

1. Board Terms of Reference

1.1. Core functions

- a) To define and ensure compliance with the values and objectives of the Company.
- b) To review and agree the Company's Business Plan on an annual basis.
- c) To establish a framework for approving strategies, policies and plans to achieve those objectives and approve material or significant changes to existing policies or strategies delegated to Committees.
- d) To establish and oversee a framework of delegation and systems of control.
- e) To agree strategies, plans and policies and make decisions on all matters that create significant financial risk to the Company or which affect material issues of principle (e.g. fairness, transparency, engagement, accountability).
- f) To monitor the Company's performance in relation to these plans, budget controls and decisions, including customer feedback and the performance of comparable organisations.
- g) Define expectations as to how the values will be exhibited in e.g. service delivery, communication, employment – reflected in policies and organisational practice.
- h) To appoint (and if necessary remove) the Chief Executive/Executive Team and determine their salary levels and conditions of service.
- i) To satisfy itself that the Company's affairs are conducted in accordance with generally accepted standards of performance and propriety.
- j) To take appropriate professional advice.
- k) To ensure legal, constitutional and regulatory compliance.
- l) To promote and demonstrate good governance.
- m) To elect (or if necessary remove) the Chair and Vice-Chair of the Board.
- n) To ensure that an annual review of all Board Members is undertaken by the Chair and Vice Chair.
- o) To annually review the Board's own strengths and weaknesses to approve training programmes and ensure continuing effectiveness.
- p) To ensure that the company provides safe and healthy working conditions for its employees and that its activities do not adversely affect the health and safety of employees and others.

2.2. Strategic/Business/Corporate Plan

- a) Approving long- and medium-term strategic plan(s).
- b) Business planning.
- c) Strategy and Development Funding Plan (SDFP).

- d) Oversight/monitoring implementation & outcomes.
- e) Approving/overseeing recovery/remedial action.
- f) Approving & overseeing implementation of business development plans.

2.3. Finance and Corporate Matters

To approve the annual budget before the start of the financial year, and receive monthly management accounts.

- a) To approve annual accounts for presentation to the annual general meeting.
- b) To consider the annual audit report and approve the response (if any) to the External Auditor's Management Letter.
- c) To monitor compliance with loan covenants.
- d) To set rent levels.
- e) To ensure that adequate finance is available in order to achieve Business Plan objectives.
- f) Approval of budget variances above agreed thresholds
- g) Recommend appointment of Auditors to AGM.

2.4. Long and short term financial planning/management

- a) To review financial forecasts demonstrating viability
- b) To review assumptions – ensuring reasonableness
- c) To review scenario planning & stress testing
- d) To approve Treasury management policy/strategy & planning
- e) To approve investment institutions, instruments and terms
- f) To approve borrowing terms
- g) To approve the opening and closing of bank accounts
- h) To agree thresholds for executive delegation (e.g. short-term deposits)
- i) To approve application(s) for company credit card(s); authorising users; agreement of individual and collective thresholds

2.5. Housing and Property Services

- a) To approve a planned maintenance programme for reinvestment in existing properties, giving consideration to any stock condition surveys for meeting and continuing to meet the Scottish Housing Quality Standard and Energy Efficiency Standard for Social Housing.
- b) To instruct and receive a Stock Condition Survey from suitably qualified chartered surveyors.
- c) Through receipt of monthly reports, to monitor performance in relation to housing management and repairs and maintenance, including customer satisfaction and complaints.

- d) To receive an annual performance report on approved contractors.
- e) To select, appoint and monitor the progress of a suitably qualified contractor to assist the company discharge its obligations under the Gas Safety Regulations.
- f) Acquisition or disposal of land or property must be approved by the Board.

2.6. Legal

- a) The company must remain solvent.
- b) The company must always act within its powers.
- c) The Company must be compliant in
 - Health and safety
 - Employment
 - Tenancy (including allocations & lettings)
 - Homelessness
 - Environmental
 - Equalities
 - Freedom of Information
 - Charities
 - Whistleblowing
 - Contractual terms
 - Public Procurement
 - Statutory Consent

2.7. Regulatory Compliance

The Board is responsible for ensuring compliance with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management as in:

- a) Overseeing/maintaining evidence of compliance
- b) Approving Annual Assurance Statement; oversight of implementation of improvement plans
- c) Ensuring timely submission of all required regulatory returns
- d) Appointing internal auditors¹; approval of annual IA plan
- e) Approving:
 - ARC
 - Five/Thirty Year Financial Projections
 - Loan Portfolio Return(s)
- f) Ensuring compliance with Notifiable Events requirements; overseeing resolution of NEs
- g) Obtaining required regulatory Consent(s)
- h) Ensuring compliance with OSCR reporting requirements
- i) Ensuring compliance with Companies House requirements

¹ Further guidance on internal audit available in [SFHA Internal Audit guidance \(updated June 2021\)](#)

2.8. Constitutional Compliance

Ensuring compliance with:

- a) Co-operative and Community Benefits Act (2014)
- b) Companies Act (2006)
- c) Charity Trustees and Investment (Scotland) Act (2005)
- d) Approving Rules and amendments
- e) Conduct of GB meetings in accordance with rules (e.g. quorum, minutes, conflicts of interest)
- f) Conduct of AGM in accordance with Rules
- g) Oversight of elections and retirements from the GB
- h) Election of Chair and other office-bearers
- i) Compliance with 9-year 'rule'

2.9. Tenant & Resident Safety & Quality Compliance

Ensuring compliance with:

- a) Health and Safety obligations
- b) SHQS
- c) EESSH (and subsequent development)
- d) SSHC
- e) Oversight of Tenant Satisfaction Survey(s)

2.10. Contract Compliance

- a) Agreeing contract terms above Executive thresholds (reactive and planned maintenance; energy efficiency; construction and/or development)
- b) Oversight of contractual terms and their fulfilment
- c) Agreeing litigation/contract challenge/pursuing legal remedies for loss/damage

2.11. Performance Oversight

- a) Agreeing performance standards
- b) Reporting standards (frequency, scope, format)
- c) Benchmarking; peer group selection

2.12. Governance

Governance structure (establishment of sub-committee(s); agreement/variation of remits; establishment of working groups & agreement of remits)

- a) Approval and implementation of GB Code of Conduct

- b) Implementation of processes to investigate complaints/alleged breaches of Code
- c) Ensuring maintenance of Registers of Interest
- d) Ensuring compliant management of potential conflicts of interest
- e) Approving Standing Orders
- f) Approving delegated authorities
- g) Conduct of annual GB annual reviews and action plans
- h) Ensuring effectiveness of governance arrangements
- i) Leadership of GB Recruitment and succession planning

2.13. Resource Planning / Management

- a) Approval of organisational structure
- b) Approval and oversight of implementation of employment policies
- c) Ensuring the provision/availability of effective staff support and annual review arrangements

2.14. Public Statements

Agreeing public statements

Determining/approving corporate publication style

2.15. Significant Matters

Consider and approve significant matters specifically reserved for the Board's decision, which are not elsewhere delegated including:

- a) Expansion of the company's operations into new activities or geographic areas.
- b) Any decision to cease a material part of the company's operations.
- c) Changes to corporate structure, including potential mergers or the setting up of subsidiaries.
- d) Approval of resolutions put forward by the Board at a general meeting.
- e) Changes to the structure, size or composition of the board.
- f) Appointments to the boards of subsidiaries or other organisations.
- g) Approval of key policies, including the Code of Conduct for governing body members and staff.

2.16. Short-term Working Groups

From time to time the Board may agree that members can be delegated specific projects to develop specific areas that are within the Board's responsibilities. These short-term working groups would report back directly to the board.

2.17. Fair Treatment and Equality of Opportunity

The Board has responsibility for ensuring that all its policies and operations embrace diversity and promote equality of opportunity to all, irrespective of race, gender, disability or any other characteristic which might identify or group people. It is of great importance that Board Members are committed to the company's ethos of promoting equality and diversity principles and practices.

2.18. Litigation

Approval of any action for litigation where the legal costs cannot be contained within the budget or where the damage, loss or risk of loss exceeds £50,000.

2.19. Risk Management

To create the structures and the environment for risk management to operate effectively, satisfying itself that risk is managed effectively. The risk of any new initiative or changes in business or the business environment should be actively considered. To identify and review key strategic and operation risks, the identification of risk appetite and approval of risk management framework.

2.20. Signatories

The Board must decide which staff and members of the Board are able to sign cheques and other documents on behalf of the Company. This is included in the Financial Regulations and will be reviewed in accordance with this document.

2.21. Liabilities

The Company will insure against liabilities that Board Members may incur through negligence or incorrect professional advice. Generally, individual Board Members will not incur personal liability if the Memorandum and Articles of Association of the Company and the law have not been broken.

2.22. Legal Advice

Normally, senior staff will obtain legal advice about Company matters and where relevant report to the Board. Occasionally members of the Board may wish to seek legal advice about Company business direct from the Company's solicitors. This is permissible. Members who feel they need to do this should either contact the Chief Executive or Chair prior to seeking that advice. Where this has been agreed by either the Chair or the Chief Executive, the costs of such advice will be met by the Company.

2.23. Continuous Improvement

The Board should take the lead in ensuring that the Company is striving for continuous improvement in service delivery.

3. Board Membership

- 3.1. Qualification for membership of the Board is as set out in Qualifications for Membership contained within the company's Articles of Association.
- 3.2. Should membership of the Board fall below 7 members, the Board cannot act for longer than two consecutive months, with the only power the Board shall have to act thereafter, being to bring the membership up to 7.

4. Board Meetings

- 4.1. The Board will meet at least six times per annum.
- 4.2. The Agenda for each meeting will be set by the Chair of the Board in consultation with the Executive Team and will be circulated to all Board Members. Any Board member wishing to make a submission for the agenda can do so through the Chair.
- 4.3. An administrator will minute the proceedings and resolutions of all meetings of the Board, including recording the names of those present and in attendance.
- 4.4. The Board will be provided with appropriate secretariat support as required.
- 4.5. The Board shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and these will be minuted.
- 4.6. Board Members will receive copies of any committee meetings minutes at the next Board meeting following the meeting of the committee, for noting.
- 4.7. Board Members shall be notified of all committee meetings for information and may not necessarily attend unless a member of that committee, or invited to or wish to do so, albeit only members of any committee will have voting powers.
- 4.8. Meetings will be run in accordance with the Articles of Association and Standing Orders of the company.