



GOVERNANCE FRAMEWORK

GOVERNANCE INFORMATION FOR THE BCHA GROUP

BOURNEMOUTH CHURCHES HOUSING ASSOCIATION (BCHA) 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 active organisations comprising the BCHA Group [2.7(6)].

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 [H7] 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: 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

BCHA Objects (Rule A2, BCHA Rules)

The Association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

- 1) the business of providing housing, accommodation, advice, services and assistance to help house people and associated facilities and amenities for persons in necessitous circumstances upon terms appropriate to their needs or for the relief of aged, disabled, handicapped (whether physically or mentally) or chronically sick people;
- 2) any other charitable object that can be carried out by a Registered Society registered as a provider with the Social Housing Regulator.

Mission

BCHA & Group
To help people take control of their lives. Wherever people feel vulnerable or don't know where to turn, we equip them to find a way forward by offering the highest standards of support for housing, health, learning and work.

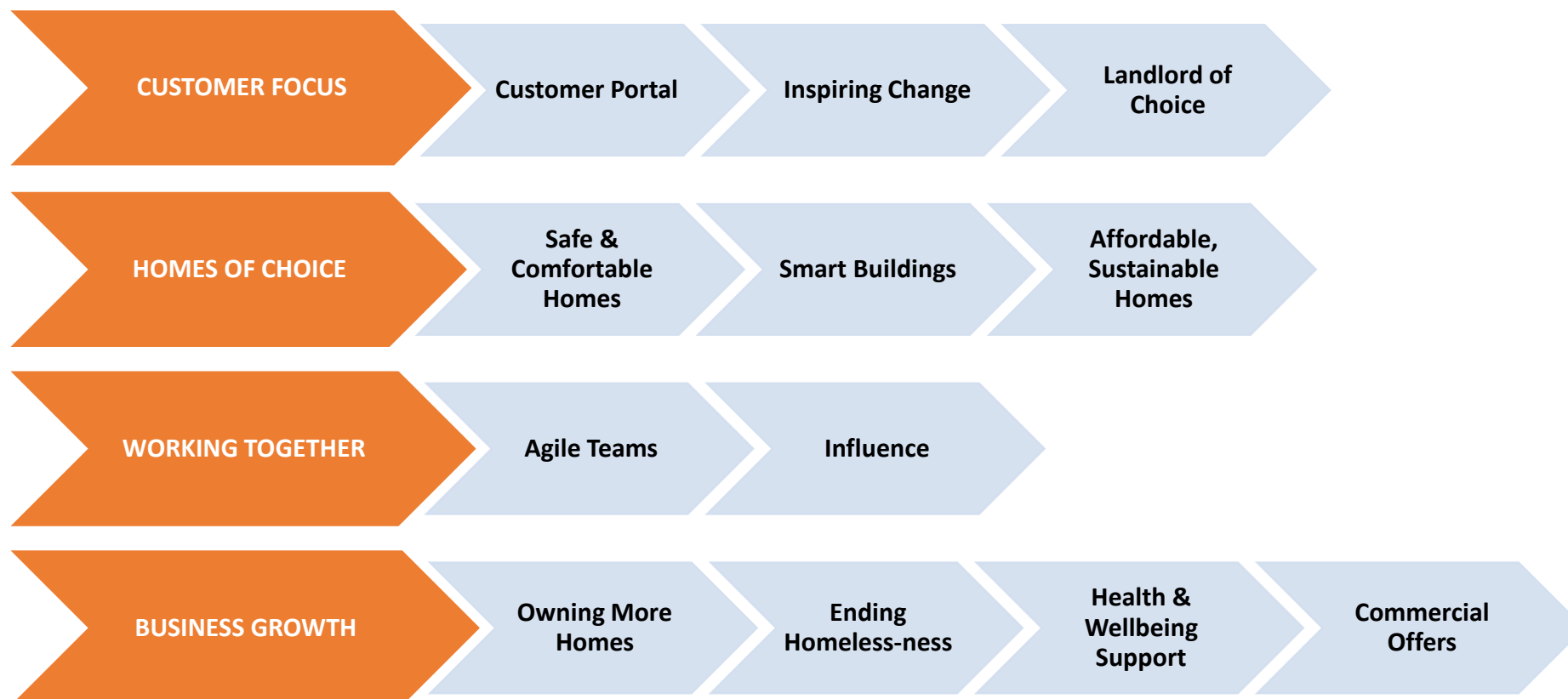
Vision

BCHA & Group
Working together: Building better lives, better homes and better communities.

Group Values

- Personal Integrity
- The Importance of Every Individual
- Outstanding Service to People
- The Importance of Working Together
- Professional Competence

The Mission, Vision and Values underpin the Organisation's Business Plan which aligns with that of the Group where the overall aims are:



3. GROUP GOVERNANCE PRINCIPLES

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

1) Ethics	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) Accountability	There is proper accountability to, and involvement of, all the Organisation's stakeholders, primarily its residents.
3) Customer First	The Organisation puts the views, needs and safety of existing and potential customers at the heart of business decisions and strategy.
4) Openness	There is a spirit of openness, making disclosure of governance matters and other information wherever possible
5) Diversity & Inclusion	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) Review & Renewal	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) Clarity	There is clarity of roles and responsibilities between the Organisation's board members, paid staff and shareholders.
8) Control	There are effective systems for internal delegation, audit, risk management and control. The Board receives adequate and timely reports and advice to inform its decisions. The Board has an effective relationship with auditors and regulators.
9) Structures	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, shareholders, customers, 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 will be achieved in the following ways (this is not an exhaustive list):

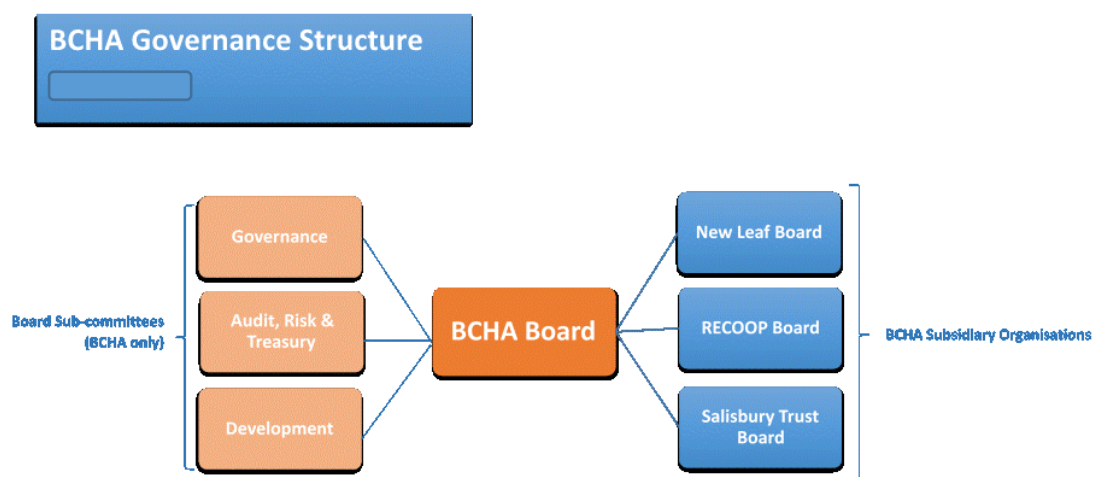
- Board and staff engagement with stakeholders to elicit views about the activities and services provided [1.6(2)];
- Clear and published complaints procedures;
- Customer engagement arrangements with direct access to the Board
- Publishing key documents, including an annual report [1.6(1)], Customer 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 (who our stakeholders are and how often and by what means we will communicate with them) 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 BCHA Group comprises the parent organisation, Bournemouth Churches Housing Association (BCHA) and three subsidiaries. The structure of the Group is set out in the chart below:



6.1 REGISTRATION DETAILS OF GROUP ENTITIES:

Entity	Registered Address	RSH	FCA	Charity Commission	Companies House
BCHA	The Factory, 14 Alder Hills, Poole BH12 4AS	LH0155	18497R		
New Leaf Co Ltd					5739825
RECOOP				1139233	7381550
STFH Ltd	148 Fisherton St, Salisbury SP2 7QW			1118746	5812515

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).

Each subsidiary has 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.

BCHA also acts as sole corporate trustee for St Pauls Homes an unincorporated charity (number 221147). This entity operates without a board so is exempt from the requirement to adopt the Code of Governance.

5.2 ROLE OF BCHA AS GROUP PARENT

BCHA, as 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(4)].

The Board of BCHA is responsible for the overall control of the affairs of the Group – setting overall policies and directions to achieve good governance, legal and constitutional compliance, management of risk and financial viability of the organisations within the Group. 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)].

The BCHA Board will direct and intervene in the affairs of any of its subsidiaries to ensure the effective operation of the subsidiary or the Group as a whole or to mitigate and risk to the governance, reputation or viability of the subsidiary or Group as a whole [2.7 (4)].

BCHA’s three committees, Audit, Risk & Treasury, Governance and Development have group-wide responsibility for scrutinising group-wide matters although subsidiary boards are expected to monitor audit, risk, finance and governance issues locally [4.1, 4.4 & 4.3].

5.3 OPERATION & REVIEW OF GROUP STRUCTURE

All Boards will operate within Terms of Reference aligned to their constitutions and, where a subsidiary is active (i.e. not dormant) it will operate under its own Governance Framework albeit one aligned to BCHA’s.

BCHA will determine whether and to what extent active subsidiaries the NHF Code of Governance [2.7 (6)] and, where this is the case, subsidiaries will be

expected to report self-assess compliance annually and report the outcome of this review in their published financial statements [3.11].

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. Such meetings will be reported back to the BCHA Board.

The BCHA Board will review the benefits, risks and relationships with its subsidiaries collectively at least annually. [2.7 (2)] and may, from time to time, make changes to the Group Structure so that the delivery of BCHA's mission and objectives is optimised.

6. GOVERNANCE STRUCTURE

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

6.1 SIZE OF BOARD

In accordance with the Constitution, the Board will comprise **a minimum of five and no more than twelve members** [Rule D2; COG Principle 3.3(2)].

6.2 COMPOSITION OF BOARD

The Board will consist solely of unpaid non-executive members with senior managers attending by invitation to deliver reports, answer questions and provide advice. Other than Church nominees (see 7.2), there is no preferred composition for the board members or interest groups other than the need to achieve a balance of skills and experience appropriate to the needs of the business and to have regard to the diversity of the communities BCHA serves [3.3(1), 3.4(1), 3.4 (3) & 3.4(4)].

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 of the committee) and who will be the Chair (for which there will be a written role description) [3.5(2)]
- 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 or Governance Committee (to which committee oversight is delegated) [3.5 (2)]. Other factors may include, for example, personal development needs or interests.

Committees can include staff and external individuals provided that there is always a minimum number members of the Board within the Committee's number, as per the specific Committee Terms of Reference. Staff cannot be a member of any committee responsible for nominations, remuneration or audit but may attend by invitation in a non-voting capacity [3.1(5)].

The Board may also establish “Task and Finish Groups” temporarily to look at a single issue in more detail before making recommendations back to the Board. The membership of these groups will normally comprise a small number of Board members and relevant staff and will operate subject to general terms of reference (as listed in the Group Financial Regulations, section 2) or specific terms of reference where the Board considers this appropriate.

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 are three current committees – the Audit, Risk and Treasury Committee, the Governance Committee and the Development Committee. The purpose of each are as follows:

Audit, Risk & Treasury

- 1.1 To ensure the Board fulfils its responsibilities with regard to Financial Reporting and to commission and oversee the work of the External Auditor.
- 1.2 To oversee the implementation of effective Internal Audit and Customer assurance for all aspects of the Group’s work, whether financial or non-financial and to ensure there are other mechanisms put in place to ensure the quality of service delivery.
- 1.3 To review the structure and effectiveness of the Business Planning, Risk and Internal Control Framework, and including reviewing and monitoring the organisation’s risk strategies and risk map, highlighting any concerns to the BCHA Board (and/or subsidiary boards, as appropriate).
- 1.4 To review and monitor all matters relating to Treasury, making recommendations to the Board for approval.
- 1.5 To review and monitor strategic Corporate Resources matters on behalf of the Board.
- 1.5 To act on any urgent matters between meetings of the Board.
- 1.6 To review the Financial Regulations each year.

Governance

- 1.1 To oversee Board recruitment and renewal, and establish a process for effective succession planning.

- 1.2 To evaluate the skills sets of the Board as a whole, and to oversee and recommend to the Board training and development for individual Board Members or the Board collectively.
- 1.3 To recommend to the Board new Board Members, following a selection process.
- 1.4 To oversee compliance with the Code of Governance.
- 1.5 To recommend to the Board new Committee Chairs and composition of committees.
- 1.6 To recommend to the Board any revisions to the Governance arrangements and Committee structures.

Development

- 1.1 To review and recommend a Programme of property development and acquisitions to the Board and ensure the delivery of the approved programme.
- 1.2 To review and approve business cases to tender for new revenue contracts (where over officer delegations) and new service proposals (new areas, customer groups or delivery models) as per the Financial Regulations, whether or not these have a property component.

An additional Committee to oversee senior officer Remuneration has met in the past, although its functions have now been subsumed by the main Board.

6.4 OPERATIONAL MANAGEMENT

BCHA has an operational management structure led by a Chief Executive and four directors. This structure is reviewed from time to time by the Chief Executive in order to best support the delivery of BCHA's mission and strategic objectives [2.2]. The Chief Executive will, as part of this review, consult the Board in a timely manner on any significant proposals.

As the Board has a strategic role, it is essential that Board members do not get involved with the day to day running of services by instructing staff. Any concerns about operational management, for example arising from arranged visits to services, should be referred to the Chief Executive or relevant director in the first instance. Further guidance can be found in the Board Members' Code of Conduct.

6.5 PARENT-SUBSIDIARY RELATIONS

Relationships with subsidiaries will be delineated by the following principles:

- A Merger Agreement, where an organisation has joined the Group (note: agreements may not always result in retaining a separate subsidiary entity).

- An agreed Service Level Agreement (SLA) between parent and subsidiary 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 nominations to Subsidiary Boards such that 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, Subsidiary Chairs will seek to resolve any concerns in the first instance with the Parent nominee or with the Parent Chief Executive. Failing that course of action, the Subsidiary Chair will seek to raise the matter with the BCHA Chair with a view to mutually acceptable resolution prior to consideration of any alternative mechanisms set out in the SLA, Merger Agreement or Subsidiary Constitution.

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 which thereby entitles them to attend and vote at the AGM and other 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 role of shareholders will be formally documented and made available on the website [1.6 (6)].

The Organisation will operate an **open membership** such that members of the public, organisations, Board members and former Board members are shareholders of the Organisation. Exclusions are listed in Rule C6 of the Constitution – for examples minors and BCHA employees cannot be shareholders.

The process for admitting new members is contained within the Membership Policy (which will be made available on the website [1.6 (7)]) and the Constitution, which requires new members to be approved by the Board. Applications shall be in the form of a letter to the Chair or Company Secretary outlining why the applicant wishes to become a member and must detail the applicant’s name, address, occupation and date of birth (if a person) or registration details (if an organisation).

All shareholders must purchase a £1 share upon admission to the membership.

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), by resolution of the Board or other circumstances as outlined in the Constitution. Shareholding records will be updated accordingly.

7.2 BOARD MEMBERSHIP

The term “Board member” will be used to refer to any individual properly appointed to serve on the Board of BCHA 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)
- A person who has been disqualified from acting as a director or trustee
- A person who is an undischarged bankrupt
- A person who is not a shareholder
- A tenant who is in serious or material breach of their tenancy agreement
- Someone who has become, in a medical practitioner's opinion, incapable of acting as a board member
- A person who would otherwise be removed from office (see "Removal")
- Any employee or director of the current auditor.

Skills

The Organisation distinguishes between "general skills" (all board members should possess a range of general skills) and "specialist skills" (each board member will likely only possess a specialist skill in one area, rarely more).

General Skills which the Organisation seeks for the Board are::

- **Organisational Skills** - Supporting people take control of their own lives, Responsible for Business Performance, Quality, Audit or Risk Management, Experience of developing organisational strategy, Chairing Business Meetings, Management of growing/diverse organisations
- **Leadership and Management Skills** - External Governance (e.g. Board, Committees), Senior level management/HR, Organisational Financial Management or Accountancy

Specialist Skills which the Organisation seeks for the Board are:

- **Customer Experience** – Involving & engaging customers, Working with social exclusion / poverty reduction / social welfare or having lived experience
- **Sector Experience** – Housing /Tenancy, Customer Support Services, Experience of regulated environment, Property Development / Asset Management / Compliance, Strategic partnership working, Commercial/Social Enterprise, Legal practice, Work within Health, Social Care or Criminal Justice, Sustainability / Decarbonisation, Digital Service Delivery / Transformation

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.

Church Nominations

The Constitution (Rule D2) entitles the two founding Church bodies (namely, the Bournemouth Anglican Deanery and the Roman Catholic Deanery of Bournemouth) one place each on the Board and to nominate individuals from time to time to membership of the BCHA board. Such individuals will appropriately skilled according to the Board's specific requirements at the time of nomination [3.4(2)].

Church nominations will be made in writing to the Chair or Company Secretary and will undergo a formal application and appointment process (as below). Church nominees who are not deemed suitable will be rejected. If suitable nominations are not forthcoming, Rule D2 outlines how vacancies on the Board can then be filled.

Church Nominees will serve as board members in their own right for the benefit of the Organisation and will be expected to observe Board procedures including declaring conflicts between their roles as Board member and their connections outside ([1.5] – and see “Conflicts of Interest” in this section).

Church Nominees may serve the full length of their term (to a maximum of 6 years with discretionary annual extensions up to a maximum of 9 years) or until they voluntarily resign (see “Resignation”). It is not expected that the Church bodies replace their nominees mid-term.

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

On occasions where there is a difficulty sourcing Church nominees, the BCHA Rules allow vacancies to be filled by general recruitment provided that the general intent is to seek appropriately skilled nominees when future vacancies arise.

Lived Experience

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 customers' lives.

The BCHA Rules allow for up to two tenant Board members [Rule D2 and CoG Principle 3.4(4)]. Such members do not need to be formally elected by BCHA's customer body or customer representative bodies but can put themselves forward as candidates. Such candidates will be assessed in line with 7.2.1.

There is no bar to recruiting additional board members with lived experience who are not tenants. 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 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 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 BCHA Rules 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 or drop-ins (whether or not online)
- Informal or formal Customer and Board member panels
- Presentations to the Board by officers which include customers
- Commissioning of specific research or consultation projects to understand customer views.
- The board should also regularly “reflect back” how it has engaged with/listened to customers

Co-option

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

There is a limit of five co-optees for the Board or any committee (Rule D5).

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 and can vote (if permitted by the Terms of their appointment and Rule D5) but 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

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 heritage, backgrounds, attributes, occupations and interests of its members and is balanced in terms of age and gender [3.4 (3) & 3.4(4)];
- The Board should seek to include those with direct lived experience of (or insight into) the communities served by the Organisation [3.4 (4)] – see below.
- 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 of the Governance Committee and Company Secretary will normally lead on recruitment although all Board members will be expected to assist, especially in use of their own networks.

Application

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

If the candidate could be suitable, a meeting will be arranged with the Chair of the Governance Committee and Company Secretary (first stage interview) and, subject to passing this process, with the Chair and Chief Executive (second

stage interview). The Chair of the Board and Chair of the Governance Committee, at their discretion, may agree to have a one stage interview.

Interviews may be held electronically or physically.

The interviews 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 meetings will also enable the candidate to understand the commitment required in terms of time.

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. Any other checks deemed necessary will be discussed and approved by the Governance Committee.

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.
- Registration of the appointment with regulatory bodies 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).

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.

Any appointment to fill a casual vacancy on the Board must retire at the subsequent AGM and present themselves for election.

Induction

The Chair and/or Company Secretary will arrange an induction programme for the new member tailored to his/her skills and experience to be completed, ideally, within three months of appointment [3.9 (3)]. This induction will aim to provide the new Board Member with the relevant information, knowledge and training to enable them to become and make an effective contribution to the Board as soon as possible.

A template checklist of induction activities has been produced separately.

7.2.2 EXECUTIVES

Executives (i.e. persons paid by the Organisation to manage its affairs) cannot serve as Board 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 [3.3 (3)]. Executive will also be barred from membership of the Governance Committee, Audit Risk & Treasury Committee and Remunerations Committee [3.1 (5)].

7.2.3 TERMS OF OFFICE

Board members (including Church nominees and co-optees) will normally serve a **maximum of 2 x three year terms**, from the date of their appointment (i.e. six years in total). However, where the Board considers it in the best interests of the Organisation, terms may be extended for up to 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 through the annual review process.

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

There is no longer a requirement for retirement by rotation of the longest serving Board members at each AGM. Instead, Board members will only step down and present themselves for re-election (if they wish) at the end of each of their three year terms.

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, the Chair must include with the AGM papers information about the candidate's relevant skills, experience and contribution to the Organisation in order to provide shareholders with a 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, long serving members may remain a shareholder or supporter of the Organisation, for example be a volunteer but cannot re-apply for board membership until 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) unless a discretionary extension has been agreed by the Board (to a maximum length of service of 9 years).

7.2.5 RESIGNATION

Any Board member or co-optee may resign from the Board by sending written or email notification to the Chair and Group Company Secretary. Such notice may be immediate or specify a date at some point in the future (for example, at the next AGM). 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).

7.2.6 REMOVAL

The removal of Board members is detailed in the Constitution. In summary, Board members cease to hold office including where the following apply (Rule D7):

- Statutory disqualification by a regulatory body
- Mental illness or loss of mental capacity
- Absence from three consecutive meetings without permission in a 12 month rolling period
- Resignation from (or failure to take up) shareholding membership

Board members could also be removed for the following reasons:

- 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).

The Board has the constitutional power (Rule D8) to remove a fellow Board member on a resolution passed by a two thirds majority provided that a fair process is followed. Such a process must include:

- A formally convened board meeting called with sufficient (at least 10 working days) notice. Virtual resolutions will not be appropriate in this instance.
- An opportunity for the Board member subject to the resolution to attend the meeting to state their case and submit any documentation or call any material witnesses in support of their case

The Board as a whole may resolve that Board members may be barred from attending board or committee meetings, vote or visit the Organisation's premises or services whilst subject to removal proceedings.

Alternatively, any of the following strategies could be adopted:

- Encourage the individual to resign voluntarily, *or*;
- Not endorse the individual when they seek re-election at the next AGM after retiring at the end of a three-year term, *or*;
- Convene a general meeting to seek to pass a special resolution to remove the board member (the individual still has the legal right to make a representation to the shareholders in advance of and at the meeting).

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.

7.2.7 RESIGNATION & SUBSIDIARY NOMINEES

Where a BCHA Board member is serving on a subsidiary Board as a BCHA nominee, the termination of BCHA Board membership for any reason would not terminate their subsidiary board membership unless the member concerned resigned, was otherwise no longer eligible to be a board member of the subsidiary (for example had reached their maximum length of service) or the Parent sought their removal via mechanisms outlined in the subsidiary's constitution.

However, the member concerned would cease to be a Parent nominee at their point of departure from the BCHA Board and the BCHA Board will be entitled to make a subsequent nomination, subject to there being vacancies on the subsidiary Board at that time.

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 upholding 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 customers 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 Vice 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 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 Chief Executive or one of the Directors 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) [4.5 (3)].

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) [4.5 (1)].

7.3.3 RAISING DISPUTES & GRIEVANCES

Policy

BCHA 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 BCHA as a whole
3. between the CEO and a board member/co-optee

which are not covered by:

- the CEO's contract of employment or
- 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 member is not behaving in accordance with the Code of Conduct, or a complaint about a particular board member from a member or staff or a customer 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 Chief Executive.

If the Chair is party to the conflict, 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 BCHA

Where a board member has a grievance against the Board or BCHA 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 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 within 14 days if the Board member feels key evidence of information was not taken into account.

Procedure 3 – involving the CEO

Where the conflict is between one or more board members and the CEO, the Board will rely on the board member code of conduct and performance review, and the CEO contract and performance review and management processes, to mitigate and address issues in the most appropriate and constructive manner.

However:

- (1) if the CEO experiences conflict or difficulty with an individual member of the Board, he or she will raise the issue directly with the board member and, only if satisfactory resolution is not achieved, bring the matter to the attention of the Chair for mediation or other appropriate action.
- (2) If this conflict is with the Chair, then the matter can be referred to the Vice Chair but may entail full board consideration of the issue.
- (3) The CEO may rely on employment law to raise a grievance about the Board and the Chair/Vice Chair will be responsible for management of such a process in line with external or HR advice.
- (4) If a board member raises a grievance against the CEO, this must be sent to the Chair, who will determine the most appropriate course of action and timescale to achieve resolution. The Chair's decision will be final.
- (5) Where investigations into the facts of a conflict or grievance are required, the Chair/Vice Chair or Board should consider the merits of an independent/external investigation.

7.4 BOARD MEETINGS

7.4.1 MEETINGS

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

A calendar for the year will be drafted 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 (and reviewed from time to time) so that it is clear to members and officers when in the year key items will be discussed [3.8 (3)].

Board Agendas will be prepared by the Chief Executive's office, in conjunction with the key officers servicing a meeting, and agreed with the Chair prior to circulation. Agendas will contain items to evidence that the Board is meeting its terms of reference and legal duties [3.8 (3)].

Board members 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 Chief Executive, Director of Finance and Corporate Resources and Company Secretary will normally attend Board meetings on a routine basis. Other Directors will be invited to attend where presenting papers or as observers but there is no expectation that Directors 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 the devices and functionality 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 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 are started, 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 **five board members present** (i.e. excluding observers and co-optees) – Rule D15.

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 be applied to all Committees of the Board. 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 board members**.

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 BCHA 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 Covid infection control guidelines)
- 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 BCHA chooses to use electronic means to hold meetings all members must be able to participate and contribute. Equipment and officer support will be provided by BCHA to facilitate attendance at electronic meetings and the platform (Zoom, MS Teams or other) 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 has one vote in relation to decision-making at meetings of the board or a committee. Staff, and Observers are not entitled to vote. Co-optees, may be allowed to vote, if permitted by the Terms of Reference and in accordance with Rule D5.

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 of the board or a committee, the minutes of the meeting should be sent to the relevant Chair, officer or sub-committee member for approval before being sent out. After approval, the minutes should be distributed to attendees **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 may 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.

Board Members and other attendees 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 board 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

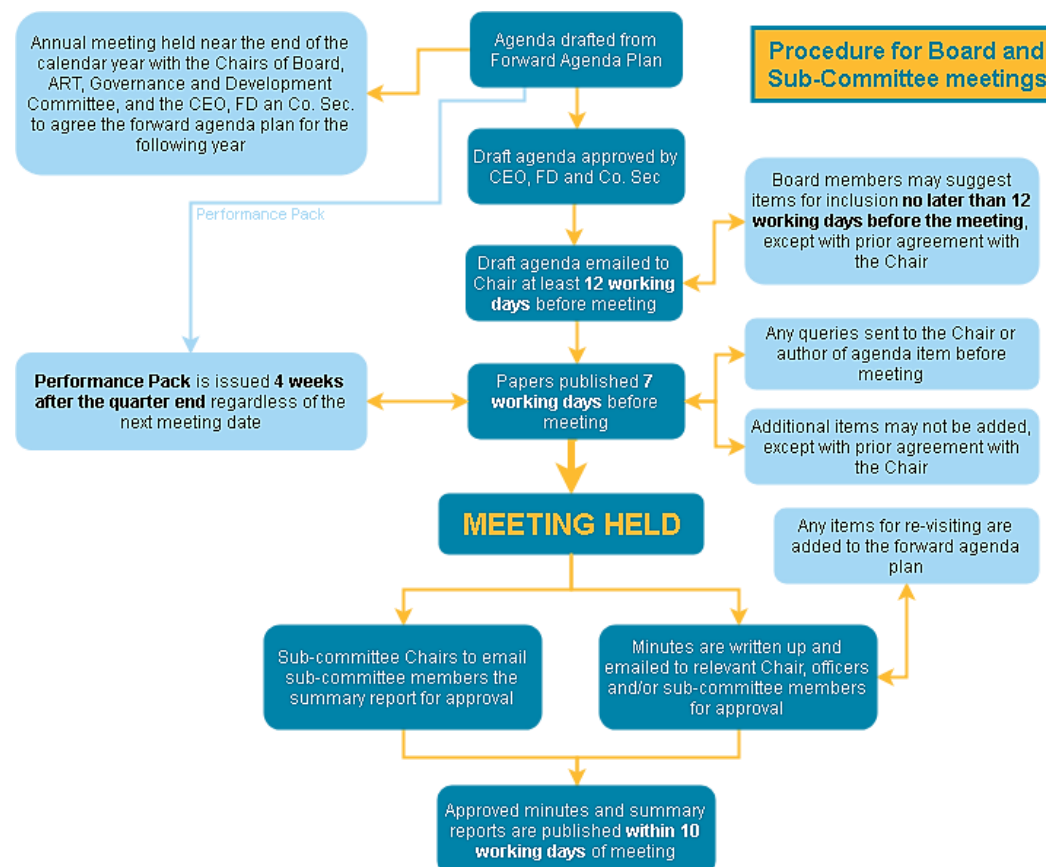
report. Reports must also contain a clear recommendation or proposal for the Board to consider.

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 and assurance on points of detail or contextual information. Such discussion may be aired during the Board meeting.

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



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 letters etc.). For signature of legal documents see “Company Secretary.”

The Board may authorise the Chair and/or other Board members 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 which cannot be made under delegations [3.8 (4)], the Chair, Chief Executive or Company Secretary will either:

- Convene an extraordinary board meeting (which must be quorate) or
- Seek a decision from all board members via Board Packs or email (with a majority of members being required to approve any decision) or
- Request the matter be considered by a quorate Audit, Risk & Treasury Committee (if a meeting is due).
- Where sufficient members cannot be contacted to make a quorate decision, three board members may make a decision provided one of this number includes the Chair or Vice Chair.

The outcome of decisions made under urgent powers, if not involving the whole board, will be reported back to the whole Board as soon as possible.

7.4.6 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.

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, a Committee 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.

The Chair of the Audit, Risk & Treasury Committee holds a particularly important role in the Organisation and may, on occasions, need to access legal or other professional advice without the involvement of officers in order for this Committee to properly and independently exercise its functions.

7.4.7 TRANSPARENCY

The Organisation will issue financial statements or other public documents to enquirers on request and will seek to routinely publish the following regulatory/governance information on its website:

- Annual Impact report [1.6 (1)]
- Annual financial statements

- Value for Money report
- Key policies beneficial to customers (e.g. complaints policy) and shareholders (eg. membership policy [1.6 (7)])
- Annual Governance Statement [1.6 (4)]
- Code of Governance Compliance Statement [3.11]
- Reports about meeting commitments in relation to customer focus [1.2 (4)], customer 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 (75% target for Board meetings with <70% being a trigger for Chair action), 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)].

The Chair's duties and responsibilities will be set out in a role description 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. Recruitment will follow the principles in 7.2.1 although the Board may agree instead to establish an ad hoc Panel for the specific purpose of recruiting a new chair rather than the two stage process described.

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 within any pre-determined timeframe 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.

7.5.3 VICE CHAIR

The Board will elect a Vice Chair (who also cannot be an executive or be chair of the Audit, Risk & Treasury or Remuneration Committees) [3.1 (4) and 3.3 (4)].

The role of the Vice Chair will be to 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, where there is an actual or potential conflict of interest for the Chair or where the other member has particular expertise in relation to the item being discussed.

7.5.4 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. Whilst this right may be exercised at any time, a standing item on the Governance Committee agenda (Company Secretary confidential items) provides an alternative opportunity for direct access to the Board without other officers present.

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

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, any board member may be the signatory or the Company Secretary.

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 CHIEF EXECUTIVE

In accordance with Principle 2.4 of the Code of Governance, there will be written processes for the appraisal of the Chief Executive and periodic review of their contract and remuneration.

7.5.6 SERVICE ON MORE THAN ONE BOARD

Some BCHA Board members will serve on subsidiary boards as Parent nominees and it is possible some independent subsidiary board members may serve on more than one Group board at the same time.

In which case the following guidance should be observed by those serving on more than one board (“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. BCHA Board members on subsidiary board are expected to feedback any matters of common interest to the BCHA Board and vice versa. However, in doing so must be mindful that:

- Personal information about customers, 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 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

7.6.1 WHOLE BOARD REVIEW

The Board will formally review the effectiveness of its operation once each year [3.9 (1)]. The Board may consider, or delegate to the Governance Committee or a Task & Finish Group to consider, the following:

- Group Structure, Governance structure and system of delegation
- Collective Skills, experience and diversity of the Board
- Effectiveness in role-modelling the desired 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 customers and other key stakeholders have influenced decisions
- Compliance with the Code of Governance and legal duties
- Governance documents and arrangements
- Other governance arrangements (eg. Recruitment).

The review can be undertaken in discrete elements over the course of the year rather than be one event and may form part of a meeting rather than being a meeting in its own right. Nevertheless, reviews will be minuted and any actions identified will be allocated leads and timescales. Any action plan will then be monitored at Board or Governance Committee meetings [3.9 (2)].

The review process will be facilitated by the Chair, Company Secretary or an appointed consultant and, where the review will take place in discrete elements, a plan will be agreed and overseen by the Governance Committee at the start of the calendar year.

7.6.2 INDIVIDUAL BOARD MEMBER REVIEWS

All Board members and co-optees will be expected to participate in an individual review with the Chair at least every 2 years [3.10] with a view to improving the Board's effectiveness. These reviews will cover:

- The individual's plans, if any, regarding their board membership

- The individual's attendance and contribution to the work of the Board as measured against stated board member competences
- review of committee participation or chairing
- 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 or Committee chairs to ensure all reviews are completed within a reasonable timeframe.

Upon conclusion of the review process (and this can inform any 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 or training and development needs.

Performance & Other Concerns

Where the Chair has particular concerns about the attendance, conduct, performance or contribution of a Board member, these will be addressed by the Chair setting out a formal process/plan 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 at 2 or more meetings
- 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 or the Governance Committee.
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 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 by BCHA 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.

7.6.3 CHAIR’S REVIEW

The Vice Chair will normally lead a review process every 2 years 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. This process may be timed in relation to the annual election of the Chair.

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.

For newly appointed chairs, a review would not take place during the first 9 months of their tenure unless agreed specifically by the Board.

7.6.4 COMMITTEE REVIEWS

Committee Chairs will review the operation of their committee with other members of that committee annually in tandem with the review of the Committee's Terms of Reference. Such reviews will follow the relevant points of whole board review (see above) and will be recorded formally and reported back to the Board.

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 using the Board Member appraisal methodology). 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.

7.6.5 SUCCESSION PLANNING

As part of the 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 planning 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)].

7.6.6 BOARD MEMBER DEVELOPMENT [3.9 (4)]

Board members are encouraged to keep their skills and knowledge up to date on a planned basis (taking into account individual and collective development needs identified in their appraisal)_and by a range of other means including:

- Attendance at external seminars and training events (which may be notified from time to time by BCHA to the Board).
- 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 to BCHA services and offices
- Arranging visits or meetings to other organisations
- Use of Group electronic training resources such as Skillgate and webinar subscriptions.
- Wider reading of reports etc available within the sector/on websites etc.

Training can be organised via the Chief Executive's office which will arrange payment on account or authorisation of reasonable expenses incurred (although members should advise the Organisation in advance of incurring these, wherever possible).

Board members who attend external training or CPD should advise BCHA so that corporate records and skills matrices may be updated. It will also be beneficial to report back to their colleagues to share any learning.

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 BCHA Board is responsible for ensuring:

- The Organisation is financially viable and maintains a sound system of internal audit and controls and an appropriate relationship with the external auditors [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]

Further guidance on Audit and Risk is to be found in the Group Financial Regulations and the terms of reference of the Audit, Risk & Treasury Committee.

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 members is limited to £1, the value of one ordinary share.

Whilst legal proceedings will most likely be initiated by third parties against the Organisation, 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.

7.8.4 REVIEW OF GOVERNANCE POLICIES

The Company Secretary will review Governance policies at least every 3 years and report the outcome to the Board or Governance Committee, making any recommendations as required [3.11 (4)].

7.8.5 VARIATION & SUSPENSION OF GOVERNANCE POLICIES

The Board may agree any variations to 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 arrangements such that these create an avoidable situation of non-compliance with the Rules, Code of Governance, Social Housing Regulation or the law although members 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 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 Company Secretary every year. Any material amendments will require the approval of the Board.