



**POPLAR HOUSING AND REGENERATION
COMMUNITY ASSOCIATION LIMITED
(POPLAR HARCA)**

TERMS OF REFERENCE

23rd February 2018

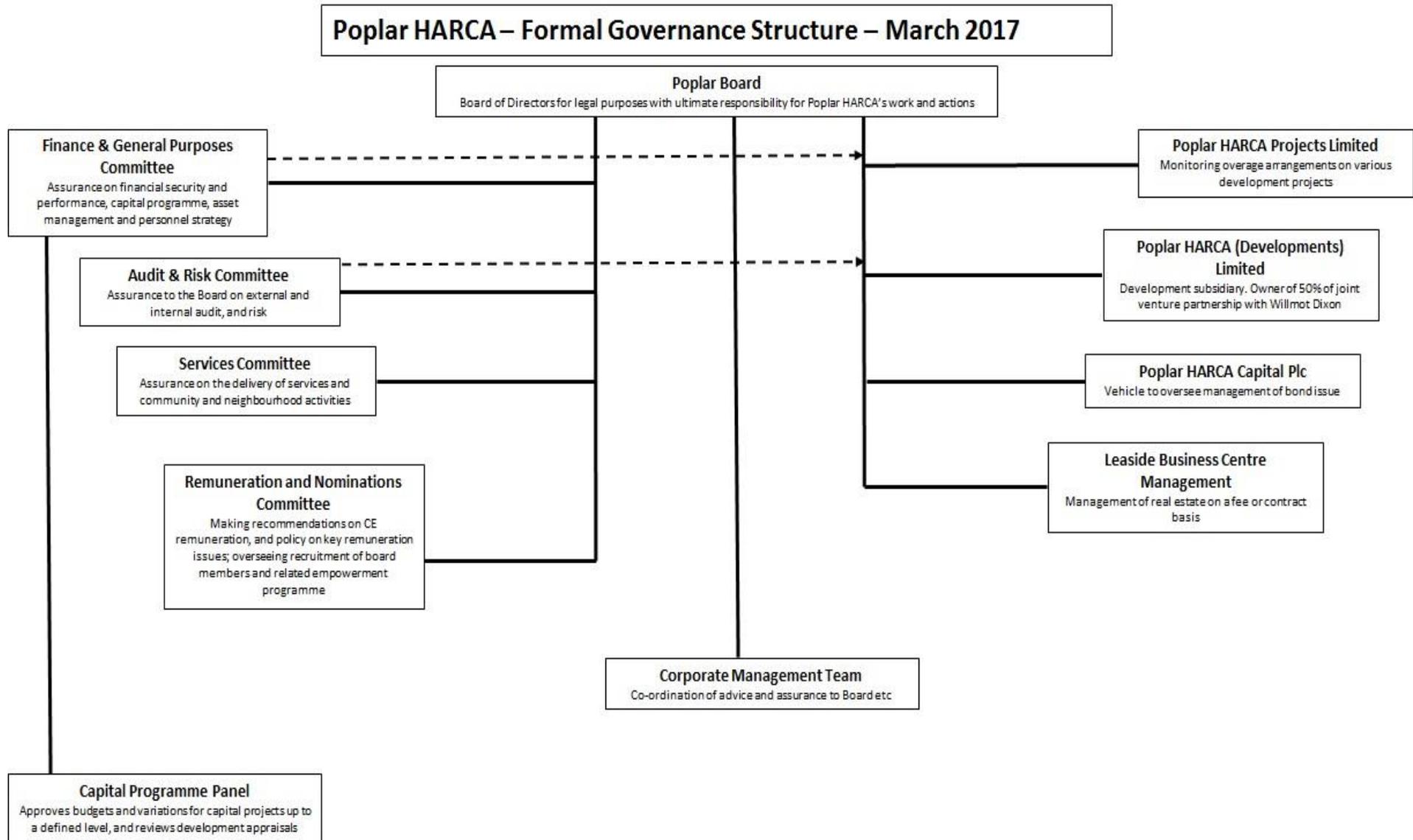
1. Terms of Reference

- 1.1. This section comprises the Terms of Reference for Poplar Board, Committees, Panels and other groups that form Poplar HARCA's formal governance structure.
- 1.2. Legal responsibility for Poplar HARCA rests with Poplar Board. However, it is desirable and necessary for Poplar Board either to delegate authority to take certain decisions to, or to seek the views of, other bodies whose Members may or may not be the Board Members.
- 1.3. These reasons are as follows:
 - a. Poplar HARCA is a large organisation with diverse activities, so the Board cannot look in depth at every issue that requires a decision.
 - b. Poplar HARCA wants to provide a wide range of opportunities for residents (and in some cases other people or organisations within the community) to influence decisions.
 - c. Poplar HARCA believes that, wherever appropriate, decisions are best informed by the people closest to the issues. If a decision has major financial or other implications for Poplar HARCA, the Board has to have the final say, but the governance structure ensures it does so with the best information possible.
 - d. Poplar HARCA is a large organisation, its management is therefore based on a system of 'assurance'. This means that the people responsible for managing each function have to devise ways of making sure Poplar HARCA's aims, policies and procedures are followed without having to check every action of the people they manage. Similarly, the Board has to work on the basis of receiving 'reasonable assurance' that the information on which it bases its decisions and takes a view of the organisation's performance is sound. The Boards and other groups that report to the Board also need to gain assurance in this way, as well as providing assurance to the Board.
- 1.4. The purpose of these Terms of Reference is therefore to:
 - a. Describe the overall purpose of each Board, Panel or other group
 - b. List the areas of work (functions) for which it is responsible.
 - c. Define the decisions (if any) that the Board delegates to it and the areas where it makes recommendations to the Board.
 - d. Specifies its assurance role in both directions – what assurance it seeks and which it provides to the Board or other groups within the structure.
- 1.5. Where the term 'seek assurance' is used, this means 'reasonable assurance' given the significance and uniqueness of the risk. The Board may gain assurance by:
 - a. being able to refer to Poplar HARCA's experience of the results of similar previous decisions, or historic or current performance;
 - b. benchmarking information, comparing Poplar HARCA's performance with other similar organisations;

- c. where a decision is in a new area of business or on a new issue for Poplar HARCA, information about other Registered Providers or similar organisations;
- d. where a decision is high risk or unusual, through external advice or validation of executives' recommendations including seeking legal or audit advice;
- e. through requiring consultation of residents or other stakeholders.

- 1.6. It is a key role of executives, and particularly the Corporate Management Team, to facilitate the process of assurance. The Audit and Risk Committee oversees a systematic process of internal audit based on the risks identified in Poplar HARCA's risk map. Other Boards and Committees contribute to risk management by reviewing and commenting on risks in their remit.
- 1.7. The Terms of Reference provide a broad framework for delegation but not (for example) the specific levels of spending which different individuals or groups can agree. These are contained within Poplar HARCA's Standing Orders and Delegated Authorities and Financial Regulations which also define the authority delegated to Members of the Corporate Management Team individually and collectively.
- 1.8. Where the term 'Board' is used in these Terms of Reference, this refers to Poplar Board, or any Committee, Panel, or other group within Poplar HARCA's formal governance structure unless otherwise stated.
- 1.9. As noted, the Board has legal responsibility for Poplar HARCA, its work and the actions taken in its name. Therefore, the Board has the right to review any decision made even if that has been made within the delegated scheme of authority. The Chair of Poplar Board has the right to refer any such decision to the Board for review and, until that review has taken place, no binding action must be taken.

2. Summary of Poplar HARCA's Formal Governance Structure



This table provides a summary of Poplar HARCA's formal governance and Terms of Reference structure:

	Role/Function	Reports to	Membership	Quorum
Board	The company's Board of Directors for legal purposes, with responsibility for Poplar HARCA's work and actions.	The Members of Poplar HARCA, held accountable in law and by regulators	12 Members, plus a maximum of 2 co-optees	5 Members
Finance & General Purposes Committee	Standing Board overseeing and providing assurance to the Board on Poplar HARCA's financial security and performance, major financial and development commitments (including borrowing strategy), capital programme, asset management, and personnel policy.	Board	9 Members, plus a maximum of 2 co-optees Minimum 3 Poplar Board Members	3 Members, including at least 1 Board Member
Services Committee	Standing Board overseeing and providing assurance to Board on Poplar HARCA's delivery of services to residents, and community and neighbourhood activities.	Board	11 Members, plus a maximum of 2 co-optees Minimum 3 Poplar Board Members	3 Members, including at least 1 Board Member
Audit & Risk Committee	Standing Board overseeing and providing assurance to the Board on external and internal audit, and risk management. Direct access to internal and internal auditors and authority to agree internal audit programme commission ad hoc audit reviews.	Board	5 Members, plus a maximum of 2 co-optees Minimum 1 Poplar HARCA Board Member who should be the Chair At least 2 Members must not be Poplar Board Members; one of whom must not be involved in any other part of Poplar HARCA's governance	3 Members, including at least 1 Board Member
Remuneration and Nominations Committee	Overseeing strategic remuneration policy, making recommendations for Chief Executive's remuneration and overseeing the Chief Executive appraisal process.	Board	4 Members, all Poplar Board Members and appointed by Poplar Board Chair of the Board. Chair must not be Poplar Board's Chair and Vice Chair	2 Members
Corporate Management Team	Mechanism by which the Chief Executive ensures co-ordination and effective performance management of Poplar HARCA's work, seeks to reach collective agreed advice to the Board and facilitate the process of	Individual CMT Members report to the Chief Executive; the Chief Executive reports to Board	Chief Executive; Directors of Communities & Neighbourhoods, Development, Finance, Housing, and Technical Resources	

	Role/Function	Reports to	Membership	Quorum
	providing the Board and Committees with the necessary assurance.			
Poplar HARCA (Developments)	Development subsidiary. Owner of 50% of LLP with Willmot Dixon.	Board	Chair of Poplar Board, 1 Board or Committee Member and 1 executive	2 Members
Poplar HARCA Projects	Subsidiary in receipt of development overages which are then passed to Poplar HARCA Ltd as gift aid. Owner of 50% LLP with St Leonard's Developments Ltd.	Board	Chair of Poplar Board, 1 Board or Committee Member and 1 executive	2 Members
Poplar HARCA Capital Plc	Plc to issue bond	Board	Board Chair, Chief Executive and Director of Finance	
Leaside Business Centre Management	Management of real estate on a fee or contract basis	Board	At least 2 but no more than 5. Poplar HARCA has majority shares. 3 Poplar HARCA members including Director of Communities & Neighbourhoods and Director of Development	
Capital Programme Panel	Approve capital spending on development schemes up to a limit defined in the Standing Orders and Delegated Authorities.	FGP	CMT	3 Members, 1 must be the Director of Finance or the Director of Development

3. FINANCE AND GENERAL PURPOSES COMMITTEE

3.1. The Finance and General Purposes Committee provides assurance to the Board on the effectiveness of Poplar HARCA's:

- Financial (including borrowing) strategies, policies and performance.
- Delivery of the capital programme of housing development and regeneration.
- Asset management strategy.
- Information technology.
- Personnel policies.

3.2. The Finance and General Purposes Committee is responsible for providing assurance to the Board that Poplar HARCA meets all regulatory requirements in respect of financial viability and financial regulatory compliance including (as current at the time of publication of these Terms of Reference) the Economic Standards for Financial Viability, Value for Money and Rent set by the Regulator of Social Housing.

4. Functions

Financial management and control

- 4.1. Review and recommend the budget (revenue and capital) and cashflow forecasts for Poplar HARCA in order to provide assurance to the Board that these are consistent with Poplar HARCA's strategy, and statutory and contractual obligations.
- 4.2. Agree a system of regular reporting that enables the Finance and General Purposes Committee to gain assurance that budget targets are being met or appropriate corrective measures taken.
- 4.3. Agree a system of regular reporting that enables the Finance and General Purposes Committee to provide assurance to the Board that loan covenants are being met and that any risk of not meeting these is identified at the earliest opportunity, corrective measures taken and the Board notified.
- 4.4. Consider and recommend to the Board Financial Regulations and financial delegated authorities to Boards and other bodies within the governance structure, and to staff.
- 4.5. Within the limits defined in Poplar HARCA's Standing Orders and Financial Regulations, approve variations to the budget requested by other Boards or executives.
- 4.6. Periodically but no less than annually, seek assurance that Poplar HARCA's finance performance is comparable to other similar organisations or differences explained.
- 4.7. Periodically but no less than annually, seek assurance on the adequacy of the scope and scale of Poplar HARCA's insurance cover.

Treasury management and borrowing

- 4.8. Consider and recommend to the Board Poplar HARCA's treasury management and borrowing strategy, seeking assurance that these represent an effective way of procuring and using funds to meet Poplar HARCA's objectives.
- 4.9. Exercise delegated authority to approve the seeking or drawing down of loan finance or to make investments, within the limits of the treasury management and borrowing strategy agreed by the Board.
- 4.10. Consider proposals for new forms of capital funding and oversee the development of these.
- 4.11. Oversee Poplar HARCA's liquidity, seeking assurance that sufficient cash is available to meet the organisation's obligations as they fall due.
- 4.12. Make recommendations to the Board on new or revised borrowing commitments, providing assurance (including by seeking special advice where required) that these are appropriate and that the risks are identified and mitigations and controls in place.

Capital programme

- 4.13. Recommend the annual capital programme and variations thereto above the levels defined in Poplar HARCA's Standing Orders and Financial Regulations.
- 4.14. Periodically but no less than annually review the development and other project appraisal assumptions used by Poplar HARCA with the aim of providing assurance to Board that these are appropriate.
- 4.15. Based on agreed investment and contract risk criteria:
 - approve individual capital schemes within the limits set down in Poplar HARCA's Standing Orders and Financial Regulations or the decisions of the Board, or:
 - for non-delegated projects, recommend schemes for approval to the Board
- 4.16. Agree delegated authority to officers, individually or through the Capital Programme Panel, to capital commitments and receive regular reports on the exercise of this authority.
- 4.17. Agree a system of regular reporting that enables the Finance & General Purposes Committee to gain assurance that capital programme targets are being met and value-for-money achieved.
- 4.18. Agree a system of regular reporting that enables the Finance & General Purposes Committee to gain assurance that contractual commitments to funders (public or private) are being met and that any risk of not meeting these is identified at the earliest opportunity, corrective measures taken and the Board notified.
- 4.19. Seek from executives and review the financial implications of proposals for new or amended development strategies, procurement methods, design or specification standards, or other elements of Poplar HARCA's development and regeneration policy.

- 4.20. Review and recommend to the Board the terms of contracts for development and regeneration that fall outside authority delegated to executives, identifying the risks and seeking assurance (if required, through independent and specialist advice).

Asset management

- 4.21. Review and recommend to the Board a strategy for effectively managing Poplar HARCA's property assets, including, where required, approving the specification and procurement of stock condition surveys, valuations and other reviews required to develop the asset management strategy.
- 4.22. Review and recommend to the Board programmes arising from the asset management strategy e.g. for demolitions, conversion and change of tenure and that this informs the capital and repairs and maintenance programmes.
- 4.23. Agree a system of regular reporting to the Finance & General Purposes Committee that enables it to gain assurance that asset management targets are being met and value-for-money achieved.

Information technology

- 4.24. Consider and recommend to the Board Poplar HARCA's information technology (IT) strategy, seeking assurance that this represents an effective way of procuring and using technology to meet Poplar HARCA's objectives.
- 4.25. Monitor performance against major IT project plans, seeking assurance from executives that any risk of not meeting targets is identified at the earliest opportunity, corrective measures taken, and the Board notified.

Human Resources strategy and policies

- 4.26. Consider and recommend to the Board Poplar HARCA's Human Resources strategy, seeking assurance that this represents an effective way of recruiting, retaining and developing staff capable of meeting Poplar HARCA's objectives by way of an Organisation Development Strategy.
- 4.27. Review and make recommendations to the Board on any changes proposed to policy on terms and conditions for HARCA staff, including the short and long term financial implications of pension arrangements (on the latter, taking recommendations from the Remuneration and Nominations Committee). (NB: general salary awards are dealt with as part of the budgetary process).
- 4.28. Through reviewing key personnel indicators (e.g. sickness absence, turnover) and measures of staff satisfaction, provide assurance to the Board on the effectiveness of the agreed strategies and policies, or recommend corrective action.

Risks

- 4.29. Periodically but no less than annually, review the 'Development and Regeneration', 'Finance', 'Information Technology' and 'Staff' risks within Poplar HARCA's risk map and

provide feedback to the Audit and Risk Committee on the risk definitions and their comprehensiveness, and their rating, mitigations and controls.

Delegated authority in connection with Consents

- 4.30. The FGP Committee shall, in respect of the Consents and Conversion, have the full power in its absolute discretion to exercise all the powers of the Company.
- 4.31. The FP Committee shall have the power to approve the Company accepting responsibility for disclosures relating to the Company.
- 4.32. The FGP Committee shall have the power to:
- consider and approve the Consents insofar as it relates to the Company and any matters incidental to it authorise the affixation of the Company's seal and to authorise signatories to witness the affixation of the Company's seal pursuant to the Company's articles of association on all documentation required to be entered into in connection with the Consents or the Conversion to be executed under seal, to authorise signatories to execute any deeds required to be entered into in connection with the Consents or the Conversion and to authorise the execution of any documentation or agreements required to be entered into in connection with the Consents or Conversion under hand;
 - authorise a member or certain members of the FGP Committee or other specified officers of the Company to agree any amendments, variations or modifications to any documentation in connection with the Consents or Conversion as such persons may in their absolute discretion think fit, execute any related notices, letters or documentation and to perform all matters, acts and things which such persons in their absolute discretion shall think fit in connection with the Consents or the Conversion or in relation to all matters delegated to the FGP Committee under these additional Terms of Reference; and
 - to approve the sub-delegation of any of the powers set out in the two paragraphs above.
- 4.33. *Item 24 was specifically put in place for Poplar HARCA's conversion to a society registered under the Co-operative and Community Benefit Societies Act 2014. The board agreed in November 2017 that this delegated authority would continue post conversion.*

Wider input to the Board's work

- 4.34. Receive, consider and comment upon input from advisory groups such as the Joint Estate Panel (JEP), Estate Boards, the Youth Empowerment Board (YEB) or resident surveys on any of the areas within the Board's remit.

5. Membership and meetings

- 5.1. The Membership of the Finance and General Purposes Committee comprises nine Members. Of the total Membership, a minimum of three shall be Board Members. Appointment to the Committee is via an agreed role specification (see next page).

- 5.2. The committee shall have the power to co-opt up to two Members where additional expertise is required.
- 5.3. The Finance and General Purposes Committee meets at least four times a year as an ordinary meeting. Special meetings may be called as required by the Chair or the Director of Finance. The agendas shall be drafted by the Director of Finance for consideration and approval of the Chair.
- 5.4. The quorum for the Finance and General Purposes Committee is three and must include at least one Board Member.

6. Finance & General Purposes Committee Membership

- 6.1. The Members of Poplar HARCA's Finance & General Purposes Committee are, as with other Committees, appointed and removed by the Board. The following specifies the experience required collectively and individually by the Committee Members:

7. Individual requirements

- 7.1. Any Member appointed to the Finance & General Purposes Committee must be able to demonstrate at least one of the following characteristics:

- Successfully served on a committee or board whose remit included financial management, property development, capital programme management or asset management for at least six months within any sector
- Undertaken a senior role in at least one of: financial management, property development, capital programme management or asset management
- Full accounting qualification (A/FCA, A/FCCA or CIPFA)
- Resident Committee Members only: if unable to demonstrate any other of the characteristics in this section, acted as an observer for a minimum of six months at the Poplar HARCA Finance & General Purposes Committee, undertaken audit committee Membership training, and subject to an appraisal by the chair of the Committee

8. Collective requirements

- 8.1. At least one Member of the Finance & General Purposes Committee should have a full accounting qualification (see above)
- 8.2. At least one Member of the Finance & General Purposes Committee should have undertaken a senior role in property development, capital programme management or asset management
- 8.3. At least five of the Members should each be able to demonstrate at least two of the above individual characteristics