

ARHAG BOARD TERMS OF REFERENCE

1 PURPOSE

- 1.1 The purpose of the Arhag Board is as set out in these terms of reference.
- 1.2 Lead Executive Officer Chief Executive Officer

2 RESPONSIBILITIES (CORE)

- 2.1 The Board has ultimate accountability and responsibility for the leadership and strategy of Arhag
- 2.2 To define and ensure compliance with the values, vision, mission and strategic objectives of the organisation, ensuring its long-term success and compliance with the RSH (or its successor organisation) regulatory requirements.
- 2.3 To establish a framework for approving strategies, policies and plans to achieve those objectives.
- 2.4 To satisfy itself as to the integrity of financial information and approve each year's financial statements prior to publication and approve each year's budget and business plan.
- 2.5 To establish and oversee a framework for the identification, management and reporting of risk in order to safeguard the assets of the organisation. To approve the risk appetite.
- 2.6 To agree or ratify policies and decisions on all matters that might create significant financial or other risk to the organisation, or that raise material issues of principle.
- 2.7 To monitor the organisation's performance in relation to these strategies, plans, budgets, controls and decisions and also in the light of customer feedback and the performance of comparable organisations.

3 THE ARHAG BOARD HAS OVERALL RESPONSIBILITY FOR:

- 3.1 The governance of Arhag's affairs. Its role is to lead, direct, control, scrutinise and evaluate the organisation's work. It sets the strategic framework within which Arhag will operate; manages the organisation's resources and assets to fund growth and reinvestment and supports the delivery of front-line services with effective corporate services
- 3.2 Ensuring that the organisation as a whole has the resources it requires (including financial and human) in order to achieve its objectives and that these are deployed effectively.
- 3.3 Ensuring that the voice of stakeholders, especially residents, customers and staff are taken into account in the development and monitoring of the organisation's vision and values and the assessment of performance, ensuring services provided represent value for money and are customer focused.

- 3.4 Establishing and maintaining a strong working relationship between the Board, the Chief Executive Officer and other senior staff.
- 3.5 Appointing (and, if necessary, dismissing) the Chief Executive Officer following agreed procedures, and approving his or her salary, benefits and terms of employment.
- 3.6 Establishing and monitoring a mechanism for marketing and communicating and receiving feedback from the organisation's stakeholders and approving any major changes in corporate identity.
- 3.7 Satisfying itself that the organisation's affairs are conducted lawfully and in accordance with generally accepted standards of performance, probity, good practice and regulatory requirements.
- 3.8 Assessing how the organisation follows the recommendations of the National Housing Association ("NHF") Code of Governance (or other relevant Code) and stating compliance and non-compliance in its annual review and accounts.
- 3.9 Ensuring that decisions are taken with the benefit of appropriate advice provided or commissioned by officers. The Board can obtain its own external advice where appropriate.
- 3.10 Overseeing the financial reporting and wider accountability of the Association to its stakeholders, regulators and statutory authorities.
- 3.11 Ensuring that the work of the Association is promoted effectively.
- 3.12 Ensuring that there is an appropriate framework of delegation through written terms of reference in place for the work of the Association and that there are effective control systems and business assurance in place (Rule D29).
- 3.13 Overseeing the development of new homes and services.
- 3.14 Appointing the Company Secretary.

4 MATTERS RESERVED FOR THE BOARD (RULE D30)

- 4.1 Strategy, Plans, Budget and Financial Statements
The Arhag Board will:
 - 4.2 Approve any changes to corporate structure, including the setting up of subsidiaries;
 - 4.3 Determine the organisation's vision, mission and values and the corporate and objectives of the organisation so that the Senior Management Team (SMT) has clear parameters within which they can develop their operational plans.
 - 4.4 Approve the annual business plans including the target financial surplus of Arhag. Agree the "golden rules" and review them in the light of the headroom within the Long-Term Financial Plan (LTFF).

- 4.5 Approve major changes to staff terms and conditions of employment such as pension provision, determining where in the market pay at Arhag should be reflected (median or top quartile etc). Approve the annual pay increase.
- 4.6 Approve changes to the composition or roles of the Senior Management Team.
- 4.7 Approve an annual statement of compliance to ensure that Arhag has complied with all its relevant statutory, licence and regulatory obligations, including adherence to the RSH Standards and the NHF Code of Governance.
- 4.8 Approve accommodation strategy across the organisation and in particular, approve the location and matters affecting the head office.
- 4.9 Approve entry into new loan or other borrowing arrangements.
- 4.10 Approve any legal action being taken over £30k at risk, and be informed of legal action being taken against Arhag (not relating to tenancy matters)
- 4.11 Review annually and, if appropriate change, the Governance Structure, The Standing Orders and Financial Regulations which includes terms of reference for the Board, Committees and the SMT framework of delegated authorities.
- 4.12 Approve, review and monitor the thirty-year business plan for lenders and where regulation requires for the RSH.
- 4.13 On the recommendation of the Audit and Risk Committee, approve the financial statements of Arhag for presentation to Shareholders.
- 4.14 On the recommendation of the Audit and Risk Committee recommend the appointment of the external auditor to Shareholders; approve the fee; and approve the organisation's response to the external auditor's management letter.
- 4.15 Annually, on the recommendation of the Audit and Risk Committee approve the risk management strategy, risk map and agree the Board's risk appetite.
- 4.16 On the recommendation of the Operations Committee approve the assets replacement and development strategies and housing strategies.
- 4.17 Ensuring adequate succession planning for Board and Senior Management Team appointments
- 4.18 Ensure that trading and other activities do not compromise charitable status
- 4.19 Approve the panel of architects, structural engineers, mechanical services engineers, quantity surveyors and other consultants.
- 4.20 In addition, approve all development contracts and other contracts over £250,000
- 4.21 Approval of resolutions to be put forward by the Board at a general meeting
- 4.22 Approval of Committee Membership, including Committee Chairs and Committee Terms of

Reference

4.23 Approval or removal of any Board Member and Officers of the Board including the Chief Executive Officer and Company Secretary

4.24 Approve stock disposals.

4.25 The Board approves and has over all accountability for the following corporate strategies. Responsibility for monitoring and reporting on outcomes and risks are delegated as follows:

Strategy	Content	Committee	SMT Owner:
Asset Management Strategy	How the stock is to be maintained and improved and sets out the work we will do on environmental sustainability issues. This includes the returns we expect to make on properties and triggers and gateways for the disposal of under-performing assets.	Operations	Head of Assets and Development
Treasury & Taxation Strategy	How we mitigate treasury risks and manage borrowings, deposits, investments & assure the tax position.	Audit and Risk	Director of Finance and Resources
Value for Money Strategy	Our approach to Value for Money setting out how we will deliver efficiency and value.	Operations	Director of Finance and Resources
Risk Management Strategy	How we think about our risk and opportunities appetite and key risks and their mitigation.	Audit and Risk	Chief Executive Officer
People Strategy	Reporting on recruitment, retention, training, benefits and other human resource issues.	Operations	Chief Executive Officer
IT and data protection Strategy	Use of IT and our future technical innovations. Data protection	Audit and Risk	Director of Finance and Resources
Resident Engagement Strategy	How we will deliver co-regulation and ensure that residents are able to shape our services and priorities.	Operations	Head of Housing
Development Strategy	Our high-level Development assumptions and ambitions.	Operations	Head of Assets and Development
Business Contingency Planning Strategy	How we respond to key emergencies.	Operations	Chief Executive Officer
Performance Strategy	How we improve our performance.	Operations	Chief Executive Officer
Procurement Strategy	The rules for procuring goods and services.	Operations	Director of Finance and Resources
Health & Safety	How we show we will meet the legislative requirements of our duties to our customers and staff.	Operations	Chief Executive Officer
Landlord Compliance Strategy	How we will meet our legislative obligations as a landlord.	Operations	Chief Executive Officer
Equalities and Inclusion	How we meet our obligations in law and promote a fair and just workplace and society.	Operations	Chief Executive Officer

Governance Framework	How we meet the requirements of the Companies Act, the Code of Governance and the Regulator of Social Housing Standards.	Board	Chief Executive Officer
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5 MONITORING

The Arhag Board will:

- 5.1 Monitor the implementation of the Arhag business plan in sufficient depth to safeguard the organisation's financial strength, set and monitor stress tests and approve mitigating actions.
- 5.2 Monitor compliance with loan covenants.
- 5.3 Ensure that the internal control systems are effective, and that the adequacy of the systems is reviewed annually through an internal controls assurance process.
- 5.4 Monitor the performance of the Association in providing services to customers against agreed targets and ensuring that its services are cost effective, meet agreed standards and meet the needs of service users.
- 5.5 Monitor the performance in relation to plans, targets decisions and controls, including the 7 RSH Standards.
- 5.6 Monitor the development programme reviewing progress against targets.

6 KEY STRATEGIC DECISIONS

The Arhag Board will:

- 6.1 Approve new ventures or projects and determine any other issues that expose Arhag to financial outlay, reputational or other risk or have significant organisational implications and impacts that are not included within any approved plans.
- 6.2 Approve the admission or merger of new organisations to Arhag and changes to the organisational governance structure.
- 6.3 Approve the development programme and individual schemes including development contracts.

7 GOVERNANCE AND REGULATION

The Arhag Board is responsible for:

- 7.1 Recommending the appointment (Rule D11) and removal of members (removal by special resolution) (Rule D8) in line with the Rules.
- 7.2 The membership of Committees and the appointment of Committee Chairs (Rule D31).
- 7.3 Calling a General Meeting to approve changes to the Arhag's governing document.

- 7.4 On the recommendation of Audit and Risk Committee, recommending to shareholders the appointment or removal of the external auditors.
- 7.5 On recommendation of the Audit and Risk Committee appoint the internal auditors.
- 7.6 Considering individual cases raising issues of ethics, probity or whistleblowing in relation to Board and Committee Members.

8 BOARD EFFECTIVENESS

- 8.1 The Board will undertake a formal evaluation of its effectiveness annually and review the Committees' report on their effectiveness.

The Board will review its Terms of Reference annually