



# **GOVERNANCE FRAMEWORK**

## **GOVERNANCE INFORMATION FOR THE BCHA GROUP**



SALISBURY TRUST FOR THE HOMELESS VERSION

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# 1. INTRODUCTION

Corporate Governance is the system by which organisations are directed and controlled (Cadbury Committee, 1992). Successful organisations are ones which are governed well and hence the cornerstone of effective governance is an effective board.

Many organisations now adopt formal Codes as a means to develop effective governance mechanisms. The BCHA Group has adopted the Code of Governance published by the National Housing Federation on the basis that this is the most relevant to the social housing sector. In adopting this Code, the BCHA Board seeks to cascade the principles contained within it to all the organisations comprising the BCHA Group.

**The purpose of this Governance Framework is to facilitate effective governance by:**

- Supporting read-across from Organisation's constitution
- Translating the principles of the Code of Governance into practice
- Formalising processes to ensure transparency and fairness
- Ensuring compliance with group-wide regulatory standards
- Supporting implementation of other group-wide requirements such as the Financial Regulations.

This document aims to create a consistent approach to Governance across the Group, clarifies where the Parent Organisation will exercise control but also enables subsidiary organisations to establish governance processes which are relevant to each organisation's circumstances. Where conflicts may occur between the organisation's constitution, the Code of Governance or this document, the constitution takes precedence [3.11(1)].

This document will be published on the Organisation's website to underpin its approach to transparency and accountability [1.6] and will be reviewed periodically by the Company Secretary to ensure it is kept up to date with legislative/regulatory, organisational and group requirements.

**Note 1:** within this document a distinction is made between a Subsidiary Board ("the Board") and the BCHA Board ("BCHA Board" or "Group Board").

**Note 2:** reference numbers, 1.1, 1.2 etc, within the text of this document refer to the Provisions within the **NHF Code of Governance 2020**.

## 2. OBJECTS, MISSION, VISION & VALUES

### Objects

- The relief of poverty by the provision of accommodation primarily for young single people who are homeless
- The assistance of persons who by reason of physical, psychological, emotional or social infirmity, are in need of advice, counselling and any other form of aid concerning the problem of homelessness
- The reduction of homelessness by increasing public awareness of homelessness issues.

### Mission

Group	STFH
To help people take control of their lives and find a way forward. We collaborate with others to provide this whilst we focus on homes, wellbeing and learning	To help homeless people by providing safe and secure accommodation, comfort, support and training to enable them to achieve independence and develop life-skills.

### Vision

Group	STFH
Everyone has a home and the opportunity to thrive	<ul style="list-style-type: none"> <li>• Keeping to what we are good at</li> <li>• Providing homes not hostels</li> <li>• Growing modestly &amp; sustainably</li> <li>• Maintaining a strong base of volunteers and supporters</li> <li>• Staying local, serving Wiltshire</li> </ul>

### Group Values

- We are **passionate**
- We are **person-centred**
- We are **purposeful**
- We are **inclusive**

The Mission, Vision and Values underpin the Organisation's Business Plan which in turn aligns with that of the Group (broad objectives below):

CUSTOMER AT  
THE HEART

VALUED &  
SUPPORTED  
TEAMS

SAFE &  
COMFORTABLE  
HOMES

A BIGGER  
IMPACT

FIT FOR THE  
FUTURE

### 3. GROUP GOVERNANCE PRINCIPLES

In adopting the National Housing Federation Code of Governance, the Group's boards subscribe to the following **nine principles of good governance**:

1) <b>Ethics</b>	The Organisation operates to high ethical standards, explicit values and the NHF code of governance and the board seeks regular assurance that the desired culture and behaviours are being enacted.
2) <b>Accountability</b>	There is proper accountability to, and involvement of, all the Organisation's stakeholders, primarily its residents.
3) <b>Customer First</b>	The Organisation puts the views, needs and safety of existing and potential customers at the heart of business decisions and strategy.
4) <b>Openness</b>	There is a spirit of openness, making full disclosure of governance matters and other information.
5) <b>Diversity &amp; Inclusion</b>	There is fairness and equality of opportunity and a recognition of diversity and inclusion in all aspects of the Organisation's governance and regular assurance is sought on how these commitments are delivered in practice.
6) <b>Review &amp; Renewal</b>	There are formal and open processes for the periodic review of the board's own performance and to ensure renewal on an ongoing basis.
7) <b>Clarity</b>	There is clarity of roles and responsibilities between the Organisation's board members, paid staff and shareholders.
8) <b>Control</b>	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 auditors and regulators.
9) <b>Structures</b>	There are effective staffing and committee structures to support the Board's work.

These principles complement the Group's objects, mission, vision and values. The Group's boards recognise that these principles aim to assist organisations to put the Code of Governance into practice.

## 4. ACCOUNTABILITY

The Group is committed to acting in an open manner and ensuring that there is clear accountability to its stakeholders – the workforce, members, residents, funders, regulators, local authorities and other statutory agencies, local communities and taxpayers.

Whilst some information may need to be kept confidential for reasons of data protection, privacy or commercial sensitivity, this does not contradict a general ethos of openness and accountability. **Accountability is achieved in the following ways (this is not an exhaustive list):**

- Board and staff engagement with stakeholders to elicit views about the activities and services provided [1.6(2)];
- Clear and published complaints procedures;
- Resident engagement arrangements with the Board seeking insight into residents' views and those with lived experience of the criminal justice system having direct access to, or being members of, the Board;
- Publishing key documents, including an annual report [1.6(1)], Resident Engagement reports [1.2(4)] and an annual Equality, Diversity & Inclusion Report [1.3(2)] online;
- Publishing key governance information including the composition of the board [1.6(4) & 3.2(6)] and board member declarations of interest [1.5(3)]
- Responding promptly to requests for information about the work of the Organisation [1.6(5)].

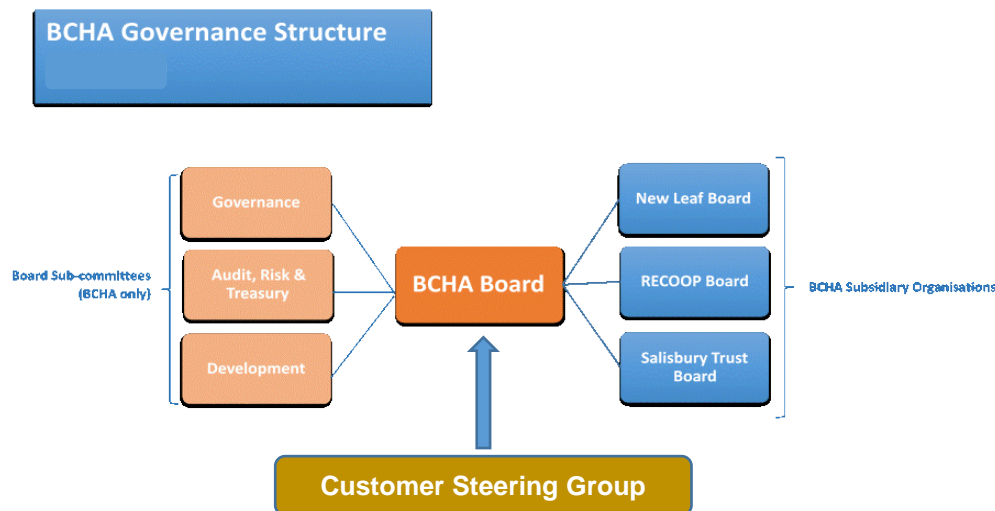
A detailed statement of accountability will be published and will be reviewed from time to time.

The Chair of the Board will take the lead in ensuring accountability occurs in practice.



## 5. GROUP STRUCTURE

The structure of the Group is set out in the chart below:



The registration details of the various group entities are set out below:

Entity	Registered Address	HCA	FCA	Charity Commission	Companies House
<b>BCHA</b>	The Factory, 14 Alder Hills, Poole BH12 4AS	LH0155	18497R		
<b>New Leaf</b>					5739825
<b>RECOOP</b>					1139233
<b>STFH</b>	148 Fisherton St, Salisbury SP2 7QW			1118746	5812515

The BCHA Group comprises the parent organisation, Bournemouth Churches Housing Association (BCHA) and three subsidiaries.

BCHA is an exempt charity and a society registered under the Co-operative and Community Benefit Societies Act 2014. BCHA is also registered as a provider of social housing with the Regulator of Social Housing (RSH).

The Group Parent provides strategic oversight for the Group as a whole with responsibilities set out in each subsidiary's Constitution and any Merger Agreement. The Group Parent also provides a range of central services to each organisation within the Group. These services are set out in a Service Level Agreement between the parent and each subsidiary [2.7].

The Board of BCHA is responsible for the overall control of the affairs of the Group – setting overall policies and directions to achieve the good governance, legal compliance, management of risk and financial viability of the organisations within the Group [2.7]. This control is exercised by recognising that each Organisation is independent with responsibility for its own affairs yet the BCHA Board must approve a subsidiary's strategy and budgets and will hold the subsidiary accountable for its performance, probity and decision-making [2.7(5)].

All boards will work together for the benefit of the Group to ensure shared objectives and values. This co-operation will be underpinned by good communication across the Group, effective working relationships and effective management of matters in dispute. The Chair and Chief Executive of BCHA will aim to formally meet the chair of each subsidiary at least annually to review the working relationship.

BCHA's three committees, Audit, Risk & Finance, Governance and Development have group-wide responsibility for scrutinising these issues although subsidiary boards are expected to monitor audit, risk & finance, governance, and development issues locally [3.1-3.10 and 4.1-4.5].

**The Group comprises the following subsidiaries each with its own constitution and board:**

- **The New Leaf Company Ltd (“New Leaf”):** a social enterprise trading company (limited by shares) set up to offer a range of services for BCHA and the wider community. All profits are reinvested back into supporting people into employment.
- **RECOOP:** a charitable company limited by guarantee whose role is to advise and assist older people in prison and through the prison gates.
- **Salisbury Trust for the Homeless (“STFH”):** a charitable company limited by guarantee whose role is to provide accommodation and support for homeless people in and around the city of Salisbury.

Specific Governance procedures and Terms of Reference for the Organisation are supplemental to this document.

## 6. GOVERNANCE STRUCTURE

The Board is free to determine its own size and composition subject to its Constitution, the Group Code of Governance and the directions of the Parent Board.

### 6.1 SIZE OF BOARD

In accordance with the Constitution the Board will comprise a **minimum of five and no more than 12 members** [3.3(2)].

### 6.2 COMPOSITION OF BOARD

- The Board will consist solely of unpaid non-executive members with operational managers attending by invitation to deliver reports, answer questions and provide advice.
- The Board will seek to consist of individuals with a range of skills, experience and interests relevant to the Trust and its operations
- The Board will seek to achieve a gender balance through its recruitment as well as seeking to attract trustees from a diverse range of backgrounds
- A majority of the Board will be capable of appointment by the Parent
- The Board will invite a serving councillor from Wiltshire Council as a co-optee.

### 6.3 DELEGATED COMMITTEES/SUB-GROUPS

The Board has the power to establish temporary or permanent committees or subgroups to assist it in its work. In doing so, the Board must agree in advance:

- Written terms of reference, which do not encroach upon the responsibilities of the Board (i.e. matters reserved solely for the Board) [3.5(1)]
- Membership (including size) and who will be the Chair (for which there will be a written role description)
- Communication lines back to the Board.

The Board may alter the terms of reference or the membership and may also revoke a Committee at any time subject to a formal decision being minuted.

For standing committees, the committee should formally review its Purpose and Terms of Reference annually and report this back to the Board together with any recommendations.

The Membership of committees should be determined on the basis of balancing skills, experience, diverse characteristics and any other factor deemed relevant by the Board [3.5 (2)]. Other factors may include, for example, personal development needs or interests.

Committees can include staff and external individuals provided that there are always at least two members of the Board within the Committee's number. Staff cannot be a member of any committee responsible for nominations,

remuneration, audit or risk but may attend by invitation in a non-voting capacity [3.1(5)].

Committees and Sub-groups must keep minutes of their meetings which will be distributed to the full Board and Company Secretary as well as Committee members.

### 6.3.1 CURRENT COMMITTEES

There is one delegated committees currently in operation:

- 1) **Fundraising Committee** which has agreed terms of reference and meets every two months, in between board meetings.

This committee reports directly back to the Board.

## 6.4 OPERATIONAL MANAGEMENT

The Organisation employs its own staff team, headed by a Project Leader (“PL”). Line management of staff is through BCHA’s operational management structure, supported by an “Operational Lead” (BCHA Business Manager) and BCHA’s Human Resources team. However, the Board engages with the staff team in the following ways:

- Board members may assist staff with operational activities as volunteers
- Board members may visit STFH properties by prior arrangement with staff to meet residents or inspect the properties
- The PL will assist the Chair to carry out his role – for example in meeting stakeholders or managing the reputation of the Organisation.
- The PL is invited as a matter of course to Board and committee meetings
- The Chair will be involved in the recruitment or dismissal of the PL but otherwise all HR activities are devolved to BCHA line management

It is, however, essential that Board members do not get involved with the day to day running of services by instructing staff. Any concerns about operational management should be referred to the Chair in the first instance.

Further guidance can be found in the Board Members’ Code of Conduct.

## 6.5 PARENT- SUBSIDIARY RELATIONS

The relationship between parent and subsidiary will operate as follows:

- There will be an agreed Service Level agreement between the two organisations with a mechanism for ongoing, but at least annual review.
- Clear and documented parental step in rights [2.7 (3)]
- A shared Code of Governance or similar governance principles
- The Parent will aim to keep subsidiaries notified of its plans and strategies in a timely manner (to include invitation to Parent Board away days).

Similarly, subsidiaries will submit their business plans and budgets to the BCHA board for sign off [2.7 (6)].

- Parent Board nominees will be expected to notify the Parent or the Subsidiary (as appropriate) of any matters of mutual interest or which would materially affect either organisation's operations
- In case of dispute, the Chair will seek to resolve any concerns in the first instance with the Parent nominee holding senior-level management responsibility with the Parent or with the Parent Chief Executive. Failing that course of action, the Subsidiary Chair will seek to raise the matter with the Chair of the Parent Board with a view to mutually acceptable resolution prior to consideration of any alternative mechanisms set out in the Service Level Agreement or Subsidiary Constitution.
- In any contact with the Parent, the Chair may be assisted by other trustees.

## 7. GOVERNANCE POLICIES

This section forms the approved governance policies of the Organisation.

### 7.1 SHAREHOLDING MEMBERSHIP

The term “Shareholder” will be used to refer to any individual who has been admitted to the Organisation’s general membership in accordance with the Organisation’s constitution. Membership entitles them to attend and vote at General Meetings of the Organisation.

The purpose of “shareholding” membership is to provide a degree of accountability for the Board in the governance of the Organisation.

The Organisation will operate a **closed membership** such that only Board members are shareholders of the Organisation and those shareholders who joined prior to 31<sup>st</sup> March 2016.

A record of shareholders will be maintained by the Company Secretary which, from time to time, will be reviewed to ensure it is up to date.

Shareholding membership may be terminated voluntarily, on death (or winding up, if an organisation) or by resolution of the Board as outlined in the Constitution. Shareholding records will be updated accordingly.

In keeping with the principles of closed membership, from 1<sup>st</sup> April 2016, **Board members who resign will also automatically resign their shareholding membership.**

### 7.2 BOARD MEMBERSHIP

The term “Board member” will be used to refer to any individual properly appointed to serve as a Company Director or Charity Trustee i.e. an individual with the legal responsibility to manage the affairs and assets of the Organisation.

Subject to vacancy, Board membership is open to any person aged 18 or older who possesses the time and skills required by the Organisation to perform the role, which is in a voluntary (i.e. unpaid) capacity. The following will, however, be ineligible:

- Corporate bodies (although such bodies may nominate appropriate individuals)
- People who have been disqualified from acting as a director or trustee
- People who are bankrupt
- People who would otherwise be removed from office (see “Removal”)
- Any employee or director of the current auditor.

## Skills

The Organisation considers the following skills/experience as desirable for the Board:

- Working locally with housing, homeless or social care sectors
- Welfare Benefits
- Financial management
- Charity/Voluntary sector (including fundraising)
- Business management and/or business development
- PR & media skills

This list of desirable skills may be amended from time to time to reflect ongoing business needs [3.4(1)].

In addition, all board members must have the ability to exercise good judgement and to be confident to participate in board meetings and be able to constructively challenge, as necessary.

## Nominations

The constitution entitles the Parent organisation to appoint individuals to the Board. Whilst the Parent may accept recommendations for appointment from independent individuals, it may also make its own nominations to the Board. Such nominees will be appropriately skilled and either be Parent Board members, Members of other Subsidiary Boards or Senior Staff of the Parent.

Parent nominations will be agreed by the Parent Board or Governance Committee and be made in writing to the Chair of the Subsidiary. The appointment will be minuted by the Subsidiary Board so that statutory filing may be undertaken.

Parent Nominees will serve as board members in their own right for the benefit of the Subsidiary Organisation and will be expected to observe Board procedures including declaring conflicts between their roles as Subsidiary Board member and their connection to the Parent ([1.5] - see "Conflicts of Interest"). Guidance also exists at Group level for individuals who serve on more than one group board [2.7(7)].

Parent Nominees may serve:

- until they voluntarily resign (see "Resignation"), or
- to a maximum of 6 years with discretionary annual extensions up to a maximum of 9 years (nb: **time served on other boards or committees in the Group count towards time served on the Board a person has been nominated to**) or
- are no longer connected with the Parent Organisation (e.g. by virtue of employment) or
- the Parent Organisation wishes to nominate a replacement.

Where the Board considers a Parent Nominee to be acting in their capacity as a Board member contrary to the interests of the Subsidiary or fails to attend meetings, the Board may request in writing that the Parent remove the Nominee from office.

No other corporate bodies have rights under the constitution to nominate individuals for board membership.

### **Lived Experience [3.4(4)]**

Lived experience is generally defined as “personal knowledge gained through direct, first-hand experience of social issues or injustice” which people may or may not be willing to freely disclose or discuss.

Lived experience on boards should enhance decision-making as those decisions will be more grounded in the reality of residents’ lives.

There is no bar to recruiting board members with lived experience. However, it must be recognised that to ensure successful participation at board level there must be ongoing training, development and support/mentoring needs as well as consideration of how the way the board works can be more inclusive.

In recruiting people with lived experience to the Board, where there is an expectation of regular commitment, the following principles will apply:

- Lived experience does not need to have been receipt of STFH or BCHA services
- Candidates must be comfortable with meeting others and speaking
- Candidates should have reasonably stable personal circumstances and not be undergoing significant or frequent medical/therapeutic care or treatment that could impact on their ability to attend and participate at meetings
- Candidates should not pose a reputational risk to the Organisation at STFH or Group level in terms of the nature of any unspent convictions or criminal justice sanctions which are still live.
- Candidates must be capable of serving as a board member insofar as the STFH Articles permit (see earlier in this section).

In addition to board membership, the board should have insight into lived experience in other, less formal and less time-committed ways including:

- Board member visits to services
- Informal or formal panels
- Presentations to the Board by officers which include invitees with lived experience
- Commissioning of specific research or consultation projects to understand residents’ views.
- The board should also regularly “reflect back” how it has engaged with/listened to residents



## **Co-option**

Suitably qualified or experienced individuals (including representatives from other organisations or from the tenants) may be co-opted to the Board by majority vote for a specified term (and this co-option to be minuted). Co-option maybe revoked at any time by decision of the Board or the co-optee may step down at any time (and be minuted).

Co-optees are entitled to receive board papers and be invited to all relevant meetings unless the Chair deems a particular meeting or part of that meeting to be confidential.

Co-optees may freely participate in board discussion but cannot vote and should not have any legal responsibility for the affairs of the Organisation (i.e. they must not be put in a position of being deemed to be an Alternate Director – someone who represents an actual Director - or a Shadow Director – someone in accordance with whose instructions the other directors are accustomed to act).

Co-optees will be expected to abide by all relevant Board policies and procedures including the Code of Conduct.

Co-optees may apply for Board vacancies as these occur although the appointment process is no different to external applicants. However, time served as a co-optee counts towards the maximum tenure rules (sec 7.2.3).

### **7.2.1 RECRUITMENT, APPOINTMENT & ELECTION OF BOARD MEMBERS**

The Board is responsible for appointments to its number. The overriding principles of recruitment to the Board should be fairness and transparency such that:

- Recruitment aims to assess candidates objectively against the skills and experience required by the Organisation to fulfil its business objectives, taking into account the balance of skills and perspectives already present on the Board [3.4(1)];
- The Board should be diverse in terms of the backgrounds, attributes, occupations and interests of its members and balanced in terms of age and gender. The Board should also seek to be representative of the racial and ethnic make-up of the local population [3.4(3) and 3.4(4)];
- Irreconcilable conflicts of interest must be avoided [1.5(5)].

#### **Methods of Recruitment**

The Board may use any of the following methods to encourage individuals to apply:

- Advertising
- Use of professional or community networks
- Use of social media (e.g. LinkedIn)
- Targeted approaches to individuals
- Website(s)

The Chair will normally lead on recruitment although all Board members will be expected to assist, especially in use of their own networks.

NB – there are provisions in the Constitution for shareholders to present themselves or nominate other shareholders for election to the Board (albeit this is a limited scenario with a closed membership). Where a notice is properly received prior to a General meeting that an individual wishes to stand, an interview and due diligence will be arranged prior to the General meeting so that the Board can recommend the appointment or otherwise to shareholders. This is so as to avoid individuals circumventing these governance policies.

### **Application**

Any individual interested in joining the Board must submit a written application using the standard form to the Chair or Company Secretary. Any application deemed unsuitable or if there are no vacancies will be advised in writing or by email by the Chair or Company Secretary within 28 days of the application.

If the candidate could be suitable, a meeting will be arranged with the Chair and ideally one other Board member or Company Secretary. However, it is appreciated it may not always be possible to do this.

The meeting will be used to assess the candidate's skills and experience, their understanding of the operating environment and their ability to undertake the role of Board member successfully. The meeting will also enable the candidate to understand the commitment required in terms of time.

Interviews may be held electronically or physically.

If the candidate is deemed suitable for Board membership, the Company Secretary will take up two references and undertake due diligence to confirm that the individual has not been disqualified from acting as a board member and that the Parent Organisation would support the appointment in principle. Any other checks deemed necessary will be discussed and approved by the Board.

### **Appointment**

Subject to the above, the candidate will be invited by the Chair to the next Board meeting where they can observe (if they wish to consider whether to proceed with their application) or, if they are happy to proceed, the Board can consider whether to appoint the candidate based on the recommendations of the Chair. This discussion should take place without the candidate present.

If appointed:

- This will be recorded in the minutes.
- The appointment will be subject to subsequent endorsement by the Parent Organisation's Board which, if not granted, will revoke the appointment.
- Registration of the appointment with Companies House and the Charity Commission will be undertaken by the Company Secretary.
- The new member will be expected to sign an Appointment Agreement setting out terms and conditions of board membership (the Company Secretary will retain a copy of this Agreement).
- The Chair will arrange an induction programme for the new member based on his/her skills and experience to be completed, ideally, within three months of appointment [3.9(3)]. A template checklist of induction activities has been produced separately.

If not appointed (at any stage from meeting with the Chair), a letter will be sent to the unsuccessful applicant within 10 days of the decision.

### 7.2.2 EXECUTIVES

Executives (i.e. persons paid by the Organisation to manage its affairs) are not entitled to serve as Board members, co-optees or voting committee members. However, as a general principle, were this ever to be reversed by resolution of the Board, non-executives must always form a majority of voting members of the Board at any Board meeting [3.3(3)].

### 7.2.3 TERMS OF OFFICE

Board members (including Parent nominees and co-optees) will normally serve a **maximum of two x three year terms**, from the date of their appointment (i.e. 6 years in total). However, where the Board considers it in the best interests of the Organisation, terms may be extended for 12 months at a time. The **maximum length of tenure (with discretionary extensions) is nine years** in total [3.7 (3)].

Upon reaching the ninth anniversary of the date of their appointment, members must retire with immediate effect. The Chair will be expected to plan for the retirement of long serving members.

An individual who has left the Board cannot be reappointed to the Board for at least 3 years [3.7(4)] and subject to the selection process above.

The tenure limit applies to service across the Group's boards and committees together such that an individual cannot serve more than 9 years **in total** in whatever non-executive capacity.

Executive members, where these exist, are not bound by the tenure limit as they hold their role by virtue of their employment.

## 7.2.4 RETIREMENT

Retirement is mandatory once nine years' service has been reached (see "Terms of Office").

At the end of each three-year term, Individuals may present themselves for re-election or signal their intention to resign (see "Resignation").

Reappointment will always be based on satisfactory performance as a Board member and ongoing needs of the Organisation [3.7(2)]. Where an individual wishes to serve another term, this must be supported by the Board. **Reappointments do not need to be confirmed at a General Meeting or by written resolution of the members unless the Board wishes to do so. Where a General Meeting or Written Resolution is arranged,** the Chair must include with the General Meeting papers information about the candidate's relevant skills, experience and contribution to the Organisation in order to provide shareholders with sufficient reason to support an individual's re-election [3.4(5)].

Retirement normally occurs after 6 years' service (although the Board may agree discretionary extensions) and is mandatory once nine years' service has been reached (see "Terms of Office").

Upon retirement and in keeping with the closed membership policy, members cease to be a shareholder of the Organisation. However, they may remain a supporter of the Organisation, for example be a volunteer but cannot re-apply for board membership until at least three years have elapsed. In such an event, applications would be assessed against vacancies and the needs of the business for particular skills at the time of application [3.7(4)].

Co-optees must retire at the end of 6 years' service (in whatever capacity).

## 7.2.5 RESIGNATION

Any Board member may resign from the Board by sending written or email notification to the Chair or Group Company Secretary. Such notice may be immediate or specify a date at some point in the future. If the latter, the member concerned will remain in office and be expected to perform their legal duties until the date notified has been reached.

Resignations, including any reasons for them, must be recorded in the minutes of the next Board meeting.

Resignations may not be rescinded without the approval of the whole Board although notice periods may be temporarily extended by agreement with the Chair if this is in the best interests of the Organisation (for example, to ensure a Board meeting is quorate pending recruitment).

Resignation from the Board will automatically lead to resignation from shareholding membership of the Organisation.

## 7.2.6 REMOVAL

The removal of Board members is detailed in the Constitution. In summary, Board members cease to hold office where the following applies:

- Statutory disqualification by a regulatory body
- Mental illness or loss of mental capacity
- Notice from the Parent organisation
- Absence for six consecutive months
- Resignation from shareholding membership

**Reasons that the Parent organisation would require removal from office include:**

- a) Material failure which would compromise the Parent's ability to meet the requirements of the Social Housing Regulator or any other regulator;
- b) Gross negligence or wilful misconduct resulting in failure to comply with agreed business plan, budget or financial controls;
- c) An act or omission which puts the viability of either Subsidiary or the Parent organisation at risk
- d) An act or omission which has a serious effect on the reputation of the Subsidiary, the Parent or any other Group member;
- e) Significant and/or persistent failure to comply with any Policy or Code of Conduct of the Parent, without consent;
- f) Material breach of any contractual obligation to any third party, including funders;
- g) Failure in any material way to comply with the constitution;
- h) An undeclared or unmanageable conflict of interest between the board member and the Subsidiary or the Parent;
- i) Any bullying or harassment or disruptive or persistently unreasonable behaviour of any Board member(s) against other board member(s) or member of staff.

The Board does not have the constitutional power to remove a director except where an individual has been absent for **6 consecutive months**. The Board may be of the opinion, from time to time, that an individual is no longer willing or capable to serve as a Board member because of

- Irreconcilable conflicts of interest (refer also to the Payments, Benefits and Interests Policy) [1.5(5)]
- Breaches of the Organisation's Code of Conduct for Board Members or any other general misconduct in relation to their role (see 7.3, normally investigated by a Panel of board members)

- Failure to meet the minimum expectations of performance for Board members despite reasonable opportunities for the individual to remedy any identified performance short-falls through the appraisal process or where the member refuses to engage with the appraisal process (7.5.3).

In such instances, the Board may:

- encourage the individual to resign voluntarily, *or*;
- not endorse the individual when they seek re-election ~~for another term at the next AGM after retiring by rotation~~, *or*;
- convene a general meeting to seek to pass an ordinary resolution to remove the board member. This requires 28 days' notice prior to the meeting taking place and the individual has the legal right to make a representation to the shareholders in advance of and at the meeting.

Removal from the Board will automatically lead to removal from shareholding membership of the Organisation.

Co-optees may be removed by majority resolution of the Board or Committee upon which they serve. Whilst technically removal can be without reason, in the interests of fairness removal should be for substantively similar reasons as outlined for board members in this section.

### 7.3 CONDUCT

The Group operates a Code of Conduct applicable to all Board members which may be found on the Group Intranet or is available on request [1.5(1)].

In summary, Board members are expected to act ethically within the law and the best interests of the Organisation. This means:

- supporting the Organisation, its values and its mission [1.1]
- acting in a way that maintains trust in the Organisation and safeguards its reputation [1.7]
- avoiding personal benefit (and thereby any accusations of theft or bribery)
- avoiding (or, if not possible to avoid, declaring) conflicts of interest – actual or perceived [1.5]
- respecting the role of the staff and using formal channels to raise concerns about the work of the Organisation [4.5(3)]
- maintaining professional boundaries with tenants and respecting their privacy and dignity
- observing policies and practices in relation to confidentiality and openness
- promoting the culture of the Organisation [1.4 (1)] by behaving in a professional and respectful manner.

Any breaches of the Code would be grounds for action by the Chair (7.5.3) and may include, in line with the Code, a Panel of Board members being established to investigate any allegations of misconduct.

All Board members have a duty to adhere to the Code at all times and raise with the Chair where they may have breached the Code of Conduct and “call-out” where other members may have breached the Code.

### **7.3.1 DECLARATIONS & CONFLICTS OF INTEREST**

The Group operates a Payments, Benefits and Interests Policy applicable to all Board members which may be found on the Group Intranet or is available on request.

In summary, Board members have a legal duty to avoid placing their personal interests or loyalty to another organisation in conflict with the interests of the Organisation [1.5(4)]. A conflict of interest may arise indirectly by virtue of marriage, civil partnership, family or business relationship. Conflicts may be actual or perceived i.e. a third party may reasonably believe there is a conflict of interest in a situation even where this may not strictly be the case.

Where a conflict does occur, members must disclose this to the Chair and Company Secretary (or, in the case of the Chair, to the Group Chair and Company Secretary) either at the start of a meeting (where it will be minuted) or at any other time. In any case, Board members will be asked to complete a form identifying any potential conflicts upon joining the Board and each year thereafter [1.5 (2)] and any declared interests will be publicised for transparency [1.5 (3)].

Members who become conflicted, will withdraw from any discussion and decision (and cannot form part of the quorum) for any relevant agenda items as determined by the Chair or Company Secretary [1.5(4)]. Ongoing or significant conflicts may require the Board member to be resign if it is not possible to resolve the situation [1.5(5)].

Failure to disclose actual or potential conflicts may lead to removal from the Board under the Payments, Benefits & Interests policy or Code of Conduct for Board members.

### **7.3.2 RAISING SERIOUS CONCERNS**

In line with the Code of Conduct for Board Members, members may report any items of concern to the Project Leader or the Project Leader’s line management and may expect a report back of any findings and action taken in summary.

Alternatively, members may raise items of concern at Board meetings and expect their concerns to be minuted along with any agreed next steps (although the Board as a whole reserves the right not to take further action, where considered appropriate, in relation to concerns raised).

Board members and co-optees may also report any concerns **in confidence** that they have about the Organisation or its ethics under the Raising Serious Concerns Policy (such reporting is also known as whistleblowing).



### 7.3.3 RAISING DISPUTES & GRIEVANCES

#### Policy

STFH is committed to ensuring that the Board is effective and that members of the Board work collectively and harmoniously in pursuit of the Organisation's mission, vision and values.

The Board room is a place where there is respect between all present and for each other's opinions. There is a clear expectation that, within the constraints of the agenda, legitimate views can be aired, listened to, robustly debated and, where the Board collectively agrees, acted upon.

From time to time, some Board members may feel aggrieved at things said or processes followed or not followed which, in their view, cause them detriment or to feel unvalued or offended. On occasions, there may be significant and strong disagreement or differences of opinion on the board which risk compromising board dynamics. In either case, the following procedures should be followed **fairly, transparently and without undue delay** [3.8 (7)].

It must be borne in mind in following the procedure that board members serve in a voluntary capacity, albeit one which has legal responsibilities and so there is no recourse to any disputes or grievances under employment law. Also, the Organisation has charitable objects so the time, effort and resources spent in resolving disputes and grievances must always be proportionate.

#### Scope

This policy sets the process for addressing conflicts and grievances that occur:

1. between/against board members/co-optees (including the Chair/Vice Chair)
2. members/co-optees against the Board or STFH as a whole

which are not covered by other relevant avenues e.g. Raising serious concerns (Whistleblowing) policy.

#### Procedure 1 – between board members or against a particular individual

Where the conflict/grievance is *between* board members and one or more board members is not behaving in accordance with the Code of Conduct, or a complaint about a particular board member from a member or staff or an applicant/resident has been received, then the Chair (providing the Chair is not party to the conflict) will intervene:

- initially by speaking to the individual board members concerned and working with them to act more in accordance with the Code of Conduct and to achieve resolution in the interests of the organisation
- if necessary, by organising mediation and/or engaging the full Board in resolving the matter



- if necessary, by issuing a formal warning for breach of the Code (unless the breach is so severe that removal is warranted)
- if necessary, by instituting provisions in the Rules for removal of any member of the Board who has failed to adhere to previous warnings issued or whose conduct is so severe as to warrant removal.

The Chair will directly initiate such intervention in a timely manner based on his/her own perceptions or on a request made by a board member, Company Secretary **or from the Parent Organisation**.

If the Chair is party to the dispute, **or is otherwise conflicted**, the Vice-Chair will initiate action using one or more of the options listed above or be entitled to receive requests to intervene.

## **Procedure 2 – against the Board or STFH**

Where a board member has a grievance against the Board or STFH more widely on account of the Board's/Organisation's treatment (for example during an appraisal or performance management process), they may submit the grievance to the Chair formally.

Where the Chair is the cause of the grievance (for example because he/she undertook the performance management process on behalf of the Board), the matter can be referred to either the Vice Chair or another board member to ensure fair consideration. The grievance management process should ensure

- an objective review of the facts (which may include speaking to those involved and sight of relevant documents and policies)
- a timely and formal response
- a clear outcome
- for grievances deemed very serious or complex, the Chair/Vice Chair may decide to establish a panel of board members to hear a grievance

There will be no right of appeal against the findings of a board member grievance although the Board member may request a review of a decision by the **original decision-maker/Panel whole Board** within 14 days if the Board member feels key evidence of information was not taken into account. **In such a case, the Board may:**

- **confirm the original decision based on the new evidence presented**
- **amend or overturn the original decision**
- **refer the matter for independent review where the matter is sufficiently serious – for example presents a risk of litigation, potential complaint to a regulatory body or media coverage.**

## **Grievances with STFH Staff**

Where a Board member has concerns about the performance or conduct of a staff member these must be raised with the Chair in the first instance who will

then contact either the Project Lead or BCHA Line Manager. **It is essential, however, that Board members do not become involved in operational matters with staff.**

Once referred to line management by the Chair, any grievance will be dealt with in line with standard HR grievance procedures.

## **BCHA**

These must be referred to the Chair who will take up the matter with the BCHA Chair and/or Chief Executive for resolution under the terms of the current Service Level Agreement.

## **7.4 BOARD MEETINGS**

### **7.4.1 MEETINGS**

The Board will meet at least **six times per year**.

A calendar for the year will be drafted by the Chair and agreed at the start of each year by members so that dates/times can be incorporated into diaries. A schedule of board business for the year should also be agreed so that it is clear to members and the Parent Organisation when in the year key items will be discussed [3.8(3)].

Agendas will be prepared by the Chair, in consultation with the Company Secretary and Operational Lead and will contain items to evidence that the Board is meeting its terms of reference and legal duties [3.8(3)].

Board members or Company Secretary may request items for inclusion on the agenda no later than 12 working days before the meeting in order that any papers may be prepared, except where late inclusion has been agreed with the Chair prior to the meeting. Alternatively, items may be raised as “any other business” for brief comment or agreement to include on a future agenda.

Attendance at scheduled meetings is mandatory although it is recognised that, on occasions, members may have to give apologies for absence. Apologies, including reasons, should be forwarded to the Chair with as much advance warning as possible so that the Chair can determine whether the meeting is going to be quorate.

The Chair may grant a leave of absence for a period of time where a Board member is unable to attend two or more meetings for example - due to serious illness or temporary re-location out of the area. Repeated absence without leave or good reason may be deemed grounds for removal from office (see “Removal”).

Special meetings may be called at any time with the agreement of the Chair and with at least 72 hours' notice for all members. Such meetings are still formal and require minuting.

The Chair may rule on "Matters of Procedure" arising at the meeting, whose decision will be final.

The Company Secretary and Project Lead will normally attend Board meetings on a routine basis. BCHA Line Management or Finance staff may attend where presenting papers or as observers but there is no expectation that they attend routinely.

Other observers may be invited to any meeting at the discretion of the Chair for one or more meetings. Observers may not speak at the Board, unless invited to do so by the Chair, and may not vote. Observers can be asked to leave for confidential items or once the matter of interest to them has been concluded.

The Chair has the power to defer or withdraw items on the agenda at the meeting in order to manage the business of the meeting effectively. Items may be deferred where there is not enough time for proper debate or the papers presented are incomplete or materially inaccurate or there has been a significant development which requires further consideration before a decision can be taken. Items may be withdrawn if the issue is no longer relevant or a paper or verbal report cannot be presented.

The Chair may determine if any items on the agenda are confidential and require the withdrawal of staff or observers for such items. Minutes of these discussions will remain confidential to those in the meeting unless the Chair determines otherwise. However, confidential minutes must still be circulated to the Group Company Secretary for presentation to the Group Board.

The Chair may cancel or reschedule a meeting where apologies have been received sufficient to make a meeting inquorate (see "Quorum" below).

This section will be applied to all Committees of the Board but adapted accordingly with reference to officer involvement in the setting of agendas and attendance at meetings. References to "members" and "the Chair" will mean those of the Committee. Frequency of meetings of Committees will be set out in the Committee Terms of Reference, approved by the Board.

### **Meetings by Electronic Means (e.g. Zoom)**

Electronic meetings should adhere to the same principles as for physical meetings above although the following additional guidance should be borne in mind (and see 7.4.3 Accessibility):

- the organiser should ensure that the platform used is appropriate for the meeting, particularly if additional features are required such as break-out sessions.

- An invitation with the link to the meeting will be sent in advance by the organiser
- Members must be able to view papers and reports at the same time as being on camera so will need appropriate means to do this
- Presentations – it is usually best that those delivering these share their screen as these may not always be available to members in advance
- Attendees (members and officers) should be appropriately dressed for business meetings and be clearly visible (camera position and lighting/glare)
- Backgrounds can be real or artificial but not in any way distracting
- Business meetings are not public as confidential items may need to be discussed. Family members and others should not be visible or able to hear the meeting. Wearing earphones/headphones is recommended unless there is complete privacy for the attendee.
- The chair of the meeting needs to be mindful that they cannot rely on visual cues to the extent that is possible in a physical meeting. It needs to be made clear when meetings have started or are being adjourned or concluded, when resolutions are voted upon and when the debate is opened and closed for each item.
- Members not speaking should mute themselves to cut down on extraneous background noise or echo
- If members do wish to speak, they should indicate by the “raise hand” icon or by raising their hand on camera and wait to be invited to speak. After speaking, they should lower the hand icon and go back to mute.
- Given the format of electronic meetings, members need to be mindful of not making lengthy points or responses.
- For each resolution, members may be asked to vote by signalling their view on the software, raising their hand or nodding. Which method is used should be made clear at the start of the meeting. Where a member feels their vote has not been taken into account, they should raise their hand for the chair to invite them to speak.

#### 7.4.2 QUORUM

The quorum for the Board is **three members present** (i.e. excluding observers and co-optees).

The quorum for any committees of the Board will be stated in the Terms of Reference of each committee although the **quorum must not be less than two members.**

Board Members may participate in meetings and be counted in the quorum and for voting purposes by telephone or other electronic means and virtual attendance must be recorded as such in the minutes of the meeting. Members who give instruction to the Chair or another Board member to vote on their behalf if they are not able to attend do not count towards the quorum for a meeting.

All meetings should be quorate [3.8 (2)]. If the meeting is, or becomes, inquorate, decisions cannot be made although matters may still be discussed and recorded. Items for decision should then either be deferred to a future meeting or submitted to all members of the Board or committee to decide upon by electronic vote (a simple majority of members being required to make any decision). The Chair must ensure that dates/times of meetings and other relevant arrangements avoid successive meetings taking place without the required quorum.

This section will apply to all Committees of the Board.

### **7.4.3 ACCESSIBILITY**

The Chair and officers supporting Board and committee meetings will ensure that all meetings are fully accessible and inclusive [3.8 (5)]. Dates and times of meetings should seek to optimise attendance by recognising and balancing, as far as practicable, members' ongoing:

- work and voluntary commitments,
- childcare and other family commitments
- health issues (for example treatments required at certain times of day)
- faith needs (for example prayer times)

Members who need to attend one-off or short term commitments should seek to organise these to avoid conflicts with agreed Board dates/times or, where not possible, offer apologies for the meeting.

The choice of meeting venues should take into account:

- accessibility for those with disabilities (particularly in terms of access and egress, including in emergencies)
- adequate circulation and desk space (including ensuring appropriate social distancing as per infection control guidelines, when relevant)
- adequate lighting and lighting control (internal and external)
- thermal comfort and ventilation
- audio requirements for those who are hearing impaired
- ease of travel to/from the venue, particularly for those who do not drive and rely on public transport or other means to attend

Adjustments should be made wherever possible to overcome any accessibility or attendance issues.

Where the Board chooses to use electronic means to hold meetings all members must be able to freely participate and contribute. Equipment and officer support will be provided by STFH to facilitate attendance at electronic meetings and the platform must have the appropriate functionality to administer the meeting [3.8 (6)].

As part of the annual review of effectiveness by the Board and its Committees, the dates, times and manner of meetings should take into account accessibility

attendance and inclusiveness of meetings and make improvements where possible.

#### 7.4.4 VOTING

Each board member, including parent nominees, has one vote in relation to decision-making at meetings of the board or a committee. Co-optees are not entitled to vote, unless permitted by the Board/Committee Terms of Reference.

Members may vote in favour or against any proposal or abstain from voting according to their view of what is in the best interests of the Organisation. See “Conflicts of Interest” for deciding when it is appropriate for members not to participate in a vote.

A decision will require a simple majority of votes of those present. Where there is an equality of votes, the Chair will have the casting vote (although the Chair can also recommend a vote be taken again at some point in the future if further information or assurances would be beneficial).

Dissenting voters may have the reasons for their disagreement recorded in the minutes.

Proxy votes for absent members may be allowed at the Chair’s discretion but must be in writing/email and made known to the meeting before the vote is taken.

Any member may request a secret ballot which will be held if a majority of those present agree. In such a case, the Chair or Company Secretary will conduct the ballot.

The Group Board may over-ride any decision made by a subsidiary Board if it believed that the subsidiary’s decision has been made improperly or is in material breach of any Group policy, the law or for any other significant reason. In which case, this over-ride will be recorded, with reasons, in the minutes of the subsequent meeting.

#### 7.4.5 PAPERS & MINUTES [3.8(3)]

After each meeting, the minutes of the meeting should be sent to the relevant Chair, officer or committee member for approval before being finalised. After approval, the minutes should be distributed to Board members **within 10 working days** of the meeting.

The minutes of the previous meeting must be included as an agenda item for further correction/approval at every meeting. The Chair should sign the minutes as a true and accurate record once agreed or ensure this approval is recorded in the minutes of the meeting.

The minutes will include an action log showing progress against outstanding actions.

Members have the right to raise any matter arising from the previous meeting which is not an agenda item itself although the Chair may restrict this right to ensure effective management of the agenda for the meeting.

Papers (including the minutes of the previous meeting) for a meeting must be prepared, checked and circulated to all attendees (i.e. including co-optees), the Group Company Secretary and any other interested party **at least seven days prior to the meeting**. Tabled reports should only be permitted at the discretion of the Chair and sufficient opportunity must be given for members present to read and properly discuss the report.

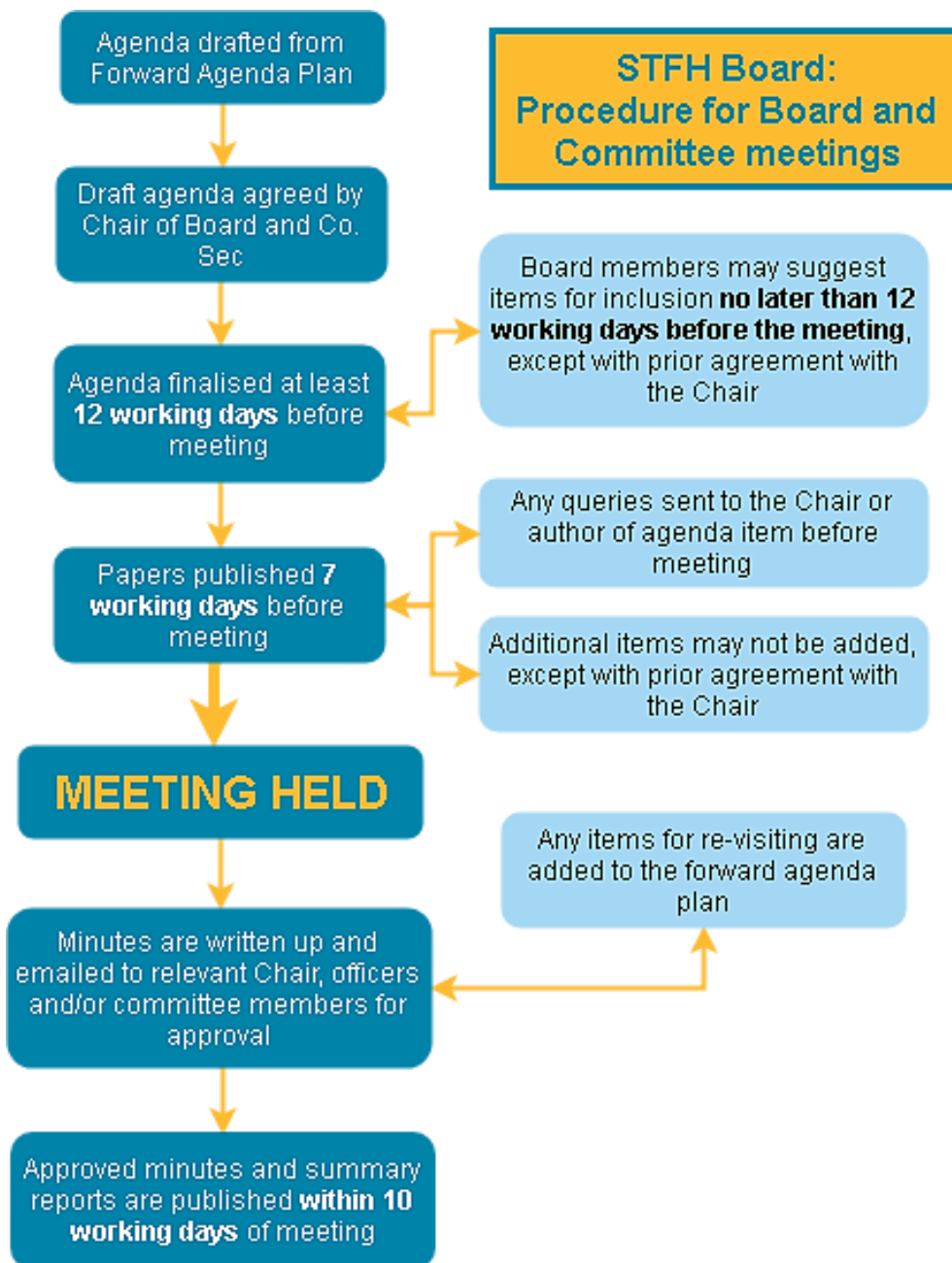
Reports should be in an agreed format, indicating the name of the author and be dated and the author is responsible for the accuracy and clarity of their report. Reports must also contain a clear recommendation or proposal for the Board to consider.

Verbal reports (for example, updates) are permitted although this format will not be suitable for complex issues. In the case of verbal reports, the minutes must clearly record what was stated, proposed and agreed.

Presentations are permitted to introduce an item and do not need to be circulated in advance but, where a decision is required, a full report must have been circulated with the board papers.

Board members may discuss items with the author of a report prior to the scheduled meeting in order to seek clarification, assurance on points of detail or contextual information. Such discussion may be aired during the Board meeting, if relevant to the meeting.

The following flowchart shows the procedure for preparing agendas for Board and Committee meetings:





#### **7.4.6 URGENT ACTION**

The Board authorises the Chair to act on its behalf for any routine items which would not require a specific Board decision (for example, signing off supplier invoices, signing letters etc.).

For signature of legal documents see “Company Secretary.”

The Board may authorise the Chair to act on its behalf within specific parameters in between meetings in order to progress agreed actions. Such delegation will be recorded in the minutes and the Chair will be expected to report back at a subsequent Board meeting.

For unforeseen, urgent matters requiring decision, the Chair or Company Secretary will either:

- Convene an extraordinary board meeting (which must be quorate,) *or*;
- Seek a decision from all board members by electronically (with a majority of members being required to approve any decision), *or*;
- Seek advice and/or authority from the BCHA Group Finance Director or Chief Executive where sufficient Board members cannot be contacted.

For any unbudgeted spend over £10,000 which may be required, a written resolution will be arranged via the Company Secretary.

The outcome of virtual decisions will be reported back to the whole Board.

#### **7.4.7 INDEPENDENT PROFESSIONAL ADVICE**

From time to time, the Board may wish to commission independent, expert advice on particular matters in order to aid its decision-making. Agreement to take such advice will be decided by the Board within any cost or time parameters deemed appropriate. Advice should be commissioned through formal purchasing routes rather than informal networks in order to avoid risks or partiality, conflicts of interest or substandard advice for which there is no recourse.

Alternatively, the Board may choose to seek the views of the Parent Organisation with regard to particular matters.

Members should not take it upon themselves to seek paid advice at any time. Instead, advice must be sought on behalf of the Board via officers (in most cases) or via the Chair of the Board, Vice Chair, or the Company Secretary where not considered appropriate to involve senior staff.

The Board should consider setting a budget for such advice for good order.

#### **7.4.8 TRANSPARENCY**

The Organisation will seek to routinely publish the following regulatory/governance information on its website:

- Annual financial statements
- Key policies beneficial to residents (e.g. complaints policy)
- Code of Governance Compliance Statement [3.11]
- Reports about meeting commitments in relation to resident focus [1.2 (4)], resident safety [1.2 (3)] and equality, diversity & inclusion [1.3(2)]
- Board membership and composition [1.6 (4) and 3.4 (6)]
- Board Declarations of interest [1.5 (3)]

Requests for other documentation will be considered in accordance with the published Transparency Policy [1.6 (5)].

## 7.5 ROLES

### 7.5.1 BOARD MEMBERS

The overarching role of Board members (including co-optees) is to use their skills and experience to assist the Board to govern the Organisation. All Board members have the same legal status and will share responsibility for the decisions taken by the Board.

Whilst there are specific legal duties for company directors and charity trustees, for simplicity, these duties can be grouped around three themes:

- A. Duty of Compliance**
- B. Duty of Prudence**
- C. Duty of Care**

#### **A. Duty of Compliance – Board members must:**

- 1) Ensure that the Organisation complies with the law, and with the requirements of any regulator. This will include responsibility to keep appropriate records and submit accounts on time;
- 2) Ensure that the Organisation does not breach any of the requirements or rules set out in its governing document;
- 3) Act with integrity, within delegated powers and avoid or declare any personal conflicts of interest;
- 4) Act in the best interests of the whole Organisation not personally or for one particular group of stakeholders.

#### **B. Duty of Prudence – Board members must:**

- 5) Ensure that the Organisation is and will remain solvent.
- 6) Use the Organisation's funds and assets reasonably, and only in furtherance of the objects.
- 7) Avoid undertaking activities that might place the Organisation's assets or reputation at undue risk.

- 8) Take care when investing the Organisation's funds or borrowing funds.

### **C. Duty of care – Board members must:**

- 9) Use reasonable care, skill and diligence in their work as board members, using their personal skills and experience as needed to ensure that the Organisation is well-run and efficient. This will entail regular attendance, reading Board papers and seeking ongoing training.
- 10) Consider getting external professional advice on all matters where there may be material risk to the Organisation, or where board members may be in breach of duties.

In addition, Board members have a key role in agreeing the Organisation's strategies and policies, setting objectives, targets and risk management plans and monitoring performance against these.

The Board member's Appointment Agreement contains a fuller description of the role and its expectations.

## **7.5.2 CHAIR**

The Board will elect a suitably qualified Chair [3.1 (1)] who must be a properly appointed member of the Board and not hold an executive position within the Organisation [3.1(4)]. The Chair of the Board cannot also be chair of any audit or remuneration committee, where applicable [3.1(2)].

Recruitment will follow the principles in 7.2.1 although the Board may agree to establish an ad hoc Panel for the specific purpose of recruiting a new chair rather than the process described.

The Chair's duties and responsibilities will be set out in a role description [C7] but broadly the Chair will provide leadership for the Board, facilitating and driving the business of the Board and promoting the culture, values and mission of the Organisation.

The Chair may be elected on an interim or temporary basis (a number of months or meetings) pending recruitment or election of a Chair on a permanent basis.

Following appointment on a permanent basis, the Chair will submit themselves for Annual Election by the Board, where a majority vote is required to confirm re-election, if unopposed, which will be minuted. Other board members may also put their names forward in which case the Board may request particulars from or a presentation by each candidate prior to a vote.

The Chair may be subject at any time to a vote of confidence and may be removed from the office of Chair subject to a vote by two thirds of members of the Board. If such a vote is proposed, this shall be with sufficient notice to allow the Chair to make a representation to the Board prior to the vote being taken.

The Board will also appoint a Vice Chair (who also cannot be an executive [3.1(4)]) who will assist the Chair to ensure the effective running of the Board particularly by standing in during the Chair's absence. The Vice Chair role will also include leading on the Chair's appraisal.

On occasions, the Chair may temporarily appoint another Board member to chair proceedings in his/her absence or when an item for discussion concerns the Chair or where there is an actual/potential conflict of interest for the Chair or where the other member has particular expertise in relation to the item.

### **7.5.3 COMPANY SECRETARY**

The Company Secretary is appointed by (and can be removed by) the Board in a minuted resolution [3.8(1)]. The role, contained in a separate Role Description, supports the Chair and advises the Board (collectively and individually) on matters of constitutional, procedural and legal compliance (taking external advice where necessary) and maintains the Organisation's statutory records.

The Company Secretary will have the right of direct access to the Chair of the Board in order to maintain the impartiality of the role and to enable matters of concern to be brought to the Board outside the normal line management routes. This right may be exercised at any time.

The Company Secretary will be responsible for coordinating the review of this Governance Framework and association Governance documentation (although minor or administrative changes do not require Board approval).

#### **Execution of Legal Documents**

The Board of STFH passed a resolution in accordance with s333 of the Charities Act 2011 to enable legal documents to be authorised on behalf of the Board. Normally legal documentation will be signed by two Board members (one of whom should be the Chair) or by a Board member and the Company Secretary. It may be assumed that any Board member has the authority to sign on behalf of the Organisation although the Board may limit this authority to specific individuals by resolution.

Where a single signature is required, the Chair or Vice Chair should be the signatory or the Company Secretary, where the Chair has so delegated.

On occasions, for example in the interests of business continuity, the Board may resolve to grant an external legal professional or practice power of attorney to sign legal documentation on behalf of the Board although this should only be granted for a time limited period.

Copies of signed documentation must be forwarded to the Group Company Secretary for retention.

## 7.5.5 SERVICE ON MORE THAN ONE BOARD

Some Board members may serve on more than one Group board at the same time.

In which case the following guidance should be observed for such “multiple members” [2.7 (7)]:

### **Time Commitment**

Multiple members will be expected to devote sufficient time to each entity they serve in terms of meetings, reading papers, attending strategy or training sessions and pastoral/ambassadorial work such as fundraising events or visits to services or partner agencies. Hence:

- Rigorous and advance planning is required to balance different roles and avoid clashes of commitment (for example meetings taking place at the same time)
- Opportunities to understand the particular operating context and expectations of each entity must be actively sought by the member.

### **Legal & Other Duties**

Multiple members must be mindful of their legal status on each board – whether they are subject to charity law, company law or some other regulatory regime at the outset and what the expectations are for each board served on.

Generally speaking, multiple members will have a legal responsibility to act in the best interests of each organisation which they serve. This means when on Board A, they act as a director/trustee of Organisation A and make decisions in the interests of Organisation A only. When serving on Board B, they act as a director/trustee of Organisation B and make decisions in the interests of Organisation B only. Conflicts of interest or conscience may occur (see below) and these need to be recognised and managed appropriately.

Where different policies or processes apply between entities, multiple members will be expected to adhere to the relevant policy or process for the situation concerned (e.g. claiming expenses).

### **Confidentiality & Open-ness**

Multiple members must be mindful of balancing their duties to each organisation. Whilst they may feedback any matters of common interest from one board they serve on to another, multiple members must be mindful that:

- Personal information about residents, staff or colleague board members should not be shared where not relevant or there is a reasonable expectation of confidentiality
- Similarly, information that could be commercially sensitive should not be freely shared without first checking with the originator

- Escalation of matters of concern to BCHA (Parent) is the responsibility of the subsidiary Chair (unless clearly delegated to the multiple member)
- Matters of concern should be discussed with the chair concerned first out of courtesy or to enable a response to be made to remedy a situation. This may include discussion at the next scheduled meeting. Only where the chair or board concerned fails to take action or where there is an immediate reputational, safety or financial risk should the matter be escalated by the multiple member
- Confidential meetings with the chair of one organisation should remain confidential unless there is a significant reason to breach that confidence. For example, if a multiple member is appraised by the chair of Board A and performance concerns are identified, these would not be disclosed to the chair of Board B without the consent of the multiple member or there was a material risk to Organisation B.

### **Conflicts of Interest**

The Payments, Benefits and Interests Policy and Board member code of Conduct apply to all entities within the Group so can be referenced to understand how to manage specific issues. Generally:

- Situational Conflicts of interest should be avoided where these are material and ongoing and may mean the multiple member should resign from one of their commitments
- Declarations of interest should be made to each entity at the same time so any conflicts can be considered and managed appropriately. This declaration may be in relation to an agenda item (which can be mentioned at the start of the meeting) or more generally (in which case a Declaration form should be completed and submitted to each chair).
- Declarations must be updated annually
- Multiple members may feel a conflict of loyalty acting for one entity against the other where they are also a board member. These will often be less tangible and members should discuss any concerns with the chairs concerned or Company Secretary.

### **Review & Development**

Multiple members must adhere to review and development processes for each entity:

- Undertaking appraisals with the chair of each entity
- Undertaking training provided (unless it is exactly the same training)

## 7.6 REVIEW & DEVELOPMENT

### Whole Board review

The Board will formally review the effectiveness of its operation once each year ideally as a separate, focussed session [3.9(1)]. The Board will consider:

- Governance structure and system of delegation
- Culture, values and behaviours of the Organisation
- Timing and frequency of meetings
- Format and content of agendas, papers and minutes
- Collective performance of the board as a decision-making body including the extent to which the views and needs of residents and other key stakeholders have influenced decisions
- Compliance with the Code of Governance and legal duties
- Collective Skills of the Board and operation as an effective team
- Governance arrangements with the Parent Organisation
- Other governance arrangements (e.g. Recruitment).

The review will be minuted and any actions identified will be allocated leads and timescales. The action plan will then be monitored at Board meetings [3.9(2)].

The review process will be facilitated by the Chair. From time to time, a more formal (i.e. independent) review of governance across the BCHA Group may be undertaken and this will be led by the Board of BCHA with findings communicated to the board of STFH.

### Individual Reviews

All Board members and co-optees will be expected to participate in an individual review with the Chair every 2 years [3.10] which will cover:

- The individual's plans, if any, regarding their board membership
- The individual's contribution to the work of the Board as measured against stated board member competences,
- Any collective or individual training and development needs
- Any concerns or comments about the governance of the Organisation.

Members who have submitted their resignation or will be stepping down after 6 years' service or at the end of any discretionary extension beyond that point are exempt from the review process. The Review for members on leave of absence will be deferred until their return to duties.

The review will be in accordance with the guidance and proformas applicable to the whole group and must be documented but will remain confidential (although may be shown to auditors or regulators to evidence the process).

The Chair may seek the assistance of the Vice Chair to ensure all reviews are completed within a reasonable timeframe.

Upon conclusion of the review process (and this can inform the Whole Board Review), the Chair will present a report to the Board to confirm the process is completed and to highlight matters of relevance requiring action – for example succession planning and training and development needs for the coming year.

### **Performance & Other Concerns**

Where the Chair has particular concerns about the performance or contribution of a Board member, these will be addressed by the Chair setting out a formal process of improvement [3.10(2)].

Examples where an improvement process will be triggered include:

- attendance falls below 70% of board or committee meetings where no leave of absence has been granted or where attendance could be deemed disruptive (persistently arriving late/leaving early without prior arrangement)
- an undeclared, material and unmanaged conflict of interest
- no contribution to board debate and activity over the previous year
- material breach of the Board member code of conduct (for example failure to observe appropriate standards of behaviour or offensive or disrespectful comments on more than one occasion – note a warning may be appropriate for one instance of such behaviour)
- comments at board meetings which demonstrate, for example, the member has not read the papers, pays little attention to the debate, persistently focuses on trivial matters, raises the same matter repeatedly or persistently makes inaccurate, irrelevant or false statements
- the member struggles to understand the papers or to retain or analyse information presented (assuming the papers are clearly presented and do not assume a level of technical knowledge which members do not have).

The improvement plan process will be as follows:

1. Such conversations should be part of the annual review or may be initiated at any other time at the discretion of the Chair.
2. Once agreed, the improvement plan will be provided to the board member concerned in confidence although a copy will be retained by the Company Secretary.
3. Objectives set must be SMART (specific, measurable, achievable, resourced and time bound) and fair. Any support or reasonable adjustments offered by STFH or BCHA to improve performance will be documented.
4. An agreed review timetable will be agreed at issue of the plan which should either review performance directly after each meeting or some other timeframe – for example twice a year. Gaps between reviews



should be set so as to be appropriate to deliver improved performance etc without losing momentum.

5. Review meetings will consider progress in meeting objectives, the effectiveness of training and support provided and any other relevant factors (such as health, for example). All review meetings should be documented with a copy provided to the member concerned
6. An annual individual review (appraisal) should be considered rather than every 2 years (as with other members)
7. Where improvements are made and these are sustained for 2 meetings or more, the plan can be concluded with a final review meeting or at the next appraisal meeting.
8. Improvement plans should not be greater than 12 months in duration.

Where this process proves ineffective, the Chair will take one of the following courses of action as appropriate:

- Extend the period covered by the improvement plan to enable the member to get to the level of competence, attendance or conduct required. Extensions should only be granted where it is fair to the member and reasonable for the business to do so. For example, where there are limited prospects for improvement, extension of the improvement plan is not advised
- encourage the member to resign voluntarily or invoke the options contained in "Removal".

In cases where a member's performance etc deteriorates subsequently following a successfully completed improvement plan, the Chair must consider the matter with the member concerned as soon as possible to identify causes. Unless these causes or circumstances are of a very temporary nature (i.e. likely to be substantively remedied by the next Board meeting), it will not be appropriate to resume an improvement plan arrangement and the member's exit from the board should be discussed and agreed.

### **Chair's Review**

The Vice Chair or other nominated Board member or Company Secretary will lead an annual review process for the Chair using the Group's templates [3.10(1)]. The process will comprise a questionnaire circulated to all members and a formal feedback report to the Board with any recommendations for action although discussion at a Board meeting of the same may be an appropriate alternative.

This process may be timed in relation to the annual election of the Chair. For new chairs, a review would not take place during the first 9 months of their tenure unless agreed specifically by the Board. This will mean that temporary chairs will not need a review.

Where there are performance concerns of the same nature raised by several members, the Chair and Vice Chair should agree whether:

- a) the concerns are legitimate and tangible
- b) if so, whether these are capable of/appropriate to remedy in which case changes (e.g. to do “x” instead of “y” with immediate effect) or actions to be taken (to do “y” by September) can be announced to the board as part of the feedback from the review.
- c) If not, initiate a board discussion on the points raised with a view to coming to a consensus on next steps (if any).

The Chair may wish to view any comments as a confidence matter and either seek the continued support of the board by a vote of the board members or step down or announce s/he will not be seeking to stand again at the annual election.

### **Committee Reviews**

Committee Chairs may review the operation of their committee with other members of that committee from time to time in addition to the Board’s annual review of the committee’s Terms of Reference. Such reviews are discretionary but the outcomes should be recorded formally.

There is no requirement for the Committee chairs to review the performance of members of the Committee over and above the individual reviews carried out by the Chair of the Board (although Committee members who are not Board members should have a review with the Committee Chair every 2 years). Whilst Committee chairs may deal with matters informally (for example not apologising for absence, lateness etc), any concerns requiring more formal action should be shared with the Chair of the Board as part of the individual review process or at any other time, as appropriate.

There is no requirement for a separate review of the performance of Committee Chairs by the Chair of the Board over and above the individual review process. However, if members of a committee have concerns about their committee chair, these can be shared with the Chair of the Board at any time, as appropriate.

### **Succession planning**

As part of an annual review process, the Chair will determine:

- Which members plan to retire
- Which members are nearing the end of their maximum term
- Whether any members plan to step down from particular offices held

Appropriate succession plans will then be put in place to ensure the Board remains effective which will be overseen by the Board as a whole [3.7(1)].

### **Board Member Development**

Board members are encouraged to keep their skills and knowledge up to date by a range of means including:

- Attendance at external seminars and training events (agreed with the Chair, if the member requires reimbursement of expenses)
- Attendance at Group Board training events
- Requesting briefings or presentations by external parties or staff for the Board prior to a Board meeting
- Arranging visits or meetings with staff or to other organisations
- Use of Group electronic training resources such as Skillgate
- Wider reading of periodicals, reports etc available within the sector/on websites.

It is important that the Board reviews its experience of development from time to time in order to ensure that the process remains fit for purpose.

### **Mentoring**

The Chair may establish informal mentoring arrangements for new or inexperienced Board members (for example tenant board members). The mentor will, in most cases, be a longer serving Board member although external mentors may also be considered.

Mentoring arrangements are private to the parties concerned and do not need any formal documentation. The arrangement can be ended at any time by mutual consent provided that the Chair is informed.

## **7.7 AUDIT & RISK**

The appointment of internal and external auditors will be undertaken at Group level by the BCHA board based on an ongoing assessment of the independence, effectiveness and value for money of current provision.

### **The Board is responsible for ensuring:**

- The Organisation is financially viable and maintains a sound system of internal controls (with the BCHA Board assuming a similar responsibility for group-wide internal and external audit and controls assurance) [4.1]
- Appropriate Risk Management arrangements are in place [4.3]
- The Organisation's compliance with all legal, statutory, regulatory and constitutional requirements [4.4]
- Promptly reporting any emerging material risks to the Parent Organisation

Further guidance on Audit and Risk is to be found in the Group Financial Regulations and Group Risk Management Policy.

In the interests of providing assurance to subsidiaries, the Parent Organisation will make its annual reports on internal and external audit and annual internal controls assurance report available to subsidiary boards.

## **7.8 ADMINISTRATION**

### **7.8.1 INDEMNITY**

The liability of shareholding members is limited to a sum not exceeding £1.

Whilst legal proceedings will most likely be initiated by third parties against the Group or subsidiary, it is possible that some claims may be made against individual Board members particularly where an individual has acted fraudulently or recklessly or failed to disclose a conflict of interest.

The Group provides indemnity cover to all Board and committee members. Policy details are available on request from the Company Secretary.

### **7.8.2 VALIDITY OF PROCEEDINGS**

The validity of the proceedings of any Board or committee shall not be affected by any vacancy or any defective appointment of any of its members.

### **7.8.3 INTERPRETATION**

The interpretation of Governance policies rests with the Chair and Company Secretary (or Group Chair and Group Company Secretary for Group-wide policies).

### **7.8.4 REVIEW OF GOVERNANCE POLICIES**

The Company Secretary will review Governance policies every year and report the outcome to the Board, making any recommendations if required [B8, E4].

### **7.8.5 VARIATION & SUSPENSION OF GOVERNANCE POLICIES**

The Board as a whole may agree any variations to local Governance policies prior to the formal review process and such variations may be temporary or permanent. The Board may also temporarily suspend a particular Governance policy where there are legitimate concerns about its operation or efficacy.

Variations and suspensions must be recorded, with reasons, in the minutes of the meeting where they are agreed.

The Board has no power to suspend or amend Group-wide or Parental arrangements or to create an avoidable situation of non-compliance with the Code of Governance although can raise any concerns or proposals with the Group chair or Company Secretary.

## **8. TERMS OF REFERENCE OF THE BOARD**

The core purpose of the Board is to set the mission, vision and strategy of the organisation and to direct, control and scrutinise the organisation's affairs.

The Terms of Reference set out the authority given to the Board (or committee) and the parameters within which the Board works [3.2, 3.5, 3.8]. The Parent Board retains ultimate authority to approve the Terms of Reference.

The Terms include matters specifically reserved for the Board – i.e. matters that cannot be devolved or delegated to staff or other groups [3.2].

The Terms of Reference will be reviewed by the Board and Company Secretary every year as part of the Board's governance review process. Any material amendments will require the approval of both Subsidiary and Parent Boards (for BCHA, this is usually delegated to the BCHA Governance Committee).