



PLYMOUTH COMMUNITY HOMES BOARD TERMS OF REFERENCE

Status: Board approved

Date: 29 July 2021

1 Overall Purpose

1.1 The overall purpose of the PCH Board is:

- To determine vision and ensure that its achievement underpins all strategic planning and decision making ensuring long-term success.
- To develop the values and ensure that they underpin all decision making.
- To agree, implement and monitor all corporate and service strategies and policies for the achievement of the vision.
- To develop, review and take ownership of the business plan and monitor its implementation.
- Providing oversight, support, direction and constructive challenge to the Executive Management Team
- To ensure that PCH keeps within the law and its Rules, and complies with all necessary regulatory requirements.
- To agree and oversee the implementation of policy and standards.
- To ensure that services are delivered to residents in line with agreed strategies, policies and standards and locally agreed priorities.
- To establish and maintain appropriate levels of engagement with local people, groups and organisations.
- To oversee a framework for borrowing and to monitor full compliance with all covenants (especially financial) contained in loan facilities.
- To oversee the organisation's finances and to scrutinise financial plans, accounts and budgets, to ensure financial viability.
- To maintain overall control through:
 - strong governance arrangements

- clear and appropriate levels of delegated authority and systems of control
- agreed frameworks for strategic planning, risk management, policy making, performance management and review
- To direct and control and if necessary, intervene in the governance or activities of the subsidiary companies, ensuring that they contribute to the strategic objectives of PCH, and their values are consistent with those of PCH .

2 Composition

- 2.1 The composition of the Board is defined in the Rules of PCH and set out in the Board Membership Policy.
- 2.2 The Executive Management Team will be in attendance unless otherwise directed by the Chair.

3 Frequency of meetings

- 3.1 There will be at least 5 meetings a year.
- 3.2 Additional ad hoc meetings may be arranged to deal with identified significant issues.

4 Quorum

- 4.1 The quorum for the Board is five members or half the Board, (whichever is the lower) providing that this includes at least two independent Board members.
- 4.2 Co-optees may not count towards a quorum.
- 4.3 If there is no quorum within 30 minutes of the scheduled start time or if there becomes no quorum during a meeting, then the meeting shall be postponed and reconvened at a later date.
- 4.4 If at the reconvened meeting a quorum is not present within 30 minutes from the time appointed for the meeting, then the Board members present shall constitute a quorum provided at least one third of those present are independent Board members.

5 Functions

- 5.1 The functions of the PCH Board are set out below.
- 5.2 Those matters which are reserved matters and cannot be delegated are denoted. (R)
- 5.3 In relation to **Governance** the PCH Board's functions include:

- Agreeing the role profiles for, and appointing (and removing if appropriate) the Chair and Vice Chair. (R)
- Approving any changes to governance structures including the size and composition of the Board (and the subsidiary boards), including the setting up of new subsidiaries, subject to the application of the Rules. (R)
- Ensure that PCH remains compliant with all legal, statutory and regulatory requirements and complies with the Rules of PCH (R)
- To direct, and if necessary, intervene in the governance of the subsidiary companies (R)
- Approving all changes to the Rules to be recommended to the shareholding members. (R)
- Approving the agenda and resolutions to be put to the shareholding members at a general meeting. (R)
- Approving and changes to subsidiary company memorandum and articles of association. (R)
- Regularly reviewing the membership of the Board and ensuring adequate succession planning for the executive, all Board members and in particular the Chair.
- Agreeing policies for the recruitment and selection and or election of Board members and for the admission of all shareholders subject to the application of the Rules. (R)
- Approving candidates for appointment as Board members subject to an agreed selection processes. Agreeing policies and procedures for the removal of Board members. Implementing those policies and procedures if required.
- Admitting all shareholding members. (R)
- Appointing and removing the Secretary. (R)
- Establishing and delegating any of its powers to properly constituted committees or time limited working groups; agreeing their terms of reference; agreeing any changes to the schedule of matters reserved for Board decision, agreeing and annually reviewing committee membership and chairs and receiving minutes of their meetings. (R)
- Appointing (and if necessary removing) Board members and the Chair of the subsidiary company boards. (R)

- Agreeing a process for the regular appraisal of performance and effectiveness of the Board, subsidiary boards and committees and for the regular appraisal of individual Board members.
- Review the annual assessment of compliance against the national governance standard and NHF Code Excellence in Governance and agreeing any recommendations for improvements.
- Approving annual objectives for the Chair. (R)
- Approving the standing orders (including terms of reference of Boards and committees and the Board member code of conduct), the scheme of delegation and financial regulations. (R)

5.4 In relation to **Strategic Planning** the PCH Board's functions include:

- Setting and ensuring compliance with the values, vision, mission and strategic objectives of PCH (R)
- Agreeing the business plan incorporating a long term financial plan and keeping it under review, ensuring that PCH is working towards achieving the vision and delivering against strategic goals and objectives, agreed targets and key performance indicators. (R)
- Establishing a strategic planning framework which sets out a single approach to the development and review of all strategies and policies and the implementation of action plans. (R)
- Developing and agreeing a range of corporate and service strategies with clear strategic objectives ensuring they are linked to business plan goals and priorities and aimed at achieving the vision.
- Developing and agreeing any proposals to expand into new activities or geographic areas. (R)
- Agreeing any proposals to cease a material part of PCH operations, or those of its subsidiaries. (R)

5.5 In relation to **Finance** the PCH Board's functions include:

- All matters of strategic finance and funding including borrowing (R)
- Satisfying itself as to the integrity of financial information and approving annually and keeping under review the PCH business plan and budget. (R)
- Approving the PCH annual report and financial accounts (and consolidated accounts) prior to publication. (R)

- Satisfying itself as to the integrity of financial information and approving annually and keeping under review the PCHR and PCHE development plans and budgets. (R)
- Approving the subsidiary company annual report and financial accounts after approval by the relevant subsidiary board and prior to publication. (R)
- Approving the treasury management strategy and policy. (R)
- Approving the Asset and Liability Register (R) and keeping it under review.
- Establishing and overseeing a framework for borrowing and monitoring full compliance with all covenants (especially financial) contained in loan facilities.
- Ensuring that PCH operates effectively, efficiently and economically and that value for money underpins the development of strategy and the delivery and review of services.

5.6 In relation to **Performance Review** the PCH Board's functions include:

- Establishing a framework for performance monitoring through key indicators and annually set targets in all areas of the business. (R)
- Carrying out regular reviews of performance in line with agreed objectives, targets and indicators.
- Monitoring value for money outcomes and sector scorecard performance (R). Matters of detail and additional assurance relating to VFM is delegated to the relevant committee /subsidiary board
- Monitoring and holding the subsidiary company board to account for the delivery of subsidiary company objectives (R)

5.7 In relation to **Service Delivery** the PCH Board's functions include:

- Establishing a culture that is positive, focused on the needs of current and future residents, other customers and other key stakeholders and embedding equality, diversity and inclusion within PCH (R)
- Setting the standards for the delivery of all services to customers and keeping them under review.
- Monitoring the performance of service delivery to residents and other service users against agreed standards.
- Establishing a framework for the review and continuous improvement of services that involves residents and staff, and incorporates external challenge as appropriate.

- Ensure that a comprehensive programme of service reviews is implemented and monitored as to their effectiveness, with outcomes reviewed in respect of future policy and service standards.
- Monitoring the implementation of the improvement plans ensuring delivery against agreed strategic objectives and progress towards achieving excellence in all areas of the business.
- Agreeing any plans to cease a material part of PCH's existing operational services. (R)

5.8 In relation to **Resident Involvement** the PCH Board's functions include:

- Ensuring that the resident voice is heard (R)
- Agreeing and promoting the strategy for involving residents.
- Agree and monitor the mechanisms for communicating and receiving feedback from stakeholders and shareholders.
- Ensuring that local resident involvement and tenant management structures and mechanisms are adequately supported and resourced, and that they are representative of the diversity of residents.
- Ensuring that co-regulation with residents is developed and delivered in an effective and supportive way.

5.9 In relation to **Staffing** the PCH Board's functions include:

- Agreeing the staffing establishment. (R)
- Agreeing changes to the staffing establishment which are outside budget or constitute a significant service change or result in a number of redundancies unless expressly delegated. (R)
- Appointing (and if necessary removing) the Chief Executive. (R)
- Approving any extra contractual severance payments or benefits if the Chief Executive's contract is to be determined, (R)
- Agreeing a process for the selection and appointment of other members of the Executive. (R)
- Delegating such powers to the Executive Management Team and individual Executives to enable the day-to-day running of the organisation. (R)
- Overseeing the pension arrangements for all staff.

5.10 In relation to **Remuneration** the PCH Board's functions include:

- Agreeing the principles and remuneration strategy by which Executive and other staff pay and benefits are determined. (R)
- Instigating a remuneration panel, taken from members of the PCH Board to:
 - Review and recommend the salary and benefits of the Executive Management Team having taken external advice on market salaries and benefits and having regard to contractual terms. (R)
 - Review and recommend the form and content of Executive contracts. (R)
 - Agree the Chief Executives contract¹ at least every three years (R) *(any review of the contract is delegated to the Remuneration Panel)*
- Keeping under review the principles of Board member remuneration including levels of comparator pay in light of Board member recruitment experience and attaining the required mix of skills, knowledge and experience.
- Approving and keep under review policies in relation to Board member pay and expenses.

5.11 In relation to **Audit and Risk** the PCH Board's functions include:

- All matters of risk management (R), *(albeit that matters of detail and additional assurance are delegated to the Audit and Risk Committee)*.
- Establishing and overseeing control and risk management frameworks in order to safeguard the assets, compliance and regulation of PCH (R).
- Agreeing a strategy for the management of risk, overseeing the effectiveness of risk management practice and ensuring that PCH operates a framework that effectively identifies and manages risks. (R)
- Agreeing policies and making decisions on all matters that might create significant financial or other risk to PCH (or its subsidiary companies) or which raise material issues of principle. (R)
- Establishing and overseeing a framework of delegation and systems of control including internal and external audit systems and procedures.
- Ensuring that subsidiary boards, committees and senior staff are accountable for the exercise of the powers delegated to them

¹ NHF Code of Governance G2

- Ensuring that the system of internal controls is regularly reviewed and approving the statement of internal controls to be included in the annual report. (R)
- Recommending the appointment or removal of external auditors to the shareholding members at the AGM. (R)

5.12 In relation to **Asset Management** the PCH Board's functions include:

- Maintaining an up to date survey of the condition of the housing stock ensuring that it is independently verified to meet the requirements of lenders.
- Assess and monitor the performance of and future demand for the Association's properties, with a view meeting to customer needs and aspirations.
- Agree and monitor the strategy for the management of all assets held by PCH, ensuring the provision of good quality homes for residents, maintaining the value of the stock and ensuring its continuing availability for future generations.(R)
- Approving the annual stock investment programme, ensuring it is in line with the asset management strategy, and that it is within the parameters of the business plan.
- Agree the stock Disposal and Acquisition strategy and approve asset disposal / acquisition where they are outside of agreed delegations.(R)

5.13 In relation to **Development** the PCH Board's functions include:

- Agreeing and reviewing annually the strategy for the development of the business through new homes, diversification and partnerships. (R)
- Approving the PCH Development programme, including the commitment of association, public and private funds as summarised in the business plan.(R)
- Setting out the parameters within which the the Development Committee, the Chief Executive and other staff may engage with other organisations and individuals in furtherance of the strategies.(R)
- Considering any matters which are outside agreed strategy but which may contribute to the longer term sustainability and viability of the organisation.

- Agreeing the expansion of PCH's operation into new activities or geographic areas or the cessation of any material part of the existing business. (R)

5.14 In relation to **Compliance** the PCH Board's functions include:

- Ensuring that PCH complies with all relevant law and in accordance with generally accepted standards of performance, probity, good practice and regulatory requirements.
- Ensuring that PCH complies with regulatory requirements including those of the RSH (R) *(albeit detailed assurance on these matters is delegated to the Audit and Risk and Customer Focus Committees)*
- Overseeing PCH's legal responsibilities in relation to Health and Safety legislation and ensuring compliance.(R) *(albeit detailed assurance is delegated to Audit and Risk and Customer Focus Committee)*
- Ensuring compliance with the Together with Tenants' Charter (R) *(albeit detailed assurance on these matters is delegated to the Customer Focus Committee)*
- Monitoring the performance of subsidiary companies ensuring compliance with all legal and regulatory requirements, and are in accordance with generally accepted standards of performance, probity and good practice.
- Considering and responding as appropriate to the RSH's Regulatory Judgement and In Depth Assessments (R) .

5.15 In relation to **Contracts** the PCH Board's functions include:

- Approving and monitoring any major capital programmes and projects. (R)
- Approving contracts which are material, strategically or by reason of size over the limits set by OJEU, or such other limit as may be prescribed by procurement law from time to time, if different, other than where expressly delegated in line with approved policies, projects or programmes. (R)
- Approving any major investments other than those agreed as part of treasury management policy. (R)

5.16 Other **General** PCH Board functions include:

- Compromising, settling, conducting, enforcing or resisting either in a court of law or by arbitration any suit, debt, liability or claim by or against PCH, or its subsidiary companies which are material, by reason of value or impact on the reputation of PCH or the subsidiary companies. (R)
- Ensure that PCH develops positive and constructive relations with key stakeholders including funders, regulators and the City Council.

Appendix 11

- Reviewing and agreeing a strategy and policy on equality and diversity and ensuring that the Board demonstrates leadership in all matters relation to equality and diversity in terms of governance, procurement, employment, resident involvement and service delivery.
- To agree or ratify policies on all matters that might create significant financial or other risks to the organisation, or that raise material issues of principle. (R)
- Approving key policies unless expressly delegated. (R)
- Any changes to those matters designated as reserved for the Board. (R)

Issue	Description of Change	Approval	Date of Issue
1	Initial issue		[DATE]
2	Remove reference to PCHMS		07/10/2020
3	Additions to reflect the requirements of Code of Governance 2020	July 2021	