

## BOURNEMOUTH CHURCHES HOUSING ASSOCIATION TERMS OF REFERENCE OF THE BOARD

<b>SUBJECT:</b> TERMS OF REFERENCE	<b>Policy No:</b> 103	<b>Reg Framework:</b> Governance 1.2  <b>NHF CoG 2020:</b> 3.2 and 3.8(4)
	<b>Governing Body:</b> BCHA BOARD	
	<b>Board Reviewed:</b> 10 August 2023	
<b>Reviewed By:</b> Company Secretary	<b>Effective Date:</b> Aug 2023	<b>Review Date:</b> Aug 2024

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## **1.0 OVERALL ROLE**

- 1.1 The role of the Board is to determine the mission, vision and strategy of BCHA and to direct, control and scrutinise the affairs of the Association.
- 1.2 This role includes taking overall responsibility for the direction of BCHA's subsidiary organisations within an approved framework of policies, plans, delegations and controls, ensuring that these subsidiaries deliver their services effectively to their customers and other stakeholders and enhance the Group's mission.

## **2.0 COMPOSITION & QUORUM**

- 2.1. The Board will comprise a maximum of twelve members, two of whom will be church nominees (Rule D2), up to two may be residents of BCHA (Rule D2), with the remainder elected by BCHA shareholders (Rule D12). The Board will be responsible for electing one of its number, or otherwise recruiting, a Chair in accordance with the Governance Framework.
- 2.2 The Chief Executive, Director of Finance & Corporate Resources and Company Secretary (all of BCHA) will be in attendance at Board meetings on a routine basis with other officers as required.
- 2.3 The quorum for BCHA Board meetings shall be **5 members** or half of the Board, whichever is less (Rule D15).
- 2.4 The Board may establish Committees or Task & Finish Groups, with written terms of reference to conduct business on its behalf. It is intended that Committees will consider a range of matters within their terms of reference on an ongoing basis on behalf of the Board (Rule D29) whereas Task & Finish Groups will be established on a temporary basis to consider specific or single topics before reporting back to the Board for decision within a set timeframe.

## **3.0 MEETINGS**

- 3.1 Meetings will be held physically or by electronic means, as required, at least **4 times per year** plus any additional meetings arranged.
- 3.2 Meeting must be fully inclusive and accessible to optimise attendance and participation. Decisions and the main reasons for them will be recorded in the minutes.

## **4.0 CORE FUNCTIONS (Rule D1; Code of Governance Principle 3.2)**

- 4.1 **Values, Mission & Culture:** Defining and ensuring compliance with the Mission, Values and Vision of BCHA to ensure its long term success; promoting a shared vision, positive culture and behaviours focussed on the needs and safety of current and future; ensuring that workforce policies and practices support the success of the Organisation and reflect the culture and values and the commitments to equality, diversity and inclusion.
- 4.2 **Strategy:** Establishing and reviewing the strategic objectives and key policies of BCHA, taking into account customer, stakeholder and staff needs, views and interests where possible; ensuring that corporate, financial and business plans (together with relevant plans and policies of BCHA subsidiaries) are financially sustainable and that organisational structures provide a clear and accountable

framework for the successful delivery of the values and objectives.

- 4.3 **Resources:** Approving each year's budget and longer term Financial Plans to ensure that the organisation makes the best use of available resources, ensuring that BCHA and its subsidiaries operate effectively, efficiently and economically, demonstrate value for money to stakeholders and achieve continuous improvement in the quality of services delivered to customers and communities; approval of the audited financial statements each year prior to publication.
- 4.4 **Delegation & Control:** Establishing, overseeing and regularly reviewing a framework of delegation and internal controls are in place for staff, committees and subsidiary organisations.
- 4.5 **Risk:** Establishing and overseeing risk management frameworks to safeguard the assets, compliance and reputation of the Organisation.
- 4.6 **Performance:** Monitoring and scrutinising the overall performance of BCHA and its subsidiaries in relation to strategies, budgets and plans, ensuring that financial and service performance targets and indicators exist for this purpose; monitoring customer and stakeholder satisfaction with services; benchmarking performance with comparable organisations and demonstrating accountability by communicating key elements of performance to customers and stakeholders.
- 4.7 **Remuneration:** Ensuring that remuneration policies for BCHA and its subsidiaries, including those for the BCHA Board, are properly and fairly maintained, and that the terms and conditions of the BCHA executive team and procedures for the appointment and appraisal of the Group Chief Executive are regularly reviewed and updated in line with best practice.
- 4.8 **Governance, Law & Regulation:** Ensuring that the affairs of BCHA, its committees and its subsidiaries are conducted lawfully (taking advice where appropriate), and in accordance with generally accepted standards of performance and propriety, in particular ensuring compliance with the Social Housing Regulator's regulatory requirements, Landlord Health & Safety law, the National Housing Federation Code of Governance and any internal Codes of Conduct.
- 4.9 **Equality, Diversity & Inclusion:** promoting the Equality and Diversity policy across the BCHA family of organisations through setting clear and active commitments; having overall responsibility for the implementation, monitoring and reporting of ED&I commitments concerning all of its activities.
- 4.10 **Support:** establishing a strong working relationship and providing oversight, support and encouragement to Chief Executive and Senior Managers of BCHA in the operation of the business; holding the Executive to account by monitoring their conduct, exercise of delegated powers and performance against agreed targets and objectives and constructively challenging them, as required.

## **5.0 URGENT DECISIONS**

- 5.1 On occasions where an urgent or immediate decision is required between Board meetings which falls outside the delegations to the Chief Executive, the Chief Executive must either:
  - a) conduct a virtual resolution with a clear decision timeframe or
  - b) call an Extraordinary Board meeting (which must be quorate) or

- c) where the above options are impractical, contact a minimum of **three** Board members (one of whom must be the Chair or Vice Chair) to make the decision

Alternatively, the Board has delegated the ability to take urgent decisions to the Audit, Risk and Treasury Committee at its scheduled meetings.

- 5.2 Urgent decisions made under this section **must** be noted at the following Board.

## **6.0 SCHEDULE OF MATTERS RESERVED FOR THE BOARD**

The Board shall be responsible for certain matters which are specifically reserved for the Board's decision, and cannot be delegated to subsidiary Boards, committees or staff of the Association. In particular:

### **6.1 Values, Mission & Culture**

- 6.1.1 There are no additional authorities over and above those in 4.1.

### **6.2 Strategy**

- 6.2.1 The approval of corporate business and financial plans.
- 6.2.2 Approval of plans for extension of the Association's operations into new activities or into new geographic areas outside regions in which it currently operates.
- 6.2.3 Decisions to cease a material part of the organisation's operations.

### **6.3 Resources**

- 6.3.1 The purchase and disposal of property assets where these decisions have not been otherwise delegated.
- 6.3.2 The approval of the Association's Development Programme (over and above any Development Committee delegations), including the commitment to public and private finance to achieve the programme.
- 6.3.3 The approval of the annual budget (including significant capital investment) and the monitoring of financial performance against budget.
- 6.3.4 The approval of the Association's annual borrowing and investment strategy and the approval of overdraft or loans facilities.
- 6.3.5 The approval of the Association's rent policy and annual rent review.

### **6.4 Delegation & Control**

- 6.4.1 Consideration of an annual report on the effectiveness of internal controls.

### **6.5 Risk**

- 6.5.1 Development and approval of the Risk management strategy and periodic review of strategic and financial risks.
- 6.5.2 Establishing controls and procedures which protect the security of assets, ensure the proper use of public funds and ensure access to sufficient liquidity.

## **6.6 Performance**

- 6.6.1 Monitoring of performance against business plans, budgets and funders' financial covenants.
- 6.6.2 Setting targets for all areas of significant business activity in order to monitor the performance of these activities.

## **6.7 Remuneration**

- 6.7.1 Approval of the level of any remuneration for board members where permitted by the Rules.
- 6.7.2 Approval of the arrangements for remunerating the Chief Executive.
- 6.7.3 Approval of a Remuneration Strategy for the workforce which is aligned to the Organisation's size, complexity, purpose and values.

## **6.8 Governance, Law & Regulation**

- 6.8.1 Approval of changes to the structure, size and composition of the Board.
- 6.8.2 Review of the Board's strengths and weaknesses to ensure its continuing effectiveness (including for succession planning), following recommendations from the Governance committee.
- 6.8.3 Appointment or removal of any Board member, the Chief Executive and Company Secretary, following due process.
- 6.8.4 Approval of committee membership as recommended by the Governance committee, including committee chairs, vice chairs and terms of reference.
- 6.8.5 Annual election of the Chair, Vice Chair and other officers of the Board
- 6.8.6 The approval of the job descriptions for Chief Executive and Company Secretary.
- 6.8.7 The instigation of legal proceedings against any person or body, except for the recovery of rent arrears and other breaches of tenancy conditions or for small claims valued under £10,000.
- 6.8.9 The selection and appointment of external auditors, following recommendations from the Audit, Risk and Treasury Committee, and subject to ratification at the following AGM.
- 6.8.10 The approval of the annual accounts prior to their presentation to an Annual General Meeting of the Association and the consideration of and response to the Management Letter of the external auditors.
- 6.8.11 The approval of Probity matters, including any conflicts of interest arising for individual Board members, as required by the Payments, Benefits & Interests Policy. Probity policies and procedures themselves will be reviewed by the Governance Committee.

- 6.8.12 Assessing and ensuring compliance at least annually with the Social Housing Regulator's Regulatory Framework and receiving and reviewing recommendations arising from regulatory investigations.
- 6.8.13 Upon the recommendation of the Governance Committee, satisfying itself that the organisation complies with the NHF Code of Governance and that any remedial action required is approved and implemented.
- 6.8.14 Considering and approving changes to the governance structure, including the setting up of new subsidiaries or joint ventures, mergers, amalgamations or transfers of engagement or proposals to discontinue or out-source core elements of business.
- 6.8.15 Approve any proposed compensation packages in excess of the financial delegations of staff or in line with the Payments, Benefits and Interests Policy.
- 6.8.16 Receiving and appropriately acting upon any instances of Whistleblowing made by staff or others, in line with the Raising Serious Concerns policy.

## **6.9 Equality, Diversity & Inclusion**

- 6.9.1 Approval and review of the Equality & Diversity Strategy and related plans and to monitor progress against EDI priorities and objectives, publishing such progress annually.
- 6.9.2 Ensuring the decision-making processes of the Board take into account equality, diversity and inclusion wherever practicable.

## **6.10 Support**

- 6.10.1 There are no items reserved for the Board in this section.

## **7.0 AUTHORITY RETAINED BY THE BCHA BOARD ON BEHALF OF BCHA SUBSIDIARIES**

### **7.1 Values, Mission & Culture**

- 7.1.1 There are no additional authorities over and above those cited in 4.1.

### **7.2 Strategy**

- 7.2.1 Ensuring that the Business Plans of subsidiary organisations align with the strategies and resources of BCHA and the group as a whole.

### **7.3 Resources**

- 7.3.1 The ratification of purchase or disposal of property assets by subsidiaries where these are in excess of BCHA officer delegations.
- 7.3.2 Undertaking treasury management and related functions including group-wide accounting policies and the movement of funds between subsidiaries.
- 7.3.3 Monitoring financial performance of subsidiaries against budget and recommending corrective action to subsidiary Boards, as required.

- 7.3.4 The approval of the annual rent review of subsidiaries managing property assets on behalf of BCHA.

**7.4 Delegation & Control**

- 7.4.1 Authorising the internal audit arrangements for subsidiaries and the adoption of any recommendations.

**7.5 Risk**

- 7.5.1 Monitoring and review of the key risks facing subsidiaries and taking appropriate action, as required.

**7.6 Performance**

- 7.6.1 Monitoring the performance of its subsidiaries in relation to approved plans, budgets key performance indicators and recommending corrective action, where required.

**7.7 Remuneration**

- 7.7.1 There are no authorities under this heading unless in relation to any other heading in this section.

**7.8 Governance, Law and Regulation**

- 7.8.1 The exercise of nomination rights for membership to all subsidiary Boards.
- 7.8.2 Approving and keeping under review the terms of the Relationship Agreement and Framework of Delegation and Internal Controls with each subsidiary and taking any necessary action in observance of these.
- 7.8.3 Satisfying itself that the affairs of its subsidiaries are carried out lawfully and in accordance with the rules, and to high standards of probity and conduct.
- 7.8.4 Ratifying the appointment of new members to subsidiary boards.
- 7.8.5 Authorising the external audit arrangements for the preparation of financial statements for subsidiaries and approving these statements to enable the preparation of consolidated accounts.
- 7.8.6 Approving the executive arrangements for each subsidiary so that decisions may be taken by staff or others outside of the cycle of meetings of subsidiary Boards.
- 7.8.7 Instigation of legal proceedings on behalf of subsidiaries.
- 7.8.8 Assessing and ensuring compliance of all subsidiaries with the regulatory requirements of the Social Housing Regulator and other external organisations.

**7.9 Equality, Diversity & Inclusion**

- 7.9.1 Periodic review of the activities of subsidiaries in relation to their commitments to equality, diversity and inclusion.

## **7.10 Support**

7.10.1 Providing support to and engagement with the Chairs of subsidiaries.

## **8.0 REVIEW**

8.1 These terms of reference will be kept under review by the Company Secretary with recommendations placed before the Board for approval at least once per year.

## **9.0 REFERENCES**

- BCHA Rules
- BCHA Financial Regulations
- Regulatory Standards for Social Housing in England
- Board Member Code of Conduct
- Excellence in Governance 2020 (NHF)