
Wheatley Housing Group Limited

Group Standing Orders

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Introduction

1. These Group Standing Orders document certain elements of the governance arrangements, procedures and delegations of authority within the Wheatley Housing Group Limited and its subsidiaries. These Group Standing Orders include all appendices referenced within the text.
2. These Group Standing Orders must be complied with by all Group members.
3. Words and phrases in these Group Standing Orders shall have the meaning given to them in Appendix 1.

Interpretation of Group Standing Orders

4. The Group Company Secretary is responsible to the Group Board for the overall governance of the organisation. Advice on the interpretation of these Group Standing Orders falls to the Group Company Secretary as does escalation to the Group Board of any matters of concern.
5. The ruling of the Group Chair, whom failing the Group Vice-Chair, on the advice of the Group Company Secretary, as to the meaning, effect or application of these Group Standing Orders shall be final.

Amendment and Revocation of Group Standing Orders

6. The Group Board may alter, rescind or add to any part of these Group Standing Orders by decision of a quorum of the Group Board Members (excluding co-optees) present and voting at a Group Board Meeting.
7. The Group Board, or any Group Committee with documented delegated authority, in conjunction with the Group Chief Executive and the Group Company Secretary, shall regularly consider the need for amendments to these Group Standing Orders.
8. Subsidiaries shall be consulted as appropriate on the effectiveness of the Group Standing Orders. Subsidiary Boards may, via the Group Company Secretary, propose amendments to the Group Standing Orders at any time. The acceptance of any amendment is wholly at the discretion of the Group Board
9. All subsidiary Boards will be notified of any amendment(s) or revocation(s) to the Group Standing Orders at the next available Board meeting following said amendment(s) or revocation(s) being approved by the Group Board.

Matters Reserved to the Group Board

10. The strategic role of the Group Board is to determine, working with subsidiary Boards, the overall direction and objectives of the Group.
11. Having regard to its strategic role, the Group Board shall hold the Group Chief Executive to account and to ensure that proper and effective controls and systems for running the Group are in place and are implemented. The following are reserved to the Group Board as part of this strategic role and/or requirements in the Rules or Articles of Group Members:

Corporate Governance and leadership

- changes to the structure, size and composition of the Board;
- appointment of the Group Chair;
- appointment of the Group Vice-Chair;
- based on reports and advice from the Group Remuneration, Appointments, Appraisals and Governance Committee:
 - determining the remuneration and terms and conditions of the Group Chief Executive;
 - appointment and removal of Directors;
 - appointment of Group Committee members and Committee Chairs;
 - appointment and removal of the Group Chief Executive;
 - ensuring adequate succession planning arrangements for the Board; and
 - establishment and dissolution of subsidiaries.
- establishment and dissolution of Group or Subsidiary Committees, including their Terms of Reference and delegation contained therein;
- Group organisational values;
- acting reasonably, revocation of any decision, or part thereof, of subsidiaries or Committees of the Group;
- any other matter reserved to the Group Board in terms of its constitution or these Group Standing Orders; and
- overriding responsibility for compliance by the Group with registration criteria, performance standards, guidance and regulatory requirements of the Scottish Housing Regulator.

Strategy and financial management

- approval of the Group Strategy, and any material variations and amendments thereafter;
- approval of the Group Business Plan (including borrowings) and any material variations and amendments thereafter;
- approval of the Group Budget (each containing the subsidiary equivalents as appropriate), and any material variations and amendments thereafter;
- approval of the Group's financial statements;
- approval of significant changes in accounting policies or practices; and
- matters reserved to it by the Scheme of Financial Delegation.

Policy

- designation of policies as applicable to all Group members;
- Group Health and Safety Policy;
- approval of Group Treasury Management Policy; and
- governing body remuneration policy.

Risk and Assurance

- approval of the Annual Assurance Statement for submission to the Scottish Housing Regulator;
- approval of the Group Risk Management Policy;
- approval of the strategic corporate risk register and risk appetite levels;
- all matters requiring determination by the Group Board in terms of the Group Business Plan, Group Budget, or the like expressly reserved for the approval of the Group Board in terms of these Group Standing Orders; and
- overriding responsibility for compliance by the Group with registration criteria, performance standards, guidance and regulatory requirements of the Scottish Housing Regulator.

Delegations to the Group Chief Executive

12. Subject to the express reservations to a General Meeting, the Group Board or subsidiary Boards and to the Group Committees set out in these Group Standing Orders, the Group Chief Executive is authorised and empowered to manage the Group, and its subsidiaries, and to direct their operations. The Group Chief Executive is responsible and accountable to the Group Board.
13. The following matters are expressly delegated to and/or are the responsibility of the Group Chief Executive:
 - Providing strong leadership and direction for the Group, fostering a culture which reflects the Group's organisational values;
 - Providing for Group Board approval, and subsequently implementing, the overall business strategy of the Group and developing and implementing strategies which underpin delivery of the Group's overall business strategy;
 - Delivering and managing the overall Group Budget and Group Business Plan approved by the Group Board, maintaining the ongoing financial viability of the Group;
 - Developing and implementing robust and effective business and strategic planning processes;
 - Ensuring that a strong performance management framework is embedded throughout the Group to deliver performance improvement and regularly reviewing performance against targets set by the Group Board;
 - Ensuring that there is a system in place for identifying and managing risk within the Group and having strong systems of internal control;
 - Appointment of, and terms and conditions, of Group Executives and Subsidiary Managing Directors;
 - Reporting to the Group RAAG Committee his or her determination on the terms and conditions Group Executives, including annual uplifts or discretionary awards;
 - Determining the overall staffing structure and approving pay, reward and policy arrangements for all staff, excluding his or herself, within approved Business Plan assumptions;
 - Approval of all Human Resources/People related policies save where a policy is specifically reserved to the Board;

- Developing and maintaining strong strategic partnerships with key stakeholders, including investors, on behalf of the Group, including agreeing partnerships;
 - Driving innovation in the way the Group develops and delivers its services and works with partners; and
 - Providing the Group Board and Group Committees with clear and concise information on the performance of the Group.
14. The Group Chief Executive may, consistent with these Group Standing Orders, including the Scheme of Financial Delegation, delegate such powers, responsibilities and authority to such members of staff of the Group as the Group Chief Executive may from time to time determine. The Group Chief Executive shall be responsible for agreeing the delegations to Subsidiary Executives, via their most senior officer, consistent with the delegations granted to the Group Chief Executive by the Group Board.
15. The Group Chief Executive is responsible for the interpretation and implementation of Group policies and exercising delegations to Subsidiary Executives as he or she sees fit.
16. The Group Chief Executive is responsible for setting a framework for the Non-Financial Delegations across the Group as he or she deems appropriate, via Subsidiary Executives where appropriate. Where there is no express reservation to a Board or Committee on a non-financial matter, it shall be assumed that the Group Chief Executive has the delegated authority to act in relation to such matters as he or she deems appropriate.

Chairs and Vice-Chairs

17. The roles, the skills, knowledge and experience required, and the procedure for the appointment of the Group Chair and Group Vice-Chair are set out in Appendix 2A. The roles, the skills, knowledge and experience required, and the procedure for the elections of the subsidiary Chairs and subsidiary Vice-Chairs are set out in Appendix 2B.

Execution of Documents

18. The Group Board is responsible for the approval of the Group's signing policy, which specifies the signing requirements for the execution of certain documents or classes of documents on behalf of the Group or any of its entities. Subsidiary Boards shall agree a specific schedule of authorised signatories based on the Group Signing Policy.
19. The Group Company Secretary will maintain a register of agreed authorities to execute documents in line with the approved Group Signing Policy.

Meetings of Boards and Committees

20. Before 31 October each year the Company Secretary shall publish a calendar of all Group and Subsidiary Board and Committee meetings for the next calendar year.

Proceedings of Board Meetings

21. Each Board will run meetings in accordance with the procedures set out in their respective Constitutions. In the absence of the Chair, the Vice-Chair will assume the duties of the chair. Where there is no Vice Chair or the Vice Chair is also not in attendance, the Board shall elect a member to Chair the meeting. Board members must adhere to the standards set out in the Group Code of Conduct during meetings.
22. Not less than seven days before a Board Meeting, the Group Company Secretary shall issue to every Board member:
 - a notice calling the meeting and stating the time and place;
 - the agenda; and
 - all available reports and other documents referred to and/or to be read in conjunction with the agenda.
23. Any report or document not included in the agenda may, with the agreement of the Chair, whom failing the Vice-Chair, be considered at the relevant meeting, provided that it relates to matters which are, in the view of the Chair of such urgency or importance that it is desirable that the report or document receives consideration at the meeting.
24. Board members wishing to propose an item for inclusion on the agenda of a Board Meeting to be issued prior to the meeting must give the Company Secretary at least 14 days written notice of such item. The Company Secretary will consult the Chair, whom failing the Vice-Chair, who must approve the item's inclusion.

Committees

25. The Group Board may from time to time establish Committees and appoint their respective Chairs. Terms of Reference will be set for all Committees, which will include as a minimum the remit of the Committee, its composition and quorums for meetings. All Committees must act in accordance with their Terms of Reference and responsibilities specified by the Group Board.
26. Subsidiary Boards shall not have Committees, save where the Group Board has agreed their creation.

27. The GHA Board has the authority for up to 3 Area Committees and have delegated authority to agree, amend or revoke their Terms of Reference, membership and appointments.
28. The DGHP Board has the authority for a Development Committee. Any amendment to its Terms of Reference is subject to approval by the Parent via the Group RAAG Committee.”
29. The Terms of Reference and responsibilities and role of the Chairs of the current Group Committees are set out as Appendices 5A, 5B, 5C and 5D in these Group Standing Orders.
30. Where the context permits and except where otherwise expressly provided, the provisions of these Group Standing Orders relating to the notice, proceedings and voting of and at Board meetings shall apply to Committee meetings.
31. The Group Board has the right to revoke, in whole or in part, decisions of Group Committees.

Voting

32. Voting at Board Meetings shall be carried out in accordance with the procedures laid down in the applicable Constitutions.

Minutes

33. The Group Company Secretary is responsible for ensuring that minutes of the proceedings of the Boards and Committees are taken and copies provided for the Board members and Committee members respectively. The minutes shall be submitted for approval as a correct record, with or without amendment, to the next Board meeting or Committee meeting.
34. The minutes, whether yet approved or not by the relevant Group Committee or Subsidiary Board, of all Subsidiaries’ Board Meetings and Group Committee meetings shall be available for submission to the next Group Board meeting.
35. Any Board member or Committee Member can request that his or her dissenting view be recorded in the minutes of the relevant Board meeting or Committee meeting.
36. The Group Company Secretary will make arrangements for the safe storage of all Board and Committee minutes.

Urgent actions

37. From time to time, an urgent decision will be required on a time sensitive matter reserved to a Board (Group or Subsidiary) or Committee which cannot wait until the next scheduled meeting.

38. Where it is not feasible or practical to convene an additional meeting or pass a written resolution, a determination which should be agreed jointly by the Secretary and relevant Chair, the Chair is authorised to approve any action within the Board or Committee's powers.
39. In using the Urgent Action provision, due regard should be given by the Chair and Secretary to the nature and materiality of the decision.
40. Any use of the Urgent Action provision shall be notified to the Board or Committee as soon as reasonably practical, but as a minimum at the next Board or Committee Meeting. All uses of the Urgent Actions provision shall be recorded in a Register of Urgent Actions held for each Board and Committee.
41. Where the Urgent Action provision is used more than three times in any rolling six month period, the power of the Chair to continue to use the action shall be revoked until such time the Board or Committee agree to reinstate the Chair's authority at an ordinary Board meeting.
42. The Board or Committee reserves the right to revoke or fetter the Chair's authority to use the Urgent Action provision at any time by agreement at an ordinary Board meeting.

Admission of the Public to Meetings

43. Members of the public will not be admitted to Board Meetings or Committee meetings.

Definitions and Interpretation

In these Group Standing Orders the following words and expressions have the following meanings unless they are inconsistent with the context:

“Board” means the board of any member of the Group

“Board Co-optee” means any persons co-opted to a Board in terms of the relevant body’s constitution

“Budget” means any approved budget as same may be amended from time to time and a reference to the “Group Budget” shall be a reference to the approved budget for Wheatley Housing Group Limited;

“Business Plan” means any approved business plan as same may be amended from time to time and a reference to the “Group Business Plan” shall be a reference to the approved business plan of Wheatley Housing Group Limited;

“Chair” means any person appointed to be the chair of any Committee or entity of the Group;

“Committee” means any committee of a Board from time to time, and “Committees” will be construed accordingly;

“Group Company Secretary” means the company secretary of the Group from time to time,

“Group Executives” means those persons reporting directly to the Group Chief Executive and a member of the Group Executive Team ;

“General Meeting” means a meeting of the members of a Group company;

“GHA” means The Glasgow Housing Association Limited;

“Group” means the group of entities of which Wheatley Housing Group Limited is the parent company and includes any and all other subsidiary/ies of Wheatley Housing Group Limited from time to time ; and the term “Group Member” shall be a reference to any member of the Group;

"Group Board" means the board of Wheatley Housing Group;

"Group Board Meeting" means any meeting of the Group Board;

"Group Board Member" means any person who is appointed as a director of Wheatley Housing Group Limited;

"Group Chair" means the office bearer appointed by the Group Board to be the Chair of Wheatley Housing Group;

“Group Chief Executive” means the chief executive officer of the Group and is the most senior officer in the Group;

"Group Code of Conduct" means the code of conduct of Governing Body Members adopted from time to time by the Group Board;

“Group Committee” means a committee of the Group Board

“Scheme of Financial Delegation” means the document which forms Appendix 8 to these Group Standing Orders as same may be amended from time to time which document applies to the Group and its subsidiaries;

“Group Vice Chair” means the office bearer appointed by the Group Board to be the vice-chair of the Group

"Independent Board Member" means a member of the a Board who is neither a Council Board Member nor a Tenant Board Member nor a Board Co-optee;

“Scottish Housing Regulator” means the independent Scottish Housing Regulator established on 1 April 2012 under the Housing (Scotland) Act 2010;

"Subsidiary" has the meaning ascribed to it by Section 164 of the Housing (Scotland) Act 2010;

“Subsidiary Executive” means such person/s as are appointed as the senior most officers of any subsidiary by the Group Chief Executive from time to time.

"Tenant Board Member" means a person appointed to the Board of a Registered Social Landlord in the Group who is also a tenant of said Registered Social Landlord;

“Vice Chair” means person appointed to be the vice chair of a Group company in accordance with the Group or Subsidiary constitutions

A reference to a statute or section of statute includes amendments and replacements to that statute and/or section.

Reference to an organisation which has been established by statute includes a reference to a statutory successor of that organisation.

Where the context so permits words in the singular also include the plural and words in the plural also include the singular.

Role of the Group Chair and Group Vice-Chair

The role of the Group Chair is to provide clear leadership of the Group Board in its responsibilities for setting the strategic vision and direction of the Group.

The Chair shall be responsible for:

Meetings

- Chairing Group Board and General Meetings.
- Running the Group Board and ensuring its effectiveness in all aspects of its role, including regularity and frequency of meetings.
- Agreeing the Group Board agenda, taking into account the issues and concerns of all members. The agenda should be forward looking, concentrating on strategic matters.
- Ensuring that there is appropriate delegation of authority from the Group Board to executive management.
- Ensuring that the directors receive accurate, timely and clear information, including that on the Group's current performance, to enable the Group Board to take sound decisions, monitor effectively and provide advice to promote the success of the Group.
- Managing the Group Board to allow enough time for discussion of complex or contentious issues. The Group Chair should ensure that directors (particularly non-executive directors) have sufficient time to consider critical issues and obtain answers to any questions or concerns they may have and are not faced with unrealistic deadlines for decision making.

Directors

- Facilitating the effective contribution of non-executive directors and encouraging active engagement by all members of the board.
- Ensuring constructive relations between the executive and non-executive directors.

Induction, development and performance evaluation

Through the RAAG Committee:

- Ensuring that new directors participate in a full, formal and tailored induction programme.
- Ensuring that the development needs of directors are identified and that these needs are met. The directors should be able to continually update their skills and the knowledge and familiarity with the company required to fulfil their role on the board and its committees.
- Identifying the development needs of the board as a whole to enhance its overall effectiveness as a team.

- Ensuring the performance of the Group Board, its Group Committees and individual directors is evaluated at least once a year and acting on the results of such evaluation by recognising the strengths and addressing the weaknesses of the board. Making arrangements for the appraisal of the Group Chief Executive.
- Ensure compliance with the Group Code of Conduct.

Group Chair Skills, Knowledge and Experience

Core competencies

- Strategic thinking, able to analyse complex information, demonstrate clear analytical intellect and guide rational decision making.
- Strong communication and interpersonal skills, able to liaise effectively with a wide range of stakeholders and audiences.
- Able to support and add value for senior executives through periods of organisational change and growth.
- Able to appraise and oversee the personal development of the Group Chief Executive
- Supports the values, ethos and social objectives of the Group.

Knowledge and experience

- Extensive experience of operating at a senior level (ideally executive and/or non-executive) within an organisation on a similar scale to the Group.
- Non-executive or governance experience as a Chair, with knowledge of good governance practice in one or more sectors.
- Good knowledge of management and/or commercial issues, with strong business acumen.
- Awareness of and interest in current national and policy issues affecting the housing and/or care and support sectors.

Skills and abilities

- Strong strategic planning skills, able to develop strategic vision, working with others in a team.
- Able to assess risk and promote risk awareness without being risk averse.
- Able to challenge appropriately and hold senior staff to account; with a wider vision to raise standards across the organisation.
- Able to work collaboratively, building consensus, and taking collective responsibility for decisions made.

Personal behaviour and style

- Actively role models the professional conduct expected of the Group Board and the wider governance structure.
- Proactively demonstrates strong commitment to equality and diversity.
- Passionate about service improvements; strongly champions the right of residents and customers to have access to excellent services.

- Listens to others and provides decisive decision making when it is required.
- Enabling and supportive management style that motivates staff to deliver the best.
- Demonstrates credibility and integrity.
- Open to learning and development, for self, staff, and the Board; fosters a learning culture throughout the organisation.

Appointment of Group Chair and Vice Chair

The appointment of the Group Chair and Group Vice-Chair will be via the process agreed by the Group Board from time to time. The process shall include the term of appointment for the Group Chair. The process shall be in accordance with the Articles of Association of the company.

Role of Subsidiary Chairs and Vice-Chairs

1. The role of the subsidiary Chair is to provide clear leadership of the subsidiary Board in its responsibilities. Each subsidiary shall elect a Chair and Vice Chair in accordance with the procedures for the election of the Group Chair and Vice-Chair and the procedure laid down in their constitution. The appointment shall be subject to approval by the Group Remuneration, Appointments, Appraisals and Governance Committee.

Specific responsibilities of subsidiary Chairs include:

- represent subsidiary as required;
- nurture an effective and supportive working relationship with the most senior Subsidiary Executive;
- ensure the whole Board works effectively with Executives and senior staff;
- maintain an overview of business of the subsidiary through discussion with the most senior Executive;
- agree the agenda for each Board Meeting;
- ensure efficient management of Board Meetings, giving all Board Members the opportunity to express views, under and in terms of the Group Code of Conduct;
- approve draft Board minutes and ensure decisions and actions arising from Board Meetings are monitored;
- review minutes of meetings of the Committees and ensure that relevant issues are brought to the attention of the Board;
- ensure that the Board monitors the use of its delegated powers;
- ensure that the Board receives professional advice when it is needed, either from its staff or from external sources;
- working with the Group Chair and Group Remuneration, Appointments, Appraisals and Governance Committee to make arrangements for the appraisal of the Board (including the Chair), both collectively and individual Board Members, and support individual Board Members in their development with the assistance of the Vice-Chair; and
- make arrangements for enforcement of the Group Code of Conduct.

Appendix 3A

Role of the Group Remuneration, Appointments, Appraisals and Governance Committee

The Group Remuneration, Appointments, Appraisals and Governance Committee shall be responsible for the policy and procedures for the appointment of governing body members and for recommending the individuals to be presented to the Group Board for approval and appointment.

Specific responsibilities of the Group Remuneration, Appointments, Appraisals and Governance Committee include:

1. determining and reviewing annually the skills and experience required across the Group to allow the delivery of the Group's strategic objectives and effective oversight of Group activities;
2. ensuring that formal succession planning processes are in place when considering the recruitment of governing body members;
3. approval of the appraisal process for governing body members and how this relates to identifying skills gaps; and
4. Determining the mode and manner by which we shall make available to the public who is eligible to become a governing body member, how they can become a governing body member and the process whereby we appoint governing body members.

Eligibility

1. Any applicant who has previously resigned and/or retired from any governing body within the Group shall not be eligible to seek appointment until 5 full calendar years have elapsed since their date of resignation
2. Any applicant who is a governing body member and/or an officer of an organisation which is in competition with the Group or any member of the Group shall not be eligible for appointment. The Group Remuneration, Appointments, Appraisals and Governance Committee shall have the absolute discretion to class an organisation as in competition with the Group or any member of the Group
3. Any applicant who is in dispute and/or litigation with the Group or any member of the Group shall not be eligible for appointment
4. Any applicant who is in arrears to the Group or any member of the Group shall not be eligible for appointment

5. Any applicant who has been removed from the Board of any Registered Social Landlord, charity or disqualified as a company director shall not be eligible for appointment

The Group Remuneration, Appointments, Appraisals and Governance Committee has the absolute discretion to agree any additional eligibility criteria or grant an exemption to the eligibility criteria from time to time.

Tenure

1. All appointments shall normally be for a period of no more than 9 years, other than by exception approved by the Group RAAG Committee.

Group Non-Executive Directors Recruitment Process

1. The Group Remuneration, Appointments, Appraisals and Governance Committee shall determine the skills and experience required to fill any vacancies arising, taking into account skills of members who are standing down, the annual appraisal process and succession planning arrangements based on the succession plan.
2. The recruitment process shall be underpinned by the principles of openness and transparency and high standards in public life.
3. A candidate profile shall be approved by the Group Remuneration, Appointments, Appraisals and Governance Committee which clearly details the skills and experience required, which governing body the appointment is for and the maximum term of the appointment.
4. Applicants shall be sought in a mode and manner set from time to time by the Group Remuneration, Appointments, Appraisals and Governance Committee which maximises the candidate pool for the skills and experience required. Details of all vacancies shall be made publically available via the website.
5. Candidates shall be initially screened by the Chair of the Group Remuneration, Appointments, Appraisals and Governance Committee, on behalf of the Committee.
6. Candidates shall be initially shortlisted by the Chair of the Group Remuneration, Appointments, Appraisals and Governance Committee.
7. Initially shortlisted applicants may be invited for an initial interview conducted by the Chair of the Group Remuneration, Appointments, Appraisals and Governance Committee who shall determine the final shortlist of candidates.
8. The final shortlist of candidates shall always be interviewed by a panel made up of at least three members of the Group Remuneration, Appointments, Appraisals and Governance Committee, who will make a single recommendation to the Group Board for each vacancy.

9. The appointment shall be approved by the Group Board. Where the Group Board rejects the candidate(s) recommended by the Group Remuneration, Appointments, Appraisals and Governance Committee, the Committee shall not re-nominate the same person but shall proceed to identify an alternative candidate for consideration by the Group Board.

Subsidiary Independent Board Members

1. The process for the recruitment of subsidiary Independent Board members shall be the same as the process for the recruitment of Group Non-Executive Directors for stages 1 to 4 with the subsidiary Board taking on the Group RAAG Committee role. The subsidiary Board shall be responsible for agreeing the process for shortlisting and interviewing candidates.
2. The subsidiary Board shall be responsible for agreeing appointments, which remain subject to ratification by the Group Remuneration, Appointments, Appraisals and Governance Committee before formal appointment. The Committee reserves the right to seek further information and to interview any proposed candidate prior to appointment.

Tenant/Service User Board Members

1. Tenant/Service User Board members shall have a range of skills, knowledge and experience to complement the skills of existing Board members.
2. Registered Social Landlords (RSLs)/Entities within the Group with service user representation on their Board shall be granted the authority to appoint such Board Members in line with the process set out in their constitution and their membership policy where applicable.
3. The process for the appointment of Tenant/Service User Board Members by each Board shall be approved by the Group Remuneration, Appointments, Appraisals and Governance Committee. Thereafter, appointments undertaken through this process will not require ratification.
4. Each RSL shall make available to the public who is eligible to become a Tenant Board Member, how they can become a Tenant Board Member and the process whereby they can be appointed as a Tenant Board Member.

Board Appraisal Policy

1. The purpose of this policy

- 1.1 This policy sets out the Group arrangements for the mandatory appraisal of governing body members, and the commitment and principles that inform the arrangements. Overall responsibility for implementation of the policy lies with the Group Remuneration, Appointments, Appraisals and Governance Committee.

2. Commitment to regular appraisal

- 2.1 The effectiveness of governing body members in all parts of the Group is critical to the success of the Group. It is critical that the contribution and effectiveness of governing body members is reviewed annually to ensure that we have effective governing body members who can ensure the success of the Group and ultimately the interests of tenants and service users within the Group. In the case of the Group Board, the process of evaluation of the effectiveness of the Board shall be undertaken via an external facilitator at least triennially.
- 2.2 It is also recognised that governing body members have the potential to develop and improve and, indeed, that they must continue to develop in order to lead effectively in changing times. The annual appraisal process is the primary means through which each governing body member and the governing body they serve continues to develop both collectively and as individual members.
- 2.3 Each Board leads by example, promoting values for the whole organisation and exhibiting the behaviour that it seeks to embed through the organisation via its governing body members. Regular appraisal demonstrates each governing body members' commitment, at the highest level, to continuous improvement and accountability to tenants and service users.

3. The objectives of appraisal

- 3.1 The specific objectives and focus of the appraisal process may vary from year to year. For example, in a year when the Group may be undertaking a fundamental review of its mission and strategy, it may be appropriate for the annual governing body appraisal exercise to take a similarly fundamental approach, examining the role, functions, structures and membership of the governing bodies in the context of the Group's evolving strategy.
- 3.2 The specific objectives of the appraisal are, therefore, reviewed by the Group Remuneration, Appointments, Appraisals and Governance Committee and then agreed by each Board at the start of each annual appraisal round.

3.3 In general, however, the objectives of governing body appraisals are to:

- evaluate the contribution that each governing body member has made – the value it has added – to the achievements of that governing body in the appraisal period;
- critically appraise the governing body member's performance against his or hers core duties, objectives and targets, identifying – in order to learn from – both successes and failures;
- identify the key challenges, risks and opportunities that the governing body members and the collective governing bodies should be addressing in the forthcoming period;
- identify the development priorities for the governing body members in terms of, for example:
 - adding to or revising the tasks it should undertake
 - increasing the governing bodies commitment to specific topics or initiatives
 - making changes to the way in which the governing body goes about its business or in which its members work together.
- review the skills and competencies of governing body members and identify any gaps to be filled and the means by which they will be filled – for example, through training or recruitment as well as informing succession planning;
- to discuss existing succession planning assumptions;
- review the contribution and performance of governing body members in order to identify areas of weakness of under-performance and to recognise areas of strength and achievements. Where appropriate, draw up an action plan to address individual performance issues; and
- draw up a clear development plan to support the continuous improvement of the governing body and its members to meet the challenges faced by the organisation. The plan will include targets and/or milestones, where appropriate, against which to monitor progress and performance.

4. The principles of governing body member appraisal

4.1 Appraisal arrangements are informed by the principles of good governance and effective performance management. In conducting its appraisals, the governing body promotes a culture in which:

- there is a real desire to improve and a recognition of the need to change
- constructive challenge and open debate are the norm
- the emphasis is on finding solutions

- achievements and successes are celebrated and poor performance is tackled,
- assessments are made on fact and evidence, using good quality information, advice and support
- external comparison and challenge is invited
- stakeholders' views are sought and listened to.

4.2 The appraisal arrangements also have regard to cost, including the time cost to members and to the Chairs.

5. The appraisal process

5.1 Governing body appraisal arrangements are based on a full appraisal process annually.

5.2 The exact appraisal process will be determined each year by the Group RAAG Committee, but will ordinarily include the following stages:

Stage 1	Governing body members complete a confidential questionnaire covering: <ul style="list-style-type: none"> ▪ Own performance and skills self-assessment ▪ Board performance assessment
Stage 2	Governing body Chair holds a 1-2-1 meeting with each governing body member to discuss their questionnaire and their performance during the year.
Stage 3	The relevant Chair completes an evaluation form for each Board member
Stage 4	Group RAAG Committee consider analysis of wider appraisals from across the Group and recommendations for improvement
Stage 5	Individual Boards consider outputs of appraisal process
Stage 6	Group RAAG/Individual Boards agree any actions arising from the appraisal process

5.3 The Chairs of subsidiary Boards shall be appraised by the Group Chair.

5.4 The Group Chair shall be appraised by the Group Vice-Chair, based on feedback on their performance from Board members.

Group Succession planning policy

1. Purpose of this policy

- 1.1 The policy sets out the Group arrangements for the mandatory development of succession plans, which underpin the Group's commitment to ensuring orderly succession to governing body places to maintain an appropriate balance of skills and experience and to ensure progressive refreshing of governing bodies.

2. Commitment to succession planning

- 2.1 The effectiveness of governing bodies in all parts of the Group is critical to the success of the Group and delivering the best outcomes for tenants and service users.
- 2.2 A key element to achieving this effectiveness is having the appropriate blend of experience and continuity, whilst ensuring that we refresh the membership of our governing bodies to bring fresh thinking and maintain independence.
- 2.3 The succession planning process is the primary means through which the Group ensures that each governing body has the appropriate processes in place to progressively refresh the Board.

3. Succession planning process

- 3.1 Each Board within the Group requires to have a formal succession plan. Succession plans will be for a rolling 3 year period. The formal succession plan will include at a minimum:
- a) Details of when all members of the Board are due to retire
 - b) Details of the core skills and experience each member contributes the Board, taking into account the agreed skills matrix from time to time
 - c) Details of the projected recruitment requirements for each year of the plan, based on a & b above
- 3.2 Succession plans shall be prepared/refreshed by each Board in conjunction with the annual appraisal process. Each Board's succession plan is subject to approval by the Group RAAG Committee.
- 3.3 Succession plans for commercial subsidiaries and subsidiaries composed primarily of intra Group appointments will be developed and agreed directly by the Group RAAG Committee

Key Business Area	Designated Group Framework (Group Board approval)	Subsidiary specific approvals within the Group Framework (Subsidiary Boards)
Strategy	Group Strategy/ Group Strategic Priorities <ul style="list-style-type: none"> - Group Business Growth Authorising Framework - Group partnership framework 	<ul style="list-style-type: none"> ▪ Individual subsidiary strategy ▪ Individual strategic priorities
Governance	Group Governance Framework <ul style="list-style-type: none"> - Intra-Group Agreements - Group Standing Orders - Scheme of Financial Delegation - Group Authorising Framework - Authorise/Monitor/Manage Matrix 	<ul style="list-style-type: none"> ▪ Board agendas (i.e focus of Board) ▪ Calling of meetings/workshops ▪ Recommendations regarding constitutional changes
Business Plan/budgets	Group Business Plan <ul style="list-style-type: none"> - Group Rent setting framework - Group Charging framework - Group Treasury - Group Budget 	<ul style="list-style-type: none"> ▪ Individual business plan, including <ul style="list-style-type: none"> - Rent increase - Service/Factoring charge increases - Individual strategic initiatives - Investment profile ▪ investment priorities and capital investment plan ▪ Individual budget ▪ Individual Regulatory returns
Funding/Finance	Group Funding Structure <ul style="list-style-type: none"> - Treasury Operational Framework Group Financial Statements	<ul style="list-style-type: none"> ▪ Individual loan agreements ▪ Granting of securities ▪ Individual borrowing levels ▪ Individual stat accounts and annual report
Performance/Operations	Group Performance Framework	<ul style="list-style-type: none"> ▪ Additional Individual performance targets ▪ Operational priorities & action plans to achieve targets ▪ Service standards ▪ Operating/Service Delivery Models ▪ Individual Care Inspectorate returns ▪ Individual Regulatory returns ▪ Report to tenants (based on ARC) ▪ Report back to people we work for on Regulatory returns ▪ Reporting to purchasers and contract monitoring officers
Policy	Group Policy framework (including designation of policies as Group)	<ul style="list-style-type: none"> ▪ Creation of new individual operational policies ▪ Amendment/removal of individual policies ▪ Implementation plans for group policies (to reflect local circumstances)
Assurance & Risk	Group Assurance plan Group Risk management framework	<ul style="list-style-type: none"> ▪ Individual assurance recommendations and actions ▪ Individual risk register, including proposed mitigations ▪ Individual Annual Assurance Statements
Development	Group New Build/Development Programme	<ul style="list-style-type: none"> ▪ Development Strategy ▪ Approval of demolitions ▪ New build project specifications ▪ Acquisitions & disposals (including any associated delegations of authority) ▪ Lease agreements (including any associated delegations of authority)
Contracts	Designation and award of Group wide contracts/frameworks <ul style="list-style-type: none"> - Group Procurement Framework 	<ul style="list-style-type: none"> ▪ Specifications for subsidiary specific contracts ▪ Award of subsidiary specific contracts

Body/Role	Authorise <i>(Formal approval required)</i>	Manage <i>(Ongoing active role & input)</i>	Monitor <i>(Regular, structured scrutiny of activity on an on-going basis and agreement of any required actions with senior mngt)</i>
Group Board (including Committees)	<ul style="list-style-type: none"> ▪ Group Strategy ▪ Group Wide Strategic Initiatives ▪ Group Governance Framework <ul style="list-style-type: none"> - Group, Board & Committee Structures - Group Standing Orders - New partnerships - Recruitment & appointment of Board members ▪ Group Business Plan (including key parameters) ▪ Group Budget ▪ Group Funding Structure ▪ Group Financial Statements ▪ Group Performance Framework ▪ Group Policy framework (designation of policies as Group & approval of such policies) ▪ Group Assurance plan ▪ Group Risk management policy ▪ Group New Build/Development Programme ▪ Designation and award of Group wide contracts/frameworks, including <ul style="list-style-type: none"> - Repairs contractor - New Build/Development contractors - Professional/Financial/Legal advisors 	<ul style="list-style-type: none"> ▪ Group Risk ▪ Group compliance ▪ Board recruitment ▪ Strategic relationships 	<ul style="list-style-type: none"> ▪ Group Financial Performance ▪ Group Operational Performance ▪ Group Strategy implementation ▪ Compliance ▪ Application of Frameworks
Subsidiary Boards	<ul style="list-style-type: none"> ▪ Individual subsidiary strategy ▪ Approval of new care contracts ▪ Retraction of service delivery ▪ Individual strategic priorities ▪ Individual business plan ▪ Individual budget ▪ Individual Regulatory returns ▪ Individual loan & security agreements ▪ Individual borrowing levels ▪ Individual stat accounts and annual report ▪ Individual performance targets ▪ Operational priorities & action plans to achieve targets ▪ Service standards ▪ New Operating/Service Delivery Models ▪ Individual Care Inspection returns ▪ Creation of new individual operational policies ▪ Amendment/removal of individual policies ▪ Implementation plans for group policies (to reflect local circumstances) ▪ Individual assurance recommendations and actions ▪ Individual risk register, including proposed mitigations ▪ Stock reclassification/Approval of demolitions ▪ Acquisitions & disposals (including any associated delegations authority) ▪ Lease agreements (including any associated delegations of authority) ▪ Specifications for subsidiary specific contracts ▪ Report back to people we work for on Regulatory returns ▪ Reporting to purchasers and contract monitoring officers ▪ 	<ul style="list-style-type: none"> ▪ Interface with Community Governance ▪ Risk ▪ Compliance ▪ Application of Group Frameworks 	<ul style="list-style-type: none"> ▪ Operational Performance against agreed targets <ul style="list-style-type: none"> - Service delivery - Specific projects/initiatives ▪ Financial Performance against agreed targets ▪ Strategy implementation ▪ Customer Satisfaction
Group Chief Executive (Senior Management at CEO discretion)	<ul style="list-style-type: none"> ▪ Staffing structures (including all senior appointments) & associated pay , reward and policy structure ▪ Appointment & removal of Group and subsidiary Executives (Group CEO only) ▪ Scheme of non-financial delegation ▪ Business unit level performance measures ▪ Evictions 	<ul style="list-style-type: none"> ▪ Strategy implementation ▪ Business Plan & budgets ▪ Policy implementation ▪ Performance ▪ Internal control frameworks ▪ Stakeholder interaction 	

Terms of Reference for the Group Remuneration, Appointments, Appraisal and Governance Committee

General

1. The Group Remuneration, Appointments, Appraisal and Governance Committee (“the Committee”) is constituted by the Wheatley Housing Group Board.
2. The Committee Chair will be appointed by the Group Board based on having based on having relevant skills and experience.
3. The Committee will comprise of the Group Chair, Group Vice-Chair, Chair of GHA, Chair of the Group Audit Committee and the Chair of the Group Development Committee (“the Members”).
4. The Committee should include at least one member with experience in standards in public life.
5. The quorum shall be 3 members.
6. The shall be no less than three Committee meetings per calendar year.
7. A Member may participate in a Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Members participating in the Meeting can communicate with each other. A Member participating in a Meeting in this manner shall be deemed to be present in person at the Meeting.
8. The Committee may undertake approvals required under its ToR in writing, provided that at least 3 of the members, one of whom must be the Chair, indicate their agreement.
9. The Committee may seek legal or other professional advice which it considers relevant to its responsibilities through the Company Secretary.
10. Relevant members of staff will normally attend meetings of the Committee. The Committee has the right to meet in private without the attendance of any non-member or staff.

Delegated authorities

11. Undertake the recruitment process to fill Group Board member vacancies and make recommendations to the Group Board for appointment.

12. Approve the appointment of a subsidiary Chair and all other appointments by a subsidiary Board other than tenant member appointments.
13. Approval of the Group Board Appraisal Policy and determination of the process for the annual appraisal of governing body members across the Group.
14. Approve the Group Board Succession Planning Policy, including any exemptions for tenures beyond 9 years
15. Approve subsidiary Board succession plans.
16. Undertake any Code of Conduct investigations.
17. Approve changes to subsidiary and Joint Venture Board constitutions, including by agreeing special resolutions on behalf of Wheatley Housing Group Limited.
18. Agree and oversee the recruitment process for the Group Chief Executive (including making recommendations to the Group Board for their appointment).
19. Compensation for Loss of Office payments to any member of the Group Executive Team.
20. Group Policy position in relation to the granting of Early Retirement and Voluntary Redundancy (“ER/VR”) payments.

Other responsibilities

21. Annually review the membership of Group Committees and make recommendations to the Group Board on membership of Group Committees.
22. Regularly review and make recommendations to the Group Board in relation to remuneration policy and levels.
23. Keep the Group Board succession plan under review and make recommendations to the Group Board with regard to any changes.
24. Regularly review and make recommendations to the Group Board on the governance framework for the Group.
25. Appraise the performance of and where necessary take disciplinary action, short of dismissal, against the Group Chief Executive.
26. Consider the remuneration and terms and conditions of employment of the Group Chief Executive, seeking external support and advice as required and make recommendations to the Group Board.

27. Consider reports from the Group Chief Executive on the appraisal and terms and conditions of the Group Executive.
28. Ongoing monitoring of the application of the early retirement/voluntary redundancy.

Reporting Procedures

29. The Committee Chair will provide an update to the Group Board on the activities of the Committee bi-annually.
30. The Committee will advise the Group Board of any issues considered by the Committee which it considers the Group Board should be made aware of. Where this is considered appropriate, the Company Secretary will include both the minute of the discussion at the meeting and a copy of any relevant papers provided in the papers to be submitted to the next Group Board Meeting for their consideration.

Role of the Chair of the Committee

31. The Chair of the Committee is responsible for ensuring that the Committee discharges its responsibilities.
32. The Chair of the Committee and in his/her absence the Vice-Chair, whom failing, the Committee Member appointed to chair a meeting of the Committee is responsible for the smooth running of the Committee meetings. This includes:
 - agreeing the agenda for each meeting;
 - ensuring that the meeting runs to time and that adequate time is allocated for each item;
 - encouraging contributions and questions where appropriate from all members of the Committee; and
 - ensuring that the resolutions identified in the papers are tabled and dealt with.

Terms of Reference for the Group Audit Committee

General

1. The Group Audit Committee (“the Committee”) is constituted by the Wheatley Housing Group Board.
2. The Committee Chair will be appointed by the Group Board based on having based on having relevant skills and experience.
3. The Committee membership shall comprise of up to 7 members (“the Members”).
4. The Committee must include members with recent and relevant financial, risk management and corporate governance experience as well as competence relevant to the sectors in which the Group operates.
5. The Group Chair may be a member, but not the Chair, of the Group Audit Committee. In the event of a vote, the Group Chair would be a non-voting member of the Committee.
6. The quorum shall be 3 members.
7. There shall be no less than three Committee meetings per calendar year.
8. A Member may participate in a Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Members participating in the Meeting can communicate with each other. A Member participating in a Meeting in this manner shall be deemed to be present in person at the Meeting.
9. The Committee may undertake approvals required under its ToR in writing, provided that at least 3 of the members, one of whom must be the Chair, indicate their agreement.
10. The Committee may seek legal or other professional advice which it considers relevant to its responsibilities through the Company Secretary.
11. Relevant members of staff will normally attend meetings of the Committee. The Committee has the right to meet in private without the attendance of any non-member or staff. The Committee shall meet privately with the Chief Internal Auditor and external auditors at least once per annum.
12. Internal and External Auditors shall have direct access to the Group Audit Committee at all times and may request that the Chair convene a meeting of the Committee. The Chair’s decision will be final in relation to any such request.

Delegated authorities

13. Review and approve the Group Internal Audit Plan.
14. Approve any engagement of the Group's External Auditor for any non-audit work.
15. Initiate reports and investigations as it sees fit, having the right of access to all minutes, books, documents or any other information maintained within the Group. The Group Audit Committee may require staff to supply information, either written or verbal on any matter relating to management or finance. In addition the Group Audit Committee shall consider any incidents of fraud or attempted fraud, and the response of the management to such incident within Group, referred to it by the Group Chief Executive or Internal Auditor.
16. Approve, as required, on behalf of Wheatley Housing Group, as the member, the following City Building Glasgow LLP reserved matters:
 - Procurement policy;
 - Accounting policy;
 - Reserves policy;
 - Data handling policy;
 - FOI policy; and
 - Appointment of External Auditor.
17. Approve on behalf of Wheatley Housing Group the following policies:
 - Whistleblowing;
 - Fraud, Corruption and Bribery;
 - Anti-Money Laundering and Counter Terrorism Financing; and
 - Data Protection (and related).
18. Approve any entity within the Group undertaking Financial Conduct Authority regulated activity.
19. Instruct corrective action, within a specified time-scale, in relation to any identified areas of non-compliance.

Other responsibilities

Financial Statements

20. Review the Group, its subsidiary and any joint venture (including Joint Ventures entered into by subsidiaries) annual financial statements before they are presented to the Group Board focusing on:
 - accounting policies and key judgements;
 - the integrity of the financial statements, including compliance with accounting standards, legal and statutory requirements;
 - findings of the external auditors, including significant audit adjustments;
 - review of the corporate governance framework; and
 - review of the risk management framework.

Internal Audit

21. Review the appointment or dismissal of the Chief Internal Auditor: this will include approval of decisions regarding the performance evaluation of the Head of Internal Audit and reviewing and monitoring his or her independence.
22. Monitor and review the effectiveness and ongoing independence of the external and internal audit services and their relationship with each other.
23. Review, consider and advise on individual reports made by the internal audit (this includes work completed by co-sourced specialist internal audit providers), including operational systems and financial affairs of the Group and the functioning, maintenance and development of its operational and financial control systems.
24. Monitor the implementation of approved recommendations relating both to internal audit reports and external audit reports and management letter across the Group.
25. Advise the Group Board on the organisation and resourcing of the internal audit service.

External Audit

26. Make recommendation(s) to the Group Board in relation to the appointment, re-appointment and removal of external auditors and the scope of their work. This will include agreeing the terms of engagement/audit plan and associated remuneration and reviewing and monitoring the independence of the external auditor, and in particular the provision of additional services to the Group.
27. Monitor the performance of and communicate with the external auditors on the audit approach, reporting, timetables and findings and review the effectiveness of the audit process.
28. Consider the response of management to management letters received from the external auditors and advise the Group Board regarding such reports.
29. Ensure the rotation of the audit engagement leader for relevant Group entities where required by Law or Stock Exchange Rules.

Risk Management

30. Monitor and review the effectiveness of the overall risk assessment and management system within the Group.
31. Periodically review and make recommendations to the Board on the Corporate Risk Register and Group Risk Management Policy.

Compliance and Assurance

32. Oversee the process in place to monitor the arrangements for ensuring the Group's compliance plans are being delivered, specifically compliance, as appropriate, with:
 - Scottish, UK and EU legislation;
 - legal contracts, including the Transfer Agreement and the Loan Agreement;
 - compliance with relevant regulation; and
 - UKLA Listing Rules.
33. Review the Group's Annual Assurance Statement, including the associated sources of assurance, and make recommendations to the Group Board on our submission to the Scottish Housing Regulator.
34. Monitor the Group's compliance with contractual, legal, regulatory and charitable obligations and duties.

Reporting Procedures

35. The Committee Chair will provide an update to the Group Board on the activities of the Committee bi-annually.
36. The Committee will advise the Group Board of any issues it considers the Group Board should be made aware of. Where this is considered appropriate, the Company Secretary will include both the minute of the discussion at the meeting and a copy of any relevant papers provided in the papers to be submitted to the next Group Board Meeting for their consideration.

Role of the Chair of the Committee

37. The Chair of the Committee is responsible for ensuring that the Committee discharges its responsibilities.
38. The Chair of the Committee and in his/her absence the Vice-Chair, whom failing, the Committee Member appointed to chair a meeting of the Committee is responsible for the smooth running of the Committee meetings. This includes:
 - agreeing the agenda for each meeting;
 - ensuring that the meeting runs to time and that adequate time is allocated for each item;
 - encouraging contributions and questions where appropriate from all members of the Committee; and
 - ensuring that the resolutions identified in the papers are tabled and dealt with.

Terms of Reference for the Group Strategic Development Committee

General

1. The Group Strategic Development Committee (“the Committee”) is constituted by the Wheatley Housing Group Board.
2. The Committee Chair will be appointed by the Group Board based on having relevant skills and experience.
3. The Committee membership shall comprise of up to 7 members (“the Members”).
4. The quorum shall be 3 members.
5. The Committee shall meet as required to discharge its duties. Meetings may be called at short notice, but said notice shall be at least two working days, save where at least four members in their absolute discretion agree a meeting is required at shorter notice. Where the number of members is odd, half will be calculated at half of the total number of members less one.
6. A Member may participate in a Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Members participating in the Meeting can communicate with each other. A Member participating in a Meeting in this manner shall be deemed to be present in person at the Meeting.
7. The Committee may seek legal or other professional advice which it considers relevant to its responsibilities through the Company Secretary.
8. Relevant members of staff will normally attend meetings of the Committee. The Committee has the right to meet in private without the attendance of any non-member or staff.

Delegated Authorities and responsibilities

9. Consider, and where agreed approve, key strategic initiatives, partnerships and projects on as directed by the Board.
10. Make recommendations, as appropriate, to the Board on such initiatives, partnerships and projects.
11. Monitor and evaluate the implementation of strategies agreed by the Group Board.

Reporting Procedures

12. The Committee Chair will provide an update to the Group Board on the activities of the Committee bi-annually
13. The Committee will advise the Group Board of any issues which it considers the Group Board should be made aware of. Where this is considered appropriate, the Company Secretary will include both the minute of the discussion at the meeting and a copy of any relevant papers provided in the papers to be submitted to the next Group Board Meeting for their consideration.

Role of the Chair of the Committee

14. The Chair of the Committee is responsible for ensuring that the Committee discharges its responsibilities.
15. The Chair of the Committee and in his/her absence the Vice-Chair, whom failing, the Committee Member appointed to chair a meeting of the Committee is responsible for the smooth running of the Committee meetings. This includes:
 - agreeing the agenda for each meeting;
 - ensuring that the meeting runs to time and that adequate time is allocated for each item;
 - encouraging contributions and questions where appropriate from all members of the Committee; and
 - ensuring that the resolutions identified in the papers are tabled and dealt with.

Appendix 1

Terms of Reference for the Group Development Committee

General

1. The Group Development Committee (“the Committee”) is constituted by the Wheatley Housing Group Board.
2. The Committee Chair will be appointed by the Group Board based on having relevant skills and experience.
3. The Committee membership shall comprise of up to 8 members (“the Members”). The membership will include at least one member who is also a Non-Executive Director of the Group Board and up to 6 members drawn from subsidiary Boards.
4. The Committee must include members with recent and relevant property, development, construction and project appraisal experience.
5. The quorum shall be 3 members, one of whom must be either a) the member who was is also a Group Board Non-Executive Director; or b) the Chair.
6. The Committee shall meet as required to discharge its duties. Meetings may be called at short notice, but said notice shall be at least two working days, save where at least four members in their absolute discretion agree a meeting is required at shorter notice. Where the number of members is odd, half will be calculated at half of the total number of members less one.
7. A Member may participate in a Meeting by means of conference telephone, video conferencing facility or similar communications equipment whereby all the Members participating in the Meeting can communicate with each other. A Member participating in a Meeting in this manner shall be deemed to be present in person at the Meeting.
8. The Committee may seek legal or other professional advice which it considers relevant to its responsibilities through the Company Secretary.
9. Relevant members of staff will normally attend meetings of the Committee. The Committee has the right to meet in private without the attendance of any non-member or staff.

Delegated authorities

10. Approve the Group 5 year development strategy.

11. Approve development projects, provided they meet the criteria agreed by the developing RSLs and the Group Board from time to time.
12. Approve cost variations for projects from the business plan up to a maximum of 5% or £500,000 of net development cost and provided the overall project still achieves the target IRR rate from time to time
13. Approve land acquisitions and options on land acquisitions, provided they meet the criteria agreed by the developing RSL subsidiary from time to time.
14. Approve allocations from the development fund for land acquisitions and/or to individual projects up to a maximum of 2.5% of the overall contract value or £250,000 of net development costs, provided the overall project still achieves the target IRR rate from time to time

Other responsibilities

15. The Committee shall from time to time review and make recommendations to the Group Board on the following:
 - The Group's development areas;
 - Design Guide and house types; and
 - Development 'core criteria'.
16. The Committee shall make recommendations to the Group Board on the creation of joint venture partnerships to enable the delivery of development projects.
17. The Committee shall consider research and analysis of housing market areas from time to time, but no less than annually.

Reporting procedures

18. The Committee Chair will provide an update to the Group Board on the activities of the Committee bi-annually.
19. The Committee will advise the Group Board of any issues which it considers the Group Board should be made aware of. Where this is considered appropriate, the Company Secretary will include both the minute of the discussion at the meeting and a copy of any relevant papers provided in the papers to be submitted to the next Group Board Meeting for their consideration.

Role of the Chair of the Committee

20. The Chair of the Committee is responsible for ensuring that the Committee discharges its responsibilities.

21. The Chair of the Committee and in his/her absence the Vice-Chair, whom failing, the Committee Member appointed to chair a meeting of the Committee is responsible for the smooth running of the Committee meetings. This includes:

- agreeing the agenda for each meeting;
- ensuring that the meeting runs to time and that adequate time is allocated for each item;
- encouraging contributions and questions where appropriate from all members of the Committee; and
- ensuring that the resolutions identified in the papers are tabled and dealt with.

SCHEME OF FINANCIAL DELEGATION

1 Introduction

- 1.1 This document sets out the Scheme of Financial Delegation (“the Scheme”) for the Group. The key principles of the scheme are to provide best in class governance, effective scrutiny, the implementation of our agreed business plan, legal compliance, oversight and clarity. It outlines the level of financial delegations to each subsidiary and to the Group Chief Executive. It details the financial limits on commitments and payments that can be made and describes the associated permissions and responsibilities related to disbursing the Groups financial business and specifies the limits and ranges of delegation given within the organisation.
- 1.2 This Scheme defines the delegated financial authority levels for each subsidiary and the Group Chief Executive. It is for each subsidiary, via the Group Chief Executive, to set delegation levels for staff within that subsidiary. No member of staff shall be delegated authority at the same or a higher level than the Group Chief Executive.
- 1.3 All delegated limits should be considered to be inclusive of Value Added Tax (VAT).
- 1.4 Decisions should be made in full consideration of the directions, principles, and guidance specified within these corporate business control framework documents.
- 1.5 Breaches of this policy will be disciplinary matters. All staff will receive training, but be expected to understand and adhere to the contents of this document.

2 Responsibilities

2.1 Board responsibilities

- 2.1.1 The Group Board has overall responsibility for the governance of the Group. The Group Board, or a nominated sub-Committee, with assistance from the Group Director of Finance and Company Secretary, will review the Scheme on an annual basis, ensuring that it is consistent with the needs of the Group and provides a mechanism for best in class governance, oversight and clarity.

2.2 Group Chief Executive’s Responsibilities

- 2.2.1 The Group Chief Executive has overall responsibility for the Group’s executive management and is personally accountable to the Group Board in exercising that responsibility.
- 2.2.2 The Group Chief Executive undertakes the day-to-day direction of the Group in relation to his/her specific responsibilities consistent with the authorities delegated to him/her by the Group Board.

2.2.3 The financial limits within this Scheme will meet the requirements of the Group Board to enable the Group Chief Executive to implement the Group Strategy that has been set by the Group Board.

2.2.4 The Group Chief Executive, via his or her Executive Team, is responsible for the implementation of this Scheme of Financial Delegation in Subsidiaries and for setting delegation levels which are appropriate for staff and that allow the business to operate and transact in a manner which allows business efficacy.

2.3 Group Director of Finance Responsibilities

2.3.1 The Group Director of Finance has overall responsibility for ensuring that financial plans, reports and accounts are prepared and presented in line with statutory and regulatory requirements.

2.3.2 The Group Director of Finance is responsible in the Group context for:

- Reviewing and updating finance policies
- Ensuring compliance with any Financial Regulations and finance policies
- With the Company Secretary, defining, reviewing and ensuring compliance with financial procedures including such as are necessary to apply this Scheme
- Ensuring compliance with financial management in line with recommended best practice for companies, charities and RSLs
- Presenting information, analyses and reports to the Group and subsidiary Boards on the financial performance and financial results.

2.4 Company Secretary responsibilities

2.4.1 The Company Secretary has the responsibility to the Group Board for the overall governance of the organisation. Interpretation of this Scheme falls to the Company Secretary as does escalation to the Group Board of any matters of concern. The Company Secretary shall provide advice to the Group Board on the interpretation of the Scheme where required and provide advice, on request, on the application of this Scheme, so far as it relates to financial matters and transactions. The Company Secretary shall make recommendations jointly with the Group Director of Finance on revisions to the Scheme.

2.5 Executive Management Responsibilities

2.5.1 Each Executive, at Group or subsidiary level, is responsible for the financial delegation within his/her area of responsibility and granting permission to give delegated authority. Each member of staff within the Group, with financial delegation, is responsible for ensuring that funds are available, committed and spent on the purpose for which it was intended and in accordance with the requirements of this Scheme and the Group's or subsidiary's contract, procurement and other policies and procedures. This includes ensuring that appropriate communication, contract progress monitoring, verification and management processes are undertaken.

3. Procurement

- 3.1 All staff must comply with the procedures set out in this document and the Procurement Manual at all times. Staff who are uncertain as to the procedures, as set out in this document or the Procurement Manual, must seek comprehensive and timely advice from the Company Secretary, Legal team and/or the procurement team. The guidance contained in the Procurement Manual complements the Group Standing Orders, this Scheme of Financial Delegation and other related Group and subsidiary policies. Failure to comply with procurement law could result in significant financial and reputational liability for the Group.
- 3.2 Those members of staff who have delegated financial authority are responsible for ensuring that purchase orders and expenditure are approved after an appropriate tendering process has been followed. This includes EU procurement regulations as well as the Group's own internal procedures. In addition, all financial authorisations should only be applied after all appropriate checks and balances have been carried out in line with the policies and procedures.
- 3.3 Delegated officers' personal responsibility does not detract from the responsibility of the Executive Team in ensuring that appropriate controls are working in their areas and that any contentious or unusual payments or transactions are brought to the attention of their line manager or Internal Audit prior to the commitment or payment being made.

4 Role of Internal Audit

- 4.1 The role of Internal Audit is to review the adequacy and effectiveness of this Scheme as part of their corporate wide assessment on the control framework. Internal Audit will additionally provide an objective assessment of the level of compliance within the organisation in relation to implementing the Scheme.

5 Review of Financial Limits in Delegations

- 5.1 The Company Secretary and Group Director of Finance will review the financial limits in this Scheme on an annual basis and make recommendations to the Group Board as appropriate.

6. Absence of Delegated Individual

- 6.1 In the absence of a member of staff to whom financial authority has been delegated, that authority shall be exercised by a member of staff superior in the line of authority to the officer concerned, within the same operational section, unless temporary alternative arrangements have been approved in advance, in writing by the absent member of staff

7. Financial Delegation levels.

7.1

Subsidiary Board maximum approval	Capital Expenditure £	Revenue Expenditure £
GHA Board	6,000,000	2,000,000
DGHP Board	£5,000,000	£1,500,000
Your Place Board	250,000	250,000
GHA Enterprises	250,000	250,000
Lowther Homes Limited	5,000,000	500,000
Cube	2,500,000	1,000,000
West Lothian	1,500,000	500,000
Loretto Housing	2,500,000	1,000,000
Loretto Care	250,000	250,000
Dunedin Canmore Housing	4,000,000	1,000,000
Barony	1,500,000	500,000
Wheatley Solutions	1,500,000	750,000
Wheatley Foundation	1,500,000	750,000
WFL1, WFL2, GFL & WGC PLC	50,000	50,000

Group Executive Chief	Capital Expenditure £	Revenue Expenditure £
Wheatley	5,000,000	1,000,000
GHA	5,000,000	1,000,000
DGHP	£3,500,000	£750,000
Your Place	150,000	150,000
GHA Enterprises	150,000	150,000
Lowther Homes Limited	3,000,000	250,000
Cube	1,000,000	500,000
West Lothian	750,000	250,000
Loretto Housing	1,000,000	500,000
Loretto Care	150,000	150,000
Dunedin Canmore Housing	2,500,000	500,000
Dunedin Canmore Enterprise	2,500,000	250,000
Barony	750,000	250,000
Wheatley Solutions	750,000	250,000
Wheatley Foundation	750,000	250,000
WFL1, WFL2, GFL & WGC PLC	25,000	25,000

7.1.1 The maximum levels for the Group Chief Executive represent the maximum expenditure by any member of staff on behalf of each part of the Group. The Group Chief Executive shall delegate authority to the Executive Team and Subsidiary Executives at a level he or she deems appropriate to allow for the ongoing operation of the business.

7.2 Granting of delegated authority

7.2.1 Where delegated authority exists, the appropriate form must be completed with a specimen signature of the officer and authorised by the manager for entry into the delegated authority register, which will be maintained by the Company Secretary.

8 Revenue Expenditure (including business running costs)

8.1 Revenue expenditure is expenditure incurred in the transacting of normal business operations. This excludes capital expenditure linked to the Capital Investment Programme and new build programmes. Repairs and maintenance expenditure, and, non-housing capital expenditure that is not identified as general expenditure should be made through the automated purchase requisitioning system wherever possible (in line with the procurement manual).

8.2 Revenue expenditure is all costs, including business running costs and not specifically referred to in any other category, which are required in the business of the Group and have been approved by the Board as part of the annual budget.

9 Capital Expenditure

9.1 This category of contract expenditure relates primarily to the investment programme which is delivered and managed through the Investment and Area Teams and includes Capital Investment Programme projects.

9.2 The authority to approve financial commitment refers to projects that have been included within the approved Investment programme, or in the budget as applicable, which have been previously approved by the relevant Board. Financial payments are only permissible within the financial year to which the annual budget applies. Financial commitments should only be incurred under the terms of a contract which has been previously entered into under the procurement and contract policy and procedures.

9.3 The investment programme is delivered by a range of constructors operating under a framework agreement. At present, under the auspices of the framework agreement TPC2005 contracts, this programme is agreed each year with each constructor and the volume of work and associated financial commitment applicable to these is reported and agreed by the relevant Board. During the year the Executive Team, or delegated Executive Director, shall have authority (within overall agreed budgets) to vary the volume and associated financial commitments between constructors, taking account of constructor performance on delivery and quality of output and any material variations will be reported to the relevant Board.

9.4 This category of expenditure also relates to the regeneration expenditure for new build projects including projects within the new build programme and included in the regeneration areas as defined by the Board and included in the procurement framework as approved by the Board.

9.5 These projects must have been approved by the Board in line with the annual Budget and Business Plan.

10 Procurement Commitments

10.1 Any award of contracts must be consistent with the guidelines set out in the procurement manual. The award of a contract and commitment level should be considered as the cumulative spend incurred for the contract. Approval to award a contract shall, once given, be valid for the life of the contract, including any contractually enshrined option to extend.

11 Treasury

11.1 In addition to the financial levels of authority granted to him/her, the Group Treasurer, or an authorised delegated deputy in his/her absence, shall also have delegated authority to;

1. authorise external loan drawdowns within limits approved by the Board, or nominated Committee, within the relevant business plans, in consultation with the Group Director of Finance;
2. manage subsidiary borrowings within the group funding arrangements in line with agreed subsidiary Business Plan debt profiles;
3. select interest basis for private loan funding in accordance with loan agreements and approved Treasury Management Policy;
4. set intra-group borrowing rates to ensure that external funding costs are met at all times;
5. authorise use of the authorised overdraft facility as part of overall cash management;
6. authorise loan interest and other associated funding costs in relation to approved loan facilities; and
7. invest funds in accordance with the approved Treasury Management Policy

11.2 Compliance with the relevant limits and policies shall be monitored as part of assessing compliance with the Scheme.