

Code of Governance: including Terms of Reference



6th March 2025

Board of Management

The principles of good governance

The foundation of good governance is that there should be a balanced, diverse and effective Board, which leads and controls the Association and ensures we comply with our legal requirements. The Board should ensure that the Association upholds the following principles:

- Ethics:** We operate according to high ethical standards, explicit values and appropriate codes of governance and conduct.
- Accountability:** There is proper accountability to our residents, other customers and stakeholders.
- Customer first:** We put the needs of our existing and potential customers at the heart of our business decisions and strategy; this includes the safety of residents and our staff.
- Culture** Through our behaviours, we uphold and promote the values of the Association.
- Openness:** There is a spirit of openness and transparency, making full disclosure of governance matters and other information.
- Diversity & inclusion:** There is fairness and equality of opportunity and a recognition of diversity in all aspects of our governance. We recognise that bringing together people with diverse experiences, perspectives and opinions support richer debate and stronger decision-making.
- Review and renewal:** There are formal and open processes for the periodic review of the Board's own performance, which ensure its renewal on an ongoing basis.
- Clarity:** There is clarity of roles and responsibilities between Board members, paid staff and shareholders.
- Control:** There are effective systems for internal delegation, audit, risk management and control. The Board receives adequate and timely reports and advice to inform its decisions. The Board has an effective relationship with internal auditors, external auditors and regulators.
- Structures:** There are effective staffing and committee structures to support the Board's work.

Introduction

The Association is a registered society under the Co-operative and Community Benefit Societies Act 2014 Registration Number 16677R, Homes England Registration Number L0438 and accepted as a Charity for tax purposes by the Inland Revenue under their Reference Number XN 17483. VAT Registered Number 886 6889 31. Our Registered Office is LACE House, 2 Olsen Rise, Lincoln LN2 4UZ.

This Code is in support of the National Housing Federation's (NHF's) Code of Governance (2020), and it aims to help the Association put the principles of good governance into practice. This Code and CP11 Financial Regulations make up the standing orders of the Association.

The Association's code intends to provide a framework for the working arrangements of the Association and defines the responsibilities, authority and accountability of the Association's Board, Sub-committee, Chair, Board members and Executive Officers.

The code will protect the Association's reputation and ensure that we continue to achieve a high standard of governance and compliance.

The Association has a Board, supported by an Audit & Compliance Sub-committee. The Chief Executive is our Principal Officer and acts as the Company Secretary. The Director of Operations, acts as the Deputy Company Secretary, and reports to the Chief Executive and makes up our Executive Officers, supported by the outsourced Director of Finance, the Head of Housing and the Head of Assets.

The Association currently works to the [National Housing Federation Model Rules 2015](#), which provide the statutory, legal and regulatory framework of the Association and as such has primacy. The NHF has also published additional guidance to assist the Association in these areas of discretion.

Nothing in this code is to be construed as overriding the Rules, but this, and our associated governance documents refine and clarify areas of discretion under the Rules. The Board will review this CP4 Code of Governance: including Terms of Reference annually. In doing so it will consider the organisational and governance structures, including its composition, documented to support the delivery of the organisation's social purpose and strategic objectives.

Having adopted the NHF Code of Governance, we will publish an annual statement of compliance with the NHF code in our annual financial statements, and make a reasoned statement about any areas where we do not comply. We will also include a statement of our compliance with the Regulator of Social Housing's Governance and Financial Viability Standard. The Board adopted the NHF 2020 code from January 2022.

Governance Framework

The Board must be effective in the strategic leadership and control of the Association and act wholly in its best interests. It will take into account the Association's reputation in its actions and decisions. Board members must place the interests of the Association before any personal interests.

The Board fulfils each of its responsibilities either directly as a Board, through delegation to the Audit and Compliance Sub-committee, the Remuneration Sub-committee, or through delegation to the Executive and Senior Officers structure. The Board delegate the operational management of the Association to its Chief Executive, Executive and Senior Officers and other staff. The responsibilities that the Board fulfils itself are set out in:

The Constitution of the Board

Terms of Reference of the Board

The Audit and Compliance Sub-committee supports the Board, as set out in:

The Constitution of the Audit and Compliance Sub-committee

Terms of Reference of the Audit and Compliance Sub-committee

The Remuneration – Sub-committee supports the Board, as set out in:

The Constitution of the Remuneration Sub-committee

Terms of Reference of the Remuneration Sub-committee

Governance Framework continued

The Board is 'chaired' by the Chair. The Chair is responsible for leadership of the Board, and ensuring its effectiveness. The roles and responsibilities of the Association's Chair are set out or referred to in:

The role of the Chair

The role and responsibilities of Board members are set out in:

The role of Board member

The role and responsibilities of the Vice Chair are set out in:

The role of the Vice Chair

The role and responsibilities of the Executive Co-opted member are set out in:

The role of the Executive Co-opted member

The role and responsibilities of the Board Resident Champion are set out in:

The role of the Board Resident Champion

The role and responsibilities of the Member Responsible for Complaints are set out in:

The Member Responsible for Complaints

The role of Company Secretary

The Board may appoint an Honorary President in accordance with published rules:

The appointment of Honorary President

Governance Framework continued

The roles and responsibilities delegated by the Board to the Association's Executive Officers are set out in:

The Executive Structure

The role of the Chief Executive

The role of the Executive Management team

Organisational structure chart

The following documents form part of the Association's governance arrangements:

Governance arrangements

The Board's admission to shareholding membership statement

The Board's succession planning statement

The Board's recruitment and selection statement

The Board's appraisal statement

The Board's learning and development statement

Openness statement

Probity

The Board's resolution statement

Key corporate policies and governance documentation

The Constitution of the Board

Membership:

A minimum of five and a maximum of twelve members, including any Executive and Co-opted members. There must be no more than 5 Co-opted members on the Board at any one time. Executive Co-opted members must be in a minority.

The appointment, election or re-election of Board members is at the Annual General Meeting of the Board, usually held in September. The appointment of the Chair of the Board, the Vice Chair, Company Secretary and Deputy Company Secretary are at the Special Meeting of the Board, usually held in September.

An Executive Co-opted member will not hold the role of Chair or Vice Chair of the Board and the Audit and Compliance Sub-committee.

The Board will appoint a Company Secretary and Deputy Company Secretary, with a clear accountability to the Board. He/she will advise it on its governance and other statutory or regulatory requirements, particularly relating to their position as Board members.

The appointment of Board members is normally for a period of two terms of three years; reviewed after the first three-year term. Where a member has served six years, the Board can agree to extend their tenure by a further one-year, up to a maximum of nine years, if the Board agrees that it is in the best interests of the Association.

The appointment of non-executive co-opted member is for a period of one-year fixed office. The time a non-executive co-opted member serves contributes to any subsequent term as a Board member and cannot exceed the maximum term of office.

At the Annual General Meeting, a Board member who have served their fixed term will retire from office. Before the member seeks re-election, the Board will consider the member's performance, skills and the wider needs of the Board. The Association will seek to make full use of its succession statement and plan to avoid any disruption to membership or non-compliance with the code.

A Board member who has left the Board after serving the maximum tenure cannot be reappointed for at least one full term of office. However, we will not normally consider a subsequent reappointment even after considerable time has elapsed.

All members of the Board, Executive co-opted and Non-Executive, share the same legal status and have equal responsibility. However, a Co-opted member cannot take part in the deliberations nor vote on the election of Officers nor any matter directly affecting stakeholders. They do not count towards a quorum or attest seals unless specifically authorised.

Each must act only in the interests of the Association and not on behalf of or representing any constituency or interest group. Board members must not place any personal interests, whether commercial or otherwise, before the interests of the Association.

The Chief Executive (Executive Co-opted member), Director of Operations and outsourced Finance Director attend each Board Meeting, along with members of the Senior Officer team and representation from any outsourced services as required.

The Association's external auditors may be required to attend a meeting or part of a meeting at the request of the Board. Any person in attendance may be required to leave by the Chair if necessary, in relation to one or more agenda items.

Quorum:

Three members.

Frequency:

Meetings are held at least six times each year, with special meetings as and when required.

Board members will need to be able to commit to attending a minimum of ten meetings per year and be available to participate in additional meetings and working groups if and as required.

Terms of Reference of the Board

The essential functions of the Board, which cannot be delegated, are as follows:

1. setting and ensuring compliance with the values, vision, mission and strategic objectives of the Association, ensuring its long-term success;
2. setting a positive culture, with strong customer focus;
3. ensuring that the Association operates effectively, efficiently and economically;
4. providing oversight, support, direction and constructive challenge to the Association's Chief Executive and its Executive Officers;
5. the appointment and, if necessary, the dismissal of the Chief Executive;
6. satisfying itself as to the integrity of the Association's financial information:
 - approving each year's budget;
 - financial forecasts including any subsequent variation including virements;
 - the 5-year strategic business plan (including the overall objectives);
 - the annual financial statement and accounts prior to publication;
7. establishing, overseeing and regularly reviewing a framework of delegations to committees and staff; and
8. establishing and overseeing control and risk management frameworks and determining the Association's tolerance of risk in order to safeguard our assets, compliance and reputation. The Board delegates the detailed scrutiny and evaluation of risk and compliance to the Audit and Compliance Sub-committee.

The next section lists the other key responsibilities of the Board. In order to fulfil its responsibilities, the Board will receive an agenda and clear and accurate documents circulated at least seven clear days' before the meeting. The minutes of meetings will document the decisions and the main reasons for them. Meetings are fully inclusive and accessible, with adjustments made as necessary so that all members are able to attend and participate. This includes supporting members to join virtual meetings.

Governance and Regulation:**Approving:**

- the Association's code of governance, its code of conduct and any underlying terms of reference that ensures compliance with the NHF code of governance;
- and reviewing the Association's Rules;
- the Association's annual report;
- the external auditor's management letter/report and the letter of representation;
- a statement of compliance/non-compliance in its financial statements and authorising the issuing of the financial statements;
- the risk strategy and the risk management framework;
- corporate policies, ensuring compliance, in accordance with the published policy schedule;
- a minute regarding the renewal of the Association's Indemnity policy (Directors and Officers Liability Insurance).

Appointing:

- Board members referring to the Association's recruitment and selection statement for the skills, qualifications, diversity and other attributes currently required.

Completing:

- an annual assessment of the Board and Sub-committee's performance to include its:
 - composition, skills, experience and diversity;
 - governing instruments, delegations, regulations, standing orders, structures, systems, and other formal documentation;
 - timing and frequency of meetings;
 - format of agenda's, papers, minutes and communications;
 - effectiveness of decision-making, including how the views and needs of key stakeholders, including residents and other customers, have informed decisions;
 - compliance with the Regulator of Social Housing's Governance and Financial Viability Standard, the NHF's code of governance and legal duties; and
 - effectiveness in role-modelling the desired culture, values and behaviours of the organisation.

Considering:

- the annual assessment of Board skills and experience analysis and approving the annual training plan for Board members;
- all risk register entries with a risk score of 15 (high) or more to gain sufficient assurance that the risk is suitably controlled or action taken to control, monitor, reduce or eliminate the risk.

Recommending:

- to shareholders the appointment of external auditors.

Evaluating:

- if the Association has complied with the NHF code of governance, the Regulator of Social Housing's economic and consumer standards and all financial and non-financial loan covenants imposed by its lenders.

Setting and monitoring:

- Key Performance Information, including Value for Money metrics;
- the Association's 5-year strategic plan, including social purpose, mission, and values.

Gaining assurance:

- from the Audit and Compliance Sub-committee and the formal resident scrutiny panel (if applicable) to enable the Board to determine if it has an effective and appropriate internal control and risk management system in place across the Association and gaining assurance of the appropriateness of its tolerance of risk (risk appetite);
- that the needs and safety of the organisation's current and future residents, other customers and staff are at the heart of the Association's decision-making. This includes gaining assurance from the Audit and Compliance Sub-committee on the Association's arrangements for complaint handling and compliance with key health and safety responsibilities, including receiving an annual performance report;
- on the Association's arrangements for data protection, including receiving reports of data breaches and compliance with the General Data Protection Regulations. This includes monitoring any data breaches; the response made and actions taken to prevent a recurrence.

Receiving:

- an annual report on the operation and effectiveness of the risk management process within the Association including scenario planning and stress testing;
- and reviewing the Board's annual declaration of interests report, having been scrutinised by the Audit and Compliance Sub-committee;
- the Association's insurance cover for Buildings/Contents and Employers Liability Insurance.

Reviewing:

- performance and compliance with key health and safety responsibilities annually, with emphasis on those causing serious detriment;
- our annual self-assessment of the Housing Ombudsman complaint handling code and annual complaints performance and service improvement report and producing a response to this report, for publication on our website;
- the Chief Executive's Director Service Level Agreement incorporating responsibilities and delegations at least every 2 years.

- the Board's collective strengths, weaknesses and performance, once every 3 years, (next due 2024) to assess whether it has a diverse range of skills, competencies, experience and knowledge to cover the following broad areas:
- the Board's ability to scan the operating environment, think strategically and adapt as necessary;
- how well the Board performs its key roles and how successful it has been, including looking at the impact of decisions it has made;
- the effectiveness of Board relationships and the Board's effectiveness as a team;
- how the Board demonstrates accountability to and is viewed by key stakeholders and partners, such as residents, staff, regulators, investors, and local authorities;
- the composition, size and diversity of the Board and the backgrounds, skills and experience it collectively possesses;
- the ability to recruit and retain the balance of Board members it needs;
- the effectiveness of Board processes, and of the level and quality of the information the Board receives;
- the learning and development needs of the Board as a whole;
- the governance structure (including the effectiveness of delegations);
- the continuous improvement of the Board to meet the challenges faced by the Association;
- whether the Board provides enough support, scrutiny and challenge to the Executive;
- assess compliance with key governance documents and practices with legal requirements and good practice.

Embedding:

- resident focus, and uses this to inform decisions where appropriate;
- inclusion;
- integrity;
- openness; and
- accountability.

Finance and Investment:

Approving:

- rents, and service charges annually in advance of the annual rent review and in accordance with the Rent Standard;
- staff terms and conditions to ensure these are sufficient to attract, retain, motivate and recognise the qualities of its employees;
- the Chief Executive remuneration package;
- the annual budget, financial statements and financial performance report;
- the treasury management strategy and approving any loan facility, bond issue or similar arrangement through which the Association raises funds externally. Including any early redemption of such arrangements;
- annually the Association's lending and investment bodies;
- planned and unplanned budget expenditure of £100,000 or over;
- tender led contracts in line with the Association's procurement policy.

Agreeing:

- the Association's value for money self-assessment;
- the opening and closing of accounts for investments and borrowings.

Reviewing

- the management accounts and treasury report quarterly and the business projection and cash flow reports semi-annually;
- Key Performance Information e.g. arrears and void management;
- the asset and liability register annually;
- the asset management strategy performance report (financial);
- the Impairment of non-financial assets report.

Please refer to CP11 Financial Regulations for further details about financial management and internal controls.

Business, Asset Management and Development:

Approving:

- the Association's development strategy and policy;
- annually the proposed development programme, as part of the strategic plan;
- entry to the development programme for pipeline projects;
- scheme viability reports for proposed new developments;
- costed annual programme for equipment, furniture, furnishings, purchase and replacement as part of approving the Association's annual budget;
- the use of non-approved contractors and suppliers over £100,000;
- all disposals of property owned by the Association in accordance with the Asset Management policy, supported by financial information within the asset management strategy performance report.

Evaluating:

- financial proposals for new development opportunities including the scheme viability report, development appraisal (incorporating golden rules) and risk assessment.

Reviewing:

- development progress reports from the Association's Employers Agent;
- updates on the Associations pipeline developments;
- business projection and cashflow report for the next 5 years;
- annually the Association's Contractors and Suppliers, seeking assurance from the Executive Management team on the performance of contractors, and the achievement of any value for money opportunities through a review of the selection route of approved contractors or suppliers.

Community/stakeholder relationships, customer service, residents' needs and concerns:

Monitoring:

- major incidents and issues which are material to the financial position or reputation of the Association;
- arrangements for communicating and receiving feedback from the Association's residents. This includes obtaining insight into the views and needs of residents and other customers (including insight into their concerns and complaints).

A Board member acting as the Resident Board Champion and at least one Board member acting as Member Responsible for Complaints will report to the Board and assist in the monitoring of the Association's Stakeholder Engagement Strategy.

Delegated authority

In addition to the responsibilities delegated to the Audit and Compliance Sub-committee, as set out in its Terms of Reference, the Board delegates the following authority:

Development

The Chief Executive has delegated authority to progress projects that are in the main programme approved by the Board of Management. This includes approving projects at site acquisition and tender stages. The Chief Executive's delegated authority is set out in the Associations development strategy.

Treasury management

The Board delegates responsibility for the implementation and monitoring of its treasury management policies and practices and the execution and administration of treasury management decisions to the Chief Executive with the support of the outsourced Director of Finance.

The Board will consider forming a Treasury Management Working Group made up of three Board members, when needed.

The Board will give delegated authority for the acceptance of loan offers and arrangements for approved schemes, which cannot wait until the next Board meeting, to the three Treasury Management Sub group members, plus the CEO. In the absence of a Sub Group, three Board Members, including either the Chair or Vice Chair, plus the CEO are given delegated authority.

Any action taken is retrospectively reported to the next Board meeting.

Planned and unplanned budget expenditure of £100,000 or over.

To enable the timely authorisation of expenditure of £100,000 or over approval is obtained in accordance with the Associations Financial Regulations and is retrospectively reported to the next Board meeting.

The use of contractors and suppliers

To enable the timely appointment of non-approved contractors and suppliers over £100,000 delegated approval is given to the Chair or Vice Chair (who may, depending on the level/reason for the expenditure) seek approval from all Board members electronically. Confirmation of the use of these delegated powers will be reported to the next Board meeting.

Staff pay and conditions review

The Board delegates oversight of remuneration and staff pay policy to the Remuneration Sub-committee. This includes the review of the CEO Director Service Level Agreement, staff terms and conditions. Final decisions rest with the Board.

The authorisation of the schedule of individual remuneration, processed within the payroll, is delegated to the Chair.

Board appointments

The Chair, Vice Chair and Company Secretary/ Chief Executive have delegated responsibility to recommend new appointments to all Board members. The Company Secretary will notify all Board Members electronically and members have a set time to reply. The majority of the replies makes the decision to appoint. The next Board meeting records the use of delegated powers.

Disaster Recovery

Having delegated powers to act as appropriate and in accordance with the Disaster Recovery Policy in the absence of the Chief Executive.

For further details on the use of delegated powers, please refer to The Board of Management Delegated Responsibilities Matrix.

The Constitution of the Audit and Compliance Sub-committee

Role:

The Audit and Compliance Sub-committee role encompasses:

- external audit;
- internal audit;
- internal control; and
- risk.

Membership:

The Board will appoint a minimum of three Non-Executive Board members to the Sub-committee at its Special Meeting of the Board held each September. This includes the appointment of the Chair of the Audit and Compliance Sub-committee. The Chair of the Board must not chair this Sub-committee.

The voting members of this Sub-committee will not include the Chair of the Board or any Executive Co-opted members. All members of the Board are entitled to attend Sub-committee meetings without any entitlement to vote.

In making appointments to the Audit and Compliance Sub-committee, the Board will seek to ensure that there is a cross section of experience representing its working environment. Please refer to the Board's recruitment and selection statement.

The Chief Executive (Executive Co-opted Board member) attends meetings, along with the Director of Operations, along with members of the Senior Officer team as required. The Association's auditors may be required to attend a meeting or part of a meeting at the request of the Sub-committee. Any person in attendance may be required to leave by the Chair of the Sub-committee if necessary, in relation to one or more agenda items.

The Chair of the Sub-committee has access to paid legal advice from the Association's appointed legal advisers when required. The Association's external auditors have the opportunity to meet the Audit and Compliance Sub-committee at least once a year without the Chief Executive or any other member of the Executive being present.

Accountability:

The Audit and Compliance Sub-committee is accountable to the Board for the fulfilment of its responsibilities. Sub-committee members have responsibilities to the Association in their capacity as Board members. A standing agenda item of the Board is to receive a verbal report from the Chair of the Audit and Compliance Sub-committee (where a meeting takes place on the same date) and to receive the approved set of written minutes at the next Board meeting.

The Audit and Compliance Sub-committee annually review its responsibilities and its own effectiveness and recommends any changes to the Board.

The Board approves the Terms of Reference of the Sub-committee annually as part of its annual review of this document.

Quorum:

Two members.

Frequency:

Meetings are held on a quarterly basis (four times each year).

Disputes:

If there is dispute, the Board's decision will override those of the Sub-committee, but the Chair of the Sub-committee should have the right to report any such decision to the external auditors (and where necessary to external regulatory bodies), after discussion at the Board about the proposed course of action.

Terms of Reference of the Audit and Compliance Sub-committee

Overseeing and reporting to the Board on:

- the external audit;
- accounting and internal control systems;
- internal audit functions;
- risk.

The external and internal audit:

Reviewing:

- the external auditor's findings and considering the issues and management responses presented;
- the work of any internal control review carried out at the request of the Sub-committee. This may be through the appointment of an internal audit practice, an audit and risk consultant, a peer group representative or by a sector specialist carrying out a deep dive of a specific risk;
- the external and internal audit work and performance on behalf of the Board, in respect of independence, objectivity and effectiveness, taking into consideration relevant UK professional and regulatory requirements;
- the letter of representation and recommend this to the Board for signing;
- the management letter and management response to the external auditor's findings;
- and approving the strategic internal audit plan of work to ensure its appropriateness in relation to the business, including the significant risks faced by the Association.

Reviewing, reporting on and recommending to the Board:

If:

- the Association is getting the required performance and value for money from its external auditor;
- the Association operates a risk framework and internal control framework which is firmly embedded and can identify, evaluate and manage the significant risks to the Association in achieving its objectives;
- the Association has an appropriate culture of control throughout the Association;
- the letter of representation can be signed.

The:

- appointment of the external auditor;
- fee to be paid to the external auditor and terms of engagement. This includes assessing whether the Association is obtaining value for money from its auditors;
- Board member's annual declaration of interests, including identifying any declarations that need further consideration by the Board.

Internal control:

Approving:

- the strategic and annual internal audit plan and any changes to the plan.

Providing assurance to the Board:

- that there is sufficient and systematic review of the internal control arrangements within the Association;
- that the Association has in place clear and well communicated policies:
 - which defines fraud, and covers prevention, detection and reporting mechanisms;
 - on anti-bribery;
 - whistleblowing;
 - safeguarding;
 - for confidential reporting, which ensures that individuals can raise concerns about potential improprieties in matters of financial reporting and other matters;
 - on equality and diversity.
- that serious detriment health & safety responsibilities (fire, legionella, electrical, gas, asbestos, lifts, safeguarding and accidents and incidents), damp and mould prevention, cyber security and complaints are being managed and appropriately controlled;
- that complaints are being managed, in accordance with the Complaints policy, and are graded and referred to the Board Resident Champion who will identify if any wider resident engagement review is needed. Reasons for referrals include if there are any policy concerns or any concerns of a systematic issue affecting service delivery.
- annually, that the Sub-committee has performed in accordance with its Terms of Reference.

Ensuring that:

- any significant weaknesses identified are dealt with in a timely manner and reported to the Board;
- that any fraudulent or illegal acts are investigated; deficiencies in internal control or other similar issue, including reviewing and monitoring the results of subsequent management investigations and follow up of any fraudulent acts is taken.

Receiving:

- reports on the 'register of detected frauds' and to monitor any instances of fraud;
- an annual report on gifts and hospitality received by Board members, staff, involved residents or volunteers during the preceding year.

Reviewing and reporting to the Board:

- the adequacy and security of the Association's arrangements for its employees and its contractors to raise concerns, in confidence, about possible wrong doing in financial reporting or other matters through a review of the Association's Whistle Blowing policy, once every two years. This includes receiving all reports raised under the Association's Whistle Blowing policy and actions taken in response.

The Chair of the Audit and Compliance Sub-committee will act as the Board's Whistle Blowing Officer.

Corporate risk:**Reviewing:**

- the risk management process and recommend changes to that process where required.

Monitoring:

- risk management activities within the Association and ensuring that appropriate action is being taken to deal with significant risks;
- material changes to the Association's strategic risk register and reviewing all high and medium risks from the Risk Register at each of its meetings, and an annual review of all risk register entries.

Commissioning special investigations into matters of particular concern relating to:

- risk management;
- internal control.

Other:**Reviewing:**

- the Sub-committee's own performance annually;
- and approving Corporate documents in accordance with the published schedule.

The Constitution of the Remuneration Sub-committee

Role:

The Remuneration Sub-committee defines, reviews, recommends, and provides assurance on the following:

- **The CEO Director Service Level Agreement and remuneration**, including external benchmarking and advice where appropriate. Final decisions rest with the Board under its agenda item 'Members Private Discussion'. Other staff-related matters may be approved by the Board through its usual governance processes.
- **Staff terms and conditions of employment**, including recommendations on the annual pay settlement.
- **The remuneration strategy**, including pay principles (e.g. benchmarking, role level comparators, and uplift proposals).
- **Gender Pay and CEO Pay Ratio Reporting**.
- **Corporate policies** associated with staff terms and conditions of employment.
- **Assurance that pay arrangements comply** with the National Minimum Wage and National Living Wage.
- Adoption and compliance with the **RSH Competency and Conduct Standard**.

Membership:

- Minimum of three non-executive board members.
- No executive or co-opted executive members permitted as voting members.
- All Board members may attend (no voting rights).
- The Chair of the Board must not chair this Sub-committee.
- The Chair of the Sub-committee may access legal advice as needed.
- Sub-committee membership reviewed annually at the September Special Meeting.

Accountability:

The Sub-committee is accountable to the Board.

It reports via approved written minutes and verbal updates from the Chair.

Final decisions, including CEO remuneration and staff pay policy changes, are subject to Board approval.

Quorum:

Two members.

Frequency:

Biannual meetings, plus additional meetings as required.

Disputes:

In case of dispute, the Board's decision overrides the Sub-committees.

Terms of Reference of the Remuneration Sub-committee

Staff terms and conditions of employment

- The Sub-committee reviews the employee remuneration strategy annually and recommends changes, including the annual pay settlement, to the Board for approval.
- Members of the EMT retains delegated authority for individual pay decisions below executive level, provided they remain consistent with the approved remuneration strategy, any applicable role-level comparators, and the agreed staffing budget.
- The Sub-committee reviews and approves staff terms and conditions of employment.
- The Sub-committee receives assurance from the Director of Operations confirming compliance with the National Minimum and the National Living Wage.

The Remuneration Strategy

- The Sub-committee defines and recommends the remuneration strategy annually, ensuring alignment with our values, structure, workforce composition, and operational context.

Gender Pay and CEO Ratio Reporting

- Supports Equal Pay Reviews.
- Monitors and set targets for inclusion and equality.
- Oversees future reporting obligations on pay gaps and ratios.

The CEO Director Service Level Agreement and Remuneration

- Considers CEO remuneration with external advice as needed and makes recommendations to the Board.
- Final decisions rest with the Board, under Members Private Discussions.
- Reviews the CEO Service Level Agreement biennially.
- Oversees the Board in CEO appraisal, appointment, or dismissal.
- Supports the CEO in Executive Director appointments/dismissals.

If the Chief Executive's Contract is to be terminated

- The Sub-committee supports the Board in reviewing justification, costs, and reputational risks associated with any severance.
- Any recommendations go to the Board for approval.

Risk

- Identifies and escalates risks to the Board and risk assurance framework (e.g. compliance with pay legislation, equity concerns, or reputational risk).
- Ensures compliance with the NHF Code of Governance 2020 relevant to the responsibilities of the Sub-committee.

Approving Corporate Policies

- Reviews and approves HR related corporate policies, previously reviewed by the Audit and Compliance Sub- committee (as per Board policy schedule).

The role of the Chair

General

The Chair must be a non-executive member.

Responsibilities:

The Chair is responsible for leadership of the Board, and ensuring its effectiveness by:

Ensuring:

- the efficient conduct of Board meetings, the Association's General Meeting and any Special Meetings;
- all Board members are given the opportunity to express their views and maintain appropriate standards of behaviour in accordance with its approved code of conduct;
- the Board delegates sufficient authority to its Sub-committee, the Chair, the Chief Executive and others to enable the business of the Association to be carried out effectively between meetings of the Board, and also to ensure the Board monitors the use and effectiveness of these delegated powers;
- the Board receives professional advice when needed either from Executive Officers or from external sources;
- the Association complies with the NHF's code of governance which is appropriate to its circumstances;
- the Board agrees the role of Vice Chair;
- the re-appointment of Board members at the end of each 3-year or 1-year term.

Establishing:

- a constructive working relationship with, and providing support to, the Chief Executive and ensuring that the Board as a whole act in partnership with its Executive Officers.

Responsibility for ensuring suitable arrangements are in place for:

- the annual appraisal of the Chief Executive;
- the annual appraisal of the collective Board;
- a formal review of the collective Board performance, every 3 years;
- the appraisal of individual Board members once every two years, and reporting key outcomes of the individual appraisal process to the collective Board;

- determining with the Board, the remuneration of the Chief Executive and reviewing his/her Director Service Level Agreement incorporating responsibilities and delegations every 2 years;
- the induction of new Board members.

Having delegated powers to act as appropriate and in accordance with the Disaster Recovery Policy in the absence of the Chief Executive.

Representing the Association on occasion and acting as an authorised cheque signatory.

Working in consultation with other voluntary Board members (for instance with a small committee):

- Taking decisions delegated to the Chair with the advice of the Chief Executive and/or Executive Officers;
- Reviewing the composition of the Board and the skills and experience of its individual members and the need for new members and to ensure that action is taken to remedy any deficiencies, ensuring its renewal (see the succession planning statement and succession plan);
- Ensuring, when necessary, that the recruitment of the Chief Executive is in a timely and orderly fashion.

The role of Board member

Board members should have the attributes and the time needed to govern effectively. Each member exercises independent judgement in doing so. Members receive a formal letter specifying their obligations and usually within one month of election or appointment by the Board sign a copy to indicate acceptance.

Responsibilities:

Upholding the:

- culture, values and objectives of the Association and promote the success of the Association;
- Association's core policies, including those for equality, diversity and inclusion;
- principles of good governance and the Association's own code of conduct;
- high standards of governance, conduct and probity and contributing to the development and maintenance of high standards within the Association.

Considering and assessing whether:

- the Association's overall arrangements to provide assurance of compliance with legal and regulatory requirements are adequate;
- the resident voice is heard and acted upon in strategic decision making;
- internal controls and systems of risk management are robust and defensible;
- that the human resources (capacity and capability) are in place for the Association to meet its objectives (in conjunction with Executive Officers).

Contributing independently:

- and sharing collective responsibility for the Board's decisions;
- in all meetings, including preparing for and attending meetings, training sessions, Board self-evaluation, individual self-appraisal and other dates.

Constructively challenging:

- and participating in the development of the Association's strategy;
- and securing proper and effective use of the Association's assets, including its cash and buildings.

Scrutinising:

- the performance of the Executive Officers in upholding the agreed culture and values of the Association, and in meeting agreed goals, objectives, and monitoring the Association's performance on key performance indicators and health and safety compliance.

Keeping:

- up to date with the key challenges and risks faced by the Association, particularly in areas where appointed specifically to bring specialist expertise and experience;
- their declarations of any relevant interests up to date in accordance with policy.

Respecting:

- confidentiality of information.

Representing:

- the Association and seek to enhance the reputation and image of the Association at both internal and external events.

The role of the Vice Chair of the Board

In addition to the duties set out in the Board member duties, the Vice Chair has the additional responsibilities:

Responsibilities:

Acting:

- as a sounding board to the Chair, giving support, informal feedback, honest advice and a fresh perspective;
- for the Board in the appointment of the Chair;
- acting as an authorised cheque signatory;
- as an intermediary between other Board members and the Chair, where required.

Assisting:

- the Chair to ensure the effectiveness of the Board, including providing support to complete tasks, attend events, training, webinars and overseeing project groups;
- with the appraisal of Board members.

Completing:

- the appraisal of the Chair in accordance with agreed process and feedback from the collective Board;
- the duties of the Chair in his/her absence.

Chairing:

- meetings in the absence of the Chair.

The role of Executive Co-opted member

As an Executive Co-opted member, the Chief Executive will carry out the role and responsibilities of Board members, but will not:

- take part in the deliberations nor vote on the election of Officers nor any matter directly affecting shareholders.
- be a member of the Audit and Compliance Sub-committee.
- be present during agenda items relating to:
 - his/her remuneration package,
 - meetings with the internal/external auditor where only non-executive directors are invited.

The role of Board Resident Champion

The Board Resident Champion has the following additional responsibilities and will work with the Member Responsible for Complaints:

Acting:

- as a voice for residents, so that their views, needs, and safety is placed at the heart of Board decision making.

Contributing to:

- the wider Stakeholder Engagement Strategy; in doing so encourage scrutiny of the Association's performance.

Reviewing:

- processes to ensure the systematic collection and collation of sufficient insight into the views and concerns of residents and other customers;
- progress with the Association's Stakeholder Engagement Strategy;
- and managing expectations in line with regulatory, legal and financial requirements and without offering outcomes that would cause unfairness to other residents.

The role of Member Responsible for Complaints

The Member Responsible for Complaints has the following additional responsibilities and will work with the Board Resident Champion:

Engendering:

- a positive complaint culture.

Reviewing:

- regular updates on the volume, categories, and outcomes of complaints, alongside complaint handling performance;
- issues and trends arising from complaint handling;
- outcomes of the Ombudsman's investigations and progress made in complying with orders related to severe maladministration findings;
- the annual complaints performance and service improvement report.

The role of Company Secretary

Responsibilities:

- Acting under the supervision, control and direction of the Board and without prejudice thereto will in particular:
 - having the right of attendance at Board and Sub-committee meetings;
 - keeping the minutes of meetings, the register of members and other registers;
 - giving notice to the Regulator within fourteen days of any change in the situation of the Registered Office of the Association in the prescribed form;
 - having charge of the seal of the Association;
 - inducting new Board members (in conjunction with the Chair) on basic information on the role and responsibilities of the Board as well as tailored information for each individual member based on their skills and experience.
- Unless the Board otherwise directs:
 - receiving all contributions and other payments due from members and other persons to the Association and pay over the amount so received as the Board directs;
 - keeping all the books of accounts;

- producing or giving up the books, documents and property of the Association, which are in the Secretary's possession whenever required so to do by a resolution of the Board or of a General meeting.
- Ensure the Board operates within its rules.
- Acting as an authorised cheque signatory.

The appointment of Honorary President

The Board may appoint an Honorary President in accordance with the following rules:

- nominations for the appointment of an Honorary President are to be considered by the Board, a subsequent recommendation to be made at the Special Meeting of the Board, usually held in September, for consideration and approval;
- the Special Meeting will consider and agree the appointment of an Honorary President who by their dedication, contribution and approach is acknowledged as an individual who can provide inspiration, guidance and support to the Association;
- the appointment of an Honorary President is for a term to be determined at the Special Meeting of the Board;
- the Honorary President will be a shareholder in accordance with the Associations adopted rules;
- the role of the Honorary President has no executive function;
- the Honorary President will be invited to attend meetings of the Board and ceremonial activities/events;
- the Honorary President may contribute during meetings of the Board;
- the role of the Honorary President has no Board member responsibility and is unable to vote;
- the Honorary President will not have unsupervised access to the Association.

The Executive Structure

The role of the Chief Executive

Reporting to:

The Chair of the Board and its members.

Responsible for:

Director of Operations, outsourced Finance Director, and Personal Assistant. All other staff employed by the Association reporting respectively through their line managers (as shown on the Association's most recent structure chart).

The responsibilities listed below are a summary of responsibilities of the Chief Executive in respect of the Association's Governance arrangements. The Chief Executive employment responsibilities are set out in a Directors Service Level Agreement, last updated in 2023.

For details of the role and responsibilities of the Chief Executive as an Executive Co-opted member, please see page 26.

Responsibilities:

Acting:

- in the best interests of the Association and take into account the Association's reputation in actions and decisions.

Managing the Association's:

- affairs in accordance with its social purpose, including its culture, values and objectives and the general policies and specific decisions of the Board;
- overall relationship with regulatory bodies;
- relationships with key business partners, including opportunities for joint working.

Assisting:

- and advising the Board in determining policies and strategy including consideration to customer and staff insight, particularly around safety and wellbeing.

Recommending to the Board:

- a 5-year business plan;
- matters that it should consider and decide.

Ensuring:

- the Board is given the information necessary to perform its duties and, in particular, that the Board receives advice on matters concerning compliance with its governing instrument, the law and the need to remain solvent;
- proper systems of control, risk assessment, risk management and performance management are established and maintained and that regular reports on these are provided, at least annually, to the Board;
- with the guidance of the Chair, the preparation of documents for consideration by the Board;
- in conjunction with the Chair that the business of the Board is properly conducted in line with its code of conduct;
- effective leadership of staff through line managers; ensuring that their performance is appraised each year.

Embedding:

- resident focus, and uses this to inform decisions where appropriate;
- inclusion;
- integrity;
- openness; and
- accountability across the operations of the Association.

Controlling and supervising:

- day-to-day services including administration, development and personnel issues with support from the Director of Operations, outsourced Finance Director, Senior Officers and any representative of outsourced services.

Authorising:

- | | |
|--|----------|
| ○ invoices not exceeding | £100,000 |
| ○ first signatory of cheques not exceeding | £100,000 |
| ○ maintenance and development work not exceeding | £100,000 |

The Executive Structure

The role of the Executive Management team

Reporting to:

The Chief Executive to the Chair of the Board and its members.

Executive Officers to the Chief Executive.

Responsibilities:

Fulfilling:

- their individual roles having regard to the specific roles and responsibilities of the Board and the Audit and Compliance Sub-committee and the matters reserved by the Board to itself.

Working:

- within the parameters of the authority delegated by the Board;
- to uphold the trust and reputation of the Association;
- collectively with the other members of the Executive Management team listening and constructively holding each other to account;
- and promoting the Association externally.

Contributing to:

- the executive management of the Association;
- the Association's agreed culture, values, mission and social purpose;
- a culture of continuous improvement and value for money;
- and embedding the Association's Stakeholder Engagement Strategy;
- continually improving and influencing the strategic and operational running of the Association;
- and maintaining the development of the risk strategy and risk register;
- and evaluating new business opportunities and service improvements;
- employee engagement opportunities.

Ensuring:

- compliance with the Regulator of Social Housing's economic and consumer standards and the Housing Ombudsman complaint handling code;
- the bigger picture is understood by the Association's teams.

Leading:

- motivating and supporting staff within their related functions.

Supporting:

- the wellbeing, the safety and the personal development of the Association's staff.

Developing:

- and monitoring performance against KPIs;
- corporate and key policies.

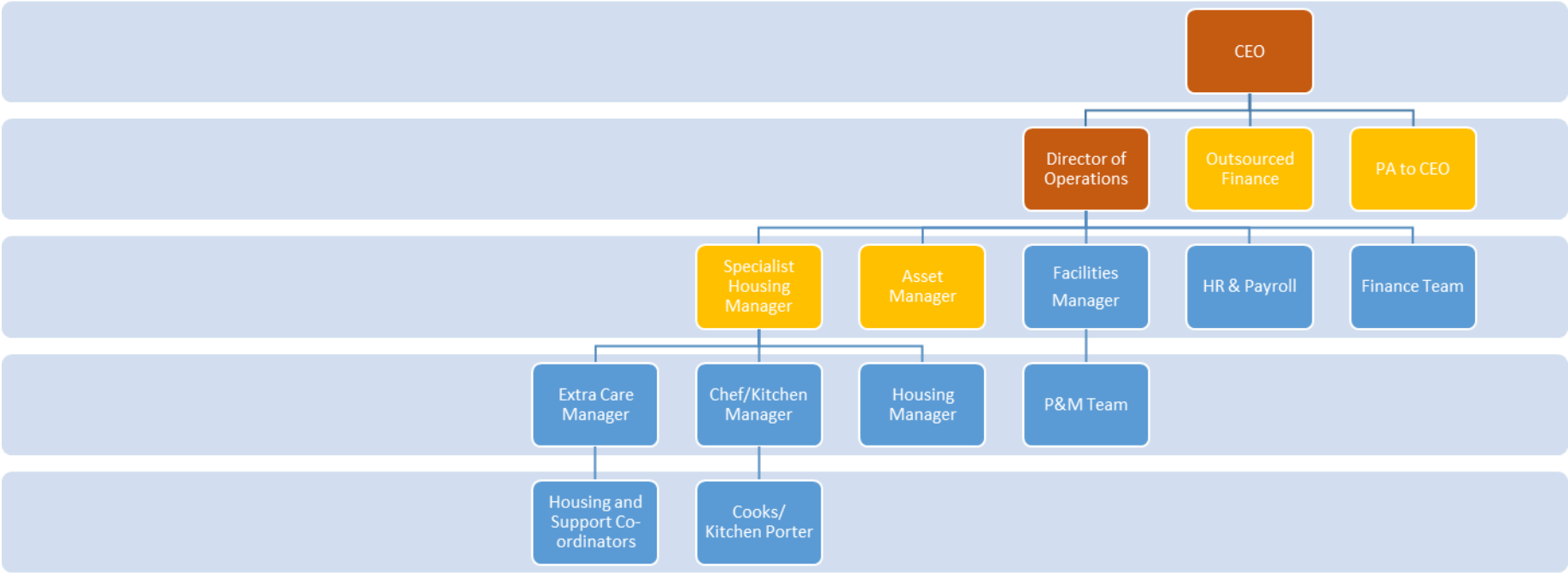
The more specific responsibilities of individual members of the Executive are within each officer's role profile or for the Chief Executive in his/her Directors Service Level Agreement 2023.

In the absence of the Chief Executive (annual leave/long term sickness), the Director of Operations will act on his/her behalf, reporting to the Chair and the Vice Chair of the Board, with support from the outsourced Finance Director and other Senior Officers. Please refer to the Association's disaster recovery policy.

6th March 2025

The Executive Structure

Organisational Structure Chart



Orange shade = support to the EMT.

Governance arrangements

Admission to shareholding membership statement

Introduction

There is a constitutional and regulatory requirement for the Association to agree and apply a policy on the admission of new shareholders (Rule C11 of the Model Rules 2015). The Association will appoint shareholders in accordance with Section C of the 2015 Rules.

The NHF Code of Governance (2015) states that ‘organisations with shareholders who elect the Board must review their policies for admission to shareholding membership on a regular basis and with a view to supporting compliance with this code.’

Admission to shareholding membership

The Association recognises the important role that shareholders have to play in governance but wishes to ensure that numbers are manageable. Therefore, the Association will restrict admission to shareholding membership. The routes to admission are set out below.

Shareholders are appointed under the following circumstances:

- a) Having been selected, and conditional upon them being appointed to the Board as a Board member, and for the duration of their membership of the Board;
- b) Having been a Board member and upon retiring or resigning from the Board, the Board may at its absolute discretion offer re-appointment as a shareholder to the outgoing Board member providing that the Board is satisfied they meet the criteria for appointment as set out in c) below and in accordance with Section C of the (2015) Rules and do not unduly increase the number of shareholders above its desired limits;
- c) Where an individual or an organisation (either corporate body or unincorporated body) would add significant value to the Association in supporting it in achieving its mission and objectives.

Existing shareholders appointed prior to the date of this policy may retain their shareholding membership of the Association until their appointment ends in line with the 2015 Rules.

A corporate body will nominate a specific individual to exercise its rights, and may change that nomination at any time. The share will however be in the name of the corporate body. The corporate body must notify the Secretary in writing of the appointment or removal of its nominated individual (Rule C8).

An unincorporated body, that has been invited and accepted into shareholding membership by the Board, must stipulate the name of a person to be the nominee. The share is in the name of the nominee, and the Register of Shareholders will show the name and address of the nominee, followed by the name of the unincorporated body (Rule C7).

Should the unincorporated body wish to transfer the share to a new nominee (Rule C3) for any reason, an application must be made in writing to the Secretary who will place it before the next meeting of the Board. The Board has the right to agree or reject the application for the transfer of the share to a new nominee and if agreed the new nominee's details are entered into the Register of Shareholders.

For exclusion to shareholding membership please refer to the 2015 Rules (Rule C6).

Governance arrangements

The Board's succession planning statement

The National Housing Federation's Code of Governance (2020 edition) requires the Association to have a strategy for its own renewal which is based on an agreed statement of the skills, qualifications, diversity and other attributes required. It balances the need for experienced members with new thinking and independent challenge.

The Association recognises the importance of succession planning in effectively planning and trying to future-proof membership of its Board. It is an important component of both the Association's business planning and risk management. Effective succession planning will help the Association plan and manage changes in Board membership and to anticipate and prepare for change. The training, development and recruitment of individual Board members informs the succession planning.

This statement seeks to balance the need for continuity and the opportunity to refresh the Board and the Audit and Compliance Sub-committee through succession planning and effective recruitment. This enables new thinking and challenge and maintains a range of skills and experience to deliver the Association's strategic objectives.

As a starting point, the Association will:

- assess the current skills, qualifications and experience required to deliver a high standard of governance. The Board reviews these, at least annually, and ahead of any recruitment campaign and before the reappointment of existing members. An assessment of the skills, experience or qualifications of the collective Board takes place before approving new activities or in mitigating against new risks. The Association uses a skills and experience matrix to assess the collective strengths of the Board, see Annex 1.
- consider the 'fit' between current profiles and the requirements to deliver the strategic objectives and strategic plan.

Strategic plan

The Association's strategic plan sets out the Association's strategic goals for the five-year period 2021 to 2025.

This business planning process considers and documents the current operating environment, and key strategic objectives around governance and regulation. As part of these considerations the Association identifies the skills, experience, diversity and other attributes required of its Board members to support the delivery of the agreed strategic objectives.

If new initiatives are undertaken, the Association may need to recruit specific skills/experience and/or current members may need to undertake some additional training. If the focus of the Association is likely to change e.g. a less or more active development role, consideration is given to the collective skills, knowledge, and experience of the Board to oversee both the change and the future focus.

Skills and experience Assessment

The essential skills, experience, qualifications and attributes currently required by the Board are listed in Annex 1 to this statement.

Each Board member carries out an annual self- assessment of their skills and experience that feeds into the publication of a skills and experience matrix for the Board as a collective. The Board reviews this at its December's meeting and updates the succession plan.

Training and Development Plans

A training plan is compiled which identifies both individual and collective training and development needs of Board members. The Board approve the training plan at its December's meeting. Training priorities reflect the Board's strategic needs identified through the business planning process.

As part of a separate review individual Board members will be asked to identify any interests in their own self-development for future Chair or Vice- Chair positions of either the Board or the Audit and Compliance Sub-committee.

The Business Plan and the skills and experience matrix may identify training needs. If existing members cannot acquire these skills through training, the Board will consider recruiting new members with these skills. This will depend on the current composition of the Board compared to either the maximum size of the Board under the Model Rules (2015), or any pre-determined preference for the number of Board members if less than this maximum.

Recruitment of Board members.

Essential to effective succession planning is the ability to recruit to fill identified skills gaps and/or to address anticipated retirements/resignations of individual Board members. Please refer to the Board's recruitment and selection statement within this document.

Succession plan

This is a three-year plan, regularly updated and presented to the Board (at least annually). The plan includes the Board members, their length of service, the date their current term ends, and confirmation of the Chair and Vice Chair positions. The plan enables the Association to identify any planned retirement/resignation/reappointment of Board members, which in turn, informs the timescales for the recruitment, and induction of new Board members. It will also enable a prompt response to any reactive recruitment requirements. The plan will correspond with the outcome of any discussions with Board members regarding their ongoing membership (for the current and future terms of office) and any aspirations for Chair or Vice Chair positions of the Board or the Audit and Compliance Sub-committee.

The plan allows the Association to identify the skills that will be lost. The plan will also reflect any new skills and experience identified within the Association's strategic plan.

The succession plan will aim to allow the timely recruitment of new Board members so as to allow time for a new Board member to observe a Board meeting to familiarise themselves with the Association and the culture of the Board.

Annex 1 – The essential skills, experience, qualities and attributes currently required by the Board.

The Board aims to have at least two individual members whose skills/experience drawn from within each of the following areas:

Skills Area 1	Skills Area 2	Skills Area 3	Skills Area 4
Governance and Regulation	Financial and Investment	Housing Management, Asset Management and residential development	Community and Stakeholder Relationships
Sector expertise at Board Level	Business and Commercial	Organisational Development	Customer Service, residents' needs & concerns

SKILLS AREA 1
GOVERNANCE & REGULATORY Experience of governance, co-regulation and regulatory framework, scrutiny compliance and assurance systems
Governance in well run organisations
Addressing adverse regulatory situations
Legal - charity, commercial, employment
Operating environment of the social housing sector and its regulatory environment
Other regulatory environments
SECTOR EXPERTISE AT BOARD LEVEL Experience of other Non-Executive (NED) roles and senior management via other housing associations, the NHF, sector consulting, regulator etc.
Management experience in a senior position
Other NED experience, at main Board level with another RP or a non-profit organisation
Charity or Trustee experience
SKILLS AREA 2
FINANCE AND INVESTMENT Experience of financial management, accounting, business and long-term financial planning, treasury management. Reporting, control systems and audit.
Financial knowledge
Treasury management, capital funding and investment
Business & long-term financial planning
Risk and systems of internal control
Accounting
Audit committee
BUSINESS AND COMMERCIAL Contributes general business skills including strategic development, business management, IT, partnering and PR
Strategic development
Formulation of vision and policy frameworks
Partnering and joint ventures
Mergers and takeovers
IT Strategy
Public Relations

SKILLS AREA 3
HOUSING MANAGEMENT, ASSET MANAGEMENT AND RESIDENTIAL DEVELOPMENT
Experience of development, strategy and delivery, property procurement and contracting, asset management, maintenance and investment. Regeneration of estates.
Housing Management, social housing and/or affordable housing
Planning and built environment
Commercial or residential development and partnering
Shared ownership, market rent and market sale
Regeneration of estates, social, economic & community initiatives
Asset Management
Contracts and procurement
Landlord health and safety
Employer health and safety
ORGANISATIONAL DEVELOPMENT
Experience of business growth and managing organisational change, new models of service delivery
Cultural development
Change management
Appraisal and reward
Coaching, mentoring, facilitation
SKILLS AREA 4
COMMUNITY AND STAKEHOLDER RELATIONSHIPS
Demonstrates knowledge of key stakeholders including local authorities, residents, community, investors, and experience of good practice in relationship management and accountability frameworks
Surveyors and planners
Healthcare trusts
Strategic partnerships
Supporting vulnerable people
Regional or community agencies
Local or central government
Work with / in Local Authorities
CUSTOMER SERVICE, RESIDENTS' NEEDS & CONCERNS
Demonstrates understanding of service, performance management and customer perspectives
Customer service strategy
Building and good environmental design
Resident and community involvement
Customer marketing and communications
Social media

Governance arrangements

The Board's recruitment and selection statement

The Board sets out to have a diverse membership with the collective skills and attributes needed to govern effectively. The Board recognises the skills, experience and attributes required to deliver a high standard of governance and these are reviewed at least annually and are considered prior to commencing any recruitment exercise or where the Association is about to undertake new activities or be exposed to new risks. A skills and experience matrix is used to assess the collective strengths of the Board. This and the succession plan enables planned recruitment and selection campaigns and illustrates the skills that will be lost should a specific Board member leave the Association, as well as any emerging skills identified through the strategic plan. See the succession planning statement and succession plan for more details.

Recruitment to Board vacancies will be open and transparent and based on the Board's considered view of the skills and attributes currently required. The Board will select or appoint new members objectively on merit, taking into account the time commitments prospective candidates can offer. No appointments are to be made which would, or might give rise to, a breach of our CP3 declaration of interests policy or conflict with our principles of probity. This is summarised in the recruitment pack we send to interested candidates.

The Board will appoint members with specific skills/experience associated to the following functions:

- Governance, regulation and sector expertise;
- Finance, investment; business and commercial
- Asset management, residential and organisational development;
- Community/stakeholder relationships, customer service, residents' needs and concerns.

For a breakdown of the skills/experience within these functions, please refer to annex 1 to the succession planning statement.

The following personal qualities are required:

- •a whole hearted commitment to the ethos and values of our Association;
- •commitment to be inducted effectively into the work of our Association and the responsibilities of being a Board member;
- •commitment to attend, as far as possible, all meetings of the Board and to participate effectively in its work;
- •independence of thought and judgment;
- •loyalty to the Board, the staff and the Association as a whole;
- •negotiating and diplomatic skills;
- •the capacity to be critical (without being judgmental) to look beyond the small detail to a larger vision of our aims and objectives.

Taking on the role of chair is a significant responsibility, including a number of personnel and performance matters. The selection of the Chair is from existing Board members and careful consideration is given to succession planning. The Board's succession plan and appraisal process seeks to identify potential successors in a timely manner. Prior to appointing individuals to this role, the Board will identify the skills, experiences, attributes and time commitment prospective candidates can offer.

In considering its composition and renewal the Board will have regard to the need for a Board which include people from diverse backgrounds and with diverse attributes, to help ensure healthy debate and challenge, and a range of perspectives in order to comply with our CP8 equality, diversity and inclusion policy and to avoid group think.

We advertise vacancies using a range of different methods, such as local and national newspapers, our website, on social media and by word of mouth. We carry out systematic recruitment campaigns (the frequency determined by the length of service of existing Board members) as part of the Board's commitment to its renewal. We avoid bigger changes to Board membership at infrequent intervals.

Candidates who express an interest will have an informal discussion with the Chief Executive and/or complete our Board application form. Our application form asks for information about their experience, qualifications and relevant training, why they would like to join the Board and an idea as to the time commitments they can offer.

All candidates are also required to provide details of any potential conflicts or dualities of interest as part of their application (LH208b Board member recruitment declaration) which will be explored further during any subsequent interview and handled in accordance with our CP3 declaration of interests policy.

To ensure we recruit competent Board members with the skills we require, all perspective Board members will undergo a selection assessment, aligned to our skills and experience matrix. This includes any candidates recommended to us outside of a published recruitment campaign.

The Chair, Vice Chair and the Company Secretary will interview candidates. Following interview, the Company Secretary will email Board members to obtain the collective approval of the Board to appoint the successful candidate. Board members will have a set time to reply to the email and the majority decision of those that have replied will be taken. Confirmation of the decision is recorded at the next Board meeting. Successful candidates are appointed subject to satisfactory references.

New Board or Co-opted members will be asked to sign our statement confirming that they will meet their obligations (included expected standards of conduct) to the Board (LH223 Board member annual declaration), usually within one month of election or appointment by the Board (please see the Model Rules 2015).

The Chief Executive supported by the Chair will complete an induction into the Association and ensure ongoing learning and development during their tenure.

For circumstances in which individuals are excluded from becoming or continuing to be a Board member, please refer to section D of the Model Rules 2015.

Details of newly appointed Board members are published on our website and within our annual report to residents.

Governance arrangements

Board appraisal statement

This statement summarises the arrangements for the Board's assessment of their collective and individual effectiveness. The Board will:

- carry out an annual self-assessment of its collective performance, as per the CP4 Code of Governance: including Terms of Reference.
- review the Audit and Compliance Sub-committee's annual self-assessment of its collective performance and confirm that its delegated duties are being completed satisfactorily.
- complete individual appraisal of Board members, once every two years.
- arrange for a review of the performance of the Chair, once every two years.
- carry out a formal self-assessment of its performance, once every 3 years, in accordance with the CP4 Code of Governance: including Terms of Reference. This is next due in August 2024.
- carry out an annual skill and experience audit of individual Board members, linked to its strategic objectives and review the findings as the collective Board, each December. The results of the annual skills and experience audit will feed into the Board's succession plan.

Self-evaluation

The key considerations for the self-evaluation exercise, is set out within CP4 Code of Governance: including Terms of Reference.

Members receive a copy of the self-assessment template ahead of the self-evaluation exercise. This allows individual members to prepare for the collective discussion conducted at the June meeting of the Audit and Compliance Sub-committee meeting and the August meeting of the Board. The Board receive the Audit and Compliance Sub-committee completed self-evaluation at its August meeting.

Individual appraisal

Appraisal of individual Board members, by the Chair and/or the Vice Chair, take place once every two years. An appraisal form (LH227 Board Member Individual Appraisal) details the key requirements of the appraisal discussion and the link to the Board's succession plan. Due to the size of the Association and the fact that Board members are not paid, the appraisal focuses on:

- a general discussion on the member's role as a Board member and any issues or concerns the member may have;
- feedback by the Chair/Vice Chair on the member's individual contribution to the Board;
- identifying any ways in which the Board member's contribution or performance can be enhanced e.g. through the provision of additional information or through training or development initiatives; and
- the Board's succession plan.

The Company Secretary provides support to the Chair/Vice Chair in the coordination and administration of the Board appraisal process.

Performance Review – the Chair

The Board will review the performance of the Chair once every two years. The Vice Chair will chair a non-executive discussion on the Chair's performance and provides feedback to the Chair.

Governance arrangements

The Board's learning and development statement

The Board identifies the essential skills, qualifications and experiences to deliver good governance. The Board will review these at least annually and ahead of any recruitment campaign and before the reappointment of existing members. An assessment of the skills, experience or qualifications of the collective Board takes place before approving new activities or mitigating against new risks. The annual skills and experience audit assesses the collective strengths of the Board and the skills and experience matrix records the outcome.

The Board aims to have at least two individual members whose skills/experience are from within each of the following areas:

Skills Area 1	Skills Area 2	Skills Area 3	Skills Area 4
Governance and Regulation	Financial and Investment	Housing Management, Asset Management and residential development	Community and Stakeholder Relationships
Sector expertise at Board Level	Business and Commercial	Organisational Development	Customer Service, residents' needs & concerns

Good governance requires all Board members to develop a sufficient understanding of all four skills areas to engage in debate, ask questions and contribute to informed decision making.

The Association is committed to the ongoing development of the collective and individual strengths of the Board to retain the identified knowledge and skills needed to carry out its Governance responsibilities, including setting and actively driving our social purpose, mission, values, culture and fulfilling its strategic objectives effectively.

We support Board members to continuously learn, develop and progress opportunities in line with the Board's succession planning process. We evaluate the benefit training will give the Association whilst giving due diligence to the cost implications.

We review our level of investment in learning and development annually to ensure adequate resources are available and the learning and development activity is benefiting the individual Board member and the Association. We aim to ensure that our Board members have:

- a clear understanding of their role
- access to training and support to fulfil their role so that they can deliver excellent performance, both individually and collectively
- a good understanding of governance, charity law and regulation, legal compliance, the role of social housing and on strategic oversight
- an appropriate awareness of changes in the external environment
- access to key documents and publications (e.g. the Regulator for Social Housing's Regulator Standards and Sector Risk Profile).

Responsibilities

The Chair is responsible for the induction of Board members, bi-annual appraisals and for identifying on-going learning and development needs aligned to the strategic plan, skills and experience matrix, succession plan and its operating environment. The Vice Chair and the Company Secretary support the Chair.

Board members are expected and encouraged to take ownership and responsibility for their individual performance and to assist in identifying collective learning and development opportunities. This includes addressing any needs identified through the appraisal process or skills and experience audit.

Training methods

New Board members will receive a full induction into the Association and its governance responsibilities. This includes a basic information pack on governance.

All Board members are encouraged to participate in webinars hosted by Acuity, The Board Development Agency and the National Housing Federation. These offer a cost effective, relevant and timely access to learning relevant to the housing sector. Participants are encouraged to share their learning with the PA to the Chief Executive who will post on the Governor Hub.

A budget is made available each year to enable Board members to attend relevant external training or conferences.

From time to time external stakeholders are invited to attend a meeting of the Board to share understanding of specific business areas i.e. treasury management, development, stress testing and business mitigation.

Procedure

When a Board member attends training on behalf of the Association, they will notify the PA to the Chief Executive who records attendance within the Board Training Plan. The Board receives a copy of this plan at its December meeting, along with the skills and experience audit.

Individual Board members complete the skills and experience audit ahead of the December Board meeting. The Board will identify and address any gaps in the collective skills of the Board, updating its skills and experience matrix and the succession plan.

Individual Board members identify their main areas of specialism aligned to our strategic objectives to inform the succession plan.

Individual Board member appraisals occur biennially and includes a discussion on learning and development needs. Overall learning from these appraisals will be summarised and feed into the Board's annual assessment of its governance and any action plan. The Board carry out an annual assessment of its governance each August and identifies any areas for improvement.

Governance arrangements**Openness statement**

The Association is committed to accounting for its actions and performance in an open manner to customers, local communities, partners, regulators and other stakeholders.

As a matter of principle, we provide full information about our work unless there are good reasons why not to, for example, for legal reasons or on the grounds of personal confidentiality, commercial confidentiality or practicality.

We have a range of methods for ascertaining the views of our residents; please refer to our CP20 Stakeholder Engagement Strategy.

Openness on Governance

We are open about the framework within which the Association makes decisions. This includes publishing information on our organisational structure, our constitutional documents and our governance arrangements.

We are also open about the standards we have set for decision-making within the Association. Our financial statements confirms the adoption and compliance with the National Housing Federation's code of governance (2020), our decisions in pursuit of value for money and our compliance with the Regulator of Social Housing's Governance and Financial Viability Standard.

We are committed to high standards of integrity in what we do, and where requested we make our register of 'gifts and hospitality' and 'declaration of interests' available for public inspection.

We publish biographical details of Board members and our Executive Officers on our website.

Openness about our priorities

We provide our staff and each of our schemes with a copy of our 5-year strategic plan so they are aware of our priorities. We provide updates through our LACE Matters publication.

We publish our financial performance in our annual report and financial statements.

Openness about what we do

Our website provides a range of information on our services for our residents and stakeholders. We publish a number of factsheets about different aspects of our services and these are included as part of key processes. These are also available within our housing for extra care schemes. To cater for individual communication needs, we provide information in other formats, where it is reasonable and practicable to do so.

We regularly promote our activities through Facebook and Twitter and publish joint information on our activities undertaken as part of our commitment to the Lincolnshire Independent Living Partnership.

Governance arrangements**Probity**

The Association will maintain the highest ethical standards of probity and conduct. The Board will operate in an open and transparent manner. Additional policies designed to ensure 'probity' in our entire activities and dealings supplement the Association's expectations regarding conduct.

Requirements concerning the declaration of interests aim to avoid any scenario in which the personal interests of Board members, staff, involved resident or a volunteer conflict with the responsibilities they fulfil on behalf of the Association. These requirements are set out in:

Declaration of interests**Code of conduct**

Specific arrangements applicable where the Association wishes to make a payment or grant a benefit to Board members, staff, involved residents and volunteers and those who they are 'closely connected' are set out in:

Gifts, hospitality and benefits

The Association's policy statement on 'fraud and bribery' is set out in:

Fraud and Bribery

The Association's confidential reporting arrangements are set out in:

Whistle Blowing

Governance arrangements

The Board's resolution statement

The Association takes allegations and complaints of inappropriate Board member conduct seriously. The Board will investigate complaints promptly and take remedial and/or disciplinary action as appropriate. The Board will behave with high standards of probity and integrity and ensure that these apply throughout the Association. This statement sets out how Board members can raise a dispute or grievance and the resulting action.

All Board members must comply with company law and operate within the Association's Model Rules 2015. Members receive a copy of the Rules when joining the Board. This policy statement applies where the Board receives reports of non-compliance with the Rules, including any information included within the annual declaration by Board members. The Association's CP2 Code of Conduct supports The Model Rules.

An individual, entity, or group can submit a complaint or grievance. As a rule, complaints should be in writing and sent to the Chair's attention at our Registered Address. Complaints submitted anonymously, limit our ability to conduct a thorough investigation, but will be investigated if they are a cause for serious concern. Any complaints about Board members made under the CP25 Whistleblowing policy will have regard to this policy.

All complaints must identify the Board member and clearly identify the alleged Board member misconduct. All complaints must contain sufficient information for the Board to investigate the allegation(s). Complaints should also contain the complainant name, address, telephone number, and any other contact information the complainant wishes to provide to the Board.

A serious complaint, allegation, investigation, or disciplinary action about a Board member, and/or a material breach of CP2 Code of Conduct by a Board member, may result in a referral to the Regulator of Social Housing. Before doing advice will be required from our appointed Auditors.

Any Board member, including Co-optee members, who at any time ceases to qualify under D7 of the Model Rules, shall immediately cease to be a Board member or Co-optee.

No one can become or remain a Board member, a committee member or Co-optee at any time if:

- D7.1** they are disqualified from acting as a director of a company, as a Board member of another registered society [or as a charity trustee] for any reason; or
- D7.2** they have been convicted of an indictable offence which is not, or cannot be, spent; or
- D7.3** a composition is made with that person's creditors generally in satisfaction of that person's debts; or
- D7.4** they are not a Shareholder (unless they are a co-optee or employee of the Association or any other Group member); or
- D7.5** they have absented themselves from three consecutive meetings of the Board or committee (as the case may be) in one rolling twelve-month period without special leave of absence from the Board; or
- D7.6** a registered medical practitioner who is treating that person gives a written opinion to the Association stating that that person has become physically or mentally incapable of acting as a Board member, Co-optee or committee member and may remain so for more than three months; or
- D7.7** they are a resident and in the opinion of the Board are in material or serious breach of their tenancy agreement or lease or are subject to a possession order or are in breach of a suspended possession order, or are subject to any of the following types of court order: anti-social behaviour order, anti-social behaviour injunction, demoted tenancy, or closure order; or

D7.8 they are a resident and the Association has obtained an order of a competent court or tribunal against them for recovery of monies due from them to the Association provided that if the order is suspended or is an order for payment in instalments they shall only cease to be a Board member, Co-optee or committee member upon failing to meet the terms of the order; or

D7.9 they are an employee and their contract of employment is terminated; or

D7.10 they are a specifically elected or appointed as a Resident Board member and cease to be a resident;

In addition, any Board member, Co-optee or committee member who at any time ceases to qualify under this rule shall immediately cease to be a Board member, Co-optee or committee member (as appropriate).

This policy is to be read in conjunction with the Model Rules 2015 and the Association's CP2 Code of Conduct and CP10 Grievance policy.

Investigation

On receipt of a complaint/grievance/notification of a breach in the Model Rules, the Chair will arrange for an investigation to be completed. The Chair may delegate this to the Vice Chair to arrange.

The investigation will seek to establish if there is a breach of the Model Rules 2015 and/or the CP2 Code of Conduct. The Chair may appoint a Board member to complete this investigation or conduct the Association's Internal Auditors for guidance and assistance in the investigation; including advice on the appointment of an external person to complete the investigation. The Company Secretary will provide administrative support and seek external advice where required.

We ask that complaints concerning the Chair be in writing to the Vice Chair, marked private and confidential. The Vice Chair will arrange for an investigation, and will in all instances, seek assistance from the Association's internal auditors; including advice on the appointment of an external person to complete the investigation.

Failure to follow CP2 Code of Conduct

Following any confirmation of a breach of this code, action taken will reflect the seriousness of the circumstances and may involve:

- an informal discussion between the Chair or Vice Chair and Company Secretary with the Board member;
- advice and assistance on how his or her conduct can be improved;
- the offer of training, mediation or other form of support;
- a formal written warning; or
- a recommendation to remove the Board member from the Board in accordance with D8 of the Model Rules where a material breach has occurred.

Recommendation to remove the Board member from the Board

If the investigation finds a breach of The Model Rules 2015 D7, or a material breach of the Code of Conduct, the Chair will write to the member to confirm the reasons, evidence collated, and give ten working days for the member to respond in writing. The member concerned will have the opportunity to meet the Chair and Company Secretary. At the end of the ten-day period the Chair and Company Secretary will consider the matter and the member's response.

Where the investigation concludes there is sufficient reason to consider removing the member from the Board the Chair and Company Secretary will refer to the Board, in accordance with Rule D8. Any decision to remove would be on the basis that continued membership could represent a severe or undue risk to the trust and reputation or the conduct of business of the Association or be a breach of the Model Rules 2015. Any such recommendation should be progressed by the Board in accordance with D8 of the Model Rules 2015.

A Board member may be removed from the Board:

D8.1 by a Special Resolution at a General Meeting; or

D8.2 by a resolution passed by two-thirds of the Board members, excluding the Board member subject of the proposed removal and excluding Co-optees and employees, provided the following conditions are satisfied:

- at least fourteen days' notice of the proposed resolution has been given to all Board members; and
- the notice sets out in writing the reasons for the removal; and
- the Board is satisfied that the reasons justify the removal.

The Chair and Company Secretary will write to the Board member confirming the Board's decision.

If an appeal is made we will ask for assistance from the Association's Auditors. This includes asking for recommendation on external organisations to carry out the appeal. The decision resulting from any appeal would be final.

Grievance involving members of the Board

A response to a formal grievance will be in accordance with the Association's CP10 Grievance policy. Reports of a grievance by, or made against a Board member, should be in writing, to the Chair of the Board, who will appoint a Grievance Officer. The Grievance Officer will usually be a Board member or the Chair may engage a third party to act on the Association's behalf. The Company Secretary will provide administrative support and seek external advice where required.

Governance arrangements

Key corporate policies

Reference	Policy Name
CP02	Code of conduct for Board members, staff, involved residents and volunteers.
CP03	Declaration of interests
CP08	Equality and diversity
CP09	Information governance
CP11	Financial regulations
CP12	Fraud and bribery
CP13	Gifts, hospitality and benefits
CP19	Procurement
CP21	Risk management strategy
CP25	Whistle Blowing

Document Name
Board annual self-assessment template.
Audit and Compliance Sub-committee annual self-assessment template
Board agenda schedule
Audit and Compliance Sub-committee agenda schedule
NHF Code of Governance 2020 compliance self-assessment template
The Board of Management Delegated Responsibilities Matrix
Internal control self-assessment checklist
Gifts, hospitality and benefits forms (LH217)
Gifts, hospitality and benefits register
Declarations of Interest Register for Board members, including record of annual declaration
Declaration of Interests Form – Board members (LH77a)
Board member annual declaration form (LH223)
Employee Declaration of Interests form (LH77)
Board Succession Plan
Board member induction (LH51a)
Board member recruitment pack and information to send to shortlisted applicants.
Board member recruitment declaration (LH208b) Completed by all shortlisted applicants.
Board member experience matrix
Board member experience matrix register
Board Member Individual Appraisal Form (LH227)
Confidential Reporting Register
Fraud Register