



Governance at BCT

A summary of the approach to Governance at Byker Community Trust Limited.

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Byker Community Trust Governance documents can be found at www.bykercommunitytrust.org/resources

Good Governance

What is Governance?

Governance describes the structure, processes, and culture involved when decisions are made and implemented in an organisation.

Good Governance within BCT helps us to do the right things in the right way for Byker, our Community and individual Tenants.

Clarity and transparency are features of Good Governance. This document aims to provide an easy to understand guide to BCT's Governance principles and processes.

Our Governance Code

BCT Board has adopted the National Housing Federation Code of Governance (2015). The Board believes this code is a statement of best practice for housing associations. The code advises on appropriate roles and responsibilities of the Board, Chair and Chief Executive, and issues of quorum, and Board member tenure.

The code in full can be found here: [Code of Governance](#).

Each year, BCT carries out a self-assessment to confirm that it complies with the code.

Governance Principles

The requirements of the Code are underpinned by six principles which the Board has adopted.

1	Focus on purpose and outcomes
2	Perform effectively
3	Promote values for the whole organisation
4	Take informed, transparent decisions and manage risk
5	Develop the capacity of the Board to be effective
6	Engage stakeholders and be accountable

More details of these principles are found in the **Statement of Governance Principles**.

BCT Constitution and the role of Shareholders

BCT Rules

Byker Community Trust Limited is a Corporative and Community Benefit Society, and is registered with the Financial Conduct Authority, number 31376R. As a registered provider of social housing, BCT is regulated by the Regulator of Social Housing (RSH), registration number 4714.

An overview of BCT's journey so far is set out in the document **BCT at a glance**.

The founding document of BCT is the **BCT Rules** which sets out the charitable purposes of BCT, the role of the BCT Board and how decisions are made by shareholders.

Role of Shareholders

Shareholders are the 'backstop' for ensuring the interests of BCT and, therefore, the tenants and other residents of the Byker Estate are promoted and protected.

Some decisions cannot be taken by the Board, instead they require a general vote of all shareholders. Shareholders must approve any changes to the **BCT Rules**, ensuring that the fundamental objectives of BCT are in line with the interests of the people of the Byker Estate.

The procedure for voting at general meetings is set out in the **BCT Rules**.

Who can become a shareholder?

Tenants, leaseholders and local voluntary organisations can become Shareholders of BCT by paying £1 for a share in order to take part in the BCT decision making at General Meetings. We encourage the widest possible membership among Estate tenants and residents in order to ensure we are accountable to the local community and we maximise opportunities to contribute to BCT's role and work.

Independent people with an interest in the success of Byker were also encouraged to become Shareholders. These are primarily the Independent Board Members. Newcastle City Council is also a Shareholder but from May 2018 the Council has no voting rights at general meetings. (NCC Board members can still vote on Board decisions)

Conditions of becoming a Shareholder

The key condition for membership is that shareholders must always act in the best interests of BCT, for the benefit of the community and act as guardians of BCT's objectives. For Tenant Shareholders this includes complying with the terms of their tenancy agreement and keeping their rent account in order.

For full details on becoming a Shareholder see the **Policy for the Admission of Shareholders**

The BCT Board

The role of the BCT Board

The Board directs the affairs of BCT. The Board's responsibilities include:

1. Setting the strategic direction. Owning, supporting and demonstrating the mission, vision and values of BCT;
2. Approval of key policies for the organisation expressed through the Corporate Plan;
3. Setting the financial framework through the Business Plan and Budget;
4. Ensuring there is a current strategy for identifying and managing risk and overseeing systems to give assurance about how these are managed;
5. Compliance with legal requirements and any regulatory obligations; and
6. Oversight and accountability for the Executive's performance

The Board is the primary decision-maker of BCT. The Board has the authority to make all strategic decisions for BCT. Only changes to the BCT Rules and some shareholder issues are required to be put to a vote of all shareholders.

Board composition

There are 12 permanent places on the BCT Board. These are filled by:

- Tenants of BCT
- Independent members
- Nominations from the Local Authority (Newcastle City Council)

The Local Authority will nominate two members to the Board. Five places are reserved for Independent Members, three places are reserved for Tenant Board Members. There are two places that can be filled by Independents or Tenants depending on the skills and experience required at the Board. The full description of the Board is found in the **BCT Rules**.

Board meetings

The Board meets 5-8 times each year. The agenda for the meeting is managed by the Chair of the Board. The Board considers reports which are usually prepared by members of the BCT Executive Team. Minutes are taken and decisions are recorded.

The meeting is divided into two sessions, an open session and a confidential session. Tenants and other members of the public are welcome to attend the public session but will be asked to leave before the confidential session begins. Items can be marked confidential due to commercial sensitivities or other valid reasons.

The full description of how Board meetings are conducted is set out in the Board **Standing Orders**

Board Members

Responsibilities of Board Members

Board Members are Non-Executive Directors of BCT and they play a crucial role in bringing an independent perspective to the strategic management of BCT.

Becoming a Board Member of BCT is a serious undertaking. Directors are ultimately responsible for the success of BCT. There is an expectation that Board Members will dedicate the equivalent of ten working days per year to fulfil their duties and attend at least two thirds of meetings scheduled.

As Directors, Board Members must uphold the highest standards of integrity and act in BCT's best interests rather than representing any other constituency or group.

Board Members will be supported by a comprehensive induction programme, access to learning and development materials and events and regular policy and practice information updates to assist in fulfilling the duties of Board membership.

Full details of becoming a Board member are found in the **Board Membership Policy**

Experience/Skills/Competencies Framework

To operate effectively the Board requires a good mix of skills, experience and personal competences. No single Board Member can excel at all the skills required. Selection to the Board will be based on achieving the widest possible span of skills and characteristics when the contribution of all Board Members is considered.

The framework of desirable skills is summarised below:

Personal Characteristics and Qualities	Experience, knowledge and Skills	Personal Competencies
Commitment to the Byker Estate	Housing operations and management	Effective Communication
Passion for social housing	Community Development	Team and Partnership Building
Embracing equality and diversity	Strategic Planning	Demonstrating Responsibility
Knowledge of BCT plans and objectives	Financial Operations	Customer Focus
Sharing the Vision and Values of BCT	Corporate Services	Leadership

More details on these attributes are found in the **Characteristics, Experience/Skills and Competencies Framework**

Board members will have an individual appraisal with the Chair at least every two years according to the **Board Member Appraisal** template. Board will also regularly review its own effectiveness and identify skills or training gaps.

How Board carries out its work

The Board recognises that its time is too limited to be able to make all the decisions and approvals that arise during the course of business. Therefore it has delegated some its authority to BCT Committees and the BCT Executive Team. The Committees are authorised to review in detail matters of importance on behalf of the Board. BCT Executive Team are authorised to make day to day decisions within the strategy and budgets approved by the Board.

Some items are not delegated and are 'reserved matters' that only Board may decide.

The delegations made by Board are found in the **BCT Scheme of Delegations** and the accompanying “**at a glance**” summary.

Committees of the Board

There are three Committees of the BCT Board:

1. Audit & Risk Committee – reviews audit, risk and assurance systems of BCT
2. Governance and Remuneration Committee – reviews Governance matters
3. Customer Scrutiny Committee – involves BCT customers in setting and monitoring BCT performance standards.

Each committee has detailed **Terms of Reference** setting out their purpose, delegations and membership.

Executive Team

The Chief Executive and the Executive Team manage the staff, contracts and day to day operations of BCT. The Executive Team is made up of

- **Chief Executive** – Promotes the Values of BCT, implements the Corporate Plan, coordinates the work of Executive Team.
- **Director of Operations** – Leads the housing management and engagement activities of BCT.
- **Director of Assets and Property** – Leads the repairs function and manages the BCT investment programme.
- **Director of Finance and Resources** – Leads on the Business Plan, risk management, corporate and governance matters for BCT

The Executive Team manages the other employees of BCT, and they delegate work and authorities as appropriate to ensure the organisation runs smoothly. A diagram of the BCT services and departments is set out in the document **How Services are Delivered**

How does Board work with Executive Team?

Guiding Principles

The Board and Executive Team follow **Seven Guiding Principles** to ensure that responsibilities on all sides are clearly understood and the best interests of Byker are promoted at all times.

1. We work as a team in the best interests of Byker and a successful future for the area;
2. We are committed to support the vision, mission and values of BCT and to demonstrating them in practice;
3. We work by consensus with open discussion, based on proper consideration of information, and we are committed to the decisions the Board makes;
4. We demonstrate public and private respect for each other as colleagues;
5. We let staff get on with their job. They are responsible for the operational aspects of BCT and its service delivery as directed by the Chief Executive under delegated authority;
6. We work as a team to develop strategy which is the ultimate responsibility of the Board which holds staff to account for delivery via the Chief Executive;
7. We respect confidentiality of information whether corporate or personal. When business is classified as confidential it remains so at all times unless otherwise agreed.

Chief Executive and Chair

The Chair and the Chief Executive meet regularly to maintain a constructive working relationship, discuss matters arising between Board meetings, and reinforce Board's priorities.

The roles of the Chief Executive and Chair are set out fully in the **Scheme of Delegations**.

Key Management Documents

Board manages and communicates the strategic direction of BCT through its Key Management Documents:



Vision Objectives and Values	The outcomes that Board expects BCT to achieve and the values we will adhere to.
Corporate Plan Action Plan	What practical steps we will take to reach the goals during the current year.
Business Plan	How we will fund our plans, and how our finances could be affected by different stresses and scenarios.
Strategic Risk Register	The risks that can prevent us from achieving our goals, and how we manage them.

Assurance: How does Board know its work is carried out properly?

The BCT Board relies on Executive Team and BCT staff to carry out its work effectively, safely, and without fraud or error.

Board itself does not have the resources to check directly how its work is being carried out. Instead it has adopted a control framework which gives the Board assurance that its work is being carried out in a proper way and risks are managed.

Internal Controls

Board has adopted an internal control model based on the COSO framework which is recognised as good practice. The framework in brief is as follows:



1. Board and Executive set the culture of control in the organisation and set appropriate authorisation levels.
2. Risks are identified, managed and monitored according to the **Risk Management Framework**
3. Appropriate policies, procedures and controls are deployed by management
4. Information is generated on the effectiveness of controls and this is communicated internally and externally.
5. Controls are regularly reviewed by management and tested by internal audit.

Full details of how this is implemented in BCT is found in the **Internal Control and Assurance Framework**

Each year BCT Board approves a **Statement of Internal Control** in the Annual Accounts which confirms that a robust system of controls is in place.

Reviewing our approach to governance

It is important that we review the elements of our approach to governance on a regular basis so that they remain relevant and up to date.

This table shows the frequency of reviews.

Item	Review Frequency
Compliance with the NHF Code of Governance	Annual
BCT Rules	Annual
Scheme of Delegations	Annual
Standing Orders	Annual
Board and Committee Terms of Reference	Annual
Statement of Governance Principles	Annual
Seven Guiding Principles	Annual
Policy for admission of shareholders.	Annual
Board Membership Policy	Annual
Board Skills/Experience/Competences Framework	Annual
Board appraisal template	Annual
Board effectiveness review	Annual
Systems of internal control.	Annual
Risk Management Framework	Annual
Key Management Documents:	
BCT Vision, Objectives and Values	Every 5 years
Corporate Plan Action Plan	Quarterly
Strategic Risk Register	Quarterly
Business Plan and Stress Testing	Every 6 months

Most of these reviews will be carried out in detail by the Committees of the Board, with formal approval by BCT Board.