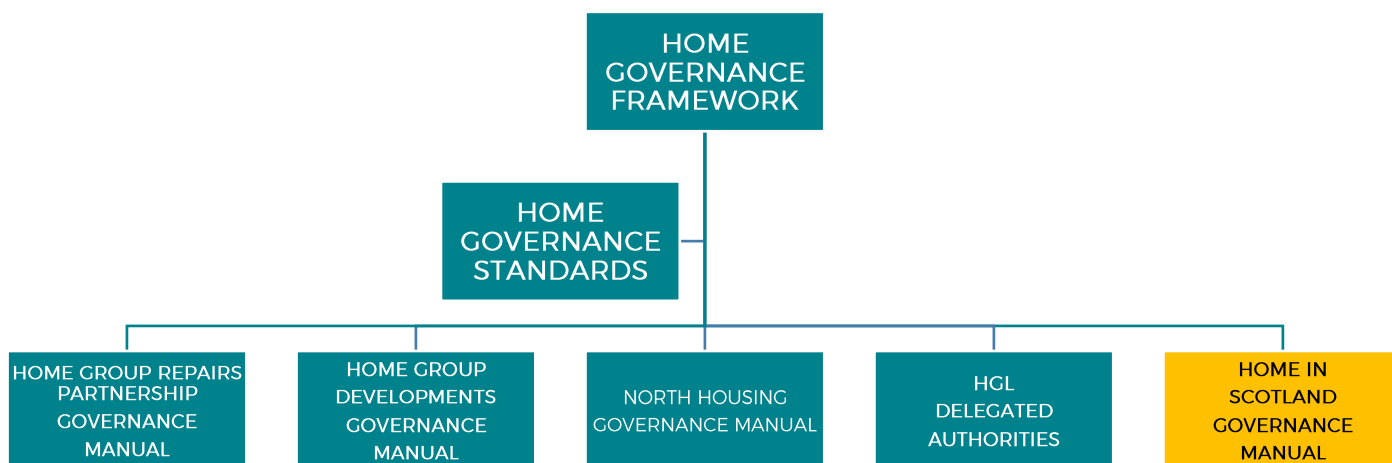


Building homes,
independence
and aspirations



Home Group Scotland Limited Governance Manual



Governance Manual

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AGREEMENT BETWEEN THE PARTIES

We, Home Group Limited, a registered society under the Co-Operative and Community Benefit Societies Act 2014 (registered number 22981 R) having our registered office at One Strawberry Lane Newcastle upon Tyne NE1 4BX ("Home Group") and we, Home Group Scotland Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number 1935R(S)) and a charity registered with the Office of the Scottish Charity Regulator (Scottish Charity No. SC005247) having our registered office at Pavilion 6, 321 Springhill Parkway Glasgow Business Park Baillieston Glasgow G69 6GA and registered with the Scottish Housing Regulator (registration number HAL90) ("Home Group Scotland") agree to comply with the provisions of this Governance Manual.

Signed for Home Group Limited by:

----- (Signature)

----- (Name)

----- (Position)

----- (Date)

Signed for Home Group Scotland Limited by:

----- (Signature)

----- (Name)

----- (Position)

----- (Date)

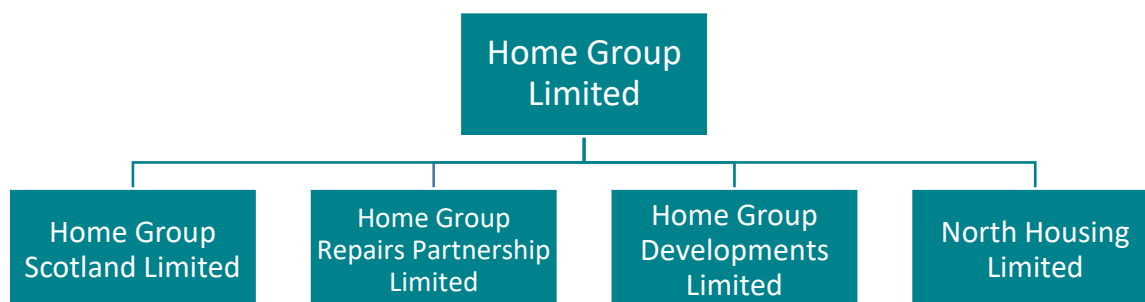
This Governance Manual supersedes the Joint Arrangement Deed entered into between Home Group Scotland and Home Group dated 28 July 2010 which shall cease to have effect.

1. HOME GROUP SCOTLAND STRUCTURE

Home Group Scotland is a subsidiary of Home Group .

1.1 Group Structure

Home Group Scotland sits within a group structure, comprising Home Group Limited as the parent organisation and Home Group Scotland is one of four subsidiaries. Home Group's legal structure is illustrated below:



Home Group is a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number 22981R). It has charitable status but is exempt from registration with the Charity Commission – it is a “charity” but not a “registered charity”. Home Group has four active wholly owned subsidiaries:

- **Home Group Scotland Limited:** a registered society under the Co-operative and Community Benefit Societies Act 2014 (registered number 1935R(S)) and a charity registered with the Office of the Scottish Charity Regulator (Scottish Charity No. SC005247). Home Group Scotland undertakes Home Group's business in Scotland. ;
- **Home Group Repairs Partnership (HGRP):** a private non-charitable company limited by shares which delivers repairs and maintenance services

- **Home Group Developments Limited (HGDL):** a private non-charitable company limited by shares which undertakes market housing for sale, land banking for future mixed tenure development and the new build construction of affordable housing for rent for both Home Group Limited and Home Group Scotland.
- **North Housing Limited (NHL):** a private non-charitable company limited by shares which facilitates joint venture activity across the Group.

1.2 Shareholding Structure

Home Group Scotland Limited has shareholding members. Members are approved by Home Group (through its Governance Committee following recommendation from the Home Group Scotland Board). Home Group retains the power to appoint members of the Home Group Scotland Board in accordance with the Home Group Scotland Rules and this Governance Manual.

Without prejudice to the power of Home Group to appoint and remove any and all of the Home Group Scotland Board Members, Home Group will remove any Home Group Scotland Board member where, having regard to the Group's interests, it is satisfied that in the circumstances exercise of such right is required. Circumstances in which Home Group would consider exercising such step in rights would include, but are not limited to, circumstances where Home Group considers:

- that exercising such rights is required to preserve the Group structure
- that Home Group Scotland has failed in any material respect to operate within and adhere to its Rules or this Governance Manual or any other applicable Group policies and such failure has or would in the opinion of Home Group be likely to have a material adverse effect upon the business, assets, reputation and / or operations of the Group or any Group member; or
- that Home Group Scotland is or is likely to be in a position where it is, or is likely to become, unable to meet its debts as they fall due
- that Home Group Scotland has brought the Group or any Group member into disrepute or has acted in a manner which is materially prejudicial to any part of the Group or any Group member; or
- that Home Group Scotland is insolvent or any enforcement action is being taken against it, or has been threatened, by any third party; or
- that Home Group Scotland is likely to be unable to meet its contractual obligations as they fall due and/or Home Group has concerns as to its long term financial viability; or

- that Home Group Scotland has been the subject of an adverse (in Home Group's reasonable opinion) supervisory or regulatory report from the Scottish Housing Regulator or another Competent Authority (being any body with statutory with statutory regulatory authority over Home Group Scotland) or where the Scottish Housing Regulator or another Competent Authority has taken regulatory action against Home Group Scotland or any member of the Home Group Scotland Board.

The shareholders of Home Group Scotland are all the members of the Home Group Scotland Board (excluding co-optees) together with Home Group which is a corporate member of Home Group Scotland Limited.

1.3 Parent/Subsidiary Relationship

1.3.1 Role of Home Group as parent

Home Group, as parent, is responsible for:

- Preparing the Group Strategy and Business Plan;
- Determining Group policies;
- Providing Home Group functions;
- Providing support to Home Group Scotland, including maintenance of necessary financial and other records, preparation of statutory accounts and returns, provision of financial, business and performance reports, administrative and secretarial support to the Home Group Scotland Board and professional support in relation to company secretarial responsibilities;

1.3.2 Role of Home Group Scotland as subsidiary

Home Group Scotland as the subsidiary of Home Group, is as responsible for:

- Preparing a Business Plan/Operational Plan in respect of proposed Home Group Scotland activity for submission to the Board of Home Group;
- Abiding by Group policies and Home Group Scotland-specific policies
- Recommending any adaptation to Group policies required to ensure compliance with the different political, legal & regulatory framework within Scotland, in accordance with an agreed Policy Framework;
- Conducting and overseeing the business of Home Group within Scotland subject to any limitations arising from its charitable rules and in accordance with the Home Group Scotland Governance Manual.

1.3.2 Overall Governance Framework and Standards

As part of Home Group, Home Group Scotland is required to work within Home Group's [Governance Framework](#) and [Standards](#). Key aspects of these are summarised below:

- The Board of Home Group (the "Home Board") reserves certain matters to itself – these 'Home Board reserved matters' are set out within the Governance Framework and include setting Home Group's strategy, approving business plans and approving acquisitions and disposals of property exceeding defined thresholds.
- There is a single Audit Committee for Home Group, which extends to Home Group Scotland with a role extending to financial reporting, external audit arrangements, internal control arrangements, the internal audit arrangements and programme of review and the risk management framework. One member of the Home Group Scotland board sits on the Audit Committee. The Audit Committee terms of reference are set out in the Governance Framework.
- The role of the Governance and People Committee extends to Home Group Scotland and includes appointment of Home Group Scotland Board Members which also gives rise to the admission as a Shareholding Member. One member of the Home Group Scotland board sits on the Governance and People Committee. The terms of reference of the Governance and People Committee are set out within the Governance Framework.
- The role of the Health & Safety Governance Committee also extends to Home Group Scotland. One member of the Home Group Scotland Board sits on the Health & Safety Governance Committee. The terms of reference of the Health & Safety Governance Committee are set out within the Governance Framework.
- The role of the Clinical Governance Committee also extends to Home Group Scotland, although there is currently no care services in Scotland therefore no HGS Board Members are part of the Committee.. The terms of reference of the Clinical Governance Committee are set out within the Governance Framework.
- The role of the Development Committee also extends to Home Group Scotland. There are no HGS Board Members on this committee because they do not act to HGS. The terms of reference of the Development Committee are set out within the Governance Framework.
- There is an internal, operational Regulatory Compliance Group (RCG) which is responsible for maintaining a strategic view of how compliance with social housing regulators is managed within Home Group, including Home Group Scotland. The RCG provides Home Group with assurance that regulatory compliance is being managed appropriately within the business, however ultimate responsibility sits with the

Boards/Committees. The Director of Scotland sits on the Regulatory Compliance Group.

The Governance Standards contain key requirements which apply across Home Group, including Home Group Scotland, in relation to matters such as:

- Conduct and probity – including Home Group’s Code of Conduct, its policy on gifts and hospitality, payments and benefits, and declarations of interest;
- Anti-fraud, bribery and tax evasion prevention;
- Board member recruitment, appraisal, competency and remuneration;
- Home Group’s Openness Statement;
- Financial principles and regulations;
- Procurement;
- Internal control;
- Confidential reporting (ie Whistle-blowing).

1.3.3 Resolution of disputes

1.3.3.1 It is the intention of the Parties that all disputes arising in relation to matters covered by this Manual should be resolved by discussion between the Parties and that each agrees to act in good faith and use its reasonable endeavours to apply the terms of this Manual without the necessity for implementing the dispute resolution procedures of this paragraph 1.3.3.

1.3.3.2 In the event that the implementation of this dispute resolution procedure becomes necessary, each Party agrees that its Chair and another member of its management board shall meet with a view to resolving any issues of concern and that those persons present at such meeting shall use their reasonable endeavours to resolve the dispute.

1.3.3.3 In the event that no resolution can be reached following the process described above, at the request of either Party, the Home Group Board shall rule on the dispute which ruling shall be binding on Home Group Scotland.

2. BOARD AND COMMITTEE STRUCTURE

Responsibility for the conduct of the business of Home Group Scotland Limited rests with the Home Group Scotland Board. The constitution of the Home Group Scotland Board is set out in: [2.1 Home Group Scotland Board Composition](#)

The Home Group Scotland Board fulfils each of its responsibilities either directly as a board, through delegation to other committees or through delegation to Home Group Scotland's management structure. Those responsibilities which the Home Group Scotland Board fulfils itself are set out in: [2.2 Home Group Scotland Reserved Matters](#)

The Home Group Scotland Board is additionally supported by an Action Committee whose role and responsibilities are set out in: [2.3 Action Committee – Home Group Scotland Board](#)

The role and responsibilities delegated by the Home Group Scotland Board to the management structure of Home Group Scotland are described at: [3. Management Structure – Home Group Scotland](#)

Home Group Scotland is 'chaired' by the Home Group Scotland Chair. The roles and responsibilities of the Home Group Scotland Chair and Vice Chair are set out or referred to in: [2.4 The Role of the Chair](#)

The role and responsibilities of board and committee members generally are set out in: [2.5 The Role of Board or Committee Member](#)

2.1 Home Group Scotland Board Composition

2.1.1 The Home Group Scotland Board is established with a membership of no less than 7 and no more than 15 members as follows:

- Non-executive members appointed by Home Group
- Executive Members appointed by Home Group (parent board members);
- Such appointments are made by Home Group by notice in writing
- Members co-opted by Home Group or by the Board of Home Group Scotland (if applicable)

2.1.2 The Chair of Home Group Scotland also sits on the board of Home Group.

2.1.3 The appointment of the non-executive members of the Home Group Scotland Board are revisited as part of the appraisal process and the Board must be assured that any Board Member who has continuous service on the Board of nine years or more and who is seeking to remain on the Board, is able to demonstrate their continued effectiveness as a Board Member before they may be appointed again (Rule 37.6).

2.1.4 Recruitment of Board Members is open and is based on a Competency Framework to ensure that the right mix of skills and experience on the Board is maintained.

2.1.5 The recruitment process for new Home Group Scotland Board Members will be led by the Home Group Scotland Board (with support from Home Group). The Home Group Scotland Board will recommend potential Board Members to Home Group for approval. Home Group has a right of approval through its Governance Committee, to the admission of members to the Home Group Scotland Board.

2.1.6 Meetings of the Home Group Scotland Board are attended additionally by other members of the Home Group Executive and other senior managers, as required.

2.1.7 Rule 37.1 of Home Group Scotland's Rules imposes an absolute minimum of 7 members and maximum of 15 members (including co-optees and executive members) to the Home Group Scotland Board.

2.1.8 The Home Group Scotland Chair and any Home Group Scotland Vice Chair are selected from the membership of the Home Group Scotland Board. Eligibility and arrangements for the Home Group Scotland Chairmanship and Vice Chairmanship are described in section 2.4.1.

2.1.9 Home Group may appoint up to two Executive Members onto the Home Group Scotland Board through its Governance Committee.

2.1.10 Subject always to Home Group's right to appoint and remove Home Group Scotland Board Members, Home Group may appoint additional Home Group Scotland Board Members, without recommendation from the Home Group Scotland Board, in terms of Section 1.2.

2.2 Home Group Scotland Board Reserved Matters

The list set out below specifies the matters reserved to the Home Group Scotland Board; the level of input into each area from the Home Group Scotland Board, the Home Board, the Business Management Team Scotland and the Executive is set out in the Activity Matrix at point 4:

2.2.1 STRATEGY & PLANNING

- a) Monitoring Home Group Scotland's overall business environment.
- b) Contributing to the formulation of a Group strategy and Group Business Plan.
- c) Setting overall objectives for Home Group Scotland in the context of the development of Home Group Scotland's Business Plan/Operational Plan.
- d) Approving Home Group Scotland's annual Business Plan/Operational Plan, subject to the right to object by the Home Board in terms of this Manual
- e) Reviewing and monitoring the overall risk map for Home Group Scotland, assessing the risk associated with the Business Plan/Operational Plan and considering Home Group Scotland's aggregated levels of risk.
- f) Approving Home Group Scotland's budget and financial forecasts, subject to the approval of Home Group.
- g) Approving any intra-year changes to Home Group Scotland's overall objectives and Business Plan/Operational Plan, subject to the approval of Home Group Ltd.
- h) In accordance with an agreed Policy Framework, recommending to the Home Board any adaptation to Group policies which may be required in order to ensure compliance with the different political, legal and regulatory framework within Scotland.
- i) In accordance with this Governance Manual , and in accordance with an agreed Policy Framework, approving any adaptation of Group policies proposed by Home Group in order to ensure compliance with the different political, legal and regulatory framework within Scotland.

2.2.2 OPERATIONS AND FINANCE

- a) Monitoring Group KPIs applicable to Home Group Scotland set by the Home Board and setting supplemental KPIs for Home Group Scotland, including the outcomes to be achieved in line with the Scottish Social Housing Charter and Regulatory Framework.
- b) Monitoring major incidents and issues which are material to the financial position or reputation of Home Group Scotland.
- c) Monitoring arrangements for communicating and receiving feedback from Home Group Scotland's stakeholders and shareholders.
- d) Monitoring the overall arrangements within Home Group Scotland for customer engagement.
- e) Approving and monitoring the overall arrangements for Home Group Scotland's relationship management with regulators, the Scottish Government and other governmental agencies (as appropriate).
- f) Monitoring, in relation to Home Group Scotland:
 - Standards of customer service
 - The effectiveness of operations, and
 - Performance against the Business Plan/Operational Plan and approved strategic KPI suite

by reference to....

- KPIs
 - Feedback from customers
 - Benchmarking data
 - Outcomes from the Annual Return on the Social Housing Charter and Scottish Housing Regulator Landlord performance reports and Engagement Plan
 - Any reviews by funding bodies
 - Post-completion reviews of development activity, and
 - Such additional reports and information as the Board shall require
- g) Contributing to and approving policies which are specific to Home Group Scotland.
 - h) Monitoring continuous improvement in relation to the Annual Engagement Plan, the Social Housing Charter Outcomes and the Landlord performance reports.

- i) Approving Home Group Scotland's preparations for, and submission of the Scottish Social Housing Regulator's Charter Return (ARC) and other Regulatory Returns such as the Annual Assurance Statement.
- j) Subject to Development Investment Panel and Asset Investment Panel approval, giving 'in principle' approval (based on a high level review of strategic fit, risk profile, financial implications, design quality and social and environmental performance) and 'full approval' (based on a detailed review) to new business initiatives e.g. new services/projects, housing developments including multi-phase developments, regeneration schemes (including demolitions), stock transfers, acquisition of properties or acquisition of existing businesses.
- k) Approving new business initiatives which have an impact on the legal structure of Home Group Scotland or the structure or composition of any board/committee. (NB any group structure change/potential merger with/acquisition of another organisation also requires the approval of the Home Board).
- l) Approving all disposals (and schemes of disposal) of property/land owned by Home Group Scotland.

All disposals will be managed in accordance with the [SHR's Notifiable Events Guidance](#).

- m) Recommending, subject to final approval by the Home Board:
 - The completion of, or extension of, any loan facility, bond issue or similar arrangement through which Home Group Scotland raises funds and any material variation thereto,
 - The early redemption of such an arrangement.
- n) Approval of Home Group Scotland's annual report and financial statements and ensuring that they are submitted to Home Group Scotland's Annual General Meeting.
- o) Approving Home Group Scotland's annual rent proposals for consultation with tenants and final annual rent decision.
- p) Receiving and noting minutes of the Home Group Scotland Action Committee and Home Group's Board/Committee meetings.

2.2.3 GOVERNANCE AND INTERNAL CONTROL

- a) Ensuring that Home Group Scotland operates within the law and according to its Rules and procedures, and meets the standards laid down by the Scottish Housing Regulator and other regulatory bodies.

- b) Approving Home Group Scotland's Governance Manual and any material variation.
- c) Approving any variation to the Rules of Home Group Scotland, subject to the approval of Home Group and a duly convened Special General Meeting of Home Group Scotland.
- d) Ensuring that the terms of this Manual are complied with and approving any variation to this Manual, in conjunction with the Home Group Board.
- e) Reviewing how Home Group Scotland follows the recommendations of the Code of Conduct for Governing Body Members published by the National Housing Federation and where relevant the Scottish Federation of Housing Associations from time to time.
- f) Establishing the required reporting framework to the Home Group Scotland Board.
- g) In relation to Home Group's internal control framework (summarised within the Governance Standards document):
 - Being satisfied (by Home Group's Audit Committee) that there is a sufficient and systematic review of internal control arrangements;
 - Considering any weaknesses or matters of particular concern reported to the board, and
 - Approving the Home Group Scotland board's annual statement on internal control.
- h) Monitoring Home Group Scotland's overall arrangements to provide assurance of legal compliance.
- i) Approving Home Group Scotland's Annual Return on the Charter (ARC) to the Scottish Housing Regulator.
- j) Approving Home Group Scotland's Annual Assurance Statement to the Scottish Housing Regulator.
- k) Monitoring Home Group Scotland's overall approach to non-contractual payments and benefits, including approving any relevant payments & benefits, in accordance with Home Group's Policy and where relevant the Regulatory Framework and guidance issued by the Scottish Housing Regulator.
- l) Gaining assurance that an effective and appropriate risk management system is established across Home Group Scotland.

- m) Monitoring submission and management of notifiable events to the Scottish Housing Regulator which must be submitted in line with the [Notifiable Events Procedure](#)
- n) Approving:
- New Home Group Scotland Board Members (subject to Home Group's Governance Committee approval), and
 - The appointment of co-optees (subject to Home Group's Governance Committee approval) save where co-optees are appointed by Home Group.
- o) Involvement, via the Chair of Home Group Scotland, in the appointment and dismissal of:
- the Director of Scotland;
 - any Home Group Scotland Company Secretary.
- p) Approving, in accordance with the Rules of Home Group Scotland, the appointment of the Chair and any Vice Chair (subject to the approval of Home Group Board, and its Governance and People Committee for the Chair and the Governance and People Committee for the Vice Chair).
- q) Monitoring Board member entries in Home Group Scotland's Register of Interests and considering any action required in respect of any declaration.
- r) Approval of the use of the Home Group Scotland seal.

2.2.4 ACTIVITY MATRIX RELATING TO HOME GROUP SCOTLAND BOARD RESERVED MATTERS

A = Approval
R = Recommendation
C = Consultation
M = Monitoring

	ACTIVITY	Home Group Scotland Board input	Home Board input	Business Management Team Scotland Input ¹	Executive Team Input ¹
2.2.1 Strategy and Planning					
a)	Monitoring the overall business environment in Scotland	M		M	M
b)	Group Strategy & Group Business Plan	C	A	C	R
c)	Objectives for Home Group Scotland	A	A	R	C

	ACTIVITY	Home Group Scotland Board input	Home Board input	Business Management Team Scotland Input ¹	Executive Team Input ¹
d)	Home Group Scotland's Business Plan/Operational Plan	A	A	R	C
e)	Risk map for Home Group Scotland	M		R	C
f)	Home Group Scotland's budget and financial forecasts	A	A	R	C
g)	Mid-year changes to Home Group Scotland's objectives and Operational Plan	A	A	R	C
h)	Group policies	C	A	R	R
i)	Adaptations to Group policies in respect of the Scottish context	R	A	R	C
2.2.2 Operations and Finance					
a)	Monitoring KPIs applicable to Scotland	M	M	M	M
a)	Setting supplemental specific KPIs for Home Group Scotland	A		R	R
b)	Monitoring major incidents in Scotland	M		M	M
c)	Monitoring arrangements for communicating with stakeholders & shareholders	M		M	M
d)	Customer arrangements in Scotland	M		M	C
e)	Approving and monitoring the overall arrangements for Home Group Scotland's relationship management with regulators, the Scottish Government and other governmental agencies (as appropriate)	A		R	C
f)	Monitoring performance against the Operational Plan	M		M	M
g)	Operational policies specific to Home Group Scotland	A		R	C
h)	Monitoring continuous improvement	M		M	M
i)	Responding to the Regulator's investigation	A	M	R	R
i)	Giving approval to new business initiatives.	A	A	R	A ²
j)	Approving new business initiatives which have an impact on the legal structure of Home Group Scotland etc	A	A	R	A ²
k)	Approving disposals of Home Group Scotland owned property/land	A		R	A ³

	ACTIVITY	Home Group Scotland Board input	Home Board input	Business Management Team Scotland Input ¹	Executive Team Input ¹
l)	Loan facility or other arrangements through which Home Group Scotland raises funds and any material variation thereto and early redemption of such arrangements	R	A	C	R
m)	Home Group Scotland's Annual Accounts	A		R	C
n)	Approving Home Group Scotland's annual rent proposals for consultation with tenants and annual rent increase	A		R	C
o)	Receiving and noting minutes of the Home Group Scotland Action Committee etc	M			
2.2.3 Governance and Internal Control					
a)	Operating within the law, its Rules & Standards laid down by the SHR	M		M	C
b)	Variation to Home Group Scotland's Governance Manual	A	A	R	C
c)	Variation to Home Group Scotland's Rules	A	A	R	C
d)	Reviewing compliance with the NHF Code of Conduct	M		M	C
e)	Establishing the Home Group Scotland Board Reporting Framework	A		R	
f)	Assurance of internal control arrangements	A		R	C
g)	Legal compliance	A		M	
h)	Approving the Annual Return on the Charter	A		R	C
i)	Approving the Annual Assurance Statement to the SHR	A		R	C
j)	Approving non-contractual payments & benefits in accordance with Home Group's Policy	A		R	
k)	Assurance of risk management arrangements	M		M	M
l)	Admission to shareholding membership of Home Group Scotland	R	A		
m)	Appointment of Home Group Scotland Board Members	R	A		
n)	Appointment and dismissal of Director of Scotland	C			A

	ACTIVITY	Home Group Scotland Board input	Home Board input	Business Management Team Scotland Input ¹	Executive Team Input ¹
o)	Appointment and dismissal of Home Group Company Secretary	C	A		A ⁴
p)	Appointment of the Home Group Scotland Chair and Vice Chair	A	A		
q)	Monitoring Board member entries in Home Group Scotland's Register of Interests and considering any action required in respect of any declaration	M		C	
r)	Approval of the use of the Home Group Scotland seal	A		R	
s)	Approving the Governance Effectiveness Plan for Home Group Scotland developed through the Assurance Self Assessment.	A		R	C
t)	Submission of notifiable events to the Scottish Housing Regulator	M		R	A

Notes:

¹ Input from the Business Management Team Scotland and from the Executive Team including reference both to collective input or to individual input from the Business Manager/Executive Director with responsibility for the area concerned.

² Development Investment Panel

³ Asset Investment Panel

⁴ In accordance with Home Group's employment policies

2.3 Action Committee – Home Group Scotland Board

2.3.1 ROLE

- a) The role of the Home Group Scotland Board's Action Committee is to act on the Home Group Scotland Board's behalf in relation to matters requiring an express authorisation of the Home Group Scotland Board which are not otherwise covered by delegated authority in the event that a decision of the board is required between scheduled board meetings and the decision cannot reasonably await the next scheduled board meeting.

2.3.2 CONSTITUTION

- a) An Action Committee of the Home Group Scotland Board is normally made up of three Home Group Scotland Board members. The Home Group Scotland Chair and if a Home Group Scotland Vice Chair is appointed, the Home Group Scotland Vice Chair, should ordinarily be included in the composition of the committee if they are available, but the unavailability of the Home Group Scotland Chair and any Home Group Scotland Vice Chair would not preclude an Action Committee being constituted. The other members of the committee are selected having regard to the nature of the business to be conducted and their availability, save in the circumstances described in paragraph c) below.
- b) The business of the committee is handled principally through correspondence with issues or questions being raised via email, in writing or by telephone, save in the circumstances described in paragraph c) below.
- c) The person convening a committee meeting or any member of the Home Group Scotland Board, if they consider that the business to be conducted by the committee is of exceptional significance, is entitled to require that:
 - All available members of the Home Group Scotland Board are invited to join the committee, the minimum committee membership being three;
 - Papers regarding the business to be conducted are circulated to all members of the Home Group Scotland Board, and
 - A meeting in person and/or videoconference and/or a telephone conference is offered to members of the committee if approval via email is not deemed appropriate for the subject matter. Email approval is the preference.
- d) All members of the Home Group Scotland Board are given as much advance notice as is practicable of the likely need to convene a

committee. The initial notification of the likely need to convene a committee includes a brief summary of the nature of the business to be conducted and an indication of whether the person convening the meeting is treating the business to be conducted as being of exceptional significance in accordance with paragraph c) above.

- e) A committee may then be convened with or without written notice. The Home Group Scotland Chair, the Director of Scotland or the Company Secretary may give the advanced notice referred to above and proceed to convene a committee meeting.
- f) A Resolution approved in writing (including approvals notified by e-mail) by all of the members of the committee is as valid and effective as if it had been passed at a meeting of the committee. The decision of the committee shall not be invalidated if:
 - The business is treated as being of exceptional significance in accordance with paragraph c) above and a board member who was unavailable to participate in the committee becomes available after the decision is reached, or
 - The business is not treated as being of exceptional significance in the context of paragraph c) and, after the decision is reached, notice is received by the person convening the meeting that a board member required it to be treated as exceptional.

2.3.3 TERMS OF REFERENCE

- a) The responsibilities of a properly constituted Action Committee of the Home Group Scotland Board, acting in accordance with its defined role, are equivalent to the responsibilities of the Home Group Scotland Board.

2.3.4. ACCOUNTABILITY

- a) An Action Committee of the Home Group Scotland Board is accountable to the Home Group Scotland Board for the fulfilment of its Terms of Reference. Committee members have responsibilities to the organisation in their capacity as committee members which are set out at in section 2.5.
- b) All decisions of the Home Group Scotland Board's Action Committee are reported to the Home Group Scotland Board at the following meeting.

2.3.5 AUTHORITY

- a) The authority delegated by the Home Group Scotland Board to a duly constituted Action Committee of the Home Group Scotland Board acting in accordance with its defined role and Terms of Reference is equivalent to the authority of the Home Group Scotland Board itself.

2.4 The Role of the Chair

2.4.1 HOME GROUP SCOTLAND CHAIR & VICE CHAIR

- a) One of the non-executive members of the Home Group Scotland Board is appointed by Home Group Scotland Board to the position of Home Group Scotland Chair, subject to the prior written approval of Home Group Board. Provided he/she is happy to do so, the Home Group Scotland Chair holds office continuously for no more than five years. At the end of their five year term the Chair is expected to stand down from both the Chair and as a member of the Home Group Scotland Board. If a Home Group Scotland Chair stands down part way through his or her period of service the Home Group Scotland Board may appoint another member of the Home Group Scotland Board to serve, subject to the prior written approval of Home Group Board.
- b) A Home Group Scotland Vice Chair may be appointed from amongst the non-executive members of the Home Group Scotland Board through a process of appointment equivalent to that applicable to the Home Group Scotland Chair.
- c) The Home Group Scotland Chair also serves as a shareholding member of the Home Group Board for the duration of their chairmanship. The Vice Chair holds a share in Home Group Limited but does not sit on the Home Group Board.
- d) The Home Group Scotland Chair is expected to demonstrate and support the principles of good governance at all times and is responsible for ensuring that the business of the Home Group Scotland Board is conducted in an efficient and effective manner. This includes setting the Board's agenda, chairing all Home Group Scotland Board meetings in an orderly manner and, with the support of the Company Secretary, ensuring that:
- Resolutions and amendments are put according to established procedures,
 - All rules are adhered to,
 - Sufficient time is allocated to each item of business, in particular strategic issues,
 - Support is provided to board members by promoting access to relevant induction, training and development opportunities,

- All Home Group Scotland Board members are given an opportunity to express their views before any decision is made and that appropriate standards of conduct and behaviour are maintained in accordance with the Code of Conduct, and
 - The organisation provides appropriate role profiles and competency frameworks for all Board members.
- e) The Home Group Scotland Chair is expected to develop a constructive relationship with and between Home Group Scotland Board members. In practice, this means ensuring that the workload of the Home Group Scotland Board is evenly distributed between its members and that sufficient authority is delegated by the Home Group Scotland Board to enable business to be carried on effectively between meetings of the Board; and also ensuring that the Board monitors the use of these delegated powers. Where authority is delegated, arrangements exist to ensure that material decisions are reported and monitored.
- f) The Home Group Scotland Chair is responsible for ensuring that the Home Group Scotland Board obtains professional advice when it is needed, either from its senior staff or from external sources, and must review the composition of the Home Group Scotland Board in relation to diversity, skills and experience and the need for new members.
- g) As the main link between the Home Group Scotland Board and the Director of Scotland, the Home Group Scotland Chair is expected to establish a constructive working relationship with the Director of Scotland and ensure that their respective roles of leading and managing are recognised and promoted effectively.
- h) The Home Group Scotland Chair is responsible for the annual appraisal of members of the Home Group Scotland Board. The appraisal policy is set out within the Governance Standards document.
- i) The Home Group Scotland Chair chairs:
- Home Group Scotland's Annual General Meeting and any Special General Meeting,
 - Ordinarily, the Action Committee of the Home Group Scotland Board.
- j) The Home Group Scotland Chair should ensure that the conduct of Home Group Scotland's governance continues effectively between meetings of the Home Group Scotland board and act under delegated or emergency authority when necessary.
- k) The Home Group Scotland Chair is a representative of Home Group Scotland. This includes representing Home Group Scotland at meetings with key business partners, representatives of Regulators and Members of Parliament.

l) The role of any Home Group Scotland Vice Chair is to:

- deputise for and support the Home Group Scotland Chair from time to time at his/her invitation in relation to some or all of the Home Group Scotland Chair's responsibilities to ensure the effectiveness of the Home Group Scotland Board;
- feed into the appraisal of the Chair
- volunteer to be Chair in the absence of the Chair, subject to the approval of the other Home Group Scotland Board Members

m) The role and responsibilities of the Home Group Scotland Chair and any Vice Chair described above are additional to the responsibilities fulfilled by them in their capacity as board members as set out in:

2.5 The Role of Board or Committee Member

2.5.1 Members of the Home Group Scotland Board are required to sign, upon their appointment, a service agreement in a form approved by the Home Group Scotland Board from time to time and Home Group Scotland's Code of Conduct for Governing Body Members. Board members are expected to comply with the Scottish Housing Regulator's Regulatory Standards of Governance and Financial Management and all other requirements or guidance set by SHR in connection from time to time in connection with the conduct and behaviour of board members of an RSL.

2.5.2 The responsibilities of Home Group Scotland Board members are additionally set out below:

- a) **Leadership:** you should share with colleagues on the Board accountability for fulfilling the terms of reference of the Board. This includes upholding the values and objectives and policies of Home Group Scotland;
- b) **Strategy:** you should contribute to the formulation of Home Group Scotland's strategy and objectives and should support and engage in the development of the business plan for Home Group Scotland;
- c) **Performance:** you should scrutinise the performance of Home Group Scotland in meeting agreed goals and objectives and key performance indicators;
- d) **Risk:** you should satisfy yourself that information is accurate and that controls and systems of risk management are robust and defensible;
- e) **Legal:** you should satisfy yourself that Home Group Scotland's overall arrangements to provide assurance of compliance with legal and regulatory requirements are adequate. You should take personal responsibility for demonstrating high standards of governance, complying with Home Group's Governance Framework and Governance Standards, and contribute to the development and maintenance of high

standards within Home Group Scotland. You should ensure that the activities of Home Group Scotland fall within the permitted objects of Home Group Scotland and are exercised in accordance with its powers and use your powers solely for the purpose for which they are conferred on you. You acknowledge that you have the same legal responsibilities to Home Group Scotland as any other Board member.

- f) **Personal Development and Personal Skills:** you should prepare for, attend and participate in board meetings and development away days and contribute effectively to discussions and decision making. You should keep yourself up to date about the key challenges and risks faced by Home Group Scotland, particularly in areas where you are able to contribute specialist expertise and experience. You should participate in board development activities and training sessions. You should attend and participate in reviews linked to individual performance or to that of the whole Board.
- g) **Representation:** you should work to enhance the reputation and image of Home Group Scotland at both internal and external events.
- h) **Standard of Care:** you should contribute to and share collective responsibility for the Board's decisions, including its duty to exercise reasonable care, skill and independent judgement. All board members are equally responsible in law for the decisions made.
- i) **Conduct and Probity:** you must always act only in the best interests of Home Group Scotland and its customers and not on behalf of any interest group, constituency or other organisation. You should declare any relevant interests and avoid conflicts of interest. You should uphold the Code of Conduct set out in Home Group's Governance Standards, together with the National Housing Federation's Code of Conduct and the Scottish Federation of Housing Association's Model Code of Conduct, as applicable.
- j) **Valuing Diversity:** you should uphold and promote the principles of Equality and Diversity in carrying out all of your duties as a non-executive director.
- k) **Confidentiality:** you should respect and maintain confidentiality of information.

2.5.3 Members of the Action Committee of the Home Group Scotland Board are required, in addition to fulfilling their responsibilities as a board member to:

- a) Be committed to fulfilling the committee's terms of reference and to collective responsibility for decisions and recommendations of the committee;
- b) Prepare for, attend and participate in committee meetings, keeping up to date in areas relevant to the committee, particularly those areas in which the member can contribute specialist expertise and experience;
- c) Comply in the context of the committee with Home Group Scotland's requirements concerning conduct and probity as set out in the Governance Standards; and

- d) Act reasonably and prudently always bearing in mind the interest of Home Group Scotland and exercise reasonable care, skill and independent judgement.

3. MANAGEMENT STRUCTURE – HOME GROUP SCOTLAND

The responsibilities of the Director of Scotland are summarised at:

[3.1 The Role of the Director of Scotland](#)

The role of the Company Secretary is set out at:

[3.2 The Role of the Company Secretary](#)

The role of the Business Management Team Scotland is set out at:

[3.3 Business Management Team Scotland](#)

The authority delegated by the Home Group Scotland Board to the Director of Scotland, managers and colleagues within Home Group Scotland, including authority which may be exercised by colleagues providing Group functions on Home Group Scotland's behalf, is defined at:

[3.4 Authorities – Home Group Scotland](#)

3.1 The Role of the Director of Scotland

3.1.1 The Director of Scotland is responsible to the Home Group Scotland Board for the overall management of Home Group Scotland's business. The Director of Scotland is appointed by Home Group, with involvement of the Home Group Scotland Chair, and reports to the Executive Director – Customer and Communities and the Home Group Scotland Board.

3.2.2 The core responsibilities of the Director of Scotland are as follows:

- a) Leading and co-ordinating the development and delivery of the Home Group Scotland Business Plan/Operational Plan, in accordance with the provisions of this Manual;
- b) Monitoring the delivery of the Home Group Scotland Business Plan/Operational Plan, and reporting to the Board thereon;
- c) Managing the affairs of Home Group Scotland in accordance with Home Group's mission and values, Home Group Strategy, the Home Group Business Plan, Home Group Policies, Home Group Scotland Business Plan/Operational Plan and budget, and the specific decisions of the Board, acting at all times in the best interests of Home Group Scotland;
- d) Leading and coordinating the activities of the Business Management Team Scotland, and in particular;
- e) Ensuring that the day to day activities of members of the Business Management Team Scotland have an appropriate Home Group Scotland

focus, having regard to the requirements of this Manual and the Home Group Scotland Business Plan/Operational Plan;

- f) Determining the agenda for, and the arrangements for chairing, meetings of the Business Management Team Scotland;
- g) Liaising with Executive Directors of Home Group to ensure that appropriate arrangements are in place for the provision of resource from Home Group to support the activities of Home Group Scotland, as required under this Manual;
- h) Leading on strategic and operational matters in respect of Home Group Scotland in conjunction with Home Group, including assisting and advising the Home Group Scotland Board in the preparation of the Group Strategy and Business Plan;
- i) Recommending any adaptation to Group Policies which may be required in order to ensure compliance with the different political, legal and regulatory framework which operates within Scotland;
- j) Ensuring that relationships between senior colleagues and the Board are positive and focus on the business of Home Group Scotland;
- k) Ensuring that proper systems of financial control, risk assessment and management and legal and regulatory compliance are established and maintained and that regular reports on these are provided, at least annually, to the Board; and
- l) Acting as an ambassador for Home Group Scotland, including cultivating good working relationships with key local authorities and other stakeholders and developing wider extended networks.

3.2 The Role of the Company Secretary

3.2.1 The core responsibilities of the Company Secretary, acting with the support of relevant colleagues are as follows:

- a) Monitoring the operation of meetings of the Board and company secretarial functions to ensure that Home Group Scotland operates within its Rules and in accordance with relevant legal and regulatory requirements;
- b) Co-ordinating an annual review of Home Group Scotland's Governance Arrangements;

- c) Monitoring organisational compliance with the requirements of this Manual, and reporting thereon to the Home Group Scotland Board in the annual review of Home Group Scotland's Governance Arrangements;
- d) Leading on behalf of Home Group Scotland in relation to the resolution of any differences which may arise with Home Group in relation to this Manual, and liaising thereon with the Home Group Scotland Chair as appropriate, in accordance with the provisions of this Manual;
- e) Scheduling meetings of the Board, assisting with the preparation of agendas, providing guidance on board paper content, ensuring timely delivery of papers, recording board decisions clearly and accurately pursuing follow up actions and reporting on matters arising;
- f) Drawing the Board's attention to matters it should consider and decide and supporting the Chair to ensure that the business of the Board is properly conducted;
- g) Ensuring that the Board receives the information necessary to perform its duties and in particular, that the Board receives advice on matters covering compliance with its Rules, the law and the need to remain solvent;
- h) Keeping and maintaining registers of shareholders, board members, declarations of interest and the seals register and being responsible for taking an annual report to the Home Group Scotland board on gifts and hospitality received during the year;
- i) Responsibility for custody and use of the Home Group Scotland Company Seal;
- j) Building board member induction programmes, which provide a full, formal and tailored introduction to the business and helping develop and support board performance evaluations which are tailored to Home Group Scotland's particular needs;
- k) Preparing and sending all necessary reports to the Scottish Housing Regulator, the FCA and other regulatory bodies;
- l) Responsibility for monitoring Home Group Scotland's relationship with the Scottish Housing Regulator;
- m) In the context of the Home Group Scotland Governance Manual, determining interim issues (for example temporary authority levels for new roles) pending updates being brought to the Home Group Scotland Board; and
- n) Ensuring that appropriate arrangements are established with Home Group for the provision of appropriate company secretarial support and advice to Home Group Scotland.

3.3 Business Management Team Scotland

3.3.1 The Business Management Team Scotland comprises the members of Home Group's Business Management Team with functional responsibility for activity within Home Group Scotland.

Responsibility for leading and co-ordinating the activities of the Business Management Team Scotland is vested in the Director of Scotland, who is also responsible for determining the agenda for, determining appropriate attendance, and the arrangements for chairing, meetings of the Business Management Team Scotland.

Line Management of the individual members of the Business Management Team Scotland is undertaken by the member of the Home Group Senior Management Team to whom they report. In this respect, the Director of Scotland liaises with the relevant Senior Management Team member as required, in order to ensure that the day to day activities of the Business Management Team member have an appropriate Home Group Scotland focus.

3.3.2 The Role of the Business Management Team Scotland is:

- a) Under the guidance of the Director of Scotland, to drive forward the business conducted within Home Group Scotland;
 - Contributing to the Group Strategy and Business Plan and the establishment of the Group's overall objectives,
 - Engaging in strategic issues facing Home Group Scotland, and
 - Developing the Home Group Scotland Business Plan/Operational Plan.
- b) To oversee the performance of Home Group Scotland, developing and monitoring performance against KPIs;
- c) To consider and engage with the views of customers pursuant to the customer involvement strategy;
- d) To analyse external evidence of Home Group Scotland's performance, including customer and/or stakeholder surveys, benchmarking data, any reviews by funding bodies and Scottish Housing Regulator feedback or request for information;
- e) To seek to maximise the benefit of synergies across Home Group;
- f) To help develop the approach to risk for Home Group Scotland and to monitor the management of risks which are material to Home Group Scotland;

- g) To oversee relationships with registration and regulatory authorities specific to Home Group Scotland;
- h) To determine issues falling within the individual responsibility of Business Management Team Scotland members which are material to Home Group Scotland as a whole;
- i) To establish and set terms of reference for forums, project boards, steering and working groups where these are required on a permanent basis or in connection with a particular initiative to address issues which are specific to Home Group Scotland.

3.3.3 The Business Management Team Scotland is required to fulfil its role:

- a) Having regard to the specific roles and responsibilities of the Board and Action committee of Home Group Scotland and the matters reserved by the Home Group Scotland Board to itself all of which are described at:

[2.2 Home Group Scotland Board Reserved Matters](#)

- b) Within the parameters of the authority delegated by the Home Group Scotland Board to members of the Business Management Team Scotland defined at:

[3.5 Authorities – Home Group Scotland](#)

3.3.4. The Business Management Team Scotland operates under the guidance of the Director of Scotland. The Director of Scotland also determines from time to time the extent to which the Business Management Team can act in his/her absence and in the absence of other members.

3.4 Authorities – Home Group Scotland

3.4.1 STATEMENT OF AUTHORITY

- a) The Director of Scotland, managers and colleagues working within Home Group Scotland have full authority to carry out the activities which fall within, and are consistent with, the remit of their role (as detailed in their job description) and which are necessary to enable them to fulfil their role,
 - In conformity with the decision making and policy frameworks (section 3.4.2 below),
 - Adhering to expenditure limits, (section 3.4.3 below), and
 - Subject to certain exceptions (section 3.4.4 below).

3.4.2 DECISION MAKING AND POLICY FRAMEWORKS

- a) Working ‘in conformity with the decision making and policy frameworks’ means:

- Complying with decisions and directions of the following – acting within their authority:
 - Line managers,
 - Managers/directors with greater authority within the executive/management structure,
 - The Business Management Team Scotland and the Executive Team,
 - The terms of any relevant Gateway/Investment Panel approvals,
 - Boards and committees (see Governance Framework document), and
- b) Adhering to applicable Home Group and Home Group Scotland policies and procedures, for example housing management policies, Home Group's construction and procurement requirements, Home Group's Gateway Process and the requirements set out in the Governance Standards document.

3.4.3 INCURRING EXPENDITURE

- a) Where activities undertaken by a colleague involve the commitment of expenditure on behalf of Home Group Scotland, the expenditure:
 - Must accord with the Business Plan and budgetary parameters set by the Home Group Scotland Board; and
 - Must not exceed the expenditure limit attaching to the post of the colleague approving the expenditure (unless this is specifically permitted by one of the exceptions set out in section 3.5.4 below); and
 - Must be approved beforehand by the manager of the person who requests the proposed expenditure or, in their absence, by an appropriate Business Manager, Senior Manager or Executive member.
- b) The expenditure limits applicable to colleagues, approving activity on behalf of Home Group Scotland are set out in the groups [Delegated Authorities](#).
- c) The Home Group Scotland Company Secretary is authorised to acknowledge/confirm that where job titles change or where new posts are created within Home Group Scotland, the delegated authorities attaching to similar existing posts with equivalent levels of authority will also attach to the new posts or job titles.

3.5.4 EXCEPTIONS

- a) Certain matters are 'reserved' either because they fall within the remit of boards and committees or because special considerations apply.
- b) Matters reserved to the Home Board or falling within the remit of the Audit Committee, the Governance and People Committee, the Health & Safety Governance Committee, the Development Committee or the

Clinical Governance Committee are set out within the Governance Framework document.

- c) Matters reserved to the Home Group Scotland Board are set out within section 2.2.
- d) The areas in which special considerations apply are set out in the groups [Delegated Authorities](#).

VERSION CONTROL

Version	Comments	Review Date	Signature
1	Operational Manual renamed to Governance Manual, removing the need for a separate Joint Arrangement Deed between Home Group and Home Group Scotland. Review completed to bring new Manual into line with new name (Home Group Scotland rather than Home Group) and updated rules. Both due to be approved in September 2025.	June 2025	Bryony Willett