

## Approved by Management Committee 27/11/24

<b>Date Issued</b>	1988
<b>Amended</b>	June 2005, March 2007, October 2009, February 2010, October 2011, September 2016, August 2019, November 2024
<b>Department</b>	Corporate
<b>Title</b>	<b>Standing Orders for the ELHA Group (Management Committee (“Board”), Sub-Committees and wholly owned subsidiaries)</b>
<b>Objective</b>	To outline the Group’s Standing Orders
<b>Responsible</b>	Chief Executive
<b>Next Review Date</b>	November 2029

***Terms defined in the Standing Orders, including the Appendices, will have the same meaning as set out in the Rules, unless otherwise specified.***

### **1.0 Introduction**

The Management Committee will ensure that the business of East Lothian Housing Association Group (“the Group”) is undertaken in accordance with its Rules. To assist in this process the Management Committee has approved Standing Orders, which provide detailed procedures on how the Group’s business is to be conducted in order to comply with its Rules. Our Financial Regulations form part of these Standing Orders, but are held as a separate document for ease of reference.

### **1.1 Structure and Constitution**

The Group has adopted Rules based on the SFHA Charitable Model Rules (Scotland) 2013 for a registered Housing Association. The Rules set out the management and administrative structure of the Group, including the objects of the Group and its authority to establish a Management Committee (which shall be referred to throughout the Standing Orders, including the Appendices, as “the Board”), Sub-Committees and subsidiary Boards of Directors

**1.2** These Standing Orders contain guidance for Members, Board Members, Subsidiary Board Members and staff based on the Rules. The Standing Orders describe the Board and Sub-Committee structures, proceedings, responsibilities and the delegated powers to Office Bearers and senior staff. The Standing Orders provide a flexible framework within which authorised decisions can be taken.

**1.3** The Standing Orders will be reviewed at least every five years.

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## 2.0 Board

### 2.1 Composition of Board

The composition and powers of the Board are governed by the Rules. The Board shall have a minimum of 7 **and** a maximum (including co-optees) of 15 members. In practice, the Board shall seek to have between 8 to 12 members at any time. The Board can co-opt to the Board anyone it considers suitable to become a Board Member. Co-opted members will not make up more than one third of the total number of Board Members at any one time. The Chair of the Risk & Audit Committee shall be a member of the Board.

One third of Board Members shall (in accordance with Rule 39.2) retire at the end of every Annual General Meeting (which shall be in addition to those Board Members who have to retire due to having been co-opted either to fill a vacancy between Annual General Meetings or co-opted in accordance with Rule 42).

### 2.2 Chair

The Board Members will elect the Chair and the Vice Chair (who, in each case, cannot be a co-optee under rule 42 of the Rules) on an annual basis at the next scheduled Board meeting held after each Annual General Meeting (see **Appendix 1**). The Chair of the Board shall preside at all meetings of the Board. In the absence of the Chair, the Vice-Chair shall preside. If the Chair and Vice-Chair are not present, then the Board Members present shall elect a Chair for that meeting.

The Chair can decide who can speak and for how long, allowing equal time for each speaker. If a point arises which is not covered by the Rules, the Chair will give their ruling which will be final.

All questions of order arising at any meeting shall be decided by the Chair. If the votes of the Board Members are divided equally for and against an issue, the Chair will have a second and deciding vote.

### 2.3 Secretary

The Board Members will elect the Secretary on an annual basis at the next scheduled Board meeting held after each Annual General Meeting. The Secretary cannot be a co-optee and should be drawn from the Senior Management Team of the Association (but must not be the individual holding the post of Chief Executive). In an emergency, the Secretary can ask another Office Bearer or employee to carry out the Secretary's duties until the Secretary returns.

The formal responsibilities of the Secretary are to:

- Call and attend all general meetings of the association and all meetings of the Board
- Keep the minutes for all general meetings and meetings of the Board
- Send out letters, notices calling meetings and relevant documents to members before a meeting

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- Attend to administration relating to membership of the Association
- Prepare and send all reports to the Financial Services Authority, The Scottish Housing Regulator and the Office of the Scottish Charity Regulator
- Ensure compliance with the Rules
- Keep the Register of Members and other registers required under these Rules
- Supervise the use of the Association's Seal
- Keep all the books of accounts and receive all contributions and payments owed to the association
- Pay over the contributions and payments received by the Association as instructed by the Board

For the avoidance of doubt, in the absence of the Secretary, another Office Bearer or member of the Senior Management Team can deputise.

### **3.0 Sub-Committees and Steering Groups**

- 3.1** The Board alone has the power to create Sub-Committees and may delegate any of its own powers to such Sub-Committees. Any Sub-Committees must follow the terms of reference given to them by the Board which must be set down in writing.

The meetings and procedures of Sub-Committees will be the same as those of the Board as set out in the Rules. Sub-Committees must also follow any other additional regulations the Board may impose.

The Board must review periodically any Sub-Committees terms of reference and their level of authority.

The Board shall have responsibility for monitoring and evaluating the work of each Sub-Committee.

- 3.2** Co-optees appointed to the Board can also serve on Sub-Committees however they must not make up more than one third of a Sub-Committee. Co-optees do not count towards the number of members needed for a Board or Sub-Committee meeting to take place. They can vote on all matters except those which directly affect the membership of the Association or the election of Office Bearers. This ruling does not apply to steering or working groups as they have limited remits.

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### 3.3 Sub-Committee Structure

The Board has approved a Sub-Committee structure which will include a Risk & Audit Sub-Committee (hereinafter referred to as the Risk & Audit Committee) and a Governance Sub-Committee (hereinafter referred to as the Governance Committee).

### 3.4 Sub-Committee Responsibilities

Sub-Committees have delegated responsibilities and powers to act on behalf of and to report to the Board on specific matters. The Sub-Committee Terms of Reference are contained within **Appendices 4 and 5**.

Any decision made by a Sub-Committee must be reported to the next Board Meeting in accordance with the Rules.

### 3.5 Sub-Committee Membership

Each Sub-Committee will consist of a minimum of three and a maximum of eight elected or co-opted Board Members. In practice, each Sub-Committee shall seek to have between six to seven Members at any time. Any Board Member can volunteer to sit on any Sub-Committee, but they are not under any obligation to do so.

The Chair of the Board may not be a Member of the Risk & Audit Sub-Committee.

Membership of each Sub-Committee will be approved by the Board at their first Board meeting following the Annual General Meeting – decisions shall be made based on the requisite skills and expertise of the relevant individuals.

### 3.6 Chairs

Each Sub-Committee shall have a Chair (“Chair”) who shall be appointed by the Sub-Committee members at the first meeting of the Sub-Committee after the Annual General Meeting (and after appointments to the Sub-Committee have been made by the Board at the first Board meeting following the Annual General Meeting), in accordance with the procedure set out in the Election of Office Bearers (see **Appendix 1**). Co-opted Board Members may not be appointed as Chair. The Chair of the Board may not be appointed as Chair of a subsidiary. Co-opted Board Members can sit on the Risk & Audit Committee. A member of the Senior Management Team will Chair the first meeting following the Annual General Meeting up to the point that a new Chair is appointed.

In the absence of the Chair, Sub-Committee members present shall elect a Chair for that meeting.

### 3.7 Attendance at Sub-Committee meetings

Members of the Association’s Senior Management Team, in agreement with the Chair, can attend any Sub-Committee meeting they deem necessary. Any member of the Board who is not a serving member of a particular Sub-Committee can attend that Sub-Committee meeting with the Chair’s prior agreement. Any such Board Member will not have any voting powers but may participate in the business of the meeting at the discretion of the Sub-Committee Chair.

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### **3.8 Steering / Working Groups**

Ad hoc steering or working groups may also be formed from time to time as determined by the Board. The remit of steering / working groups will be determined by the Board at the time the group is formed, along with the anticipated timescale and reporting requirements.

Steering / working groups may invite non-Board Members onto the group who have specific skills or interests that would help further the group's objectives subject to the prior approval of the Board.

Steering / working groups may meet at a time and place convenient to the group members. Steering / working groups will report directly to the Board for the duration of their existence unless otherwise delegated to a Sub-Committee. Minutes or notes of all meetings will be recorded and regular reports tabled to the Board or delegated Sub-Committee for information and monitoring purposes.

### **4.0 Frequency and Duration of Meetings**

#### **4.1 Duration of Meetings**

The normal duration of meetings of the Board and Sub-Committees shall be two hours, with a maximum extension of thirty minutes by suspending the Association's Standing Orders. This extension of time must be proposed and approved by the Board Members or Sub-Committee members present.

#### **4.2** The Association's Board will agree annually the calendar of all Board Meetings and Sub-Committee meetings for the year. The frequency of meetings will be subject to business requirements but generally will tend to be as follows: Board Meetings - no less than six meetings a year, Sub-Committees and Subsidiary Board meetings – no less than four meetings a year (three, in the case of the Governance Committee).

Meeting dates may be adjusted to accommodate administrative demands with appropriate notice given.

#### **4.3 Notice of Meetings**

Notice of Board Meetings and Sub-Committee meetings shall be sent to Members by the Secretary at least seven days before the date of the meeting. All matters of business for the agenda must be sent to the Secretary by 4.00 pm on the day preceding that on which the notice of meeting is due to be issued.

#### **4.4 Special Board Meetings**

The Chair or two Board Members can request a special meeting of the Board by writing to the Secretary with details of the business to be discussed.

The Secretary will send a copy of the request to all Board Members within three working days of receiving it. The meeting will take place between 10 and 14 days after the Secretary received the request. Only the business for which the meeting has been called may be discussed at a special Board Meeting.

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If the Secretary fails to call the special Board Meeting, the Chair or the two Board Members who requested the meeting can call the meeting. In this case, they must write to all Board Members at least seven days before the date of the meeting. If a Board Member does not receive notice of any meeting (ordinary or special) this will not prevent the meeting from going ahead.

### **5.0 Board Proceedings**

**5.1** Ordinary meetings of the Board will normally be held at the Association's Head Office, or in external offices as notified by the Association. Where necessary, in-person meetings can be attended by members virtually. Not less than six meetings shall be held in each calendar year. Subsidiary Board meetings will normally be held in the Association's offices. Sub-Committee meetings may be held online or in the Association's offices as necessary.

### **5.2 Quorums**

Four elected Board Members shall form a quorum at all Board Meetings, except for the Sub-Committees, where the quorum shall be three Sub-Committee members. The quorum for subsidiary board meetings will be agreed by the Board on the formation of the subsidiary and will normally be at least two directors of the Board. Virtual or in person attendance counts equally towards any quorum.

Co-opted Members of the Board do not count towards the quorum for either Board or Sub-Committee meetings.

### **5.3 Order of Meetings**

The business at Board Meetings, Sub-Committee meetings and subsidiary Board meetings will normally follow the order of the agenda. The Chair can change the order of business at any stage. Matters not on the agenda may be discussed at an ordinary meeting, if the majority of Board Members / Board directors agree to this. The Board / Sub-Committee / Subsidiary Board can adjourn any meeting to another date/time, and, when any adjourned meeting is resumed, the meeting will start at the point at which it adjourned, and unless otherwise agreed by the members present, only items on the agenda for the original meeting will be discussed.

### **5.4 Any Other Business**

If any Board Member, member of any Sub-Committee, Subsidiary Board Member or the Chief Executive (or their nominee) wishes to raise items under "Any Other Competent Business", the Chair and senior staff member of the relevant Board / Committee must be told before the start of the meeting. In all cases the Chair will decide whether or not the item can be raised.

### **5.5 Motions and Amendments**

If a Board Member, member of any Sub-Committee, Subsidiary Board Member or the Chief Executive (or their nominee) submits a motion for inclusion in the agenda as outlined at 5.4 above and is unable to attend the meeting, the item will be included on the agenda for the next meeting.

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If the member does not attend the second meeting at which the item is due to be discussed the item will be dropped. All motions must be relevant to the subject under discussion. In all cases, relevance will be determined by the Chair.

### 5.6 Voting

Voting will be by a show of hands except where a poll is requested, or required by the Rules. All matters except a motion to suspend Standing Orders will be decided by a simple majority. A motion to suspend Standing Orders will require a two-thirds majority. If there is an equal number of votes for and against a decision the Chair will have a second and deciding vote.

### 5.7 Resolutions

Any Board Member, Sub-Committee member or Subsidiary Board Director may, without giving reasons, ask that their dissent from any resolution be recorded in the minutes, providing that the request is made at the meeting at which the resolution has been passed.

Any decision or resolution approved by the majority of the Sub-Committee Members / Subsidiary Board Members present at a Sub-Committee / Subsidiary Board meeting cannot be later questioned by a Sub-Committee member at Board level, unless a Sub-Committee member / Subsidiary Board Director records their dissent. The matter then can be brought up at the next Board meeting.

Other Board Members / Subsidiary Board Directors can, of course, seek points of clarification before the decision or resolution is ratified by the full Board.

Decisions of the Board cannot be questioned by a Board Member until six months after the decision was taken. Board Members can, of course, seek points of clarification before the decision is taken or ratified by the full Board. A review will take place if:

- (i) New legislation or regulations affecting the decision have been implemented; or
- (ii) New facts, which are ruled by the Chair of the meeting to be pertinent, have come to light since the original decision.

### 5.8 Order of Debate

The Chair will decide the order of debate and will endeavour to encourage broad participation by all Board Members / Sub-Committee / Subsidiary Board Members during meetings. They will have the final say in closing any debate.

Any Board Member / Sub-Committee / Subsidiary Board Member may raise a point of order in the course of a meeting. No questions of order will be permitted without the Chair's permission.

### 5.9 It shall be the duty of the Chair of any meeting to ensure that Standing Orders are observed and enforced at that meeting.

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### 6.0 Delegation of Powers

6.1 The Board can delegate authority to Sub-Committees, Office Bearers or staff to ensure that no business is unduly delayed between Board meetings. In the absence of the Board, the Chief Executive is authorised to take all necessary steps to ensure the effective day-to-day operation of the Association in accordance with the Association's Delegated Powers (see **Appendix 3**) and Financial Regulations.

### 6.2 Emergency Powers

In the event of an emergency occurring which needs an immediate decision and is outwith the remit of the Chief Executive, the Chief Executive will liaise with the Chair and Vice Chair (involving a subsidiary Chair where the decision relates to that company), to agree the appropriate action required as set out in the Delegated Powers to Office Bearers and Staff.

### 6.3 Board Responsibilities

A summary of the core functions indicating the key responsibilities of the Board and the delegated powers to Sub-Committees and subsidiary Boards of Directors is set out in **Appendix 2**. These core functions should be read in conjunction with the Rules and the SFHA Code of Conduct for Governing Body Members.

## 7.0 Openness and Accountability

7.1 The Association recognises that it has a variety of stakeholders and needs to demonstrate accountability to all of them. It must conduct its affairs openly and make information publicly available unless there are justifiable reasons for withholding it. The mechanisms by which the Association will demonstrate accountability are contained in the Association's Openness and Confidentiality Policy.

### 7.2 Confidentiality

Housing Associations are required to operate in an open and accountable manner. The Association will endeavour to disseminate information widely to all its stakeholders in different formats. Only information that is of a personal or commercially sensitive nature may be withheld, all in accordance with our Openness and Confidentiality Policy.

### 7.3 Admission of the Public to Meetings

The public may be admitted to general meetings of the Association and also to Board Meetings as observers provided that the prior agreement of the Chair is given and the Board has not voted in favour of the public being removed. The public will be excluded from meetings which discuss confidential matters.

Minutes of meetings will be made available to the public on request in accordance with the Association's Openness and Confidentiality Policy. Any matters relating to procedures, personnel issues, disciplinary action, complaints or any other confidential matters shall be considered as private and not disclosed to the public.



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### **7.4 The Media**

The Association will aim to be as open as possible in responding to enquiries from the media. Public statements in response to media enquiries should in the first instance be brought to the Chief Executive's attention for approval and in sensitive situations the Chair's agreement may be sought before responding.

The Association's staff will have authority to liaise directly with the media with regards to promoting the Association's profile as delegated by the Chief Executive.

### **8.0 Minutes of Meetings**

Minutes will be taken of all Board Meetings, Sub-Committee and Subsidiary Board meetings, and retained in a form available for future reference. The minutes will be presented at the next appropriate meeting and if accepted as a true record, be signed by the Chair of the meeting at which they are approved.

In addition, the Association publishes Board minutes, once they have been approved by the Board.

As these minutes are publicly available, some information may be redacted, for example because it contains personal information about an individual or member of staff. Where a Confidential or Private & Confidential item is discussed, no public minute is published.

### **9.0 Administration and Servicing of Committees**

The Chief Executive has overall responsibility for ensuring that committee papers are sent out timeously for all meetings; that all meetings are serviced by relevant staff, and that appropriate actions are taken in advance of the next meeting.

### **10.0 Declaration of Interests**

#### **10.1 Members Interests**

A Board, Sub-Committee or Subsidiary Board Member must not receive any payment or benefit unless it is permitted by our Entitlements, Payments and Benefits Policy and in accordance with the Rules.

#### **10.2 Declaring an Interest**

If a Board, Sub-Committee or Subsidiary Board Member has a personal or pecuniary interest, direct or indirect, in any matter under discussion, they shall declare that interest to the Board, Sub-Committee or Subsidiary Board as appropriate at the earliest opportunity (normally at the start of the meeting).

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As required by the Code of Conduct, they must leave the meeting whilst the matter they have declared an interest in is discussed.

The declaration of interest will be noted in the minutes of the meeting. Failure to disclose an interest can result in expulsion from the Board, Sub-Committee or Subsidiary Board.

The Association will maintain a register of disclosure of personal interest in respect of all members of the Board and staff in line with guidance from the Scottish Housing Regulator in relation to Schedule 7 of the Housing (Scotland) Act 2001.

### **11.0 Subsidiary Companies**

#### **11.1 R3 Repairs Limited**

R3 Repairs Limited ("R3") is a wholly owned subsidiary of the Association. Pursuant to R3's articles of association, the Association has the right to appoint Directors to the Board of R3 ("R3 Board Members"). The procedure for appointing such Directors is set out in **Appendix 1**.

## Election of Office Bearers Procedures

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### 1.0 Chair

The Chair will be elected annually from the Board Members (excluding co-optees) at the first Board meeting held after each Annual General Meeting.

The position will be held until the next Annual General Meeting unless the Chair: (i) ceases to be a Board Member; or (ii) the Chair is prevented from standing or being elected to the Board under the Rules (Rule 43); or (iii) if a majority of the remaining Board Members present at a special meeting require their resignation.

The Chair must not normally hold office continuously for more than five annual general meetings.

Due to the timing of this election, the procedures will be as follows:

- The meeting will be chaired by the Vice Chair or a Board Member who is not standing for office
- Nominations will be invited verbally
- Nominations will be proposed and seconded verbally
- One nomination will require only a majority of Board Members present to confirm the Chair's appointment
- More than one nomination will require a vote by secret ballot to determine who will be Chair
- If there is a tie in the vote the Chair of the meeting will have a second, deciding vote

### 2.0 Election of Other Office Bearers

Election of other Office Bearers will take place at the first Board meeting following the Annual General Meeting. Board Members may vote for the appointment of the Vice Chair. Sub-committee Members may vote to appoint their Chair, and such appointments are normally made at the first meeting of the Sub-Committee following the election of Board Office Bearers. Co-optees are not entitled to vote on any of the above.

Voting Arrangements for the appointment of Office Bearers:

- Nominations will be formally invited from Board Members
- One nomination per post will require a majority of the Board Members present to approve the Office Bearer's appointment
- More than one nomination will require a secret ballot to determine the elected Office Bearer
- If there is a tie in the vote the Chair will have a second, deciding vote.

Board Members shall also confirm the appointment of the Secretary, who shall be a member of the Senior Management Team of the Association (and not a Board Member) and will typically be the individual holding the position of Director of Housing.

### **3.0 Subsidiaries**

#### **3.1 R3 Repairs Limited ("R3")**

The Association, for so long as it remains a member of R3, may appoint up to three Board Members as Directors of R3. In addition the Association may appoint up to three other individuals (not being Board Members) as Directors of the Company.

Appointments to the Board of R3 will be made at the first Board meeting held after the annual general meeting.

The arrangements for election of R3 Directors will be as follows:

- Nominations will be formally invited from Board Members
- Three nominations from the Board Members will require a majority of the Board Members present to approve the appointments
- More than three nominations from the Board Members will require a secret ballot to determine who should be appointed as R3 Directors
- In relation to the non-Board Members to be appointed as R3 Directors, the majority of the Board Members will agree the three individuals to be appointed. For the avoidance of doubt, an Association employee may be elected to be such a Director
- If there is a tie in the vote the Chair will have a second, deciding vote
- On election, written notice of the appointments signed on behalf of the Association requires to be delivered to R3
- The Chair of the R3 Board is elected by the R3 Board at the first meeting of the Board after the appointment of Directors by the Board, following the same process used to appoint the Chair of the Board set out in section 1.0 above.

## Board Core Functions and Terms of Reference

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The following list of core functions outlines the key responsibilities of the Board. This list is not comprehensive but is a guide for Board Members and should be read in conjunction with the Rules and the Code of Conduct for Governing Body Members.

### 1.0 General, Governance and Strategy

In addition to the powers specified in the Rules, the Board is responsible for:

- 1.1 Setting the values, mission and strategic objectives of the Association and its subsidiaries (“the Group”).
- 1.2 Reviewing achievement of the strategic objectives of the Group, with a view to ensuring its long-term success.
- 1.3 Reviewing and setting the Group’s governance structures including the terms of reference for Sub-Committees, ensuring that they support the delivery of the Association’s social purpose and strategic objectives.
- 1.4 Seeking assurance that the desired culture and behaviours are being enacted in practice in alignment with the Association’s mission and values.
- 1.5 Establishing a framework for approving strategies, policies and plans to achieve agreed corporate objectives and establishing a scheme of delegation (which shall be kept under review) in terms of functions and authorities delegated to Sub-Committees and the Chief Executive, which shall not contravene reserved powers listed in the Chair’s Delegated Actions section below.
- 1.6 Approving the annual Budget, Business and Corporate Plans, including annual KPI targets. Subjecting the Association’s Business Plan to rigorous stress testing to understand how much stress the organisation can withstand and ensure plans are in place to deal with potential scenarios as they materialise.
- 1.7 Approving any plans, strategies and policies listed in the annual Policy Review Timetable, as required.
- 1.8 Ensuring there is appropriate engagement with a wide range of stakeholders, including tenants and other service users.
- 1.9 Approving the Asset Management Strategy and seeking assurance from the senior management team that the Association has up to date information about the housing stock condition, indicating that the condition meets required standards.

- 1.10 Monitoring the Group's performance in relation to agreed strategies, plans, the annual budget, policies, controls and KPIs.
- 1.11 Satisfying themselves that the Group's affairs are conducted lawfully and in accordance with generally accepted standards of performance, probity and good practice and seeking relevant information and evidenced assurances from the senior management team that there is compliance with the Scottish Housing Regulator's regulatory requirements and standards and those of the Office of the Scottish Charity Regulator.
- 1.12 Establishing and overseeing a framework for the identification, management and reporting of risk, in order to safeguard the assets of the Association, including risk appetites and tolerances and ensuring that reviews of risk (against the agreed framework) and of risk strategies are reported to the Board via the Risk & Audit Committee. Satisfying themselves (through liaison with the Risk & Audit Committee) that the Risk Register reflects the key risks faced by the Association and includes key controls and mitigations.
- 1.13 Managing the strategic risks faced by the Group and obtaining robust assurance that controls are effective, that plans and compliance obligations are being delivered, and that the Association is financially viable.
- 1.14 Assuming overall responsibility for Health & Safety and seeking to assure themselves (via liaison with the Risk & Audit Committee and the Senior Management Team) at least annually that the Association complies with agreed Health & Safety policies, KPIs and relevant legislation.
- 1.15 Ensuring that the Board and Subsidiary Boards have the appropriate range of skills and knowledge to enable them to fulfil all of their functions.
- 1.16 Establishing a strong working relationship with the Chief Executive and other senior staff.
- 1.17 Appointing (and, if necessary, dismissing), and appraising at least annually the Chief Executive following agreed procedures.
- 1.18 To lead any recruitment exercise for the post of Chief Executive.
- 1.19 Receiving development and other capital investment update reports at least twice a year that provide assurance on the progress of current and future developments.
- 1.20 Following the Association's Rules in appointing the Chair of the Board and other Office Bearers (and, if necessary, removing Office Bearers and Board Members in accordance with the Rules).
- 1.21 Monitoring the behaviour of the Board in compliance with the SFHA Code of Conduct for Governing Body Members and in accordance with their charity trustee duties under The Charities and Trustee Investment (Scotland) Act 2005.
- 1.22 Following the Association's Rules in making appointments to the R3 Board and other representative bodies.

- 1.23 Approving the annual R3 Business Plan and receiving/reviewing Budget updates and quarterly Management Accounts from R3.
- 1.24 Delegating Authority to the Risk & Audit Committee, to the [Governance Standards Committee], to Working Groups, Steering Groups and Subsidiary Boards of Directors as it sees appropriate, and monitoring and reviewing their performance to ensure the effective running of our business.
- 1.25 Receiving regular reports of Sub-Committee meetings from Sub-Committee Chairs, considering these and monitoring such activities, seeking further information etc where necessary with a view to obtaining the relevant assurances, all prior to approving any recommendations made by the Sub-Committees.
- 1.26 Establishing ad hoc, time-limited Working Groups to examine matters that warrant such attention in more detail.
- 1.27 Reviewing the Rules and recommending proposed changes to the Membership, including the Association's policy for admitting new Members.
- 1.28 Approving applications for the shareholding membership of the Association.
- 1.29 Monitoring and approving the submission of statutory returns and ensuring deadlines are met.
- 1.30 Recommending the appointment of the External Auditor to the Annual General Meeting.
- 1.31 Approving the appointment of the Association's solicitors.
- 1.32 Ensuring good practice in respect of equal opportunities throughout our activities.
- 1.33 In addition to its schedule of Board meetings, the Board shall additionally meet at least once annually to plan the future strategy and business of the Association, which meeting shall be known as the 'Away Day'.

## **2.0 Staffing**

- 2.1 Employing staff to carry out the day-to-day work of the Housing Association.
- 2.2 For Housing Association staff, setting and reviewing conditions of service, contracts of employment (which are currently discharged through the Association's membership of Employers in Voluntary Housing, EVH), and pension fund arrangements.
- 2.3 For Housing Association staff, involvement in the final stages of the disciplinary and grievance procedures.

### 3.0 Corporate Management and Finance

- 3.1 Ensuring that proper accounts and related records are maintained for the Group.
- 3.2 Satisfying themselves with the integrity of financial information, reviewing quarterly management accounts and approving each year's annual accounts prior to publication.
- 3.3 Having responsibility for managing significant financial risk and ensuring compliance with all loan and security covenants and financial requirements.
- 3.4 Approving essential expenditure which has not been allowed for in the overall budget.
- 3.5 Approving borrowings, and ensuring investments and cash flow are in line with the Treasury Management Policy.
- 3.6 Approving material bad debt write offs in accordance with the levels for Delegated Authority contained in Appendix 3.

### 4.0 Powers Delegated to Sub-Committees

- 4.1 The strategic governance activities of the Board will be supported by a Committee Structure comprising:
  - Risk & Audit Committee
  - Governance Committee
- 4.2 The Board will agree the Remit and Terms of Reference for each of the Committees. Each Committee will appoint its own Chair, who must be a Board member, from within its membership. The Chair of the Board is not eligible for membership of the Audit & Risk Committee.

### 5.0 Subsidiaries

#### 5.1 R3 Repairs Limited ("R3")

- 5.1.1 As set out in **Appendix 1**, the Association, for so long as it remains a member of R3, may appoint up to three Board Members as Directors of R3. In addition the Association may appoint up to three other individuals (not being Board Members) as Directors of the Company. The procedure for electing R3 Directors is set out in **Appendix 1**.
- 5.1.2 The powers and duties of the R3 Directors are set out in its Articles of Association and accordingly the individuals appointed as Directors to the Board of R3 must comply with its Articles of Association.



5.1.3 In addition the Rules continue to apply to Board Members and any Association employees appointed to the Board of R3.

**6.0 Review**

6.1 The Management Committee has approved these terms of reference and they will bind the Board from 28 November 2024.

6.2 The Board shall carry out an initial review of the structure, responsibilities, reporting arrangements and terms of reference after five years (or sooner if the need arises).

## Delegated Powers to Office Bearers and Staff

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### 1.0 General Principles

- 1.1 We recognise that the effective day to day running of the Group will often require decisions to be taken without awaiting Board / Subsidiary Board approval, and that many routine matters fall within the remit of the Chief Executive and senior staff in accordance with approved policies and procedures. Accordingly, this Appendix sets out the basis on which delegated powers shall be exercised by Office Bearers and senior staff.
- 1.2 Office Bearers and staff shall, in all cases, seek to use delegated powers to maintain progress in their various areas of work, provided that no policy decisions are taken or major financial commitments entered into without the approval of the Board / Subsidiary Board. Office Bearers and staff shall at all times comply with the terms of reference established by the Board / Subsidiary Board in relation to delegated powers.
- 1.3 The Chief Executive and senior staff delegated powers are set out in the Group's, Association's and subsidiary company's policies including the financial regulations and staff job descriptions. Additional delegated powers are listed in sections 4.0 to 9.0 below.

### 2.0 Office Bearers

- 2.1 In the absence of a Board / Subsidiary Board meeting, the Chair of the Board / Subsidiary Board shall have a general remit to consult with the Chief Executive to authorise any urgent decisions which fall outwith the remit of staff to ensure the day to day business of the Group is not interrupted. Such decisions will not normally have policy implications or major financial implications (unless specified in the financial regulations) which would require Board / Subsidiary Board approval. All matters on which the Chair has authorised action shall be reported to and homologated at the next meeting of the Board / Subsidiary Board.
- 2.2 It shall be understood that, in all cases where discretionary authority is delegated to the Chair of the Board / Subsidiary Board, the same authority shall be delegated to the Vice-Chair in the absence of the Chair.

### 2.3 Secretary

Notwithstanding the foregoing, the Secretary shall have authority:

- i) To carry out the duties of Secretary as laid down in the Rules and to ensure the proper completion and security of all legal documents;
- ii) To accept applications for Association membership and to report them to the following meeting of the Management Committee.

#### **2.4 Sub-Committee Chairs**

Sub-Committee Chairs in conjunction with the Chief Executive and any appropriate manager may authorise a decision or action that falls within the remit of that committee which cannot wait until the next meeting, subject to the decision being formally reported and homologated at the next Sub-Committee meeting.

#### **3.0 Emergency Powers**

- 3.1 In the event of an emergency occurring which needs an immediate decision, the Chief Executive may take emergency action as necessary, after consultation with the Chair and Vice Chair. Where urgent decisions with policy implications become necessary and when it is impracticable to call a Board Meeting, the Chair and the Vice-Chair shall consult with the Chief Executive, and shall take such decisions as shall involve the least possible policy commitment on behalf of the Group. The decisions taken shall be reported to the Board / Subsidiary Board as soon as possible thereafter for homologation.
- 3.2 In some circumstances, these emergency powers will be superseded by the Business Continuity Plan, which contains policies, procedures and emergency powers to be followed / used in the event of a disaster.

#### **4.0 Chief Executive**

The Chief Executive or, in their absence, such person as may be authorised to deputise for them, in consultation with other staff and the Chair and Vice Chair, shall have authority as detailed in the Chief Executive's job description and financial regulations, including the following:

- 4.1 Monitoring legislation affecting the Group's legal status, its role as an employer, property landlord and service provider.
- 4.2 Assessing risk in accordance with the Risk Management Framework and updating the risk register.
- 4.3 Approving revisions to Delegated Policies as set out in the Policy Framework.
- 4.4 Appointment of staff and approval of contracts of employment and associated matters such as approval of training and support, up to approved budget levels.
- 4.5 Ensuring that appropriate and current Professional Indemnity (PI) Insurances are in place for all Consultants prior to their formal engagement, including maintaining the PI Register.

**5.0 Director of Housing**

The Director of Housing shall have responsibility as set out in the Director of Housing's job description and the financial regulations including the following:

- 5.1 Allocating tenancies to applicants on the waiting list in accordance with Housing Association Policy, and subject to the reporting of all such allocations to the Audit & Assurance Committee.
- 5.2 Taking such emergency or short-term action as may be necessary to ensure the efficient prosecution of the Association's Housing policy, subject to the reporting of all such actions to the following meeting of the Management Committee.
- 5.3 Authorisation of expenditure in line with the Association's Financial Regulations and policies.
- 5.4 Monitoring rent arrears and approving necessary steps to cover rent arrears including evictions in accordance with the Association's Rent Arrears Policy.
- 5.5 Preparation of the rent review in conjunction with the Director of Finance for the approval of Management Committee.
- 5.6 In conjunction with the Director of Finance, approving and reviewing the methods by which rent payments are made by tenants.
- 5.7 Informing and consulting with the Association's Chief Executive on any activity which might have implications on the Association's business activities.
- 5.8 Promoting tenant membership of the Association and participation by tenants in the work and decision-making processes of the Association.
- 5.9 Encouraging the formation and growth of tenant's groups and other similar developments among residents in the Association's area.
- 5.10 Monitoring the quality and levels of customer satisfaction of the Association's services and feedback to the Board on appropriate action required.
- 5.11 Monitoring literature circulated to tenants and applicants.
- 5.12 Responsibility for all day to day operational matters relating to Care & Repair.

**6.0 Director of Finance & Corporate Services**

The Director of Finance & Corporate Services shall have responsibility as set out in the Director of Finance's job description and the Group's financial regulations including the following:

- 6.1 In consultation with the Chief Executive, taking such emergency or short term action as may be necessary to protect or promote the Group's financial position, subject to the reporting of all such action to the following meeting of the Board / Subsidiary Board.
- 6.2 The overall financial management of the Group.
- 6.3 Authorisation of expenditure in line with the Group's Financial Regulations.
- 6.4 Preparation of financial projections including annual budgets and longer-term projections in consultation with budget holders.
- 6.5 Informing and consulting with the Senior Management Team on any activity which might have implications on the Group's business activities.
- 6.6 Preparing the rent review in conjunction with the Director of Housing for the approval of the Board.
- 6.7 In conjunction with the Director of Housing and Director of R3 & Asset Management, approving and reviewing the methods by which payments are made by tenants and other customers.
- 6.8 Ensuring that the Group's Financial Policies and Procedures are in accordance with the Association's Rules and the Scottish Housing Regulator Performance Standards and the requirements of Scottish charity law.
- 6.9 The assessment and selection of private funders and recommending the subsequent arrangement of borrowings in line with the Rules and Treasury Management Policy.
- 6.10 The assessment and selection of institutions / organisations for investing funds and placing investments in line with the Rules and Treasury Management Policy.
- 6.11 Monitoring and reporting on compliance with loan terms and conditions.
- 6.12 Ensuring that the Group has appropriate insurances in place.
- 6.13 Financially appraise housing development proposals.
- 6.14 Ensure that the Group's IT resources, applications and security are appropriate to requirements and budgets and are adequately supported.
- 6.15 Ensure that the Group's office administrative resources are appropriate to requirements and budgets and are adequately supported.

## **7.0 Director of R3 & Asset Management**

The Director of R3 & Asset Management shall have responsibility as set out in the Director of Asset Management's job description and the financial regulations including the following:

- 7.1 Appointing Maintenance Contractors for particular projects in accordance with the Group's Procurement policy and advising the Audit & Assurance Committee accordingly.
- 7.2 The preparation of annual estimates and budgets in conjunction with the Directors of Housing and Finance relating to the maintenance function of the Association.
- 7.3 Advising on the appropriate use of materials and their design on the Group's properties.
- 7.4 Informing and consulting with the Senior Management Team on any activity which might have implications on the Group's business activities.
- 7.5 Promoting the involvement of tenants in the Maintenance process.
- 7.6 Approving maintenance spending in accordance with the Group's Procedures.
- 7.7 Overall responsibility for the operations of R3 Repairs Limited.
- 7.8 Overall responsibility for reporting on the activities of R3 Repairs Limited to the R3 Board, and to the Management Committee and Sub-Committees as required.
- 7.9 Operational responsibility for Health & Safety (H&S)

## Risk & Audit Committee Terms of Reference

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### Functions

#### General

1. Advise ELHA's Board on whether there is an appropriate culture of control, assurance and risk management throughout the organisation.
2. Ensure that there is a transparent procedure in place for the selection, periodic review and agreement of fees for the External and Internal Auditors.
3. Appoint Internal Auditors.
4. Report to the Board of ELHA further to each meeting of the Committee (such report to be given ahead of the next meeting of the Board of ELHA) containing details of all recommendations for approval by the Board.

#### External and Internal Audit

5. Recommend to the Board of ELHA the re-appointment or otherwise of the External Auditor.
6. Recommend to the Board of ELHA the fee to be paid to the External Auditor.
7. Discuss with the External Auditor, the nature and scope of the Audit, prior to its commencement.
8. Discuss findings arising from any Interim and Final Audit, and any matters the External Auditors may want to discuss (in the absence of staff if necessary).
9. Consider and agree ELHA's Accounting Policies and recommend their adoption by the Board.
10. Review the Annual Financial Statements from the perspective of compliance with Accounting Policies, Standards, law and regulations, and their consistency with prior reporting of financial results during the year, advising the Board on any matters of discretion available within the Annual Financial Statements.
11. Agree the Internal Audit Plan, and monitor the performance and progress against that Plan.
12. Agree Management Action Plans from agreed Internal and External Audit recommendations (or similar), and constantly monitor their implementation.

13. Review the External Auditors' Audit Findings Report and Management's Response, and submit them to Board for consideration, along with the Letter of Representation.
14. Encourage co-operation and co-ordination between Internal and External Auditors.
15. As a matter of principle, and to ensure that their independence is not compromised, the Committee should meet with the Internal and External Auditors at least once a year without any staff being present.

### **Internal Controls**

16. Establish and oversee systems of delegation and internal control.
17. Keep under constant review the effectiveness of those internal control systems and have responsibility for recommending to the Board the Annual Statement of Internal Control.
18. To commission, where necessary and with the approval of the Board, special investigations into matters of particular concern relating to internal controls.
19. To ensure that the impact of alleged or fraudulent activity on the organisation's framework of internal control is properly assessed and, where it considers it necessary, to recommend changes to strengthen the control framework.
20. To receive reports relating to any matters of whistleblowing or alleged or actual fraudulent activity that may have an effect upon the organisation (or any of its subsidiaries) and ensure that any necessary reports about fraud are made to the Regulator.

### **Risk**

21. Using ELHA's Risk Management Framework, ensure the appropriate identification and management of risk so as to minimise and take appropriate action in respect of those risks which could adversely affect ELHA's ability to meet its business objectives and deliver services successfully.
22. Continuously monitor ELHA's Risk Map, including for the identification of new risks and for the changing context of risks already identified and report upon these to the Board – reports as against the risk register (developed as part of the Risk Framework) to be reported on quarterly with an additional more detailed annual report to be prepared.
23. Resolve ELHA's strategy for addressing insurable risk, including the maintenance of adequate insurance cover, ensuring ELHA's assets and resources are subjected to agreed acceptable levels of insurable risk.



24. Establish and review ELHA's Business Continuity Plan (including the disaster recovery plan).
25. Report on the strategic risk register to the Board at least quarterly with preparation of a more detailed report on an annual basis.

### Other

26. Consider any proposals to change Scheme of Delegation and Financial Regulations.
27. Ensure that systems are in place to ensure Covenant Compliance.
28. Approve the review of all ELHA policies regarded by Board as policies which are relevant to these Terms of Reference.
29. To review ELHA's Gifts & Hospitality Register at least once per year. and report upon the same to the Board
30. To review ELHA's Contracts and Procurement Register at least once per year and report upon the same to the Board.

### Authority and Access to Information

31. The Committee is authorised by the Board to obtain outside legal or other independent professional advice up to a value agreed by the Board and to secure the attendance of third parties with relevant expertise and experience if considered necessary.
32. The Committee Chair will report the exercise of this authority to the Board Chair together with the advice received. Unless the Board Chair is of the opinion that to reveal the advice would compromise any investigation or to do so would be contrary to the interests of ELHA, all relevant facts relating to the advice will be reported to the Board at its next meeting or as soon as appropriate thereafter.
33. The Committee has right of access to information related to its functions under these Terms of Reference and shall receive the co-operation of ELHA's staff so as to be able to carry out its responsibilities.

### Accountability

34. The Committee is accountable to the ELHA Board for the fulfilment of the responsibilities delegated to it as set out in this Terms of Reference.
35. All Committee members share responsibility for its decisions and should act only in the interests of ELHA and not on behalf of any constituency or interest group.

36. The ELHA Board will obtain assurance on the Committee's work via reports and regular verbal feedback from the Committee Chair on all of the Committee meetings. Minutes of Committee meetings are available to all Board members at all times.
37. The Chair of the Committee will ensure that key issues are promptly brought to the attention of the ELHA Board.
38. The Committee will report formally on its work (via a more comprehensive report) to ELHA's Board on an annual basis.

### **Composition**

39. The Committee will have a membership of a maximum of eight individuals (one of whom will be the Committee Chair, appointed by the Committee – this individual must also be a member of the ELHA Board), with the ELHA Board having the ability to appoint up to one additional independent member, appointed on the basis of their skills and expertise in finance.
40. The ELHA Board should aim to include an individual as a member of the Committee who is a member of a recognised accountancy body.
41. The Chair of the Board and the Chair of the R3 Board may not sit on this Committee. The Chair of the Board and the Chair of the R3 Board may observe by invitation of the Committee.

### **Quorum**

42. The quorum for the Committee will be three. Virtual or in person attendance counts equally towards any quorum.

### **Frequency of meetings**

43. The Committee will meet at least four times per year.

### **Review**

44. The ELHA Board has approved these Terms of Reference and they will bind the Committee from 28 November 2024. The Committee shall carry out an initial review of the structure, delegated responsibilities, reporting arrangements and terms of reference after five years and report its conclusions to the ELHA Board, including any recommendations for change.

## Governance Committee Terms of Reference

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### Purpose

1. To keep under review the governance model of the Association, including periodic review of its Rules and Standing Orders (including Terms of Reference and the Scheme of Delegation and Code of Conduct) and the governance of any subsidiary, with a view to recommending any necessary changes to the ELHA Board.
2. To oversee the development of the Annual Assurance Statement and report on this to the Board prior to its submission to the Scottish Housing Regulator.
3. To instruct the relevant representative how to cast the Association's vote for annual wage increases or any other ballot held by Employers in Voluntary Housing (bearing in mind collective bargaining arrangements in place).
4. To approve any local variation or amendments to Terms & Conditions of Employment.
5. To develop and implement the process of:
  - Appraisals of effectiveness of members of the ELHA Board, and of each Committee, with a view to determining any training needs or skills gaps
  - Determining and addressing any training needs
  - New Board Member induction
  - Board Succession Planning and Board Member recruitment

### Authority and Access to Information

6. The Committee is authorised by the Board to obtain outside legal or other independent professional advice up to a value agreed by the Board and to secure the attendance of third parties with relevant expertise and experience if considered necessary.
7. The Committee Chair will report the exercise of this authority to the Board Chair together with the advice received. Unless the Board Chair is of the opinion that to reveal the advice would compromise any investigation or to do so would be contrary to the interests of ELHA, all relevant facts relating to the advice will be reported to the Board at its next meeting or as soon as appropriate thereafter.

8. The Committee has right of access to information related to its functions under these Terms of Reference and shall receive the co-operation of ELHA's staff so as to be able to carry out its responsibilities.

### **Accountability**

9. The Committee is accountable to the ELHA Board for the fulfilment of the responsibilities delegated to it as set out in this Terms of Reference.
10. All Committee members share responsibility for its decisions and should act only in the interests of ELHA and not on behalf of any constituency or interest group.
11. The ELHA Board will obtain assurance on the Committee's work via reports and regular verbal feedback from the Committee Chair on all of the Committee meetings. Minutes of Committee meetings are available to all Board members at all times.
12. The Chair of the Committee will ensure that key issues are promptly brought to the attention of the ELHA Board.
13. The Committee will report formally on its work (via a more comprehensive report) to ELHA's Board on an annual basis.

### **Composition**

14. The Committee will have a maximum membership of eight individuals (one of whom will be the Committee Chair, appointed by the Committee – this individual must also be a member of the ELHA Board), with the ELHA Board having the ability to appoint up to one additional independent member, appointed on the basis of their specialist skills and expertise in respect of governance (e.g. a solicitor with a background in corporate governance or an individual with experience of running a third sector body (of scale) at a senior level).

### **Quorum**

15. The quorum for the Committee will be three. Virtual or in person attendance counts equally towards any quorum.

### **Frequency of meetings**

16. The Committee will meet at least three times per year.

### **Review**

17. The ELHA Board has approved these terms of reference and they will bind the Committee from 28 November 2024. The Committee shall carry out an initial review of the structure, delegated responsibilities, reporting arrangements and terms of reference after five years and report its conclusions to the ELHA Board, including any recommendations for change.