



BOARD

TERMS OF REFERENCE

1. General Purpose

- 1.1. The overall purpose of the Board is to oversee Six Town Housing's ("STH") affairs and exercise all such powers as may be exercised by the organisation except those which are required to be exercised in General Meetings or reserved in its Articles of Association ("Articles") to Bury Council ("the Council").
- 1.2. These Terms of Reference need to read in conjunction with STH's Articles of Association and the Objects and Powers defined therein.

2. Meetings

- 2.1. The Board will meet a minimum of four times per annum.
- 2.2. A schedule of all Board and committee meetings will be produced annually and approved by the Board.

3. Membership

- 3.1. The Board will endeavour to operate with a membership of 11 Board Members (including the Chief Executive) and no more than a maximum of 12 (notwithstanding that there is no maximum limit on the number of Directors in the current Articles (Article 30)). The Articles also determine the classification of Board Members, and the manner of their appointment and removal.
- 3.2. All Board Members appointed to the Board share the same legal status and have equal responsibility for the affairs of STH.
- 3.3. All recruitment to Board vacancies (except Council appointments) must follow an open and transparent approach and take into account the Board's considered view of the skills and attributes required to discharge its functions with selection based objectively on merit.
- 3.4. No Board Member may be appointed to the Board, and/or would immediately cease to be a Board Member if already appointed to the Board, if they are ineligible to serve as a Board Member in accordance with the Articles (Article 47).
- 3.5. Under the existing Articles, there are no limits on the period of time a Board member may serve on the Board (Article 46). However, in order to align the organisation with accepted good governance practice and any adopted Code of Governance, STH will endeavour where possible in the application of its board renewal policies to aim for no non-executive Board Member to serve on the Board for a continuous period of more than 9 years, inclusive of any predecessor organisations and subsidiaries (where present).

3.6. All Board Members appointed to the Board must also sign up to and comply with a Board Member Agreement and Code of Conduct.

4. Quorum

4.1. The quorum for the Board is four Board Members.

4.2. Persons co-opted to the Board or occupying any non-voting ex-officio positions shall not be included in assessing whether a quorum exists.

5. Attendance

5.1. Attendees will usually include:

5.1.1. Members of the Senior Leadership Team

5.1.2. Secretary

5.1.3. Other staff as required, including a minute taker

5.1.4. Representatives of the internal auditor (external) or external auditor as / when required

5.1.5. Other professional advisors as / when required

5.2. Others may be invited to attend as observers with the prior consent of the Chair.

6. Voting

6.1. Decisions will normally be made by member consensus but for the avoidance of doubt each eligible voting Board Member present in person shall have one vote. In the case of an equality of votes, the Chair will have a second or casting vote.

7. Written resolutions

7.1. In the absence of a Board or Committee Meeting, Board Members or Committee members may pass written resolutions where it is necessary, in the interests of expediency, to do so (in accordance with Article 59).

8. Board Responsibilities

8.1. Within its overall purpose, the responsibilities of the Board include the following:

Strategy

- a. Setting and ensuring compliance with the vision, mission, strategy and values of STH, to ensure its long-term success;
- b. Establish a framework for approving strategies, policies and plans to achieve these objectives;
- c. Setting a positive culture, with strong customer focus;
- d. Establish a strong working relationship between all Boards and Committees within STH, the Chief Executive and other senior staff;
- e. Approve the Strategic / Business Plan and the Financial Plan for STH and monitor progress in achieving objectives;
- f. Approve each year's budget and accounts prior to publication;
- g. Approve changes to STH's corporate structures, including the setting up of subsidiaries (subject to Council approval as per Article 3.1(7));
- h. Approve any strategic partnerships with key stakeholders;
- i. Approve all matters that might create significant financial or other risk to STH, or which raise material issues of principle;

Governance

- a. Stewardship of STH's social housing assets;
- b. Ensure oversight of the activities of all Committees to ensure agreed standards of governance are met.
- c. Review and consider if the Board has the right competencies, experience and technical knowledge appropriate to the size, scale and risk profile of STH and use the review to determine if there are any skills gaps. If any skills gaps are identified, either implement a recruitment process or determine if additional guidance or input from external advisors or co-optees is required;
- d. Establish and oversee a risk management framework within STH, including approval of STH's Risk Management Strategy, setting the overall risk appetite and tolerances, regularly reviewing key risks and undertaking scenario planning and robust stress testing to safeguard the assets and reputation of the organisation;
- e. Establish, oversee and review a framework of delegation and systems of internal control;
- f. Ensure, through the Audit, Risk and Assurance Committee, the annual review and maintenance of adequate and effective systems of internal control and the provision of an appropriate internal audit function for STH; including responsibility for approving any annual statement of internal control required by applicable regulatory obligations;
- g. All matters concerning the constitution and governance of STH, including approval of Standing Orders as to procedure, financial regulation and contracts, and compliance with all legislative, regulatory and financial requirements, including annual confirmation of compliance with the Social Housing Regulator's Standards and any adopted Code of Governance;
- h. Satisfy itself and certify that STH's affairs are conducted lawfully and in accordance with any regulatory requirements and generally accepted standards of performance, probity and good practice;
- i. Undertake an annual review of the overall effectiveness of the Board and its Committees annually and undertake a more formal review of the effectiveness of STH's overall governance arrangements (usually with external support), at least every three years;
- j. Appoint (and, if necessary, remove) the Chair in conjunction with the Council as defined in the Articles, and if there is one, the Vice Chair;
- k. Approval of Board and Committee's terms of reference and membership;
- l. Ensuring adequate succession planning for all Board Members and Executive Directors of STH;
- m. Appointment or removal of any Board Member (subject to where this is reserved to the Council as contained in the Articles) and executive officer of STH, including the Company Secretary;
- n. Approval of resolutions to be put forward by the Board at an Annual Meeting;
- o. Changes to the structure, size and composition of all Boards and Committees within STH;
- p. Ensure effective arrangements are made for the collective appraisal of the Board and Committees, and the individual appraisal of Board Members and Board and committee co-optees (if any);
- q. Overall responsibility for training and development strategies for Board Members;
- r. Approve changes to the schedule of matters reserved for Board decisions;
- s. Receive for noting all minutes of committee meetings at the next meeting of the Board;
- t. Provide oversight, direction and constructive challenge to STH's Executive Directors;

Finance and Accounts

- a. Approve each year's financial statements prior to publication;
- b. Approve each year's budget, business plan, and annual rent plan (subject to matters reserved to the Council);
- c. Establish and oversee a framework for borrowing by STH (subject to restrictions in the Articles) and to monitor compliance with all covenants contained in loan facilities (if any);
- d. Receive and consider regular reports on budget and cash flow forecasts and on performance against key financial indicators, including management accounts;
- e. Receive an annual report from the Audit, Risk and Assurance Committee on internal control and issues including audit management letters;
- f. Review significant financial returns to regulators;
- g. Approve an annual value for money self-assessment (or similar) of the performance of STH's assets and resources;
- h. Appoint STH's bankers and any external financial and legal advisors, which it considers necessary;
- i. Consider proposals for Financial Regulations and keeping those under review;
- j. Review and respond, in conjunction with the Audit, Risk and Assurance Committee, to the auditors' annual management letter;
- k. Review and subsequent tender the internal and external auditors' appointments, in conjunction with the Audit, Risk and Assurance Committee;
- l. Approve, review and monitor investment plans for STH;
- m. Ensure STH's assets are protected including the maintenance of adequate insurance cover;

Business Operations

- a. Oversee the development and implementation of all new major initiatives and business innovation as part of a strategic approach to business development for STH;
- b. Approve any decision to cease a material part of STH's operations;
- c. Approve the annual planned and cyclical maintenance programmes;
- d. Approve any contract not authorised by relevant delegated authorities, contained within an approved budget or through the provision of external funding;

Performance

- a. Monitor the organisation's performance in relation to corporate strategies, plans, budgets, contractual and management agreements, controls and decisions and also in light of customer feedback and the performance of comparable organisations;
- b. Review and re-set management and service performance targets annually;
- c. Receive regular progress reports against STH's strategic priorities;
- d. Oversee and promote the effective operation of STH's approach to co-regulation, ensuring customers are engaged in the governance arrangements of STH, and are able to shape service quality and hold the Board to account; this includes providing members of STH's scrutiny (or equivalent) group rights of audience with the Board;
- e. Ensure that STH is operating effectively, efficiently and economically;
- f. Ensure compliance with the terms of any applicable agreements entered into with local authorities as applicable (e.g. nomination arrangements);
- g. Approve the Annual Report for Tenants;

Strategy and Policy

- a. Establish a framework and delegated authority for approving strategies and policies which will apply across STH;

- b. Approval of key governance related policies, including:
- Value for Money Strategy
 - Risk Strategy, Framework and Appetite
 - Treasury Management policy (if applicable)
 - Equality, Diversity and Inclusion (EDI) Strategy
 - Rent policy
 - Standards and Probity policy
 - Procurement policy

Development and New Business

- a. Approve the financial scheme appraisal model;
- b. Approve the scope and scale of any grant funded development programme;
- c. Approve bids for any grant funded development programme;
- d. Approve all individual projects not part of an approved development programme;
- e. Approve non-grant funded development and associated projects;
- f. Approve development project feasibility criteria;
- g. Approve the purchase of land and/or land options where greater than £25,000;
- h. Approve the sale of all land above £10,000;
- i. Approve, review and monitor development plans and activities in accordance with the strategic framework;
- j. Consider and approve methods of procurement in accordance with approved plans, Standing Orders and Financial Regulations;

Appointment of Executives and Remuneration

- a. Appoint (and if necessary, dismiss) the Chief Executive and other Members of the Directors in addition to approving their salary, benefits and terms of employment (this is on recommendation from the Governance, People and Customers Committee);
- b. Approve remuneration and service agreements for the Chief Executive and Members of the Directors;
- c. Oversee STH's legal and moral responsibilities as an employer including in particular the important responsibilities under Health and Safety at Work legislation and to ensure that it complies with those responsibilities;
- d. Oversee employees' pensions arrangements;
- e. Consider and respond to staff consultative issues including representative groups such as Trade Unions of staff associations (where any Union representation is recognised);

Customer Voice

- a. Ensure that the voice of the customer is heard from a broad range of sources and informs the decision-making of the Board;
- b. Receive formal reports and presentations from the Customer Review Group, which will form a part of STH's formal governance structures.

8.2. The matters that are reserved for the Board's decision that cannot be delegated to Committees or Members of the Directors are contained within STH's Scheme of Delegation (Part A – Section 2.1).

9. Election and Appointments

Chair

- 9.1. The Chair of the Board will be appointed following a competitive recruitment process in accordance with a process agreed by the Council.
- 9.2. The role of Chair may not be performed by any executive member of the Board and must only be fulfilled by an Independent Board Member.
- 9.3. The Board would normally expect a Board Member appointed as Chair to serve on a three year cycle, subject to the satisfactory performance in the role in line with expectations as the Board may determine from time to time with renewal as specified in the Articles.
- 9.4. The specific responsibilities of the Chair include the following:
 - a. to ensure the efficient conduct of the business of the Board and of general meetings and, in particular, to ensure that the views of all Board Members are sought before any important decision is taken;
 - b. to establish a constructive working relationship with, and provide support for, the Chief Executive;
 - c. when necessary (for example, following resignation) and in conjunction with other Board Members, to ensure that the Chief Executive is replaced in a timely and orderly fashion;
 - d. to ensure that the Board delegates sufficient authority to the Chair, and Chief Executive or others to enable the business of STH to be carried on effectively between meetings of the Board; and also to ensure that the Board monitors the use of these delegated powers;
 - e. to take decisions delegated to the Chair in consultation with at least one other Board Member with the advice of the Chief Executive;
 - f. to ensure that the Board receives professional advice when it is needed;
 - g. to lead the appraisal process for the Board (team and individuals, including Committee co-optees) at least once every two years, and ensure that action is taken on its results;
 - h. to review the composition of the Board and its Board Members and to recommend action to remedy any deficiencies;
 - i. in conjunction with the other Board Members, to appraise the performance of the Chief Executive through a Committee established for this purpose and which does not include any executive members of the Board, and set the appropriate level of remuneration;
 - j. to ensure that the Board complies with its adopted code of governance and other relevant good practice;
 - k. to represent the Group on appropriate occasions; and

Other appointments

- 9.5. The responsibilities of the Chairs of Committees are similar to those of the Chair of the Board of STH except for those relating to performance appraisal and dismissal. In addition, they are responsible for ensuring that:
 - a. the work of their Committee is properly and fully drawn to the attention of the Board as a whole; and
 - b. the Committee adopts relevant terms of reference (where applicable)
- 9.6. In the event that the Chair is absent, the Board may select someone within its membership to fulfil the role of Chair for the duration of the meeting. This will normally be fulfilled by a Chair of one of the STH Committees but may not be filled by the Chair of the Audit, Risk and Assurance Committee.

9.7. In respect of the Appointments of Board Member roles listed above:

- a. No person may hold more than one Chair position.
- b. The Chair of the Board may not serve as a voting member of the Audit, Risk and Assurance Committee.
- c. Chairs of Committees may only be held by Independent Board Members.