



The RCH Group Standing Orders, Delegations & Governance Code

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Introduction

- 1.1 These Group Standing Orders document the governance arrangements, procedures, delegations of authority and code of governance within River Clyde Homes (RCH), the parent, and Home Fix Scotland (HFS), the subsidiary, hereinafter referred to as "the RCH Group" or "the Group". These Group Standing Orders shall be conducted in accordance with the Articles of Association for both RCH and HFS respectively, all statutory requirements and with the regulatory requirements of the Scottish Housing Regulator (and any successor agency) and the Scottish Government. In cases of conflict, such requirements shall prevail over any provision of these Standing Orders.
- 1.2 These Group Standing Orders must be complied with by all Group Board, Subsidiary Board and Committee members at all times.

Definitions and Interpretation of the Group Standing Orders

- 2.1 In these Group Standing Orders, unless context otherwise requires:
 - a) "RCH" means River Clyde Homes incorporated under the Companies Acts (company number SC329031) and a registered Scottish charity (charity number SC038584), having its registered office at Roxburgh House, 102-112 Roxburgh Street, Greenock, Renfrewshire, PA15 4JT;
 - b) "HFS" means Home Fix Scotland incorporated under the Companies Act (company number SC328870), having its registered office at Roxburgh House, 102-112 Roxburgh Street, Greenock, Renfrewshire, PA15 4JT;
 - c) "Group Chair" means the Chairperson of RCH and the Group Board of Management;
 - d) "Chair" means the Chairperson of the subsidiary HFS Board;
 - e) "Chief Executive" means the senior officer appointed to the post of the Chief Executive of the RCH Group;
 - f) "Committee" includes the Group Audit and Risk Management Committee, Group Remuneration and Nominations Committee, Social Landlord Operations Committee, the subsidiary HFS Board and any other committees which may be formed by the Group Board from time to time;
 - g) "Constitution" means the Articles of Association of RCH and HFS respectively, duly registered with the Registrar of Companies for Scotland and notified to the Scottish Housing Regulator;
 - h) "Designated employee" means any employee with delegated authority for a specific activity within the Group. The delegated authority must be in writing from a senior officer or a Committee (including the Group Board or Subsidiary Board) and be addressed to the relevant employee;

- i) “Financial year” means the year beginning on the first day of April and ending on the last day of March;
- j) “Member” means a member of RCH whose name appears in the Register of Members;
- k) “Non-Executive Board Member” means a Board Member of the RCH Group falling into the Category of “Council Board Member”, “Community Board Member” or “Customer Board Member” (as defined in the RCH Constitution);
- l) “Officer” means any employee of RCH or HFS;
- m) “Secretary” means the person appointed to the post of the RCH Group Secretary and who may be the Group Chief Executive or some other person;
- n) “Senior officer” means the Group Chief Executive and any member of the Group Senior Management Team;
- o) “Statute” means any Act of Parliament and any Order, Rule, Regulation or Scheme made by authority of Parliament;
- p) “The Board” or “Board of Management” means the governing body of the RCH Group and “Board Member” means a member of the Group Board or the subsidiary Board;
- q) “Vice Chair” means the Vice Chairperson of the Group Board; and
- r) “Working Group” means an ad hoc group of Board Members who will be given a remit by the RCH Group Board to investigate and report back on a specific issue.

- 2.2 All policy statements, conditions, instruments and other documents approved by the Group Board shall be complied with in all respects.
- 2.3 The Group Secretary is responsible to the Group Board for the overall governance of the group companies. Advice on the interpretation of these Group Standing Orders falls to the Group Secretary as does escalation to the Group Board for any matters of concern.
- 2.4 The ruling of the Group Chair, whom failing, the Group Vice Chair, on the advice of the Group Secretary, as to the meaning, effect or application of these Group Standing Orders shall be final.

Amendment and Revocation of Group Standing Orders

- 3.1 The Group Board may alter, rescind or add to any part of these Group Standing Orders by decision of a quorum of the Group Board Members (excluding co-optees) present and voting at a Group Board Meeting.
- 3.2 Any of these Group Standing Orders may be suspended at a general meeting of the RCH Group Board provided that the meeting is quorate and the decision to suspend is clearly minuted. Persistent decisions to suspend these Group Standing Orders will precipitate a review.
- 3.3 The Group Board, or any Group Committee or subsidiary Board, with delegated authority in conjunction with the Group Chief Executive, and the Group Secretary shall regularly consider the needs for amendments to these Group Standing Orders.
- 3.4 The HFS Board shall be consulted as appropriate on the effectiveness of the Group Standing Orders and may propose amendments to the Group Standing Orders at any time via the Group Secretary. The acceptance of any amendment is wholly at the discretion of the Group Board.
- 3.5 Any amendment or revocation to the Group Standing Orders will be notified to the HFS Board at its next Board meeting following the Group Board approval.

Matters Reserved to the RCH Group Board

- 4.1 The primary role of the Group Board is to determine the overall strategic direction and objectives of the Group companies and work with the HFS Board on its strategic objectives for growth. It is the Group governing body which conducts its business in accordance with the RCH Articles of Association and the regulatory requirements overseen by the Scottish Housing Regulator. It is responsible for establishing and overseeing the control framework for the Group to enable risks – financial, political and reputational – to be assessed and managed by the Group Chief Executive so that the Group companies can operate effectively.
- 4.2 The Group Board also has a duty to hold the Group Chief Executive to account and to ensure that proper and effective policies, controls and systems are in place and implemented to enable the effective running of the Group companies and to ensure the delivery of excellent services.
- 4.3 The following matters are reserved to the Group Board:

Corporate Governance and Assurance

- Changes to the structure, size and composition of the Group Board and referring these to a general meeting, when necessary, and in accordance with the RCH
- Appointment of the Group Board Chair and Vice Chair; Subsidiary Chair and Committee Chairs;

- Appointment of Committee members;
- Nomination for election of community and customer Group Board members, appointment to casual vacancies and Group Board co-optees;
- Ensuring succession planning for Group Board and senior management appointments, Board Member development and appropriate self-assessment;
- Approving the appointment or removal of any officer of the Board, including the Group Chief Executive and Group Secretary;
- Determining the remuneration and terms of conditions for the Group Chief Executive based on advice and reports from the Group Remuneration and Nominations Committee
- Overriding responsibility for compliance by the Group companies with relevant regulatory, statutory and legal requirements including the consideration of any recommendations to the Group Board from the HFS Board, officers of the Group, internal or external auditors, the Scottish Housing Regulator or the Ombudsman, the RCH Customer Senate or consultants appointed by the Group;
- Determination of the RCH Group's vision, values, strategic objectives and outcomes for its Group companies;
- Approval of the creation or dissolution of a subsidiary, including intervention, if necessary;
- Appointment of Directors of any subsidiary;
- Any extension or restriction of the scope of the Group's activities;
- Approval of the Annual Assurance Statement for submission to the Scottish Housing Regulator;
- Approval of the governance arrangements for the Group including its Codes of Governance and Conduct, the establishment and dissolution of Committees and the delegation of business to them;
- Establishing and overseeing a framework of delegation and systems of internal controls so the Group can run effectively;
- Receipt of scrutiny reports from the Customer Senate;

Strategy and Financial Management

- Approval of the RCH Group companies Business Plans, Delivery Plans, Financial Plans and Budgets together with any variations or amendments

considered by the Group Chair/Vice Chair or Group Chief Executive to fall within the strategic role of the Board;

- Matters reserved to the Board by the Group's Financial Regulations, including establishing and overseeing a framework for the identification and management of risk to protect the Group's assets, reputation and determining the Group's risk appetite;
- Any borrowing by the Group;
- Satisfying itself as to the integrity of financial information for approval prior to the publication of the Group Annual Accounts;
- Any granting of security by the Group;
- Monitoring of Business Plan outcomes, including outcomes against the Financial Plans and Budgets;
- Amendment to the Group Standing Orders, Delegations & Governance Code;
- Amendment to the Group Financial Regulations;
- Any other matters reserved to the Group Board in the RCH Articles of Association, Rules or Transfer Agreement.
- Approval of any other plans, policies or projects which the Group Board decide should be reserved for the Group Board;
- Matters which involve major changes in or departure from the policy of the Group.

Board Delegated Authority

- 5.1 In order to achieve an optimum discharge of its functions, it is necessary for the Group Board to ensure that decisions are taken at an appropriate level and to delegate certain of its functions and powers to Committees, the Subsidiary Board and officers. Each Committee shall have a Chair appointed by the Group Board, who shall not be a co-optee, and who shall exercise any power or duty assigned to the Chair while presiding over the Committee. In the absence of the appointed Chair, the Committee shall appoint one of its number to preside over the meeting.
- 5.2 Currently, the Group Board has established an Audit and Risk Management Committee; a Remuneration and Nominations Committee and a Social Landlord Operations Committee to carry out specific delegated tasks and to report as necessary or with recommendations for Group Board decision. In addition to the Group Committees, there is the Subsidiary Board. The Subsidiary Board shall not have Committees, save where the Group Board has agreed their creation.

- 5.3 Terms of Reference have been set for all Committees and the Subsidiary Board, which include, as a minimum, the remit of the Committee, its composition and quorum for meetings. All Committees and the Subsidiary Board must act in accordance with their Terms of Reference and responsibilities specified by the Group Board.
- 5.4 The Board may establish (and disband) such Subsidiary, Committees and working groups as it sees fit and may delegate authority to them, agreeing their terms of reference and scope of activities.
- 5.5 The Group Chair, and members of the Group Board and the Subsidiary Chair, may be called upon to hear staff or resident appeals in line with the current Disciplinary, Grievance and Complaints policies.
- 5.5 The Board delegates responsibility to the Group Chief Executive for all operational matters in line with the terms of reference approved by the Board. The Group Chief Executive is authorised and empowered to manage the Group, its subsidiary and to direct their operations. The Group Chief Executive is responsible to and accountable to the Group Board. The Group Chief Executive may, consistent with these Standing Orders, delegate such powers and authority to such employees of the RCH Group as the Group Chief Executive may from time to time determine and must advise the Group Board accordingly.
- 5.6 Full details of the Terms or Reference for Committees, the Subsidiary Board and delegations to officers, including the Chief Executive, are contained within the Scheme of Delegation, which is attached as Appendix 1.

Accountability

- 6.1 The Group Board is accountable to its Shareholders. It will provide, in the Directors' report to the annual accounts, a review of operations in the year, an overall statement on accountability, an overview of its key responsibilities and a statement covering its compliance with the Code of Governance, attached as Appendix 3.

Group Board Membership

- 7.1 The Group Board shall have a minimum of 7 and a maximum of 12 members (including any co-optees). Members of the Board are Directors of the company in law.
- 7.2 Board Members shall be elected for a fixed term of 3 years and in accordance with RCH's constitution, no member shall serve beyond their ninth consecutive AGM. At the end of the fixed term, Board Members shall resign and, if they wish, re-apply for Board membership at the AGM in line with the Group's policy on Board membership, up to a maximum of three terms (nine years).
- 7.3 Applications for re-appointment shall be considered in light of appraisals of that Board Member's effectiveness (through annual appraisals) and the skills gaps on the Board at the time. There is no assumption of automatic reappointment.

- 7.4 The appointment of the Group Chair and Vice Chair shall be effected in accordance with the Constitution and the General Membership Policy. The Chair and Vice Chair, together with the membership of any Committees, shall be elected to office annually save where otherwise provided by the Constitution. The same person may be re-elected but the Chair of the Group Board or of any Committee must not hold office continuously for more than five consecutive years. After five continuous years of office, no Chair is eligible for re-election for the next 12 months.

Meetings

- 8.1 On an annual basis, the Group Chief Executive shall publish a calendar of Board and Committee meetings for the ensuing year.
- 8.2 The Group Board shall meet no less than six times every calendar year. Meetings will be valid if called out using electronic communication. The Board will determine at the beginning of the meeting whether they need to discuss any matters during the meeting without any officers of the RCH Group being present.
- 8.3 If a Board Member is known to have a conflict of interest and a report contains commercially sensitive, confidential or contractual information in relation to the issue that is the subject of the conflict, then the particular Board paper(s) will not be circulated to that Board Member and the Board Member must withdraw from the meeting during that Agenda item. The decision of the Board, however, will be relayed to the absent Board Member no later than the day following the Board meeting.
- 8.4 Meetings of the Group Board and Committees shall be held in accordance with the Constitution, and with the terms of reference for the respective Committees.
- 8.5 The Board or Committee may, in accordance with the terms of the Constitution, adjourn the meeting to any other time and place.
- 8.6 Proceedings in all Board and Committee meetings including Agendas, reports, minutes and other documents, shall be treated in accordance with our Freedom of Information (FOI) Policy and conducted in accordance with the Scottish Housing Regulator's Regulatory Framework.
- 8.7 All matters for the Agenda must be given to the Secretary in time for the papers to be issued – not later than 4pm on the Friday before papers are due to be issued.
- 8.8 Any matter, which is not contained in the Agenda, may be discussed or decided at a Board or Committee meeting unless a majority of the Board Members or (as appropriate) members of that Committee present object.
- 8.9 The Annual General Meeting (AGM) shall be held in accordance with the Constitution and the requirements of the Companies Acts. The functions, business and procedures of the AGM are stated in the Constitution.

- 8.10 A special meeting of the Board can be called by a notice in writing given to the Secretary by the Chair or two Board Members, specifying the business to be transacted. The Secretary shall send a copy of the notice to all Board Members and co-optees within three days and the meeting shall be held not earlier than 10 days and not later than 14 days after the receipt by the Secretary of the notice. No other business (other than the appointment of a Chair due to the absence of the Chair or Vice Chair) shall be transacted at any such special meeting. Should the Secretary fail to convene the special meeting, the Chair or the Board Members who have given notice may call the meeting, with notice being sent to all Board Members and co-optees at least 7 days prior to the meeting date.

Quorum

- 9.1 A quorum shall consist of five members of the Group Board at least three of whom must be non-executive Board members.

Administration

- 10.1 The Chair of the RCH Group shall chair the Board, and, in his/her absence, the Vice Chair will chair the meeting.
- 10.2 The Secretary shall prepare papers for circulation to all members.
- 10.3 The Secretary shall also keep a record of the membership, a register of interests, and ensure that Board member details are up to date.
- 10.4 The agenda for meetings shall be determined by the Chair and Chief Executive and take into account the views of other members of the Board as necessary.
- 10.5 The agenda and papers shall be issued no fewer than five working days prior to the date of the Board meeting.
- 10.6 The minutes shall be taken by the Secretary and circulated no more than 10 working days after the meetings.

Urgent Actions

- 11.1 From time to time, an urgent decision will be required on a time sensitive matter reserved to a Board (Group of Subsidiary) or Committee which cannot wait until the next scheduled meeting. In the event of decisions having to be made outside the scheduled Board timetable of meetings (for example a bid for a new development), the Secretary may call a meeting comprising at least three Board Members to consider the issue. At least one of these shall be the Group Chair or, in his/her absence, the Vice Chair.
- 11.2 The meeting may be held face-to-face, or by electronic communication. If this is not possible, a group email can be sent. In this case, if three quarters of the

Board Members are in favour of the proposal it shall be valid and effective as if it had been passed at a properly called and constituted meeting of the Board.

- 11.3 Any use of the Urgent Action provision shall be notified to the Board or Committee as soon as is reasonably practical, but as a minimum, at the next Board or Committee meeting, for ratification.
- 11.4 Where the Urgent Action provision is used more three times in any rolling six months period, the Group Chief Executive will instigate a comprehensive review of the RCH Group policies and procedures and make recommendations to the Group Board to address the situation.

Voting

- 12.1 The majority of the Board Members present at the Group Board or a Committee meeting shall, except where otherwise required by the Constitution, determine every issue. Each Board Member may cast one vote and one vote only in respect of the matter under consideration, but the person presiding at the Board or Committee Meeting shall have a second or casting vote in cases of deadlock.
- 12.2 Voting at Board and Committee meetings shall be undertaken either by show of hands, secret ballot or roll call. When it is proposed to take a vote by show of hands or by secret ballot, any Board Member may object to the votes being so taken. If two or more Board Members signify their objection, the vote shall be taken by roll call and shall be recorded so as to show how each Board Member present and voting cast his/her vote.
- 12.3 Where a matter to be determined at the Group Board or a Committee meeting involves a choice between two or more options and/or where it is proposed that a resolution, proposal, request for approval or the like be amended, the procedure shall be as follows:
- (i) where the choice extends to only voting for or against a resolution, the person presiding at the meeting shall call for votes for, and thereafter for votes against;
 - (ii) any resolutions or amendments put forward to a meeting (other than any contained in a report which Board Members are considering) shall not be considered unless and until they have been both proposed and seconded by different Board Members;
 - (iii) where the choice is between a resolution or proposal and one or more proposed amendments to same, the person presiding shall, in turn, put each of the amendments to the vote. If a majority of those Board members present and voting at the meeting is in favour of an amendment to the resolution or proposal, then the amended resolution or proposal shall become the substantive resolution or proposal. Any contradictory amendment then falls. Each remaining amendment shall, in an order determined by the person presiding at the meeting, be put against the then substantive resolution or proposal; and

- (iv) when all such amendments have been dealt with there shall remain a single substantive resolution which the person presiding at the meeting shall then put to the vote.

12.4 At any Board or Committee meetings, co-optees may take part in any deliberations of the meeting and may vote at any meetings, except on matters directly affecting the membership of RCH or the appointment of the Secretary or the election of the Chair and Vice Chair.

12.5 At a general meeting of RCH or HFS, voting shall be as set out in the relevant Constitution.

12.6 The Secretary shall act as the Returning Officer in any ballot of the RCH Group or of the Board.

12.7 Where a decision is made by the full Group Board or a Committee with delegated authority, that decision shall not be revisited within a 6-month period, unless a significant change in fact or circumstance can be demonstrated or a resolution to revisit is passed by at least 66% of Board Members present.

Attendance of Observers at Board and Committee Meetings

13.1 The Board and any Committee may invite any person to attend any such meeting as an observer. A person attending a meeting as an invited observer shall not speak nor take part except by invitation of the Chair. Observers shall not vote nor take part in any other poll or other matter under consideration and shall withdraw forthwith from the meeting if requested to do so by the Chair.

Signing of Documents

14.1 In accordance with the Requirements of Writing (Scotland) Act 1995 and the s48 of the Companies Act 2006, any legal document shall be validly executed on behalf of RCH and its subsidiary, HFS, if it is signed by a Director (i.e. a Board Member) or by the Secretary or by an authorised signatory, providing the document bears to have been signed by a person as a witness of the subscription of that Director (i.e. Board Member) or Secretary or authorised signatory and states the full name and address of the witness.

14.2 The authorised signatories for River Clyde Homes and summary delegations schedule are detailed in the Delegated Authority Schedule which is attached as Appendix 2 and, which requires to be authorised by the delegated authority of the Board and signed by the Chair of the Board.

Review

14.1 These Standing Orders will be reviewed in their entirety every 3 years unless an earlier review is required as a result of legal, regulatory or best practice requirements.

Context

Supporting Policies & Procedures

The RCH and HFS Articles of Association
The RCH Group Financial Regulations
The RCH Group Intra-Group Agreement
The RCH Group Code of Conduct
The RCH Group Equalities & Diversity Policy
The RCH Group Payments, Entitlements & Benefits Policy
The Customer Involvement Strategy

Ownership and Responsibility for Implementation

The owner of this policy is Kevin Scarlett, Group Chief Executive

Those responsible for implementing this policy are:

The Chair of the RCH Board
The Chair of the HFS Board
The Chair of the Committees
The Chief Executive
The Directors of the RCH Group companies
The Heads of Service and Senior Management Team of the RCH Group companies
The Managers of the RCH Group companies

Key Stakeholders

The Group and Subsidiary Boards, The Committees, Staff, Involved Customers; The Regulator

Related Legislation

Companies Act 2006
Housing Scotland Act 2010
Procurement Reform (Scotland) Act 2014
Requirements of Writing (Scotland) Act 1995

Appendix 1 – Scheme of Delegation

PART A: Matters Delegated to Committees

1. Introduction

The Group Board may from time to time establish Committees; appoint Committee members, Committee Chairs and Vice Chairs. Committees must act in accordance with their terms of reference and responsibilities specified by the Group Board and in accordance with the Code of Governance, attached as Appendix 2.

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2. Limitation on Delegation to Committees

There is delegated to each Committee the powers and functions specified in its terms of reference but subject to the following conditions:

- a) Each Committee, in carrying out the functions, powers and duties referred to or delegated to it, shall observe and comply with all policies and any resolutions, directions or instructions passed by the Group Board with reference to its business generally or to the said delegations and act within approved budgets and available funding; and
- b) A Committee may direct that a matter be reported to the Group Board for a decision or that the Committee's resolution on that matter be submitted to the Group Board in the form of a recommendation.

Terms of Reference: Group Audit and Risk Management Committee

1. Purpose

- 1.1 The Group Audit and Risk Management Committee (“ARC”) has been established by the Group Board to consider the work and outputs of the external and internal audit functions and the overall risk environment of the RCH Group companies. The ARC acts on the delegated authority of the Group Board and reports to the Group Board at each Group Board meeting all decisions taken under its delegated powers, and all recommendations for subsequent Group Board decisions.
- 1.2 The ARC shall oversee auditing responsibilities, financial management and ensure effective risk monitoring and management for RCH, as the Group parent and for HFS, its subsidiary. The ARC shall provide both Boards with an assurance that there is a systematic review of internal controls and financial reporting and that key risks are being identified and managed and that the organisation is operating within its agreed risk appetite.

2. Functions

- 2.1 The Group Audit and Risk Management Committee shall:

Internal Audit and Internal controls

- Arrange for the Group to appoint internal auditors, monitor their performance and set fees;
- Advise the Group Board on the standard of internal controls and systems;
- Review and co-ordinate the internal audit programme;
- Consider internal audit reports and the management response;
- Provide an annual report to the Group Board on the adequacy of internal control systems and overall financial control.

External Audit and Financial Performance

- Arrange for the Group to appoint external auditors, monitor their performance and set fees;
- Act as the primary point of contact with the Company’s external auditors over the annual accounts, key audit summary and audit management letter, making recommendations to the Group Board as appropriate;

- Review the format and presentation of management accounts and other financial and management information for the Group companies;
- Review the financial accounts and the work of the external auditors including monitoring the integrity of the financial statements and reviewing significant reporting issues and judgements which they contain;
- Take responsibility for detailed financial planning and monitoring, including budget monitoring, making appropriate recommendations to the Group Board;
- Ensure the Group has effective financial controls, accounting and treasury management policies and that it complies with relevant legal and regulatory requirements.

Risk Management

- Advise the Group Board on the existence and adequacy of risk management measures employed by the Group and to assess the overall risk appetite, tolerance and strategy of the Group;
- Monitor the risk culture and the extent to which risk is embedded in the Group at all levels including review of the Risk Map, and approve escalators to the Group Board as appropriate;
- Monitor the risks associated with key projects as identified by the Group Executive Management Team and the Group Board and provide recommendations to the Group Board for Group Board decision;
- Approve and review arrangements for managing the risk of fraud and bribery including the overall effectiveness of any policies, ensuring that any fraudulent activity is properly investigated.

Other

- Act as one of a number of designated contacts established under the Group's Whistleblowing Policy;
- Review the Group's fraud register, and action taken;
- Oversee the production of the annual Efficiencies Register and monitor progress on achieving efficiency and value for money targets and outcomes;
- Approve bad debt 'write offs', if out-with the rules agreed in the Financial Regulations, review and evaluate relevant policies;

- Consider matters relating to office accommodation, including facilities management and review of leases, and to make recommendations to the Group Board as appropriate;
- Oversee procurement arrangements policies and procedures, including the production and publication of an annual contracts register, the production and publication of a procurement strategy and the production and publication of annual procurement report detailing regulated procurements undertaken by the Group;
- Initiate reports and investigations, as it sees fit, having the right of access to all relevant information maintained within the Group. The Committee may require staff to provide information and attend a meeting of the Committee as part of any investigation;
- Request any legal or professional advice or other resources it considers necessary to properly discharge its responsibilities from the Executive Director, Resources & Transformation;
- Contribute to the development of the Business Plans, Financial Plans and Budgets;
- Ensure that decisions made under its delegated powers are reported to the Group Board for noting, all recommendations are reported to the Group Board for decision and that there is a transparent audit trail of the decision- making process.

3. Membership

- 3.1 The Committee shall comprise a minimum of three and maximum of six non-executive directors. The maximum number will include any co-optees.
- 3.2 All candidates for the Committee shall be identified by the Chair of the Committee (in liaison with the Remuneration and Nominations Committee), interviewed and the decision agreed with the Group Board. The Executive Director, Resources & Transformation shall attend each meeting and the Group Chief Executive shall attend meetings by invitation.
- 3.3 The Board may appoint up to two co-opted Members to the Committee who may not be a Group Board member and who will bring specific skills as necessary. This person would have the same powers as a co-optee of the Group Board in line with Article 40 of RCH's Articles of Association. Any co-opted member would be re-elected on an annual basis. The Chair of the subsidiary, Home Fix Scotland Limited shall normally be a co-opted member of the Committee.
- 3.4 The Group Board shall appoint the Chair of the Committee, who cannot also be the Chair of the Group Board. The Chair will present the minutes of Committee meetings to a meeting of the Group Board for noting.
- 3.5 All appointed Committee members have voting rights. In the event of any tied vote, the Committee Chair has the casting vote.

- 3.6 Any Group Board member may attend a meeting of the Committee under the flexible Committee membership arrangements. A Group Board Member attending a meeting on a casual basis (i.e. not as an appointed Committee member) shall be an observer, shall not possess voting rights and nor shall they form part of the quorum of the meeting.
- 3.7 The Group Board shall review membership of the Committee including length of service from time to time. Each term of office shall be 3 years with a maximum continuous tenure of 6 years except for the Chair who shall be part of the Committee for his/her length of service on the Group Board and whose term of office shall be defined by the Regulator from time to time.

4. Meeting

- 4.1 The Committee shall meet up to five times a year. Meetings will be valid if called out using electronic communication. The Committee shall determine at the beginning of the meeting whether it requires to discuss any matters during the meeting without any officers of the Company being present
- 4.2 Decisions by the Committee can be made by e-mail.
- 4.3 The Group Chief Executive shall attend at least one ARC meeting each year and additionally shall attend the annual meeting with the external auditors to approve the accounts.

5. Quorum

- 5.1 A quorum shall consist of three members, two of whom must be non-executive Board members.

6. Administration

- 6.1 In the Chair's absence, the members present will elect one of their number to chair the meeting.
- 6.2 The secretary of the Committee shall prepare papers for circulation to all members of the Committee. The secretary shall also keep a record of the membership and changes to the membership of the Committee.
- 6.3 The agenda for the meetings shall be determined by the Chair having discussed with the Executive Director, Resources & Transformation and considering the views of other members of the Committee and the Board, as necessary. The agenda and papers shall be issued no fewer than 5 working days prior to the date of the meeting.
- 6.4 Additional special meetings shall be notified by the Chair as the Chair deems necessary;
- 6.5 Decisions of the Committee shall be taken in accordance with the Standing Orders, Delegations and Governance Code.

7. Disputes

- 7.1 In the case of any dispute, the Group Board's decision shall override that of the Committee.
- 7.2 The Chair of the Group Board, in conjunction with the Chair of the Committee, has the right to report any such decision to the external auditors, after discussion at the Group Board about the proposed course of action.
- 7.3 The Committee can request additional external support and advice from the Executive Director, Resources & Transformation when it feels justified and appropriate and the Executive Director, Resources & Transformation shall arrange for the provision of such external support or advice to the Committee.

8. Review

- 8.1 The Terms of Reference of the Committee will be reviewed annually by the Committee for the Group Board to approve.

Terms of Reference

Group Remuneration and Nominations Committee

1. Purpose

- 1.1 The Group Remuneration and Nominations Committee ("RNC") has been established by the Group Board to advise the Group Board and Subsidiary Board on the succession, recruitment, induction and training of Executive and Non-Executive Board and Committee Members and to manage the Boards' recruitment process. It also serves as the Committee which considers the Group Chief Executive's remuneration.
- 1.2 The RNC shall also act as the Company's staffing committee with delegated authority to consider appeals and grievances and take appropriate action as set out in the Group's Disciplinary and Grievance policies;
- 1.3 The RNC has a specific role in the appointment of Subsidiary Board members having liaised with the Chair of the Subsidiary.
- 1.4 The RNC has responsibility for ensuring there is a confidential, formal and appropriate procedure for the appointment of the Group's Board and Committee members, including the Chairs, and that recruitment is on the basis of the necessary skills, competencies and diversity to carry out the function and add value to the Group Board and Subsidiary Board.
- 1.5 The RNC will take its recommendations to the Group Board for approval. The Group Board will consider the recommendations and take its recommendation to General Members at the AGM for final agreement in accordance with RCH's constitution as appropriate.
- 1.6 In the event of any conflict or inconsistency between these terms of reference and RCH's constitution, the constitution shall prevail. All procedures and processes permitted for Committees by the constitution shall operate for this Committee.

2. Functions

- 2.1 The Committee is tasked by the Group Board with the following:
 - Regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Group Board (and Subsidiary Board) and making recommendations to the Group Board with regard to any proposed changes.
 - Giving full consideration to any succession planning discussions at Group Board regarding Board Members and senior executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Group and Subsidiary Boards in the future.
 - Preparing a person specification for any vacancies that exist.

- Identifying and nominating suitable candidates to fill Group Board and/or Subsidiary Board vacancies. In identifying suitable candidates, the Committee shall:
 - use open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds;
 - consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Group Board and Subsidiary Board, including gender and current expertise; and
 - taking care that appointees have enough time available to devote to the position.
- Ensuring that a suitable induction process is provided for proposed Group and Subsidiary Boards and Committee members.
- Reviewing the results of the Group Board performance evaluation process that relate to the composition of the Group Board.
- Ensuring that on appointment, Group and Subsidiary Board Members receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside of meetings.
- Review the salary of the Group Chief Executive on an annual basis and make recommendations to the Group Board.
- Reviewing the Expenses policy for Group and Subsidiary Board members.
- Review Group and Subsidiary Board member remuneration (if appropriate).
- Ensuring that the Group Chair and Vice-Chair carry out an annual assessment of the Group Chief Executive's performance, including agreeing annual performance objectives and reporting progress to the Group Board;
- Considering staff pay and reward arrangements and making recommendations to the Group Board as appropriate;
- Monitoring and reviewing the Group's staffing and organisational structure;
- Setting up, as and when required:

Investigation Panel: When requested, investigate any serious complaint or serious allegation relating to an alleged breach of the Code of Conduct or rising from its Whistleblowing Policy or Internal Audit processes. The panel will fully review any matter brought before it and in doing so shall have

full powers to instruct further investigation and apply any appropriate actions as are necessary to maintain the highest standards of conduct by Group and Subsidiary Board Members and employees;

Appeals/Disciplinary Panel: In accordance with the Group Grievance and Disciplinary Policies, at least two members of the Committee may be required to act as a final point of appeal, only when the Group's internal policies have been exhausted.

Membership of any of the above Panels shall be drawn from and agreed by the Chair and/or Committee. If an appeal/disciplinary applies to an HFS employee, the Chair of HFS, will form part of the Panel.

Meetings shall be as required and agreed with the Chair and/or Committee.

Minutes of all the above panel meetings shall be made available to any Group or Subsidiary Board Member on request.

3. Reporting responsibilities

- 3.1 The Committee Chair shall report to the Group Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 3.2 The Committee shall produce a report to be included in the Group's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Group. The report referred to above should include a statement of the Group Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

4. Membership

- 4.1 The Committee shall comprise up to four members all of whom shall be Non-Executive members of the Group Board. The Vice Chair shall chair the Committee and the Group Board Chair will be a member of the committee (but will not participate in any part of the Chair of the Group Board recruitment process). Other members of the Committee will be the Chair of Audit and Risk Committee and the Chair of the Social Landlord Operations Committee.
- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group Chief Executive or other Board / Subsidiary Board Members and external advisers may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- 4.3 Each term of office is three years with a maximum continuous tenure of six years taking into consideration overall length of service on the Group Board.
 - The Committee Chair shall advise the Group Board on any proposed change to Committee membership, but the Group Board shall decide any change to Committee membership as well as ensuring appropriate representation to

cover related areas is provided and ensuring compliance with the terms of reference.

5. Meetings

- 5.1 The Committee shall meet when needed, normally around 2-3 times a year although there is no minimum set. Meetings will be valid if called out using electronic communications. The Committee will determine at the beginning of the meeting whether they need to discuss any matters during the meeting without any officers of RCH being present.
- 5.2 Decisions by the Committee can be made by e-mail.

6. Quorum

- 6.1 The quorum necessary for the transaction of business shall be three members.

7. Administration

- 7.1 In the Chair's absence, the members present will elect one of their number to chair the meeting.
- 7.2 The secretary of the Committee will prepare any papers for circulation to all members of the Committee. The secretary will also keep a record of the membership and changes to the membership of the Committee.
- 7.3 The agenda for the meetings will be determined by the Committee Chair having discussed with the Group Board and taking their views into account as necessary.
- 7.4 Unless otherwise agreed by the Committee, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members at the same time.

8. Review

- 8.1 The Terms of Reference of the Committee shall be reviewed annually by the Committee for the Group Board to approve.

Terms of Reference

Social Landlord Operations Committee

1. Purpose

- 1.1 The Social Landlord Operations Committee ("SLOC") is a Committee of the Group Board whose authority shall be delegated by the Group Board. Its role is to agree any customer facing strategy and policy and oversee performance so that the Group meets its strategic objective of delivering a first class customer service ensuring compliance with legal and regulatory requirements relating to housing and tenancy matters.
- 1.2 SLOC shall ensure that the Group is meeting excellent standards for all customers and shall provide assurance to the Group Board of compliance with key legislation and health and safety as it affects all of the Group's properties.
- 1.3 SLOC shall ensure that customer facing services provide value for money and continuously improve.

2. Function

- 2.1 The functions of SLOC are to:
 - Ensure compliance with legal and regulatory requirements which have been delegated to SLOC by the Group Board;
 - Ensure matters of potential serious detriment are managed;
 - Monitor performance against the Five-Year Plan objectives;
 - Ensure SLOC responds to the impact of legislative and regulatory changes;
 - Approves customer facing strategies and policies;
 - Identify risk and mitigating actions;
 - Agree and monitor customer facing targets;
 - Ensure that plans are in place to secure continuous improvement in service quality and that the Group has the capacity to deliver this;
 - Ensure that a robust approach is taken to business planning and contribute to the business planning process through challenge and contribution to development of the annual improvement plan;
 - Monitor the operation of any resident scrutiny arrangements and report to Board on its impact;
 - Approve and monitor the strategy in relation to any community investment activity;

- Approve and monitor key service standards;
- Consider reports on any proposed new legislation or any directions from the Scottish Public Sector Ombudsman or from any other statutory/advisory body with regards to customer facing services or activities;
- Have access to sufficient resources in order to carry out its duties
- Maintain oversight to ensure compliance with laws and regulations in relation to all matters within the remit of the Committee; work and liaise as necessary with all other Group Board and Committees and Subsidiary Board.

3. Reporting Responsibilities

- 3.1 The Committee Chair shall report to the Group Board on key issues to provide assurance to the Group Board on the overall performance of the Group in relation to the landlord function.
- 3.2 The minutes of SLOC shall be made available at Group Board meetings.

4. Membership

- 4.1 The membership of SLOC shall comprise at least three members and a maximum of seven members including any co-optees.
- 4.2 The Committee may co-opt up to two people to bring specific skill and insight to the Committee. Co-optees shall not be counted towards a quorum.
- 4.3 Members of SLOC are appointed by the Group Board on the recommendation of the Remuneration and Nominations Committee who will have consulted the Chair of SLOC. Appointments are normally for three years and may be extended for a further three-year period to a total aggregate period of six years.

5. Meetings

- 5.1 SLOC shall meet at least four times a year at appropriate times in the reporting cycle, and otherwise as required.
- 5.2 Meetings of SLOC shall be convened by the Committee Chair, or Secretary.
- 5.3 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and the supporting papers, shall be forwarded to each member of SLOC and any other person required to attend, to arrive no later than 5 working days before the date of the meeting.

6. Quorum

- 6.1 The quorum of SLOC is three members, two of whom must be members of the RCH Board. Observers do not count towards a quorum.

7. Administration

- 7.1 In the Chair's absence, another member shall be selected to Chair the meeting.
- 7.2 The Committee will be supported by the secretary. The secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 7.3 The secretary of the Committee will prepare papers for circulation to all members of the Committee. The secretary will also keep a record of the membership and changes to the membership of the Committee.
- 7.4 The agenda for the meetings will be determined by the Committee Chair having discussed with the Group Board and taking their views into account as necessary.

8. Review

- 8.1 These Terms of Reference shall be reviewed annually by SLOC for the Group Board to approve.

PART B: Terms of Reference: Board of Home Fix Scotland Limited

1. Purpose

- 1.1 Home Fix Scotland Limited (HFS) is a private company and subsidiary of River Clyde Homes (RCH) (together HFS and RCH are referred to as the Group). It provides a range of building related services, maintenance and facilities management. It is a wholly-owned subsidiary and operates under its articles of association, intra-group agreement and the Single Operating Model which allows the RCH Board of Management to provide the ultimate control over HFS's operations.
- 1.2 The HFS Board establishes and oversees the control framework to enable risks - financial, political and reputational - to be assessed and managed so that the executive and the business can operate effectively. The RCH Board will seek to ensure that adequate resources - financial and human - are available so that HFS can meet its objectives. The Chair of HFS will ensure that the Board performs its tasks effectively and will work with the Managing Director of HFS to ensure that the Board meets its strategic objectives and liaises with key stakeholders and the RCH Board as appropriate.
- 1.3 The Board will be supported by the Managing Director of HFS, who will be responsible for planning and meeting HFS's strategic objectives as set and agreed by the RCH Board.

2. Functions

- 2.1 The Board will be responsible for:
 - Setting and ensuring compliance with RCH's mission, vision, values and strategic aims of the organisation, ensuring its long-term success and the long-term success of the Group;
 - Setting, approving and reviewing policies and strategies to deliver the vision;
 - Ensuring compliance with legal requirements;
 - Setting a positive culture, with a strong customer focus, seeking to understand and continuously improve the residents' experience;
 - Ensuring that HFS operates effectively, efficiently and economically;
 - Providing oversight, direction and constructive challenge to the Managing Director and staff team and establishing and maintaining a strong working relationship between the Board and Managing Director and the RCH Board;
 - Satisfying itself as to the integrity of financial information, approving the financial plan, each year's Business Plan, budget and annual accounts prior to publication;

- Monitoring performance of plans, budgets and operations;
- Ensuring HFS's affairs are conducted lawfully and in accordance with generally accepted standards of performance and probity;
- Establishing and overseeing a framework for the identification and management of risk in order to protect HFS's assets, reputation, and determining HFS's risk appetite;
- Establishing and overseeing a framework of delegation and systems of internal control so HFS can run effectively;
- Evaluating and approving new development opportunities, ensuring these are in line with RCH's business plan and any other business plan of the RCH Group;
- Agreeing changes to the structure, size and composition of the Board in accordance with its articles of association and referring these to RCH, as sole shareholder of HFS, when necessary
- Liaising with the Group's Remuneration and Nominations Committee on the overall succession planning for Board appointments, Board member development and appropriate self-assessment.

3. Delegation

- 3.1 The Board delegates responsibility to HFS's Managing Director for all operational matters in line with the Delegations Matrix approved by the RCH Board.
- 3.2 The Board will be serviced by the Group's Audit & Risk Committee and Remuneration and Nominations Committee.

4. Accountability

- 4.1 The Board is accountable to its shareholders (RCH is currently the sole shareholder). It will provide, in the Directors' report to the annual accounts, a review of operations in the year, an overall statement on accountability and an overview of its key responsibilities.

5. Membership

- 5.1 The Board will have a minimum of 3 and a maximum of 5 members (including any co-optees). Members of the Board are directors of the Company in law. Any Executive Board member will cease to be a Board member upon termination of his/her employment.
- 5.2 Board members are elected for a fixed term of 3 years and in line with the Company's constitution, no member will serve beyond nine consecutive years. At the end of the fixed term, Board members will resign and, if they wish, re-apply for Board membership, up to a maximum of three terms (nine years).

- 5.3 Applications for re-appointment will be considered in the light of appraisals of the Board member's effectiveness (through the annual appraisals) and the skills gaps on the Board at the time. There is no assumption of automatic reappointment.

6. Meetings

- 6.1 The Board shall meet no less than three times every calendar year. Meetings will be valid if called out using electronic communication. The Board will determine at the beginning of the meeting whether they need to discuss any matters during the meeting without any officers of HFS being present.

7. Quorum

- 7.1 A quorum shall consist of three directors.

8. Administration

- 8.1 The Chair of HFS will chair the Board and, in his/her absence, the Vice Chair will chair the meeting.
- 8.2 The Secretary of the Board will prepare papers for circulation to all directors.
- 8.3 The Secretary will also keep a record of the Board's membership, a register of interests, and ensure directors' details are up to date.
- 8.4 The agenda for Board meetings will be determined by the Chair and Managing Director and take into account the views of other directors as necessary.
- 8.5 The agenda and papers will be sent no fewer than five working days prior to the date of the Board meeting.
- 8.6 The minutes will be taken by the Secretary and circulated no more than 10 working days after the meetings.

9. Urgency Policy

- 9.1 In the event of decisions having to be made outside the scheduled Board timetable the Secretary can call a meeting comprising at least three directors to consider the issue. At least one of these should be the Chair or, in their absence, the Vice Chair.
- 9.2 The meeting can be held face-to-face, or by electronic communication. If this is not possible, a group email can be sent. In this case, if three quarters of the directors are in favour of the proposal it shall be valid and effective as if it had been passed at a properly called and constituted Board meeting.

10. Review

- 10.1 The Terms of Reference of the Board of HFS will be reviewed annually by the Group Board.

PART C – Matters delegated to the Chief Executive Officer

1. Role of Group Chief Executive (and delegation to officers)

- 1.1 The Group Chief Executive, being the chief officer of the Group is responsible for managing and directing the affairs of the Company.
- 1.2 The Executive Director, Resources & Transformation is responsible for the applicability and the interpretation of this Scheme and advising accordingly.
- 1.3 This scheme determines which officers can exercise the delegated functions/powers.
- 1.4 The Executive Director, Resources & Transformation shall be entitled to vary this Scheme but only in the following circumstances:
 - to reflect changes in job titles, departmental reorganisations and vacancies in posts; and
 - to change references to any legislation where the legislation is repealed, amended or updated.
- 1.5 Subject to the expressly reserved matters of the General Meeting, the Group Board and Committees set out in the RCH and HFS Articles of Association respectively and this Scheme of Delegation, the Group Chief Executive is authorised to manage the Group companies and to direct their operations.
- 1.6 The Group Chief Executive is responsible to and accountable to the Group Board.
- 1.7 The Group Chief Executive is responsible for all matters delegated to him or her in the Scheme of Delegation and Financial Regulations. The Group Chief Executive may delegate such powers, responsibilities and authority to other members of the Group Executive Management Team and advise the Group Board accordingly.
- 1.8 The Group Chief Executive, in consultation with the Group Chair, is responsible for the interpretation of the policies of the Group and the Group Chief Executive is responsible for their implementation.
- 1.9 The Group Chief Executive will motivate and direct the Group companies with confidence, authority and passion and lead the RCH Group to a customer-focussed, progressive and sustainable future.

2. Urgent Decisions and Delegation

- 2.1 Between Group Board or Committee meetings, the Group Chief Executive, (or in his or her absence, the relevant Director), is authorised, in consultation with the Chair (or in his or her absence the Vice Chair or a Committee Chair) and one

other Board member, to take such action as may be considered necessary concerning urgent matters otherwise reserved to the Group Board, Subsidiary Board or a Committee.

- 2.2 Any such action shall be submitted for ratification at the next Board meeting or, where appropriate, Subsidiary Board or Committee meeting.

PART D – Summary Delegations Schedule

DIRECTORATE	RESPONSIBILITY FOR APPROVALS	RESPONSIBILITY FOR IMPLEMENTATION
Resources & Transformation		
Annual Returns and Statutory Registers	Group Board	Executive Director, Resources & Transformation
<p>Disposal of land or other assets:</p> <p>Disposals of land or other assets by way of sale (or excambion) of untenanted social and non-social dwellings or land or other asserts over £120,000 in value; or</p> <p>Disposals by way of lease of roof space of residential tenanted properties for renewable energy sources (e.g. solar panels) or telecommunications (e.g. aerals)</p>	<p>Relevant Committee up to and not exceeding a value of £120,000</p> <p>Group Board where value is in excess of £120,000 (SHR notification requirements applies)</p>	<p>Executive Director, Resources & Transformation</p> <p>Executive Director, Resources & Transformation</p>
Granting of security or charges for private finance / loans	Group Board	Executive Director, Resources & Transformation
Governance Improvement Plan	Group Board	Executive Director, Resources & Transformation
Group Codes of Governance and Conduct	Group Board	Group Executive Management Team
Annual Board member performance appraisal	Group Board	Group Chair
Appointment of internal & external auditors	Group Audit and Risk Committee	Executive Director, Resources & Transformation

Notifiable Events	Group Chief Executive	Group Executive Management Team
Financial and other relevant controls and policies	Group Audit and Risk Committee	Executive Director, Resources & Transformation
Customer Senate Scrutiny Reports	<p>Social Landlord Operations Committee</p> <p>Presented to the Board</p> <p>Response and monitoring of any actions</p>	<p>Customer Senate</p> <p>Executive Director, Customer Experience</p>
Approval of terms for licences	Group Audit and Risk Committee	Executive Director, Resources & Transformation
Appointment of external legal advisors and professional consultants	Group Audit and Risk Committee	Executive Director, Resources & Transformation
Authorised Signatories	<p>Where contract value is less than £1 Million (incl. VAT) the subscription of one Authorised signatory (duly witnessed by an RCH officer) is sufficient.</p> <p>Where the contract value is in excess of £1 Million (incl. VAT) the subscription of two authorised signatories is required. Such subscriptions shall not require to be witnessed.</p> <p>Cancellation of said Contracts detailed above</p>	Relevant Member of the Group Executive Management Team
Disposal of Goods	Group Audit & Risk Committee	Executive Director, Resources & Transformation

Strategic Planning and Performance		
BUSINESS AREA	RESPONSIBILITY FOR APPROVALS	RESPONSIBILITY FOR IMPLEMENTATION
Business Plan (annual refresh, 5 year and 30 year plans)	Group Board	Group Chief Executive
Strategic Objectives and Outcomes	Group Board	Group Chief Executive
Strategic Action Plans	Group Board	Relevant Member of the Group Executive Management Team
Financial Plan (annual refresh, 5 year and 30 year plans) and Annual Budget	Group Board	Relevant Member of the Group Executive Management Team
Asset Management Plan (annual refresh and 5 year plans)	Group Board	Executive Director, Customer Experience
Annual Budget	Group Board	Executive Director, Resources & Transformation
Annual Delivery Plan	Group Board	Relevant Member of the Group Executive Management Team
Performance Management Framework	SLOC	Relevant Member of the Group Executive Management Team
Group Chief Executive Performance	Group Remuneration and Nominations Committee	Chair and Vice Chair of the Group Board
Staff Appraisal Framework	Group Remuneration and Nominations Committee	Relevant Member of the Group Executive Management Team
Co-regulation and customer scrutiny framework	SLOC	Executive Director, Customer Experience

Personnel Issues		
BUSINESS AREA	RESPONSIBILITY FOR APPROVALS	RESPONSIBILITY FOR IMPLEMENTATION
Major changes to the RCH organisational and staffing structure	Group Board	Group Chief Executive
Major changes to the HFS organisational and staffing structure	HFS Board	Managing Director HFS
Creation of new permanent posts (RCH / HFS)	Group Board / HFS Board	Group Chief Executive / Managing Director HFS
Creation of temporary posts for a maximum of 2 years with prior budget approval	Relevant Member of the Group Executive Management Team	Managers
Recruitment to fill existing posts	Relevant Member of the Group Executive Management Team	Managers
Approval of conditions of service	Relevant Member of the Group Executive Management Team	Relevant Member of the Group Executive Management Team
Annual pay negotiations (RCH / HFS)	Group Board / HFS Board	Executive Director, Resources & Transformation Managing Director HFS
Job Evaluation, salary scales and rewards	Group Remuneration and Nominations Committee	Executive Director, Resources & Transformation
Relevant Organisational Development policies	Group Remuneration and Nominations Committee	Executive Director, Resources & Transformation
Severance payment to and / or settlement agreement with a staff member	Group Chief Executive	Executive Director, Resources & Transformation

CUSTOMER EXPERIENCE: Asset Management and Investment		
BUSINESS AREA	RESPONSIBILITY FOR APPROVALS	RESPONSIBILITY FOR IMPLEMENTATION
Investment Programme (annual refresh and 5 year) confirming planned asset investment works, demolitions, new build and acquisitions	Group Board	Executive Director, Customer Experience
Neighbourhood 'Blueprints' and Plans	SLOC	Executive Director, Customer Experience
Project approvals including applications for planning permission and applications for grants	Group Executive Management Team	Executive Director, Customer Experience
Acquisition of land and buildings	Group Executive Management Team for a value up to and not exceeding £120,000 Group Board for a value in excess of £120,000	Executive Director, Customer Experience
Relevant development, investment and regeneration policies	SLOC	Executive Director, Customer Experience
CUSTOMER EXPERIENCE: Housing and Customer Services		
BUSINESS AREA	RESPONSIBILITY FOR APPROVALS	RESPONSIBILITY FOR IMPLEMENTATION
Management and Service Level Agreements	Directorate	Group Director: Customer Experience
Nomination Agreements	SLOC	Executive Director, Customer Experience
Annual Rent/Charges Proposal	Group Board	Executive Director, Resources and Transformation

Relevant tenancy management and factoring services policies	SLOC	Executive Director, Customer Experience
Procurement – authority to incur commitment under Procurement Policy		
Total spend of up to £10,000	Heads of Service/Senior Managers	Managers
Total contract value between £10,000-£50,000	Relevant Member of the Group Executive Management Team	Managers
Total contract value of > £50,000	Relevant Group Committee / HFS Board	Relevant Member of the Group Executive Management Team
BUSINESS AREA	RESPONSIBILITY FOR APPROVALS	RESPONSIBILITY FOR IMPLEMENTATION
Review of procurement policies	Group Audit and Risk Committee	Executive Director, Resources & Transformation
Finance		
Virement – non employee costs if > than £200,000	Relevant Group Committee /HFS Board	Executive Director, Resources & Transformation
Virement – non employee costs if < than £200,000	Executive Director, Resources & Transformation	Managers
Virement – employee costs > than £10,000	Relevant Member of the Group Executive Management Team	Executive Director, Resources & Transformation
Virement – employee costs < than £10,000	Executive Director, Resources & Transformation	Managers
Loan Agreements	Group Board	Executive Director, Resources & Transformation
Standard Securities	Group Board	Executive Director, Resources & Transformation

Annual budgeted bad debt write off	Group Audit and Risk Committee	Executive Director, Resources & Transformation
Expenditure Authorisation Limits (please note that within these limits below, prior Committee/Board approval is required (in table above under heading of 'Procurement') to commit to all expenditure above £50,000		
< £1,000	Officer Level	
< £5,000	Stores Assistant	
< £10,000	Stores Supervisor Surveyors/Project Co-ordinators Compliance Co-ordinators Grade 5 Officers	
< £250,000	Heads of Service, Senior Manager and Managers	
> £250,000	Group Executive Management Team	

PART E – Duties of the Company Secretary

- s) The duties of the Secretary means the person appointed to the post of the RCH Group Secretary and who may be the Group Chief Executive or some other person;
- 1.
- a) Ensuring accessible governance information is available to the Group and Subsidiary Boards, Group employees and any member of the public and customers as appropriate;
 - b) providing advice to the Group and Subsidiary Boards on the scope of powers and authority to take decisions including maladministration, financial impropriety, probity and governance issues;
 - c) After consulting with the Group Chief Executive, advising the Group and Subsidiary Boards if he/she considers that any proposal, decision or omission would potentially give rise to unlawfulness or if any decision or omission has given rise to or potentially could give rise to allegations of maladministration. The proffering of such advice will trigger a review of the proposal or decision;
 - d) Contributing to the promotion and maintenance of high standards of conduct as required by the provisions of the Code of Conduct and the SHR's regulatory framework;
 - e) Arranging for independent investigation into matters concerning breaches of the Code of Conduct and the SHR's regulatory framework and making reports or recommendations in respect of such findings to the Chair of the Audit and Risk Committee;
 - f) Comply with all regulatory standards in respect of publishing information.
 - g) Service the Group Audit and Risk Management Committee and Group Remuneration and Nominations Committee as required.

PART F – Staffing Appointments

1. Recruitment of Chief Executive and Directors

1.1 Where the Group Board proposes to appoint the Group Chief Executive or Group Directors, the Head of Corporate Services shall arrange for a statement to be drawn up a statement specifying:

- a-) the duties of the officer concerned; and
- b-) any qualifications or qualities sought in the successful candidate.

1.2 The post shall then be advertised by the Head of Corporate Services in such a way as is likely to bring it to the attention of persons who are qualified to apply for it and a copy of the statement drawn up shall be sent to any person on request.

2. Appointment of Chief Executive and Directors

2.1 The Group Remuneration and Nominations Committee will act as a selection panel to recruit the Group Chief Executive and Group Directors.

2.2 All Group Board members must be given the opportunity to meet candidates and make their comments available to the selection panel.

3. Officers below Director Level

Appointment of Officers below Group Director level is the responsibility of the Group Chief Executive or his/her nominee, and must not be made by Group or Subsidiary Board members.

4. Disciplinary Action

4.1 The Group Chief Executive, if subject to disciplinary action, may be suspended whilst an investigation takes place into alleged misconduct. The normal disciplinary process would apply with the exception of the investigating officer being a member of the Group Remuneration and Nominations Committee supported by an Human Resources Representative. The Appeal would be heard by up to 3 members of the Group Board.

4.2 Board members will not be involved in disciplinary action against any officer below Chief Executive level, except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Group's disciplinary and related procedures.

5. Dismissal

Group or Subsidiary Board Members will not be involved in the dismissal of any Officer below the Group Chief Executive level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Group's disciplinary and related procedures.

PART G – Finance, Contracts and Legal Matters

1. Financial management

The management of the Company's financial affairs will be conducted in accordance with the Financial Regulations agreed by the Group Board.

2. Contracts

Every contract made by the Group companies will comply with the corporate procurement arrangements within the Financial Regulations and the Contract Procedure Rules.

3. Legal proceedings by the RCH Group Companies

The Group Chief Executive is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Group Board or in any case where the Group Chief Executive considers that such action is necessary to protect the Group's interests. Where necessary the Group Chief Executive may delegate authority to proceed.

Appendix 2 – Code of Governance

1. The Principles of Good Governance

The foundation of good governance is that there should be a balanced, diverse and effective Board which leads and controls the organisation and complies with legal requirements. The Board should ensure that the organisation upholds the following principles:

Ethics

It operates according to high ethical standards, explicit values and appropriate codes of governance and conduct.

Accountability

There is proper accountability to, and involvement of, all the organisation's stakeholders, primarily its residents.

Customer First

It 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 and Inclusion

There is fairness and equality of opportunity and a recognition of diversity in all aspects of the organisation's governance.

Review and Renewal

There are formal and open processes for the Periodic review of the Board's own performance, which ensure its renewal on an ongoing basis.

Clarity

There is clarity of roles and responsibilities between the organisation's board members and paid staff.

Control

There are effective systems for internal delegation, audit, risk management and control. The Board received adequate and timely reports and advice to inform its decisions. The Board has an effective relationship with internal auditors, external auditors and regulators.

Structures

There are effective staffing and Committee structures to support the Board's work.

2. Constitution and composition of the Board

Main principle: The Board must be effective in the strategic leadership and control of the organisation to achieve good outcomes for its customers and other service users, and act wholly in its best interest. The Board must ensure that the interests of the organisation are placed before any personal interests.

- 2.1 The core purpose of the Board is to determine vision and strategy, lead, direct, control, scrutinise and evaluate the organisation's affairs; management and the work of RCH should be delegated to RCH's staff and the Board must hold them to account.
- 2.2 The objects and powers of RCH are outlined in the Articles of Association.
- 2.3 All Board Members, executive and non-executive, share the same legal status and have equal responsibility for its decisions. Each must act only in the interests of the organisation and not on behalf of any constituency or interest group and should not place any personal or other interest ahead of their duty to RCH. Board Members should put the interests of the organisation and its customers before their own interests whether commercial or otherwise.
- 2.4 Board members who are executive staff must be in a minority. The Board should have at least seven members and no more than twelve, including co-optees and any executive Board members.
- 2.5 A majority of those present must be non-executive Board members for a board meeting to be quorate.
- 2.6 Board Members should collectively possess the skills, knowledge and qualities required to take decisions and monitor RCH's performance effectively.
- 2.7 The Board should carry out a regular review of its own strengths and development needs in order to ensure its continuing effectiveness, and to satisfy the Scottish Housing Regulator's requirements contained within the Scottish Housing Regulator's Regulatory Framework.
- 2.8 All members of the Board have the same legal status and have equal responsibility for decisions taken. The Chair and Vice Chair of the Board and Committees should always be a full member of the Board and meet the requirements of the role profile and competencies. These positions must not be held by an executive.
- 2.9 The Board should ensure that all new Board Members undertake an assessment of their performance in the role with the Chair of the Board after an initial period of six months. All new Board Members will undertake an induction programme prior to attending their first Board or Committee meeting. Performance assessment with all Board Members will be undertaken on an annual basis, and will include both a collective assessment of the Board and individual assessment of Board Members. The output of this process will be a feedback report with recommendations and an updated Board Training and Development Plan.
- 2.10 The following information and issues are dealt within RCH's Articles of Association:

- non-executive directors remuneration;
- non-executive directors interests;
- proceedings of the Board;
- appointment of the Chair and Vice Chair and of the Board;
- disqualification of non-executive directors;
- voting at Board Meetings; and
- indemnity for non-executive directors;

2.11 The role and responsibilities of Board Members are set out in a separate role profiles and required competencies and letter of appointment, which is issued to Board Members at the time of appointment.

Size and composition of the Board

2.12 Good practice guidance suggests that a board should have at least seven members and no more than twelve. The Board of RCH will comprise of twelve directors including executive directors and co-optees.

2.13 Board Members will be chosen for the specific skills and expertise they can bring to the role. A maximum of **two Board members will be nominated by Inverclyde council.**

Board co-optees

2.14 The Board has the facility to co-opt up to three members onto the Board or any of its committees. The reasons for co-opting can be varied. It might be that the Board feels it needs to invite someone with specialist skills and experience to strengthen the Board; or that there is an opportunity to co-opt a customer to the Board who can benefit from the experience.

2.15 It could prove to be an ideal way to offer training and development to customers to build their capacity to fully participate as a future Board member.

2.16 Co-optees can serve on either the Board or committees, but are not full members of the Board and cannot vote in matters directly affecting the Articles of Association, membership of RCH or the election or appointment of office bearers. Co-optees are required to stand down at the AGM although can be re-appointed. During their time as co-optee they are subject to the same codes and rules as full Board Members. They will also participate in the annual Board performance review.

Commitment to customer influence

2.17 The Board is committed to the development of customer influence in decisions about service delivery and issues that affect them, and the Board will seek out the needs, priorities, views and aspirations of its customers and stakeholders. To

ensure the highest level of Board assurance on this essential area of governance, customer influence and co-regulation will be included in the annual Board performance review.

Charitable status

2.18 RCH is registered as a charity with the Office of the Scottish Charity Regulator and as such must abide by the requirements regarding its charitable purpose and public benefit. These are set out in the Articles of Association of RCH as registered at Company's House and the Office of the Scottish Charity Regulator. Changes to the constitution must be notified to the Office of Charity Regulator and consent must be obtained where the changes relate to the charitable purposes of RCH.

Company Secretary

2.19 The Board must appoint a company secretary (or a person with that function) with a clear accountability to the Board, to advise it on compliance with the organisation's constitution, this code, and other statutory or regulatory requirements particularly as relating to their position as Board members, company directors, and charity trustees.

3. Essential functions of the board and chair

Main principle: The Board must be clear about its duties and responsibilities. These must be set out and made available for all existing and potential Board Members. The Board must be headed by a skilled Chair who is aware of his or her duties as leader of the Board.

3.1 The essential functions of the Board are formally recorded. In addition to matters set out in law and in the organisation's constitution these will include as a minimum:

- a. Setting and ensuring compliance with the values, vision, mission and strategic objectives of the organisation, ensuring its long term success;
- b. Setting a positive culture, with strong customer focus;
- c. Ensuring that the organisation operates effectively, efficiently and economically;
- d. Providing oversight, direction and constructive challenge to the organisation's Chief Executive and Executives;
- e. The appointment and, if necessary, the dismissal of the Chief Executive;
- f. Satisfying itself as to the integrity of financial information, approving each year's budget, business plan and annual accounts prior to publication;
- g. Establishing, overseeing and reviewing a framework of delegation and systems of internal control; and
- h. Establishing and overseeing a risk management framework in order to safeguard the assets and reputation of the organisation.

- 3.2 The Board must formally record a schedule of those essential functions and other significant matters which are specifically reserved for the Board's decision and which cannot be delegated.
- 3.3 The Board must ultimately have the responsibility and clear powers to direct and if necessary intervene in the governance of its subsidiaries.
- 3.4 The parent Board must determine how and whether this code should apply to each of its subsidiaries.
- 3.5 The constitutional arrangements between the parent and each subsidiary must be formally recorded.
- 3.6 The parent Board must approve the group's plans and budgets, and hold the subsidiary boards accountable for delivery of their objectives.
- 3.7 The Chair is responsible for leadership of the Board and ensuring its effectiveness. The particular duties and responsibilities of the Chair must be formally recorded.

4. Board skills, renewal and review

Main principle: Recruitment to Board vacancies must be open and transparent, based on merit and objective selection and assessment techniques. It must be based on the Board's considered view of the skills and attributes required to discharge its functions. The Board must undertake a formal and rigorous annual performance review of its individual members and the Board as a whole.

- 4.1 The Articles of Association deal with the appointment and retirement of Board Members.
- 4.2 All Board Members are subject to fixed terms of appointment. Board Members are appointed for three year terms, with the appointments being subject to an annual performance review.
- 4.3 Terms of office for individual Board Members should be for a maximum of three terms or nine years. However, RCH may appoint Board Members for a further year where the Board Member in question is still able to demonstrate their continued effectiveness in terms of their objectivity and levels of independent challenge to familiar practices and thinking.
- 4.4 The term of office for the Chair of the Board is five years.
- 4.5 On appointment, Board Members are required to complete a Declaration of Interest Form, sign a Charitable Status Declaration Form or an Eligibility to Serve Form for subsidiary Boards and accept the RCH Code of Conduct.

Board Performance

- 4.6 All new Board members must receive a properly resourced induction, and ongoing learning and development during their tenure.

- 4.7 All Board Members undertake an individual performance review annually. It comprises a self-assessment questionnaire. An essential element of the review is a one to one meeting with the Chair and or Vice Chair of the Board and an independent facilitator, when their performance over the last year can be discussed, along with any learning and development needs.
- 4.8 Following the assessment Board Members receive a brief report with a personal development plan (PDP). Responsibility for addressing issues set out within the PDP rests with the Board Member. RCH will provide the support, resources and training to enable Board Members to achieve their personal learning and development goals.
- 4.9 The Board will also undertake a collective Board performance review using a self-assessment questionnaire and workshop format. The results of both the individual and collective performance assessments will be used to inform a Board Training and Development Plan.

Board Payment

- 4.10 If the organisation decides to pay board members it must ensure that it has an objective mechanism for establishing payment levels. This will normally be the responsibility of the Nominations and Remuneration Committee, using independent advice and benchmarking as required.
- 4.11 Payment to non-executive Board members must be:
- a. Permitted by law and by the RCH constitution;
 - b. In the best interests of the organisation;
 - c. Reasonable and proportionate to the organisation's size, complexity and resources;
 - d. Linked to the carrying out of the specified duties of the post, against which performance must be reviewed; and
 - e. Fully disclosed on a named basis in the organisation's annual financial statements

5. Conduct of Board and Committee business

Main Principle: The Board must act effectively, making clear decisions based on timely and accurate information.

- 5.1 The Board and sub-committees have clear terms of reference that are reviewed annually to ensure transparency and effectiveness.
- 5.2 Board and Committee meetings should, wherever possible, be based on full agendas and clearly presented and accurate documents circulated to all members seven days prior to meetings. Decisions and the main reasons for them must be recorded in the meeting minutes.
- 5.3 Urgent decisions between Board meetings must be taken in accordance with proper, formally recorded and predetermined arrangements.

- 5.4 All Boards and Committees must consider their effectiveness annually and how they conduct their business, including:
- a. Their governing instruments, delegations, regulations, standing orders, structures, systems and other formal documentation;
 - b. The timing and frequency of meetings;
 - c. The format of their agendas, papers, minutes and communications;
 - d. Their collective performance as a decision-making body; and
 - e. Their compliance with this code and their legal duties.
- 5.5 There must be a formal review of these matters at least every three years, to ensure best practice, and that documentation is compliant with the latest legislation and regulations.
- 5.6 The Chair of the Board must not chair the Nominations and Remuneration Committee nor the Audit & Risk Committee.
- 5.7 Paid staff of RCH must not be members of the Nominations and Remuneration Committee nor the Audit & Risk Committee.
- 5.8 Each Committee must have formally recorded terms of reference approved by the Board, and must report regularly to the Board on its work and the exercise of any delegated authority it has been given.

6. The Chief Executive

Main principle: There must be clear working arrangements between the Board and the Chief Executive and clear delegation of authority.

- 6.1 The Chief Executive must be clear about the essential duties of the role and have clarity over his or her legal responsibilities, delegated authority and relationship with the Board.
- 6.2 Like all other employees, the Chief Executive must have a written and signed contract of employment; the Board must consider whether it should be reviewed at least every three years.
- 6.3 Periods of notice of more than six months and other provisions for material payments to be made or benefits granted in the event of the contract being terminated must be specifically approved by Board with the reasons for the decision clearly minuted.
- 6.4 The Board must delegate to a committee responsibilities that include oversight of the appraisal of the Chief Executive and making a recommendation to the Board on the Chief Executive's remuneration. The Committee must not include any members of the Board.
- 6.5 The Chief Executive's remuneration must be disclosed in the annual financial statements in accordance with the applicable statement of Recommended Practice (SORP).

7. Audit and Risk

Main principle: the Board must establish a formal and transparent arrangement for considering how the organisation ensures financial viability, maintains a sound system of internal controls, manages risk and maintains an appropriate relationship with auditors.

- 7.1 There must be effective internal controls and appropriate systems for business assurance, so that the Board can have confidence in the information it receives.
- 7.2 The organisation's external auditors must be independent and effective.
- 7.3 RCH must have a Committee primarily responsible for audit, and arrangements for an effective internal audit function.
- 7.4 The Committee responsible for audit must bring independent scrutiny and challenge to provide the board with assurance, and exercise oversight of the internal and external audit functions.
- 7.5 The Committee responsible for audit must meet regularly and its minutes must be available to all members of the Board. The reasons for the decisions taken must be recorded in the minutes and presented to the Board for noting or endorsement.
- 7.6 The Committee must be able to meet with external auditors without executives or other paid staff being present at least once a year.
- 7.7 The Chair of the Committee responsible for Audit must either be a member of the Board or have clear arrangements for reporting to the Board.
- 7.8 The voting members of the Committee responsible for audit must not include the Chair of the Board or any Executives.
- 7.9 The Board must identify and regularly review the individual and combined material risks faced by the organisation and make plans and strategies to mitigate and manage them effectively.

8. Diversity and Inclusion

Main principle: The Board must demonstrate leadership and commitment to equality, diversity and inclusion as outlined in the Equality Act 2010 across RCH's activities.

- 8.1 The Board initiates and monitors the policies and procedures relating to Equality and Inclusion and reviews them regularly.
- 8.2 Specifically the Board:
 - monitors progress and the impact of the policies and practice;
 - monitors employee data and pay gap information; and
 - ensures the equality criteria is included within the procurement process.

8.3 The Chief Executive, through delegated powers, has responsibility for ensuring that the Equality, Diversity and Inclusiveness Policy is implemented effectively.

9. Conduct, Probity and Openness

Main principle: River Clyde Homes must maintain, and be seen to maintain, the highest ethical standards of probity and conduct. Boards must operate in an open and transparent manner, having dialogue with and accountability to customers and other key stakeholders.

9.1 Board membership entails a particular responsibility to avoid any suggestion of impropriety. Matters such as conflicts of interests, or acceptance of gifts or hospitality, are particularly sensitive. The Board must adopt and comply with the River Clyde Homes Code of Conduct.

9.2 The Board must consider any potential conflicts of interest and adopt appropriate policies and procedures for their declaration and management. All conflicts must be dealt with in a way which upholds the organisation's reputation, and reflects:

- the organisation's constitution
- charity law
- the Companies Act 2006, concerning how conflicts (of interest, loyalty or duty) are to be declared and managed.

9.3 Where conflicts of personal interest arise these must be recorded and, if material, the individual concerned must be excluded from the discussion or decision by a resolution of the non-conflicted members present.

9.4 In the case of a fundamental or ongoing material conflict the board must consider and determine whether the person concerned should cease to be a board member.

9.5 Where there are persons who are members of more than one board in a group, there must be formal arrangements to ensure that if there are any actual or potential conflicts of interest, these are identified and managed.

9.6 The Board must publish an annual report of the organisation's activities and performance.

9.7 River Clyde Homes must have in place a strategy for regularly communicating information about its work to its members and stakeholders, and ascertaining their views. In doing so, it must have regard to the communication needs of the diverse groups of communities it serves.

9.8 The organisation must respond in a considered and transparent way to requests for information about its work and activities.

10. Breach of the Code

10.1 In the event that there is an alleged or suspected breach of any part of this Code, the following process should be adhered to:

- The Chair of the Board should have a discussion with the member suspected of breaching the Code;
- Following this discussion, the Chair, if he or she deems it is required, should convene a panel of 3 Board members tasked with conducting a full investigation into the alleged breach;
- If the panel then find the breach to be potentially serious enough to warrant the removal of the Board Member, the Chair and the panel of Board members should commission an independent review from suitable qualified experts.
- The Scottish Housing Regulator's Regulatory Framework and associated guidance should be complied with throughout this process.

11. Review

11.1 This Code will be reviewed every three years.