

HALTON HOUSING TRUST

BOARD MEMBERSHIP POLICY

Date due for Review :

Introduction

The Board of Management of Halton Housing Trust (the Trust) carries the ultimate responsibility for directing the Trust's affairs. However, the Board will reserve the right to delegate more detailed work in policy formulation and performance monitoring to relevant Committees. Day to day management of the Trust's activities will be delegated to the Chief Executive and his staff.

Although Members of the Board are volunteers, they will nevertheless shoulder a substantial responsibility in corporately determining the affairs of the Trust. As custodians of significant private and public funding, it is extremely important that only persons of appropriate calibre and experience are placed in a position where they can exert this influence. It is expected that each Member of the Board will act only in the Trust's interests and not on behalf of any constituency or interest group.

This policy takes due regard of the Housing Corporation's Regulatory Code and guidance – in particular Section 2.2, and the National Housing Federation's Code of Governance. More detailed information on the membership and workings of the Board can be found in the Trust's Articles of Association (the Articles).

Policy Statement

The Board of Management of the Trust will be made up of 15 Members. This will comprise of :-

- five Tenant Board Members;
- five Local Authority Board Members;
- five Independent Board Members.

The Trust will try to ensure that the composition of the Board as a whole reflects the communities within which it works.

Board Members will be expected to comply with the requirements of Schedule 1 of the Housing Act 1996. Subject to such compliance, Board Members will receive expenses properly incurred by them in attending meetings or in carrying out their duties in other approved ways.

The Trust recognises and understands that there is a need for those who wish to serve as Board Members to bring a range of relevant skills to that role. As far as it is possible to do so and for them to be able to discharge their responsibilities effectively, the Trust will encourage the appointment of Members who have skills, experience and understanding of the following :-

- the housing needs which the Trust aims to meet;
- dealing with residents' needs and concerns;
- community relations and community needs – including equal opportunities;
- the Trust's general business activities, including the management of staff, property and contracts;
- strategic management in a public or private body;
- maintaining relations with Halton Borough Council;
- development and building projects – including building maintenance;
- the Trust's finances;
- the Trust's legal affairs ;
- maintaining good public relations;
- the management of information technology;
- human resource management.

The Trust will expect its Board Members to carry out the following essential functions on its behalf :-

1. to define, promote and ensure compliance with the values and objectives of the Trust;
2. to establish the Trust's strategic direction and ensure the development of policies and plans to achieve those objectives;
3. to approve each year's budget and business plan and each year's accounts prior to publication;
4. to establish a framework of delegation and systems of control;
5. to agree policies and make decisions on all matters that might create significant strategic, financial and operational risk to the Trust, or which raise material issues of principle;
6. to monitor the Trust's performance in relation to these plans, budgets, controls and decisions, taking into account customer feedback and the performance of comparable organisations;
7. to appoint (and, if necessary, dismiss) the Chief Executive and be represented in the appointment of other key members of the management team;
8. to satisfy itself that the Trust's affairs are conducted lawfully and in accordance with generally accepted standards of performance and probity;
9. to follow the Trust's constitution in appointing (and, if necessary, removing) the Chair of the Board;
10. to ensure the continuous development of the board is up to date with the organisation's activities.

In addition to the above functions, the Trust will expect the Board to draw up a schedule of matters specifically reserved for its decision, which cannot be delegated to its Committees or executive staff. Examples could include :-

- expansion of the Trust's operations into new activities or geographical areas;
- any decision to cease a material part of the Trust's operations;
- changes to the corporate structure or changes to the structure, size and composition of the Board;
- approval of Committee membership including the chairs and terms of reference;
- appointment or removal of any officer of the Board;
- approval of key policies including the Trust's code of conduct, as well as resolutions to be put forward by the Board at any general meeting;
- any changes to this schedule of reserved matters.

The Board will be expected to account for its actions in an open manner at all times. The Trust will expect all Board Members to be meticulous about declaring conflicts of interest and must ensure that their private or personal interests do not influence any decisions they make on behalf of the Trust.

The Trust accepts that proper processes for the recruitment, induction, training, and appraisal of Board Members are crucial elements in ensuring the sound governance of the Trust. Recruitment will be carried out in as open a format as possible and will include consultation with interested bodies. All Board Members will receive induction training and regular appraisal, and the Trust will ensure that effective arrangements are in place to enhance the skills, experience and knowledge of Board Members on an ongoing basis. This will be based on an analysis of the training and development needs of individual Members and of the Board as a whole.

The Trust also accepts that it will need to have succession-planning arrangements in place regarding replacement of Board Members, to ensure the planned renewal of skills and experience over a period of time. While the Trust recognises that the contribution of experienced Board Members is extremely important, it also acknowledges that it will need new members from time to time who can challenge long-standing practices and thinking.

The Trust accepts that the Board may also from time to time decide to co-opt up to a maximum of three people onto the Board. However, co-optees will not have a right to vote and the Board may revoke any such co-option at any time.

Implementation

The Trust will look to implement the policy objectives stated above in a number of different ways. Some are briefly described in this section and more specific details relating to Board membership can be found in the Articles of the Trust.

Appointment and Retirement of Board Members

Board Members will be appointed under procedures set out in the Articles of the Trust.

The key features regarding appointments to the Board are as follows :-

1. Local Authority Board Members – Halton Borough Council will have the power to nominate up to five people as Local Authority Board Members and to remove them from office. Appointments and removals will be made in writing to the Trust from an authorised officer of the Council.
2. Tenant Board Members – tenants will have the power to appoint up to five people to act as Tenant Board Members. They will be elected by methods determined by the Board. The supervision and operation of such elections may be delegated by the Board to a recognised Tenants' Federation.
3. Independent Board Members – members of the Trust will have the power to elect up to five people at their Annual General Meeting (AGM). Any person standing for election as an Independent Board Member must be recommended by the Board or be proposed by a member of the Trust, and must have confirmed their willingness to serve on the Board in writing to the Company Secretary. In addition, any member proposing a candidate for election must give the Company Secretary between 14 and 35 days written notice of their intention to propose the candidate. The Company Secretary will then notify all members of the Trust of the intention to propose this candidate at the meeting when Board appointments will be made. This notice will contain the proposer's name and give relevant particulars of the candidate. During this notice period, the candidate will be interviewed by a Member of the Board.

The Trust's Standing Orders set out certain requirements relating to newly appointed Board Members, in that:-

- they will be given a formal letter specifying their obligations to the Board . They must sign a copy of this letter to indicate acceptance of these obligations; and
- they must attend an initial induction meeting with the Chair of the Board and the Chief Executive ;

before taking up their position on the Board.

The Articles of the Trust make special provisions regarding the cyclical retirement of Tenant Board Members and Independent Board Members. For both these categories of members, anyone appointed after the second AGM will serve for a term of three years expiring at the end of the relevant AGM. The length of service and retirement of Local Authority Board Members will be determined by Halton Borough Council.

Appointment and Retirement of the Chair and Vice Chair of the Board

At the first Board Meeting following each AGM the Board will appoint two of their number to act as the Chair and Vice Chair of the Board.

The Chair and Vice Chair will hold office until the next AGM. No-one appointed to either of these positions will serve for a term of more than 3 consecutive years

If it is ever felt necessary, the Chair or Vice Chair can be removed by a two thirds majority of Board Members and a replacement be appointed.

Proceedings of the Board

The Board will decide on the frequency of its meetings as it thinks fit, but will meet at least four times a year. The quorum for the transaction of any business will be a minimum of five Board Members. This should include one Tenant Board Member, one Local Authority Board Member and two Independent Board Members.

Matters arising at a Board meeting will be decided by a majority of votes. In the event of a tied vote, the Chair of the Board will have a second or casting vote.

A Board Member will be expected to disclose to the Board the nature and extent of any interest they may have in any item of the Board's business at any of its meetings. Unless permitted under the Articles of the Trust or by a resolution at the relevant Board meeting, the Board Member who has declared the interest will withdraw from the meeting while that item is discussed and will not be able to speak or vote on the matter. Board Members who are tenants of the Trust should consider matters specifically regarding their individual circumstances as a clear and substantial conflict of interest. In these circumstances the Tenant Board Member concerned should offer to withdraw and if invited to remain at the meeting refrain from speaking and voting on the matter or in any way seeking to influence the other Board Members. Tenants of the Trust need only to declare an interest in matters affecting residents more generally on matters of policy where they create a specific conflict.

Rules and Bye Laws

The Board may make rules and bye laws where it thinks they are necessary for the proper management of the Trust's affairs, provided that nothing in such rules and bye laws is inconsistent with the Trust's Memorandum and Articles of Association. Examples of areas in which the Board might look to make rules and bye laws

include :-

- the admission of Members and their rights and privileges;

- the conduct of Members in relation to one another and to the Trust's employees;
- the procedure at general meetings of the Trust where such procedure is not regulated by the Articles of the Trust.

Committees

The Board will delegate certain of its powers to Committees consisting of one or more Board Members and other persons as it sees fit. The membership of such Committees will be reported in the Trust's Annual Report.

Each Committee will have clear terms of reference which have been approved and will be subject to review by the Board. This will include the responsibilities of the Chairs of these Committees.

In the case of any dispute, the Board's decision will override that of a Committee.

The following Committees will be set up by the Trust:-

- § the Resources Committee,
- § the Operations Committee,
- § the Audit, Performance and Quality Committee,

Disqualification and Removal of Board Members

In certain circumstances, Board Members will immediately cease to hold office. The full details of such circumstances are listed in the Articles of the Trust, but some examples are :-

- they cease to be a Board Member under any provision of the Companies Act 1985 (as amended by the 1989 Act), or become prohibited by law from being a director of The Trust;
- they resign their office by giving written notice to the Trust;
- they become insolvent or bankrupt;
- they are a Tenant Board Member and cease to be a tenant;
- they are a Tenant Board Member and owe more than 8 weeks' rent (net of any entitlement to Housing Benefit).
- they are an Independent Board Member and they become a tenant;
- they are a Local Authority Board Member and their nomination is revoked;
- they are suffering from a mental disorder which requires hospital treatment or can no longer manage their own affairs;
- a custodial sentence is imposed on them by the Court for a criminal act or omission, or they are convicted of any other offence and the Board feels that they should cease to be a Board Member;
- they are removed for non-attendance in accordance with the Articles of the Trust.

Tenant Board Members who are in breach of their tenancy agreement and have a possession order (suspended or immediate) made against them will be required to withdraw from the Board.

If a Tenant is in arrears of rent, then the Board can remove them as set out in the Constitution. The Board will take as a guideline for action in excess of 8 weeks' arrears.

An exception may be made if the arrears are substantially caused by delays in the award of Housing Benefit, which are beyond the tenant's control.

In the case of leaseholders, action to remove them from the Board will normally only be taken when a service charge invoice remains unpaid beyond 8 weeks, except where special arrangements have been agreed.

Personal Conduct

Board Members have a personal responsibility to achieve the highest standards of probity and conduct, and to assist colleagues to do the same. In particular, Board Members must :-

1. recognise that they have a clear duty to actively uphold the rule of law generally. They must not act contrary to the law, or act unreasonably, unjustly, oppressively, or in a discriminatory manner;
2. act at all times in accordance with their duties as a Director of a Company, regulated by the Registrar of Companies and the Housing Corporation;
3. remember that their duty is owed to the Trust as a whole, and not merely to an area where they may live;
4. observe the Trust's Equality and Diversity Policies, framed to achieve equality and respect diversity, whilst avoiding discrimination on grounds of race, sex, ethnic origin, disability etc., in accordance with :-
 - the Sex Discrimination Act 1975,
 - the Race Relations Act 1976,
 - the Disability Discrimination Act 1995,
 - any amendment to, extension of, or re-legislation of these acts;
5. refrain from any conduct in the performance of their duties that would cause unwarranted offence or embarrassment to anyone;
6. behave with exemplary courtesy to members of the public, Officers of the Trust, other Members and those interacting with the Trust; avoiding making any statements that could be seen as defamatory, insulting, overly personal or malicious, or make any unsubstantiated allegations;
7. draw any apparent illegal act, breach of duty owed to the Trust, or issues of probity or ethics to the attention of the Chief Executive, Deputy Chief Executive and the Directors of the Company, or the Company Secretary for investigation and referral to the Audit, Performance and Quality Committee and/or the Board, as appropriate.
8. avoid using the Trust's contractors or suppliers for private purposes. Where this is unavoidable, Board Members should not benefit from a favourable service as a result of their position with the Trust. Advice should be sought from the appropriate Director and a written declaration should be made to the Company Secretary.

Board Members must not :-

- a) discuss confidential Trust matters, in particular relating to tenants or contracts etc with any party outside the remit of the Board, a Committee or senior Trust Officers, unless this is required by law or as a disclosure to a regulatory body;
- b) diminish or criticise the Trust's work with any other party outside the Trust, unless this is required by law or as a disclosure to a regulatory body, until the Board Member has had the item discussed as an agenda item at a meeting of the Board or relevant Trust Committee.
- c) respond to press/media enquiries on behalf of the Trust. All such enquiries should be referred to the Chief Executive or another member of the Executive Management Team in his absence..

N.B. In any case of conflict of duty or role between the Board and any other Board Member responsibility, Board Members must always be meticulous about declaring any duality or conflict of interests. If the duality or conflict of interests is clear and substantial, the Board Member should offer to withdraw and refrain from voting on the matter. If the conflict is likely to reoccur on a frequent basis, the Board Member should offer to resign.

Schedule 1 of the Housing Act 1996

Board Members need to be aware of the requirements of Schedule 1 of the Housing Act 1996 and the restrictions this places on the Trust, its employees and Board Members. These can be viewed via the following link :-
<http://www.opsi.gov.uk/acts/acts1996/96052-ah.htm#sch1>

Schedule 1 prohibits the Trust from making payments or providing benefits to employees other than those to which they are contractually entitled.

It is a requirement of the Trust's registration with the Housing Corporation that all new Board Members must sign a Schedule 1 Declaration form when they are appointed to the Board.

In addition, all Board Members are required to complete a Schedule 1 Declaration form on an annual basis; and at any time to update the register of interests as and when there is a relevant change in their circumstances.

The restrictions extend to employees and to close relatives of employees and Board Members. Close relatives includes parents, partners, children, grandchildren, grandparents, brothers and sisters. Other relatives with whom there is a perceived close relationship may also be included. Benefits can include the granting of tenancies, leases and contracts of employment. The award of contracts or purchasing from organisations where Board Members or close relatives who own a significant share in a business or are involved as senior managers, would be in breach of Schedule 1.

Equality and Diversity

All Board Members are committed to promoting and observing the Trust's Equality and Diversity Policies in relation to the Code of Conduct mentioned above.

Board Members will receive appropriate equality and diversity training during the first six months following their appointment to the Board and will undertake suitable refresher courses thereafter, to be arranged by the Trust's Company Secretary.

Giving and Receiving Hospitality and Gifts

Hospitality – here, usually business lunches – should only be accepted when it is in the Trust's interest. Hospitality should not be solicited. It must not be accepted if it is in any way extravagant. As a guide to what may be accepted, Board Members must consider whether the hospitality would be regarded as expensive if provided by the Trust on a reciprocal basis.

Hospitality can be accepted if it is on a reciprocal basis, so that if a consultant provided lunch on one occasion, the Trust will do so on the next occasion.

Receptions provided by a company for all their clients may be accepted on limited occasions, such as the annual Housing Conference, but any non-reciprocal hospitality must be accepted with caution.

Hospitality must always be recorded in the Hospitality Register kept by the Company Secretary for that purpose. The Hospitality Register should record :-

- the time and date the hospitality took place;
- the form of hospitality;
- the parties involved; and
- the cost.

Hospitality offered during the tender period of a contract by a party tendering to the Trust must always be politely declined.

Board Members should exercise similar caution where gifts are concerned. They should always consider the appropriateness of giving and receiving gifts on behalf of the Trust. Any extravagant or inappropriate gifts should be politely declined. In any event, where a gift to the value of £25 or more has been accepted, or if there is any doubt whatsoever regarding the gift, Board Members should ensure that it is recorded in the Hospitality Register. Board members may consider it appropriate to accept larger gifts on the basis that they are to be offered for use where appropriate in a housing scheme or used as a prize for charitable fund raising. If the intention is to use the gift as a prize for charitable fund raising, the Board Member should inform the person donating it of this.

Once a year, Board Members will receive a report from the Company Secretary of all hospitality enjoyed by Members, when the Hospitality Register will be made available to the whole Board for inspection.

Review

The Trust will expect the Board to have suitable systems in place for an annual appraisal of the Board's performance, that of the Chair and of individual Board Members. This appraisal system will look to :-

- § review how well the Board performs its key tasks;
- § review how well each Board Member performs;
- § review the effectiveness of Board relationships;
- § review the composition of the Board, the skills and contribution of its individual members and the Trust's ability to recruit and retain the balance of Board Members it needs; and
- § result in a clear plan to support the continuous improvement of the Board to meet the challenges faced by the Trust.

The Trust will also expect the Board to review the terms of reference for each of its Committees at least every two years. The aim of any review will be to see that committee structures are clear and streamlined, adding value to scrutiny and decisions without any duplication of effort.

Consultation

The Trust will ensure that all interested parties, including the Housing Corporation, are consulted on any proposals to amend or change this policy.

Associated Documents

Membership Policy
Equality and Diversity Policies
Independence Policy
Standing Orders
The Trust's Memorandum and Articles of Association