

# **Governance Handbook**

**(The Castle Rock Edinvar Housing Association Limited T/as Places for People Scotland ('Castle Rock Edinvar' or 'the Association')  
Governance Handbook is a supplement to the Places for People Group Limited (Group) Governance Manual)**

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# Introduction

Overall governance of the Association rests with the Places for People Group Board (Group). In keeping with good practice, the Group Board has adopted an external code of governance, the UK Corporate Governance Code and created in its Governance Manual a governance structure and protocols to allow it to use its legal powers and responsibilities directly and through delegation.

The Governance Handbook of Castle Rock Edinvar is supplementary to the Group Governance Manual and sets out the governance context, structure and protocols for Castle Rock Edinvar and any associated subsidiary.

This Handbook has three parts. Part 1 describes the operating framework for the governance of Castle Rock Edinvar. Part 2 describes the various bodies and subsidiaries through which Castle Rock Edinvar governance is delivered. Part 3 sets out the key standards that those bodies and the Group have set and that must be followed to promote good governance.

## **Part 1: Governance Context**

The governance of Castle Rock Edinvar is set within a framework created by the legal status of the organisation.

Castle Rock Edinvar must at all times operate within its Rules (currently based upon the Scottish Federation of Housing Associations Charitable Model Rules (Scotland) 2020). Nothing in the Governance Handbook shall override legislation and the Rules adopted by Castle Rock Edinvar and Memorandum and Articles adopted by its subsidiary, Places for People Scotland Limited (CRN: SC278428).

Castle Rock Edinvar is a Scottish charity registered with the Office of the Scottish Charity Regulator (SC006035). Guidance and information on good practice for charity trustees is available on its website at [www.oscr.org.uk](http://www.oscr.org.uk)

Castle Rock Edinvar is a registered social landlord regulated by the Scottish Housing Regulator ("SHR") (RSL 106). Registered social landlords must operate within the regulatory framework, details of which can be found on the SHR's website at [www.housingregulator.gov.scot](http://www.housingregulator.gov.scot)

Castle Rock Edinvar is a registered society under the Co-operative and Community Benefit Societies Act 2014 and registered with the Financial Conduct Authority (1767RS). Details of its registration can be found at <https://mutuals.fca.org.uk>

Castle Rock Edinvar is a subsidiary of Places for People Group Limited and its terms of membership are set out in the Intra-Group Agreement, a copy of which can be requested from the Group Company Secretary.

## **Part 2: Governance Structure**

The Castle Rock Edinvar board manages governance through its own activity and that of its Audit & Risk Committee, Director, Places for People Scotland and Senior Management Team and engagement with the Group, other bodies, stakeholders and customers.

The board of Castle Rock Edinvar has authority under the law and Castle Rock Edinvar Rules. The board of Castle Rock Edinvar has agreed to use that authority for certain purposes in a way that is complementary to the overall Group governance arrangements. As a result, there are some guidelines as to how the board will exercise its authority. These are set out in Section A.

Details of the subsidiary and any Committees of the Castle Rock Edinvar board and their terms of reference are set out in Section B.

Links between the Castle Rock Edinvar board and the senior management are provided through the Chair, Director, Places for People Scotland and Group Chief Executive. The division of responsibilities between the roles are set out in Section C.

Details of the terms of reference of the Director, Places for People Scotland and authority delegated to staff are set out in Section D.

The documents in Sections A – D may be changed. This Governance Handbook will be reviewed on an annual basis and updated as required to refer to the current versions of those documents. Changes to the governance structure will be a matter for the Group Board, the board of Castle Rock Edinvar, the Group Executive or the Castle Rock Edinvar Director, Places for People Scotland or some combination of them as appropriate.

The Castle Rock Edinvar board ensures effective communication between itself and customer and stakeholder groups. The board expects that it will receive relevant information through a number of channels and that some information will be passed onto it by management in their reports to boards.

## **Part 2**

### **Governance Structure**

#### **Section A**

##### **Summary of Responsibilities, Matters Reserved and Constitution of Castle Rock Edinvar Board**

## **Summary of responsibilities of Castle Rock Edinvar (the “Association” or the “Charity”) Board**

### **1 Responsibilities**

#### **1.1 General Responsibilities**

Act in accordance with the Rules of the Association and Regulatory Standards and guidance published by the Scottish Housing Regulator.

Adhere to the Office of the Scottish Charity Regulator’s guidance which sets out the legal duties and good practice for charity trustees, manage the Charity’s affairs prudently, taking a long term as well as a short-term view. Ensure that all the Charity’s assets are under its control and that all capital and revenue expenditure is solely for the purposes set out in the Charity’s governing document.

Not derive any personal benefit or gain from the Charity except those allowed under the terms of the Rules of the Association.

Take proper professional advice in appropriate circumstances.

#### **1.2 Protection of Core Values**

Establish and continually review the objectives of the Association and ensure compliance with Places for People Group core values.

### **2. Matters Reserved**

#### **2.1 Formulating Strategy**

Determine and deliver the needs of our regulators, external stakeholders, employees and customers by developing Business and Financial Plans within the parameters set by the Group Board to achieve the Association’s objectives.

Adopt and keep under review policies that are fit for purpose and establish and keep under review procedures consistent with those policies.

Contribute to developing Group strategies and policies and make recommendations to the Group Board. Specifically, the board of the Association will make recommendations to the Group on the business and development strategy for activities in Scotland.

Establish and regularly review the Association’s Risk Management Framework.

## **2.2 Financial Control**

Maintain the financial viability of the Association by:

- a) Recommending an appropriate budget and financing strategy for approval by the Group Board.
- b) Approving the statutory accounts for the Association.
- c) Appointing the Group Board's Treasury & Investment Committee to act for the Association in formulating and implementing treasury policy and strategies and on behalf of the Association, making recommendations to the board of Places for People Treasury plc on the approval of borrowing facilities.
- d) Regular reviewing of Management Accounts.
- e) Reviewing and managing financial and business risk.

## **2.3 Governance**

Make recommendations to the Places for People Group Board on:

- a) Appointment and co-option of board members to the Association and any subsidiary.
- b) Appointment of Chair to the board of the Association.
- c) Appointment of Chair to any subsidiary board.
- d) Appointment of Chair to the Association's Audit & Risk Committee
- e) Appointment of the Association's Senior Independent Director

## **2.4 Approvals**

Approve:

- a) An annual Development Strategy which may be presented to the Scottish Government and / or Local Authorities for funding.
- b) Lists of preferred partners, contractors and consultants.
- c) Authorised Signatory List
- d) Treasury Policy and Strategies and borrowing facilities recognising that authority in respect of treasury strategy and management has been delegated to the Group Board's Treasury & Investment Committee.



- e) Any Capital Expenditure or fixed asset disposals by Castle Rock Edinvar set out in an approved Business Plan that exceeds any relevant authority delegated to management subject always to any reservation of authority to the Group Board in respect of Capital Expenditure and fixed asset disposals in excess of prescribed limits.
- f) Rent Policy and rent setting.
- g) An annual Asset Management Plan.
- h) Write-off of bad debts.
- i) Admission of National and Community members.

## **2.5 Establishment of Framework of Delegation**

Establish, oversee and monitor a framework of delegation and system control.

## **2.6 Monitoring Performance**

Monitor the Association's performance in relation to plans, budgets, controls and decisions including Capital and Revenue expenditure.

Monitor the Association's Treasury activity including borrowings and investments.

Through the Business Plan process, put proposals to the Group Board in setting Service Standards and Performance Targets.

Monitor performance indicators covering organisational customer satisfaction, housing services and development issues.

Monitor Maintenance and Major Repairs including the overall commitment and spend against corporate budget.

Monitoring the implementation of Group Policy on People, Health and Safety and Equality matters to ensure that implementation is effective, that legal and regulatory requirements are met, and operational practice is in line with policy.

Monitor colleague performance and recruitment needs ensuring that talent is available and competent to deliver plans.

Monitor the performance of any subsidiary of the Association.

## **Part 2**

### **Governance Structure**

#### **Section B**

#### **Castle Rock Edinvar Audit & Risk Committee: Constitution & Terms of Reference**

## **Castle Rock Edinvar Audit & Risk Committee: Constitution & Terms of Reference**

### **1. Purpose**

- 1.1 The Committee reviews the financial statements of Castle Rock Edinvar and any subsidiary and the audit processes followed in connection with them. It promotes good processes to ensure high standards of control and compliance and monitors the management approach to those things for Castle Rock Edinvar and any subsidiary. It reviews the strategic risks faced by Castle Rock Edinvar and any subsidiary and the approach taken by management in relation to managing risk. It reviews detailed financial information on behalf of the full board, and when necessitated by timing, authorises the submission to the Regulator which is ratified by the board at the next available meeting.
- 1.2 The Committee will ensure that the Audit Guidance Requirements of the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management are met.

### **2. Constitution**

- 2.1 Committee members and the Chair of the Committee shall be appointed by the Castle Rock Edinvar board upon the nomination of the Chair of the board.
- 2.2 The Committee will comprise a minimum of three non-executive members including non-executive co-optees. If the number of members falls below three, the Castle Rock Edinvar board shall appoint a replacement. At least one member must have a full current understanding of the principles of statutory accounts preparation, generally accepted accounting principles and the theory of internal control.
- 2.3 The Committee Chair may co-opt to the Committee any other non-executive director for any meeting.
- 2.4 A quorum for any meeting of the Committee shall be two members but the presence of co-optees will not count towards the quorum.
- 2.5 Membership of the Committee will be drawn from board members of Castle Rock Edinvar. The Chair of the Audit & Risk Committee cannot be the Chair or Senior Independent Director of the board. Board members of Places for People Scotland Limited are eligible to be co-opted members of the Audit & Risk Committee.
- 2.6 Only Committee members and current co-optees are entitled to attend Committee meetings. There will be a presumption of an invitation to the Director, Places for People Scotland or a Depute to attend all Audit & Risk Committee meetings (although the Committee may revoke the invitation ahead of any meeting if the

Chair of the Committee so chooses). Other senior staff will be invited to attend at the discretion of the Committee. The Group Director of Business Assurance or a nominated representative and a representative of the external auditors may also attend if required. At least once a year, the Committee shall meet separately with the Group Director of Business Assurance and External Auditor without other staff including the Director, Places for People Scotland being present.

- 2.7 Meetings of the Committee may be held and resolutions of the Committee made by any means permitted in Castle Rock Edinvar's Rules for a meeting or resolution of the Castle Rock Edinvar board.
- 2.8 The Committee investigates on behalf of the Castle Rock Edinvar Board any activity within its terms of reference. It is authorised to seek the information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
- 2.9 The Committee may commission outside legal or other independent professional advice and secure relevant experience and expertise if it considers this necessary.
- 2.10 The Committee shall make whatever recommendations to the Castle Rock Edinvar board and subsidiary board it deems appropriate on any area within its remit where action or improvement is needed.
- 2.11 The secretary of Castle Rock Edinvar shall be secretary to the Committee, but any person agreed by the Committee may attend in place of the secretary to take minutes and administer any meeting. Committee members shall have access to the secretary in connection with Committee activity.

### **3. Frequency of Meetings**

Meetings are normally held four times a year, but the Committee may convene a meeting at any time. The external auditors may also request additional meetings if they consider it necessary.

### **4. Terms of Reference**

The Committee shall carry out the duties set out in these terms of reference in relation to Castle Rock Edinvar and any subsidiary.

#### **4.1 External Audit**

- 4.1.1 Review the annual financial statements of Castle Rock Edinvar and any subsidiary before submission to the Castle Rock Edinvar and subsidiary boards, focusing particularly on:
  - a) changes in accounting policies and practices,
  - b) major judgemental areas,
  - c) significant adjustments resulting from the audit,
  - d) the going concern assumption,
  - e) compliance with accounting standards,

f) compliance with legal requirements.

- 4.1.2 Ensure that the annual financial statements for Castle Rock Edinvar and any subsidiary are audited and prepared for presentation at Annual General Meetings, as required by any Rules or Articles of Association.
- 4.1.3 Review the draft annual financial statements for Castle Rock Edinvar and any subsidiary and recommend their approval to the Castle Rock Edinvar and subsidiary boards.
- 4.1.4 Advise the Castle Rock Edinvar and subsidiary boards on any matter concerning the appointment of the External Auditor, and any question of resignation or dismissal.
- 4.1.5 As part of its remit the Group's Audit & Risk Committee will assess annually the qualification, expertise and resources and independence of the External Auditors and the effectiveness of the audit process including its cost effectiveness.
- 4.1.6 Make recommendations to the Castle Rock Edinvar and subsidiary boards and through the boards to the members at Annual General Meetings on the re-appointment of External Auditors fully recognising the requirements of the Group.
- 4.1.7 Review prior to commencement and receiving reports on the nature and scope of external audit activity.
- 4.1.8 Discuss problems and reservations arising from the interim and final audits and any matters the auditors may want to discuss including but not limited to major issues arising during the course of the audit, accounting and audit judgements and levels of errors identified during the audit.
- 4.1.9 Review draft letters of representation and recommend a final draft to the Castle Rock Edinvar and subsidiary boards.
- 4.1.10 Consider the External Auditor's Management Letters and managements' responses.
- 4.1.11 Review external audit reports, monitoring management's response to such reports and advising the Castle Rock Edinvar and subsidiary boards on what action to take.
- 4.1.12 Review and approve for submission where timing necessitates, detailed financial information for the Scottish Housing Regulator. To be recommended for approval and / or ratified by the board at the next available meeting.

## **4.2 Internal Control & Assurance**

- 4.2.1 Ensure that there is generally a firm emphasis on good governance, effective risk management, and continuous improvement and that the performance standards set by the Castle Rock Edinvar and subsidiary boards are achieved by management and in particular in relation to the matters set out in the rest of this paragraph.

- 4.2.2 Review the internal control framework and the overall effectiveness of the framework prior to consideration by the Castle Rock Edinvar and subsidiary boards.
- 4.2.3 Review the Risk Management Framework including procedures for ensuring robust risk assessment.
- 4.2.4 Review Business Assurance arrangements and performance in relation to resources, structure, independence and effectiveness within Castle Rock Edinvar and any subsidiary. The review should cover audit plans, progress in delivering against any audit plans as monitored by Business Assurance, key findings and co-ordination between external audit and Business Assurance.
- 4.2.5 Monitor Business Assurance reports including those on fraud and material breaches of internal and external regulatory requirements and monitoring of management's response to recommendations contained in such reports.
- 4.2.6 Review arrangements for employees to raise concerns in confidence about possible wrongdoing in financial reporting or other matters ("whistleblowing") and ensuring that such arrangements allow a proportionate and independent investigation and appropriate follow up action.
- 4.2.7 Reviewing the procedures for detecting fraud and monitoring reports of suspected fraud.

### **4.3 Strategic Risk**

- 4.3.1 Provide the Castle Rock Edinvar and any subsidiary boards with advice on the strategic risks.
- 4.3.2 Reviewing Castle Rock Edinvar's and any subsidiary's risk map and management procedures including procedures for ensuring robust risk assessment.
- 4.3.3 Initiate and consider as appropriate reports on individual risks and related matters as considered necessary by the Committee or requested by the board.

## **5. Other Matters**

- 5.1 The Chair of the Audit & Risk Committee is to be advised, at the time of occurrence, of any fraud or suspected fraud which could have a material impact on Castle Rock Edinvar's or subsidiary's finances or reputation.
- 5.2 Reviewing the pension liabilities of Castle Rock Edinvar and any subsidiary and making recommendations to the boards.
- 5.3 The Committee shall consider from time to time any training needs that its members may have in connection with their Committee activities and shall arrange for suitable training to be obtained.
- 5.4 The minutes of Committee meetings shall be available to all Castle Rock Edinvar and subsidiary board members but the Committee Chair (or in his or her absence a

member of the Committee) shall report to the board at its first meeting after each Committee meeting on any material matters.

- 5.5 The Committee shall review annually its terms of reference and recommend any necessary changes to the Castle Rock Edinvar board.

## **Terms of Reference and Matters Reserved of Places for People Scotland Limited**

### **1 General description**

- 1.1. Places for People Scotland Limited (t/as Places for People Scotland Commercial) (PfPSCC) is a wholly owned subsidiary of Castle Rock Edinvar, set up as a private limited company, incorporated under the Companies Act (2006), and domiciled in Scotland. The ultimate parent of PfPSC is Places for People Group Limited (Group).
- 1.2 PfPSC is a non-regulated provider of rented housing and commercial property, home ownership opportunities and services to owners and other businesses.

### **2 Constitution**

- 2.1 PfPSC has a board of directors and members are appointed by the PfPSC Board subject to receiving prior approval of Castle Rock Edinvar and the Group, and as required via the normal governance channels of the Group.

### **3 Responsibilities**

- 3.1 To abide by the terms of the Articles of Association (Articles), the Companies Act, and consider the provisions and principles in the UK Corporate Governance Code in matters of corporate governance where it is reasonable and appropriate to do so.
- 3.2 To adhere to Castle Rock Edinvar and Group governance framework.
- 3.3 To oversee the operational and financial performance of stock (both residential and commercial). The board also receives quarterly sales updates as regards its development activity.

### **4 Frequency of meetings**

- 4.1 Not subject to any fixed frequency within its Articles but meetings are held quarterly to coincide with its parent, Castle Rock Edinvar.

### **5 Attendees at meetings and quorum**

- 5.1 Directors subject to a quorum of two,
- 5.2 Regular attendees shall be:
  - 5.2.1 Director, Places for People Scotland
  - 5.2.2 Head of Finance Business Partnering
  - 5.2.3 Developments Director, Scotland
  - 5.2.4 Secretary or a representative from the Group Governance & Secretariat team



5.2.5 Any other attendee as the board may so desire or are required for the business of the agenda

## **6 Matters reserved**

### **6.1 Approval of:**

- 6.1.1 commercial asset strategy;
- 6.1.2 rent and debt write-off relating to its commercial customers,
- 6.1.3 rent and debt write-off policy,
- 6.1.4 acquisitions, disposals and leases of property and land,
- 6.1.5 entering into construction agreements,
- 6.1.6 loan facilities in consideration of business planning requirements,
- 6.1.7 move of substantial operations of the business to third-party companies,
- 6.1.8 annual business plan and related budget,
- 6.1.9 annual reports and financial statements (inc letter of representation),
- 6.1.10 any proposed gift-aid payment to Castle Rock Edinvar,
- 6.1.11 recommendations made for appointments to the board (having received prior approval from Castle Rock Edinvar), and
- 6.1.12 any financial transaction above [GBP1.000,000]

## **7 Regular business of the meetings**

### **7.1 To review and, where appropriate:**

- 7.1.1 offer challenge to management as regards performance and its approach to commercial tenants;
- 7.1.2 Quarterly sales' updates,
- 7.1.3 Board succession planning and making recommendations to CRE, and
- 7.1.4 receive updates and where appropriate adopt policies/procedures that align with the Group.

## **Part 2**

### **Governance Structure**

#### **Section C**

##### **Division of Responsibilities between Castle Rock Edinvar Chair, Director, Places for People Scotland and Group Chief Executive**

## **Division of Responsibilities between Castle Rock Edinvar Chair, Director, Places for People Scotland and Group Chief Executive**

### **Overview of Responsibilities**

The board of Castle Rock Edinvar is responsible for directing the affairs of the organisation and providing strategic leadership to the organisation.

The Chair of the board is responsible for the leadership of the board and ensuring effective governance of Castle Rock Edinvar.

The Group CEO is responsible for all executive matters affecting the Group and reports to the Group Board.

The Director, Places for People Scotland is responsible for the executive management of Castle Rock Edinvar and is line-managed by the Group MD, Communities (Homes Plus). The Director, Places for People Scotland also supports the Castle Rock Edinvar board and, between board meetings, its Chair.

To promote effective governance, the Chair will liaise as required with the Group MD, Communities (Homes Plus) on the Director, Places for People Scotland's appointment, performance and remuneration and with the Group Chair as required on strategic matters and the performance of any Places for People Scotland nominated board members.

<b>Castle Rock Edinvar (CRE) Chair</b>	<b>Director, Places for People Scotland (PfPS)</b>	<b>Group CEO</b>
<b>1. Reporting Lines</b>		
1.1 The Chair reports to the CRE board (the Chair does not report to the Group Chair).	1.1 The Director, PfPS is line managed by the Group MD, Communities (Homes Plus).	1.1 The Group CEO reports to the Group Chair.
1.2 The Chair is not responsible for executive matters.	1.2 The Director, PfPS is responsible for the executive management of CRE. The Senior Management Team reports to the Director, PfPS.	1.2 The Group CEO is responsible for all executive matters affecting the Group (including those of CRE).
<b>2. Key Responsibilities</b>		
2.1 The Chair is responsible for the effective running of the CRE board	2.1 The Director, PfPS' principal responsibility is the effective running of CRE and any subsidiary businesses. He/she/they shall also ensure that the CRE board receives appropriate information in a timely manner and shall provide support to the CRE Chair between formal board meetings.	2.1 The Group CEO's principal responsibility is the effective running of the Group's business (including CRE).
2.2 The Chair is responsible for ensuring that the CRE board as a whole plays a full and consultative part in the development and determination of the business strategy and that the board works effectively with senior staff and holds senior staff to account for delivering the business strategy.	2.2 The Director, PfPS is responsible for proposing and developing CRE's Business Strategy in close consultation with the board and Group MD, Communities (Homes Plus) and is responsible for ensuring the delivery of the strategy.	2.2 The Group CEO is responsible for proposing, developing and delivering the Group's strategy and overall objectives, which he does in close consultation with the Group Chair and the Group Board.
2.3 The Chair is the guardian of CRE's board decision-making process.	2.3 The Director, PfPS is responsible with the SMT for implementing decisions by	2.3 The Group CEO is responsible, with the executive team, for

	<p>the CRE board, Audit &amp; Risk Committee and any subsidiary board.</p> <p>The Director, PfPS is also responsible for implementing decisions taken by the Group Board or Executive which impact on CRE and any subsidiaries.</p>	<p>implementing the decisions of the Group Board and its Committees.</p>
<p>2.4 The Chair is responsible for ensuring that CRE and any subsidiary board retains a common sense of purpose and are committed to the promises of the Group.</p>	<p>2.4 The Director, PfPS in consultation with the CRE Chair, is responsible for monitoring the smooth operation of any mechanisms regulating the relationship between the Group parent and any Group subsidiary including but not limited to Intra-Group Agreement.</p>	<p>2.4 The CEO is responsible for monitoring the smooth operation of any mechanisms regulating the relationship between the Group parent and any Group subsidiary including but not limited to the Intra-Group Agreement.</p>
<p>2.5 The Chair is responsible for ensuring that board decisions and actions meet CRE's objectives and its legal and regulatory obligations.</p>	<p>2.5 The Director, PfPS is responsible for monitoring CRE's performance against its objectives and compliance with its legal and regulatory obligations and reporting to the board and Group Company Secretary on these matters.</p>	<p>2.5 The CEO is responsible for monitoring performance against the Group's objectives and compliance with its legal and regulatory obligations.</p>

### 3. Other Responsibilities

CRE Chair	Director, PfPS
<p>3.1 Running the CRE board and setting its agenda.</p>	<p>3.1 Drafting the CRE board's agenda with other members of SMT.</p>
<p>3.2 Ensuring that CRE board agendas take full account of the important issues facing CRE and the concerns of all CRE members. There should be an emphasis on strategic, rather than routine, issues.</p>	<p>3.2 Maintaining a dialogue with the Chair on the important and strategic issues facing CRE and proposing to the Chair, CRE board agendas which reflect such issues.</p>
<p>3.3 Ensuring that the CRE board receives accurate, timely and clear information on:</p> <ul style="list-style-type: none"> <li>The performance of CRE and any subsidiary;</li> </ul>	<p>3.3 Ensuring that the board receives reports that contain accurate, timely and clear information on all relevant topics.</p>

<ul style="list-style-type: none"> <li>• The issues, challenges and opportunities facing CRE and;</li> <li>• Matters reserved to it for decision.</li> </ul>	
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3.4 Ensuring, with the advice of the Group Company Secretary / Director, PfPS (or their respective Deputies), compliance with CRE/subsidiary board approved procedures, constitutional documents, any Terms of Reference and all relevant legislation.	3.4 Ensuring, in consultation with the CRE Chair, Group CEO and the Group Company Secretary as appropriate, that the Director, PfPS and SMT comply with CRE board approved procedures, constitutional documents, Terms of Reference and all relevant legislation.
3.5 Ensuring that sufficient time and consideration is given to complex, contentious or sensitive issues through formal and/or informal meetings of board members.	3.5 Ensuring that the Chair is alerted to forthcoming complex, contentious or sensitive issues affecting CRE or the Group of which he/she/they might not otherwise be aware.
<p>3.6 Proposing to the CRE board, in consultation with the Director, PfPS, Group CEO, Group Company Secretary and Committee Chairs as appropriate (and operating within the overall governance structure by which certain matters require Group Board or Committee approval):</p> <ul style="list-style-type: none"> <li>• A schedule of Matters Reserved to the CRE board for its decision;</li> <li>• Terms of Reference for any board Committee;</li> <li>• Other CRE board policies and procedures; and</li> <li>• A framework of delegated authority for CRE's executive/SMT to enable the business to be run effectively.</li> </ul>	3.6 Highlighting to the Chair, Group CEO and/or Group Company Secretary any scope for appropriate change to the schedule of Matters Reserved to the CRE board, any Committee Terms of Reference and any framework of delegated authority to the executive/SMT.
3.7 Working with the Director, PfPS to initiate change and succession planning of CRE board appointments to retain and build an effective and complementary CRE board, and to facilitate the appointment of effective and suitable members of any board Committee or subsidiary company.	3.7 Providing information and advice on succession planning, to the Chair and other members of the CRE board.
3.8 Ensuring that there is effective communication by CRE with its stakeholders, including by the Director,	3.8 In consultation with the Chair, leading the communication programme with stakeholders including but not limited to

PfPS and SMT and, where appropriate, participating in communication including meetings with the Regulator.	customers, funders, regulators and Government.
3.9 Ensuring that there is an effective induction programme for new board members facilitated by the Director, PfPS.	3.9 Ensuring that any induction programme for new board members is delivered.
3.10 Taking the lead in identifying and seeking to meet the development needs both of individual board members and of the CRE board as a whole, assisted by the Director, PfPS.	3.10 Ensuring that the development needs of the executive/SMT and other senior management reportees are identified and met.
3.11 Ensuring that the performance of the CRE board as a whole, individual board members and Director, PfPS is evaluated at least once a year. Taking feedback received from board members and building in new ways of working where that feedback helps deliver business objectives.	3.11 Ensuring that performance reviews are carried out at least once a year for each of the executive/SMT members. Providing input to the wider board evaluation process.
3.12 Promoting the highest standards of integrity, probity and corporate governance throughout CRE and particularly at CRE board level.	3.12 Promoting and conducting the affairs of CRE with the highest standards of integrity, probity and corporate governance. Taking responsibility for the management of risk throughout CRE.
3.13 Engaging with the Group Board and Group Chair and ensuring that there is effective communication between the boards.	3.13 Ensuring that there is effective communication and liaison with other Group Directors/SLT members and functions.
3.14 Attend meetings with the Scottish Housing Regulator and Director, PfPS as part of the annual regulatory review.	3.14 Liaise with the Scottish Housing Regulator on strategic and operational matters throughout the year and agree the content of the annual regulatory review.
3.15 Represent the organisation at key internal and external events.	3.15 Ensure that the Chair is involved and briefed for events where it is appropriate that the organisation is represented at governing body level.
3.16 Ensure the board receives/reviews professional advice where it is needed.	3.16 Recommend to the board the requirement for external advice to make informed discussions which could involve conflict of interest.

#### **4 Senior Independent Director (“SID”)**

- 4.1 The Board shall appoint one of its non-executive board members to the position of SID from time to time. The role of the SID shall include having responsibility for:
- 4.1.1 offering advice and assisting the Chair in relation to board matters;
  - 4.1.2 acting as a conduit between members of the board and the Chair, maintaining contact with the non-executive board members between meetings as required (and them with the SID);
  - 4.1.3 leading the board in relation to matters concerning the Chair;
  - 4.1.4 conducting an annual appraisal of the Chair, taking into account the views of executive and non-executive board members as appropriate;
  - 4.1.5 working with the Group parent’s Remuneration & Nominations Committee in planning for the succession of the Chair;
  - 4.1.6 providing non-executive guidance for the Executive and a channel of communication with non-executives;
  - 4.1.7 providing a visible alternative to the Chair for employee engagement; and
  - 4.1.8 working with the Chair to ensure that at least half the board remains independent.

Following agreement with the Chair, the SID may delegate some of these responsibilities to other independent non-executive board members as appropriate.

- 5** The board shall appoint a Secretary who will be responsible for the organisation and management of meetings and production of minutes in a timely manner.



## **Part 2**

### **Governance Structure**

#### **Section D**

##### **Delegation of Authority to Director, Places for People Scotland and Senior Management Team**

## **Delegation of Authority to the Director, Places for People Scotland and Senior Management Team**

### **Introduction**

Authority within the Group starts with the Group Board and is delegated so that a balance of control, consistency and efficiency is maintained. The Group Board has delegated authority in certain matters (generally, those necessary to enable the smooth operation of the business in accordance with its business plan) to the Group Executive and it has delegated that authority (up to certain limits) to Director, Places for People Scotland (PfPS) of Castle Rock Edinvar.

The Castle Rock Edinvar board may set sub-limits and reporting requirements for the Director, PfPS but, in the absence of a specific requirement for prior Castle Rock Edinvar board approval for any action, the Director, PfPS will exercise delegated authority in order to deliver approved Budget and Business Plan priorities with reference to allocated resources and definitions of risk set out in the Risk Management Plan.

The Director, PfPS shall keep the board informed of the use of authority delegated to him through regular operational reports to the board. Where the Director, PfPS considers that a matter is of significance to the business and is a matter on which board input is necessary, he will seek board input even where the matter is within the limits of his delegated authority.

### **Delegated Authority**

The Director, PfPS has authority to:

- Undertake and be responsible for all day to day management of the organisation. (Reference to 'board' is taken to mean the boards of CRE or Places for People Scotland Limited unless stated specifically one or the other);
- Authorise revenue expenditure provided for in the Annual Budget approved by the board;
- Employ and dismiss staff in accordance with the organisation's staffing budgets and set and review individual terms and conditions of employment subject to: Local procedural agreements and employment policies and procedures set by the board;
- Act as authorised signatory for all legal documents and statutory returns;
- Authorise evictions on behalf of the board where they are satisfied that the proper procedures have been completed;
- Take or authorise the taking of any appropriate action in cases of urgency, or emergency for the organisation. Where possible in consultation with the Chair or Senior Independent Director. This action to include exceeding the limits of delegated authority, subject to this being reported to the next board meeting;

- Take or authorise the taking of any appropriate action to preserve the organisation's position pending the scrutiny by the board of the matters, in relation to any proposed legislation or any event or occurrence, including "Acts of God".

In the absence of the Director, PfPS during daily operations, a Senior Management Team member shall have the following authority:

- Agree any daily operational decisions that could not wait for the return of the Director, PfPS or would be better made in a timely manner. Examples are:
  - Crisis decisions;
  - Financial decisions where payment must be made before the return of the Director, PfPS;
  - Dismissal or removal from the premises of a staff member for gross misconduct; in consultation with Communities (Homes Plus) or People Business Partner;
  - Management of an accident or incident. Operation managers should be involved initially but if a decision is needed at a more senior level, a Senior Management Team member or most senior available manager shall have authority to undertake this;
  - Communication with the media where deadlines need to be met (subject always to liaison with the Group Chief Executive or his office);
  - Attendance at an external meeting where the Director, PfPS is unable to attend and not being represented would be to the detriment of the Association.
- On all these occasions the Director, PfPS should be consulted if at all possible before action is taken. If the Director, PfPS is not contactable then the decision of the Senior Management Team will be upheld by the Director, PfPS. In the case of major incident or accident the Chair and Senior Independent Director should be fully informed and consulted during the process where possible.

Castle Rock Edinvar operates a comprehensive scheme of delegated authority which is reviewed annually by the Director, PfPS. Any changes are reported to the Castle Rock Edinvar board.

### **Part 3: Governance Protocols**

In order to achieve good and consistent standards of conduct across the Group in some key matters, the Group Board or the bodies to which it has delegated authority may adopt relevant policies and procedures. In some Group members, different names are given to similar things. For example, some entities refer to policies and procedures while others refer to standing orders or schedules of delegation. To cover this difference, the Group's Governance Manual refers to statements of standards or of approaches to activity as protocols. The Castle Rock Edinvar Governance Handbook adopts the name 'protocols'.

The Group expects Castle Rock Edinvar to issue, review and revise its own protocols. The Group undertakes a year-end assurance process whereby senior leaders within individual businesses are required to provide assurance that the policies, procedures and control mechanisms within their remit have worked effectively throughout the year and are kept under review to ensure they remain fit for purpose. The only requirement is that any such items may not be in conflict with any corresponding items approved by or on behalf of the Group Board. Any item of this type, whatever it is called, may be amended from time to time but the expectation is that the form of an item can reflect local needs and practices so long as the substance meets the Group standard.

The Group Governance Manual is written primarily for Group Board members, but it is expected to be of use to board members of subsidiaries and to senior managers. It is available on the Group's website, [www.placesforpeople.co.uk](http://www.placesforpeople.co.uk)

The Castle Rock Edinvar Governance Handbook is primarily for the use of board members and senior staff of Castle Rock Edinvar and any subsidiary.

The inclusion in this Governance Handbook of all protocols that apply to the business of Castle Rock Edinvar and any subsidiary would be excessive. The level of detail contained in them is not likely to be of concern to board members and if a situation arises in which that detail is needed, it can be obtained from management.

Generally, changes to any part of the governance protocols will be delegated by the Group Board to the Group Executive team, one of its Committees or subsidiary boards. The Group Board will, however, remain informed about the governance protocols through a range of mechanisms including reports to the Group Board and its Committees on the effectiveness of the control elements of the governance protocols.

It is in the nature of business activity that situations can arise which appear to be on the margins of any system of delegated authority or any policy or procedure. The governance structure and protocols cannot list every set of circumstances that might be faced. However, they provide an indication of where the next, higher level of authority is within the Group and Castle Rock Edinvar so that any person who is in doubt knows where to go to raise a question.