



GOVERNANCE FRAMEWORK

GOVERNANCE INFORMATION FOR THE BCHA GROUP

BOURNEMOUTH CHURCHES HOUSING ASSOCIATION (BCHA) VERSION

MARCH 2017.

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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 [C3 and C4].

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 [A2].

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, A1, A2 etc, within the text of this document refer to the Provisions within the Code of Governance.
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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 of for 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
Lasting solutions to homelessness, unemployment and social exclusion in our 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:

- ACCOMMODATION – increasing the number of homes in ownership
- BACK TO WORK – supporting customers over skills barriers and onto employment
- CUSTOMERS & COMMUNITIES – delivering services which matter to and are valued by the people that count.

3. GROUP GOVERNANCE PRINCIPLES

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

Ethics	The Organisation operates to high ethical standards, explicit values and the NHF code of governance.
Accountability	There is proper accountability to, and involvement of, all the Organisation's stakeholders, primarily its residents.
Customer First	The Organisation puts the needs of existing and potential service users at the heart of business decisions and strategy.
Openness	There is a spirit of openness, making full disclosure of governance matters and other information.
Diversity & Inclusion	There is fairness and equality of opportunity and a recognition of diversity in all aspects of the Organisation's governance.
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.
Clarity	There is clarity of roles and responsibilities between the Organisation's board members, paid staff and shareholders.
Control	There are effective systems for internal delegation, audit, risk management and control. The Board receives adequate and timely reports and advice to inform its decisions. The Board has an effective relationship with auditors and regulators.
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 – shareholders, customers, funders, regulators, local authorities and other statutory agencies, local communities and taxpayers.

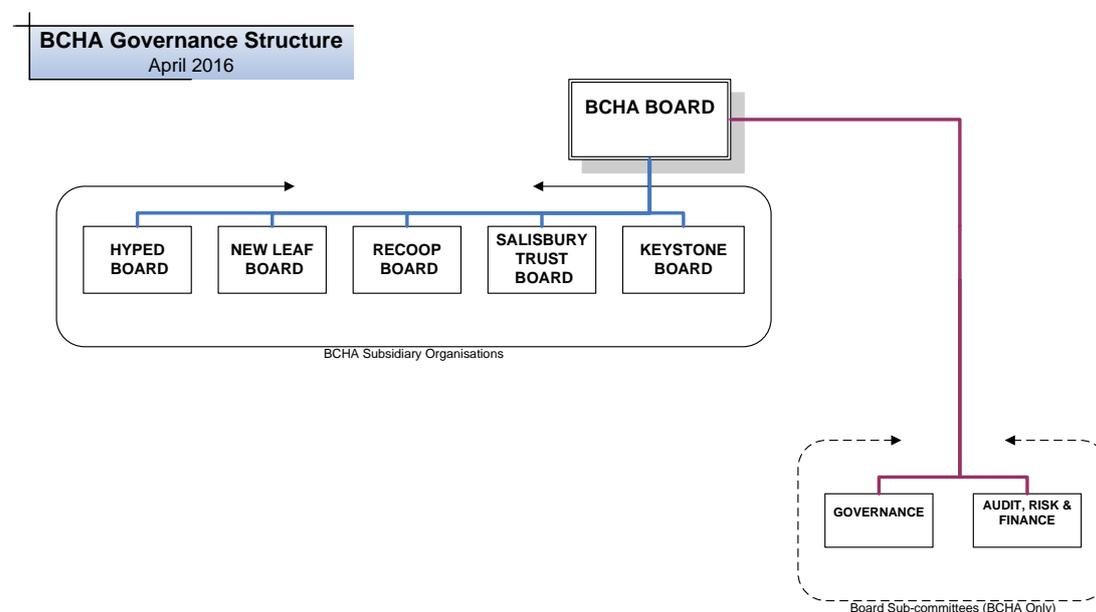
Whilst some information may need to be kept confidential for reasons of data protection, privacy or commercial sensitivity, this does not contradict a general ethos of openness and accountability. Accountability is achieved in the following ways (this is not an exhaustive list):

- Board and staff engagement with stakeholders to elicit views about the activities and services provided [H7];
- Clear and published complaints procedures;
- Customer Scrutiny arrangements with direct access to the Board
- Publishing key documents, including an annual report, online [H6];
- Responding promptly to requests for information about the work of the Organisation [H8].

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

5. GROUP STRUCTURE

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



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

Entity	Registered Address	HCA	FCA	Charity Commission	Companies House
BCHA	St Swithuns House, 21 Christchurch Rd, Bournemouth BH1 3NS	LH0155	18497R	1089251	4233092
Hyped					
New Leaf					
Recoop					
Keystone					
STFH	148 Fisherton St, Salisbury SP2 7QW			1118746	5812515

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

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

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 [C5].

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 [C3]. 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 [C6].

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.

BCHA’s two committees, Audit, Risk & Finance and Governance have group-wide responsibility for scrutinising these issues [F3] although subsidiary boards are expected to monitor audit, risk, finance and governance issues locally [F1, F9, F10].

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

- **Hyped BCHA (“Hyped”)**: a charitable company limited by guarantee whose role is to advise and assist homeless young people.
- **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.
- **Winchester Churches Housing Group (“Keystone”)**: a charitable company limited by guarantee whose role is to provide accommodation and support for homeless people in and around the city of Winchester.

Specific Governance procedures are included within this document.

BCHA has requested all active subsidiaries to adopt a similar NHF-compliant Governance Framework although it is recognised that dormant or virtually dormant entities such as Hyped would not need to do so.

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 [B4].

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.

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) [C2, E7]
- Membership (including size) and Chair who will be the Chair (for which there will be a written role description)
- Communication lines back to the Board.

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

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

The Membership of committees 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, audit or risk but may attend by invitation in a non-voting capacity [E6].

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.

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.

Current Committees

There are two current committees – the Audit, Risk and Finance Committee and the Governance Committee. The purpose of each are as follows:

Audit, Risk & Finance

- 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 Scrutiny 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.

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.

A third Committee, to oversee officer Remuneration has met in the past although its functions have been subsumed by the main Board.

6.4 OPERATIONAL MANAGEMENT

BCHA has an operational management structure led by a Chief Executive, two directors and three assistance directors.

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:

- A merger agreement, where an organisation has joined the Group
- An agreed Service Level agreement between the two organisations with a mechanism for ongoing, but at least annual review.
- 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)
- 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 holding senior-level management responsibility with the Parent or with the Parent Chief Executive. Failing that course of action, the Chair will seek to raise the matter with the BCHA Chair with a view to mutually acceptable resolution.

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 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 and the Constitution and 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 considers the following as desirable for the Board as a whole (i.e. it is not expected that individuals possess more than one skillset):

- Experience of working with people who are homeless or vulnerable or in the field of social exclusion or social welfare
- Experience of organisational management, including management of risk or finances
- Experience of senior level management or service on other boards
- Experience of working in BCHA’s sector – property management and development, health and social care, criminal justice or social enterprise.

This list of desirable skills may be amended from time to time to reflect ongoing business needs [D1].

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 three founding Church bodies 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 [D7].

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 ([H5] - see “Conflicts of Interest”).

Church Nominees may serve the full length of their term (to a maximum 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.

Customer Representatives

The BCHA Rules allow for up to two tenant Board members (D2). 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 below.

Co-option

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

7.2.1 RECRUITMENT, APPOINTMENT & ELECTION OF BOARD MEMBERS

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

- Recruitment aims to assess candidates objectively against the skills and experience required by the Organisation to fulfil its business objectives, taking into account the balance of skills and perspectives already present on the Board [D1];
- 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 [D5];
- Irreconcilable conflicts of interest must be avoided [H4].

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 or 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 Chair or Company Secretary. Any application deemed unsuitable or if there are no vacancies will be advised in writing by the Chair or Company Secretary within 28 days of the application.

If the candidate could be suitable, a meeting will be arranged with the Chair 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.

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.

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 [D8]. 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) are not entitled to serve as Board members. However, as a general principle, were this ever to be reversed, non-executives must always form a majority of voting members of the Board [B4].

7.2.3 TERMS OF OFFICE

Board members (including Church nominees but excluding co-optees) will serve a maximum of three x three year terms, from the date of their appointment (i.e. nine years in total). However, it should be noted that some Board members may serve shorter terms owing to the retirement by rotation rule. Nevertheless, the maximum length of tenure is nine years in total [D2].

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 served a nine year term cannot be reappointed to the Board for at least 3 years [D4] and subject to the selection process above.

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.

Co-optees do not need to retire (but may resign at any time).

Reappointment will always be based on satisfactory performance as a Board member and ongoing needs of the Organisation [D3]. 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 [D6].

Retirement 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 or non-voting co-optee of a committee 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.

7.2.5 RESIGNATION

Any Board member 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

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.

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).

7.2.7 SUBSIDIARY NOMINATIONS

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 also terminate their subsidiary board membership unless specific alternative arrangements are made instead. However, such arrangements must always be approved by the BCHA Board and be compliant with the Code of Governance.

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.

In summary, Board members are expected to act ethically within the law and the best interests of the Organisation [H1]. This means:

- supporting the Organisation, its values and its mission
- 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
- respecting the role of the staff and using formal channels to raise concerns about the work of the Organisation
- maintaining professional boundaries with tenants and respecting their privacy and dignity
- observing policies and practices in relation to confidentiality and openness
- behaving in a professional and respectful manner.

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 [B2, H2]. 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 [H3]) 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.

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 [H3]. Ongoing or significant conflicts may require the Board member to be resign if it is not possible to resolve the situation [H4].

Failure to disclose actual or potential conflicts may lead to removal from the Board.

7.4 MEETINGS

7.4.1 MEETINGS

The Board will meet six 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 so that it is clear to members and officers when in the year key items will be discussed [E2].

Agendas will be prepared by the Chief Executive's office and agreed with the Chair (or committee chair) prior to circulation and will contain items to evidence that the Board is meeting its terms of reference and legal duties [E2].

Board members may request items for inclusion on the agenda no later than two full weeks before the meeting in order that any papers may be prepared. 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 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.

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).

7.4.2 QUORUM

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

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

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

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).

7.4.3 VOTING

Each board member has one vote in relation to decision-making. Staff, and Observers are not entitled to vote. Cooptees, may be allowed to vote, if permitted 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.

7.4.4 PAPERS & MINUTES [E2]

The minutes of the previous meeting must be included as an agenda item for 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 have the right to raise and discuss any matter arising from the previous meeting which is not an agenda item itself.

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 in order to seek clarification, assurance on points of detail or contextual information. Such discussion may be aired during the Board meeting.

7.4.5 URGENT ACTION [E3]

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, the Chief Executive and/or Chair will either:

- Convene an extraordinary board meeting (which must be quorate) or
- Seek a decision from all board members via Board Pack 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.

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.

7.4.7 TRANSPARENCY

The Organisation will issue financial statements or other public documents to enquirers on request but will not routinely publish information on its website. Requests for other documentation will be considered by the Chair at his sole discretion.

7.5 ROLES

7.5.1 BOARD MEMBERS

The overarching role of Board members 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 [B2].

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

- Duty of Compliance
- Duty of Prudence
- Duty of Care

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.

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.

Duty of care – Board members must:

- (9) Use reasonable care, skill and diligence in their work as board members, using their personal skills and experience as needed to ensure that the Organisation is well-run and efficient. This will entail regular attendance, reading Board papers and seeking ongoing training.

(10) Consider getting external professional advice on all matters where there may be material risk to the Organisation, or where board members may be in breach of duties.

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

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

7.5.2 CHAIR

The Board will elect a Chair who must be a properly appointed member of the Board and not hold an executive position within the Organisation [B6]. The Chair of the Board cannot also be chair of any audit or remuneration committee, where applicable [E5].

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

Following appointment, 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.

The Board may also similarly appoint a Vice Chair who will assist the Chair particularly by standing in during the Chair's absence. Alternatively, the Chair may temporarily appoint another Board member to chair proceedings in his/her absence or when an item for discussion concerns the Chair or where there is an actual or potential conflict of interest for the Chair.

7.5.3 REVIEW & DEVELOPMENT

Whole Board review

The Board will formally review the effectiveness of its operation once each year [E4]. The Board may consider any of the following:

- Governance structure and system of delegation

- Timing and frequency of meetings
- Format and content of agendas, papers and minutes
- Collective performance of the board as a decision-making body
- Compliance with the Code of Governance and legal duties
- Collective Skills of the Board
- Governance arrangements within the Group
- Other governance arrangements (eg. Recruitment).

The review, which may form part of a meeting rather than being a meeting in its own right, will be minuted and any actions identified will be allocated leads and timescales. The action plan will then be monitored at Board meetings.

The review process will be facilitated by the Chair. The Code of Governance recommends a more formal (i.e. independent) review at least every three years although consultancy may be engaged more frequently, if agreed.

Individual Reviews

All Board members and co-optees will be expected to participate in an individual review with the Chair at least every 2 years [D9] 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 contribution to the work of the Board as measured against stated board member competences,
- any collective or individual training and development needs
- any concerns or comments about the governance of the Organisation.

Members who have submitted their resignation or will be stepping down after 9 years' service are exempt from the review process. The Review for members on leave of absence will be deferred until their return to duties.

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

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

Upon conclusion of the review process (and this can inform 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.

Where the Chair has particular concerns about the performance or contribution of a Board member, these will be addressed by the Chair setting out a formal process of improvement. Where this process proves ineffective, the Chair should either encourage the member to resign voluntarily or invoke the options contained in "Removal".

Chair's Review

The Vice Chair or other nominated Board member will lead a review process every 2 years for the Chair using the Group's templates. 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.

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 plans will then be put in place to ensure the Board remains effective which will be overseen by the Board as a whole.

Board Member Development

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

- Attendance at external seminars and training events (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 i-learn 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.

7.5.4 COMPANY SECRETARY

The Company Secretary is appointed by (and can be removed by) the Board in a minuted resolution [B7]. 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 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, where so delegated.

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

7.6 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 [F2].

The BCHA Board is responsible for ensuring:

- The Organisation's and Group's internal controls are effective [F1]
- The information it receives provides assurance that the organisation's affairs are being properly managed [F1]
- It identifies, manages and reviews risks posed to the Organisation [F9] which will include setting an overall risk appetite for the Organisation [F 10]

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

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.

7.7 ADMINISTRATION

7.7.1 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.

7.7.2 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.

7.7.3 INTERPRETATION

The interpretation of Governance policies rests with the Chair and Company Secretary.

7.7.4 REVIEW OF GOVERNANCE POLICIES

The Company Secretary will review Governance policies every 3 years and report the outcome to the Board, making any recommendations if required [B8, E4].

7.7.5 VARIATION & SUSPENSION OF GOVERNANCE POLICIES

The Board as a whole 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, HCA 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 vision and strategy of the organisation and to direct, control and scrutinise the organisation's affairs [B1].

The Terms of Reference set out the authority given to the Board (or committee) and the parameters within which the Board works [C1, C2, E1].

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

The Terms of Reference will be reviewed by the Company Secretary every year. Any material amendments will require the approval of the Board.