

STANDING ORDERS



PART 1: GOVERNANCE

[August 2017]

VERSION CONTROL

Version	Detail of Changes Made (Para/Section etc)	Approved at Board Meeting Date
1	Total new Standing Orders	June and July 2007
2	Review	May 2008
3	Review	29 July 2010
4	Review	22 November 2012
5	Internal Audit Recommendation to amend Audit Committee Terms of Reference	Audit Committee 28 January 2013
6	Revision commenced 12 August 2013 removed duplication and items contained in the Articles of Association	26 September 2013
7	Review, minor amendments in relation to Board Recruitment, amendments to the scheme of delegation following amendments to Standing Orders: Part 2 - Financial Regulations, amendments to the Terms of Reference for the Audit and Resources Committees	13 April 2015 by Audit Committee Approved by the Board 21 May 2015
8	Revision to reflect new group structure	28 January 2016
9	Revision to update RP Board Membership. Inclusion of delegated power to EMT to approve price increases for services provided by the company to external bodies. Changes to Directors job titles. To include requirement to report to Board the offer of a tenancy to a related party to a City Councillor. Removal of reference to defunct groups. Inclusion of the authority for all payments to be made within NCH Ltd powers and objects up to £150k by EMT and reported to Board. Inclusion of the Board agreeing current NCH EL Board will comprise of NCH EMT members.	26 January 2017
10	Change wording from 'not-for-profit' to 'non-profit'. Added that the Board will consist of a maximum of six Board Members with 50% being Independent. Update contract approval values in line with changes to Standing Orders Parts 2 and 3	17 July 2017 Standing Orders by Audit Committee, approved by Board on 27 July 2017
11	Page 22 Change wording from 'Director of Housing Services' to 'Director' and 'Assistant of Housing and Customer Services' to Assistant Director'.	14 August 2017

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1. INTERPRETATION

In these Standing Orders:

These Standing Orders will apply to all Nottingham City Homes' Group Members.

AGM - shall mean the annual general meeting of the relevant Group Member;

Articles - shall mean the current articles of association of the relevant Group Member;

Board – shall mean the board of management of the relevant Group Member;

Committees - shall mean those committees established under each Group Member's Articles and in accordance with the Intra-group Agreement;

Audit Committee - shall mean the Committee of the Parent Board responsible for audit, risk, internal control, compliance and the assurance framework across the Group;

Council Member - shall mean the Council acting as sole Member of the Parent;

Council - shall mean Nottingham City Council;

Group – shall mean (collectively) the Parent, NCH RP and NCH Enterprises and any other subsidiaries set up by the Group thereafter;

Group Member – shall mean the Parent, NCH RP or NCH Enterprises or any other subsidiaries set up by the Group thereafter;

Intra-group Agreement – the intra-group agreement entered into between all Group Members dated [1 April 2016], as amended from time to time;

Partnering Agreement - shall mean the agreement which may be entered into by the Council and the Parent from time to time in respect of the management of the Council's housing stock;

Registered Provider - means a registered provider of Social Housing registered as a non-profit organisation with the Regulator under the Housing and Regeneration Act 2008;

Regulator - means the Homes and Communities Agency acting through its Regulation Committee established pursuant to the Housing and Regeneration Act 2008 or any future body or authority (including any statutory successor) carrying on similar Regulatory or supervisory functions; and

Regulatory Framework – means the Regulator's regulatory framework for social housing in England from April 2015 (as amended or replaced from time to time).

Where there are references in the Standing Orders to the male gender they are to apply equally to the female gender.

Unless otherwise stated, references to 'tenants' means Council tenants and leaseholders.

2. INTRODUCTION

Nottingham City Homes Limited (the **Parent**) is a non-profit organisation incorporated as a company limited by guarantee. Its sole member is the Council. The Parent is set up to manage the housing stock of the Council.

The Parent currently has two subsidiaries:-

1. Nottingham City Homes Registered Provider Limited (**NCH RP**), a company limited by guarantee which is Registered Provider and is regulated by the Regulator; and
2. Nottingham City Homes Enterprises Limited (**NCH Enterprises**), a company limited by shares.

These Standing Orders are the rules by which the Boards, Committees, panels and working groups of each Group Member will conduct business and must be adhered to at all times. These Standing Orders are not intended to replace or alter the Articles, and in so far as its provisions are contrary to the Articles the latter shall prevail.

The Standing Orders comprise:-

Part 1 - Governance

Part 2 - Financial Regulations

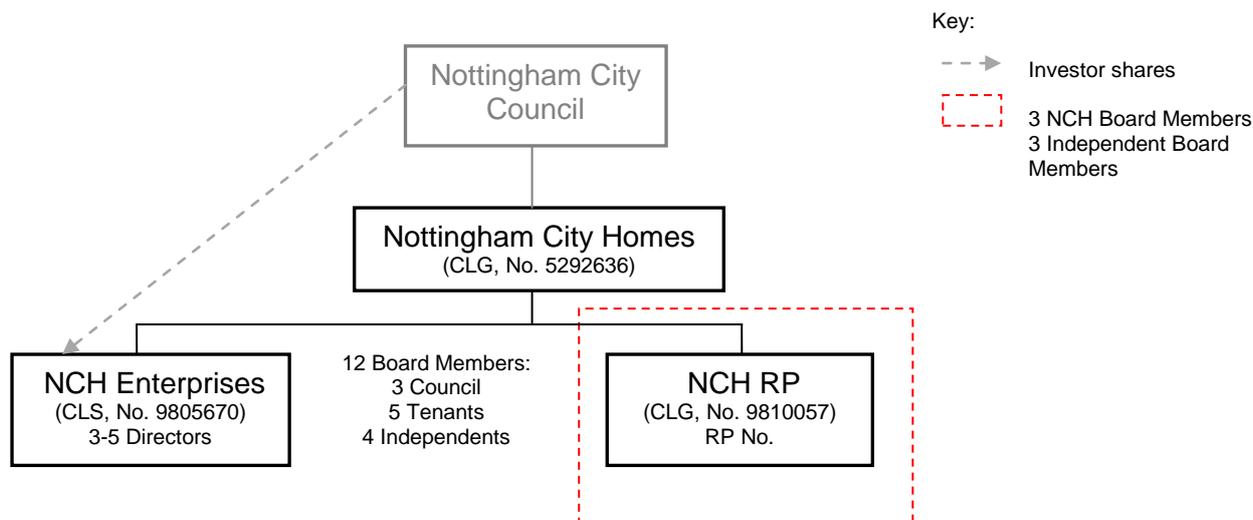
Part 3 - Tender and Contract Procedure Rules

In the event of any doubt as to the meaning or application of the Standing Orders, the matter shall, if urgent, be referred to the Chair of the Parent Board for a decision, who shall report his/her decision to the next Board meeting. In the event that a decision is not urgent, the matter will be resolved by the Parent Board at its next meeting.

3. GROUP STRUCTURE AND BOARDS

3.1 GROUP STRUCTURE

The Group structure is set out below:-



3.2 PURPOSE AND FUNCTIONS OF THE PARENT AND NCH RP BOARD

The Parent and NCH RP share three Board Members, with NCH RP having an additional three Independent Board Members. The purpose of having three Parent Board Members on NCH RP is to determine strategy, direct and control the Group's affairs, in accordance with the Articles of each Group Member, the Partnering Agreement, the Intra-group Agreement and the Regulatory Framework. The Board will consist of a maximum of six Board Members with 50% being Independent.

The essential functions of the Parent and NCH RP Board are as follows:–

1. Ensure that the affairs of the Group are conducted lawfully, ethically and in accordance with the terms of the Parent Articles and these Standing Orders. Particular attention is drawn to the requirements of the Companies Act 2006;
2. Determine appropriate governance arrangements to discharge its responsibilities and compliance with the Partnering Agreement;
3. Define and ensure compliance with the values and objectives of the Group;
4. Establish a framework for approving policies and plans to achieve these objectives;
5. Establish and oversee a framework of delegation systems of internal control and identification and management of risk;
6. Agree decisions on matters that might create significant financial or other risk to the Group, or which raise material issues of principle and ensure that arrangements are in place for urgent decisions to be made in between meetings;
7. Monitor the Group's performance in delivering its plans and services and approve each year's accounts prior to publication and approve each year's budget and financial plan;
8. Appointment and removal of the Chief Executive, and approve his/her terms of employment (Parent Board only);
9. Appointment and removal of the Company Secretary (Parent Board only);
10. Protect the social housing assets of NCH RP, and ensure compliance with the Regulatory Framework; and
11. Appointment and removal of the Board Chair (and as necessary Vice-Chair).

3.3 PURPOSE AND FUNCTIONS OF THE NCH ENTERPRISES BOARD

NCH Enterprises is the Group's commercial trading vehicle. Its activities shall be determined by the business plan as determined by the Parent Board. The Board has agreed that the current NCH Enterprises Board is comprised of all the NCH EMT members.

The essential functions of the NCH Enterprises Board are as follows:-

1. To ensure the Group's commercial activities are undertaken in accordance with the NCH Enterprises Articles, the Intra-group Agreement and any applicable group policies;
2. To ensure that the business of NCH Enterprises is conducted to the highest standard at all times, and that its activities do not put NCH RP's assets at risk;
3. To provide NCH RP with assistance as required in order to ensure it complies with the Regulatory Framework; and
4. Monitor delivery of its business plan.

3.4 GROUP MEMBER RESPONSIBILITIES

The table in Appendix 1 identifies the responsibilities of each Group Member (as stated in Schedule 2 of the Intra-group Agreement).

3.5 PRINCIPLES OF GOOD GOVERNANCE

The Group shall conduct its affairs in accordance with the following principles of good governance:–

- **Leadership** - A clear division of responsibilities between the running of the Parent and NCH RP Board and the executive responsibility for the running of the Group's business;
- **Standards** – it operates according to high ethical standards, explicit values and the Group's Articles and Standing Orders;
- **Accountability** – there is proper accountability to, and involvement of, all the Group's stakeholders, including the Council and the Council's tenants and leaseholders;
- **Openness** – there is a spirit of openness, making full disclosure of governance matters and other information;
- **Equality** – there is fairness and equality of opportunity in all aspects of the Group's governance;
- **Review** – there are formal and open processes for the periodic review of the Group's own performance, and to ensure its renewal;
- **Clarity** – there is clarity of roles and responsibilities between the Group's officers, Board members, paid staff and the Council;
- **Control** – there are effective systems for internal delegation, audit and control;
- **Information** – the Group Boards receives adequate and timely reports and advice to inform its decisions;

- **Structures** – there are effective staffing and committee structures to support the Group’s work; and
- **Audit** – there are effective and proper relationships between the Group and its external auditors and regulators (including the Regulator).

3.6 BOARD MEMBER ROLES AND RESPONSIBILITIES

3.6.1 CONDUCT AND COLLECTIVE RESPONSIBILITY

All Group Board Members share responsibility for the Board’s decisions. Each should act only in the best interests of the Group Member of which they are a Board Member, and not on behalf of any constituency or interest group. Board Members should put the interests of the relevant Group Member before their own interests.

The Group expects and requires the highest standards of conduct and probity from its Board Members. The recruitment process for Board Members, co-optees and committee members (including minimum skills requirements which all Board Members must demonstrate) are set out in the Board Renewal Policy.

3.6.2 RESPONSIBILITIES OF BOARD MEMBERS

The Board Members of each Group Member have the following responsibilities which shall be signed up to on appointment to the relevant Board to: –

1. Uphold the values and objectives of the Group;
2. Uphold the Group’s core policies, such as equality and diversity, and health and safety;
3. Contribute to and share responsibility for the relevant Board’s decisions;
4. Prepare for and attend meetings, training sessions and other events;
5. Attend and participate in reviews linked to individual performance or that of the whole Board;
6. Represent the Group Member or the Group as appropriate;
7. Declare any relevant interests;
8. Respect confidentiality of information;
9. Uphold the Group’s Board Members Code of Conduct; and
10. Uphold the seven principles of public life.

3.6.3 ROLE OF THE CHAIR

In carrying out the following responsibilities, the Chair of each Board should always remember that he or she is acting on behalf of the Board. The respective Chair(s) should seek the advice of other Board Members or the Chief Executive as necessary.

Each Chair shall seek to ensure that:-

1. The relevant Board's business and meetings are conducted efficiently;
2. All Board Members are given the opportunity to express their views;
3. A constructive working relationship is established, and support is provided to the Chief Executive;
4. The relevant Board delegates sufficient authority to its own or Group Committees, the Chair, the Chief Executive, and others to enable the business of the relevant Group Member to be carried out effectively between Board meetings;
5. The relevant Board fulfils its role and responsibilities that are not otherwise delegated to Committees, the Chief Executive or others;
6. Effective communications are maintained between the relevant Chair, Vice-Chair, and Chairs of Committees;
7. The relevant Board receives professional advice when it is needed;
8. The relevant Group Member is represented as required;
9. The relevant Company's affairs are conducted in accordance with generally accepted codes of performance and propriety;
10. Board Members' standards of behaviour are appropriate and in accordance with the Group's Code of Conduct; and
11. He/she carries out any specific responsibilities delegated to the Chair as described elsewhere in the Group's Standing Orders or Financial Regulations effectively and to the best of their ability.

3.6.4 ROLE OF THE VICE-CHAIR

The Vice-Chair duties primarily involve deputising for and supporting the relevant Chair and fulfilling their duties when required to do so. In carrying out these duties, the Vice-Chair should always remember that he/she is acting on behalf of the relevant Board as a whole and seek the advice of other Board members or the Chief Executive as necessary.

3.7 CONDUCT OF THE BOARD'S BUSINESS

1. Board and Committee Calendar

The Boards will agree meetings for a full 12 months ahead. The Parent shall approve the calendar set by each Subsidiary.

The Parent's agreed calendar will be notified to the Council Member, Group Members, relevant staff and Council tenants and leaseholders published through Nottingham City Homes' website.

2. **Appointment of Board Chair and Vice-Chair**

Each Board will elect its Chair (and as necessary Vice-Chair) annually. Each shall be appointed for a term of 12 months. This election process will be conducted by the Group Company Secretary prior to the relevant Board Meeting.

3. **Agenda for Board Meetings**

Each Board shall agree a standard agenda for its Board meetings.

Each Board shall divide its business between a public agenda and a confidential agenda. The Board will receive a copy all Committee agendas. Each Board will ensure that only items that comply with one of the following criteria are placed on the confidential agenda:-

Matters relating to individual staff members, individual tenants or leaseholders, or individual Board Members;

- (i) Matters relating to probity and conduct;
- (ii) Matters that are commercially sensitive for the Group Member or Group;
- (iii) Matters that are reputationally sensitive for the Group Member or Group;
- (iv) Matters related to compliance with regulatory standards, including the Regulatory Framework; and
- (v) Minutes or reports from Committees or task groups or outside bodies whose content relates to any of the above matters.

No other business not declared on the Board meeting agenda may be transacted, save for any other urgent business. Such matters that any Board member may wish to raise under this agenda item must have been notified to and agreed by the Chair prior to the commencement of the meeting.

4. **Board Reports**

Agenda items will normally be accompanied by a written report from officers, and sent out at least 5 days before the meeting. Reports should not be tabled at meetings, without the approval of the relevant Chair, prior to the commencement of the meeting.

5. **Discussion**

All Board Members will direct their questions and comments to the meeting through the Chair. Board Members will conduct themselves in a manner in accordance with the Code of Conduct.

In the event of misconduct within the meeting, the Chair may direct that the offending member leave the meeting or, may adjourn the meeting and determine when it will be recommenced.

6. **Decisions**

Decisions at Board meetings will be made in accordance with the Group Member's Articles.

Any Board Member may request that their manner of voting be recorded in the minutes.

7. **Minutes**

Minutes shall be made and retained of the proceedings of all Board meetings by the Group Company Secretary. Minutes shall record those Board Members present at the meeting, and decisions of the Board shall be clearly recorded. Draft minutes will be included in the agenda for the following Board meeting and agreed as a true and fair record by the Board Members present and signed as such by the Chair in the meeting.

Minutes will be recorded using a number of standard conventions.

8. **Urgency Procedure**

Each Board will ensure that there is an urgency procedure in place for dealing with urgent matters between Board meetings. The procedure shall balance the need for speedy decisions with proper Board oversight of important matters.

Three courses of action are possible, and in all cases the decision shall be a matter for the Chair (or Vice-Chair in his/her absence) to determine, following consultation with the Vice-Chair and Chief Executive:–

- i. The convening of a Special Board meeting – this may be the appropriate course of action where, for instance a decision would involve a significant departure from the Board's Strategic Plan or, where there is a serious problem or issue requiring the whole Board to agree an appropriate course of action;
- ii. Written Resolutions – as an alternative to the above, where whole Board involvement is desirable but the matter is not considered controversial or likely to require debate;
- iii. Chair's Action – this would be the normal way of dealing with a matter within the spirit of the Board's Strategic Plan, but perhaps outside or exceptions to prevailing policies or procedures, or beyond the authority delegated to the Chief Executive. The procedure for seeking Chair's Action is as follows:–
 - (i) Chair's Action requires the Chair (or Vice-Chair in his/her absence) to consult at least two other Board Members. The choice of Board members would depend on availability but would normally include those with a

special expertise in the area of decision and/or those with a particular responsibility on the Board – e.g. Audit Committee Chair;

- (ii) The taking of Chairs Action and the outcome must be reported to the next Board meeting together with a note of which members were consulted;
- (iii) The Chair will decide the most appropriate method of consultation that maybe by way of meeting, correspondence or properly noted over the telephone. The decision taken will be reported to the Chief Executive at the earliest opportunity;
- (iv) In circumstances where the approval is a formality and consequential to a decision already made by the Board, it will be adequate for the Chair to take Chairs Action alone.

4. COMMITTEES AND TASK GROUPS

4.1 COMMITTEE STRUCTURE

The Parent shall establish Committees to which Group Members shall delegate their functions. Group Members may establish their own Committees with the consent of the Parent, where the remit of these Committees does not duplicate the work of the Parent's Committees.

Delegation to Committees will ensure that the Group's governance arrangements are effective, and that there are clear responsibilities and accountabilities across the Group.

The Parent Board (or Subsidiary Board, as applicable) shall ensure that there is clarity about:–

- (i) the roles and responsibilities of each Committee and working group;
- (ii) terms of reference and the extent of any authority delegated;
- (iii) membership and appointment arrangements;
- (iv) chairing expectations;
- (v) frequency of meetings and life expectancy of any short life group set up; and
- (vi) conduct of business.

4.2 COMMITTEE TERMS OF REFERENCE

The Terms of Reference for each Committee are set out in the Appendices.

The Parent will consult with NCH RP when setting the Terms of Reference for the Audit Committee.

4.3 DELEGATED AUTHORITY

Each Board will agree and, from time to time review, the delegations to each Committee. Except for those matters specifically reserved for each Board's decision, the Committees

shall discharge the functions set out for them on behalf of the Board and in accordance with the relevant Group Member's Articles.

4.4 COMMITTEE MEMBERSHIP

All committees will consist of a minimum membership of Board Members as follows:–

- (i) Audit Committee - Five (5) Board Members

- (ii) Human Resources Committee - Four (4) Board Members

The membership of each Committee shall be reviewed on an annual basis at the first Board meeting following the AGM.

Each Committee may supplement its membership by co-option of non-Board members on to the Committee, at levels set by the Board as follows –

- (i) Audit Committee – up to two (2) co-options

Any such co-options are to be recommended by the Committee and approved by the relevant Board. Co-options may be approved at any time during the year but all must be renewed annually at the first Board meeting following the AGM. No co-optee may serve in this capacity for more than 3 years.

In considering any co-optees for recommendation to the Board, Committees should have regard to the following:–

- (i) A business case for the recommendation is expected – e.g. the Committee requires further expertise in a particular area and this person can provide it;

- (ii) Co-optees cannot be employed by the Group or the Council, or be Nottingham City Councillors; and

- (iii) The person has agreed to be co-opted and has agreed to sign and be bound by the Board Members' Code of Conduct.

4.5 APPOINTMENT OF COMMITTEE CHAIRS

Committee Chairs shall be appointed by the relevant Board for a 1 year term at the first Board meeting following the AGM.

4.6 CONDUCT OF COMMITTEE BUSINESS

The Board requires Committees to conduct their business to the same standards as it sets for itself, in particular:–

1. Each Committee will agree a calendar of meetings for the year ahead and agree this with the Board. Committees may agree additional meetings at their own discretion;

2. Committees are required to maintain the same administrative standards as the Board including Notice of meetings, agenda format, reports format, and standards of minutes etc;
3. Committees are required to conduct their meetings to the same standards including those relating to the Declarations of Interest and Any Other Business agenda items;
4. Committees are required to communicate their issues and concerns to the Board via regular written reports back to Board meetings and contact between the Committee Chair and Board Chair. Committee minutes will be sent to all Board Members;
5. Committees are required to provide the Board with an annual report to the first Board meeting following the AGM, to include a review of the Committee's effectiveness;
6. The quorum rule for Committee is as set out in these Standing Orders.
7. The Committee Chair may also operate the Urgency Procedure, but only for matters within the delegated authority of the Committee. The Chair has the option of calling a Special Meeting of the Committee or by written resolution or of dealing with the matter through Chair's Action following the general principle set out in the Urgency Procedure.

4.7 TASK GROUPS

Each Board may set up a Task Group to undertake a specific task or consider a specific issue. Setting up of new Task Groups may be recommended to a Board by a Committee, and such Task Groups, if agreed by a Board, may report formally back to the sponsoring Committee rather than directly to the Board. The overall definition of the task, timescales and membership must be agreed and approved by the relevant Board.

4.8 DISPUTES

In the event of a dispute between a Board and one of its Committees or Task Groups, the relevant Board's decision shall override that of any Committee or Task Group.

Any disputes between Group Members shall be dealt with using the dispute resolution procedure in the Intra-group Agreement.

The Chair of the Audit Committee shall have the right to report disputes to External auditors and/or to the Council Member, following discussion within a Parent Board meeting about the intended course of action.

The Chair of the Audit Committee shall also have access to legal advice paid for by the Group from the Group's solicitors.

5. CHIEF EXECUTIVE

Clear working arrangements between the Group Boards and the Chief Executive are key element of good governance. The essential duties of the Chief Executive are to:–

1. Act in the best interests of the Company;
2. Assist and advise the Parent Board in determining the Group's policies and strategy;
3. Manage the affairs of the Group in accordance with the values and objectives of the Group, and the general policies and specific decisions of the Parent Board;
4. Draw Group Boards' attention to matters that they should consider and decide;
5. Ensure that each Board is given the information necessary to perform its duties and, in particular, that each Board receives advice on matters concerning compliance with its governing instrument, the law, compliance with its Partnering Agreement, and the need to remain solvent and (in relation to NCH RP) compliance with the Regulatory Framework;
6. Ensure that proper systems of control, risk assessment and risk management are established and maintained, and that regular reports on these are provided, at least annually, to the Parent Board;
7. Supervise, with the guidance of the Chair, the preparation of documents for consideration by the Parent Board;
8. Help the Parent's Chair to ensure that the business of the Parent Board is properly conducted;
9. Lead and manage the staff of the Group and ensure that their performance is appraised; and
10. Represent the Group as appropriate.

The Board will ensure that the Chief Executive has a written contract of employment which, as well as complying with current legislation clearly defines:–

1. His or her duties and the standards of performance expected;
2. The procedures for monitoring the Chief Executive's performance and fixing his or her remuneration;
3. How complaints and disciplinary matters will be dealt with; and
4. The length of the contract, whether or not it can be renewed (if for a fixed term) and any notice period.

The Board will ensure that the Human Resources Committee has responsibility for setting and conducting the appraisal arrangements for the Chief Executive, and making a recommendation to the Board on an appropriate remuneration package for the Chief Executive.

6. COMPANY SECRETARY

The Group Company Secretary is a formal officer of each Group Board. Their appointment shall be in accordance with the Articles of each Group Member.

The principle duties of the Group Company Secretary are to:–

1. Summon and attend all General Meetings of the Group, and meetings of the Group Boards, and keep minutes of these meetings;
2. Keep and maintain the registers and other records as determined by the Parent Board;
3. Make any returns on behalf of the Group to statutory and regulatory bodies;
4. Monitoring compliance with the Regulatory Framework;
5. Have charge of the seal of each Group Member (as applicable); and
6. Ensure the compliance of the Group with each Group Member's Articles and the Group Standing Orders.

7. DELEGATIONS

The Parent Board will manage the Group's business and ensure that:–

1. There is a clear separation of responsibilities between each Board and the Executive;
2. That a Scheme of Delegation is determined and from time to time reviewed (with consultation with the Group Boards as appropriate);
3. Any responsibilities not delegated remain the responsibility of the relevant Board; and
4. The Chief Executive has the responsibility to operate plans and policies approved by the Board and delegate this responsibility further to other members of staff as appropriate.

In reviewing the Scheme of Delegation each Board shall not delegate the following matters;

1. Expansion of the Group's or a Group Member's operations into new activities or geographical areas;
2. Any decision to cease a material part of the Group's or relevant Group Member's operations;
3. Changes to corporate structure, including the setting up of subsidiary organisations;
4. Proposals for an acquisition or merger by the Group or a Group Member;
5. Approval of resolutions to be put forward by a Group Board to a general meeting;
6. Approval of Membership, chairs and terms of reference of any committee or any other body set up within the governance structure;

7. Appointments to the Boards of any Subsidiary or external organisation;
8. Appointments or removal of any Board Member (in accordance with the relevant Articles);
9. Approval of key policies including Board Members Code of Conduct; and
10. Changes to any of the matters set out under numbers 1-9 above.

7.1 SCHEME OF DELEGATION

POWERS RESERVED TO THE BOARD

Group objectives

- 1 Determination of the values and overall strategic direction of the Group;
- 2 Determination of the Company's corporate objectives; and
- 3 Determination of the Company's Corporate Strategic Plan.

Company finances and resources

- 4 Determination of the Company's business plan, medium term financial plan, capital programme and annual revenue budget;
- 5 Approval of the Company's annual accounts;
- 6 Approval of the annual staff pay award;
- 7 Approval of any changes to the pension scheme; and
- 8 Approval of the principles of any significant workforce restructuring proposals.

Corporate policies, strategies and standards

- 9 Determination, and review on a planned rolling programme, of key strategies and policies and the approval route thereof including:-
 - Governance
 - Risk management
 - Equality and diversity
 - Health, Safety and Emergency Control
 - Board remuneration and/or expenses
 - Procurement
 - Tenant and Leaseholder Involvement
 - Information and communications technology (ICT)
 - Accommodation
 - Whistleblowing
 - Any others the Board may determine from time to time

- 10 Setting of standards for the Company in relation to probity, competence, management, and customer services.

Business Activities

- 11 Responsibility for the business relationship and partnership with the City Council, and other major stakeholders including compliance with the Partnering Agreement
12. Approval of the Corporate Plan;
- 13 Extension of the Company's operations into new activities or geographic areas, including approval to participate in tendering proposals arising from these; and
- 14 Any decision to cease a material part of the Company's operations.

Internal Control

- 15 Approval of all financial regulations;
- 16 Determination of the Company's risk capacity, profile and appetite;
- 17 Establishment and oversight of a framework for the identification and management of risk;
- 18 Establishment and oversight of a framework of delegation and systems of internal control;
- 19 Requirement, from committees or staff, of monitoring reports or other forms of assurance the Board may determine, on any aspect of the Company's business; and
- 20 Approval of action recommended by staff or committees in response to any report from external auditors or the Homes and Communities Agency ("HCA").

Governance

- 21 Approval of changes proposed to the Company's governing instrument to be recommended to the Company Member;
- 22 Approval of all standing orders;
- 23 Appointment (and, if necessary, dismissal) of the Chief Executive;
- 24 Changes to corporate structure, including the setting up of subsidiaries or merging with another organisation, for recommendation to the Company Member;
- 25 Establishment of criteria for appointments to (and, if necessary, dismissals from), the Board;
- 26 Changes to structure, size and composition of the Board for recommendation to the Council Member;

- 27 Approval of committee membership, including committee chairs and committees' delegations/terms of reference;
- 28 Establishment, including deciding upon membership, including chair and delegations/terms of reference, of task-and-finish groups; and
- 29 Ensuring that there are effective arrangements for:–
 - (i) annual appraisal of the effectiveness (collectively) of the Board and Committees, and (individually) of board and committee members;
 - (ii) Board recruitment and (s)election criteria, policies and procedures; and
 - (iii) Board and Committee Member induction, development, retention, renewal and succession.

Other

- 30 Any other matters not specifically delegated to committees, task and finish groups, tenant bodies, or the Chief Executive.

7.2 POWERS DELEGATED BY THE BOARD TO THE CHAIR

Given the frequency of Board meetings, it will be necessary from time to time to secure the efficient and effective operation of the business for actions, such as the award of contracts or approval of payments, to be taken. Therefore on an exceptional basis the Chair of each Board shall be delegated powers to approve matters normally dealt with by the Board.

All actions undertaken through these powers shall be for the sake of expediency, and following the written recommendation of the Chief Executive. A report must be taken to the next Board meeting following any delegated actions.

7.3 POWERS DELEGATED BY THE BOARD TO THE CHIEF EXECUTIVE

The Chief Executive has the following powers and responsibility delegated by the Board within the context of the values, objectives, policies and budgets set by the Board, to:

- 1 Manage the affairs of the Group in accordance with its values and objectives and the general policies and specific decisions of the Board;
- 2 Act as principal strategic adviser to the Group;
- 3 Lead, direct, set targets for and hold to account the Executive Management Team as a whole;
- 4 Appoint, set targets for, appraise the performance of, and if necessary dismiss, the individual members of the Executive Management Team and any other direct reports in accordance with the relevant Group policies;
- 5 Establish arrangements for monitoring compliance with, and reporting promptly to the Board upon performance against the Partnering Agreement and the Regulatory Framework;

- 6 Take or authorise the taking of items through the urgency procedure and ensuring that a report is taken to the Board at the earliest time after the event;
- 7 Subject to the Group Member Articles, and provided that it is consistent with the approved values, objectives, policies, business plan, budget, scheme of delegations and financial regulations and any decisions made by the Board or any committee, to take the action he/she considers necessary to ensure the efficient and effective management and routine administration of the Group's activities.

The above authorities may not be further delegated by the Chief Executive without the approval of the Board, other than by way of written delegation of authority to act in his/her temporary absence. That written delegation can be through a minute of the Executive Management Team and will include financial authorisations at a level which only the Chief Executive could sign off.

The Chief Executive also has the following powers and responsibilities: In order to exercise efficient and effective management the Chief Executive may delegate specific responsibilities in writing to Directors or Managers within the following list:

- 1 Undertake and be responsible for day to day management of the Group.
- 2 Employ and dismiss staff, and set and review individual terms and conditions of employment subject to:
 - Adherence to Group HR policies
 - Adherence to annual budgets and staffing plans
- 3 Implement policies and strategies, including the Group's or Group Member's Business Plans, and decisions and directions of the Board
- 4 Lead, direct, set targets for, and hold to account, staff throughout the chain of command
- 5 Ensure that local managers and staff teams are customer-focussed and responsive to the Group's residents, local councillors, and the Council's Area Committees
- 6 Take, or authorise the taking, of any appropriate action in cases of urgency or emergency
- 7 Take, or authorise the taking, of any appropriate action to preserve the Group's position, pending scrutiny by the Board or appropriate committee of the matter, in relation to any proposed legislation, or any other proposal, scheme, plan, act or omission to act by any person or body or any event or occurrence, including Acts of God.

7.4 SPECIFIC MATTERS FOR APPROVAL WITH THEIR DELEGATION LEVELS

The table below sets out the current matters that require specific approval, which positions within the Group have been delegated by each Board to make such approval decisions,

and any arrangements for subsequent reporting where a decision relating to such a delegation has taken place.

Specific Board Delegations on Matters of Probity

Matter	Delegation to	Action Taken Notified to
Authority to approve NCH price increases for services provided by the Company to external bodies	Chief Exec plus Company Secretary	Board (next meeting)
Authority to approve reimbursement of Board Members expenses within policy	Company Secretary	Board (annual review)
Authority for Board Members to accept gifts or accept or offer hospitality	Chair	Board (annual review)
Determining breaches of the Board Members Code of Conduct	Chair plus 2 other Board members	Audit Committee or Board
Determining appeal against Panel hearing above	Vice-chair plus 2 Audit Committee members	Audit Committee or Board
Grant of offer of tenancy to a Board Member (or related party)	Director plus Company Secretary	Board (next meeting)
Determination of an appeal from a Board Member (or related party) to an allocation or tenancy management matter	Chief Exec plus 1 other Director	Board (next meeting)
Grant of an offer of employment or engagement as a consultant or contractor to a Board Member or related party	Chief Exec plus Company Secretary	Board (next meeting)
Authority to suspend Standing Orders (urgency procedure)	Chair plus Chief Exec plus 1 other Board member	Board (next meeting)
Authority to suspend Financial Regulations (grant dispensation)	Chair of Audit Committee plus Chief Exec	Audit Committee (next meeting)
Approval to repair or improvement to a council property occupied by a Board Member (or close relative) in excess of £1000 in value	Chief Exec plus Director of Investment & Business Services	Board (next meeting)
Grant of offer of tenancy to a member of NCH staff (or related party)	Director plus an Assistant Director	Board (annual review)
Grant of offer of tenancy to a City Councillor (or related party)	Director plus Company Secretary	Board (next meeting)
Grant of offer of tenancy to an employee of Nottingham City Council who work in housing – i.e. housing strategy, regeneration, and Housing Aid.	Director plus an Assistant Director	Board (annual review)
Grant of offer of employment or engagement as a consultant or contractor to a City Councillor	Chief Exec plus Company Secretary	Board (next meeting)
Grant of offer of employment to a close relative of existing NCH staff member	Chief Exec plus Company Secretary	Board (annual review)

Re-employment of former employee or re-engagement as self-employed contractor within 6 months of termination of employment with NCH	Chief Exec plus Company Secretary	Board (annual review)
Authority for staff members to accept gifts or to accept or offer hospitality	Line Manager	Audit Committee (annual review)
Authority to agree out of court settlements	Chair plus Chief Exec plus 1 other board member	Board (next meeting)
Authority to agree non-contractual severance arrangements with employees	Chair plus Chief Exec plus 1 other board member	Audit Committee (next Board meeting)
Authority to dispose, and arrangements for disposal, of stock items and obsolete equipment	Chief Exec plus Director Investment & Business Services	Audit Committee (annual review)
Authority to develop new business opportunities: <ul style="list-style-type: none"> Authority for all payments to be made within the NCH Registered Provider powers and objects Authority for all payments to be made within NCH Ltd powers and objects up to £150k Authority for all payments to be made within the NCH Enterprises powers and objects 	NCH Register Provider EMT NCH Enterprises	NCH Board NCH Board NCH Board
Authority to agree compensation payments over £500 to tenants, leaseholders or residents.	Director	Board (next meeting)
Authority to commence tenders or similar/ equivalent procurement exercise which likely to exceed £50k over the life of the contract	Sourcing Manager	Board (next meeting)
Approval to enter into contracts, total value for life of the contract: up to £100k. up to £500k up to £1m Please refer to Standing Orders Part 3 Tendering and Contract Procedures for further information.	Head of Service Executive Director Chief Executive	Executive Director Chief Executive Board (next meeting)

8. ACCOUNTABILITY

The Group recognises its broader accountability responsibilities to a range of external stakeholders, in particular to the Council, the Regulator, the Group's tenants and leaseholders and customers, the Group's staff, its other regulators, complementary service organisations and authorities, other groups representing community and neighbourhood interests.

Each Group Board will ensure that there are sufficient and appropriate opportunities for it to engage with its stakeholders, to account for the Group's work, and to offer influence over, or involvement in, planning and decision-making. These arrangements will include the following:-

1. Consultation with all relevant stakeholders through the development or review of the Group's strategic plan;
2. Accountability through broadly based invitations to attend Group AGMs;
3. Consultation on a variety of Group matters directly with staff and also indirectly via recognised communication channels with unions;
4. Consultation and accountability to the Council via Parent Board Member and Chief Executive attendance at regular senior level liaison meetings; and
5. Consultation and accountability to tenants and leaseholders as set out in the Group Tenant and Leaseholder Involvement Strategy, agreed with tenant and leaseholder groups and the Council.

9. OPENNESS AND TRANSPARENCY

The Group recognises that conducting its business in an open and transparent way is a key element in relation to its accountability to its wider stakeholders, and the Parent Board will ensure compliance with the following principles:-

1. As a general rule, information about the Group, its work, its Boards and employees will be made available unless there are good reasons for confidentiality or practicality;
2. The Parent Board will determine and publish an Openness Policy which will set out:-
 - (i) The information about the Group that it will make available;
 - (ii) In what circumstances personal information will be provided and to whom;
 - (iii) Identification of which Board and Committee papers are confidential;
 - (iv) Whistle blowing arrangements; and
 - (v) Publication scheme
3. The Board will determine and publish its arrangements for compliance with the Data Protection Act 1998, Freedom of Information Act 2000 and the Environmental Information Regulations 2004;
4. The Parent Board will publish a Financial and Operating Review as part of its Statutory Annual Accounts and Financial Statements and make this available to stakeholders;

5. The Parent Board will publicise its forthcoming meetings and ensure that the public attending any Public Board meeting have an opportunity to ask question of the Parent Board;
6. The Parent Board will ensure that agendas, reports, and minutes of all public Board and Committee meetings are available on the Group's website.

10. EQUALITY AND DIVERSITY

Equality & Diversity is a core value of the Group, which recognises its responsibility to serve the whole community equally. Each Group Board will ensure continuing focus on this area by:–

1. Ensuring that the Group, when carrying out its functions and delivering its services, demonstrates due regard to the need to advance equality of opportunity, eliminate discrimination and foster good relations between different groups.
2. Adopting and publishing an Equality and Diversity Policy, which promotes equal opportunities and diversity in all areas of the Group's work including:–
 - a. Identification and assessment of needs;
 - b. Allocation of housing and other services;
 - c. Provision and delivery of services;
 - d. Membership and operation of each Board and any Committees;
 - e. Staff recruitment, selection, training and condition of service; and
 - f. The Group's buying of goods and services and contracting procedures;
3. Publicising the Group's achievements and performance in these areas;
4. Ensuring that the Parent Board's membership represents the diversity of the local community;
5. Ensuring that recruitment policies to each Board are fair and transparent; and
6. Ensuring that training for all Board members on equality issues is provided and taken up.

11. AUDIT

Effective audit of all the Group's functions and activities are essential to good governance. Standards of performance, service delivery and compliance should all be subject to some form of audit.

The Board will ensure that it complies with the following principles of good audit practice:–

1. That the Group will have audited accounts;

2. That the audited accounts and audit management letter are sent to the Council and the Regulator;
3. Its external auditors must be independent and effective. The Audit Committee will not normally agree to external auditors providing non-audit services, or undertaking the internal audit function, without satisfying itself in relation to compromising the independence and objectivity of the external auditors;
4. That there will be a proper procedure for the selection and periodic review of the appointment of the external auditor;
5. That whilst the responsibility for audit remains with the Board, this responsibility is discharged by an Audit Committee of the Board;
6. That the Group has effective internal controls;
7. That the Group has an effective internal audit service; and
8. That the Audit Committee provides an annual report to each Group Board on its activities and effectiveness in discharging its responsibilities.

12. AMENDMENT AND SUSPENSION OF STANDING ORDERS

The Audit Committee may approve minor amendments and additions to the Standing Orders, but any substantive amendments must be approved by the Parent Board. These Standing Orders shall be reviewed annually by the Parent Board.

In exceptional circumstances the Parent Board may decide that it is necessary to suspend the Standing Orders.

The Standing Orders: Part 2 – Financial Regulations S.1.4 sets out the rules for dispensation from financial regulations, and the Standing Orders: Part 3 – Tender & Contract Procedure Rules also sets out the rules for dispensations and waivers.

APPENDIX 1

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

ACCOUNTABILITY

The Audit Committee is charged with assisting the Board to fulfil its statutory obligations and is accountable to the Board for the fulfilment of the responsibilities delegated to it as set out in its Terms of Reference. All Committee Members share responsibility for its decisions and should act only in the interests of the Group and not on behalf of any subsidiary, constituency or interest group, putting the interests of the organisation before their own interests. The Audit Committee will act in this capacity across all of the NCH Group.

The main objectives of the Audit Committee are to independently contribute to the Board's assurance that effective internal control and risk management systems are maintained and reviewed and that the Group's financial performance is being effectively managed.

The Board will agree and review the delegations to each of its committees on a timely basis. With the exception of those matters specifically reserved for the Board's decision, the Audit Committee shall discharge the functions set out for them on behalf of the Board and in accordance with the Group's Articles. The 'Duties and Responsibilities' section below sets out in detail the Committee's full remit and the scope of its obligations as per the articles and key documents of the Group.

The Audit Committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the Board. The Committee's Terms of Reference may be amended at any time by the Board.

The Board will obtain assurance on the Committee's work via minutes of all of its meetings which will be made available to the Board. The Chair of the Audit Committee will ensure that key issues are promptly brought to the attention of the Board, and also has the right to attend and speak on matters of concern at any Board meeting.

AUTHORITY AND ACCESS

The Audit Committee is authorised by the Board to investigate any activity within its Terms of Reference. The Audit Committee shall meet on a quarterly basis and may meet without Company staff present, including Executive Directors, should it so wish, to ensure it maintains its independence.

The Committee has an unfettered right of access to all information within the organisation in relation to such investigations as well as the resources which it needs to do so. All employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain external legal or other professional advice and to secure the attendance of anyone it considers has relevant experience, expertise or knowledge.

The Committee shall meet in a closed session with the external or the external and internal auditors together, where required. The Chair of the Committee, external and internal auditor shall meet as necessary to ensure that the auditors have direct access to the Chair to guarantee the independence of the audit functions.

MEMBERSHIP

The Audit Committee will comprise five non-Executive Directors appointed by the Board. The maximum period for which Members shall serve on the Committee is five years. Executive Directors shall not be Members of the Committee.

The Chair will be appointed annually by the Board and shall not also be the Chair of the Board.

The Committee may co-opt Members if required, but the Committee's membership shall never include more than 50% co-opted Members. Co-opted Members will be (re)appointed annually.

Each Member appointed to the Committee shall have skills and experience relevant to the work of the Committee.

The Committee may hold a pre-meeting with the internal and/or external auditors to the exclusion of employees.

Employees and others may attend all or part of meetings at the invitation or request of the Committee. Attendees will usually include:

- Director of Investment & Business Services;
- Senior representative of the Company's internal auditors;
- Company Secretary; and
- Other Directors and Managers as required.

Attendance at Committee meetings shall be monitored by the Chair and concerns in relation to regular non-attendance by any Committee Member should be reported to the Board.

QUORUM AT MEETINGS

The quorum required for the transaction of business at the time when the meeting proceeds to business shall be three.

POWERS DELEGATED BY THE BOARD TO THE AUDIT COMMITTEE

Within the context of the objectives, policies and budgets set by the Board:

General Governance

- To review the Committee's membership and effectiveness on a regular basis to ensure that it has appropriate skills and relevant experience, advising the Board accordingly;
- To review annually the Committee's activities and effectiveness in discharging its responsibilities and provide an annual report for the next twelve months to the Board;

- To receive and consider reports from staff on a statutory, regulatory or inspection reports, recommendations, or notices of non-compliance with requirements in relation to support service Directorates, as well as the proposed responses and actions plans;
- To ensure the Group is operating within recognised codes of practise and Standards;
- To ensure adequate processes are in place for the safeguarding of Group assets;

Internal Control Framework

- To oversee the embedding and maintenance of an effective system of internal control and ensure that any significant weaknesses identified are remedied and reported to the Board;
- To review and consider the effectiveness of the Group's system of internal control systems and assurance framework on an annual basis and make appropriate recommendations to the Board.

Anti-Fraud and Corruption

- To ensure that the impact of alleged or fraudulent activity on the Group's framework of internal control is properly assessed and, where it considers it necessary, to recommend changes to strengthen the control framework;
- To receive reports relating to any matters of whistle-blowing or alleged or actual fraudulent activity which may have an effect upon the Group.

Internal & External Audit

- To discuss with the external auditor any problems, reservations or issues arising from the interim or final audit or other investigations;
- To review and approve the internal audit needs assessment and strategy and the annual plan, and monitor delivery of the plan, approving any changes during the year;
- To sign off individual audit plans, receive and consider reports by the internal auditor on significant audit findings, together with the response from managers to these reports;
- To monitor the timely implementation of recommendations in respect of internal and external audit and of any other regulatory or inspection auditor;
- To make recommendations to the Board, for approval in general meeting, on the appointment, re-appointment or otherwise, of the external audit;
- To approve the fees and terms of engagement of the external auditor;
- To advise the Board on the internal audit arrangements , including the
 - appointment, re-appointment or otherwise, fees, methods and terms of engagement of the internal auditor, whether on the Group's payroll or outsourced;

- To monitor the performance of the internal and external auditors.

Statutory Accounts

- To consider, and report to the Board on, the annual statutory audit and make recommendations on the response to any audit management letters, reports and investigations;
- To ensure compliance with applicable Financial Reporting Standards.

Risk Management

- To provide assurance to the Board that there is a sufficient and systematic review of risk management arrangements within the Group;

Standing Orders & Financial Regulations

- To ensure compliance with the Financial Regulations, and recommend any proposed revisions to the Board;
- To monitor and review the Group's Register of Dispensations.

Probity – Action taken must be notified to the Audit Committee

- Authority to suspend Financial Regulations or grant dispensation;
- Authority for staff members to accept gifts or to accept hospitality;
- Authority to dispose, and arrangements for disposal, of stock items and obsolete equipment.

APPENDIX 2

TERMS OF REFERENCE FOR HUMAN RESOURCES COMMITTEE

The Human Resources Committee is charged with assisting the Board to fulfil its statutory obligations as an employer including the employment surrounding the Chief Executive and Company Secretary

The Committee fulfils the remuneration function for senior executive team on behalf of the Board, including reviewing the performance and pay of the Chief Executive.

The Committee will meet on an ad-hoc basis as determined by the Board

POWERS DELEGATED BY THE BOARD TO THE HUMAN RESOURCES COMMITTEE

Within the context of the objectives, policies and budgets set by the Board:

Staff and Trades Union consultation

- Undertake the role of the Disputes Resolution Panel to consider appeals against Chief Executive or Company decisions.
- Receive reports regarding non-contractual severance arrangements with employees

Chief Executive

- Assessment of, and making recommendations to the Board on, the Chief Executive's performance related pay in the light of achievement or otherwise of these targets;
- Consideration of any changes to the Chief Executive's remuneration as and when this may be required;
- Appointment of the Chief Executive and Company Secretary position.

QUORUM AT MEETINGS

The quorum required for the transaction of business at the time when the meeting proceeds to business shall be two.