

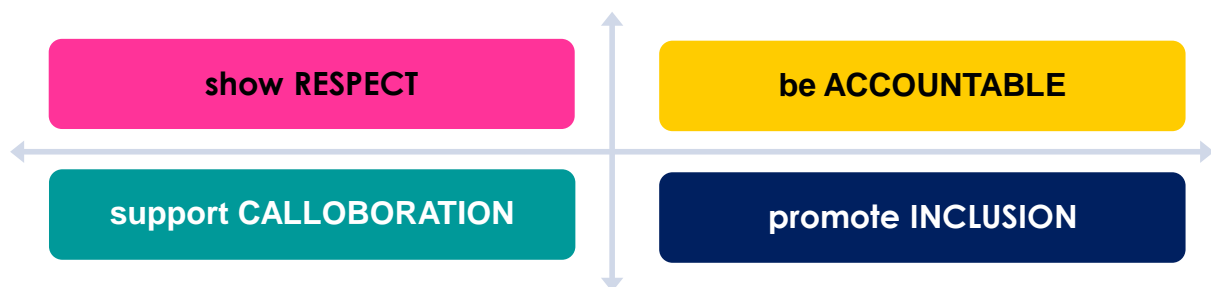


## Good Governance Guide

**Governance** describes the arrangements for **leadership**, **direction** and **control** of our organisation, outlining how it will work with its customers, members, managers, employees and other stakeholders to ensure that the organisation is well run and accountable.

### 1. Hanover's Values

- 1.1 Our principles of good governance are underpinned by Hanover's four values. Hanover lives by these four core values to ensure that everything we do as an organisation and as individuals demonstrate integrity and accountability. We use these four core values to guide our decision making from Board to operational service delivery.



### 2. Regulatory Standards

- 2.1 The Scottish Housing Regulator sets out a Regulatory Framework, which includes the Standards of Governance & Financial Management, with which all Registered Social Landlords (RSLs) must comply. The Regulator will refer to these standards when monitoring, assessing and reporting on landlords' performance. Each year RSLs must submit an Assurance Statement, confirming that they comply with the Regulatory Framework, and identify any areas of non-compliance alongside necessary improvement actions.
- 2.2 Hanover is committed to providing the highest standards of service for all our customers and we use the following principles to achieve our goals. We state in our Strategy that we will:
- Provide well designed, well maintained, affordable, warm and modern housing
  - Find simple and practical solutions that make a real difference to the lives of our customers
  - Build positive and lasting relationships with our customers and stakeholders

- Aim to exceed our customer's expectations and to provide high quality personalised services that enhance their quality of life
- Create and continually look for new ways of working which will add value and develop our people
- Be passionate about housing and support, which are at the heart of an active, healthy and connected community

2.3 By complying with these standards Hanover will seek to demonstrate effective governance and accountability, and ultimately deliver good outcomes for our customers.

### **3. Board Member Role Description**

3.1 Hanover has developed a role descriptor for Board Members which will be part of Hanover's Board Learning & Development Policy and a copy is provided in **Appendix 1** below.

### **4. Key Documentation**

4.1 The documents in this Good Governance Guide set out how Hanover will deliver on these principles. They act as a handbook for Board Members and the Executive Leadership Team.

#### **4.1.1 Strategy and Business Plan**

Hanover will have a 5-year Strategy & Business Plan. In Quarter 4 of each financial year the Board will confirm the Strategy and Business Plan for the following year, showing the key strategic areas that will be the focus of that year. It will show how development of these areas will be delegated to specific Committees, with the Board.

#### **4.1.2 Rules**

The Rules are Hanover's constitution and are based on a model developed by the Scottish Federation of Housing Associations (SFHA) and approved by the Scottish Housing Regulator (SHR). They outline at a high level how Hanover will be run.

#### **4.1.3 Standing Orders for Board & Committees**

The Standing Orders further define the proceedings to be adopted at Board and Committee meetings, how the Board will use its powers to carry out its responsibilities, deal with emergencies, and record its decisions. These standing orders are fully aligned with the Rules.

#### **4.1.4 Committee Terms of Reference (ToR)**

The Terms of Reference set out how each Committee will operate and provide details of its responsibilities and delegated authority. At present we have ToR for two Committees:

- Audit Committee
- People Committee

#### 4.1.5 **Scheme of Delegation (SoD)**

Hanover's Scheme of Delegation sets out clear authority for decision making from the Board to Committees, and from the Chief Executive to the Executive Leadership Team, so that all responsibilities are clear and accountable. The SoD is aligned to the Standing Orders for Board & Committees, the Committee ToR and our Financial Control Framework.

#### 4.1.6 **Financial Control Framework (FCF)**

The Financial Control Framework sets out Hanover's overall system of financial control. The FCF set out the key decision-making processes for all financial transactions including Budget Setting, Budgetary Control, Accounting, Audit Requirements, Banking, Contracts, Income & Expenditure, Cash Handling & Insurance.

### 5. **Board Policies & Processes**

Also included in this guide are a range of useful policies and processes for Board Members which we plan to review and update in the coming year. These include:

- **Membership Policy**

This policy describes who can apply to become a member and what the benefits and responsibilities of membership are. It also describes how Hanover engages with and is accountable to its members.

- **Code of Conduct for Board Members**

Sets out the requirements and expectations which are attached to the role of a Board Member. Members have a personal responsibility to uphold the requirements of this Code.

- **Board Learning & Development Policy**

Outlines a learning and development structure which is offered to all Board Members starting at induction and throughout their time as a Board Member.

- **Board Member Expenses Policy**

Sets out Hanover's policy and procedures for reimbursing Board Members expenses legitimately incurred on Hanover's business.

- **Board Recruitment & Succession Policy**

Sets out arrangements for the selection and recruitment of new Board Members.

- **Entitlements, Payments and Benefits Policy**

Describes the entitlements, payments and benefits that our Board Members/employees can receive. It also describes what is not permitted, and the arrangements that we have in place to ensure that the requirements of the policy are observed.

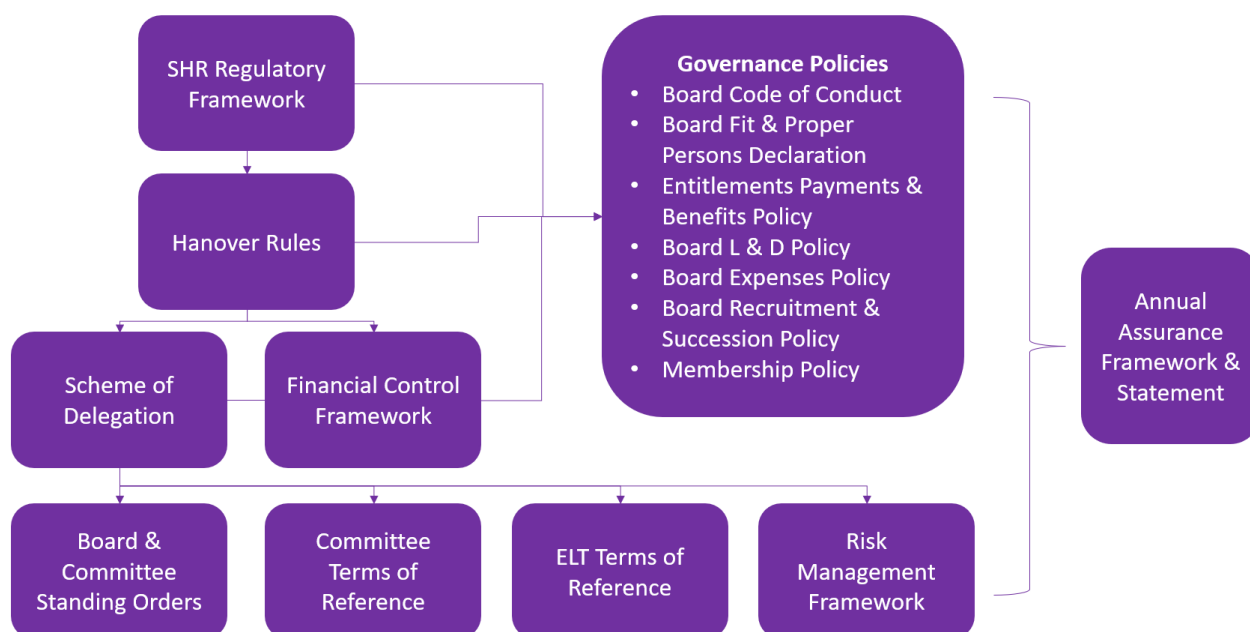
### 6. **Risk Management Framework**

6.1 Our Risk Management Framework is centred around our Strategic Objectives. We have a suite of operational risk registers, which set out our key risks, and these are

then mapped to our Strategic Risk Register, which show our key risks, assurances, and actions for improvement under the headings of our strategic objectives.

## 7. Review of Governance Arrangements

- 7.1 It is the Board's responsibility to ensure that Hanover complies with its Rules, Scheme of Delegation and all other governance arrangements through appropriate scrutiny of relevant reports and documents.
- 7.2 The Committee structure will be reviewed at least every three years (or earlier as required), as will the Scheme of Delegation, Standing Orders and Terms of Reference. The Board will also periodically review the Rules, approving any changes and recommending them for further approval from relevant regulatory bodies.
- 7.3 The diagram below sets out how the key documents included in the Good Governance Framework fit together.



# Appendix 1

## Board Member Role Description

The Board of Hanover operates at a strategic level and delegates responsibility for the day-to-day management and running of the organisation to staff, through the Chief Executive.

The Board, working closely with the Chief Executive and Executive Leadership Team will:

- Set our strategy & direction
- Agree the annual budget and business plan and ensure financial viability
- Take account of customers' views in respect of rents and charges, services and care provision
- Take responsibility for ensuring Hanover is a good employer that engages with its employees
- Monitor performance and manage strategic risk
- Ensure legal, constitutional and regulatory compliance
- Promote and demonstrate good governance

## Expectations of Board Members

Being a Board member is a voluntary role which carries legal responsibilities that are the same as those of a company director. All Board members are expected to use their skills, knowledge and experience for the benefit of Hanover. Members will offer life experience and/or professional expertise. Every Board member shares the same level of responsibility regardless of their background. These responsibilities are set out in our Board Member Code of Conduct and include the following:

- Understand and be committed to the Vision, Values and Strategy of Hanover
- Attend and be well prepared for meetings
- Take part in training and other learning and development opportunities
- Participate in an annual review of their individual contribution
- Respect and maintain confidentiality of information
- Foster effective working relationships within the Board and between the Board and staff
- Comply with the Entitlements Payments & Benefits Policy and declare any relevant conflict of interests

## **Learning, Development & Support for Board Members**

To support Board members in their role, new members are expected to take part in an Induction Programme which offers opportunities to meet employees and find out more about the work of Hanover.

Hanover will also identify an experienced member of the Board who will act as a mentor / support for new members to support them in their first 6 months.

All Board members will be offered an Individual Learning & Development Plan which will be developed with each member and will be tailored to fill in any skills / knowledge / experience gaps identified. Learning & Development can take the form of:

- Briefings provided by staff
- In-house training from an external source
- Attendance at conferences, seminars and events
- Reading publications and journals
- On-line research

Each year, every Board Member is expected to take part in an appraisal of their individual contribution to Hanover's governance. This is carried out by the Chair / Vice Chair and is used to inform the development of annual training and development programmes for the Board and its members. Our Rules and Code of Conduct require Board members to participate in this process, which is also a regulatory requirement.

## **Code of Conduct**

In addition to the legal responsibilities outlined above Members are asked to sign a Code of Conduct which asks them to;

- Use their skills, experience and judgement to help make the business successful
- Appropriately scrutinise and challenge reports and performance
- Follow Hanover's Rules and ensure it meets its legal obligations
- Make decisions for the benefit of Hanover, not for self-gain
- Declare any personal interests
- Ensure that the organisation keeps accurate records
- Make sure the accounts present a "true and fair view" of Hanover's finances
- Comply with the law

## **Time Commitment**

Most of Board and Committee Meetings are held on either a Tuesday evening or Thursday afternoon. Currently most meetings are held virtually, and when restrictions allow, we will aim to have in-person strategy days at an agreed location. Members are asked to attend the likely meeting schedule each year:

- 6 Board meetings
- Annual General Meeting (AGM)
- Participation in either Audit or People Committee (Audit meets Quarterly and People meets twice per year)
- 2 Annual Strategy Discussions
- Induction and training time (as required)