 Any Board, Committee or staff member attending an Association meeting shall respect the confidentiality of any papers presented and the decisions made. Meetings shall be open, but where confidential items are to be discussed, the Chair shall close the open section and the press and public shall leave.
- 32.2 Confidential information includes information relating to the business, policy, organisation, management, operations, development, marketing, customers, suppliers, financial affairs, personnel and employment matters of the organisation, and other information directly or indirectly relating to the business of the organisation and not generally known to the public.
- 32.3 All Board and Committee members must maintain the confidentiality of such information and must not provide such information to third parties unless they are entitled to receive it.
- 32.4 Board and Committee members must comply with the Confidentiality Policy.
- 32.5 Board and Committee members should not discuss any matters relating to York Housing Association with any representatives of the media unless specifically authorised to do so.
- 32.6 Board and Committee members should not publish any statement concerning York Housing Association on a website, electronic notice board or by any other methods of electronic communication without the prior approval of the Chair.

## **33.0 Transparency and openness**

- 33.1 York Housing Association aims to conduct its business in a manner which is transparent to its members, staff, tenants and other stakeholders. Key documents and strategies are available via our website on request, including our corporate strategy, rules, financial statements and annual reports. The Board will agree and make available its statement on the values and objectives of YHA, a statement of the current obligations of Board members and the policy for admitting new shareholders. Along with all of these key documents we regularly communicate with employees, tenants and members through a range of publications.
- 33.2 Times, dates and venues for meetings of the Board and Committee will be published on our website with no less than seven days' notice of the date.
- 33.3 The minutes (with any confidential items redacted) will appear on our website two working days after they have been approved, this is usually done at the following meeting of the Board or Committee.

- 33.4 Confidential matters which will not be published on the website, include but are not limited to:
- Personal matters about an identifiable individual (including tenants and employees),
  - A proposed or pending acquisition of land for YHA purposes,
  - Employment issues, litigation or potential litigation affecting YHA
  - The receiving of advice that is subject to solicitor-client privilege.

#### **34.0 Representing York Housing Association**

- 34.1 Board and Committee members are regarded as ambassadors for the Association at any formal or informal event that they attend on behalf of YHA.
- 34.2 At all times, members should act with due regard for good conduct and the values of the Association and should not put themselves in a situation which has the potential to bring the Association into disrepute.

#### **35.0 Recruitment to the Board**

- 35.1 The Association aims to maintain membership between 10 and 12 at any one time, but has the facility within its rules to increase membership to 15. The Association is keen to have a Board which is made up of a group of committed individuals, values the contribution that each can bring to the governance of the organisation, and is keen to encourage tenants to join the Board. The recruitment process, whilst aiming to be transparent and professional, will take into account that the people joining the Board do so as volunteers, and limit bureaucracy as much as possible.
- 35.2 When vacancies on the Board arise, the CE will review the skill mix of the existing Board to identify areas where there is a gap in skills or experience. The CE will also review membership against the Equality and Diversity targets, as set out in the Association's Equality and Diversity Strategy. From these reviews the CE will identify a broad range of skills, experience and backgrounds against which a recruitment campaign will be targeted.
- 35.3 A range of approaches will be used to recruit new Board members which may include:
- Advertising in local press, specialist press, relevant mailings
  - Articles in local press featuring desire to attract potential Board members
  - NHF "Get on Board" scheme
  - Referrals from organisations/individuals
  - Hosting "Open Events"
- 35.4 Anyone who expresses an interest in possible Board membership, whether or not in response to a specific campaign, may first of all be encouraged to speak

informally to the Chief Executive or a Director, who will give brief background to the organisation, what Board membership involves etc. and ask for some details of the person's skills, experience and background.

- 35.5 The Association will give the person a copy of the Recruitment process, as well as the most recent Annual Report or equivalent.
- 35.6 If the person is still interested, then they will be invited to complete an application form which includes a check against the fit and proper person's criteria for non-executive directors. Candidates who do not meet this require will not go forward to the next stage.
- 35.7 Following consideration of this application form, interested persons may then be asked to attend an informal meeting with the CE (or Director) which will take place within four weeks of their enquiry. The purpose of the meeting is investigatory, with no commitment on either side, and will be an opportunity to ascertain whether or not the person has the required skills, experience or background needed to fill an identified gap on the Board. It is also an opportunity to explain what the Association's expectations of Board members is, as outlined in the Role Profile, Ground Rules etc. contained within the Governance Framework.
- 35.8 If, following this meeting, it is the Association's view that the person does not have the required skills, experience or background, it will inform the person that their application will not go forward. If the Association wishes to take the application forward, it will contact the person to ascertain whether or not they wish to proceed to the next stage.
- 35.9 If they do wish to proceed, they will be introduced to the Chair, either by telephone or in person, and be invited to attend a maximum of three Board meetings in the capacity of Observers.
- 35.10 If, following this period as Observer, the person wishes to apply for full Board membership, they will be asked to attend an interview with the Chair (or Deputy Chair) and the CE (or Director). The purpose of this interview is to explain the responsibilities of Board members, to go through the Governance Framework document, and for the Association to assess whether or not the applicant can demonstrate that they have the necessary skills, experience and background. It will also be an opportunity to identify any further training or support requirements.
- 35.11 If successful, the person will be asked to complete an application for shareholder membership and be co-opted to the Board up until the next AGM, (held in September each year) at which they will be nominated for full Board membership.
- 35.12 If unsuccessful, the person will end their period as Observer.

## **36.0 Role of Observer**

36.1 Observers will be sent copies of all Board papers, and can chose to purely observe meetings, or to ask questions, or seek explanations or clarification where this would aid their understanding of the items being discussed. They may respond to questions from the Chair e.g. their views on specific issues being discussed.

## **37.0 Role of Co-opted Board Member**

37.1 Co-optees will be sent all Board papers, and are expected to take full part in Board meetings, making contributions to discussions and in decision making. They can also become members of Committees, where appropriate. They cannot vote, should there be any occasion where the Chair decides to ask Board members to vote.

## **38.0 Terms of Office**

38.1 Whilst the Board recognises the value of longer term experience within the make-up of the Board and wish to achieve a strong degree of retention, it also recognises the need to bring in new members from time to time, who can challenge long standing practices and thinking. Each Board member shall be appointed for a maximum term of office expiring at the conclusion of an Annual General Meeting. The fixed term shall be a term of three annual general meetings, (unless the Board sets a lower number of annual general meetings for the relevant Board member on their election). At the end of the fixed term an individual review will take place (see below) and members may be invited to serve for a further fixed term.

38.2 No member may serve beyond their ninth consecutive Annual General Meeting..

38.3 Any Board member retiring having completed nine years continuous service on the Board is not eligible for re-election or to re-join the Board until the following Annual General Meeting or, if later, for at least twelve months after completing such service.

## **39.0 Individual Review**

39.1 At the three year anniversary of their co-option or election to the Board, or at the end of each three year term of office, each Board member will be invited to have an individual review meeting with the Chair. This will be arranged by the Chief Executive, and individuals will be offered the opportunity to have an independent person in attendance, should they wish it. The purpose of the review meeting will be to review the contribution that the individual has made, their involvement as a Board member, and training undertaken during the period. It is also an

opportunity to discuss increased involvement (e.g. joining different committees), further training and development that may assist the Board member to broaden their understanding of the role, or the work of the Association. The Chair will use the meeting to confirm that the Board member will serve a further three year term.

- 39.2 Prior to the review meeting, the Chief Executive will provide the individual and the Chair with a resume of involvement/ training during the three year period, to assist discussions.
- 39.3 The annual HR report to HR and Governance Committee will include details of the review meetings that have taken place in the preceding year.

#### **40.0 Review and assessment of Board effectiveness**

- 40.1 The Association will also carry out a regular appraisal of Board performance which will:
- Identify the Board's ability to scan the operating environment, think strategically and adapt as necessary;
  - Review how well the Board performs its key roles and how successful it has been;
  - Review the effectiveness of Board relationships and its role as a team;
  - Assess how the Board is viewed by key stakeholders, such as regulators, investors, local authorities, tenant groups, staff etc.
  - Review the organisation's ability to recruit and retain the balance of Board members it needs;
  - Assess the effectiveness of Board processes, including its accountability;
  - Assess the level and quality of the information the Board receives;
  - Review the training and development needs of individual Board members as well as the Board as a whole;
  - Assess the quality of training provided over the previous 12 months;
  - Include the assessment of the Chair and Deputy Chair;
  - Result in a clear plan to support continuous improvement of the Board to meet the challenges faced by the organisation;
  - Address whether the Board provides enough support, scrutiny and challenge to the executive management team.
- 40.2 As part of this process the Board recognise the importance of individual appraisal of each of the Board members. This is essential to understand how their skills, experience and behaviours contribute to the overall effectiveness of the Board. The appraisal will also identify areas for further development.
- 40.3 Each year the Board sets aside time for a full discussion about the effectiveness with which it is conducting its business and the consideration of the Association's future.

40.4 As part of its annual review of its effectiveness the Board will review its committee structure, delegated responsibilities and reporting arrangements.

#### **41.0 Removal from the Board**

41.1 All Board and Committee members should put the best interests of the Association at the forefront. Should anyone have serious concerns about the performance, eligibility of a member within the terms of the Associations Rules or behaviour of another Board or Committee member, they should raise this matter confidentially with the Chair. The Chair is expected to follow up the concerns and, where appropriate, the Chair may consult with the Deputy Chair about appropriate actions. The Chair will report back to the Board or Committee member who raised the concerns about any action that has been taken and/or how the performance will be monitored.

41.2 If any Board or Committee members have serious concerns about the performance or behaviour of the Chair, wherever possible, they should raise their concerns with Chair in the first instance. If this is not deemed to be appropriate or possible, and the matter is deemed sufficiently serious, they should raise their concerns with the Deputy Chair. The Deputy Chair is expected to follow up the concerns and, where appropriate, the Deputy Chair may consult with the Committee Chairs about appropriate actions. Given the importance that the Association's regulator, the Homes and Communities Agency, place on strong governance, the Deputy Chair should keep the Chief Executive informed about any issues relating to governance, as they are deemed by the regulator to be responsible for ensuring the association complies with regulatory requirements. The Deputy Chair will report back to the Board or Committee member who raised the concerns about any action that has been taken and/or or how the performance will be monitored.

41.3 Should Board or Committee members or the Deputy Chair deem the concerns raised to be irresolvable, they could consider proposing a vote of no confidence in the Chair at a subsequent Board meeting.

41.4 A Board member may be removed from the Board only through the process set out in D9 of the Rules.

#### **42.0 Leaving the Board**

42.1 Board members wishing to leave the Board are required to give three meetings notice of their intention to resign from the Board. Given that there are normally six Board meetings per year, it is expected that the notice period will be approximately six months. The Chair is required to give a minimum of three meetings notice should they wish to stand down. If any Board member's resignation is linked to a move out of the area, travel costs in line with the

expenses policy will be met whilst the notice period is being served, to enable them to attend meetings during their notice period.

### **43.0 Succession Planning**

- 43.1 In the event of the Chair of the Board giving notice to stand down, the Board will decide at the next Board meeting what their approach to replacing the Chair should be. This decision will take into account the capacity, interest and capability of existing Board members to take on the role, whether the recruitment process can successfully be dealt with internally or whether external recruitment will be required. In either case, the Board will satisfy itself that anyone selected to take on the role can fully meet the Person Specification and carry out the functions outlined in the Role Profile.
- 43.2 The Board will determine whether or not independent consultants should be involved in the recruitment process.
- 43.3 The Deputy Chair will take on the responsibilities of the Chair if necessary, if there is a period during the recruitment process when there is no Chair, or if for whatever reason the Chair is unable to carry out the role, or has to leave the Board due to unforeseen circumstances.

### **44.0 Vacancy of Chair of any Committee**

- 44.1 Where there is a vacancy of Chair of any Committee, or the current Chair has indicated their wish to stand down as Chair, at the next meeting of that Committee, the members of that Committee will be asked if they wish to stand as Chair.
- 44.2 If there is only one person interested, then their name will be put forward to the next meeting of the Board, and the Board will appoint them as Chair.
- 44.3 If more than one person is interested in standing as a Committee Chair, the Secretary will conduct a ballot following the meeting, and all members of that Committee will be asked to vote for who they would like to select. If there is a majority vote for one candidate, then the Secretary will inform all members of the result and put the person's name forward to the next meeting of the Board, and the Board will appoint them as Chair. If there is a tie, the Secretary will ask the Chair of the Board to select who should be put forward to the next meeting of the Board, and the Board will appoint them as Chair.

### **45.0 Board member role description**

- 45.1 Responsibility for ensuring the management controls, accountability and good conduct of the Association.

45.2 As a member of the Board you will:

- a) Provide strategic direction, set annual and long term objectives of the Association and determine its values and philosophy which involves;
  - Using your own expertise to assist in debate and decision making
  - Keeping up to date with housing and related issues
- b) To enable and oversee the achievement of the Associations objectives through appropriate delegated authorities, operational procedures and the employment of staff with appropriate skills.
- c) To review the activities of the Association from time to time and decide on changes if appropriate and advisable in the interests of YHA.
- d) Ensure there are proper arrangements made for risk management and the accurate financial control of the organisation to maintain financial viability. And protect the public funds invested in the Association. This involves;
  - Understanding the basic financial accounts of the Association
  - Understanding the risks facing the organisation inherent in any decisions made about its current and future operation
  - Raising issues of concern as appropriate
- e) Ensure the organisation operates within the law and the rules governing the organisation and in accordance with generally accepted standards of performance and propriety by:
  - Understanding the regulatory regime under which the Association has to operate
  - Being aware of other legislation affecting the operation of the Association
- f) Ensure the organisation performs effectively by monitoring progress against agreed targets by regularly analysing information about performance and raising any issues of concern.
- g) To ensure that the interests and needs of the Associations tenants are considered in all matters.
- h) To ensure that the Associations properties are developed to a high standard and kept in good repair.
- i) To be an excellent employer.
- j) To promote the accountability of YHA through openness and contact with communities, strategic authorities and other stakeholders.
- k) Attend and meet with Board members and staff in meetings of the Board and Committees. This involves:

- Fostering effective team working
- Contributing to and sharing responsibility for Board decisions
- Preparing for and attending at least 75% of Board and Committee meetings
- Attending at least 50% of training and other formal events
- Participating in reviews of the effectiveness of the collective Board and of individual Board members to ensure that it has the capacity and commitment to control the activities of YHA.
- Abiding by the ground rules agreed by the Board.
- Represent the Association externally which will involve;
- Being a positive ambassador for YHA
- Supporting the values set out in the Business Plan
- Upholding the organisations Code of Conduct

45.3 Board member person specification - The Board will be made up of individuals representing a range of professional expertise and knowledge of the communities in which YHA operates. A Board member needs to demonstrate that they:

- Understand the basics of how YHA operates, who its customers are and what the staff of the Association do.
- Commit to spending a period of three years as a Board member and have the time available to attend the required minimum number of Board meetings.
- Be willing to join at least one Committee and commit to attending on a regular basis.
- Have a general interest in housing issues
- Are able to make independent and critical judgement when contributing to Board discussion and decision making
- Are able to think strategically about the performance and direction of whole organisation and understand the context in which it works.
- Are able to put their views and observations forward in a constructive and appropriate way
- Are able to respect other people's views and accept collective responsibility

## **46.0 Chair of the Board – role description**

46.1 The Chair should ensure that:

- There is effective conduct and management of the Board's business and general meetings.
- The Board delegates sufficient authority to and oversees good relationships between all sub-committees and panels of the Board, the chief executive and the senior management team.
- There is appropriate liaison and a constructive working relationship with and support provided to the chief executive.
- For the Board maintains a positive environment in which to undertake effective governance.
- The Board receives professional advice when needed.

- The association's affairs are conducted in accordance with generally accepted codes of performance and propriety.
- There is a clear division between the responsibilities of the Board and the staff.

46.2 The Chair has the following responsibilities:

- a) To be responsible for the effective conduct of Board meetings, ensuring wherever possible:
  - Active participation and expression of views by all members
  - A full understanding by members of the issues being discussed
  - Decisions made are clear and recorded.
- b) To be responsible for the effective conduct of the AGM.
- c) To be responsible for the effective conduct of other formal or informal Board events.
- d) Ensure that the Board delegates sufficient authority to its Committees, Committee Chairs and the Chief Executive to enable the business of the Association to be carried out effectively between Board meetings; and to ensure that the Board monitors the use of these delegated powers.
- e) Ensure that the Board monitors the performance of the Association.
- f) Ensure that the Board receives professional advice when it is needed.
- g) Ensure that the Board complies with the Rules, statutory requirements, regulatory requirements and its own code of conduct.
- h) Ensure that any conflicts or potential conflicts of interest are properly raised and recorded in the appropriate register.
- i) Take decisions delegated to the Chair with the advice of the Chief Executive.
- j) To establish a constructive and effective working relationship with the Chief Executive and to be responsible directly for the management of the post holder.
- k) To agree personal and organisational targets with the Chief Executive and to conduct (if appropriate in collaboration with other members) an annual appraisal of the Chief Executive.
- l) To meet regularly with the Chief Executive outside of Board or Committee meetings and to agree agenda and key papers for Board meetings in consultation with the Chief Executive.

- m) To ensure that the skills and contribution of Board and Committee members, including the Chair is regularly assessed, and support and training is provided and a succession plan for Board membership is in place.
- n) To ensure that the Board takes action to address any conduct by a Board member, Committee member or the Chief Executive that brings the Association into disrepute.
- o) To represent the Association in public situations and in appropriate discussions with external bodies.
- p) Ensure, when necessary, that the Chief Executive is replaced in a timely and orderly fashion.

#### 46.3 Chair of the Board – person specification:

- A wide knowledge of the housing sector
- Able to command respect and commitment from Board and Committee members
- Able to command the respect of staff and external bodies
- Flexible, fair minded and confident.
- Able to be concise, decisive and clear thinking and to demonstrate good listening skills.
- Committed to promoting open debate and able to manage differences of view and summarise conclusions.
- Able and prepared to devote a minimum of 12 hours per month to the business of the Association
- Able and willing to attend at least 80% of Board meetings and Committees meetings as necessary.

### **47.0 Role description – Deputy Chair of the Board**

47.1 The Deputy Chair has the same general responsibilities as a Board member and as such is acting on behalf of the Board and the wider organisation. The Deputy Chair when formally deputising for the Chair, should seek the advice of other Board members or the Chief Executive, as necessary. In particular circumstances, the Deputy Chair may need to seek external independent advice - normally with agreement of the Board.

47.2 In addition the Deputy Chair, when deputising for the Chair is:

- Responsible for the effective management of Board and general meetings.
- Responsible for overseeing good relationships between all sub-committees and panels of the Board, the Chief Executive and the senior management team.
- Responsible for liaison with and support to the Chief Executive.

47.3 Specific duties when deputising for the Chair of the Board are:

- a) Maintaining a positive environment in which to undertake effective governance.
- b) Upholding the rules and approved policies applicable within the organisation.
- c) Being responsible for the effective conduct of Board meetings, ensuring that resolutions are properly debated and necessary decisions made.
- d) Ensuring that Board meetings take place at appropriate intervals and at suitable times.
- e) Chairing the Board, the AGM and any other special general meetings that may be called from time to time.
- f) Ensuring that all Board members are given the opportunity to express their views and that appropriate standards of behaviour are maintained in accordance with a code of conduct approved by the Board.
- g) Dealing with paperwork associated with the function of chairing Board meetings, including overseeing the agenda and the Chair's report for the Annual Report.
- h) Taking decisions in between meetings as delegated by the Board, in line with agreed policy and established practice, in consultation with the relevant members, sub-committees, panels, the chief executive or other directors as appropriate.
- i) In the case of urgent business occurring between meetings, taking necessary decisions on behalf of the Board, in accordance with agreed urgency arrangements.
- j) Ensuring that any decisions taken between meetings are reported to and ratified by the next Board meeting.
- k) Maintaining a watching brief on Board membership issues.
- l) Ensuring that Board training needs are considered and are suitably met.
- m) Establishing a constructive working relationship with, and providing support for, the chief executive and ensuring that the Board as a whole acts in partnership with senior staff.
- n) Ensuring that the Board makes proper arrangements to appraise the performance of the chief executive and determining the remuneration of the chief executive and other senior staff.
- o) Ensuring that the chief executive is replaced in a timely, orderly and appropriate manner as and when vacancies arise.

- p) Ensuring that the Board makes proper and appropriate arrangements for its own collective and individual appraisal, including the Chair's own appraisal, and for implementing a succession plan for Board membership and an annual training and development plan.
- q) Being responsible for regular appraisal of individual Board members, (this will include the Chairs of sub-committees).
- r) Ensuring that any issue of non-performance by Board members is followed up.
- s) Meeting with housing sector regulators as required and overseeing the organisation's commitments under any regulatory code – including the National Housing Federation's Code "Excellence in Governance".
- t) Attending functions and meetings on behalf of the organisation and otherwise representing the organisation.
- u) Keeping abreast of legislative changes and the wider housing environment which may affect the organisation.
- v) Ensuring that the Board delegates sufficient authority to its sub-committees, panels, the Chair, the chief executive and others to enable the business of the organisation to be carried on effectively between meetings of the Board; and also ensuring that the Board monitors the use of these delegated powers.
- w) To ensure that the Board receives professional advice when it is needed, either from its senior staff or from external sources.
- x) Ensuring that the Board abides by the Rules and Code of Conduct for Board members.
- y) Ensuring the Board agrees the role of the Deputy Chair and any other specific roles where appropriate.

#### 47.4 Person specification – Deputy Chair of the Board

- An understanding of the housing sector.
- Able to command respect and commitment from Board and Committee members.
- Able to command the respect of staff and external bodies.
- Flexible, fair minded and confident.
- Able to be concise, decisive and clear thinking and to demonstrate good listening skills.
- Committed to promoting open debate and able to manage differences of view and summarise conclusions.
- Able and prepared to devote a minimum of six hours per month to the business of the Association.

- Able and willing to attend at least 80% of Board meetings and Committees meetings as necessary.

## **48.0 Responsibilities of Chairs of Committee**

48.1 The responsibilities of Committee Chairs are:

- To ensure efficient conduct of the Committee business
- Ensure that all committee members are given the opportunity to express their views before any important decision is taken
- Establish a constructive relationship with, and provide support for, relevant senior staff
- Ensure that Committee decisions are appropriately recorded and communicated to the Board
- Ensure that the Committee operates within its terms of reference.

## **49.0 Role of the Senior Management Team**

49.1 The Senior Management Team is led by the Chief Executive (who is appointed by and accountable to the Board for the effective management of the Association's Policies, Strategy and operational matters) to ensure that the Association's objectives are achieved and will, in particular, pursue the following key areas:

- Advising the Board on policy development and strategic planning in accordance with long-term aims and objectives including the preparation of all Strategies and Business Planning.
- Identifying and evaluating new opportunities including the formulation of bids for finance for new developments.
- Formulating the new business programme and monitoring its progress.
- Monitoring progress against strategic planning targets in all disciplines.
- Formulating and monitoring operational plans and targets and general operational activities.
- Formulating and monitoring financial policies, plans, targets and reports.
- To assist and advise the Board in the formulation review and revision of:
  - Terms and Conditions of Employment
  - Standing Orders
  - Establishment levels
  - Procedural guides
  - Training programme
  - Development and implementation of IT Strategy and Plans.
- Implementation of agreed policies and procedures and the direction and co-ordination of departmental activities ensuring a motivated workforce.
- Projecting the image of the Association through effective public relations.

## **50.0 Board monitoring**

- 50.1 The Board wishes to ensure that it has access to an appropriate mix of skills and experience, in order to effectively carry out its governance responsibilities. It regularly carries out a Skills Audit, asking individual Board members to complete or update a proforma, outlining their areas of experience, skills and knowledge. This information is also used to identify any gaps in knowledge or skills that individuals may identify, for which they would like support from YHA. It also is used to identify areas of expertise where Board members may be able to provide specialist information or advice to SMT, to assist in developing strategy or improving services.
- 50.2 The Board also sets targets for the profile of overall Board membership, from an Equality and Diversity perspective, and this is monitored and reported on annually. The Board is particularly keen to have active involvement by tenants as Board members.
- 50.3 Board Appraisal is conducted regularly, to assess compliance with the NHF Code of Governance, identify any improvements or changes to governance that should be made, and highlighting training or development needs of Board members.

## **51.0 Induction for Board members**

- 51.1 The Association wishes to provide the support and training needed to enable co-optees and Board members to fully participate in the activities of the Association and perform their role as effectively as possible.
- 51.2 All new Board members and co-optees will be expected to undertake an induction programme during their first 12 months. Whilst the programme will be tailored to the individual there are core induction sessions which each individual will be expected to undertake.
- 51.3 These will comprise four x 1 hr sessions with the Chief Executive and each of the Directors, and should be completed within six months of being co-opted to the Board. Sessions can either be held on separate occasions or together, to suit individuals, or can be held during day time or early evening if this is more convenient.
- Chief Executive's session will include: History of YHA, background, where we operate, number of properties, customers, range of services provided. Context in which YHA operates and current key strategic and policy issues. It will also cover governance arrangements, going through any questions re BM role etc.
  - Operations Director session will include: further details re range of services delivered, policy outlines re ASB, tenant involvement, Rent collection , arrears management and void management, allocations as well as some detail re how we carry out day to day maintenance, how our Supported Housing services are monitored etc. It will also outline current key issues re Operations.

- Operations director’s session will include: background to our development activity and how it was funded, an explanation of the current development funding regime, and what schemes are in the pipeline. On outline of our approach to major repairs and details of our five year programme, our approach to asset management as well as highlighting key current issues
- Resources Director’s session will include: An outline of the Associations Budget and explanation of previous years accounts, with details of sources of funding, and main items of expenditure. It will also cover treasury management, our approach to Risk and how we use IT to assist our work.

51.4 In addition each new Board member will be invited to attend a session considering the skills and competencies required within governance and the practicalities of working within Boards and committees. They will also be invited to the next meeting of the Customer Panel, and this will be arranged by the Operational Director. They will also be expected to be available for a two hour set of scheme visits within 12 months of being co-opted to the Board, and this will be arranged by the Chief Executive at a time to suit the individual.

51.5 In addition, individuals can also identify which of the following would be of value to them:

- Information pack from the National Housing Federation currently comprising:
  - Achieving Excellence – Board appraisal
  - Excellence in Governance
  - Excellence in Standards of Conduct
  - Leadership and Control
  - Turning Hopes into Homes- a short history of affordable housing
  - Understanding Financial Statements
- "Buddying" support from an existing Board member
- Attendance on external training courses
- Further scheme visits
- In-house training and briefings

## **52.0 Board member champions**

52.1 As part of the governance framework the Board has created the role of “Board Champion” for a range of cross cutting topic areas, which each affect a range of the Association’s activities. The topics currently are:

- |                                      |                               |
|--------------------------------------|-------------------------------|
| • Business planning                  | • Health and Safety           |
| • Communications                     | • IT                          |
| • Environmental Issues/ Green Agenda | • Tenant/Customer involvement |
| • Equality and Diversity             | • Value for Money             |

52.2 The role of the Board member champions will be reviewed from time to time. Each co-optee or full Board member is asked if they wish to take on the role of

Champion, and if so, in which topic area. In most areas there are two - four Board members identified as Champions.

52.3 Role of Champions - The purpose is to provide opportunities for the Association to “tap into” the talents, skills, expertise and experience of individual Board members, as well as provide individual Board members the opportunity to gain a more in-depth understanding of the association’s activities, in particular topic areas.

52.4 It is possible that the role of champion may differ from topic area to topic area, and how the role is fulfilled may differ, according to the time that individual Board members are able to commit.

52.5 The role can include:

- Acting as a sounding Board.
- Providing expertise/specialist advice.
- Supporting officers in the progression of projects or specific pieces of work in their topic area.
- Reviewing Board papers from the perspective of their topic area and feeding this into discussions.

52.6 The role can be fulfilled by:

- Attending meetings, either as a one off, a course of meetings, or at the beginning and end of projects.
- Reading through draft documents relating to their topic area and commenting on them (policies, procedures, leaflets, etc).
- Attending events.
- Being at the end of an email or telephone to give quick advice or opinions on topic.

### **53.0 Expenses for Board and Committee members**

53.1 The Association is keen to ensure that anyone wishing to be a voluntary unpaid Board or Committee member is not financially out of pocket due to incurring expenses in the course of carrying out the function of being a Board or Committee member.

53.2 All Board and Committee members (whether in capacity as Observers, Co-optees or elected Board members) are entitled to claim reasonable out of pocket expenses incurred in carrying out their duties on behalf of York Housing Association.

53.3 A copy of the Claim Form is available from the Committee Secretary.

- 53.4 Claims should be made promptly after expenses are incurred, and no longer than three months after. Claims should normally be supported with receipts. All claims up to the end of March each year should be claimed by the end of April, in order to be shown in the Accounts. The Association reserves the right not to pay for expenses claimed late.
- 53.5 Mileage for use of their car on Association business is payable at the same rate as that which staff classified as casual car users can claim. These are updated on 1 April each year. Journeys must be specified on the Claim Form, and Board or Committee members are expected to use the most direct route between destinations to calculate the miles travelled, for which they are claiming.
- 53.6 Any Board or Committee members using their car on YHA business must ensure that their car insurance covers them for business use. The Committee Secretary will require evidence annually.
- 53.7 If public transport (bus, train, tram, tube) is used, then the cost of this can be claimed. Any train travel should be based on the cheapest available second class ticket. (Please note, in most cases, tickets needed for trips that are planned can be purchased in advance by the Committee Secretary, on behalf of Board or Committee members).
- 53.8 If, for the reasons of personal safety, lack of available public transport, or disability, a Board or Committee member needs to use a taxi, then the costs of this can be claimed. (Please note, in many cases, if it is known in advance that a taxi will be required, this can be arranged and paid for by the Committee Secretary, on behalf of the Board member).
- 53.9 Reasonable child care costs, or the costs of providing carer support that are incurred by Board members, can be claimed to cover the period they are on YHA business.
- 53.10 Expenses claims, with appropriate receipts, should be submitted to the Committee Secretary, and will be approved by the Chief Executive, or his/her Deputy, where necessary. Expense claims are processed and paid out monthly, and payment can be made by cheque or by BACS.

### **SECTION 3 SCHEDULE OF DELEGATION**

- 54.0** In accordance with the rules of the Association, the Board is responsible for directing the affairs of the Association in accordance with its objects and rules. Its functions shall include:
- a) Defining and ensuring compliance with the values and objectives of the Association and ensuring these are set out in each annual report;

- b) Establishing policies and plans to achieve those objectives;
- c) Approving each year's accounts prior to publication and approving each year's budget;
- d) Establishing and overseeing a framework of delegation and systems of control
- e) Agreeing policies and making decisions on all matters that create significant financial risk to the Association or which affect material issues of principle;
- f) Monitoring the Association's performance in relation to these plans, budgets, controls and decisions;
- g) Appointing (and if necessary removing) the Chief Executive;
- h) Satisfying itself that the Association's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
- i) Taking appropriate advice.

None of these functions is capable of delegation.

## **55.0 Delegated Authority to the Chair**

55.1 The Board delegates to the Chair authority to:

- a) In discussion with the Chief Executive, deal with matters of an urgent nature. These must then be reported to the next appropriate meeting for ratification.
- b) Consult with the Chief Executive on individual cases of staff interests.

## **56.0 Delegated Authorities to the Officers**

56.1 The following authorisations to Officers of the Association are subject to:

- a) The overriding responsibility of the Chief Executive to ensure the efficient management and execution of the Association's functions and implementation of its policies;
- b) Compliance with the approved policies of the Association and any direction given by the Board and with all statutory provisions, schemes or arrangements relating to the exercise of the Association's objectives;
- c) Where specific statutory provisions are quoted, the authorisations and designations apply to any subsequent statutory amendments, re-enactment or modification thereof.

## **57.0 Delegated Authority to the Chief Executive**

57.1 The Board authorises the Chief Executive to:

- a) Approve capital expenditure where the sum is within an approved budget;
- b) Approve payments in respect of revenue items where such payments are within an approved budget and are covered by appropriate documentation and/or Board decisions;
- c) Sign on behalf of the Association any document or form requiring a signature;
- d) Authorise expenditure within an approved budget;

- e) Transfer (vire) up to £50000 or 5% of a main budget head, whichever is the lower, between headings within a main budget head. Any requirement for virement that exceeds these limits, or is between main budget heads, would require Board approval;
- f) Approve:
  - Any donation within an approved budget to bodies active in housing or related fields; and
  - Reasonable entertainment and hospitality claims.
- g) Approve on the recommendation of Directors payments contractually payable to contractors/consultants in advance of receipt of grant.
- h) Approve revenue payments to staff under the terms of their contracts of employment or which fall due under the terms of the Association's conditions of service and/or staff regulations;
- i) After consultation with the Chair create new posts or otherwise vary the approved establishments within approved budgets;
- j) Approve:
  - The disposal, whether by sale, lease or licence of small parcels of land or properties, in accordance with the Association's policy, that are surplus to the Association's requirements, subject to Homes and Communities Agency approval where required and the approval of the relevant funder; and
  - The acquisition of dwellings or the purchase of land on the best terms and conditions obtainable, in accordance with existing approvals and / or within agreed development parameters.
- k) Approval of the grant of easements and wayleaves to statutory undertakers and other persons over the Association's land, on the best terms and conditions obtainable;
- l) Approve the institution and defence of legal proceedings where necessary to protect the Association's interests;
- m) Prepare bids to the Homes and Communities Agency and Local Authorities for inclusion within the Association's development programme;
- n) Commission pre development works in respect of schemes included in the Association's approved development programme including, but not limited to, geotechnical investigations, topographical survey, site security and safety measures each to cost not more than £20,000;
- o) Accept tenders in accordance with the Association's existing procedure (i.e. for obtaining, opening and accepting tenders and letting contracts);
- p) Sign any Homes and Communities Agency/Local Authority forms relating to the Association's capital programme including those necessary to secure approval or grant for adaptations for the physically handicapped;
- q) Approve the issue of Supervising Officer's Instructions in building contracts;
- r) Ensure that at practical completion of capital projects appropriate steps are taken, including applications for grant from Local Authorities/Housing Association grant and increases in property insurance;
- s) Respond to or lodge appeals arising out of any action taken by or against the Association;
- t) Instruct solicitors to:

- Sell or purchase property on behalf of the Association (including the signing of contracts for sale, certificates of title, certifying copy documents and searches and answering Requisition on Title and Enquiries before Contract and authorising the service of notices requiring completion of the transaction);
  - Authorise warrants for eviction for rent arrears or other breaches of conditions of tenancy, in accordance with the Association's agreed policies and subject to reporting to the next meeting of the Board;
  - Authorise legal action to gain access to the Association's property.
- u) Approve changes to policy/strategy following discussion with SMT. Major changes (and those SMT cannot agree) continue to require Board approval.

**58.0 The Chief Executive may delegate to a suitably qualified senior officer authority to:**

- a) Make offers of employment to prospective employees or temporary consultants where the post and grading are within the approved budget;
- b) Approve facilities for staff to study for approved courses of post entry training and attendance at conferences / seminars;
- c) Execute and implement approved personnel policies;
- d) Sign on behalf of the Association any document or form requiring a signature;
- e) Approve capital expenditure where the sum is within an approved budget;
- f) Approve payments in respect of revenue items where such payments are within an approved budget and are covered by appropriate documentation and/or Board decisions;
- g) Approve payment, not exceeding £250 by way of compensation or settlement to an employee in respect of loss or damage to clothing or personal belongings, which occurred at work or in the course of the performance of his/her duties, which was not due to his/her fault or negligence;
- h) Approve travel and expenses claims;
- i) Approve petty cash claims;
- j) Ensure that the Association's statutory responsibilities regarding Health and Safety legislation are discharged;
- k) Ensure the Association's statutory responsibilities regarding the Data Protection Act 1984 are discharged.
- l) Approve on the recommendation of Directors payments contractually payable to contractors/consultants in advance of a lending authority loan, where the lending authority has not made the loan within a reasonable period;
- m) Approval of the grant of easements and wayleaves to statutory undertakers and other persons over the Association's land, on the best terms and conditions obtainable;
- n) Prepare bids to the Homes and Communities Agency and Local Authorities for inclusion within the Association's development programme;
- o) Commission pre development works in respect of schemes included in the Association's approved development programme including, but not limited to, geotechnical investigations, topographical survey, site security and safety measures each to cost not more than £20,000;

- p) Accept tenders in accordance with the Association's existing procedure (i.e. for obtaining, opening and accepting tenders and letting contracts);
- q) Sign any Homes and Communities Agency/Local Authority forms relating to the Association's capital programme including those necessary to secure approval or grant for adaptations for the physically handicapped;
- r) Approve the issue of Supervising Officer's Instructions in building contracts;
- s) Ensure that at practical completion of capital projects appropriate steps are taken, including applications for grant from Local Authorities/Housing Association grant and increases in property insurance.

## **59.0 Delegated Authority to the Resources Director**

59.1 The Board delegates to the Resources Director authority to:

- a) Sign any financial forms including VAT returns, applications for loan/grant for approved and abortive projects and to statutory or contractual rights given to Association tenants (or their successors in title) arising from the Housing Act 1985, the Housing and Planning Act 1986; Housing and Regeneration Act 2009.
- b) Approve, within budget, items of a financial nature.

## **60.0 Delegated Authority to the Operations Director**

60.1 The Board delegates to the Operations Director authority to:

- a) Issue Notice of Intention to Seek Possession and Notices to Quit or other action necessary to begin proceedings to terminate a tenancy or licence agreement;
- b) Sign all non-financial forms related to rights given to Association tenants (or their successors in title) arising from legislation or Tenancy Agreements;
- c) Make ex gratia payments to tenants where disruption has been caused by major repairs or improvement projects;
- d) Approve payment of disturbance costs for decanting, in accordance with the agreed policy and current legislation, where it is necessary to achieve the capital programme or carry out repairs so long as the estimated cost does not exceed £2,500;
- e) Provide the general management, regulation and control of the Association's housing stock and any properties managed by the Association under a Management Agreement;
- f) Allocate housing and general accommodation in accordance with the agreed policy;
- g) Consult with tenants as required by any policies agreed by the Board;
- h) Authorise internal decoration allowances to tenants for decorations undertaken by them;
- i) Sign on behalf of the Association all non-financial forms relating to the operation of agreements between the Association and Local Authorities;
- j) Instruct solicitors to take legal action to gain access to the Association's property;

- k) Sign any forms relating to The Data Protection Act 1984 and to statutory or contractual rights given to Association tenants (or their successors in title) arising from the Housing Act 1985 and the Housing and Planning Act 1986.
- l) Accept tenders for cyclical maintenance in accordance with the Association's procedure (i.e. for obtaining, opening and accepting tenders and letting contracts);
- m) Instruct routine repairs and Aids and Adaptations expenditure where that figure is within the approved budgets;
- n) Sign on behalf of the Association all forms relating to grant applications or claims in respect of Adaptations for the Disabled;
- o) Approve new contracts for cleaning, landscaping, grass cutting or similar housing services and seek fresh, competitive quotations/tenders at the end of the contract period using the Associations Procedure for Obtaining, Opening and Accepting Tenders and for Letting Contracts;
- p) Approve contracts for the purchase rental and maintenance of domestic equipment within agreed budgets;
- q) Approve the following expenditure up to a maximum of £25,000 (including VAT), subject to the cost being within budget and the service charge for the scheme:
  - Invoices for replacement, maintenance and repair of domestic equipment.
 NB This standing order does not apply to capital expenditure.
- r) Approve the addition and removal of contractors to the Association's approved list, jointly with the Development & Property Director.
- s) Accept tenders for programmed maintenance (modernisations, major repairs, energy efficiency works) in accordance with the Association's procedure (i.e. for obtaining, opening and accepting tenders and letting contracts);
- t) Sign behalf of the Association all forms relating to grant applications or claims for capital funded projects;
- u) Approve the following expenditure up to a maximum of £25,000 (including VAT), subject to the cost being within budget and the service charge for the scheme:
  - Invoices for existing contracts;
  - Invoices from statutory undertakers;
  - Invoices for replacement, maintenance and repair of domestic equipment
 NB This standing order does not apply to capital expenditure.
- v) Instruct solicitors to sell or purchase property on behalf of the Association (including the signing of contracts for sale, certificates of title, certifying copy documents and searches and answering Requisition on Title and Enquiries before Contract and authorising the service of notices requiring completion of the transaction);
- w) Approve the addition and removal of contractors to the Association's approved list, jointly with the Operations Director.

## 61.0 Delegated Emergency Powers

- 62.1 The Chief Executive, or other Directors in his/her absence, may in a situation that requires urgent action, exercise any powers delegated to any other members of staff.
- 63.2 In the event of an emergency occurring which needs a speedy decision not covered by the powers within this document, the Chief Executive, after consultation with the Chair, or two Board Members, may take appropriate action as necessary. Any action taken under this heading should be ratified at the next meeting of the Board. The Chair may act for the Chief Executive, in the Chief Executive's absence, in the event of an emergency.

#### **64.0 Appointment of Consultants**

- 64.1 The Chief Executive is authorised to agree:
- a) Appointments of consultants to individual development projects on the recommendation of the Operations director. Appointments will only be made from the panel of architects, building surveyors, structural engineers, mechanical services engineers and quantity surveyors currently approved by the Board. The panel is to be reviewed annually;
  - b) Appointments of consultants with appropriate skills and experience to undertake specific projects not associated with the capital programme;
  - c) Appointments of consultants with appropriate skills and experience to provide ongoing professional advice to the Association.
  - d) The appointment of consultants and professional advisors shall be undertaken in accordance with the Association's Procedure for Obtaining, Opening and Accepting Tenders and Letting Contracts (as set out in Appendix 2) unless the Board has authorised otherwise.

#### **65.0 Tenders**

- 65.1 Tenders shall be obtained in accordance with the Association's Development Guide and Procedure for Obtaining, Opening and Accepting Tenders and Letting Contracts or other agreed procedures.

#### **66.0 Signing of Contracts and Agreements**

- 66.1 The signing of contracts shall be undertaken in accordance with the Association's Development Guide and Procedure for Obtaining, Opening and Accepting Tenders and Letting Contracts.

## **SECTION 4 FINANCIAL REGULATIONS**

### **67.0 General**

- a) These Regulations govern the conduct of the financial transactions of the Association and may only be amended or varied by resolution of the Board.
- b) It is the specific responsibility of each Director to ensure that these Regulations are complied with in his/her department.
- c) The Board may waive compliance with any of these Regulations in a particular case or any particular class of case.
- d) Where a matter within the control of a Director is liable to affect materially the finances of the Association, then that Director will consult the Chief Executive before any commitment is incurred.
- e) The Chief Executive must report to the next meeting of the Board any substantial non-compliance with these Regulations which comes to his/her notice.
- f) Arrangements for the retention or destruction of financial records shall be approved by the Resources Director but no document relating to the financial transactions of the Association or its employees shall be destroyed before the completion of the Association's Statutory audit for the year concerned.

### **68.0 Accounts**

- a) The Association's financial year shall be from 1 April to 31 March.
- b) The Resources Director will ensure that annual accounts are produced, audited and filed in accordance with the law, the rules of the Association and the relevant statutory instrument(s).
- c) The Association's accounts shall be kept in such a manner that the appropriate information for financial planning and control is available and that there are efficient systems for allocating income and expenditure;
- d) All accounts and accounting records of the Association shall be compiled by the Resources Director (or in accordance with his/her directions) who will liaise with the Chief Executive and/or the appropriate Directors;
- e) The Resources Director will have access to any documents or records he/she may require for purposes of financial control;

- f) The following principles shall be observed in the allocation of duties:
- The duties of providing information regarding sums due to or from the Association and of calculating, checking and recording these sums, will be separated as completely as possible from the duty of collecting or disbursing them;
  - Members of staff charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions as far as is practicable within the structure of the Association.

## **69.0 Banking Arrangements**

- a) All the Association's banking arrangements shall be made or approved by the Resources Director who shall be authorised to operate such banking accounts as he/she may consider necessary in accordance with legal requirements. Banking arrangements will be subject to a periodic competitive tendering process.
- b) Cheques, BACS and drawdown notices up to £100,000 will be signed by two of the authorised signatories.
- c) Cheques, BACS and drawdown notices over £100,000 will be signed by the Chief Executive, or the Resources Director or a member of the Board and one other authorised signatory.
- d) Warrants or other orders or instructions, bills accepted and promissory notes or negotiated instruments made, drawn or given on behalf of the Association at any time, will be signed by any two of the authorised signatories for banking purposes;
- e) The Bank is authorised to accept on behalf of the Association the signatures of the Officers and Committee Members set out in the authorised signatories list;
- f) Individuals will not sign cheques made payable to themselves. The Chief Executive and the Resources Director may, however, approve salary and pensions expenditure within which their own salaries/benefits are included;
- g) The Board will determine annually which Board Members should be authorised signatories to the Association's Bank account;
- h) Cheques will not be countersigned in blank.

## **70.0 Budgetary Controls and Monitoring**

- a) Prior to the commencement of each financial year the Resources Director is responsible for ensuring that an annual revenue and capital budget incorporating all income and expenditure has been drawn up and approved by the Board;

- b) The approved Annual Budget shall form the basis of financial control for the ensuing year;
- c) The budget for each financial year shall be in a form prescribed by the Resources Director in accordance with the general directions of the Association;
- d) Once the budget has been approved for the financial year, it is the responsibility of the Resources Director to notify Directors of their budgets and to ensure that adequate systems exist for monitoring actual income and expenditure against the budget;
- e) The Operations director in conjunction with the Resources Director is responsible for preparing a development programme in advance of the financial year and for submitting bids for capital finance and grant to the Homes and Communities Agency and or Local Authorities;
- f) The Resources Director will present budgetary control statements showing outturn against budget to the Board on a quarterly basis. Reasons for variance will be presented.

#### **71.0 Income**

- a) The collection of all monies due to the Association shall be in accordance with procedures approved by the Resources Director;
- b) Each Director shall furnish the Resources Director with such particulars in connection with work done, goods supplied or services rendered and of all other amounts due to the Association to ensure the prompt rendering of accounts for the recovery of income due;
- c) The Resources Director shall be notified promptly of all money due to the Association and of contracts, leases and other arrangements entered into which involve the receipt of money by the Association;
- d) All money received by an officer on behalf of the Association must without delay be paid into the Association's bank account. No deduction may be made from such money;
- e) Personal cheques will not be cashed out of money held on behalf of the Association;
- f) Each Director will as soon as possible after 31 March notify the Resources Director of all uncollected income or accounts not rendered relating to the previous financial year.

## **72.0 Insurance and Security**

- a) The Resources Director will effect all insurance cover and negotiate all claims in consultation with other officers where necessary;
- b) All appropriate Directors must give prompt notification to the Resources Director of all new risks, properties or vehicles that require to be insured and of any changes affecting insurable risks in his/her Department;
- c) All appropriate Directors must notify the Resources Director in writing of any loss, liability, damage or similar event likely to lead to a claim, and where appropriate, inform the Police unless otherwise decided;
- d) All appropriate employees of the Association will be included in a suitable fidelity guarantee insurance;
- e) The Resources Director will review all insurance cover annually in consultation with other Directors;
- f) Directors will consult the Chief Executive and the Resources Director regarding the terms of any indemnity that the Association is requested to give;
- g) Directors are responsible for maintaining proper security at all times for stocks, stores, furniture, equipment, computers, cash, etc., under their control. Directors may designate officers having responsibility for buildings or sections of buildings as required;
- h) Maximum limits for cash holdings will be agreed with the Resources Director and shall not be exceeded without express permission;
- i) Keys to safes and similar receptacles are to be carried on the person of those responsible at all times. The loss of such keys must be reported to the Resources Director as soon as the loss is discovered.

## **73.0 Internal Audit**

- a) The Resources Director will ensure that an annual internal audit plan is agreed by the Audit Committee.
- b) The Chief Executive or his/her authorised representative shall, subject to any constraints imposed by relevant legislation, have the right to:
  - Enter at all times on any Association premises or land;
  - Have access to all records, documents and correspondence relating to any financial and other transactions of the Association;
  - Require and receive such explanations as they may deem necessary concerning any matter under examination; and

- Require any employee or agent of the Association to produce cash, stores, or any other Association property under his/her control.
- c) Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property of the Association, or any suspected irregularity in the exercise of the functions of the Association, the Chief Executive shall take such steps as considered necessary by way of investigating and reporting. Each occurrence will be reported to the Board.

#### **74.0 Treasury Management**

- a) The treasury management function will include cash management, borrowing, security management and debt management. In conducting its treasury management functions, the Association shall always be risk averse. The treasury management function shall be structured so as to minimise exposure to risks that could jeopardise the security or value of its assets or otherwise impede the delivery of its primary objectives. The treasury management function will be carried out as laid down in the Association's Treasury Management Policy statement and administered by the Resources Director (or in accordance with his/her directions);
- b) It is the responsibility of the Resources Director to ensure that cashflow forecasting procedures are in place to monitor covenant compliance, determine surplus cash balances for investment, working capital requirements and the level of finance facilities required;
- c) The Resources Director will be responsible for drawing up loan and interest rate strategies on a regular basis. Where relevant, professional advice will be sought. The strategies will be reviewed by Board and the Audit Committee and reconsidered at other times as deemed appropriate;
- d) All negotiations for loans and the raising of loans, including bank overdrafts and leasing terms for equipment, shall be undertaken by the Resources Director in accordance with the Association's rules;
- e) The Operations Director may also negotiate leasing terms for specified equipment;
- f) The Board will approve the source and the method of raising the finance where additional finance facilities are required;
- g) All loans shall be effected in the name of the Association;
- h) The Chief Executive and Resources Director may place sums on deposit with the Association's bankers and are authorised by the Board to invest the funds of the Association in accordance with the Association's rule:

- i) All investments shall be made by the Resources Director in the name of the Association;
- j) The Resources Director will report annually on treasury management to the Board and Audit Committee;
- k) All securities, which are the property of, or in the name of the Association and the title deeds of all property in its ownership shall be held in the custody of the Secretary;
- l) The Resources Director shall act as the Association's registrar of stocks, bonds and mortgages owned and will maintain records of all borrowing of money by the Association.

#### **75.0 Orders for Goods, Works and Services**

- a) Orders are to be in writing, and to be signed only by officer responsible for official orders issued from a department. Verbal orders must be confirmed by a written order clearly stating that it confirms a verbal order and quoting relevant references;
- b) Computerised orders will be authorised via the computer system;
- c) Official, written or computer generated orders (including pro formas for publications, training courses etc) are to be issued for all work, goods or services to be supplied to the Association except for suppliers of public utility services, for periodical payments such as rent or rates, for petty cash purchases or such other exceptions as the Resources Director may approve;
- d) All Directors shall be responsible for official orders issued by their departments. They will ensure that procedures for dealing with orders are complied with;
- e) All Directors are responsible for obtaining value for money at all times. A member of staff issuing an official order is to ensure as far as is reasonable and practicable that the best available terms are obtained in respect of each transaction.

#### **76.0 Payment of Accounts**

- a) The normal method of payment of invoices and accounts by the Association will be by cheque, BACS, Direct Debit or Business Charge Card drawn on the Association's bank account(s) by the Finance Department;
- b) The Director issuing an order is responsible for examining, verifying and certifying the related invoice(s) and similarly for any other payment vouchers or

accounts arising from sources in his/her department. Such certification may be delegated to nominated officers;

- c) Before certifying an item for payment, the certifying officer must be satisfied that:
  - The work, goods or service to which the payment relates have been received or carried out, examined and approved;
  - The prices, extensions, totals, trade discounts, other allowances, credits and tax are correct, and in accordance with the order;
  - The relevant expenditure has been properly incurred, is within the relevant budget provision and coded against the correct budget;
  - The item has not previously been passed for payment and is a proper liability of the Association.
- d) Duly certified invoices for payment must be passed to a senior member of staff, who is a cheque signatory, who will authorise payment;
- e) Each Director shall after the end of the financial year, by a date to be confirmed by the Resources Director advise the Resources Director of all outstanding expenditure relating to the previous financial year.

#### **77.0 Petty Cash**

- a) Petty cash is held at the Association's offices for the purpose of meeting disbursements and properly authorised expenses and maintaining a cash float. The level of imprest is determined by expenses flow and security considerations;
- b) After completion of a monthly expense analysis, which is approved by the appropriate Director, reimbursement is made restoring the imprest back to its original level.

#### **78.0 Salaries, Wages and Pensions**

- a) The payment of all salaries, wages, pensions and other emoluments to employees or former employees of the Association shall be made in accordance with the directions of the Chief Executive;
- b) The Chief Executive shall determine all matters affecting the payment of such emoluments, and in particular:
  - Appointments, resignations, retirements, dismissals, suspensions, secondments and transfers;
  - Absences from duty for sickness or other reasons;
  - Changes in remuneration, other than normal increments and pay awards and agreements of general application; and

- Information necessary to maintain records of service for superannuation, income tax, national insurance and the like;
- c) Recommend to the Board remuneration for Directors.

#### **79.0 Travel, Subsistence and Allowances for Officers**

- a) All claims by members of staff for payment of mileage allowance, subsistence allowances, travelling and incidental expenses will be submitted monthly in a form approved by the Association;
- b) Payments to Members, including co-opted Members of the Board or Committee, who are entitled to claim travelling or other allowances, will be made by the Resources Director upon receipt of the prescribed form duly completed. All claims for a financial year are to be submitted within one month of the financial year-end;
- c) The certification by or on behalf of a Director shall mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Association;
- d) Claims submitted more than six months after the expenses were incurred will be paid only on the personal certification of the appropriate Director. To facilitate the early closure of the accounts all claims for a financial year should be submitted within one month of the financial year end;
- e) All recipients of mileage allowances shall, as required by the Resources Director produce all necessary documentation relating to the vehicle in support of any claim.

## APPENDIX 1: AUTHORISATIONS

### 1. Initiating expenditure and approving invoices

Role	Authority to initiate expenditure	Authority to approve invoices
Chief Executive (see note 1.2)	No limit as per s/os See note 5.5	No limit as per s/os
Operations Director (see note 1.2)	£50,000	No limit
Resources Director	£50,000	No limit
Head of Property & Maintenance	£15,000	£15,000
Head of Housing & Support	£15,000	£15,000
Head of Finance	£15,000	£15,000
Maintenance Manager (Planned)	£10,000	£10,000
Maintenance Manager (Responsive)	£10,000	£10,000
Maintenance Officer	£5,000	£1,000
Customer Services Manager	£5,000	£5,000
Corporate Resources Manager	£3,000	£3,000
Support Service Team Leader and Housing Officers	Non maintenance only - £500	Up to £1,000 non maintenance invoices / payment requests only
Resource Administrators	£500	Nil

- 1.1 Authority is limited to expenditure within the post holder's sphere of responsibility and within approved budgets up to a single transaction of the sum stated in the table above. Amounts stated include VAT where applicable.
- 1.2 Chief Executive and Operations Director are authorised to place orders and approve invoices for full amount of architects certificates, consultant's fees, land acquisition and related costs for schemes in a capital programme approved by the Board.
- 1.3 Capital Programme includes:
- Development capital additions to current properties;
  - Major repairs, small capital works, capital adaptations.

### 2 Authorised Signatories for making payments

- 2.1 The following postholders are authorised to be bank signatories:
- Chief Executive
  - Resources Director
  - Operations Director
  - Head of Finance

- 2.2 With the approval of the Board duly minuted individual named Board members can be authorised bank signatories on a time-limited basis for up to 12 months.

### **3 Petty Cash**

- 3.1 Expenditure from petty cash up to a single transaction of £30
- Housing Support Workers
  - Older Persons Support Worker
  - Support Services Team Leader
- 3.2 Expenditure from petty cash up to a single transaction of £100
- Property Maintenance Worker (Wooler Street)
- 3.3 Expenditure from petty cash up to a single transaction of £300
- Chief Executive
  - Operations Director
  - Resources Director
  - Head of Housing & Support
  - Customer Service Manager
  - Budget holders with delegated authority from the Board or Chief Executive
- 3.4 All petty cash payments must be authorised by the relevant budget holder.

### **4 Expenses**

- 4.1 The following are permitted to undertake approval of travel expenses for staff they line manage:
- Chief Executive
  - Resources Director
  - Operations Director
  - Head of Finance
  - Head of Property and Maintenance
  - Head of Housing & Support
  - Customer Services Manager
  - Supported Services Team Leader
- 4.2 All other expenses must be approved by budget holder.

### **5 General Conditions**

- 5.1 All items of expenditure not falling within the above categories will require prior approval by the Board.

- 5.2 In an emergency situation two members of the Board plus the Chief Executive shall be authorised to approve expenditure, such decision to be reported to the Board at its next meeting.
- 5.3 Agreed procedures for placing orders/contracts for maintenance, development, consultants, furniture and office supplies are to be followed in all cases.
- 5.4 All sums stated include VAT.
- 5.5 Refer to Standing Orders and Financial Regulations for limits on budgetary expenditure.
- 5.6 Notification of any fraud must be made in accordance with the Association's Fraud Policy.