Appendix 1

3.1 GOVERNANCE ARRANGEMENTS – HOMES FOR NORTHUMBERLAND

**Purpose and Responsibilities of the Board**
The Board will act in accordance with the law, the Memorandum and Articles of Association, the terms of these arrangements and the Rules of Procedure incorporated in it.

**Terms of Reference for the Board**
The Board has ultimate responsibility for the governance of the Company. The Board’s central role is to direct a Company’s work – that is to determine strategic direction, deliver the terms of the management agreement and approve overall expenditure and policies. The Board should:

- Set the vision – where or what does the Company want to do
- Set the objectives – the stages for reaching the decision
- Define the strategy – the details of how the Company will deliver the objectives
- Define the core values – how should the Company act and behave

**Purpose of the Board**
To direct the affairs of the Company ensuring the day-to-day management is effectively delegated and carried out by the Managing Director and the paid staff.

To discharge its responsibilities for the direction of the company. Board Members should have or acquire a diverse range of skills, competencies and experience in the following areas:

- Work as an effective team to take strategic decisions for social outcomes
- Direct knowledge of the needs and aspirations of the communities and people served
- General business, financial and management skills
- Other relevant skills, such as legal, property and development and public affairs

**Responsibilities of the Board**
1. Define and ensure compliance with the values and objectives of the Company.
2. Establish plans and policies to achieve those objectives.
3. Approve the annual accounts of the Company prior to publication.
4. Establish and oversee a system for delegation and control.
5. Agree policies and make decisions on all matters that might create significant financial or other risk to the Company or which raise material issues of principle.
6. Monitor the Company’s performance in relation to its plans, budgets, controls
and decisions.

7. The appointment or dismissal of the Managing Director or Directors.
8. To satisfy itself that the Company’s affairs are conducted lawfully and in accordance with generally accepted standards of performance and propriety.

9. To assist the Managing Director in managing the organisation within the overall strategy and objectives of the Company.

10. The Board will act in the capacity of an appeal or review body in respect of the Company’s disciplinary, complaints or other policy or procedure requiring a review process as determined by the Board.

**Collective Board Responsibilities**

- Acting in the interests of the Company and not on behalf of any constituency, political or interest group
- Acceptance of collective responsibility for decisions made

**Responsibilities of Board Members**

- Support the vision and values of the Company
- Exercise care and skill in carrying out their functions – the level of care will be determined by the adopted constitutional framework
- Identify personal training and development needs and seek opportunities for development attending appropriate training events
- Prepare for Board meetings by reading papers for meeting
- Ensure personal interests do not come into conflict with the general responsibilities of a Board member
- Board Members will at all times observe the Code of Conduct. All Board Members have signed a declaration to comply with the terms of the Code

**Election of the Chair**

Following each Annual General Meeting a Chair and a Vice Chair shall be appointed at the Board meeting that follows. He/she will take office from the time of their appointment at the meeting and will continue in office until the Board meeting following the Annual General Meeting when his/her successor is elected, unless he/she ceases to be the Chair/Vice Chair.

**Responsibilities of the Chair**

The Chair has particular responsibilities and is required to act on behalf of the Board and not in isolation.

- Ensure the efficient conduct of the Boards meetings and the Company’s General Meetings.
- Ensure that all Board members are given the opportunity to express their views before any decision is taken.
- Establish a constructive working relationship and provide support for the Chief Officer.
- Ensure that the Board delegates sufficient authority to any committees, the Chair and Managing Director to enable the Company’s business to be carried on effectively between meetings of the Board and also ensure that the Board monitors the use of these delegated powers.
- Ensure the Board receives professional advice when it is needed.
- Represent the Company on occasion and working in consultation with other Board Members.
- Take decisions delegated to the Chair on the advice of the Managing Director.
- Appraise the performance and remuneration of the Managing Director.
- Review the composition of the Board and its skills of its individual members and to ensure action is taken to remedy any deficiencies.