



## **GOVERNANCE POLICY**

**(Updated September 2018 by Andy Clark)**

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## **1. POLICY AIMS**

- 1.1. This policy is designed to provide a breakdown of the governance of East Midlands Shelter for the Homeless (EMSH). It provides information on management, direction, leadership, board members and their individual roles and responsibilities.
- 1.2. The policy is used as a reference for a new and existing board members making up the framework for the effective management of the association.
- 1.3. Our mission statement will always be to prevent homelessness in Nottingham and provide every individual in the community with the means to be self supported and live independent and enjoyable life without the need to think about them not having a roof over their head.
- 1.4. EMSH and it's Board must review all Policies annually. However the Rent Standard Policy and Risk Assessment Policy must be reviewed every 6 months.

## **2. STATEMENT OF EQUALITY**

- 2.1. East Midlands Shelter for the Homeless operates as an equal opportunities policy and recognises the existence of discrimination in UK society.
- 2.2. Whether the discrimination is against gender, race, mobility or sexual

orientation, We recognise the need to provide a fair and balanced service that caters for any minority facing discrimination. The association believes that such actions are intolerable and will put in place a course of policies and practices that prevent this from occurring. We at EMSH are committed to providing a balanced system with regards to all aspects of social housing including; the allocation of houses, provision of services, the recruitment and employment of staff and the hiring of contractors and 3<sup>rd</sup> party consultants.

- 2.3. EMSH governance policy works alongside the Equality Act 2010 and complies with the regulatory guidance issues by the Homes and Communities Agency and the Government Equalities Office.

### **3. EMSH BACKGROUND**

- 3.1. East Midlands Shelter for the Homeless was formed in June 2016 as a direct result of the current housing crisis and its effect on cheap, affordable housing; in particular, for our most vulnerable people in society who are becoming homeless every day. Using board members who are experienced in the housing sector, the aim is to provide safe and supported accommodation to those most in need. EMSH will look at individual case studies and determine what support is needed based on that assessment. The support offered by EMSH will range from providing shelter alone to concentrated on-going support alongside EMSH staff and any other necessary organisation i.e caseworkers.
- 3.2. EMSH aims to work in areas where the demand for housing is at its greatest assisting in reducing the levels of homelessness within the East Midlands, focusing on Nottingham. To do this, we plan to work with local councils and/or services in identifying the problem areas in a particular city/postcode.

Working in Nottingham, we noticed an increase in homeless camp sites daily, the annual homeless watch snapshot survey was carried out by HLG (Hlg.org.uk hostels liaison group) from 22nd Sept - 5th Oct 2014. A total of 536 homeless presentations were recorded across the City and County in a two-week period, 1 in 5 of whom presented were sleeping rough.

- 3.3. Firstly, using pre-existing relationships with Nottingham City Council as well as housing organisations, we aim to work in Nottingham helping to tackle issues with housing and homelessness. Once we have built a solid foundation for the organisation to grow, we plan to work in other areas of the East Midlands. Our long-term goal is to have a strong presence in providing quality affordable accommodation in all areas of the East Midlands both with and without support.

#### **4. STATEMENT OF INTENT**

- 4.1. Craig Wells is one of the founders of EMSH, as a person who has been homeless, both on the streets and "sofa surfing"; he knows first-hand the multitude of struggles that come with surviving as a vulnerable adult. "It's a hugely complex situation to be in, both practically and emotionally".
- 4.2. Many who are homeless, have various life issues to cope with on top their living situation and so rather than be stigmatised and left alone; it's our belief that these people need help as well as a flexible, bespoke support system to start addressing key problem areas in their lives.
- 4.3. After numerous conversations with Craig, it became clear that Dr Khamba

and Mr Commerford could not only start to help address this issue in direct and real terms but that he could also provide a life changing experience for the homeless individuals in Nottingham.

## **5. CODE OF GOVERNANCE**

5.1. EMSH will be using the 2015 Code of Governance published by the National Housing Federation. The importance of good governance is that there should be an effective Governing Body which leads and controls the company and complies with its legal requirements. The Board see fit to use the NHF code of governance, as EMSH is a small and start up institution. The Governing Body should ensure that the company upholds the following principles:

5.1.1. A Compliance with the code

5.1.2. B Constitution and composition of the board

5.1.3. C Essential functions of the board and chair

5.1.4. D Board skills, renewal and review

5.1.5. E Conduct of board and committee business

5.1.6. F Audit and risk

5.1.7. G The chief executive

5.1.8. H Conduct, probity and openness

5.2. We will analyse our performance on annual basis and publish our findings. In areas where EMSH falls short of any codes, recommendations will be made by the Board on how to improve and implement changes within a 2 month



period. Annual publication will be detailed and open to feedback.

- 5.3. Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions. Good decision-making processes, and therefore good governance, share several characteristics. All have a positive effect on various aspects of local government including consultation policies and practices, meeting procedures, service quality protocols, councillor and officer conduct, role clarification and good working relationships.
- 5.4. Monthly monitoring of the code will be carried out during Board meeting in the form of a risk assessment report, any shortfalls will be discussed and addressed. Changes will be made within a week to prevent the organisation from falling short.
- 5.5. All changes and recommendation regarding the code of governance will be kept and recorded so that it can be audited at a future date.
- 5.6. The code will be revised by the board on an annual basis to add new principles of governance as the organisation grows.

## **6. GOVERNANCE**

- 6.1. In June 2016, Tarjinder Khamba was registered as the director of East Midlands Shelter for the Homeless CIC. During the same period, Craig Wells and Michael Comerford were appointed to the board. As a team, they held

regular meetings with a view to devising a governance structure. The new directors H. Jhass, L. Barnes, John Doyle, Alex Pridmore and Sajid Hussain have continued this task. The policy reflects the responsibilities of the directors and board under the Regulatory Framework detailing the duties of each. We now have new directors and the board has since changed, but the service has not and we still pride ourselves on being able to function and provide a benefit to the public.

- 6.2. As EMSH grows we aim to introduce new board members to maintain the general management of the organisation as well as the growth in demand.
- 6.3. This will ensure the board consists of the relevant experience and skill set to make key decisions which will ultimately affect the way the organisation performs.
- 6.4. We feel that the research/study undertaken by EMSH will result in a comprehensive understanding of the problems faced within the housing market as well as the knowledge of how best to tackle the ever-present issue of homelessness in the East Midlands.

## **7. BOARD CONSTITUTION**

### **7.1. Introduction**

- 7.1.1. This document summarises the constitution of East Midlands Shelter for the Homeless. It should be read in conjunction with the NHF Codes – Excellence

in Governance and Standards of Conduct, both of which have been adopted by the Board and the Board terms of reference and have been adopted by the board of management and will be implemented into all decision making and works.

## **7.2. Purpose of the Board**

7.2.1. The purpose of the board is to evaluate, scrutinise and make key decisions on management of the association, direction, strategy and finance. Through delegation, each board member has responsibilities within the organisation and will be responsible for managing and administrating their particular department of the association.

**7.2.2. All board meetings shall be formally recorded in Minutes.**

7.2.3. All board members have equal responsibility for the association's success share the same legal status. Each board member should work towards the benefit and progression of the organisation. No workings or decisions made should be for the personal benefit of the board. This includes board members from local authorities and councils.

## **7.3. Independence of the Association/ Organisation**

7.3.1. The association will remain independent during year one, two and three. The associations shareholding and board membership policies shall ensure that EMSH retain their independent status throughout the three years, it should be

noted that we are a non-profit company and will not pay any dividends to shareholders.

7.3.2. Following year three, the board plan to meet to discuss the independence of EMSH, whether it is of benefit to the organisation and the possibility of any alternative partnerships with other non-profit organisations which may improve our mission statement and help to deliver cheap affordable accommodation to the homeless people.

## **8. COMPOSITION OF THE BOARD**

8.1. Board members will collectively need to possess the understanding and skill to make key decisions within the organisation whilst continuously monitoring and evaluating the performance of the association.

8.2. The current board set up possesses experience with and understanding of a range of activities in carrying out their responsibilities. This is detailed in the 'Board Members' section of this governance policy together with information on the recruitment and selection of new members.

8.3. Board Members are volunteers and will not receive any form of pay, salary or dividends. This may change in the future if the finances of the company allow but the main objective of the company is to offer the best service to service users and board members must have this in mind.

## **9. APPOINTMENT OF BOARD MEMBERS**

9.1. Anyone who wishes to be elected to the board will need to fill in an application specifying the roles, responsibilities and obligations of the position and should sign it in agreement to the policies listed. All board members are obliged to:

9.1.1. Act in accordance to the values of EMSH.

9.1.2. Work in line with the organisations core policies

9.1.3. Ensure they understand the constitutional and legislative framework as it applies to the organisation, and act within its powers.

9.2. Board members should take an active role in decision making, exercise reasonable skill and knowledge of the chosen subject/objective to provide an official and independent judgement on the direction of the housing association.

9.3. All board members should:

9.3.1. Attend 80% of board meetings, training sessions and events.

9.3.2. Attend and participate in monthly reviews exploring individual and collective performance.

9.3.3. Represent the organisation in the best way possible.

9.3.4. Declare any counter productive issues or conflict of interest and conflict of

loyalty.

9.3.5. Respect confidentiality of information.

9.3.6. Comply with EMSH code of governance at all times.

9.4. The board will ensure that new members have received the appropriate information and training to fulfil the duties of the role. They will receive a detailed induction and ongoing development procedures in line with other board members to ensure all members are aware of all current matters and future issues. Arrangements will be made to consistently enhance the boards knowledge of social housing and the skills required to work in this industry.

9.4.1. All board members will take part in an ongoing appraisal process with a full and detailed appraisal after the first six months of appointment to the board and every two years following.

9.5. New board members will be appointed on merit of skills and experience.

## **10. ELECTION TO THE BOARD**

10.1. Nominations for the Board shall be in writing, stating the full name, address and occupation of the nominated member and shall include a signed statement indicating that person's willingness to be elected and their reasons for their suitability. The nomination shall also be signed by the member making the nomination.

## **11. APPOINTMENT OF CHAIR AND VICE-CHAIR**

- 11.1. The association will appoint a chair at the board meeting following the annual general meeting (AGM) each year. The role of chair should be held by an independent person elected by the board members. Detailed responsibilities of the chair are set out in the chair's terms of reference
- 11.2. The association will appoint a vice-chair at the board meeting following the AGM each year. The role of vice-chair should be held by an elected board member. Detailed responsibilities of the vice-chair are set out in the chair's terms of reference.

## **12. TERMS OF OFFICE**

- 12.1. The maximum term of office for elected board members shall be nine years (3 terms of 3 years).
- 12.2. The maximum term of office for the chair and vice-chair shall be three years following the Annual General Meeting after which they were first appointed.
- 12.3. There shall be no upper age limit for board members.
- 12.4. The period since the last term of office before an individual, who has served a full time of nine years, can be eligible for re-election to the Board shall be one full term of 3 years. This must be subject to consideration of the member's appraised performance and skills.

### **13. OPENNESS AND TRANSPARENCY**

13.1. The association will conduct business in the most open manner possible. The association will:

13.1.1. Keep a record of the associations performance.

13.1.2. Keep accurate annual accounts and financial statements.

13.1.3. Keep service users (Customers) up to date on the progress of the association.

13.1.4. Inform service users of any new opportunities that arises with regards to becoming a member of the association and the Board.

13.1.5. All documents shall be available to the Public to show total transparency.

### **14. DECLARATIONS OF INTEREST**

14.1. Board members should make clear any prior interests or ventures that may compromise their position in the management team. Members should take no part in any conversation or action for the purposes of personal gain. Any such declaration should be recorded in minutes at any meetings. The board will complete annual declaration of interest statement to cover all aspects of public responsibility and personal gain.

### **15. BOARD MEMBERS**



15.1. The board of management consists of 5 members and was appointed to reflect the needs of the communities in which we operate as well as understanding, monitoring and executing the given aims of the association.

#### 15.2. Previous Board Members

- 15.2.1. Craig Wells
- 15.2.2. Tarjinder Khamba
- 15.2.3. Michael Comerford
- 15.2.4. L.ukas Lakatos
- 15.2.5. Leon Gayle
- 15.2.6. Leyton Barnes
- 15.2.7. Matt Galloway
- 15.2.8. Harwinder Jhass

#### 15.3. Current Board Members

- 15.3.1. Sajjad Hussain (chief executive board member)
- 15.3.2. John Doyle (executive board member)
- 15.3.3. Mohammed Usman (non-exec)
- 15.3.4. Razvan Marius Dumitrescu (non-exec)
- 15.3.5. Ionut Petcu (non-exec)

#### 15.4. Current Directors

- 15.4.1. Harwinder Jhass – Harwinder Jhass is a pharmacist who has worked in the local Nottingham area for several years. He is committed to making this service successful and has the appropriate medical background to deal with service users. His day to day contact with methadone users has given him an insight into the issues surrounding homelessness. Having grown up in a socially deprived area of Nottingham, he also has a good understanding and experience of the issues surrounding vulnerable adults and children. His work in an economically deprived area has given him a greater understanding of the challenges service users may encounter on a day to day basis.
- 15.4.2. Leyton Barnes – Leyton Barnes is our expert in housing and organises tenants into suitable accommodation, he is passionate about helping others and one of the most empathic team members. Leyton will make sure tenants are happy and manage the maintenance, cleaning and suitability of accommodation. His own experience of homelessness is vital to giving support to service users.
- 15.4.3. John Doyle- Mr Doyle is a retired accountant who has recently returned to England. Mr Doyle grew up in the deprived area we operate so is compassionate to our service users. From his academic background in accounting and business Mr Doyle, along with our other board members with roots in accounting, shall oversee the accounts and ensure our financial policy and those relating are being adhered to.
- 15.4.4. Sajjad Hussain- Mr Hussain is practicing bookmaker. Already having established his own private company that carries out bookmaking work for individuals and small companies Mr Hussain has joined the board of EMSH to give back to the community he grew up in.
- 15.4.5. Alex Pridemore- My Pridemore has several years working with social housing and is very able at conducting the administration work that comes with such. Having been a student in Nottingham studying Maths, Mr Pridemore stayed in Nottingham and plays a large role in many homeless

organisations and institutions. Along with experience, Mr Pridemore brings a long list of contacts that can be useful now and later on to EMSH.

#### 15.5. Non-exec Board member

15.5.1. Matt Galloway (Chair)- M Galloway is a student who has been volunteering with EMSH. He is from a poorer area of the UK so is equipped to deal with the social issues our service users face. From his studies, he has a strong grasp of legal knowledge and can handle much of the admin side of EMSH. He is compassionate and volunteers for EMSH in order to help those less fortunate.

15.5.2. Razvan Marius Dumitrescu- Mr Dumitrescu has many years working in the building industry and has been contracted by several social housing providers so has an insight as to the standard of accommodation such provides. Having a close relationship with many of the housing community in the area we operate, Mr Dumitrescu has the experience to vote with the best interest of the service users in mind.

15.5.3. Mohammed Usman- Mr Usman is a local member of the community who has lived in the area for his whole life. Mr Usman is a local taxi driver and has previously been a social housing resident therefore has the capacity to ensure the board votes with the service users best interests in mind.

15.5.4. Ionut Petcu- Mr Petcu is a local resident who has lived in the local community for many years. He has a strong presence in the community and his role on the board is to guide the board to ensure the decisions benefit the local community at large. Coming from a family run business from the local area and back in Romania mr Petcu has a sound business mind and would benefit the board in all decisions.

## 16. **DECLARATION OF INTERESTS AND CONFLICT OF INTERESTS**

- 16.1. Any conflict of interest must be disclosed by all board members, directors and secretaries. If any conflict of interest is found then EMSH will deny their application. This is to prevent the board and executive members from making decisions that may directly benefit them financially or transfer profit from EMSH.
- 16.2. If any conflict or interest is discovered which a member has not disclosed, they will be automatically suspended pending an investigation. The results of the investigation will be reported to the Homes and Communities Agency and to the board members.
- 16.3. Mr H. Jhass has no business interests that need to be registered nor is he associated with any political or partner organisations.
- 16.4. Mr L. Barnes has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.5. Mr L. Lakatos has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.6. L. Gayle has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.7. Mr M. Galloway has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.8. John Doyle has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.9. Sajjad Hussain has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.10. Alex Pridmore has no business interests that need to be registered or is associated with any political or partner organisations.
- 16.11. Mohammed Usman has no business interests that need to be registered or is associated with any political or partner organisations.

16.12. Razvan Marius Dumitrescu has no business interests that need to be registered or is associated with any political or partner organisations.

16.13. Ionut Petcu has no business interests that need to be registered or is associated with any political or partner organisations.

## **17. BOARD MEMBERS ROLES AND MEMBERSHIP**

17.1. This section outlines the associations policy on board membership. The policy breaks down the independent status and has a balance of skills and abilities needed to develop the association. Included is information on development of board members to ensure that necessary improvements are made within the association making clear the continued enthusiasm and commitment of all board members.

### 17.2. Principles

17.2.1. All board members of East Midlands Shelter for the Homeless have a commitment to the association when elected and agree to adhere to all obligations previously set out in this policy.

### 17.3. Skills & Experience

17.3.1. The Board will fulfil its duties effectively, providing the skills, experience and understanding required to meet the following criteria:

17.3.1.1. Understanding of social housing.

17.3.1.2. Awareness of tenants' needs and concerns.

- 17.3.1.3. Strategic management in a public or private body.
- 17.3.1.4. General business skills including management of organisations, human resources and contracts.
- 17.3.1.5. Risk management and internal controls
- 17.3.1.6. Housing and property management
- 17.3.1.7. Care and support
- 17.3.1.8. Finance
- 17.3.1.9. Experienced in Housing legislation
- 17.3.1.10. Equality and diversity and community relations
- 17.3.1.11. Property development and building
- 17.3.1.12. Partnership working
- 17.3.1.13. Management of information / IT
- 17.3.1.14. PR and fundraising

17.3.2. For the organisation to run it is a requirement that the board poses all the above skills as a collective. The table below shows what skills our current board members possess

Board Member	S. Hussain	J. Doyle	M. Usman	R. M. Dumitrescu	Ionut Petcu
Skills (listed as s. 17.3.1)	1, 2, 3, 4, 5, 6, 8, 9, 10, 11,	1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13	1, 2, 6, 7, 11	1, 2, 6, 7, 11	1, 2, 3, 4, 9, 1, 12, 13

	12, 13				
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17.3.3. Individual board members will possess individual skills and experience but the overall aim will be to install the collective knowledge of EMSH and its values and policies. These skills are the basic requirements needed for housing management, they are adequate into helping the EMSH stay a stable organisation but also allow for economic growth. The skills our Board staff will need will be reviewed annually.

17.3.4. Training will be offered to all members of staff that fall short of these essential skills.

#### 17.4. Roles and Responsibilities of board, directors and committee members

17.4.1. John Doyle- Mr Doyle is an executive Director (Finance Director) that sits on the Board. He oversees the accounts of EMSH and ensures the board focus on the financial policy and value for money policy when making all decisions.

17.4.2. Sajjad Hussain- Mr S. Hussain is an executive Director who sits on the board. Along with Mr Doyle he ensures all decisions are made with the financial policies in mind.

17.4.3. Leyton Barnes- Mr Barnes is an executive director who is the first point of contact for the tenants committee. Having a close relationship with many of the homeless community and having the ability to create such relationships Mr Barnes ensures the organisation focuses on the needs of the service users. Mr Barnes is also tasked with the implication of the Neighbourhood and Community Policy which includes frequent inspections of communal areas to ensure the policy is adhered to.

17.4.4. Harwinder Jhass- Mr Jhass is an executive director who ensures the properties managed by EMSH are safe and up to standard. Mr Jhass organises the volunteer team who manage the properties and who conduct

inspections. Mr Jhass carries out several inspections a month himself to ensure such inspections are carried out to a high standard. Mr Jhass has been delegated the responsibility to oversee the risk policy including all risk detection and risk management procedures.

- 17.4.5. Alex Pridemore- Mr Pridemore manages the administration of the organisation. His primary role is to ensure payments are received for the service users and to follow up on payments that are not delivered. Any further administration tasks are handled by Mr Pridemore. Mr Pridemore also contacts others organisations to get more service users when the organisation has rooms available.
- 17.4.6. Matt Galloway- Mr Galloway is a non-exec who has the role of chair of the board meetings. He creates the agenda for each meeting by contacting the committees and other board members to ensure the agenda covers the most pressing matters.
- 17.4.7. Andy Clark- Mr Clark is the company secretary who takes minutes at board meetings and proof reads all formal documents. He is also responsible for all post sent by the organisation.
- 17.4.8. Raqeeb Hussain- Mr R. Hussain is the chair of the tenants committee. see terms of reference for roles. Main responsibility is to ensure all tenants needs are met and to report any issues found in committee meetings to the board.
- 17.4.9. Laurent Berry- Mr Berry is the secretary for the Tenants Committee. He takes formal minutes from the committee meetings and collates the findings into a report.
- 17.4.10. Vaughan Farrell- Mr Farrell is a tenants committee member who represents the tenants and reports to the committee their thoughts and feedback.
- 17.4.11. Craig brooker- Mr Brooker is a tenants committee member who represents the tenants and reports to the committee their thoughts and



feedback.

- 17.4.12. Tarjinder Khamba- Mr T. Khamba is a Audit Committee member. His roles and responsibilities are set out in the terms of reference for the audit committee as set out in this document. The main roles include reviewing and monitoring the integrity of documents relating to financial performance and accounting policies, reviewing financial returns and internal controls and risk management systems. Audit committee is also responsible for whistleblowing and fraud detection.
- 17.4.13. Leon Gayle- Mr Gayle is an Audit Committee member. His roles and responsibilities are set out in the terms of reference for the audit committee as set out in this document. The main roles include reviewing and monitoring the integrity of documents relating to financial performance and accounting policies, reviewing financial returns and internal controls and risk management systems. Audit committee is also responsible for whistleblowing and fraud detection.
- 17.4.14. Dina Sigheti- Mrs Sigheti is chair of the Audit Committee. Her roles and responsibilities are to ensure the audit committee carries out their roles with prudence and in line with the terms of reference and code of conduct. She will chair the committee meetings and present the meeting findings in the form of a report to the board.
- 17.4.15. Razvan Marius Dumitrescu- Mr Dumitrescu is a non-executive board member. His role is to attend board meetings and to vote on matters delegated to the board with the best intentions of the organisation in mind.
- 17.4.16. Mohammed Usman- Mr Usman is a non-executive board member. His role is to attend board meetings and to vote on matters delegated to the board with the best intentions of the organisation in mind.
- 17.4.17. Ionut Petcu- Mr Petcu is a non-executive board member. His role is to attend board meetings and to vote on matters delegated to the board with the best intentions of the organisation in mind.

## **18. APPRAISAL & DEVELOPMENT**

18.1. During the annual meeting the board will audit skills and experience as well as identify areas needed for development. This will be documented and will contribute towards the declaration for the Homes and Community Agency and Financial Services Authority annual returns.

18.2. The board will have evaluated the effectiveness of the organisation considering the following aspects:

18.2.1. Individual contribution of board members.

18.2.2. Effectiveness of board relationships and its role as a team.

18.2.3. Changes within the board and how it is responding to external influences.

18.2.4. The effectiveness of board processes.

18.2.5. The preparation of a board training and development programme.

## **19. NON-COMPLIANCE OF STANDARDS FROM BOARD MEMBERS**

19.1. If any material issues are raised concerning non-compliance EMSH must inform the Homes and Community Agency of these issues and with a developed action plan of how they will manage the issues and prevent them from occurring in the future. This also includes potential concerns regarding non-compliance.

## **20. BOARD RESPONSIBILITIES**

20.1. The board are responsible for the following:

- 20.1.1. Compliance of Policies
- 20.1.2. Allocation
- 20.1.3. Health and Safety
- 20.1.4. Accounting
- 20.1.5. Budgeting
- 20.1.6. Data Protection
- 20.1.7. Asset Protection
- 20.1.8. Fraud Prevention
- 20.1.9. Overseeing all risks and risk management
- 20.1.10. Delegation
- 20.1.11. Auditing
- 20.1.12. General Management of the business and ensuring Director fulfils duties

20.2. Board shall ensure that the risk assessment policy is followed at all times and that the risk assessment policy itself is updated and reviewed following any major board meeting concerning risks or raises question of risks or when recommended by the Risk Management Committee.

## **21. BOARD ACCOUNTABILITY**

21.1. The framework described above has been designed to be robust but also allows for accountability at each management stage. Service users, staff and Board members as well as members of the public have the potential to question the framework via the complaints procedure, please look at EMSH Complaints policy.

21.2. The governance arrangement and framework described in this policy will be followed at all times. If it is found that EMSH staff or board members are

found not to be adhering to the governance policy then a formal and published warning will be given, with a discussion by the board to consider removing them from the organisation.

- 21.3. Any such undertaking mentioned above must be done in writing and reason given for the outcomes.
- 21.4. If the governance policy is to be changed, edited or updated, then it requires a minimum of three board members to authorise such actions recorded in a board meeting minutes.
- 21.5. All board members and officers as defined in Section 270 of the Housing and Regeneration Act 2008, will automatically be removed and can not be part of the organisation even in a voluntary basis if they are found to commit or be committing any statements of Section 266 of the Housing and Regeneration Act 2008. If any such action is taken EMSH must inform the regulator with 48 hours with a detailed written statement of why such actions are being taken.

## **22. BOARD RECRUITMENT & SELECTION**

- 22.1. New members will be appointed sporadically avoiding any major shifts in members during any specific period.
- 22.2. Recruitment will be made internally during year one to build on a solid foundation throughout year two and three. At the start of year two, the board

will discuss the possibility of open advertising as we look to strengthen our board membership and output.

22.3. In special circumstances the board will use a head hunting system to secure a set of skills or characteristics. Advertising may take place in newspapers, websites and other publications throughout year two and three.

22.4. New board members will initially act as an observer in meetings until an agreement has been made between both parties and how to proceed.

### **23. SELECTING NEW BOARD MEMBERS**

23.1. The board will undertake a review annually of the progression of each board members, what has been effective and what needs to be improved.

23.2. The association will use the equalities and diversity policy to ensure that there is comprehensive representation amongst service users, staff and board members. This will be reflected in the recruitment of new members to the board and will also be included in the advertising and promotion of such positions. As above members shall be appointed on merit and relevant experience.

### **24. TENANTS COMMITTEE**

24.1. Residents will be given the opportunity to take part in board meetings and

become board members and represent all service users across the association.

24.2. The Tenants Committee shall be given clear terms of how to operate and carry out their delegated tasks. The Committee shall be reviewed to ensure governance effectiveness. A board member will chair the Committee until deemed capable of operating as separate entity.

24.3. The structure and role of the tenants committee is vital to board meeting. This will give service users direct say into the running of the organisation.

24.4. This is further explained in the The Tenant Involvement and Empowerment Policy.

## **25. AUDIT COMMITTEE**

25.1. The Board of EMSH has established an Audit Committee to support the Board in the discharge of their duties relating to risk management, control, governance and the external and internal audit functions. The following Terms of Reference set out the areas of responsibility of the Audit Committee.

### **25.2. Composition**

25.2.1. Dina Segheti (chair)

25.2.2. Tarjinder Khamba

25.2.3. Leon Gayle

### **25.3. Membership**

25.3.1. Members of the Audit Committee will be appointed by the Board on an annual basis at the first Board Meeting following the Annual General Meeting. The Committee will consist of a minimum of 2 and a maximum of 5 members.

25.3.2. The Board will appoint a Chair of the Audit Committee from the Audit Committee members, but this shall not be the Chair of the Board.

#### 25.4. **Quorum**

25.4.1. The quorum necessary for the transaction of business is two. A meeting convened at which a quorum is present is competent to undertake all duties and responsibilities of the Audit Committee.

#### 25.5. **Frequency of Meetings**

25.5.1. The Audit Committee will meet biannually. An annual work programme and reporting cycle will be prepared to support the work of the Audit Committee. The Chair can call additional meetings as required.

25.5.2. The notice of each meeting along with supporting documents and reports will be issued to members 5 days prior to the meeting

#### 25.6. **Reporting**

25.6.1. The Audit Committee will formally report to the Board after each meeting. In doing so, it shall identify any matters where it considers action or improvement is needed; and make any associated recommendations. A copy of the minutes of the meeting may form the basis of the report. In addition the Audit Committee will provide an Annual Report, linked to the year-end audited accounts and statement on internal control, summarising the Audit Committee's performance and conclusions from the work carried out during the year.

#### 25.7. **Duties & Responsibilities**

##### 25.7.1. **Financial Reporting**

25.7.1.1. The Audit Committee will:

25.7.1.1.1. review and monitor the integrity of the annual financial statements, annual reports, management letters and any other statements relating to financial performance

25.7.1.1.2. review financial returns to regulators

25.7.1.1.3. review and challenge where necessary the accounting policies; accounting treatments and compliance with legal and regulatory standards for financial reporting.

25.7.1.2. **Internal Controls and Risk Management Systems**

25.7.1.3. The Audit Committee will:

25.7.1.3.1. review and monitor the effectiveness of internal, including financial, controls and risk management systems including the risk map

25.7.1.3.2. review and approve the statements in the Annual Report on internal control and risk management.

25.7.2. **Internal Audit**

25.7.2.1. The Audit Committee will:

25.7.2.1.1. retain primary responsibility for recommending the appointment, re-appointment or removal of the Internal Auditors,

25.7.2.1.2. approve the remuneration and terms of engagement of the Internal Auditor

25.7.2.1.3. approve the remit of the Internal Auditors including the annual Internal Audit Plan

25.7.2.1.4. review all reports received from the Internal Auditors and management's responses to the findings and recommendations of the Internal Auditors.

25.7.2.1.5. Monitor and review the effectiveness of internal audit activities, including the use of the Internal Auditor to carry out non-audit duties; and will report on this to the Management Board on an annual basis.



25.7.3. **Whistleblowing & Fraud**

25.7.3.1. The Audit Committee will:

25.7.3.1.1. review the arrangements for whistleblowing and detection of fraud.

25.7.4. **Other Matters**

25.7.4.1. The Audit Committee will:

25.7.4.1.1. have access to sufficient resources to carry out its duties

25.7.4.1.2. review its performance and effectiveness, identifying skills gaps or training requirements; and undertake any necessary training.

25.8. **Authority**

25.8.1. The Audit Committee is authorised to:

25.8.1.1. seek relevant and appropriate information to support its activities and terms of reference

25.8.1.2. obtain necessary external professional advice on matters within these terms of reference in line with budget provision.

**26. Remuneration Committee**

26.1. **Terms of Reference-** EMSH may establish a Remuneration Committee, to ensure that EMSH operates as a non-profit association. The committee will also consider salary and terms & conditions for employees as and when financially viable. These Terms of Reference set out the areas of responsibility of the Remuneration Committee.

26.2. The Remuneration Committee shall be established when EMSH attains a total of 15 employees. At the reviewing of this document there is no requirement for a Remuneration Committee as EMSH does not have any employees at present.

26.3. **Membership-**

26.3.1. Members of the Remuneration Committee will be appointed by the Board on an annual basis at the first board meeting following the Annual General Meeting. The Committee will consist of 3 members.

26.3.2. The Remuneration Committee will appoint a Chair.

26.3.3. The HR manager will fulfil the secretariat role. The Finance Director and Chief Executive will normally attend the meetings except where matters directly affect them. Other senior staff and external advisors will be invited to attend meetings as required.

#### 26.4. **Quorum**

26.4.1. The quorum necessary for the transaction of business is three. A meeting convened at which a quorum is present is competent to undertake all duties and responsibilities of the Remuneration Committee.

#### 26.5. **Frequency of Meetings**

26.5.1. The Remuneration Committee will meet on an *ad hoc* basis as required but at least once a year to review work plans and performance of the Committee. The Chair can call meetings as required.

26.5.2. The notice of each meeting along with supporting documents and reports will be issued to members 5 days prior to the meeting.

#### 26.6. **Duties & Responsibilities**

26.6.1. The Committee will:

26.6.1.1. Supervise the recruitment of the Chief Executive in conjunction with external advisors, including job description, person specification, recruitment and recommendation to the Board.

26.6.1.2. Liaise with the Chief Executive on the recruitment of members of the Executive Management Team including participation in the recruitment process.

26.6.1.3. Consider and recommend to the Board the remuneration package and terms and conditions for the Executive Management Team.

26.6.1.4. Review and recommend any variations to approved remuneration or terms and conditions.

26.6.1.5. Review and recommend to the Board what to pay and who to pay if and when it becomes financially viable.

26.6.2. Other Matters

26.6.2.1. The Committee will:

26.6.2.1.1. Act as the appeal panel for all instances which require the governing body to be involved in staff appeals or grievances.

26.6.2.1.2. Have access to sufficient resources to carry out its duties.

26.6.2.1.3. Review its performance and effectiveness, identifying skills gaps or training requirements.

## 26.7. **Authority**

26.7.1. The Remuneration Committee is authorised to:

26.7.1.1. Seek relevant and appropriate information to support its activities and Terms of Reference.

26.7.1.2. Obtain necessary external professional advice on matters within these Terms of Reference in line with budget provision

## 27. **SHAREHOLDING MEMBERSHIP**

27.1. At present there are 5 shares available in East Midlands Shelter for the Homeless CIC.

27.2. These shares are held by :

27.2.1. Mohammed Usman - 1 Share

- 27.2.2. Razvan Marius Dumitrescu - 1 Share
  - 27.2.3. Ionut Petcu - 1 Share
  - 27.2.4. John Doyle - 1 Share
  - 27.2.5. Sajjad Hussain - 1 share
- 27.3. These shares have the following prescribed particulars
- 27.3.1. Voting rights for the way the CIC is run
  - 27.3.2. No right to Dividends as EMSH is a not for profit organisation
- 27.4. Rules of Shareholding Membership
- 27.4.1. Shareholders agree to adhere to all EMSH obligations and policy and will act in the interest of the association, its staff and service users.
  - 27.4.2. The association's share capital shall be raised by the issue of shares. Each share has a nominal value of one pound that shall carry no right to interest, dividend or bonus.
  - 27.4.3. Only shares held by the nominee of an unincorporated body can be transferred and only to a new nominee.
  - 27.4.4. When a shareholder ceases to be a shareholder or is expelled from the Board, his or her share shall be cancelled. The amount paid up shall become the property of the association.
- 27.5. The associations objective will be to work for and as a part of the community and whose primary focus will be:
- 27.5.1. Working with service users in providing social housing and assistance in seeing service users into safe accommodation prioritising the needs of the vulnerable adults in society whether it be relief for the aged, disabled, handicapped or the ill. Any other charitable action or incentive designed to

benefit the service user.

## **28. ELIGIBILITY FOR SHAREHOLDER**

- 28.1. Applications for shareholding membership shall be open to any person, society, company or local authority.
- 28.2. All board members are able to be shareholders and must not be paid to be on the Board.
- 28.3. A shareholder can be the nominee of an unincorporated body. In such cases the register shall contain the name and address of the shareholder, and shall designate the shareholder as the nominee of a named unincorporated body. The address of the unincorporated body shall also be entered in the register if it differs from the address of the shareholder nominee.
- 28.4. A corporate body can be a shareholder. It can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.
- 28.5. The following cannot be shareholders:
  - 28.5.1. A minor;
  - 28.5.2. A person who has been expelled as a shareholder, unless authorised by special resolution at a general meeting;
  - 28.5.3. An employee of the association, unless otherwise agreed by the Board

## **29. ADMISSION OF SHAREHOLDERS**

- 29.1. The association's policy and objectives for admitting new members is as follows:
  - 29.1.1. members shall at all times act in the interests of the association,

- 29.1.2. members shall have an interest in the activities and objects of the association,
- 29.1.3. members shall have skills or experience relevant to the business association,
- 29.1.4. members shall, wherever possible, attend the annual general meeting of the association,
- 29.1.5. members shall form a constituency from which the Board of Members is elected.
- 29.2. All potential applicants shall be provided with a copy of the Board and Governance policy and an application form.
- 29.3. An applicant for a share shall apply in writing to the association's registered office, setting out their reasons for applying and their qualifications in accordance with this policy and pay the sum of one pound (£1) which shall be returned to them if the application is not approved.
- 29.4. Every application shall be considered by the Board in accordance with this policy. The Board has the power in their absolute discretion to accept or reject the application. If the application is approved the name of the applicant and the other necessary shall be entered in the register of shareholders. One share in the association and a copy of its rules shall be issued to the applicant.
- 29.5. Tenants of the association shall be eligible for membership but they shall not comprise more than one quarter of the members.

### **30. ENDING OF SHAREHOLDING**

- 30.1. A shareholder shall cease to be a shareholder if:
  - 30.1.1. They die
  - 30.1.2. They are expelled

- 30.1.3. They withdraw from the association by giving one month's notice to the secretary
- 30.1.4. They do not participate in any general meeting of the association from one annual general meeting to the next inclusive nor deliver written apologies in advance
- 30.1.5. In the case of a body corporate it ceases to be a body corporate; or
- 30.1.6. In the case of the nominee of an unincorporated body, they transfer their share to another nominee of that body.
- 30.2. Shareholders shall be reminded on an annual basis of the need to participate in general meetings or deliver written apologies.

### **31. SHAREHOLDER REGISTER**

- 31.1. The association shall maintain a register of shareholding members which will include the following information:
  - 31.1.1. Name
  - 31.1.2. Address
  - 31.1.3. Telephone numbers
  - 31.1.4. Start date
  - 31.1.5. Resignation or retirement date

### **32. FRIENDS AND PARTNER ORGANISATIONS**

- 32.1. An individual who is interested in the work of EMSH and is not able to become a shareholder may become a Friend of EMSH. Friends will receive a copy of the association's annual report and the newsletters.

### **33. NON-PROFIT STATEMENT**

- 33.1. EMSH is a non-profit company with the object as the provision of social housing. We do not trade to make a profit, we will not give out any form of capital with interest, any dividends to the shareholders. The shares can not be sold at a price exceeding that of £1.
- 33.2. The organisation is dedicated, to providing low cost affordable rental accommodation for individuals who are most at need. EMSH is solely involved in the management of housing and will satisfy all requirements of section 115 of the Housing and Regeneration Act 2008

#### **34. GIFTS**

- 34.1. Staff and board members are not to receive any form of gifts including gifts of a financial value. If gifts are received, then they need to be registered as property of EMSH and EMSH will donate these to a suitable cause. EMSH must not give any gifts to its staff and Board members. Money can not be given as a form of gift and is strictly prohibited.
- 34.2. The Board understand that it is not paid for its service and will not accept any form of gift or bonus
- 34.3. Payments to staff will be considered in according to Section 122 of the Housing and Regeneration Act 2008. If we find the method of payment equates to a gift then this payment must be returned to EMSH.

#### **35. LEGAL REQUIREMENT**

- 35.1. The board will be responsible for maintaining EMSH complies with all legal requirements of the Housing and Regeneration Act 2008 and the Welfare Reform and Work Act 2016. If the board lack legal understanding, it will seek professional legal advice from a solicitor who registered with the SRA and has a specialist knowledge on working with registered providers.



35.2. The board will agree to be responsible for all legal decisions taken by EMSH.

**36. SAFEGUARDING TAX PAYERS**

36.1. EMSH understand that registered social housing providers income is derived from housing benefit (LHA), public fund raising, grants and government loans. This means TAX payers have a vested interest, EMSH will make all its accounts public so that we as an organisation can be scrutinised by any member of the public. Transparency in all our accounting is important to keep the reputation of the sector from falling into dispute. We will publish annual reports on all the services we have provided with detailed accounts on any large spending.

36.2. Before any large amounts of money is spent, authority will have to be gained by senior management or a board member.

36.3. It will review and report on all services it provides so that the public is able to independently assess the progress of the organisation.