

Board Terms of Reference, delegations & decision making

Board Terms of Reference

1. Introduction

- 1.1 This sets out the terms of reference for the Board and provides guidance on the roles and responsibilities of Board Members.

2. Overall Objectives

- 2.1 The primary objective of the organisation is to provide housing management services for people housed by the London Borough of Lewisham and to assist the Council in bringing all homes being managed by the organisation up to at least the Government's 'Decent Homes' Standard.
- 2.2 The overall strategy and corporate plan for the organisation is a matter for agreement by the Board. The Board is responsible for ensuring that the organisation's corporate plans comply with the objectives of the organisation and its obligations to its regulators and key stakeholders.

3. Overall Responsibility of the Board

- 3.1 The Board will direct the organisation in accordance with the organisation's constitution on behalf of the tenants, leaseholders, employees, its shareholder and other stakeholders.
- 3.2 The Board will have ultimate legal responsibility for the control and conduct of Lewisham Homes' affairs. Board Members are therefore required to act in a prudent and responsible manner, acting in the best interests of the organisation at all times, treating all confidential information with due sensitivity.

4. Composition

- 4.1 The Board comprises of 15 members of whom seven are residents, five are independent board members and three are Council nominees.

5. Meetings

- 5.1 Board meeting frequency will be agreed by the Board and reviewed annually.

5.2 Minutes of each meeting shall be kept by the Company Secretary of the organisation.

6. Terms of Reference

6.1 The Board will:

- Define and ensure compliance with the vision, mission and key objectives of the organisation;
- Agree the Business Plan with Lewisham Council
- Develop and maintain key strategies that support the organisation's Business Plan
- Approve each year's budget and accounts prior to publication.
- Establish and oversee a framework of delegation and systems of control.
- Agree policies and make decisions on all matters that might create significant financial or other risk to the organisation, or which raise material issues of principle.
- Monitor the organisation's performance in relation to these plans, budgets, controls and decisions.
- Appoint (and if necessary, dismiss) the Chief Executive.
- Satisfy itself in relation to the organisation's performance, governance and probity.
- Lead change and continuous improvement.
- Deal with any other matters which by law or under the terms of the organisation's Articles of Association, must be reserved to the Board.
- Approve proposals to provide services on behalf of other organisations or proposals to outsource services currently provided by the organisation.
- Make recommendations to the Council on intended action following the receipt of reports from the external auditor, external inspectorates and the local Ombudsman.

- Respond to consultation papers from Government, Council or other bodies.
- 6.2 Whilst implementation of the above should be delegated to officers of the organisation, the Board must provide active leadership.
- 6.3 In carrying out their leadership role all Board Members should take collective responsibility for decisions made by the Board. Each Board Member should act only in the interest of the organisation and not on behalf of any constituency or interest group.

7. Committees

- 7.1 The Board may delegate matters to Committees for consideration, to be constituted as the Board sees fit. The deliberations of the Committees will be reported to the Board at its regular meetings.

8. Matters Reserved for Board

- 8.1 Approval of budget and performance monitoring statements.
- 8.2 Approval of the Company accounts.
- 8.3 Approval of any significant changes in accounting policies or practices.
- 8.4 Appointment of CEO. Board are also consulted on the appointment of executive directors.
- 8.5 Appointment of the Chair and Vice-Chair of the Board.
- 8.6 Remuneration of the auditors and recommendations for the appointment or removal of auditors (following recommendations of the Audit and Risk Committee).
- 8.7 Proposing Board appointments and removals to the Council Member.
- 8.8 Terms of reference of Chair and Chief Executive.
- 8.9 Terms of reference and membership of Board Committees.
- 8.10 Approval of the organisation's Business Plan.
- 8.11 Approval of annual budgets and housing investment programme.
- 8.12 Changes relating to the organisation's capital structure or its status as a company limited by guarantee.
- 8.13 Changes to the organisation's management and control structure.

- 8.14 Major contracts, contracts not in the ordinary course of business and major investments.
- 8.15 Risk management strategy.
- 8.16 Strategic policy through the LH Business Plan.
- 8.17 Review of the Organisation's overall corporate governance arrangements.
- 8.18 Approving the Organisation's standing orders.

Principles of Decision-Making

All decisions will be made in accordance with the organisation's vision, mission and objectives and in particular with the following principles:

- Proportionality (that is, the action must be proportionate to the desired outcome), and respect for human rights.
- The promotion of equal opportunities; combating crime, disorder and anti-social behaviour.
- A presumption in favour of openness including openness about the reasons for the decisions and options considered.
- Clarity of aims and desired outcomes.
- Promoting the wellbeing of Lewisham Homes and its residents.
- Board Members taking collective responsibility for decisions made by the Board. Each Board Member should act only in the interest of the organisation and not on behalf of any constituency or interest group.

Scheme of Service Delegation to Chief Executive

1. The Board delegates the day-to-day management of the organisation to staff by specifying those matters which the Chief Executive can do without recourse to the Board. In turn the Chief Executive will delegate those down to other staff.

| Function | Board | Chief Executive |
|--|--|-----------------|
| Governance | | |
| Proposing Board appointments and removals to the Council Member | X | |
| Appointments to the boards or subsidiaries of other organisations | X | |
| Changes to the schedule of matters reserved for the Board's decision | X | |
| Urgent matters in agreement with the Chair and/or Vice Chair and reported to the next Board | | X |
| Appointing Committee chairs and agreeing committees' terms of reference | X | |
| Strategy and Policy | | |
| Appoint (and if necessary dismiss) the chief executive officer and approve his or her salary, benefits and terms of employment | X | |
| Approve key strategies identified by Board | X | |
| Approving the Business Plan | X | |
| Approve the statement of Accounts and Directors' Annual Report | X | |
| Approve the annual Budget | X | |
| Approve any increase in the aggregate establishment budget | X | |
| Changes to corporate structure of the company, including the setting up of subsidiaries | X | |
| Decisions to outsource or bring back in-house core services | X | |
| Approve policies on matters that might create significant financial or other risk to the organisation. | X | |
| Approve operational policies that do not involve significant risk to the organisation. | | X |
| Financial Management | | |
| Contract approach & award for construction related services contracts with an estimated value of £5m to £10m | X (Regeneration and Investment Committee) | |
| Contract approach & award for construction related professional services contracts with an estimated value of £2m to £10m | X | |

| Function | Board | Chief Executive |
|--|--|-----------------|
| | (Regeneration and Investment Committee) | |
| Contract approach & award for non-construction related services contracts with an estimated value of £2m+ | X | |
| Contract approach & award for non-construction related professional services contracts with an estimated value of £2m to £10m | X | |
| Contract approach & award for construction related works & services contracts with an estimated value of £10m+ | X | |
| Contract approach & award for construction related professional services contracts with an estimated value of £10m+ | X | |
| Contract approach & awards of less than the amounts shown above | | X |
| Proposal to outsource existing services in excess of £250,000 | X | |
| Waivers of contract standing orders for contracts with an estimated value of – <ul style="list-style-type: none"> • £5m + – services • £10m + – works, services & professional services (construction related) • £2m + – Professional services (non-construction related) | X | |
| Waivers of contract standing orders for contracts with an estimated value of more than – <ul style="list-style-type: none"> • £5m-£10m – services (construction related) • £2m-10m – works, • £2m-10m – Professional services (construction related) | X (Regeneration and Investment Committee) | |
| Waivers of contract standing orders for contracts with an estimated value of less than identified above | | X |
| Setting of fees and charges to residents and the public | X | |
| Setting of commercial fees and charges where there is no loss to the Company | | X |
| Agreeing new commercial business where estimated annual income is less than £100,000 and there is no loss to the company | | X |
| Agreeing new commercial business where estimated annual income is more than £100,000 | X | |
| Write off debts of less than £10,000 | | X |
| Write off debts of more than £10,000 | X | |

| Function | Board | Chief Executive |
|--|-------|-----------------|
| Award of compensation payments to residents or the public of less than £10,000 | | X |
| Award of compensation payments to residents or the public of more than £10,000 | X | |
| Award of compensation payments to contractors of less than £100,000 | | X |
| Award of compensation payments to contractors of more than £100,000 | X | |
| Operational Matters | | |
| Recruitment and if necessary the dismissal of staff (other than tier 1 & 2 staff). | | X |
| All day to day HR management in accordance with policies and procedures | | X |
| Operational and service delivery matters that are not reserved for the Board | | X |

2. Urgent Matters

In the case of urgency the Chief Executive has authority to take action in consultation with the Chair and/or Vice-Chair of the Board on any matters which cannot expeditiously await the next meeting of the Board or relevant Committee, subject to such decisions being reported back to the next meeting of the Board, or relevant Committee.

3. General

The CEO has authority to take any other action which is reasonably necessary for the smooth operation of Lewisham Homes and which has not been reserved for decision by the Board or Committees of the Board.

Executive Role In Support Of Decision-Making

3.4.1 The Chief Executive will have primary responsibility for ensuring that all decisions taken by the Board and Committees are taken according to a proper process and after full consideration of the relevant facts and circumstances. In particular they will ensure that a written report containing relevant information and appropriate professional advice is made available whenever a decision is required to be taken by the Board and Committees (except in cases of urgency or other exceptional circumstances where a matter may be dealt with by way of an oral report) and that appropriate employees attend any meeting at which a decision is to be made, to respond to any questions raised by the Board.

3.4.2 For this purpose, the Chief Executive may require any employee to prepare a report or attend and give advice on matters within his/her knowledge or professional expertise.

3.4.3 The Chair and the Board will establish an effective working relationship with the Chief Executive. Like all other employees, the Chief Executive has a written contract of employment which defines:

- The duties and standards of performance expected
- The procedures for monitoring the Chief Executive's performance and the fixing of his or her remuneration
- How complaints and disciplinary matters will be dealt with, and
- The notice period.

3.4.4 It is expected that the Chair and the Chief Executive will have a constructive and sensitive relationship. Trust and confidence in both directions are essential. Their responsibilities are different and distinct; one is about direction and the other about management. The division of responsibilities between the Chair and the Chief Executive should be clearly established and set out in writing.

3.4.5 The Chief Executive plays an important part in helping the Board to develop the strategy, policies and reputation of Lewisham Homes. The Board, for its part, supports the Chief Executive in carrying out its plans and policies but does not involve itself in day to day management issues which are the Chief Executive's responsibility, except where they involve questions of policy or the reputation of Lewisham Homes.

3.4.6 The roles and responsibilities of the Chief Executive, include, but are not limited to:

- acting lawfully;
- acting in the best interests of Lewisham Homes;
- assisting the Board in determining Lewisham Homes' strategies, policies and business planning;
- managing the affairs of Lewisham Homes in accordance with the vision, values and objectives of Lewisham Homes, and the general policies and decisions of the Board;
- drawing the Board's attention to matters that it should consider and decide;
- ensuring that the Board is given the information necessary to perform its duties and, in particular, that the Board receives advice on matters concerning compliance with its governing instrument, the law and the need to remain solvent;

- ensuring that proper financial systems of financial control, risk assessment and risk management, and legal and regulatory compliance are established and maintained, and that regular reports on these are provided, at least bi-annually, to the Board;
- supervising, with the guidance of the Chair, the preparation of documents for consideration by the Board;
- assisting the Chair in ensuring that the business of the Board is properly conducted;
- ensuring that relationships between the Executive Management Team and the Board are positive and focus on the business of Lewisham Homes;
- leading and managing the staff of Lewisham Homes and ensuring that their performance is appraised;
- save where otherwise provided, and unless a conflict of interest arises, hear any final appeal in respect of any grievance, disciplinary or other related employment issue of Lewisham Homes' staff. Where a conflict of interest arises, the matter will be referred to the Ethics and Remuneration Committee to elect an appeal panel;
- represent Lewisham Homes as appropriate.

Company Secretary

The roles and responsibilities of the Company Secretary, include, but are not limited to:

- Ensuring the smooth running of the Board and committees by helping the Chair to set meeting agendas, preparing papers and presenting papers to the Board and Board Committees, advising on Board procedures and ensuring the Board follows them.
- Keeping under close review all legislative, regulatory and corporate governance developments that might affect the company's operations, and ensuring the Board is fully briefed on these and that it has regard to them when taking decisions.
- Acting as a primary point of contact and source of advice and guidance for, particularly, Board Members as regards the company and its activities in order to support the decision making process.

- Acting as an additional enquiring voice in relation to Board decisions which particularly affect the company, drawing on his/her experience and knowledge of the practical aspects of management including law, tax and business finance. To act as the “conscience of the company”.
- Ensuring, where applicable, that the standards and/or disclosures required are observed.
- Inducting new Board members into the business and advising on their roles and responsibilities.
- Ensuring compliance with all statutory filings, Confirmation Statements, filing of resolutions adopted at Annual General Meetings/ new Articles of Association and any other filings required to be made with Companies House.
- Making arrangements for and managing the Annual General Meeting and establishing, the items to be considered at the AGM, including resolutions dealing with governance type matters.

Role of LB Lewisham

LB Lewisham is the sole shareholder and member of the company Lewisham Homes Ltd. Under the constitution, it has the power to appoint and remove Board Members at any time, vote on matters at the AGM and has the power to change the constitution.