



## GROUP STANDING ORDERS

<b>POLICY IMPLEMENTATION CHECKLIST</b>	
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Author:	Julie Cosgrove
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## **INTRODUCTION**

- 1 This document comprises the Group's Standing Orders. The Group comprises Caledonia Housing Association Limited ("Caledonia") and its constitutional partner Cordale Housing Association Limited ("Cordale"). For the avoidance of doubt, in Cordale's Rules Caledonia Housing Association is defined as the 'partner'.
- 2 In addition the use of the words "the Group" or "Group members" in these Group Standing Orders is used to describe Caledonia and Cordale.
- 3 Group members are controlled and managed in accordance with statutory and regulatory requirements and the provisions of their respective Rules. These Rules are based upon the Charitable Model Rules (Scotland) 2020 provided by the Scottish Federation of Housing Associations.
- 4 These Group Standing Orders acknowledge this and set additional provisions relating to how the Group members will be controlled and managed. They do so in greater detail than the Rules and specify the governance structures, procedures and delegation powers of each Group member. For the avoidance of doubt, in cases of conflict or inconsistency between these Group Standing Orders and the Rules of either Group member, the Rules of each Group member and legal and regulatory requirements will supersede any provision of these Group Standing Orders.
- 5 The Group Standing Orders themselves pertain to legal and regulatory issues. Group Financial Regulations detail the financial policies of the Group. They are drawn up in conjunction with and are deemed to be part of the Group Standing Orders. All policy statements approved by the Governing Bodies of each Group member are likewise deemed to be Group Standing Orders and shall be complied with in all respects by the relevant Group member to which they relate.
- 6 The Group Standing Orders refer to the Code of Conduct for Governing Body Members and the Code of Conduct for Staff. The Group has adopted the Model Codes of Conduct as developed by the Scottish Federation of Housing Associations (SFHA) and approved by the Scottish Housing Regulator (SHR).
- 7 Any of these Group Standing Orders may be suspended at a general meeting or Governing Body meeting of Caledonia, provided that the meeting is quorate. Suspension of Group Standing Orders should be a comparatively rare occurrence, and if it is found to be required frequently, the governing body of Caledonia shall consider altering, rescinding or adding to Group Standing Orders, in terms of Standing Order 12, in order to minimise the incidence of suspension of Group Standing Orders.

## **INTERPRETATION OF GROUP STANDING ORDERS**

- 8 For clarity, it should be stated that within these Standing Orders – and unless specifically stated otherwise - no reference to officers employed within the Group implies that they have the authority to make decisions. The Group recognises that legislation overrides any provisions in the Standing Orders; and that the power to make decisions within the Group lies ultimately with the Governing Body of each Group member. Specific delegations to officers,

largely to manage routine business matters, is clearly defined in these Group Standing Orders, the Group Policy on Delegated Authority and the Group Policy on Financial Regulations.

- 9 The ruling of the Chair of the Governing Body of Caledonia as to the meaning or application of any of these Group Standing Orders shall be final, with due regard given to advice on acting in the best interests of the Group as offered by senior officers in attendance.
- 10 In these Group Standing Orders reference to any gender includes all genders. Reference to the Chief Officer specifically means the Group Chief Executive

### **COMMENCEMENT, AMENDMENT AND REVOCATION OF GROUP STANDING ORDERS**

- 11 These Group Standing Orders are effective from the date of their adoption by the Governing Body of Caledonia.
- 12 Caledonia's Governing Body may alter, rescind or add to any part of these Group Standing Orders by a simple majority vote of those present at its Governing Body Meeting. The Chair in conjunction with the Group Chief Executive shall periodically consider the need for amendments to Group Standing Orders. Where Cordale's Governing Body has considered and wishes to propose any alterations, these should be reported to Caledonia's Governing Body, who in turn will give full consideration to the proposals in conjunction with the Cordale Governing Body
- 13 Reviews of Group Standing Orders will be undertaken at least every three years, or earlier if necessary.

### **CONTROL WITHIN THE GROUP**

- 14 Control of each Group member is exercised by their respective Governing Body. Membership of the Governing Bodies including composition, eligibility and the process for appointing members, is governed by each Group member's Rules.
- 15 The Group Membership Policy provides further details on the rights of members to stand for election to the Governing Body of each Group member.
- 16 Up to one-third of Governing Body members can be co-optees at any one time. The appointment of co-optees will be considered as appropriate alongside other members of each Group member's Governing Body appointed to provide a balance of required skills and resident representation.
- 17 The Governing Bodies within the Group are responsible for directing the business of their respective organisations and can do anything necessary to fulfil that responsibility, except in the case of certain matters that by law and by their respective Rules can only be dealt with at general meetings of the organisation. These include the standard items of business to be considered at Annual General Meetings, such as the Chair's Report and Annual Accounts, and the Election of the Governing Body members; or at Special General Meetings, such as proposed Rule Changes. At all times the

Governing Bodies will strive to achieve the highest standards of accountability and openness.

- 18 Each Group member's Rules lists some of the Governing Bodies' most important powers. Each of the Governing Bodies is permitted to delegate its powers to sub committees, staff or Office Bearers. These provisions are elaborated upon in the Governance Structure – Terms of Reference, in the Appendices. Notwithstanding this permissive power, it is Group policy to normally manage all of its business through each of the Group member's Governing Bodies, excepting the Group Audit & Risk Management and Remuneration Committees. These arrangements are explained in further detail below and in the Appendices.

### **VERIFYING MEMBERSHIP APPLICATIONS**

- 19 Each of the Group member's Rules defines the members of the relevant organisation. These Rules, and the separate Group Membership Policy, set out how to apply for membership of each organisation and how the Governing Bodies will consider applications received. Before an application is presented to a Governing Body for consideration, the Group Chief Executive or their nominated staff member, will be required to verify by a check to appropriate records that the person applying fulfils the membership criteria.

### **GENERAL MEETINGS**

- 20 General meetings of each Group member must be held in accordance with the relevant Group members Rules that set out the powers of general meetings and how they must be called and conducted. The Rules for General Meetings are covered in each of the organisation's Rules. These Rules are not repeated in full in these Group Standing Orders.
- 21 At general meetings, only the business included in the notice calling the meeting may be discussed.
- 22 Only Registered Members or their proxy, where a proxy application has been made in compliance with the Rules of each Group members, will be entitled to be admitted to general meetings of the organisation. The exception to this will be where a decision has been made by the Governing Body at a meeting prior to the general meeting to allow other predetermined persons to be admitted. The Group Chief Executive or their nominated staff member will be entitled to verify membership or otherwise before allowing entry to the meeting.
- 23 Changes to the Rules of each Group member, including those outwith Model Rule changes, can only be decided in accordance with each organisation's Rules, and at a Special General Meeting. For Cordale, this Rule requires that any changes it proposes to its own Rules also require the prior written consent of Caledonia HA's Governing Body.
- 24 In addition, the Governing Bodies in the Group cannot amend their Rules without also referring them to a Special General Meeting of their members, and securing the necessary majority to the proposed Rule Changes.

- 25 Other matters which cannot be dealt with by the Governing Bodies and must be dealt with at every Annual General Meeting are detailed in each Group member's Rules.

### **THE GOVERNING BODY**

- 26 Having regard to the powers in each Group member's Rules, the Governing Bodies of the Group have resolved to reserve specific matters for their own decision. The remit and responsibility of the Governing Body of each organisation is detailed in the Appendices of these Group Standing Orders; whilst Terms of Reference for the Governing Bodies are also contained in the Appendices.

### **DELEGATION OF POWERS TO THE GROUP CHIEF EXECUTIVE**

- 27 The Group Chief Executive is responsible to the Governing Bodies for the implementation of Group policy and for the day to day running of all aspects of the Group's activities. The Governing Body of each Group member, therefore delegates authority to the Group Chief Executive in all matters to enable the discharge of responsibilities expeditiously, without necessarily referring to the Governing Body. Such delegated authority can be done in a manner which is deemed appropriate by the relevant governing body, except in the specific circumstances contained in the Rules, Group Standing Orders, Group Codes of Conduct and Group Scheme of Delegated Authority, or as decided from time to time by each of the Governing Bodies.
- 28 The Group Chief Executive is responsible for the interpretation of the Group policy in all current policy areas. The Group Chief Executive may delegate responsibilities to other members of staff directly or through the Executive Management Team. The Group Scheme of Delegated Authority must be reported to each Governing Body for approval.

### **GOVERNING BODY MEETINGS**

- 29 Each organisation's Rules contain the regulations regarding the convening and conduct of general meetings and meetings of the Governing Body and are not repeated in full in these Standing Orders.
- 30 Before 31 December each year the Group will publish a calendar of all Governing Body's meetings, any sub-committee meetings (normally restricted to Group Audit & Risk Management and Remuneration Committees) for the next year. In accordance with the Rules, each of the Governing Bodies can decide when and where to meet; but must meet at least six times each calendar year. Terms of reference for the Governing Bodies are set out in the Appendices.
- 31 All Governing Body and sub-committee meetings will be held in accordance with each Group member's Rules, and these Group Standing Orders.
- 32 All of the Governing Bodies or sub-committees may adjourn their meetings to any other time and place.
- 33 The Group will comply with the Freedom of Information (Scotland) Act 2002 (FOISA) and/or the Environmental Information (Scotland) Regulations 2004 with regards to making information about the work of the governing bodies

publicly available. As a minimum, this will include publishing approved minutes of meetings online, subject to the application of any appropriate exemptions.

- 34 Special Governing Body meetings may be requested at any time either by the Chair or by two Governing Body members. Apart from electing a Chair if necessary, special Governing Body meetings are only permitted to deal with the business contained in the Notice of the Meeting.
- 35 In accordance with each of the organisation's Rules, the quorum for Governing Body meetings is four.

#### **APPOINTMENT AND ROLE OF CHAIR**

- 36 The appointment of the Chair of each of the Governing Bodies will be in accordance with each organisation's Rules. The Chair will be elected to office annually at the first meeting following the AGM. The same person may be re-elected, but must not hold office continuously for more than five years. In accordance with the terms of the Intragroup Agreement, the appointment of Cordale's Chair must be approved by Caledonia's governing body.
- 37 The Chair is responsible for the leadership of the Governing Body and ensuring its effectiveness in all aspects of the Governing Body's role and to ensure that the Governing Body properly discharges its responsibilities as required by law, the Rules and the Standing Orders of the Association. The Chair will be delegated such powers as are required to allow the Chair to properly discharge the responsibilities of the office. Among the responsibilities of the Chair are:
- to ensure the Governing Body works effectively with the senior staff;
  - to maintain an overview of business of the Association
  - to finalise the Agenda for each meeting;
  - to ensure efficient management of meetings;
  - to approve minutes and ensure decisions and actions arising from meetings are implemented;
  - to ensure that the Standing Orders, Code of Conduct for Governing Body members and other relevant policies and procedures affecting the governance of the Association are complied with;
  - to ensure that, where necessary, decisions are made under delegated authority for the effective operation of the Association between meetings;
  - to ensure that the Governing Body monitors the use of delegated powers;
  - to ensure that the Governing Body receives professional advice when it is needed;
  - to represent the Association at external events from time to time;
  - to undertake appraisal of the performance of Governing Body Members, and to ensure that the chief officer's appraisal is carried out in accordance with the agreed policies and procedures of the Association; and
  - to oversee the training requirements of Governing Body members, and the recruitment and induction of new Governing Body Members.
- 38 The Chair of the Governing Body of each Group member will preside at all general meetings of the organisation and at meetings of the Governing Body at which they are present.

- 39 In summary, the Chair of the Governing Body of each Group member will be responsible for ensuring the smooth running of the meetings of the governing body and general meetings by:
- Finalising the Agenda for each meeting
  - Making sure those who wish to, are allowed to contribute
  - Allocating adequate time for contributors to speak
  - Ensuring voting procedures are in place and that these are followed
  - Announcing votes at meetings
- 40 In accordance with each Group Member's Rules, if the Chair is not present at a Governing Body meeting or is not willing to act, those Governing Body Members present will elect another Governing Body Member to be Chair for that meeting. The person presiding over the meeting may exercise any power or duty assigned to the Chair as regards the conduct of a meeting.
- 41 The person presiding at the meeting shall decide all questions of order and relevance arising at the meeting. Any Governing Body Member present may take exception to any ruling by the person presiding. In that case the person presiding over the meeting shall without further discussion submit the matter to the meeting and their ruling shall not take effect unless the majority of the Governing Body Members present supports it. Due regard will be given to advice on acting in the best interests of the organisation as offered by senior officers in attendance

#### **APPOINTMENT AND ROLE OF THE VICE CHAIR**

- 42 The appointment of the Vice Chair of each of the Governing Bodies will be in accordance with each organisation's Rules. The Vice Chair will be elected to office annually at the first meeting following the AGM. The same person may be re-elected, but must not normally hold office continuously for more than five years. There is no expectation that the Vice Chair must serve the full five year maximum term. In accordance with the terms of the Intragroup Agreement, the appointment of Cordale's Vice Chair must be approved by Caledonia's governing body.
- 43 The role of the Vice Chair is to deputise, support and (where required) stand in for the Chair of the Governing Body. When known in advance, the Vice Chair should ensure that they are available for any governing body meeting that the Chair is unable to attend, e.g. where the Chair has booked a holiday. Close liaison with the Chair is therefore a key requirement of the role.
- 44 The individual holding the post of Vice Chair will gain training and insight as to whether they would like to consider performing the role of Chair in future.

#### **APPOINTMENT AND ROLE OF THE SECRETARY**

- 45 The Group Governing Bodies have assigned the role of Secretary to the Director of Finance & Governance of Caledonia and therefore the annual election of the Secretary is not required.
- 46 The duties of the Secretary include:
- Calling and going to all Annual General Meetings, Special General Meetings and governing body meetings

- Keeping the minutes for all Annual General Meetings, Special General meetings and governing body meetings
- Sending out letters, notices calling meetings and relevant documents to Members before a meeting
- Preparing and sending all the necessary reports to the Financial Conduct Authority and the Scottish Housing Regulator
- Ensuring compliance with each Group members' Rules
- Keeping the Register of Members and other Registers required by each Group members' Rules
- Supervision of each Group members' seal.

47 Each Group members' Rules specify the Role of the Secretary in detail.

### **APPOINTMENT AND ROLE OF OTHER OFFICE BEARERS**

48 Any other office bearers that are identified by the Governing Bodies will be appointed in accordance with the Group member's Rules, with the election process for these roles reflecting those applicable to the position of the Chair and Vice Chair.

### **CIRCULATION OF AGENDAS AND PAPERS**

49 Normally at least 7 days before a meeting of a Governing Body or a sub-committee, the following must be issued to every member of the Governing Body or sub-committee:

- A notice calling the meeting and stating the time and place or manner of attendance.
- A statement of the business to be transacted (the agenda).
- All reports and other documents referred to or to be read with the agenda.

50 Any report or document not sent with the agenda may, with the consent of a majority of the Governing Body Members present, be considered at the meeting if it relates to matters which are either:

- Referred to in the agenda; or
- Is of such urgency or importance that it is desirable that the report or document receives consideration at the meeting.

51 Any matter that is not included on the agenda may be discussed or decided at a Governing Body or sub-committee meeting unless a majority of the Governing Body Members present object. Due regard will be given to advice on acting in the best interests of the organisation as offered by senior officers in attendance.

52 Members of the Governing Body of a Group member wishing to have items included on the agenda must give the Group Chief Executive – or, in the case the sub committees, the Secretary - at least 14 days written notice of the item. The Group Chief Executive, or Secretary, will consult the Chair of the relevant governing body or Sub Committee as to the item's inclusion.

## **SUB COMMITTEES**

- 53 Subject to the provisions of each Group member's Rules, each of the Governing Bodies may appoint sub-committees or working groups. All sub committees and working groups must act in accordance with the remit given by their respective Governing Body. They will not normally have decision making powers but will have specific remits and timescales in which to report to, and where appropriate, make recommendations to the Governing Body. They will be governed by the provisions in these Group Standing Orders relating to the regulation of meetings. Working Groups may include Governing Body Members, staff, tenant representative group members and contributions from external bodies or individuals, if appropriate. It is envisaged that Sub-Committees and Working Groups will be used only sparingly and for significant issues or matters of expediency.
- 54 Caledonia's Governing Body shall appoint a Group Audit & Risk Management Committee and a Group Remuneration Committee. Terms of reference for these two committees are contained within the Appendices. Places will be reserved on each of these two Committees for representatives of Cordale's Governing Body. Terms of Reference will be agreed by Caledonia's Governing Body in conjunction with Cordale's Governing Body for any ad hoc sub-committees or working groups established. The Governing Body will ensure that all Governing Body Members and staff members are aware of them.
- 55 The quorum for sub committees shall be three.
- 56 The sub committee members present may elect a Chair except the Group Audit & Risk Management Committee and Group Remuneration Committees, whose Chairs will be appointed by Caledonia's Governing Body. People who have been co-opted to the Governing Body or to sub committees may not be elected to preside.
- 57 Standing Orders 23 - 26 above shall apply to any sub committee established by the Governing Body.

## **CONDUCT OF MEETINGS**

- 58 Prescribed rules for the conduct of members at meetings are laid down in the Rules and the Governing Body Members Code of Conduct. Governing Body and sub-committee Members are expected to conduct themselves in a business-like and courteous manner and to observe the commonly accepted rules of debate and meetings.
- 59 Governing Body Members and employees will be given the opportunity to declare an interest in any item on the agenda at the beginning of the meeting. Declarations of interest must be repeated at the time the item is discussed. If there is a clear and substantial conflict of interest, a Governing Body Member or employee will be required to leave the meeting while the matter is discussed. (See Standing Orders 78-81 below for further details).
- 60 Governing Body members will observe respect for the Chair at all times. The Chair's decision on length of speeches, debate and closure of debates will be final.

- 61 The Chair will ensure that all Members are given adequate opportunity to debate all items on the agenda.
- 62 The order of business at Governing Body meetings will normally be:
- To choose a person to preside if the Chair or Vice Chair is not present.
  - To note apologies for non-attendance
  - To note declarations of interest (any declarations made will be repeated before the particular agenda item is discussed)
  - To approve as a correct record the minutes of the previous Governing Body meeting.
  - To consider any matters arising from the minutes of the last meeting that are not on the agenda.
  - Items and reports for debate, decision or action.
  - Performance reports, Group Audit & Risk Management Committee and Group Remuneration Committee reports, minutes and risk analysis
  - Papers and reports that are for information
  - To consider any urgent business at the discretion of the Governing Body
- 63 The Group Chief Executive, Members of the Executive Management Team, administrative staff, other officers of the organisation and external advisers shall attend Governing Body Meetings to present reports and otherwise advise and service the Governing Body. Such persons shall leave the meeting if they have a conflict of interest or they are asked to do so by the Governing Body.
- 64 The Chair has the discretion, subject to the agreement of the meeting, to allow items to be included in the agenda as “Any Other Business”.

#### **VOTING**

- 65 When taking a decision on an agenda item all Governing Body Members must have been present throughout the material part of the deliberations that preceded the taking of the decision. If Governing Body Members have not been present through the preceding deliberations, they will be excluded from taking part in the decision making process.
- 66 The majority of the Governing Body Members present at a Governing Body or sub-committee meeting shall, except where otherwise required by statute or by the Group member’s Rules, determine every question. Each Governing Body Member has one vote. In accordance with the Group Member’s Rules, if there are an equal number of votes for and against a decision, the Chair will have a second and deciding vote.
- 67 Voting shall be either by a show of hands or secret ballot according to the majority decision of Governing Body Members present.

#### **MINUTES**

- 68 Minutes of the proceedings of the Governing Body and all sub-committees shall be recorded and copies provided for the Members of the Governing

Body. The minutes shall be submitted to the next meeting of the same body. If there are no objections from the Governing Body members, the minutes shall be taken as a correct record with or without amendment and signed by the Chair of the Meeting at which they accepted. The minutes shall then be conclusive evidence of any fact recorded in them.

69 The minutes of all sub committees must be submitted formally to the next Governing Body meeting.

70 The minutes are not a verbatim record of discussions at a meeting. They will record the item under consideration, amendments and the decisions taken. Any members of the Governing Body or a sub-committee can ask for his or her dissenting view to be recorded in the minutes of the relevant Governing Body or Sub-Committee.

71 The Secretary will make arrangements for the safe storage of all signed Governing Body and Committee minutes.

### **URGENT DECISIONS AND DELEGATION**

72 The Chair (and in the absence of the Chair, the Vice Chair with advice and support from the Group Chief Executive, or any member of the Executive Management Team) shall have delegated authority, (where the nature of the circumstances require immediate or early action), to exercise any of the responsibilities of the functions of the Governing Body.

73 Except in extreme circumstances, decisions under “Decisions by the Chair” should:

- Be taken in conjunction with at least one other Governing Body member.
- Only be used where the matter is sufficiently urgent, and falls between scheduled meetings.
- The facts and decisions taken should be communicated to all Governing Body members as soon as possible in writing.
- Be reported to the next Governing Body meeting and recorded in the Minutes thereof.

### **ADMISSION OF THE PUBLIC TO MEETINGS**

74 Members of the general public will not normally be admitted to general meetings and Governing Body meetings unless this has been agreed at a meeting of the Governing Body prior to the general meeting.

75 The Governing Body may accept deputations from tenants, staff or other members of the public, as long as requests are made in writing and delivered to the Secretary 3 days in advance of the meeting. The request must state the subject on which the deputation desires to be heard and the action they are proposing the Governing Body should take. Acceptance of such deputations is entirely at the Governing Body’s discretion. No deputation authorised shall exceed 5 in number. Questions may be put to the deputation by Governing Body members, but a full discussion and decision will only take place after the deputation has withdrawn. Outcomes of the discussion will be forwarded to the deputation in writing after the meeting.

76 Caledonia reserves the right to consider and consent to deputations to attend Cordale's Governing Body meetings. Such consent will not be unreasonably withheld or delayed.

77 Provisions for publicising the decisions of each of the governing bodies are detailed in Standing Order 33 above.

#### **DECLARATIONS OF INTEREST**

78 This matter is also dealt with in the Group member's Codes of Conduct for Governing Body Members and Staff. It is a requirement for all Governing Body Members to agree to and sign the Code of Conduct in order to participate in the Governing Body's business.

79 If a Governing Body Member or a staff member has a direct or indirect financial interest in any contract or proposed contract or any other matter, which is the subject of consideration, the fact shall be disclosed to the meeting. Those Governing Body Members and staff declaring such an interest shall leave the meeting before any discussion or voting on that matter.

80 Any interests that are not financial, but which could influence judgement or give the impression that a Governing Body Member or staff may be acting for personal motives (such as personal interest, kinship, friendship, membership of an organisation or other relationship) should be disclosed in a similar way. The Governing Body will decide whether the Governing Body Member or Member or staff should leave the meeting before any discussion or voting on the matter, or if remaining in attendance, whether they should refrain from discussion or voting on the matter. The Chair of the relevant Governing Body has the discretion to decide and direct on the appropriate course of action, with due regard given to advice on acting in the best interests of the organisation as offered by senior officers in attendance

81 If a Governing Body or staff member fails to disclose a financial or other interest in a contract or other matter, they may be subject to disciplinary procedures in the case of a staff member or in the case of a Governing Body Member, to the procedures set out in the Protocol for Dealing with a Breach of the Code of Conduct.

82 In the case of a payment made or benefit granted in contravention of regulatory guidance, except those covered by any special exception granted by Scottish Ministers or the Scottish Housing Regulator, the Group member may, and if so directed by the Scottish Housing Regulator shall, effect recovery of such payment or benefit

83 Where an interest is declared in accordance with 79 and 80 above at any Governing Body or sub-committee meeting of the Group member, the declaration must be recorded in the minutes of that meeting together with any action taken.

84 The Secretary will record all such declarations of interest in a Register specifically held for that purpose. The information in the Register will be supplemented on an annual basis through requiring all Governing Body

Members and employees to confirm that their entry is accurate and up to date.

- 85 Notwithstanding the terms of any of these Group Standing Orders, any Governing Body Member of a Group member having an interest in the tenancy of a house belonging to that Group member may take part in the general discussion of housing matters that might affect that tenancy, provided they have declared that interest but cannot vote should a decision be required. An exception will be any matter which is *solely* concerned with the particular tenancy from which his or her interest derives. In this case the member will declare such an interest and shall leave the meeting before any discussion or voting on that matter.
- 86 These requirements (to declare an interest) shall not apply to an interest in a contract or other matter which a Governing Body or staff member may have:
- as a Council Tax payer or inhabitant of an area or as an ordinary consumer of gas, electricity or water
  - by reason only of his/her being a member of a company or other private body if he/she has no beneficial interest in any share in that company or body
  - by reason only of his/her holding shares in a private company or other body (excluding a public company) where the nominal value of those shares does not exceed £5,000 or 1% of the total nominal value of the issued share capital of that company, whichever is lower
  - by reason only of his/her holding shares in a public company where the nominal value of those shares does not exceed 1% of the total nominal value of the issued share capital of that company.

#### **LETTINGS TO GOVERNING BODY MEMBERS, STAFF AND THEIR RELATIVES**

- 87 The Group Entitlements, Payments and Benefits Policy provides guidance on interpreting the granting of benefits to Governing Body members and staff
- 88 One of the provisions applies to lettings to Governing Body and staff members and their close relatives.
- 89 In cases where a letting may be permitted by the exceptions determined in the Policy the Group Chief Executive, or his/her designated officer, must prepare a report outlining the circumstances of the proposed let and its compliance with regulatory guidance on the granting of benefits. The report must be submitted to the Governing Body for consideration and decision before any tenancy is granted.

#### **USE OF THE ORGANISATION'S CONTRACTORS, ADVISERS ETC BY GOVERNING BODY AND STAFF MEMBERS**

- 90 The Group has a well-earned reputation for integrity and honesty and is committed to acting with transparency, honesty and propriety and avoiding any public perception of improper conduct. In order to help us maintain our excellent reputation it is important that our people do not misuse their position to gain benefits that would not be available to other members of the public.

91 At the same time the Group does not want to see staff and Governing Body members face unreasonable restrictions which put them at a disadvantage compared to other members of the public. Where n their personal/home life a Governing Body member or member of staff need a service from a supplier or contractor linked to the Group or any Group member that they are connected to, if it causes no disadvantage or inconvenience to avoid using that contractor then the Group requires that such use is indeed avoided.

92 It is extremely important that, where you wish to use one of the contractors linked to the Association that you are connected to, you follow the steps outlined in the Group Entitlements, Payments and Benefits Policy, which will help protect both you and that Association.

### **CONDUCT OF GOVERNING BODY AND STAFF MEMBERS**

93 Governing Body members shall comply with the Group's Code of Conduct for Governing Body Members, which will be determined by Caledonia HA's Governing Body from time to time, taking into account any views of the other Group members' respective Governing Bodies.

94 Staff members shall comply with the Group's Code of Conduct for Staff, which will be determined by Caledonia HA's Governing Body from time to time, taking into account any views of the other Group members' respective Governing Bodies.

95 Governing body members and staff are required to agree and sign their respective Codes of Conduct on an annual basis.

96 No Governing Body or staff member when acting in a private capacity shall, without the consent of their Governing Body or, in the case of staff, the Group Chief Executive, enter into any correspondence or address any meeting relating to the policy, business or property of the Group.

97 The Codes of Conduct shall be reviewed every three years, or earlier if necessary. The outcome of the review and any proposed changes will be brought before each Governing Body and if approved, subsequently brought to the attention of all Governing Body and staff members.

98 Alleged breaches of the Rules, Group Codes of Conduct or the Group Standing Orders will pay due regard to protocols contained in Model Codes of Conduct produced by the SFHA and approved by the SHR. In addition, alleged breaches should be reported to the Chair or the Group Chief Executive. The Chair will appoint two or more Governing Body members to a panel to investigate, dependent upon the nature of the complaint. Caledonia reserves the right to direct the nature of the investigation as it relates to any of Cordale's business. In the event that the alleged breach concerns the Chair, one of the other office bearers will act to fulfil the responsibilities ascribed to the Chair in terms of these Standing Orders.

99 The panel will take reasonable steps to establish the facts and ensure that the Governing Body member against whom the allegation is made is given a fair opportunity to put their case, in writing or in person. They may be accompanied by a representative.

- 100 The panel shall notify its conclusions to the whole Governing Body. Caledonia reserves the right to direct the treatment and circulation of the outcomes of any investigation as it relates to any of Cordale's business.

#### **PAYMENTS AND BENEFITS TO STAFF AND GOVERNING BODY MEMBERS**

- 101 The Group will put in place policies to cover the payment of expenses to staff and Governing Body Members and how gifts and hospitality should be dealt with in accordance with regulatory guidance on Entitlements, Payments and Benefits. The Governing Body is empowered to make decisions about the application of this guidance. Further details are contained within the Group Codes of Conduct for Governing Body Members and Staff, the Group Entitlements, Payments and Benefits Policy and the Group Governing Body Members Expenses Policy.

#### **ATTENDANCE OF GOVERNING BODY AND STAFF MEMBERS AT CONFERENCES ETC**

- 102 The attendance of Governing Body members at conferences, training sessions, seminars etc. will be actively supported and encouraged. Attendance at all training and personal development events will be in line with agreed collective and individually assessed training needs.
- 103 The Group Chief Executive or relevant line manager shall be responsible for approving the attendance of staff members at such events, giving due regard to budget availability

#### **PERFORMANCE STANDARDS**

- 104 In seeking to achieve the highest standards the Group shall ensure that it adopts and complies with all relevant regulatory standards and performance requirements. Group members will seek to fully consult with their tenants to establish service standards and relevant performance targets

## CALEDONIA GROUP

### Governance Structure – Terms of Reference

#### INTRODUCTION

These Terms of Reference apply to the Caledonia Group which currently comprises Caledonia (the parent/partner organisation), a charitable Registered Social Landlord (RSL); and Cordale (a charitable subsidiary of Caledonia and a charitable RSL).

Governance is defined as the leadership, strategic direction and control of an organisation to ensure it achieves its aims and objectives and serves the best interests of a wide range of stakeholders. Robust governance is vital to drive an organisation forward, whilst still maintaining prudent control and accountability for its activities. Management of an organisation is concerned with putting into action the strategic aims and objectives. Strong collaboration between governing bodies and management structures is required to establish a governance structure which identifies and distinguishes between these roles.

In establishing an appropriate structure and associated policies for the Caledonia Group, consideration has been given to legal and regulatory requirements; the importance of establishing methods and opportunities for service users and tenants to feedback and inform priorities and policy; and the principles of good governance contained in guidance notes and other publications of the Scottish Housing Regulator (SHR).

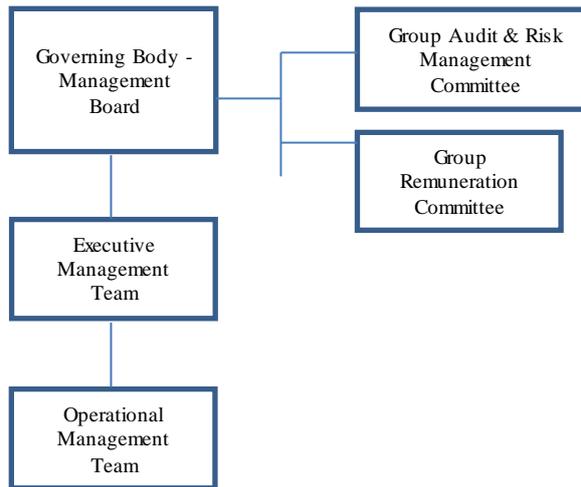
The SHR has defined a governing body's most important functions as providing strategic direction and monitoring performance. As such governance arrangements and systems should reflect this, so that the main focus of each of the Group's Governing Bodies is on its organisation's strategy and overall performance. This document sets out how good governance is to be achieved in the Caledonia Group and the delineation of responsibilities and duties between the leadership and management functions of the business of the Group's organisations. It also explains how these two aspects of the business work to complement each other to deliver desired objects and highest standards in all of the Group's organisations.

#### PURPOSE OF THE ORGANISATIONS IN CALEDONIA'S GROUP

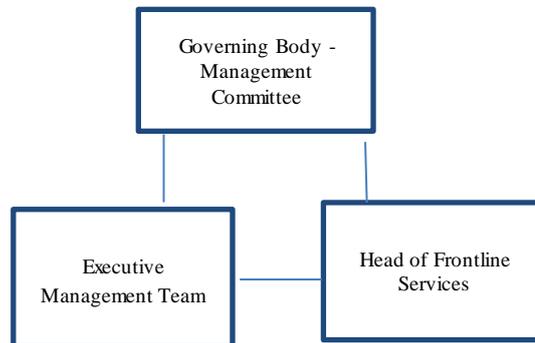
Governing body members must act in the best interests of their organisation and service users and tenants at all times. The activities of the Group's charitable RSL's are closely defined by legislation, including charity law, regulation and their Rules. However, their main purpose and associated activities are aimed at supporting the provision and management of housing for those in need. These core landlord and management services will be delivered through Caledonia and Cordale Housing Associations.

Notwithstanding the regulatory and legislative requirements the services and activities of the Caledonia Group will be underpinned by a commitment to focus on people, value and quality at the heart of its decision making.

## CALEDONIA HOUSING ASSOCIATION - GOVERNANCE STRUCTURE



## CORDALE HOUSING ASSOCIATION - GOVERNANCE STRUCTURE



### Governing Bodies

The roles and responsibilities of the Governing Bodies are governed by each Group member's Rules, and by the Group Standing Orders, as well as regulation and legislation. But in essence there are two main functions which the Governing Bodies must undertake:

- Provision of leadership, development of the future direction and strategy, and monitoring performance of the organisation, in accordance with Group Business Planning arrangements and organisational functions detailed in the Intragroup Agreements
- Control of the organisation's affairs

In discharging these functions, the Group's governing bodies are supported by the Executive Management Team (EMT) and, in the case of Cordale, the Head of Frontline Services. Management of Group members is delegated to senior staff with the delegation of duties governed by the Group Policy on Delegated Authority and Group Financial Regulations. It is also governed via the development and approval by the Governing Body of policies which provide staff with guidance on the delivery of services.

There are matters and responsibilities which must be retained by Caledonia's Governing Body, and which are reflected in the Group Delegated Authority and Disciplinary Policies; and these include:

- Appointment of senior staff, including Executive Management Team members
- Termination of employment contracts of Directors and the Group Chief Executive
- Appeal against dismissal involving the Group Chief Executive
- Legal responsibilities as an employer

There are matters and responsibilities which must be retained by each of the Governing Bodies and these include:

- Health and Safety obligations
- Legal and regulatory duties and responsibilities
- Ensuring systems are in place to allow for the monitoring and delivery of key performance standards in accordance with group objectives, business plans and strategic documents, policy, and Departmental and Organisation Plans.

A detailed Governing Body – Terms of Reference document provides further clarification on areas of responsibility and core functions to be discharged as individual Governing Body Members and collectively as a Governing Body. In addition a Code of Conduct sets out the standards and behaviours expected of Governing Body Members.

### **Role of Office Bearers**

The prime role of the Chair of each Group member is to create the conditions that allow their Governing Bodies to operate effectively. The Chair is also responsible for setting the Group member's business agenda; ensuring the provision of timely and clear information to Governing Body members; ensuring effective communications with members; arranging for the periodic review of the Governing Body's performance; and, in the case of Caledonia's Chair, arranging for the periodic review of the performance of the Group Chief Executive.

The role of the Vice Chair is as above in the absence of the Chair.

The role of Secretary of the companies in Caledonia's Group is performed by a member of the EMT, normally the Director of Finance & Governance.

### **Delegation of Powers**

The Group members recognise that in order to conduct business efficiently, they need to consider arrangements for delegation of powers. The Group has identified three broad sets of circumstances in which the powers of each of the Governing Bodies will be delegated – delegations of appropriate powers for dealing with business through Committee structures; delegation of powers for urgent decision-making and for routine business requiring the authorisation of individual Governing Body members; and delegation of powers to officers via the policies of delegated authority and financial regulations.

The exercising of any delegated authority for decision making from the Governing Body, by Committees, individual Governing Body members, and officers of the organisation, will be limited by the budgets and any risk parameters approved by their respective Governing Bodies.

Each Governing Body in the Group will further reserve decision-making powers for the following categories of business:-

All statutory responsibilities where decision-making lies with the Governing Body, such as health and safety issues; Companies Act and associated legislation.

Any regulatory requirements where decision-making lies with the Governing Body.

Approval where necessary of statutory returns such as those required by the Financial Conduct Authority.

All financial and business strategic issues which could impact materially on the viability of the organisations in the Group.

All activities, including policy implementation and the entering into contracts in accordance with the Group Scheme of Delegated Authority and Financial Regulations, the Business Plan and budget availability, and compliant with all relevant procurement legislation.

All projects of a competitive nature where the bid requires the formal approval of the Governing Bodies prior to submission, including full project assessment with financial and risk analysis in accordance with the Group Scheme of Delegated Authority and Financial Regulations.

Any decisions falling within the scope of regulatory guidance on the granting of payments and benefits

Any items which may be deemed as potentially contentious, would leave Group members exposed to significant risk, bad publicity, or could damage their reputation.

### **Delegation of Powers: Urgent Decisions**

The Governing Bodies recognise that arrangements are necessary to ensure that the work of the Group is not unnecessarily delayed for decisions that are of an urgent nature or of a routine business nature which require authorisation. The Chair or in his/her absence the Vice Chair, or other nominated Governing Body member, or Chair of a sub-committee, will have the general remit to consult with the Group Chief Executive to ensure that all necessary urgent decisions are taken in between meetings as appropriate, provided that:

- no new policy decisions are taken
- decisions are in line with budgets
- no new major financial commitments are entered into without the prior approval of the Governing Body or relevant sub committee

As far as possible such decisions and urgent actions will be reported to the following Governing Body or Sub Committee meeting.

## **Caledonia - Executive Management Team**

The Executive Management Team (EMT) consists of the Group Chief Executive, Director of Finance and Governance, Director of Strategy and Innovation, Director of Customer Services, Director of Assets and Director of People. The EMT will meet on a monthly basis to discharge its functions and responsibilities. The key role of the EMT is:

- to provide advice, guidance and support to the Group Governing Bodies;
- to inform and assist in the development of strategic plans;
- to implement each of the organisations' strategic plans;
- to manage the organisations' operations & service delivery;
- to control, monitor and report on performance against objectives and targets
- to consider matters impacting across Caledonia's Group;
- to ensure that Caledonia's responsibilities for delivering central business support and specialist services across the Group, are achieved in line with the Group objectives and targets.

A more detailed Terms of Reference document for the EMT provides further clarification on areas of responsibility and core functions to be discharged. In addition the Group Staff Code of Conduct sets out the standards and behaviours expected of staff.

The EMT has the authority to establish and monitor other operational management teams as required. Such operational management teams will have detailed Terms of Reference clarifying areas of responsibility and core functions to be discharged.

## **Cordale – Head of Frontline Services**

The Head of Frontline Services will provide direct strategic and governance support to the Cordale Governing Body.

## **SUB COMMITTEES**

Each of the Governing Bodies can seek to delegate certain duties and responsibilities to sub-committees to undertake on their behalf, and report accordingly. Each sub-committee will be covered by Terms of Reference outlining key responsibilities & duties, which will be set and reviewed annually by the Governing Body.

However, it is the policy for the Associations in the Group to reserve as much business as possible to their Governing Bodies. This recognises the central role of all Governing Body members, acting both individually and collectively, for their responsibility and accountability for the performance of their organisations. This is a legal responsibility for Governing Body members of the charitable RSL's in the Group; and accords with good practice. It also ensures the active involvement of all Governing Body members in considering all aspects of business, ensuring meaningful scrutiny is not restricted to the limited number of Governing Body members working in Sub Committees of Governing Bodies.

In accordance with good practice however, Caledonia will operate with two Group Sub Committees covering Audit & Risk Management and Remuneration. This recognises the key role of audit in providing a 'quasi-independent' scrutiny role in particular for the key risks confronting the Group members. The Group Remuneration Committee ensures that in line with developing good practice and regulatory guidance, impartiality can be secured for the Group in considering the terms and conditions in particular of its senior staff.

### **Group Audit & Risk Management Committee**

The Group Audit & Risk Management Committee will meet quarterly to receive reports from the Internal Auditors on the Group's systems of control, effectiveness of risk management and governance arrangements and to scrutinise the Group's Risk Map. The Group Audit & Risk Management Committee will be primarily responsible for scrutinising control systems, risk management and receiving Internal Audit reports. Amongst its duties will be:

- agreeing an annual programme of internal audit inspections
- making recommendations for improvement
- reporting to Governing Bodies on findings

Terms of Reference have been prepared to support the work of the Group Audit & Risk Management Committee.

### **Group Remuneration Committee**

This Group Remuneration Committee will meet on an ad-hoc basis and at least once per year to fulfil tasks regarding the appointment and remuneration of senior staff, defined as members of the EMT. Given the nature of the work to be undertaken by this Committee, it is likely that external advice will be sought to support decision making as required.

Terms of Reference have been prepared to support the work of the Group Remuneration Committee.

## **VALUES**

Good governance means promoting values for the whole Group and demonstrating values of good governance through behaviour. The Codes of Conduct for Governing Body Members and Staff set out the behaviours expected and are linked to the values of the Group. Governing body members and staff will be expected to review and sign the Codes of Conduct annually and where this is breached, such breaches will be fully investigated.

The Caledonia Group will seek to follow Nolan's seven principles of public life:

Selflessness: staff and Governing Body members will act solely in their organisation's interests and for the benefit of tenants, and not seek to gain financial or material benefit for themselves or their family.

Integrity: staff and Governing Body members must act at all times in line with policy and procedures and not place themselves in a position whereby external parties may seek to influence decisions.

Objectivity: decisions made must be above challenge and in line with approved policies and procedures.

Accountability: staff and Governing Body members are accountable for their decisions and actions in discharge of their duties.

Openness: the Group will make information available on its decisions and actions unless it is commercially sensitive or would breach legal & statutory duties.

Honesty: staff and Governing Body members have a duty to declare any private interest which might impact on the performance of their duties or where financial gain may be attained.

Leadership: senior staff and Governing Body members will support and promote these principles through their actions and behaviours.

## **MANAGING RISK AND PERFORMANCE**

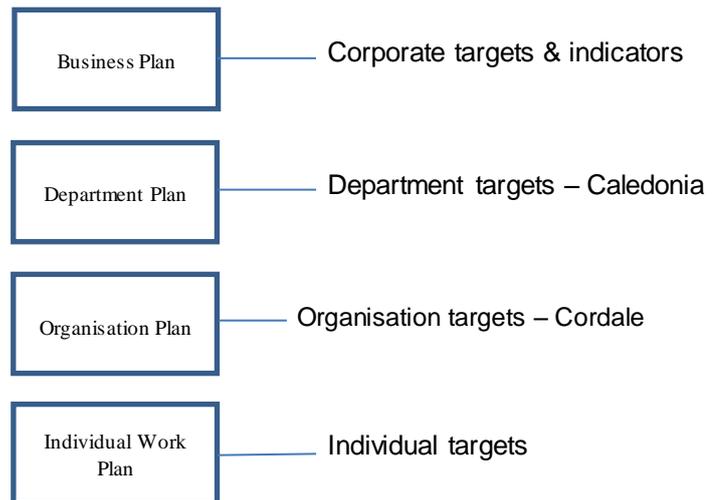
The Governing Bodies of each of the Group members have responsibility for managing and monitoring risk to ensure that their organisations are not unduly overexposed to strategic, operational or financial risks. In addition, Caledonia's Governing Body will manage and monitor risks to the Group as a whole. Governing Bodies' risk management responsibilities will be supported through a Group Risk Management Policy and through reports, information and advice at Governing Body meetings from the EMT and external parties as required. Risk will be explicitly considered as part of the reporting and decision making process. It will also form part of the internal audit function.

Annually each Governing Body will make a statement in its organisation's annual accounts regarding the effectiveness of internal controls and risk management.

Performance management is an integral function of each Governing Body to ensure that its organisation is well managed, financially robust and can achieve its strategic objectives. A Performance Management framework sets out how this will be managed across the Group, at Governing Body, senior officer and operational levels.

The Group will adopt a collaborative approach to its business planning arrangements. The Governing Bodies of all Group members will be asked to participate in an annual Business Planning event. The EMT will work closely with Cordale's Governing Body to prepare for these events and ensure that both organisation's specific business planning and budgetary requirements are assessed and articulated at the Group business planning event; and in the subsequent Group Business Plan, Strategic Documents and budgets drafted as a result of these Group business planning events. The Group Business Plan will be presented to Cordale Governing Body in February each year before being presented to the Caledonia governing body for approval later that same month. Budgets will be prepared and presented to each Group governing body in February each year; however, in line with the Intragroup Agreement, Cordale's budget cannot be adopted until it has been approved by the Caledonia governing body.

Targets and indicators will be established to assist with monitoring the delivery of the Group Business Plan. This will then be cascaded through department plans and individual work plans.



Each governing body will receive regular information on the following:

- Management Accounts & financial information
- Performance against approved Corporate Key Performance Indicators (KPI's) as appropriate across departments, or as regards Cordale, for the organisation as a whole
- Performance against Business Plan targets & indicators
- Customer Satisfaction & Feedback
- Performance against Service Standards

Senior officers will be responsible for review of performance and reporting on trends, comparison with other RSL's and action to be taken to address poor performance.

Operational, departmental and organisational KPI's will be reviewed by senior officers. This will include:

- delivery of department and organisation plans
- operational, departmental and organisational KPI's
- service level agreements between departments and between Caledonia and Cordale
- customer satisfaction & feedback

## **CAPACITY AND CAPABILITY OF GOVERNING BODIES**

The range of skills and experience required on each Governing Body will be reviewed regularly in line with the strategic planning process. This will ensure that skills, knowledge and experience can be aligned with the strategic direction of the Group member and appropriate action taken to fill gaps or develop existing Governing Body member skills. The Group Governing Body Membership Policy sets out how new Governing Body members will be recruited to fill vacancies.

## **ACCOUNTABILITY**

Group members have a legal responsibility to develop tenant participation structures and policies which allow and encourage tenants and service users to be involved. Each Group Members' Tenant Participation Strategy will set out the structures, methods for engagement and information which will be made available.

Group members are subject to the Freedom of Information (Scotland) Act 2002 ("FOISA") and the Environmental Information (Scotland) Regulations 2004 ("EIR") and are committed to the principles of openness and transparency underpinning FOISA and EIR and will comply fully with the requirements of the legislation. The Group will publish a wide range of information through its Publication Scheme and will respond to any request for information that we receive.

The Group will also abide by all legislative requirements relating to Data Protection.

The Group recognises that its stakeholders comprise residents, local communities, local authorities and other partners, together with our funders and Regulator. We will take all necessary steps to keep our stakeholders informed of our business activities.

The Group recognises the need to ensure its information is widely accessible. It will aim to understand the barriers that can prevent equal access to information and to identify appropriate ways of removing them.

### **Supporting Governance Documents**

- Individual Organisations' Rules
- Group Business Plan
- Code of Conduct - Governing Body
- Code of Conduct – Staff
- Group Conflict of Interest Policy
- Group Corporate Performance Management Policy
- Group Data Protection Policy
- Group Delegated Authority Policy
- Group Entitlements, Payments & Benefits Policy
- Group Financial Regulations
- Group Freedom of Information & EIS Policy
- Group Governing Body Members Expenses Policy
- Group Governing Body Membership Policy
- Group Information Risk Management Policy
- Group Membership Policy
- Group Notifiable Events Policy
- Group Serious Complaints Against the Group Chief Executive Policy
- Group Risk Management Policy
- Group Standing Orders
- Group Terms of Reference - Governing Body  
Group Audit & Risk Management Committee  
Group Remuneration Committee
- Group Whistleblowing Policy

**Governance Registers** – for each individual organisation

Codes of Conduct  
Control of Payments and Benefits  
Corporate Tenders  
Declaration of Interest  
Fraud  
Gifts and hospitality  
Governing Body Members Expenses  
Members  
Notifiable Events  
Sponsorship and Donations

## **CALEDONIA GROUP**

### **Governing Body – Terms of Reference**

The Governing Bodies in Caledonia's Group will not normally delegate powers to sub-committees, excepting the Group Audit & Risk Management and Group Remuneration Committees. Any sub-committees will comprise such Group Governing Body members and other persons as the Governing Body thinks fit, which shall in exercising the functions entrusted to them, conform to the instructions given to them in writing by their respective Governing Body.

With the exception of the Group Audit & Risk Management and Group Remuneration Committees, the Governing Body will consider and take the final decision on the recommendations from its sub – committees (in accordance with its delegated authority).

Caledonia's Governing Body will fulfil its role as outlined in relevant Governance Policies, including monitoring performance in handling complaints, and dealing directly with any Whistleblowing reports and complaints against the Group Chief Executive.

### **Caledonia's Governing Body – specific reservations of powers**

Caledonia's Governing Body reserves the right to deal with the following issues:

Appointment (and if necessary, investigation of complaints against or dismissal of) the Group Chief Executive and other senior staff members.

Approval of strategies and plans relating to business growth, including housing development proposals.

Acceptance of Scottish Government's Housing Investment Department annual programme of investment.

Approval of the Group Annual Business Plan and other Group strategic documents.

Approval of the Group annual budget and accounts.

The letting of a contract not identified in the investment programme or in the approved budget.

Overriding responsibility to ensure fulfilment of the requirements and expectations of the Scottish Housing Regulator, including those set out in its regulatory guidance for Governance and Financial Management and the submission of the Annual Assurance Statement.

Overriding responsibility to ensure compliance with the requirements and expectations of other regulators, such as the Care Inspectorate and the Office of the Scottish Charity Regulator.

Approval of all Group policies.

Considering and making decisions on proposed payments or benefits to be granted to employees, ensuring these are taken in accordance with the Group Entitlements, Payments

Matters reserved to it by Group Financial Regulations.

Matters of doubt or difficulty or which involve, or appear likely to involve, major changes in Group policy.

Major matters concerning relationships with central government, local authorities, statutory bodies, other housing associations and other community organisations.

The extension or restriction of the scope of the activities of any of the organisations in Caledonia's Group.

The appointment of external and internal auditors to the Group, through the Group Audit & Risk Management Committee.

### **Governing Bodies in Caledonia's Group – general reservations of powers**

Each of the Governing Bodies shall oversee, control and direct the duties and the actions of the Chair, Secretary, Treasurer (where applicable) and any other officers of the organisation to ensure that these are undertaken in accordance with the Rules and aims of the organisation.

Each Governing Body shall provide leadership to the organisation, setting the organisation's values and standards and ensuring that its obligations to stakeholders are met.

Each Governing Body shall set the organisation's strategic aims, ensuring that the resources to meet these are in place, and review performance.

Each Governing Body will take objective decisions in the interests of the organisation. In doing so it will be open about what it does, and publish information about its activities

Each Governing Body shall delegate authority to the Group Chief Executive and other senior staff

Each Governing Body shall scrutinise the performance of the organisation in meeting its stated goals and objectives; and hold the Group Chief Executive to account for his/her performance.

Each Governing Body shall ensure that the organisation's budgets and borrowings are undertaken in accordance with its Rules, the Group Standing Orders and the Group Financial Regulations.

Each Governing Body shall ensure that the AGM and any General Meetings of the organisation are called and conducted in accordance with its Rules.

Each Governing Body may decide to affiliate to the Scottish Federation of Housing Associations, and to any other organisations having objectives similar or relevant to those of the organisation

Each Governing Body is responsible for ensuring the recommendations or directions made by the Scottish Housing Regulator in the course of its regulatory activities are implemented.

Each of the Governing Bodies will meet once a year to discuss the strengths, weaknesses, skills and performance of the Governing Body over the last year. Caledonia's Governing Body will also review the effectiveness of its sub-committees and working groups.

Each Governing Body may decide on the appointment of any of its members or any employee to act as a signatory. Such appointments shall be reflected in the Group Scheme of Delegated Authority.

Group members' governing bodies have the right to deal with the following issues:

Approval of the organisation's annual budget and accounts, in a manner consistent with Group Budgets as approved by Caledonia's Governing Body. As per the terms of the Intragroup Agreement, Cordale's annual budget and accounts cannot be adopted until they have been approved by Caledonia's Governing Body.

Organisational responsibility to ensure fulfilment of the requirements and expectations of the Scottish Housing Regulator, including those set out in its regulatory guidance for Governance and Financial Management

Organisational responsibility to ensure compliance with the requirements and expectations of other regulators, such as the Social Care and Social Work Improvement Scotland (The Care Inspectorate) and the Office of the Scottish Charity Regulator.

The review of the effectiveness of the organisation's work and of the standards and levels of services provided, including the identification of the need for new or improved services; and the review of the necessity for existing ones.

Approval of any organisational policies that are not reserved by Caledonia's Governing Body as Group policies

Considering and making decisions on proposed payments or benefits to be granted to governing body members ensuring these are taken in accordance with the Group Entitlements, Payments and Benefits Policy and the Codes of Conduct for Governing Body Members.

Matters reserved to it by Group Financial Regulations.

Matters of doubt or difficulty or which involve, or appear likely to involve, major changes in organisational policy, excepting policies reserved by Caledonia's Governing Body as Group policies

The creation and dissolving of sub committees and the referral and delegation of business to them.

Any matter referred to it by a general meeting.

The reference of any matter to a general meeting.

## **CALEDONIA GROUP**

### **Group Audit & Risk Management Committee – Terms of Reference**

The Governing Body of Caledonia Housing Association has established a Group Audit & Risk Management Committee to support the Governing Bodies in the Group in the discharge of their duties relating to risk management, control, governance and the external and internal audit functions. These Terms of Reference set out the areas of responsibility of the Group Audit & Risk Management Committee.

#### **Membership**

Members of the Group Audit & Risk Management Committee will be appointed by Caledonia's Governing Body on an annual basis at the first Caledonia Governing Body Meeting following its Annual General Meeting. The Group Audit & Risk Management Committee will consist of a minimum of 4 and a maximum of 7 members. One place each will be reserved for members of Cordale's Governing Body, who in turn will select its nominee.

Caledonia's Governing Body will appoint a Chair and, if deemed appropriate a Vice Chair, from the Group Audit & Risk Management Committee members, but this shall not be the Chair of the Governing Bodies of Caledonia or Cordale.

Caledonia's Director of Finance and Governance will attend Group Audit & Risk Management Committee meetings and fulfil the secretariat role. Other senior staff will be invited to attend meetings as required. Other Governing Body Members are welcome to attend any meetings as a guest.

#### **Quorum**

The quorum necessary for the transaction of business is three. A meeting convened at which a quorum is present is competent to undertake all duties and responsibilities of the Group Audit & Risk Management Committee.

#### **Frequency of Meetings**

The Group Audit & Risk Management Committee will meet quarterly. An annual work programme and reporting cycle will be prepared to support the work of the Group Audit & Risk Management Committee. The Chair can call additional meetings as required.

The notice of each meeting along with supporting documents and reports will be issued to members 5 days prior to the meeting.

#### **Reporting**

The Group Audit & Risk Management Committee will formally report to the Group Members' Governing Bodies after each meeting. In doing so, it shall identify any matters where it considers action or improvement is needed; and will make any associated recommendations. A copy of the minutes of the meeting may form the basis of the report. In addition the Group Audit & Risk Management Committee will provide an Annual Report to the Group Members' Governing Bodies linked to the year-

end audited accounts and statement on internal control, summarising the Group Audit & Risk Management Committee's performance and conclusions from the work carried out during the year.

## **Duties & Responsibilities**

### **a) Financial Reporting**

The Group Audit & Risk Management Committee will:

- review and monitor the integrity of the annual financial statements, annual reports, management letters and any other statements relating to financial performance
- review financial returns to regulators
- review and challenge where necessary the accounting policies; accounting treatments and compliance with legal and regulatory standards for financial reporting.

### **b) Internal Controls and Risk Management Systems**

The Group Audit & Risk Management Committee will:

- review and monitor the effectiveness of internal, including financial, controls and risk management systems including the risk map
- review and approve the statements in the Annual Reports of each of the Group Members, on internal control and risk management.

### **c) Internal Audit**

The Group Audit & Risk Management Committee will:

- retain primary responsibility for recommending the appointment, re-appointment or removal of the Internal Auditors
- approve the contractual terms of engagement of the Internal Auditor
- approve the remit of the Internal Auditors including the annual Internal Audit Plan and the scope of the internal audit programme
- review all reports received from the Internal Auditors and managements responses to the findings and recommendations of the Internal Auditors.
- Monitor and review the effectiveness of internal audit activities, including the use of the Internal Auditor to carry out non-audit duties; and will report on this to the Governing Bodies on an annual basis.
- Monitor progress made by management in addressing internal audit actions.

### **d) External Audit**

The Group Audit & Risk Management Committee will:

- retain primary responsibility for recommending the appointment, re-appointment and removal of the External Auditors
- approve the contractual terms of engagement of the External Auditor
- review the findings of the audit with the External Auditor, discussing any issues arising during the audit; accounting and audit judgements; and errors identified during the audit

- review the management letter and the response to the findings and recommendations.
- review and monitor the External Auditor's independence and objectivity; and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements
- approve and review the engagement of the External Auditor to supply non-audit services, taking into account relevant ethical guidance

**e) Whistleblowing & Fraud**

The Group Audit & Risk Management Committee will:

- Review the arrangements for whistleblowing and detection of fraud.

**f) Cyber Security**

- Monitor and review the Group's cyber security risks and the measures being put in place to mitigate these risks.

**g) Other Matters**

The Group Audit & Risk Management Committee will:

- have access to sufficient resources to carry out its duties
- be subject to an annual effectiveness review by the Group Governing Bodies.

**h) Authority**

The Group Audit & Risk Management Committee is authorised to:

- seek relevant and appropriate information to support its activities and terms of reference
- obtain necessary external professional advice on matters within these terms of reference in line with budget provision.

**CALEDONIA GROUP**

**Group Remuneration Committee – Terms of Reference**

The Governing Body of Caledonia Housing Association has established a Group Remuneration Committee, to support the Governing Bodies in the Group in the discharge of their duties relating to establishing and reviewing the remuneration package and terms and conditions of the Executive Management Team. The Group Remuneration Committee will also consider salary and terms and conditions for other employees as appropriate. These Terms of Reference set out the areas of responsibility of the Group Remuneration Committee.

**Membership**

Members of the Group Remuneration Committee will be appointed by the Caledonia Governing Body on an annual basis at the first Caledonia Governing Body meeting following the Annual General Meeting. The Group Remuneration Committee will consist of a minimum of four and maximum of six members. One place will be reserved for a member of Cordale’s Governing Body, who in turn will select its nominee.

Caledonia’s Governing Body will appoint a Chair from the Group Remuneration Committee members, but this shall not be the Chair of the Governing Bodies of Caledonia or Cordale.

Caledonia’s HR & OD Manager will fulfil the secretariat role. Caledonia’s Director of People and Director of Finance & Governance will normally attend the meetings except where matters directly affect them. Other senior staff and external advisors will be invited to attend meetings as required and as appropriate.

**Quorum**

The quorum necessary for the transaction of business is three. A meeting convened at which a quorum is present is competent to undertake all duties and responsibilities of the Group Remuneration Committee.

**Frequency of Meetings**

The Group Remuneration Committee will meet on an *ad hoc* basis as required but at least once a year to review work plans and performance of the Group Remuneration Committee. The Chair can call meetings as required.

The notice of each meeting along with supporting documents and reports will be issued to members 5 days prior to the meeting.

**Duties & Responsibilities**

a) Executive Management Team

The Group Remuneration Committee will:

- Supervise the recruitment of the Group Chief Executive in conjunction with external advisors, including job description, person specification,

recruitment and make recommendation to the Caledonia Management Board.

- Liaise with Caledonia's Group Chief Executive on the recruitment of members of the Executive Management Team including participation in the recruitment process.
- Consider and recommend to the Governing Bodies the remuneration package and terms and conditions for the Executive Management Team.
- Review and recommend any variations to approved remuneration or terms and conditions in relation to the Executive Management Team

b) General Staffing

The Group Remuneration Committee will:

- Review and recommend to the Governing Bodies variations to the approved remuneration package or terms and conditions for staff below Executive Management Team level.

c) Other Matters

The Group Remuneration Committee will:

- Act as the hearing panel for dismissals and appeals against dismissal at Director level and above.
- Have access to sufficient resources to carry out its duties.
- Review its performance and effectiveness, identifying skills gaps or training requirements.

**Authority**

The Group Remuneration Committee is authorised to:

- Seek relevant and appropriate information to support its activities and Terms of Reference.
- Obtain necessary external professional advice on matters within these Terms of Reference in line with budget provision.