



**Lincolnshire Housing Partnership**  
**Standing Orders**  
**February 2021**

## Contents

<b>1.0</b>	<b>Overview</b> .....	7
<b>2.0</b>	<b>SECTION A: PROCEDURAL STANDING ORDERS</b> .....	8
2.1	Agendas and Reports .....	8
2.2	Urgent Decision-Making .....	9
2.3	Special Meetings .....	9
2.4	Quorum and Meetings.....	9
2.5	Attendance at Board Meetings.....	10
2.6	Administration .....	10
2.7	Minutes .....	11
2.8	Order of Business .....	11
2.9	Misconduct.....	12
2.10	Voting.....	12
2.11	Confidentiality.....	12
2.12	Conflicts of interest.....	13
2.13	Custody and Use of Seal.....	13
2.14	Attendance.....	13
<b>3.0</b>	<b>Board Terms of Reference</b> .....	13
3.1	Objective and Purpose of the Board.....	13
3.2	Composition .....	14
3.3	Board Appointments.....	14
3.4	Co-opted Members.....	15
3.5	Powers and Responsibilities of the Board .....	16
3.6	Decisions reserved to the Board.....	18
3.7	Powers of the Board to Delegate.....	21
<b>4.0</b>	<b>Committee Terms of Reference</b> .....	21
<b>4.1</b>	<b>Audit and Risk Committee</b> .....	21
4.1.1	Purpose.....	21
4.1.2	Status.....	21
4.1.3	Membership and Quorum.....	22
4.1.4	Meetings.....	23
4.1.5	Core Functions.....	23
4.1.6	External Audit.....	23
4.1.7	Internal Audit.....	24
4.1.8	Internal Control & Risk Management Systems.....	24
4.1.9	Governance .....	25

4.1.10	Whistleblowing, Fraud and Corruption .....	25
4.1.11	Disputes .....	26
4.1.12	Review .....	26
<b>4.2</b>	<b>Assets and Investment Committee Terms of Reference.....</b>	<b>26</b>
4.2.1	Purpose.....	26
4.2.2	Status.....	26
4.2.3	Membership and Quorum.....	27
4.2.4	Meetings.....	27
4.2.6	Review .....	28
<b>4.3</b>	<b>People and Governance Committee Terms of Reference.....</b>	<b>28</b>
4.3.1	Purpose.....	28
4.3.2	Status.....	29
4.3.3	Membership and Quorum.....	29
4.3.4	Meetings.....	30
4.3.5	Core Functions.....	30
4.3.6	Review .....	31
<b>5.0</b>	<b>Role and Delegations .....</b>	<b>31</b>
5.1	Responsibilities of the Chair of the Board .....	31
5.2	Responsibilities of the role of the SID.....	32
5.3	Company Secretary .....	33
5.4	The Chief Executive .....	34
5.5	Delegation to the Chief Executive.....	36
5.6	Human Resources .....	38
5.7	Finance .....	39
5.8	Maintenance, Property and Development .....	39
5.9	Housing Management.....	39
5.10	Authority to attest the use of the seal and sign documents as a Deed.....	40
<b>6.0</b>	<b>SECTION B: FINANCIAL REGULATIONS .....</b>	<b>41</b>
6.1	Introduction.....	41
6.2	Scope .....	42
6.3	Ethical Principles.....	42
<b>7.0</b>	<b>Control Framework.....</b>	<b>42</b>
7.1	Responsibilities .....	42
7.2	Publication of Financial Regulations .....	45
7.3	Company Secretarial .....	45
7.4	Delegated Authority.....	45

7.5	Matters Reserved to the Board, Chief Executive and Others .....	45
7.6	Segregation of Duties.....	46
7.7	Audit Requirements .....	46
7.8	Retention of Records .....	47
7.9	Insolvency Procedures .....	47
<b>8.0</b>	<b>Financial Planning and Control .....</b>	<b>48</b>
8.1	Financial Year .....	48
8.2	Business Planning.....	48
8.3	Annual Budget.....	48
8.4	Budgetary Control.....	49
8.5	Accounting .....	52
8.6	Accounting Policies .....	53
8.7	Accounting Returns.....	53
8.8	Group Structures and Subsidiaries.....	53
<b>9.0</b>	<b>Income and Banking .....</b>	<b>54</b>
9.1	General.....	54
9.2	Appointment of Bankers.....	54
9.3	Banking Arrangements.....	54
9.4	Charging for Services Provided .....	55
9.5	Cash Receipts .....	55
9.6	Rent Collection.....	55
9.7	Collection of Debts.....	56
9.8	Writing Off Debts .....	56
9.9	Grant Income .....	56
<b>10.0</b>	<b>Expenditure .....</b>	<b>56</b>
10.1	General.....	56
10.2	Payment for Goods and Services .....	57
10.3	Petty Cash .....	59
10.4	Non-Contractual, Charitable and Compensation Payments and Gifts .....	60
10.5	Contracts.....	61
10.6	Appointment of Consultants.....	61
10.7	Company Credit Cards .....	61
10.8	VAT .....	62
10.9	Taxation.....	62
10.10	Salaries and Wages .....	62
10.11	Pensions .....	64

10.12	Travel, Subsistence and Other Allowances .....	64
10.13	Emergency salary advances .....	65
10.14	Utilities and Statutory Payments .....	65
<b>11.0</b>	<b>Assets</b> .....	<b>65</b>
11.1	Property, Assets and Fixed Assets Register .....	65
11.2	Asset Disposal .....	66
11.3	Stocks and Stores .....	67
11.4	Treasury Management.....	67
11.5	Leasing and Other Financial Instruments .....	68
<b>12.0</b>	<b>External Arrangements</b> .....	<b>68</b>
12.1	Partnerships and Joint Ventures.....	68
12.2	External Funding .....	69
12.3	Work for Third Parties.....	69
<b>13.0</b>	<b>Risk Management, Security and Control</b> .....	<b>70</b>
13.1	Risk Management .....	70
13.2	Insurance .....	70
13.3	Security .....	71
13.4	Protection of Private Property.....	72
13.5	Fraud, Bribery, Corruption and Financial Misconduct.....	72
<b>SECTION C: PROCUREMENT STANDING ORDERS</b> .....		<b>73</b>
<b>14.0</b>	<b>SECTION 1</b> .....	<b>73</b>
14.1	Introduction and General Overview.....	73
14.2	Scope .....	73
14.3	Purpose .....	74
14.4	Regulatory Requirements .....	74
14.5	Legislative Requirements.....	75
14.6	Consultation of Leaseholders on Service Charges.....	77
14.7	Probity and Ethics .....	78
14.8	Bribery.....	79
14.9	Modern Slavery Act.....	79
<b>15.0</b>	<b>SECTION 2</b> .....	<b>80</b>
15.1	Authority to Purchase .....	80
15.2	Application .....	81
15.3	Procurement Principles.....	81
15.4	Standard Processes .....	81
15.5	Low Value Procurement.....	82

14.6	Strategic Procurement .....	84
14.7	Strategic Procurement Processes .....	84
<b>16.0</b>	<b>SECTION 3</b> .....	<b>88</b>
16.1	Use of existing contracts: .....	88
16.2	Exemptions.....	88
16.3	Exemption Circumstances.....	89
16.4	Waiver of Procurement Rules.....	90
<b>17.0</b>	<b>SECTION 4</b> .....	<b>91</b>
17.1	Alternative procurement routes .....	91
<b>18.0</b>	<b>SECTION 5</b> .....	<b>93</b>
18.1	Contracts Registers .....	93
18.2	Contract Management.....	93
18.3	Contract Extensions .....	94
18.4	Variations to Existing Contracts .....	95
18.5	Re-Procurement and Forward Planning .....	95
<b>19.0</b>	<b>SECTION 6</b> .....	<b>96</b>
19.1	E-Procurement.....	96
19.2	Amendments to Procurement Rules .....	96
	<b>Definitions</b> .....	<b>96</b>
	<b>Appendix One: Delegated Authorities</b> .....	<b>102</b>

## 1.0 Overview

- 1.1 Lincolnshire Housing Partnership Limited (LHP) is a Community Benefit Society created under the Co-Operative and Community Benefit Societies Act 2014. LHP is regulated by **Rules**. These follow a model form produced by the National Federation of Housing (NHF). The Rules govern the objectives of LHP, its powers and shareholding. They are set as high-level overarching Rules and necessarily provide delivery of LHP's objectives and operations to a Board of Management (the Board) with some limited powers reserved to the shareholders at a General Meeting.
- 1.2 The Rules in particular set out the procedure for the admission, voting rights, appointment and cessation of shareholders and should be referred to for the detail.
- 1.3 The Board effectively carry out all the functions for LHP with some few exceptions. Board has **Terms of Reference** and in the conduct of meetings follow **Procedural Standing Orders**. Specified powers and authorities are delegated by Board through a **Scheme of Delegation** either to Committees which Board has appointed or to the Executive.
- 1.4 The appointed Committees are currently: Audit & Risk Committee, Assets & Investment Committee and People & Governance Committee. These committees have individual Terms of Reference. However, some **decisions are reserved to Board**.
- 1.5 Board delegates all operational matters to the Executive Leadership Team (ELT) through the Chief Executive and other designated employees to deliver through a detailed scheme of delegation.
- 1.6 In addition, LHP has **Financial Regulations** and **Procurement Standing Orders**.
- 1.7 LHP has several wholly owned subsidiary companies which together under LHP form what is referred to as 'the Group'. These subsidiaries are:
  - Speedwell Homes Ltd
  - Humber Homes Ltd
  - Boston Mayflower Finance Plc
- 1.8 The relationship between LHP and these subsidiaries within the Group is governed by an Intra-Group Agreement between LHP and each subsidiary. Each agreement sets out the extent of control and direction exercised by LHP and the governance and accountability of the subsidiary to LHP.
- 1.9 These documents form the basis for the Constitutional Framework and are supported by various other key governance and financial policies, codes and procedures. These are approved and reviewed periodically by Board to:

- Ensure good governance of LHP
- To meet regulatory and statutory requirements
- To manage risks and facilitate an appropriate internal control environment
- Maximise value for money opportunities and by doing so,
- Ensure that LHP best positions itself to achieve its Corporate Plan and strategic direction successfully

## **2.0 SECTION A: PROCEDURAL STANDING ORDERS**

### 2.1 Agendas and Reports

2.1.1 Procedural Standing Orders set out the rules and processes to ensure the Board and its Committees are conducted and managed properly and effectively in accordance with LHP's adopted code of governance, the NHF Code of Governance.

2.1.2 The Chief Executive and supporting Executive staff will ensure that the Board and its Committees are properly informed so as to be able to carry out their responsibilities. In order to keep members informed, staff will provide useable, clear and concise information and not overwhelm agendas with data from which it is difficult to extract the key points.

2.1.3 Save in exceptional circumstances, agenda items requiring decision will be supported by a written report providing sufficient information about options and the implications of each option to enable the Board to reach an informed decision in each case. This written report will follow templates approved from time to time by the Board which should state clearly:

- The purpose of the report
- Summary
- Any recommendations or, if none, why the report is being presented
- Background
- Any Business Plan and financial consequences and other corporate implications
- An assessment of the sustainability and environmental impact of the proposal (when applicable)
- Whether the recommendation conflicts with existing company policy or creates a precedent affecting other areas
- The consideration given to LHP's equality and diversity policies
- The Regulatory implications
- A risk assessment

2.1.4 Written reports must be sent out so that the Board members have them at least five working days before a meeting. Items should not be tabled at the Board or Committee meetings unless genuinely urgent, and in such case only with the prior agreement of the Chair.



2.1.5 The Board and its Committees will meet at least three times a year as an ordinary meeting at places to be fixed on an annual basis. Special meetings of Committees and of the Board may be called as required.

## 2.2 Urgent Decision-Making

2.2.1 Urgent decisions are matters that require authorisation between pre-scheduled meetings; and would normally require the decision to be taken by a particular Board or a Committee. In such circumstances there is an urgent decision-making process that shall be observed.

2.2.2 Prior to triggering the process, the following alternatives should be considered by the Chief Executive in consultation with the Chair:

- a shorter notice meeting to consider the matter, perhaps by teleconference
- If the matter can be pre-empted at the time of the previous meeting, delegate authority for the decision to a senior officer (with appropriate conditions attached where required)

2.2.3 Should alternative arrangements not be possible; the urgent decision-making process shall be followed. In between programmed Board or Committee meetings the Chief Executive, or with his or her sanction, the appropriate officer, is authorised, in consultation with the Chair of the Board or the Chair of any Committee within the relevant area of delegation, to deal with urgent work arising at any time and where it is agreed that calling a special meeting of Board or committee is not practicable.

2.2.4 Any such action is to be reported by written report to the next Board or appropriate Committee meeting. In the absence of the Chair of the Board or relevant Committee Chair the Vice Chair, if one has been appointed, is authorised to act.

## 2.3 Special Meetings

2.3.1 Special meetings of the Board can be called by the Company Secretary or by notice given to him or her by the Chair of the Board or by two Board Members. The Secretary must give at least seven days' but not more than fourteen days' notice of each meeting to every member of the Board. If the Secretary fails to call a meeting then the Chair or two Board Members, whichever is the case, shall call such a meeting.

## 2.4 Quorum and Meetings

2.4.1 The quorum for the Board is three members and, if not otherwise stated in the terms of reference, three members in respect of Committees. The Board will not be quorate unless Board Members who are employees of the LHP are in the minority.

2.4.2 It is expected that the Board shall meet at least three times a year for normal business and twice to deal with strategic visioning and planning.

- 2.4.3 There will be no business transacted at any meeting of the Board or any Committee, unless there is a quorum of members at the commencement of discussion of the business on the agenda, however in line with D15.3 of the Rules, if the number and make up of Board Members falls below the number and make up necessary for a quorum, the remaining Board Members may continue to act as the Board for a maximum period of six months and the provisions of rule D15.2 shall be suspended for that time. At the end of that time the only power that the Board may exercise shall be to bring the number and make up of Board Members up to that required by these Rules.
- 2.4.4 The Chair will formally open the meeting at the time specified on the agenda. Where there is no quorum within 30 minutes of the commencement time of a Board or Committee meeting, or during such a meeting, the Chair states that there is no quorum, then that meeting will stand adjourned. Consideration of the business not transacted is to be undertaken at a time fixed by the Chair or to the next ordinary meeting of the Board or Committee.

## 2.5 Attendance at Board Meetings

- 2.5.1 All Board Members are expected to attend meetings and training and development events. Where personal attendance is not possible, arrangements can be made for participation by voice or video conferencing which will count as attendance and for quorum purposes. Where other commitments make all options impossible, Board Members should tender their apologies in advance to the Company Secretary.
- 2.5.2 ELT is invited to attend the meetings and contribute to the debate but not the decisions of the Board. In addition, at the Chief Executive's or Chair's discretion, other staff who have been closely involved in the preparation of items under discussion may attend to present the item and contribute to the debate.
- 2.5.3 The Customer Scrutiny Panel Chair/s are also invited to attend all Board Meetings and will, at each meeting, be given an opportunity to raise any relevant issues and participate, but not vote.
- 2.5.4 Whilst Board Meetings are not held in public, other observers will also be able to attend if invited by the Board, with the Chair's permission, for specific items of business.

## 2.6 Administration

- 2.6.1 It is the responsibility of the Company Secretary to ensure that the Board meetings are properly serviced. The agenda and reports will be circulated on member's iPads. Notices for meetings will be despatched electronically.

## 2.7 Minutes

2.7.1 The Board will keep minutes in registers kept for the purpose of recording:

- All Board appointments made by the Board, and reasons for any resignations
- All proceedings at meetings of LHP, the Board, its Committees, working groups or sub-groups including the names of those present at such meetings

2.7.2 Minutes of the meeting will be circulated to the Chair in draft for approval, prior to consideration by the Board at its next meeting.

2.7.3 The minutes of any meeting are to be confirmed at each subsequent meeting by an affirmative resolution of members present and signed by the Chair.

2.7.4 Minutes of all meetings will be circulated to Board Members and minutes of Committee and sub-Committee meetings shall be circulated to the members of those bodies.

## 2.8 Order of Business

2.8.1 The order of business at ordinary board meetings is:

- Apologies for absence
- On the occasion of the first meeting after the Annual General Meeting, to elect a Chair and Vice Chair (if any)
- In the absence of the Chair and Vice Chair (if any), to select one of their number to act as Chair of the meeting
- To agree the accuracy of the minutes of the last meeting and any previous meeting without approved minutes
- Matters arising
- Assurance Reporting
- Items for Decision
- To receive and examine minutes and consider recommendations of the Committees and reports by Chair of Committees
- To report any urgent business transacted and any other urgent business, which the Chair agrees shall be transacted at the meeting

2.8.2 The Chair or person presiding may vary the order of business with the consent of the majority of members present.

2.8.3 The Chair will ensure that the meeting considers the decisions required under each item of business on the agenda. In relation to the conduct of meetings the ruling of the Chair will be final.

2.8.4 The order of business at Committee meetings shall be as agreed by the Committee in question. The general rules as to procedure at Board meetings set out in this section

and the Rules will apply, with appropriate adjustments, to Committee meetings.

2.8.5 The Chair will formally close the meeting when the business on the agenda has been transacted, or earlier if agreed by a majority. The time that the meeting closes will be noted in the minutes. No business purported to be transacted after that time will be valid and will not form part of the formal record of the meeting. If for any reason the full business of the meeting cannot practically be completed the meeting may stand adjourned if a majority of the members present so decide (see above for inquorate meetings).

## 2.9 Misconduct

2.9.1 The meeting will be conducted in accordance with the agenda. All members will direct contributions to the meeting through the Chair. Members will conduct themselves in a manner that does not obstruct the business of the meeting or calls into question the status of the Chair.

2.9.2 If any member persistently disregards the ruling of the Chair or behaves in any way that obstructs the Board or Committee business, the Chair (or any member) may move that the motion under discussion be put **on hold** and, if seconded, it shall be determined without further discussion. (See also the Code of Conduct for Members).

2.9.3 If the same member continues the misconduct after a motion has been carried, the Chair shall either:

- Move that the member shall leave the meeting, which can be determined without seconding or discussion; or
- Adjourn the meeting and determine where and when it will be reconvened

## 2.10 Voting

2.10.1 Where a decision is required, a show of hands will be requested by the Chair on the basis of one vote per member. Any member may request that their vote be formally recorded.

2.10.2 In the case of equality of votes (and only in such case) the Chair of the meeting has a second or casting vote, whether or not the Chair voted in the first instance.

## 2.11 Confidentiality

2.11.1 All reports submitted to the Board and Committees shall be subject to the Board's policy on disclosure of information set out in the Code of Conduct.

2.11.2 The Board will conduct its affairs in an open manner and make certain information publicly available, except where items are of a confidential nature, or the release or debate on which might prejudice the competitiveness/viability or commercial

interests of LHP, or offend/contravene data protection regulations or contractual relationships, including staffing matters.

## 2.12 Conflicts of interest

2.12.1 The Company Secretary's duties shall include maintaining a register of interests in accordance with LHP's Rules. LHP shall maintain the register to alert the meeting Chair and members to matters that may arise during the meeting. However, it is ultimately for each member of a meeting to determine whether they have an interest which may cause a conflict during the meeting.

2.12.2 Any member or officer or employee of LHP having an interest, direct or indirect in any contract or other matter into which LHP is entering, should declare such interest. They must leave the meeting unless they are invited to remain by the Board or Committee. If they are invited to remain, the conflicted Board member, co-optee or Committee member shall not vote on the matter in question. This applies also to interests of close relatives. (The Code of Conduct for Members and Staff gives detailed guidance on this point and should be considered.)

2.12.3 If any question arises at a Board or Committee meeting as to a member's right to participate in the meeting, the question shall be referred to the Chair or Chair of the Committee whose decision shall be final.

## 2.13 Custody and Use of Seal

2.13.1 The Secretary will keep the seal, together with the seal record book, for LHP. Use of the seal will be reported to the Audit and Risk Committee annually.

## 2.14 Attendance

2.14.1 All Committee members are expected to attend Committee meetings. Where other commitments make this impossible, Committee members should tender their apologies in advance to the Executive Director who services the Committee or the Company Secretary.

## **3.0 Board Terms of Reference**

### 3.1 Objective and Purpose of the Board

3.1.1 The role of the Board is to provide entrepreneurial leadership of LHP within a framework of prudent and effective controls which enables risks to be assessed and managed. The Board is collectively responsible for the long-term success of LHP and delivery of sustainable value to its charitable beneficiaries at present and in the future. It sets the strategy and risk appetite for LHP and its subsidiaries and approves capital and operating plans presented by management for the achievement of the strategic

objectives it has set. Implementation of strategy set by the Board is delegated to Committees and the ELT which is led by the Chief Executive.

### 3.2 Composition

- 3.2.1 The Board should have the appropriate balance of skills, experience, independence and knowledge of LHP to enable it to discharge its duties and responsibilities effectively and oversee the entirety of the Group's activities.
- 3.2.2 The Board shall consist of between five and twelve Board Members (including co-optees) as may be determined by the Board. The Board should be of sufficient size that the requirements of the business can be met and that changes to the Board's composition can be managed without undue disruption. The Board should not be so large as to be unwieldy. The Board should comprise a balance of representation such that no individual or small group of individuals can dominate the Board's decision-making.
- 3.2.3 The Board will be made up of non-executive members who have been determined by the Board to be independent in character and judgement, meaning that members are free from relationships or circumstances which are likely to affect their judgement or any relationships or circumstances which could appear to do so have been considered not to be material.

### 3.3 Board Appointments

- 3.3.1 The Board will appoint each Board Member for a term of three years unless, in accordance with the Rules, the Board has set a shorter term. On the expiry of a term, Board Members can stand for re-appointment, provided that no Board Member may serve for a continuous period of more than nine years, save where the Board agrees that circumstances exist where it would be in the best interests of LHP for a Board Member to serve for a longer period.
- 3.3.2 The Board will appoint the Chair for a three-year term of office, unless, in accordance with the Rules, the Board has set a shorter term. The office of Chair will be advertised and selected in accordance with the relevant recruitment policy, and as with Board Members having regard to the specific skills required of that position.
- 3.3.3 The Board may reappoint the Chair for a second term without external advertisement if, after formal appraisal, such reappointment is recommended. Again, no fixed term shall be set which would cause the Chair to serve beyond their ninth consecutive year, save where the Board agrees that exceptional circumstances exist where it would be in the best interests of LHP for a Board Member to serve for a longer period.
- 3.3.4 The Board Members will annually appoint the Chair of each Committee. These appointments will be from members of the Board or co-opted members or independent Committee members, save in the case of the Audit and Risk Committee when the Chair will be a Board Member.

- 3.3.5 The Board may appoint an independent non-executive Board Member of the Group Board to the position of Senior Independent Director (SID). The post holder must be a full Board Member and cannot be held by a co-opted member of the Board. The SID shall hold the office for a three-year term, unless the Board agrees a shorter term, and subject to the SID remaining an independent non-executive Board Member of the Group Board. If the SID should stand down part way through their term of service, then the Board may appoint another Board Member to serve as the SID until the next Annual General Meeting. No fixed term shall be set which would cause the SID to serve beyond their ninth consecutive year, save where the Board agrees that exceptional circumstances exist where it would be in the best interests of LHP for the Board Member to serve a longer period.
- 3.3.6 The Board may annually appoint a Vice Chair of the Board and Vice Chair of Committees.
- 3.3.7 The Board will annually appoint members to each of the Committees (and Working Groups). Every Committee shall include one Board Member or co-optee to the Board. The Board will appoint the Chair and, if any, the Vice Chair of any Committee.
- 3.3.8 In respect of the offices listed above:
- No person may simultaneously hold more than one Chair position
  - The Chair of the Group Board and the Chair of any of the subsidiary Boards cannot be appointed as the SID
  - The Chair of the main Board may not be a member of the Audit Committee
  - Executive members may not Chair any Committees
  - Executive members may not be members of the Audit and Risk or People and Governance Committees
  - The Vice Chair and/or SID may chair a Committee of the Board
  - A Vice Chair (if any) has all of the powers and responsibilities of the Chair on the absence of the office holder for any reason

#### 3.4 Co-opted Members

- 3.4.1 Following the appointment of the Chair, Vice Chair, SID and/or new Board Members the Chair may undertake a skills assessment against the skills matrix. If there are any specific skill deficits the Board may approve an approach to people with the required skills and invite up to five people to be co-opted onto the Board (or relevant Committee) on such terms as the Board resolves.
- 3.4.2 Co-optees will be appointed to enhance the skills on the Board but they do not have all of the rights of full Board Members and cannot be part of decisions about elections of officers or matters relating to shareholders.

3.4.3 A Co-optee may otherwise act in all respect as a Board Member. A Co-optee cannot be included in the quorum for Board meetings but may count towards the quorum for Committee meetings and vote as a full Committee member.

### 3.5 Powers and Responsibilities of the Board

3.5.1 The Board is responsible for managing the business of the Group and, in doing so, may exercise all the powers of LHP, subject to any relevant laws and regulations and to the Rules.

3.5.2 The Board's responsibilities include, but are not limited to:

#### 3.5.3 *Strategic direction, aims and objectives*

- Set LHP's mission, aims, values and standards and ensure that its obligations to its stakeholders and others are understood and met. This includes promoting a shared vision amongst Group member associations
- Set key objectives for LHP, and the strategies and priorities that will enable those objectives to be met, including ensuring that the necessary financial and human resources are in place
- Approve the annual Business Plan, budget and, prior to publication, the Financial Statements
- Oversee annual budget and financial plans and agree and monitor a Financial Strategy for cash and treasury management, including the Treasury Management Policy
- Establish a framework for approving policies and plans to achieve the agreed objectives.

#### 3.5.4 *Governance*

- Promote the highest standards of corporate governance
- Oversee all matters relating to LHP's constitution (its Rules) and governance including standing orders, terms of reference, financial regulations and procurement/contract rules and ensure compliance with all legislative, regulatory and financial requirements
- Ensure that LHP conducts itself lawfully and in compliance with the Regulator of Social Housing's requirements in respect of the regulatory standards (including, but not limited to, the Governance and Financial Viability Standard and the Value for Money standard), viability and propriety and to carry out annual regulatory self-assessments
- Act in the best interest of LHP at all times and not on behalf of any constituency or interest group
- Adopt a Board and Committee Members' Code of Conduct, promote and uphold its provisions and so meet the highest ethical standards of integrity and probity



- Review compliance with the adopted Code of Governance for Members by the NHF

### 3.5.5 *Effective Management*

- Review the performance of LHP against its business plan, budget and targets, the performance of its peer group and its plans for continuous performance
- Scrutinise the performance of the ELT in meeting agreed targets and objectives
- Review the efficiency and effectiveness of LHP's work and the standard and level of the services provided
- Approve a long-term strategy and annual delivery programmes for the planned investment of assets and monitor project management and performance
- Ensure that LHP's property stock is used effectively, efficiently and repaired and maintained in accordance with Landlord's responsibilities
- Approve a strategy with a planned programme for new build development (Asset Growth Strategy) and other acquisitions and disposals of surplus stock (Regeneration and Disinvestment Strategies)
- Ensure LHP is supported, accommodated, equipped and administered to provide best value for money in its service delivery
- Establish and oversee a framework of internal controls and assurance
- Consider audit reports, and ensure that appropriate action is taken, on recommendations from Audit and Risk Committee
- Establish a risk management strategy that ensures the Board takes or ratifies decisions on matters that carry the highest risks, and sets out and reviews its risk appetite
- Review LHP's use of public funds, and ensure it maintains sound financial management of these and other resources
- Ensure expenditure is controlled whilst LHP's objectives are met, and investment activities meet accepted standards and policies
- Keep abreast of relevant political, business and social housing issues

### 3.5.6 *Communication, Culture, Employees and Relationships*

- Promote and develop LHP, its equal opportunities and diversity policy, customer care ethos, and quality standards in order for it to achieve continuous improvement, grow and maintain its relevance
- Consider and react to major matters with regard to relationships with central government, the Regulator of Social Housing, local authorities, other statutory bodies and the market
- Support the Executive Directors in their management of the business while monitoring their conduct
- Question intelligently, debate constructively, challenge rigorously and decide dispassionately on all matters presented to the Board
- Consult and listen sensitively to the views of Committee members, stakeholders and others, both within and outside LHP and take account of their priorities

- Constantly seek to establish and maintain confidence and trust in the conduct of LHP
- Oversee LHP's Human Resources Strategy including main staffing structures
- Approve IT and Accommodation Strategy.

### 3.5.7 *The Board, Committee and Executive Directors*

- Ensure the Board and its Committees have the capacity, skills, commitment and experience to control LHP and the Group
- Approve the scheme of remuneration for Board and Committee members on recommendation from the People and Governance Committee
- Ensure the Executive Directors have the capacity, commitment, skills and experience to implement the Board's decisions effectively
- Plan the succession of, appoint, and where necessary remove, the Chief Executive
- Determine appropriate levels of remuneration including benefits and terms of employment of the Chief Executive and Executive Directors and have oversight of the appraisal of the Chief Executives performance on recommendation from the People and Governance Committee
- Adopt a management structure designed to implement LHP's objectives and plans employing staff or agents with the necessary skills
- Determine the extent of which authority is to be delegated to Committees and the Chief Executive and Executive Leadership Team and monitor decisions taken under that delegated authority
- Undertake any activity reserved for Board Members in the Rules, or required of Board Members by statute or regulation
- Undertake annually Board's self-performance review, its Committees and its subsidiary associations.

## 3.6 Decisions reserved to the Board

3.6.1 The Board delegates the management and day-to-day running of LHP and the Group to its Committees and the ELT in accordance with such policies and directions as the Board may from time to time determine with the exception of the following matters which require the final approval of the Board:

- Appoint and dismiss the Chief Executive and other Directors and the conduct of disciplinary matters in respect of the same posts
- Approve and review annually the salary, benefits and terms and conditions of employment of the Chief Executive on recommendation from the People and Governance Committee
- Approve and review annually the salary, benefits and terms and conditions of employment of the Executive Directors on recommendation from the People and Governance Committee and Chief Executive
- Determine any changes to the structure, size and composition of the Board (provided that this is within the requirements as set out in the Rules)

- Approve Committee membership, Chair appointments and responsibilities, and carry out an annual review of Board and Committee terms of reference, the scheme of delegations and Financial Regulations
- Approve the terms conditions of service and fees for the Chair and Board and Co-opted Members on report from the People and Governance Committee and other external advice as appropriate and in accordance with any approved policy and procedures
- Make appointments to the Boards of subsidiaries or other organisations
- Consider any action leading to the removal of a Board Director
- Review and agree any significant changes to the corporate or governance arrangements for the Group
- Review and consider annually reports from the Group members on performance against any Group set objectives in the context of Intra Group Agreements
- Review and agree the Corporate Plan and LHP's strategic direction
- Shape, review and approve, annually, the Business Plan
- Review and approve the annual financial budget
- Approve each year the annual Financial Statements for presentation to the AGM
- Approve the annual internal controls assurance statement
- Review and approve annually a statement of compliance with the NHF Code of Governance in each year's Financial Statements
- Review and agree a framework for risk management and set the risk appetite for the organisation's activities
- Review and approve LHP's Assets and Liabilities Register and ensure effective and co-ordinated decisions taking into account the Register, Risks Map and the Business Plan
- Review and approve LHP's annual Value for Money self-assessment statement
- Approve any extension, restriction (or cessation) in the scope of LHP's activities or functions, or expansion into new geographical areas
- Approve resolutions to be put forward by the Board at a General Meeting, and any items which are referred to it by a General Meeting
- Consider any matter reserved to it by Financial Regulations
- Consider and review cases and policies in respect of conduct, standards, ethics or probity within the organisation
- Consider and approve the annual rent increase or otherwise

3.6.2 The Board also reserves the right to approve the following:

- Organisational Development Strategy
- Digital Transformation Strategy
- Communications Strategy
- Housing for Older People Strategy
- Asset Management Strategy
- Asset Growth Strategy including Acquisition Strategy
- Procurement Strategy

- Repairs and Maintenance Improvement Strategy
- Treasury Management Strategy
- Risk Management Strategy
- Customer Service Strategy
- Customer Involvement Strategy
- Health and Safety Strategy
- Adult and Child Safeguarding Policy
- Treasury Management Policy
- Board Member Pay and Expenses Policy
- Executive Pay Policy
- Health and Safety Policy
- Shareholder Policy
- Whistleblowing Policy
- Anti-Fraud and Corruption Policy
- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Assets and Liabilities Policy
- Rent and Service Charge Setting Policy
- Lettings Policy
- Tenancy Policy
- Access Policy first approval (delegating all future approvals and reviews of the policy to the Assets and Investment Committee)
- Asset Appraisal Policy (delegating all future approvals and reviews of the policy to the Assets and Investment Committee)
- Any new Disposals Policies (delegating all future approvals and reviews of the policy to the Assets and Investment Committee)
- Code of Conduct for Board Members and Employees
- Approach to Equality and Diversity

3.6.3 In addition to the above the Board also reserves the right to:

- Consider and approve any new strategies or policies and major changes to existing strategies or policy having a significant impact in the following areas
- Business and corporate planning
- Performance management
- Rents, budgets, funding and treasury management
- Housing and tenancy management, allocations, customer involvement and engagement
- Responsive repairs, improvements and planned maintenance
- Asset management, regeneration and development of new homes
- Infrastructure and resources including office accommodation, telephony, IT and HR
- Authorise through delegation LHP's directors and ELT to enter into contracts and deeds and where appropriate to authorise the affixing of LHP's seal in accordance with the Rules and to report the use of the seal regularly to the Board

- Consider and approve strategic personnel policies, changes to corporate structure and the setting up of subsidiaries

### 3.7 Powers of the Board to Delegate

- 3.7.1 The Board has appointed Committees to which it has delegated the functions and responsibilities to perform on its behalf in the terms set out in Section 4. Board has discretion to appoint further Committees or disband them and vary delegations. Committees are unable to decide matters reserved to Board.
- 3.7.2 The Board has also delegated and conferred on the Chief Executive and through that post to the ELT and other employees the powers for operational delivery of its strategies and general management of the organisation in the terms set out in Section 5.

## **4.0 Committee Terms of Reference**

### 4.1 Audit and Risk Committee

#### 4.1.1 Purpose

- 4.1.1.1 The Committee has been established to consider and review all relevant matters within the Group relating to internal controls, internal and external audit functions, management of risks and the prevention of fraud and corruption.
- 4.1.1.2 The Committee is also responsible for ensuring that legal, statutory, and regulatory requirements of the Group are properly audited and reviewed.
- 4.1.1.3 The Committee will review, recommend, and approve policies and strategies as delegated to it by the Board.

#### 4.1.2 Status

- 4.1.2.1 The Audit and Risk Committee (the Committee) is a Committee of the Board and is appointed in accordance with Rule D29 of LHP's Rules. In accordance with Rule D29, the powers granted to the Committee under these Terms of Reference shall be exercised in accordance with any written instructions which may be given by the Board from time to time and these terms of reference which may be varied at any time by the Board.
- 4.1.2.2 The Committee is authorised by the Board to investigate any activity within its Terms of Reference and obtain legal or independent professional advice. Such advisors may attend Committee meetings as necessary.
- 4.1.2.3 The Committee has unfettered right of access to all information and people necessary to meet its responsibilities.

- 4.1.2.4 The Board will obtain assurance on the Committee's work via the minutes of the Committee meetings which will be circulated to Board, as well as the Committee Chair reporting formally on its proceedings after each meeting, on all matters within its responsibilities.
- 4.1.2.5 The Committee will make recommendations to the Board on any area within its remit where action or improvement is needed.
- 4.1.2.6 At all times, the Committee and its members will observe the regulatory framework, the law and the constitutions of each Group member as appropriate, including Rules, Intra Group Agreement, Standing Orders, Code of Conduct, Group Scheme of Delegations, Financial Regulations and Group Policies.
- 4.1.2.7 In the case of dispute, a Board decision must override that of a Committee. The Chair of the Committee has the right to report such decision to the External Auditors after discussion with the Group Board regarding this course of action.
- 4.1.2.8 In accordance with the Urgent Decision making process set out in the Constitution, the Chair of the Committee shall have delegated authority and be authorised to deal on behalf of the Committee with any matter which may arise between ordinary meetings of the Committee and all actions taken under such authority shall be reported to the next meeting of the Committee.

#### 4.1.3 Membership and Quorum

- 4.1.3.1 The Committee will comprise of 3-5 members with skills appropriate to the Committee's purpose.
- 4.1.3.2 All members of the Committee (including the Chair) will be appointed, and may be removed, by the Board.
- 4.1.3.3 The Chair of the Committee will be a Board Member.
- 4.1.3.4 The remaining members will be from suitably qualified and experienced independent persons including financial expertise and experience of business. Executive Officers will not be members of the Committee.
- 4.1.3.5 The Director of Resources, or in his or her absence any other person so agreed by the Committee, shall act as principal advisor to the Committee.
- 4.1.3.6 The Chair of the Board shall not be a member of the Committee.
- 4.1.3.7 The quorum for Committee meetings is 3, to include at least one Member of the Board.

#### 4.1.4 Meetings

4.1.4.1 The Committee will meet at least three times each year.

#### 4.1.5 Core Functions

#### 4.1.6 External Audit

4.1.6.1 The Committee will:

- Consider and make recommendations to the Board on the appointment and re-appointment of the external auditor, the audit fee, and issues of resignation/ dismissal of the external auditor
- Oversee the selection process for the external auditor, and if the external auditor resigns investigate the issues leading to the resignation and decide whether any action is required
- Meet regularly with the external auditors, including once at planning stage before the audit, and once after the audit at reporting stage. The Committee will meet with the external auditors at least once a year without staff being present to discuss the auditor's remit and any issues arising from the audit
- Review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement
- Review the draft report on the audit findings with the external auditor
- Undertake a detailed review of the response to the Management Letter and ensure that suitable remedial action is taken on its recommendations prior to submission to the Board
- Undertake a detailed review of the Statutory Accounts, Operating & Financial Review before submission to the Board, focusing particularly on:
  - Accounting policies and practices
  - Major judgmental areas
  - Significant adjustments resulting from the audit
  - The going concern assumption
  - Compliance with accounting standards
  - Compliance with legal requirements
- Review annually the independence and performance of the external auditors, ensuring that there are no restrictions placed on the scope of the statutory audit or matters which could hinder their effectiveness, in particular with regard to the provision of non-audit services and report on recommendations to the Board
- Annually monitor the auditor's compliance with relevant ethical and professional guidance on the rotation of the audit partner and other relevant requirements
- Seek to ensure co-ordination with the activities of the internal audit function
- On an annual basis, appraise the effectiveness and value for money of the External Audit service

#### 4.1.7 Internal Audit

##### 4.1.7.1 The Committee will:

- Ensure that LHP has appropriate internal audit arrangements in place and recommend the appointment, re-appointment or otherwise, fees and terms of engagement of the Internal Auditor to the Board
- Monitor and review the effectiveness of the internal audit function in the context of LHP overall risk management system and internal controls
- Review and approve the internal audit plan to ensure its appropriateness
- Receive and consider internal audit reports and make appropriate recommendations or responses to their findings
- Meet with the internal auditor at least once a year without staff being present, to discuss their remit and any issues arising from the internal audits carried out
- On an annual basis, appraise the effectiveness and value for money of the Internal Audit service

#### 4.1.8 Internal Control & Risk Management Systems

##### 4.1.8.1 The Committee will:

- Ensure that LHP has robust internal control arrangements, with particular emphasis on controls relating to the key risks within the business
- On a half yearly basis review and consider (prior to submission to the Group Board), the Assets & Liabilities Register (which must be an up to date and accurate register of the Group's assets and liabilities)
- Report annually to the Group Board on its assessment of the adequacy and effectiveness of systems of internal control
- Annually review the Financial Regulations and Governance Standing Orders, where necessary recommending any proposed amendments to the Group Board
- Ensure there is an effective Risk Management Framework and Strategy in place, and annually review its adequacy and effectiveness, where necessary recommending any proposed amendments to the Board
- Develop and monitor a risk register for approval by the Board in accordance with best practice guidelines
- Regularly review the risk maps, recommending any proposed amendments to the Board
- Regularly evaluate detailed and robust stress testing against identified risks and combination of risks across a range of scenarios, as well as ensuring that appropriate mitigation strategies are in place
- Consider and agree the financial criteria for all development, acquisitions and disposal of property
- Develop and regularly evaluate the Business Continuity and Recovery Plan
- Review insurance arrangements as part of the annual renewal process and recommend any proposed changes to the Board



#### 4.1.9 Governance

##### 4.1.9.1 The Committee will, in accordance with Regulatory and/or NHF guidelines:

- Ensure that the Board receives the business management reports it needs to effectively scrutinise performance
- Test and seek assurance about the integrity of performance information and key data
- Test and seek assurance on compliance with all statutory duties
- Ensure that LHP complies with the requirements of the Regulatory Framework and undertakes a detailed annual review of an evidence-based compliance report against the Economic & Consumer Standards annually to the Board. The review will enable the Group Board's certification of compliance with the Governance & Financial Viability Standard for inclusion within the Annual Financial Statements
- On an annual basis, to undertake a detailed review of the compliance statement in respect of the adopted Code of Governance, reviewing where relevant, areas of non-compliance against the Group's adopted Governance Code and assess the reasoned statement of such non-compliance prior to sign off by the Board;
- Ensure that the Value for Money self-assessment is reviewed by the Committee prior to consideration by the Board
- Annually receive a report on the use of the Seal
- Review and approve all other policies and strategies as delegated to the Committee by the Board

#### 4.1.10 Whistleblowing, Fraud and Corruption

##### 4.1.10.1 The Committee will:

- Be responsible for ensuring that there is a fraud register in place and considering any issues relating to fraud or suspected fraud, reporting to the Board and Regulator as appropriate
- Review arrangements for employees and contractors to raise concerns in confidence about possible wrongdoing in financial reporting or other matters
- Ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action
- On an annual basis, review the systems and controls for the prevention of fraud and corruption, and receive reports on non-compliance, including an "adequate procedures" report

#### 4.1.11 Disputes

4.1.11.1 The Committee may direct the instigation of the “Dispute Resolution Procedure” under the Intra Group Agreement, but the final decision on resolution of disputes remains with the Board.

#### 4.1.12 Review

4.1.12.1 The Committee will annually review its effectiveness, including consideration of its skills base, and will consider its Terms of Reference as part of that process, proposing any revisions to the Board for their approval.

### **4.2 Assets and Investment Committee Terms of Reference**

#### **4.2.1 Purpose**

4.2.1.1 The Committee is established to support the effective development, delivery and monitoring of all asset, growth, and investment related strategies, ensuring appropriate analysis and understanding of the investment needs of existing stock, housing need and market conditions inform these processes across our targeted geographies.

4.2.1.2 The Committee will make recommendations to Board regarding investment in existing stock including recognising legislative changes, best practice and relevant strategies and policies.

4.2.1.3 The Committee will ensure the forward development and sales programme is in place and is monitored to meet agreed delivery targets.

4.2.1.4 The Committee will monitor delivery of approved planned investment programmes ensuring that LHP is meeting its’ statutory, regulatory, and strategic objectives.

4.2.1.5 The Committee will support and monitor the delivery of Repairs and Maintenance Services, including the In-House Repairs Service to ensure that is delivering a customer focused service and is value for money.

4.2.1.6 The Committee will review, recommend and approve policies and strategies as delegated to it by the Board and monitor relevant outputs including action plans and high-level performance associated with said strategies and policies.

#### **4.2.2 Status**

4.2.2.1 The Committee is established as a Committee of the Board and is appointed in accordance with Rule D29 of LHP’s Rules. In accordance with Rule D29, the powers granted to the Committee under these terms of reference shall be exercised in

accordance with any written instructions which may be given by the Board from time to time and these terms of reference may be varied at any time by the Board.

4.2.2.2 The Committee Chair will report formally to the subsequent Board meeting on its proceedings after each meeting, on all matters within its responsibilities.

4.2.2.3 At all times, the Committee and its members will observe the Regulatory Framework, the law and the constitutions of each Group member as appropriate, including Rules, Intra Group Agreements, Standing Orders, Code of Conduct, Group Scheme of Delegations, Financial Regulations and Group Policies.

4.2.2.4 In the case of dispute, a Board decision must override that of a Committee.

4.2.2.5 In accordance with the Urgent Decision making process, the Chair of the Committee shall have delegated authority and be authorised to deal on behalf of the Committee with any matter which may arise between ordinary meetings of the Committee and all actions taken under such authority shall be reported to the next meeting of the Committee.

#### 4.2.3 Membership and Quorum

4.2.3.1 The Committee will comprise of 3-5 members with skills appropriate to the Committee's purpose i.e. a working knowledge of strategic development, sales, mixed tenure portfolios, housing markets, asset management, stock rationalisation and planned investment.

4.2.3.2 All members of the Committee (including the Chair) will be appointed, and may be removed, by the Board.

4.2.3.3 The Chair of the Board shall not be Chair of the Committee but may be a Committee member.

4.2.3.4 In the case on equality of votes, the Committee Chair shall have a casting vote.

4.2.3.5 The quorum for Committee meetings is 3, to include at least two Members of the Board.

#### 4.2.4 Meetings

4.2.4.1 The Committee will meet at least three times each year.

#### 4.2.5 Core Functions

4.2.5.1 The Committee will:

- Ensure the effective development, delivery and monitoring of all asset, growth and investment related strategies, ensuring appropriate analysis and

understanding of the investment needs of existing stock, housing need and market conditions inform these processes

- Review and monitor at every meeting the progress of the annual development programme including sales performance, financial commitment, cash flow requirements, the out-turn scheme costs and subsidy requirements, ensuring that the commitment of funds sits within the parameters set by the Board
- Monitor scheme designs and quality issues post scheme completion and approve any changes to the approach
- Ensure regeneration programmes are appropriately resourced and targeted and report findings to the Board
- Have oversight and scrutiny of any proposed diversified activities, approved by the Board in terms of financial and business performance in accordance with regulatory guidelines on a quarterly basis
- Recommend to the Board property transactions related to tenanted stock including acquisitions or stock rationalisation
- Identify, manage, and monitor building health and safety compliance relating to LHP's property portfolio at each meeting
- Oversight and scrutiny of the performance of the repairs service including the monitoring of the in-house repairs service, and its delivery within the financial plan
- Monitor the progress and project management of the capital programme for major repairs, renovation, and modernisation to achieve strategic aims and objectives
- Monitor regeneration and disinvestment programmes and strategy approved by the Board
- Recommend to the Board disposal and acquisitions outside of the approved programmes or budget provision of the Business Plan and not covered by delegations to the Chief Executive
- Review and approve all other policies and strategies as delegated to the Committee by the Board. Relevant new policies, not included within the policy schedule, will be reviewed by the Committee and recommended to the Board for approval.

#### 4.2.6 Review

4.2.6.1 The Committee will annually review its effectiveness, including consideration of its skills base, and will consider its Terms of Reference as part of that process, proposing any revisions to the Board for their approval.

### **4.3 People and Governance Committee Terms of Reference**

#### 4.3.1 Purpose

4.3.1.1 The Committee has been established to set the Group's principles and parameters of remuneration policy and to oversee remuneration policy and outcomes. It will support

the Board in ensuring it has appropriate skills on its Boards and Committees through its nominations function.

4.3.1.2 It will provide focus for the LHP's Organisation and Development Strategy and Culture Change programmes to ensure that they drive the attraction, development, and retention of a diverse pool of talented employees to support the delivery of our strategic objectives.

4.3.1.3 The Committee will review, recommend and approved policies and strategies as delegated to it by the Board.

#### 4.3.2 Status

4.3.2.1 The Committee is established as a standing Committee of the Board and is appointed in accordance with Rule D29 of LHP's Rules. In accordance with Rule D29, the powers granted to the Committee under these terms of reference shall be exercised in accordance with any written instructions which may be given by the Board from time to time and these terms of reference may be varied at any time by the Board.

4.3.2.2 The Committee Chair will report formally to the Board meeting on its proceedings after each meeting, on all matters within its responsibilities, in addition to submission of minutes.

4.3.2.3 The Committee will make recommendations to the Board on any area within its remit where action or improvement is needed.

4.3.2.4 The Committee will communicate back to the Board on any matters regarding people, governance, remuneration and nominations that the Committee believes require further consideration.

4.3.2.5 At all times, the Committee and its members will observe the law and the constitutions of each Group member as appropriate, including Rules, Intra Group Agreement, Standing Orders, Code of Conduct, Group Scheme of Delegations and Financial Regulations.

4.3.2.6 In the case of dispute, a Board decision must override that of a Committee.

4.3.2.7 In accordance with the Urgent Decision making process, the Chair of the Committee shall have delegated authority and be authorised to deal on behalf of the Committee with any matter which may arise between ordinary meetings of the Committee and all actions taken under such authority shall be reported to the next meeting of the Committee.

#### 4.3.3 Membership and Quorum

4.3.3.1 The Committee will comprise of 3-5 members with skills appropriate to the Committee's purpose.

4.3.3.2 All members of the Committee (including the Chair) will be appointed, and may be removed, by the Board. Executive Officers will not be members of the Committee.

4.3.3.3 The Chair of the Board shall not be Chair of the Committee but may be a Committee member.

4.3.3.4 The quorum for Committee meetings is 3, to include at least two Members of the Board.

#### 4.3.4 Meetings

4.3.4.1 The Committee will meet at least three times each year.

#### 4.3.5 Core Functions

4.3.5.1 The Committee will:

- Commission and receive appropriate external and independent professional advice and reports on matters delegated to the Committee taking into account good practice, market comparisons and industry norms, and any regulatory or other limits that may apply
- Ensure that the Chief Executive's appraisal is conducted annually and agree his/her objectives, reporting through to the Board in line with the appropriate policy
- Determine and recommend to the Group Board the remuneration, other benefits, and terms and conditions of employment of the Chief Executive, together with salary increases and performance related payments to the Chief Executive in accordance with the agreed and published procedure
- Determine and recommend to the Board proposed remuneration, terms and conditions, and any performance related payments in respect of each member of the Executive Leadership Team, considering the recommendations from the Chief Executive and the outcome of appraisals, and learning and development plans
- Scrutinise and recommend to the Board any severance, redundancy or non-contractual payment to members of the Executive Leadership Team, ensuring that any payments made are lawful and in accordance with the Probity Policy
- Review all Settlement Agreements in detail, to include the figure offered/accepted versus the contractual value of remuneration and report on such use to the Board on an anonymised basis
- Recommend to the Board the overall salary increase for the staff group, including Full Time Equivalent (excluding the ELT)
- Examine proposals for significant alterations to terms and conditions of service which will affect staff, in particular any changes to pension arrangements, and advise the Board

- Review every three years the levels of remuneration for Board members making recommendations to the Board with the benefit of independent advice, if required
- Advise the Board in its role of ensuring that the Boards and Committees contain members of the highest calibre with the appropriate skills, competencies, and experience necessary to govern the affairs of the business. This includes making recommendations to the Board on appointments to all Boards and Committee
- In accordance with the Board Member Recruitment and Selection Policy, interview Board candidates and put forward a report to the Board recommending the preferred candidate's appointment
- In accordance with the Board Member Recruitment and Selection Policy, undertake the selection of the Chair of the Board and identify the candidate considered best suited to fill such role and recommend the successful candidate to the Board
- Be aware of the length of service of current Board members to ensure that adequate succession planning is in place for key skills and roles within the Board
- Monitor whether the Equality & Diversity Policy is being implemented in relation to the recruitment of Board and Committee members
- Review and approve the policy on Local Government Pension Scheme Pensions Discretion Policy, Retirement Policy and the Flexible Retirement Policy
- Oversee the delivery of the objectives outlined within the People Strategy, ensuring its successful implementation
- Monitor the delivery and success of any organisational culture change programme
- Review and approve all policies and strategies as delegated to the Committee by the Board. Relevant new policies, not included within the policy schedule, will be reviewed by the Committee, and recommended to the Board for approval
- Act as an appellate body in matters relating to ELT employment disputes

#### 4.3.6 Review

4.3.6.1 The Committee will annually review its effectiveness and will consider its Terms of Reference as part of that process, proposing any revisions to the Board for approval.

### **5.0 Role and Delegations**

#### 5.1 Responsibilities of the Chair of the Board

5.1.1 These are set out below and will be kept under review. They also apply to any Vice Chair acting as Chair (if any).

5.1.2 The Chair shall have the following responsibilities:

- To ensure the efficient and proper conduct of Company, Board and Committee meetings, ensuring that all Board Members are given the opportunity to express

their views before any important decision is taken but at the same time to ensure that only those who are eligible to speak (e.g. those without a conflict of interest) and vote, are invited to do so

- To establish a constructive working relationship with, and provide support for, the Chief Executive, and to ensure when necessary that the Chief Executive is replaced in a timely and orderly fashion
- To ensure that the Board makes proper arrangements to appraise the performance of the Chief Executive and to determine the remuneration of the Chief Executive and other senior staff
- To ensure that the Board arranges its own appropriate annual appraisal, and the appraisal of the Chair of the Board (for which the SID, if any, shall be responsible), and individual Board Members, and that the Board has arrangements in place for the replacement of Board Directors
- To ensure that the business of LHP is carried on effectively between Board Meetings, to exercise the authority delegated by the Board under urgent decision-making powers and to ensure that the Board monitors and, where appropriate, ratify the use of delegated powers
- To ensure that the Board delegates sufficient authority to its Committees, the Chairs, the Chief Executive and others, to enable the business of LHP to be carried on effectively between meetings of the Board and also to ensure that the Board monitors the use of these delegated powers
- To take decisions that are delegated to the Chair of the Board
- To ensure that the Board receives professional advice when it is needed either from its ELT or external sources
- To ensure that LHP, save where exceptions have been agreed by the Board, complies with the NHF Code of Governance
- To ensure that the affairs of LHP are conducted in accordance with generally accepted codes of performance and propriety
- To agree the first draft of the Board minutes before they are circulated to the rest of the Board and be satisfied that the minutes of Board meetings are approved by the Board, as an accurate and complete record. Once approved the Chair must sign the minutes for recording in the Minutes Register
- To be satisfied that all Company meetings have been properly convened by notice to the members, and that all Company and Board meetings are quorate
- To guide the Board members through agenda items in the order they appear (unless modified with the agreement of the meeting), ascertaining the 'sense of the meeting' and summing up the general agreement on a particular conclusion
- To give immediate rulings on complaints or queries relating to the procedure and conduct of the meeting, the Chair's ruling being final, adjourning any meeting of the Board or Committee for the purpose of restoring order or where required to do so by a majority of members.

## 5.2 Responsibilities of the role of the SID

- 5.2.1 If appointed, the SID, in common with all Board Members, has the same general legal responsibilities to LHP as any other Board Member. The Board as a whole is collectively



responsible for promoting the success of LHP.

#### 5.2.2 The SID shall have the following responsibilities:

- To act as a sounding board for the Chair, providing support for the Chair in the delivery of his or her objectives
- To have the authority to call a meeting of the Board Members if, in his/her opinion, it is necessary
- To act as a conduit to the LHP Board for the communication of concerns when other channels of communication are inappropriate
- To ensure that the views of the other Board Members are given due consideration
- Be a conduit, as required, for views by other Board Members on the performance of the Chair, and carry out a formal annual evaluation with the Board (excluding the Chair) to review the Chair's performance
- Conduct the Chair's annual performance appraisal
- To work with the Chair and other Board Members to resolve significant issues and to interfere in order to maintain Board stability in the following circumstances:
  - where there is a dispute between the Chair and the Chief Executive
  - where Board Members have expressed concerns that are not being addressed by the Chair or the Chief Executive
  - where the strategy being followed by the Chair and the Chief Executive is not supported by the entire Board
  - where the relationship between the Chair and the Chief Executive is particularly close and decisions are being made without the approval of the full Board
  - where succession planning is being ignored
- Act as a trusted intermediary for Board Members where this is required to help them to challenge and contribute effectively
- Take the initiative in discussion with the Chair or other Board Members if it should seem that the Board is not functioning effectively

### 5.3 Company Secretary

#### 5.3.1 The Company Secretary will perform the following duties:

- The distribution of Notices and Agendas of Meetings of the Board, any Committee, Working Group, Annual General Meetings and/or Special General Meetings
- The recording and distribution of the Minutes of the proceedings of the Board, Committees, Sub-Committees and General Meetings of LHP, including agreeing the first draft of the minutes with the Chair before they are circulated to the other members
- To advise LHP on the application of its Rules

- To monitor the operation of general meetings, Board meetings and company secretarial functions to ensure that LHP operates within its constitution and in accordance with relevant legislation
- To ensure that proxy votes are recorded and taken into account
- At the Annual General Meeting, to supervise the election of Board Members in accordance with LHP's Rules
- The maintenance of a Register of Shareholders
- The making of all statutory returns on behalf of LHP
- To ensure that Audited Annual Accounts are presented to the Board
- Ensuring that LHP meets the Regulatory Code for the time being in force
- Responsibility for the completion of the Regulator's information requirements
- Responsibility for the completion of all other statutory and regulatory returns
- Keep a record of all declarations of interests of Board members and employees made at meetings

#### 5.4 The Chief Executive

5.4.1 The Chief Executive is given delegated powers by Board for the management and day to day running of the Group and its business, including with the strategic and policy framework set by Board and its Committee

5.4.2 The Chief Executive is empowered to delegate further these functions and powers to other employees as a matter of efficiency, practicality and to reflect business needs and expertise. This forms the Executive Delegation Scheme (the **Scheme**)

5.4.3 The Scheme is an important document. This is because an action or decision by an employee without formal authority from the Scheme could be challenged as unlawful. This could lead to financial losses and damage to reputation as a consequence and even disciplinary action if the employee has acted beyond his/her authority and when not authorised to act on behalf of LHP.

5.4.4 Under the scheme:

- i. Each employee exercising a delegated power should record the decision taken and reasons for it unless it is evident from the papers or file or not appropriate given the subject matter.
- ii. The exercise of a delegated power must be on behalf of LHP and subject to, and taking account of LHP's:
  - Policy framework
  - Budgets
  - Constitution
  - Corporate Objectives and Values
  - Value for Money requirements
  - Probity Policy and Codes of Conduct

- Anti-Fraud and Corruption and Bribery Policies
  - Anti-Money Laundering and Anti-Slavery
  - Where appropriate proportionality under Human Rights Act
- iii. For avoidance of doubt, any exercise of delegated powers is subject to having any required budgetary approvals secured.
  - iv. Any power or delegation within this Scheme shall be widely construed so as to incorporate anything which is ancillary or conducive to the discharge of the function or the power.
  - v. Unless otherwise specified a power to approve includes a power to refuse or impose appropriate conditions.
  - vi. Employees should always consult appropriate colleagues for technical or professional advice before exercising the function and should consider consultation with a Head of Service, Director or the Chief Executive in potentially controversial or sensitive matters which might involve the reputation of LHP and/or the Group.
  - vii. Delegations granted may be withdrawn at any time generally or in specific cases and/ or be the subject of directions.
  - viii. The Company Secretary will maintain this Scheme and is authorised to update it to reflect any re-organisational changes or change in legislation.
  - ix. Delegations are given to employees at various levels of authority and expenditure commensurate with the responsibilities and seniority of the post holder.
  - x. There are two principal documents which set out these delegations:
    - Financial Delegations – These give individual and/or level of employees’ specific authority with financial limits for such matters as placement of orders, authorising invoices, bank mandates, entering contracts, special payment requests, petty vouchers and decoration vouchers and similar. These are set out in appendix 1 to the Financial Regulations.
    - General Delegations - This summarises general delegations to the Chief Executive for management and operational purposes. Functions are listed under generic headings of strategy and governance, employment and performance, maintenance and development, housing management and sealing documents. The Chief Executive will designate post holders and allocate specific authority against appropriate functions listed under these generic headings.

## 5.5 Delegation to the Chief Executive

- i. The establishment and maintenance of an organisation capable of implementing the policies and pursuing the objects of LHP.
- ii. To advise and assist in the formulation of policy including matters pertaining to the Constitution including Standing Orders, Financial Regulations and other rules of LHP.
- iii. To review and amend policies within an agreed policy review cycle or where legislation or regulatory requirements change subject to Board approval for those policies reserved to it or where a fundamental change of direction or principle is proposed.
- iv. The preparation of plans, financial budgets, accounts and regular reports, in an agreed format, for consideration by the LHP Board and Committees.
- v. The establishment and maintenance of accounting and information systems requisite to the day to day management and control of the business of LHP and compliance with statutory and legislative requirements.
- vi. To exercise financial control over the business of LHP in adherence to approved Financial Regulations, the requirements and directions of the Regulator of Social Housing and/or the Secretary of State and all applicable law.
- vii. Manage the affairs of LHP in accordance with the general policies and specific decisions of the Board.
- viii. Help the Board determine LHP's strategy and ensure effective consultation and communication on all relevant matters.
- ix. Ensure that LHP complies with the law and the Regulatory Standards and remains solvent.
- x. Ensure that the attention of the Board and of any relevant Committee is drawn to matters that they must consider and decide.
- xi. Ensure that the Board and all Committees are given the information necessary to perform their duties.
- xii. Ensure that proper systems of monitoring and control are established and maintained and have overall responsibility for the LHP's internal audit function of LHP.
- xiii. Ensure the supervision, with the guidance of the Chair, of the preparation of documents for consideration by the Board and relevant Committee.
- xiv. Ensure that the relevant Chair receives appropriate support to enable the business of the Board or relevant committee to be properly conducted.

- xv. Lead and manage the employees of LHP and ensure that their performance is appraised.
- xvi. To pursue, within agreed plans and budgets, the recruitment, training, motivation and direction of staff and their activities requisite to the promotion of the policies and object of Group.
- xvii. Ensure that all proposals including in particular those for new developments and activities and the acquisition or construction of properties, include a risk assessment which:
- Identifies the key risk associated with the proposal including in particular the likelihood of planning permission where appropriate
  - Assesses the likely impact of these risks
  - Assesses the probability of the risks crystallizing
  - Identifies an officer of LHP responsible for controlling and monitoring the risk
  - Contains proposals for controlling the risk
  - Explains how the risk will be monitored
  - Recommends an appropriate risk strategy
- xviii. Appraise the performance of the other Executive Directors.
- xix. To promote and represent the interests of LHP and the Group in its relationship with the Regulator of Social Housing, Homes England, Local Authorities, Government Departments, Professional Bodies and Organisations, the NHF, the National Housing and Planning Council and such other organisations with which the Group may establish links or become affiliate.
- xx. To exercise appropriate day to day control and direction over all the business of the Group and those in its employ.
- xxi. To perform such other tasks and duties as may from time to time be required by the Board.
- xxii. To facilitate good working relationships between ELT and the Board and its Committees.
- xxiii. Subject to these Standing Orders including Financial Regulations, the Chief Executive may, without further reference to the Board or any Committee, take the action he/she considers necessary to ensure the efficient and effective management and administration of the LHP's activities consistent with the policies of LHP. Under the management of and through the Chief Executive, the duties and responsibilities set out above and below may be further delegated to the other Executive Directors or other employees whom the Chief Executive shall decide from time to time shall be

authorised to so act and/or whose job descriptions would normally include such activity, as the case may be.

## 5.6 Human Resources

5.6.1 Within approved policies, settle Terms and Conditions of Service, salaries. And other emoluments.

5.6.1 Decide the following matters:

- i. Employee recruitment, selection, deployment and management and, subject to approved disciplinary policies and procedures, employee discipline and dismissal and the authorisation of candidates' expenses and appointees' relocation expenses, accommodation and travelling expenses.
- ii. With the exception of major changes to structures which must be approved by the Board, changes to employee structures and establishment provided that costs are met from within agreed budgets.
- iii. Extension of sick pay entitlements and the exercise of discretions approved under the Local Government Pension Scheme regulations 1997 (as amended).
- iv. Development, approval and implementation of employment policies and procedures, including all employee welfare matters, that support the overall human resource and organisational development strategies, policies and values of LHP.
- v. Operation of a performance appraisal scheme.
- vi. Authorisation of casual and temporary appointments and the determination of their rates of pay and allowances.
- vii. Informal and formal communications, consultations and negotiations with employee representatives.
- viii. Leave of absence in excess of normal entitlement.
- ix. Employee training arrangements and attendance at employee courses, subject to approval by the Board of the strategic training and development plan for employees.
- x. Extensions of service.
- xi. Determining ex-gratia payments to employees in cases of loss or damage to possessions in connection with the work of LHP.

- xii. Conducting disciplinary hearings as provided for in the approved Disciplinary Policy and procedures.
- xiii. Establish, approve and implement health and safety policies, procedure and practice in accordance with overall policy on Health and Safety to be approved by the Board.

## 5.7 Finance

5.7.1 As determined under the Financial Regulations.

## 5.8 Maintenance, Property and Development

- i. Applications for planning permission and the invitation and acceptance of tenders and entering of formal contracts for house construction, improvement and repair schemes subject to the provision of Financial Regulations, Procurement Rules and within approved budgets.
- ii. Delivery (which includes all necessary actions) of development programmes and opportunities identified under the approved annual programme within the Asset Growth Strategy approved by Board.
- iii. Implementation of approved Disinvestment Strategies and programmes approved by Board either specific to identified properties or by reference to an annual financial target or capped number of properties to be identified and evaluated.
- iv. Negotiating and completing the ad hoc disposal of property and other assets with an individual value of up to £25,000 and the authorisation of payments in connection with this activity.
- v. Determining the use of land for housing development which is not immediately required for development purposes.
- vi. Approval of terms for short term leases with partner agencies, miscellaneous licences and rights, wayleaves and easements.
- vii. Legal and other appropriate action in connection with property and land holdings including defending and settling disrepair claims (within approved financial delegated authority) and consultation with leaseholders and tenants in respect of rechargeable works and services (“section 20 consultation”).

## 5.9 Housing Management

- i. The overall management of the housing stock including selection of tenants, letting and licensing of dwellings, garages and other buildings, rent collection etc., in accordance with the LHP’s approved policies.

- ii. The termination of tenancies and leases, including the issue of appropriate legal notices and all necessary legal action, in respect of all dwellings, garages or other accommodation and land and the repossession of properties for breach of tenancy conditions.
- iii. Subject to the relevant Tenancy Agreement, approval of tenants' requests in respect of sub-tenants, changes of use, alterations and extensions and erection of other structures.
- iv. Assessment of rents in accordance with the Regulatory Framework, approved policies and schemes and appropriate notification to tenants.
- v. Determination of applications for minor alterations to boundaries.
- vi. Carry out repairs, improvement and modernisation programmes within approved budgets and policies.
- vii. Management of the warden service (Sheltered Housing Service) and the provision of supported housing and other care needs within the community in accordance with LHP's policies.
- viii. Liaison with the local housing authority on matters relating to homelessness and other contractual obligations arising from the Transfer of Housing Stock Agreement between North East Lincolnshire Council and Boston Borough Council and LHP.
- ix. Administration of the Prescribed Right to Buy and Right to Acquire Schemes in accordance with the legal provisions and other schemes enabling tenants to acquire interests in their own homes.
- x. Legal action to enforce or waive covenants, rights and restrictions relating to all properties of LHP subject to legal advice.
- xi. Instituting appropriate action to enforce conditions of sale.
- xii. Action to contest or agree adverse possession claims relating to land subject to legal advice.

#### 5.10 Authority to attest the use of the seal and sign documents as a Deed

5.10.1 Two Board members or a Board member and Company Secretary may attest the use of LHP's seal on documents requiring the affixing of the seal.

5.10.2 Board may grant a Power of Attorney to the Chief Executive and such members of the ELT as it determines appropriate to sign documents on its behalf as a Deed.



## 6.0 SECTION B: FINANCIAL REGULATIONS

### 6.1 Introduction

- 6.1.1 The Financial Regulations of LHP form part of its overall system of Governance which includes financial and management control. The Rules of LHP, the terms of reference of the Board, its Committee (the Audit and Risk Committee, Assets and Investment Committee and People and Governance Committee) and the Standing Orders and Delegations outline how LHP will be controlled and run. The Financial Regulations are supported by a number of policies and procedures that describe the way that these regulations will be implemented.
- 6.1.2 Nothing in these Financial Regulations shall override instructions or conditions imposed by statute, Regulator or any other department or body which has a legitimate role in setting standards.
- 6.1.3 The Rules and Sections 1-5 of the Constitution will take precedence over these Financial Regulations where there is a conflict. Where there is a conflict between these Regulations and other policies or procedures issued by LHP from time to time, these Financial Regulations will take precedence.
- 6.1.4 The Financial Regulations are reviewed by the Audit & Risk Committee on an annual basis. If changes are recommended these must be taken to the Board for approval.
- 6.1.5 These regulations govern the conduct of LHP and its employees, Board Members and Committee Members in relation to all financial matters. **Failure to comply with the Financial Regulations, or instructions issued under them, will constitute misconduct and may result in disciplinary action.**
- 6.1.6 It is the responsibility of the members of the Executive Leadership Team (ELT) to ensure that staff for whom they are responsible are made aware of the existence and content of the Financial Regulations and the Schedule of Delegated Authority. The up to date version is maintained on the Intranet and is accessible to all staff.
- 6.1.7 The detailed financial policies and procedures setting out how the regulations will be implemented are contained in a separate manual. It is the Director of Resources' responsibility to prepare and maintain LHP's financial policies and procedures.
- 6.1.8 The detailed financial policies and procedures setting out how the regulations will be implemented are contained in a separate manual. It is the Director of Resources' responsibility to prepare and maintain LHP's financial policies and procedures.

## 6.2 Scope

6.2.1 These Regulations apply to:

- All LHP Income and Business
- All LHP Staff, Board Members and Committee Members
- All Departments and LHP subsidiary companies

## 6.3 Ethical Principles

6.3.1 LHP Business shall be conducted in accordance with the Nolan Principles: selflessness, integrity, objectivity, accountability, openness, honesty and leadership

6.3.2 Staff, Board Members and Committee Members must ensure that:

(a) neither their conduct of LHP Business; nor

(b) the conduct of any person or organisation entering into any contract or arrangement with LHP, contravenes the Bribery Policy.

6.3.3 Staff, Board Members and Committee Members must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the LHP.

6.3.4 Staff must declare to the Company Secretary any personal interest, which may affect any LHP Business and act in accordance with the instructions given as to management of any conflict.

6.3.5 Board Members must declare to the Company Secretary any personal interest, which may affect any LHP Business and act in accordance with the instructions given as to management of any conflict.

6.3.6 All Board Members, Committee Members and employees are required to comply with the Code of Conduct for Board Members and Employees.

## **7.0 Control Framework**

### 7.1 Responsibilities

#### **The Board**

7.1.1 The Board has ultimate responsibility for LHP's finances, in particular to:

- Ensure the solvency of LHP

- Safeguard LHP's assets
- Ensure the effective and efficient use of resources
- Ensure compliance with the regulatory body's performance standards and related guidance
- Ensure that financial control systems are in place and are working effectively and that a statement of assurance is produced by the internal audit provider annually
- Review the management letter from the external auditor and take any appropriate action
- Approve LHP's Corporate Plan
- Approve the annual budget
- Approve the long-term business plan
- Approve the annual financial statements
- Appoint LHP's external and Internal auditors

7.1.2 The Board delegates certain responsibilities to the Audit and Risk Committee, which are detailed in the Constitution. The Audit and Risk Committee is accountable to the Board. The Board can, from time to time, set up working parties for which terms of reference and any decision-making power will be established.

7.1.3 All Board and Committee Members are expected to operate in accordance with the Constitution of the Company and to comply with the Code of Conduct for Board Members and Employees to achieve the Corporate Objectives.

#### **The Chief Executive**

7.1.4 The Chief Executive is responsible to the Board for the day to day running of LHP and the implementation of the strategy and policies approved by the Board and for the overall financial control of the organisation and the provision of financial information.

7.1.5 These Financial Regulations set out the basis of the Chief Executive's powers to delegate authority to individuals on financial related matters and are intended to enable the efficient operation of LHP and the achievement of Corporate Objectives.

#### **The Director of Resources**

7.1.6 The day to day financial administration of LHP is the responsibility of the Director of Resources. He/she is responsible to the Chief Executive and the Board for:

- Financial and business planning
- Preparing annual capital and revenue budgets
- Preparing management accounts and information, monitoring and control of income and expenditure against budgets, within the context of delegated budgetary control, and all financial operations
- Preparing LHP's annual accounts and other financial statements and accounts that LHP is required to submit to other authorities
- Preparing information for the monitoring of Lenders' covenants

- Ensuring that LHP maintains satisfactory financial systems that are properly administered
- Monitoring and control of the adequacy of funding needs using close cash flow supervision and projections
- Providing professional advice to the Board on all matters relating to financial policies and procedures.

### **The Executive Leadership Team (ELT) and Managers**

- 7.1.7 All Directors are responsible to the Chief Executive for financial management in their own areas. They are advised by the Director of Resources in the execution of their financial duties.
- 7.1.8 The ELT will submit to the Director of Resources, as required, all information for costing and accounting purposes within the agreed timescales. They will also allow the Director of Resources access to all accounts, records and documents.
- 7.1.9 Each member of the ELT is responsible for establishing and maintaining clear lines of responsibility within their department for all financial matters. Where resources are devolved to budget holders, the budget holder is accountable to the appropriate member of the Executive for his/her own budget.
- 7.1.10 All Executive Directors and Managers should ensure sound financial management and effective control over their areas of responsibility in accordance with the strategies and policies approved by the Board and the Chief Executive.
- 7.1.11 Executive Directors, Senior Managers and Managers should ensure that operational areas within their responsibility operate in accordance with these Financial Regulations.

### **Staff**

- 7.1.12 All members of staff are expected to operate in accordance with the Constitution of the Company and to comply with the Code of Conduct for Board Members and Employees to achieve the Corporate Objectives.
- 7.1.13 All staff should be aware of and familiar with the Constitution comprising Standing Orders, Delegation Scheme, Financial Regulations and the Procurement Rules in so far as they affect their own role and the extent of their own authority.

### **External Bodies**

- 7.1.14 It is permitted to delegate authority to commit the Company to a contractor, partner or consultant working on behalf of LHP. The authority delegated to act under these Financial Regulations to such a third party must be fully documented and authorised by the Chief Executive.

## 7.2 Publication of Financial Regulations

7.2.1 Every Board member and employee of LHP will have access to the Financial Regulations electronically or a hard copy if they do not have access to the intranet.

## 7.3 Company Secretarial

7.3.1 The Board together with the senior management will ensure that the relevant Organisations within the Group are operating within the permitted boundaries as laid down in the respective M&A, Rules and other governance documents.

7.3.2 The Company Secretary will be the Secretary for all Group Organisations to ensure that statutory and regulatory reporting requirements are met for the whole Group. All Group Organisations are required to provide all information requested by the Company Secretarial department within the required timescale.

## 7.4 Delegated Authority

7.4.1 The delegated authority is a personal authority delegated to an individual and can only be delegated in accordance with these Financial Regulations. Each individual must exercise proper discretion when authorising a transaction. In particular this means that the authoriser should be satisfied that they have been delegated the authority to act and that all procedures have been correctly followed. Each individual is personally responsible and will be held accountable for their actions under the delegated authority.

7.4.2 The maximum authority levels for each grade of staff are set out in the Delegations Table at Appendix 1. Managers may delegate authority to incur expenditure up to the amounts specified in the table to individuals within those grades. Delegation of amounts in excess of the amounts specified must be clearly documented, approved by the Chief Executive and be for a specific period of time not exceeding three months.

7.4.3 A member of staff is authorised to enter into financial and other commitments on behalf of LHP within the limits set out in the Delegations Table (see Appendix 1), provided that:

- The matter is not subject to specific approvals as set out in set Financial Regulations or the Procurement Rules
- That the costs have been provided for in a budget allocated for the purpose
- All other policy and procedural requirements have been met

## 7.5 Matters Reserved to the Board, Chief Executive and Others

7.5.1 The Matters Reserved to the Board (set out in the Constitution)) shall be authorised by the Board or in accordance with specific delegations for each matter as determined

by the Board. This may include delegation to individual Board Members, a Board Committee, the Chief Executive or Other Officers.

## 7.6 Segregation of Duties

7.6.1 The following principles shall be observed where possible in the allocation of duties involving financial activity:

- The duties of providing information about money due to or from LHP and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or paying them
- Staff who examine and check the accounts of cash transactions shall not themselves be engaged in any of these transactions.

## 7.7 Audit Requirements

7.7.1 The accounts and management letter will be submitted to the Audit & Risk Committee for discussion and comment and then to the Board for noting and adoption.

7.7.2 External and internal auditors shall have authority to:

- access all assets, records, documents and correspondence relating to any financial and other transactions of LHP
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of LHP to account for cash, stores or any other LHP property under his/her control
- access records belonging to third parties, such as contractors when required

### **External Audit**

7.7.3 The appointment of external auditors will take place annually and it is the responsibility of the Board to appoint the external auditors following advice received from the Audit and Risk Committee.

7.7.4 External auditors may be appointed for a maximum period of five years, after which the service must be tendered.

7.7.5 The primary role of external auditor is to report on LHP's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice set out in the code of audit practice and the Auditing Practices Board's auditing standards.

7.7.6 The Director of Resources will arrange for a management letter to be sent to the Chair of the Board by the external auditors reporting on the findings of the audit and

highlighting any areas of concern related to the audit and including recommendations to improve efficiency and systems of internal control.

- 7.7.7 The external auditors will be given the opportunity as required, but at least once per year, to meet the Board without officers present to discuss any issues that might have arisen during their work and to highlight areas of concern.

### **Internal Audit**

- 7.7.8 The appointment of the internal auditor is recommended by the Audit and Risk Committee for Board approval. The appointment will be subject to annual review as to effectiveness and performance.
- 7.7.9 The main responsibility of internal audit is to provide assurance to the Board, the Chief Executive and senior management on the adequacy of the internal control system, and the consideration of the arrangements regarding risk management and governance. The internal audit service remains independent in its planning and operation and has direct access to the Board, Chief Executive and Chair of the Audit and Risk Committee.
- 7.7.10 The internal auditor will comply with the Institute of Internal Auditors' Code of Practice and Code of Ethics.
- 7.7.11 An annual programme of work will be approved by the Audit and Risk Committee under its terms of reference. The programme will be based on an assessment of the needs of the LHP and the risks it faces.
- 7.7.12 The Audit and Risk Committee shall receive an annual report on the results of the approved programme of Internal Audit, including a summary of the Internal Auditor's assessment of the effectiveness of the systems of internal control.

### **Other Auditors**

- 7.7.13 LHP may, from time to time, be subject to audit or investigation by external bodies such as the Regulator, FCA and HM Revenue and Customs.

## 7.8 Retention of Records

- 7.8.1 Accounting and other records must be retained for periods that comply with relevant legal requirements and best practice. A list of document retention periods is provided at Appendix 2 below.

## 7.9 Insolvency Procedures

- 7.9.1 The Board is responsible for ensuring that LHP or any of its subsidiaries ceases to trade if there are reasonable grounds for believing LHP or an individual subsidiary is insolvent. The Chief Executive and the Director of Resources, in conjunction with

information provided by fellow members of the Executive Leadership Team and senior staff shall provide such appropriate information to the Boards and the Regulator should they suspect that the Group or one of its subsidiaries may be insolvent.

## **8.0 Financial Planning and Control**

### **8.1 Financial Year**

8.1.1 The financial year will run from 1st April to 31st March, unless amended by Board resolution.

### **8.2 Business Planning**

8.2.1 LHP will produce a 3-year Corporate Plan and 30-year financial projections reflecting the strategic direction of LHP, which will be reviewed annually as a minimum and must be approved by the Board.

### **8.3 Annual Budget**

8.3.1 Within a particular year, the Annual Budget provides the framework for financial decision making and control and is prepared with reference to the Corporate Plan

8.3.2 The Executive Leadership Team of LHP is responsible for ensuring revenue and capital budget is prepared annually for consideration by the Board as part of the Annual Planning Process. This preparation is co-ordinated by the Director of Resources who will set the initial overall objectives and timetable with the Chief Executive and in consultation with the Executive Leadership Team. Budgets should be presented to the Board at an early stage to allow adjustments and alteration.

8.3.3 All budgets will be prepared by budget holders under the direction of the appropriate Executive within the agreed timetable. The Director of Resources will provide advice and assistance to budget holders as required to facilitate the production of the annual budget. A set of agreed budget principles is provided to budget holders and made available on the intranet.

8.3.4 The Budget, once approved will be the used as the basis to authorise expenditure under the delegated authority scheme up to the specified limits.

8.3.5 When setting the Budget, the Director of Resources and Budget Holders must ensure that:

- Current and known future commitments in relation to capital expenditure over the next 18 month horizon are, or can be, fully financed by loans, grants or other available funds, and that any security requirements required for the drawing of loans in that period are already in place
- Future rental and other revenue income is adequate to meet projected expenditure in the long term



- Expenditure on each of LHP's functions is adequately funded by income received or other pre-allocated resources
- There is prompt and accurate submission of claims for any capital, revenue or deficit grants for which LHP is entitled
- That administrative costs and overheads are commensurate with LHP's circumstances and allocated on a reasonable basis to LHP's functions

8.3.6 When setting the annual budget, the following factors should be included:

- Main economic and operational assumptions and where they differ from the same assumptions contained in the long-term business plan
- The impact of any significant changes to policy
- The effect of material changes on budgets of changes in services or workload to achieve business objectives
- Progress against delivering the commitments made to residents at transfer
- Compliance with lenders' covenants
- Compliance with current regulatory requirements
- Sensitivity analysis and an assessment of the principle risks inherent in the budget
- The impact of the budget on the long-term financial forecasts
- Improving the value for money of all LHP's services over time to release resources for reinvestment in improved homes and services and to ensure that LHP's performance is consistent or better than its peer group

8.3.7 The budget also includes cash flow forecasts for the year and a projected year-end balance sheet.

8.3.8 When individual capital projects are presented for approval, they should be supported by:

- A statement demonstrating the project's consistency with strategic plans approved by the Board
- A budget for the project, incorporating a breakdown of costs including professional fees, VAT and funding sources
- An investment appraisal and financial evaluation of the plans together with their impact on revenue expenditure, plus advice on the impact of alternative plans where appropriate
- A cash flow / spend forecast
- A demonstration of Value for Money in respect of the proposed project

## 8.4 Budgetary Control

8.4.1 The responsibility for managing the revenue and capital budgets will be delegated to budget holders in line with the scheme of delegations approved by the Board. All authorities to incur expenditure by individual members of staff will be documented showing the maximum limits of authority to commit expenditure and communicated to the budget holder. The Schedule of Delegated Authority is provided at Appendix 1.

- 8.4.2 The control of income and expenditure within an agreed revenue budget is the responsibility of the designated budget holder who must ensure that day to day monitoring is undertaken effectively. Budget holders are responsible to their Director for the income and expenditure appropriate to their budget. The budget holder will be assisted in this duty by management information provided by the Finance Team.
- 8.4.3 The inclusion of items of revenue expenditure in the approved budget shall constitute authority to incur the expenditure except where the Board has placed conditions on any item, items or category of expenditure. Expenditure on any such items can only be incurred when and to the extent that such conditions have been satisfied.
- 8.4.4 An approved budget for capital expenditure other than non-property related fixed assets, does not bestow authority to automatically incur expenditure. A scheme appraisal providing appropriate detail relevant to the spend must first be considered by the group or person authorised under the scheme of delegation before the scheme can proceed. Further advice can be obtained from the Financial Planning and Treasury Manager.
- 8.4.5 For approved budgets where the decision making is delegated to resident involvement (Section 7.5) the Director of Customers is responsible for ensuring that the representatives of such involvement are informed of their budget limits and limit their approval of schemes to the total budget.
- 8.4.6 If it appears that a capital project or long-term contract budget will be exceeded outside predetermined limits it will be the duty of the budget holder concerned after consultation with the Director of Resources to inform the Board of the circumstances.
- 8.4.7 Budget holders can vire budget within their own areas of responsibility provided expenditure:
- Remains within budget
  - Does not generate a financial or other commitment beyond the current financial year
  - The funds are not ring-fenced to a particular activity
- 8.4.8 Transfers between budgets must not result in long-term commitments such as employment of additional permanent staff not included in the current establishment budget, unless approved by the Executive and Corporate Management Team, or entering into long-term contracts without approval of the Chief Executive.
- 8.4.9 Expenditure within total budget but involving virement from one budget head to another is the responsibility of the Chief Executive, subject to issues of policy being agreed by the Board. Expenditure in excess of budget requires Board approval. Approval of the virement of amounts between budget heads up to the value of £10,000 is delegated to the Director of Resources.

- 8.4.10 All transfers between budgets must be approved by the Director of Resources and those over £10,000 will be reported to the Board on a quarterly basis.
- 8.4.11 The Chief Executive or in his/her absence the Director of Resources may authorise expenditure in excess of the budget allowance if it is essential to meet any immediate needs created by a sudden emergency. Such action must be reported to the Board as soon as possible after the event.
- 8.4.12 If there is a significant change in operational activity or policy that will affect the financial position of LHP the Board will be provided with a report outlining the financial impact of the change.
- 8.4.13 Any new proposal with a financial implication that involves the incurring of additional net expenditure during a period for which the Board has already approved a budget or a programme of capital expenditure shall be presented to the Board a report quantifying the financial impact. The Board will be requested to approve the proposal and the resultant financial implication.
- 8.4.14 The Board may approve a revision to the annual budget for the year at any time during the year. The budgeted levels of expenditure should not be exceeded without formal approval by the Board.

#### **Budget Monitoring and Reporting**

- 8.4.15 The Board is responsible for the overall monitoring performance against budgets with day to day responsibility being delegated to budget holders in their own area of control.
- 8.4.16 The Director of Resources in conjunction with budget holders will be responsible for ensuring that as far as practicable budget holders have systems and procedures available to enable budget holders to monitor and control their budgets, including monthly management accounts.
- 8.4.17 The Director of Resources is responsible for ensuring budgetary control is exercised correctly and has the authority to seek and receive explanations of actual and potential variances to budgets that fall outside delegated authorities.
- 8.4.18 It is the responsibility of the Director of Resources to present regular out-turn reports in respect of revenue income and expenditure and capital expenditure. These reports will show expenditure against budget and forecasts and will be presented to the Executive and Corporate Management Team monthly (except for April month end) and to the Board quarterly. Prompt action should be taken to correct adverse variances from budgets where possible. Budget holders are obliged to provide suitable commentary for any notable variances.

8.4.19 The Director of Resources will report quarterly to the Board on the financial position of LHP. Board meetings are to be held at a time that allows for the figures to be presented.

## 8.5 Accounting

8.5.1 The Director of Resources will provide guidance on the accounting policies and procedures to be used throughout LHP by its officers in all its financial matters. This will recognise the requirements of company law, statutory agencies and regulatory authorities.

8.5.2 The Director of Resources will be responsible for the accounting procedures, accounts and accounting records of LHP and maintaining their completeness and accuracy.

8.5.3 The implementation of all accounting procedures and compilation and maintenance of financial records of LHP shall be managed by the Director responsible for the specific area of activity, after consultation with the Director of Resources, in accordance with requirements of statutory agencies and regulatory authorities.

8.5.4 The following accounts and accounting records will be kept as a minimum requirement:

- Nominal Ledger
- Cash Book and Bank Statements
- Purchase Ledger and Invoices
- Loan Register
- Rent Ledger and Invoices
- Fixed Asset Register
- Sundry Debtor Ledger
- Payroll Records
- Project Ledger

The records should be kept such that they comply with the requirements of HM Revenue and Customs and any funding bodies, and in a manner consistent with statutory accounting regulations and good practice.

8.5.5 The Director of Resources is responsible for maintaining accounting records sufficient at all times to:

- Identify assets and liabilities (including monthly accruals)
- Ensure properly due amounts are paid out
- Recognise and collect all income that is due
- Provide regular reports on the financial position to the Executive, the Board, Funders and Statutory or Regulatory bodies

- 8.5.6 The records prepared under Regulations 8.3.4 and 8.3.5 must be sufficient to allow for the preparation, at any time, of financial statements, which give a true and fair view of both the results for the period prescribed, and the net assets. The financial statements must be prepared in compliance with all the relevant statutory and regulatory requirements, and in accordance with the approved accounting policies.
- 8.5.7 The establishment of new Project Codes on the Project Ledger can only proceed with the approval of the Director of Resources supported by a clear explanation as to why a Project Code is required. The Budget Holder requesting the Project Code should be able to identify clearly either that there is a capital budget in place against which the project will be linked or that there is corresponding revenue funding (e.g. grant funding) in place to support that project.

## 8.6 Accounting Policies

- 8.6.1 The annual financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards and Statements of Recommended Practice, in particular with the Statement of Recommended Practice – Accounting by Registered Social Landlords (SORP).
- 8.6.2 The Accounting Policies are approved by the Audit and Risk Committee and detailed in the annual financial statements.
- 8.6.3 Any fixed asset owned by LHP will be depreciated in accordance with best practice and the latest relevant SORP. Rates for depreciation for the different categories of fixed assets are set out in the detailed financial procedures. Small items of capital expenditure costing below an agreed amount as specified in the detailed financial procedures are treated as consumables and written off in the year of purchase.
- 8.6.4 LHP will, where possible maintain and increase the level of general reserves, so that they adequately reflect its capital and revenue commitments. The use of reserves must comply with the appropriate statutory and regulatory requirements.

## 8.7 Accounting Returns

- 8.7.1 The Director of Resources is responsible for consolidating and dispatching financial returns and other periodic financial reports to the regulatory body and other agencies as required.

## 8.8 Group Structures and Subsidiaries

- 8.8.1 In certain circumstances it may be advantageous to LHP to establish group structures or subsidiaries to undertake services on its behalf. The Board is responsible for approving the establishment of group structures or subsidiaries and the procedure to be followed in order to do so. Compliance with LHP's Rules and regulatory guidance must be secured.

8.8.2 It is the responsibility of the Board to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by LHP. The directors of companies where LHP is the shareholder must submit an annual report to the Board.

## **9.0 Income and Banking**

### 9.1 General

9.1.1 The Director of Resources is responsible for ensuring that appropriate procedures are in operation to enable LHP to receive all the income to which it is entitled. All manual or electronic receipt forms, invoices, tickets or other official documents in use must have the approval of the Director of Resources.

### 9.2 Appointment of Bankers

9.2.1 The Board is responsible for the appointment of LHP's bankers. The appointment shall be for three to five years after which consideration shall be given by the Board to competitively tendering the service.

9.2.2 Following the establishment of LHP it will initially have two sets of bankers until such time as it is able to move to only one set. The consolidation should be undertaken within a reasonable period noting that there is an expectation by the funders, Lloyds, that the arrangements will lie with them.

### 9.3 Banking Arrangements

9.3.1 The Director of Resources is responsible for liaising with LHP's bankers in relation to LHP's bank accounts and the issue of cheques. All cheques shall be ordered on the authority of the Director of Resources who shall make proper arrangements for their safe custody.

9.3.2 The procedures for opening and closing bank accounts are agreed with the bank concerned. All bank accounts shall be in the name of LHP unless specifically approved otherwise by the Board.

9.3.3 Details of authorised persons and limits for all types of payment including BACS and CHAPS shall be provided for in LHP's detailed financial procedures.

9.3.4 The Director of Resources is responsible for ensuring that all bank accounts are subject to regular reconciliation and independent review and that large or unusual items are investigated as appropriate.

9.3.5 Cheques will be signed by members of staff authorised by the Board in accordance with the Schedule of Delegated Authority.

9.3.6 Personal cheques of Board Members or employees are not to be cashed by LHP.

#### 9.4 Charging for Services Provided

- 9.4.1 All Service Users and Customers should be charged the approved rate for services provided by the LHP in accordance with LHP Policy. This includes rent, support charges, service charges, repairs recharges meals and any other fees or charges for goods and services the Company may provide.
- 9.4.2 The Director of Resources is responsible for ensuring all rents and charges are set in accordance with current legislation, regulatory requirements and LHP policy.
- 9.4.2 Compensation for service failure will be approved in accordance with the Compensation Policy, and authority for making payments under that policy is delegated under these Financial Regulations.
- 9.4.3 Authority to reduce or cancel charges to service users under approved contracts outside the Compensation Policy is documented in the Delegations Table at Appendix 1.

#### 9.5 Cash Receipts

- 9.5.1 All staff must comply with LHP's cash handling procedures when handling cash on behalf of LHP.
- 9.5.2 All monies received by LHP from whatever source must be recorded by staff in any service on a daily basis together with the form in which they were received. An authorised receipt of LHP must be issued.
- 9.5.3 Money must be paid to the Finance Department and custody of all cash holdings must comply with the requirements of LHP's insurers.
- 9.5.4 No deductions may be made from any cash collected on behalf of LHP prior to paying into the Finance Department.
- 9.5.5 Personal or other cheques must not be cashed out of money received on behalf of LHP.

#### 9.6 Rent Collection

- 9.6.1 The collection of rents is the responsibility of the Director of Customers. He/she should ensure that:
- Swift and effective action is taken to collect overdue rents in accordance with LHP's formal procedures
  - Outstanding rents are monitored, and reports prepared for managers
- 9.6.2 Payment of credits on individual rent accounts back to tenants are made following the deduction of any overpaid Benefit received direct by LHP.

## 9.7 Collection of Debts

9.7.1 The raising of debtors' invoices is carried out by the Finance Team at the request of other Teams upon receipt of appropriate supporting documentation.

9.7.2 The designated officers must ensure that:

- Debtors invoices are raised promptly in respect of income due to LHP
- Charges are raised on official invoices
- Swift and effective action is taken to collect overdue debts in accordance with LHP's formal procedures
- Outstanding debts are monitored and reports are prepared for managers

9.7.3 Terms offered to debtors are generally that they have twenty-eight days from the date of the invoice. The date commercial rent is due is detailed in the relevant tenancy agreement.

## 9.8 Writing Off Debts

9.8.1 Effective action should be taken to pursue cases of non-payment. However, in certain situations a debt will become irrecoverable. The authorisation for writing off such debt is detailed in the schedule of delegated authority.

9.8.2 If at any time within the Statute of Limitations the circumstances of the debtor change such as to make any written-off debt recoverable, the debt will be written back onto the appropriate debtor account and appropriate recovery action taken. Where taxable debt is written-off bad debt relief should be claimed in accordance with the relevant HMRC notice.

## 9.9 Grant Income

9.9.1 The Director of Resources must ensure that adequate accounting systems are in place to enable LHP to comply with the procedural conditions of the Homes England and other grant providers. Each member of ELT will, where appropriate, ensure that arrangements are in place to claim the full and appropriate amount of capital and revenue grant. Copies of all relevant information, including grant applications and submissions, must be sent to the Director of Resources.

## **10.0 Expenditure**

### 10.1 General

10.1.1 The Director of Resources is responsible for making payment to suppliers of goods and services to LHP.



10.1.2 In its procurement activity, LHP must be able to demonstrate Value for Money, quality and probity of any works, goods or services. All staff involved in purchasing should adhere to the Procurement Rules when making purchases.

## 10.2 Payment for Goods and Services

10.2.1 The Authorities schedule set out at Appendix 1 specifies authority levels for employees who can commit to expenditure and authorise invoices and supplier payments.

10.2.2 To ensure value for money is achieved, the Procurement Rules must be followed.

10.2.3 The normal method of payment of money due is by BACS, electronic transfer or cheque drawn on the LHP's bank account and signed or approved by signatories authorised by the Board. Other approved methods are as follows:

- Standing orders or direct debits where required (for example, mortgage repayments, utilities etc.)
- Approved credit card arrangements

10.2.4 Automated payments must conform to the requirements of the Group's Insurers:

- Electronic payments or transfers can be initiated by authorised signatories on the bank software with passwords and access privileges strictly controlled
- Confirmatory letters signed by an authorised signatory issued for any other payment or transfer instruction given to the bank which are of a non-routine nature
- BACS payments for creditors will be made by utilising the credit facilities on the bank's software package, and payments are restricted to bank accounts/sort codes contained on the package, which has been confirmed by the receipt of documentary evidence as to the validity of the account

10.2.5 Responsibility for certifying an account for payment lies ultimately with the officer who approved the purchase of goods/services on behalf of LHP but must be countersigned by their manager if they were also responsible for placing the order for goods/services.

10.2.6 Statements, photocopies or facsimiles of invoices are not acceptable. However, if it is unavoidable, the authorising officer must confirm the original is unavailable and the copy clearly marked "copy" and signed by the authorising officer.

10.2.7 Before certifying an account for payment the certifying officer must satisfy him/herself that:

- The works, goods or services to which the account relates have been received, carried out, examined and approved
- Prices, extensions, calculations, trade discounts, other allowances, credits, tax and coding are correct

- The invoice is arithmetically correct
- The relevant expenditure has been properly incurred and is within the relevant estimate provision
- Appropriate entries have been made in the inventories, store records or stock books as required
- The account has not previously been passed for payment and is a proper liability of LHP

10.2.8 The process for signing off an invoice for payment is as follows:

- The individual ordering the goods / services will sign to confirm that the goods / services have been received and where they are the budget holder will confirm a budget is in place for that expenditure
- A second individual of appropriate responsibility (usually the line manager) will sign to authorise payment and where they are the budget holder to confirm that there is a budget in place

10.2.9 Under no circumstances must the payment request be:

- Certified by the payee
- Certified by the cheque signatory
- Certified by an officer not listed in the detailed financial procedures

10.2.10 Where a purchase ordering system is available then it should be used for all purchases where practical. In such cases, authority over the order shifts such that the person ordering the goods or services raises an order which must be approved by their manager or other person with the relevant delegated authority to approve that order.

10.2.11 Once the goods or services have been received, the person who ordered them must update the purchase order system that this is so, as long as the goods or services are satisfactory. On receipt of the invoice, the finance department will then arrange matching with the order and receipt advice and assuming a match within tolerance, arrange payment with no further recourse to the ordering officer.

10.2.12 Should the match fall outside tolerances, the finance department will contact the supplier or the officer requesting the goods as appropriate.

10.2.13 In processing such invoices, the checks outlined in paragraph 2.7 must still be carried out by the Finance Department.

10.2.14 LHP will not pay for any goods or services that have not been delivered and found satisfactory for the purpose. In the case where the supplier requires payment or part payment in advance of delivery then approval must be obtained from the Director of Resources who will satisfy himself or herself of the credit status of the supplier and advise on the circumstances, which will enable the order to be placed.

- 10.2.15 On occasion purchases may be made over the internet, where discounts can be secured or this is the only source of the items. Payment will be made via a corporate credit card (0).
- 10.2.16 In exceptional circumstances the Director of Resources will prepare cheques manually for urgent payments.
- 10.2.17 Goods and services that are procured under partnering agreements have specific delegated authority limits distinct from standard authority limits to support the realisation of the efficiency gains to be made from partnership working.
- 10.2.18 Individuals who have authority to approve repair work and other jobs under the partnering agreements will be specifically delegated a level of authority under those agreements. A record of the level of delegation applied to each Officer will be held with each partnering agreement with copies provided to the Finance Department.

### 10.3 Petty Cash

- 10.3.1 All the petty cash floats will be held only for the purpose of making small disbursements and paying properly authorised expenses. The level of imprest will be set by the Director of Resources and will be determined by expenses flows, security and insurance consideration.
- 10.3.2 Each member of the Executive Leadership Team in whose area an imprest is held will be responsible for ensuring that drawings on that imprest are on petty cash vouchers or the appropriate expenses form authorised in accordance with the authorities schedule, and that there are regular checks on the balance in hand. There should be a regular expense analysis which is reviewed and approved by a Manager nominated by the ELT member concerned before reimbursement is made.
- 10.3.3 In all but exceptional circumstances receipts should be provided for all items of petty cash requiring reimbursement. Exceptional circumstances must be authorised by the appropriate member of the Executive Leadership Team in all instances.
- 10.3.4 No person may authorise a petty cash voucher or expenses form payable to themselves.
- 10.3.5 Petty cash should not be used for items controlled by another budget holder, except in exceptional circumstances. Where this does occur, then the budget holder must confirm the expenditure is acceptable and subsequently authorise the expenditure and record it for monitoring purposes.
- 10.3.6 Employees responsible for petty cash will be personally responsible for:
- Ensuring the proper use and safe keeping of the money advanced

- Producing on demand to the Director of Resources or his/her authorised representative cash and vouchers that in total match the value of the imprest accompanied by a balanced petty cash account
  - On leaving employment of LHP be liable to account for the petty cash imprest advanced
- 10.3.7 The Director of Resources will maintain a record of petty cash balances held and reimburse imprests on receipt of vouchers and a balanced account as often as necessary.
- 10.3.8 No income received on behalf of LHP may be paid into an imprest account, but must be banked or paid to LHP, as provided elsewhere in these regulations.
- 10.3.9 Personal cheques must not be cashed or money borrowed from imprest accounts.
- 10.3.10 Money can be provided in advance of expenditure. Supporting receipts and documentation must be provided subsequently and any balance returned.
- 10.3.11 At the end of the financial year a certificate of the balances held should be completed by the member of staff responsible for the float and countersigned by the Manager.

#### 10.4 Non-Contractual, Charitable and Compensation Payments and Gifts

10.4.1 Payments to third parties (i.e. customers, members of the public or charities but excluding staff) which are discretionary and can be described as:

- Non-contractual
- Ex Gratia
- Charitable
- Gifts
- Incentives
- Prizes
- Compensation

should only be made in accordance with the relevant policies.

10.4.2 Charitable donations should only be made where the making of the donation does not conflict with LHP's own charitable objectives. Where there is doubt confirmation should be sought from the Head of Legal and Governance/Company Secretary.

10.4.3 There may be circumstances where it is appropriate for LHP to make a gift to members of staff or Board Members, for example on retirement. Such gifts must be made in accordance with the Probity Policy and must be approved by the Chief Executive.

## 10.5 Contracts

- 10.5.1 LHP enters into contracts for a variety of activities. These include building contracts, maintenance contracts, banking, audit and insurance. Building contracts and related documentation should be based on accepted industry standards.
- 10.5.2 Contracts can only be entered into and signed in accordance with the Authorities Schedule at Appendix 1.
- 10.5.3 For construction and major works contracts capital payments may be made by instalments. In such circumstances the Director of Property shall arrange for the keeping of individual accounts to show the financial transactions on each contract between LHP and the contractor, together with any other payments and related professional fees.
- 10.5.4 For construction and major works contracts payments to contractors on account during a contract shall only be made based on a certificate issued by the supervising officer (or private architect, engineer or consultant where engaged by LHP) confirming the value of works completed.
- 10.5.5 For construction and major works contracts subject to the provisions of the contract, in each case shall be authorised in writing by the consultant engaged by LHP and checked by the appropriate officer in the Property Team.
- 10.5.6 The final certificates of completion of any contract greater than £15,000 shall not be issued until the Director of Property has examined and agreed the final accounts for the contract.
- 10.5.7 Where completion of a contract is delayed beyond the contract period, the Director of Property shall take action where appropriate in respect of any claim for Liquidated and Ascertained Damages (LADs). Legal advice is required in situations where the full level of LADs is not to be claimed.

## 10.6 Appointment of Consultants

- 10.6.1 On occasion LHP will need to appoint consultants where independent advice or additional skills are required. LHP may appoint consultants for areas such as property services, IT and legal services.
- 10.6.2 Such appointments should be tendered every 3-5 years in line with the Procurement Rules.

## 10.7 Company Credit Cards

- 10.7.1 The Director of Resources will make arrangements for the administration of company credit cards and will issue them where circumstances require.

10.7.2 Members of the ELT are responsible for ensuring that company credit cards used in their Directorate are only held by appropriate staff and are used strictly in compliance with the specific guidance issued by the Director of Resources.

10.7.3 Each month an appropriate receipt will support all items of expenditure on the credit card statement. The receipt is the responsibility of the card holder to obtain and must be retained for the reconciliation of the credit card statement monthly.

10.7.4 Purchases made over the internet are permitted subject to a £2,000 limit and must be supported by appropriate printed documentation. Each purchase remains constrained by the need for approved budgets and general Procurement requirements.

## 10.8 VAT

10.8.1 Executives are responsible for providing information to enable the Director of Resources to maintain proper VAT records and ensure that returns are made to HM Revenue and Customs in accordance with prescribed regulations.

## 10.9 Taxation

10.9.1 The Director of Resources is responsible for providing advice on all taxation issues in the light of guidance issued by the appropriate bodies and the relevant legislation as it applies to LHP. Therefore he/she will issue instructions to departments on compliance with statutory requirements including those concerning VAT, PAYE, National Insurance, the Construction Industry Scheme (CIS) tax, and Corporation Tax, where appropriate.

10.9.2 The Director of Resources is responsible for maintaining LHP's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## 10.10 Salaries and Wages

10.10.1 The Board, subject to any delegations to the Executive or the Remuneration and Nominations Committee and any other consultative arrangements in place will approve all salary bands and structures, pay awards and pay increases and pension arrangements for all members of staff. Remuneration for Board Members and the Executive Leadership Team is a matter for the Board on recommendation from the Remuneration and Nominations Committee who must determine and source the advice they require.

10.10.2 The Director of Resources is responsible for all payments of salaries and wages to all staff including payments for overtime or service rendered. He/she is responsible for ensuring that all arrangements and controls are in place to ensure:

- Maintenance of all payroll related records both statutory and internal
- Proper accounting for payroll costs

- Accurate and timely payment of salaries and wages
- 10.10.3 All appointments must be made by the Chief Executive or by such Executive delegated by him to do so within agreed budgets except in the appointment of the Chief Executive and Executive Directors, where the appointment will be made by the Chair of the Board.
- 10.10.4 The Director of Customers will be responsible for keeping the Director of Resources informed of all matters relating to personnel for payroll purposes. In particular these will include:
- appointments, resignations, dismissals, secondments and transfers
  - absences from duty for sickness or other reason, apart from approved leave, where there is a payroll implication
  - changes in remuneration including and pay awards
  - instances of approved paid overtime
  - information necessary to maintain records of service for pension arrangements, income tax, national insurance, etc
- 10.10.5 The Director of Resources is responsible for payments to all staff who are not directly employed such as Agency staff and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.
- 10.10.6 The Director of Resources shall be responsible for keeping all records relating to payroll including those of a statutory nature.
- 10.10.7 All payments must be made in accordance with LHP's detailed payroll financial procedures and comply with HM Revenue and Customs regulations.
- 10.10.8 Where the payroll service is outsourced to a third party, the Director of Resources must satisfy him/herself that arrangements are in place to ensure all legal and regulatory requirements are adhered to.
- 10.10.9 Where errors in the payment of salaries, wages or pensions are discovered the Director of Resources must be informed immediately. It is the responsibility of the Head of Human Resources and Organisational Development Head of Legal and Governance to inform employees or former employees of errors made and to recover any sums overpaid in accordance with prescribed procedures.
- 10.10.10 Overpayments must not be written off unless the Director of Resources is satisfied:
- After consultation with legal advisors that all steps possible have been taken to recover the sums due
  - that the cost of recovering any sums due would exceed the sum involved
  - that recovery would cause undue hardship to the employee concerned

10.10.11 The prior authority of the Board must be obtained to write off sums in excess of £5,000 and of the Director of Resources below this amount.

### 10.11 Pensions

10.11.1 The Board is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees.

10.11.2 The Director of Resources is responsible for day to day pension matters including:

- Paying of contributions to the authorised pension schemes
- Preparing the annual return to the authorised pension schemes

10.11.3 A review of the performance of the management of the pension fund should be carried out periodically by the Director of Resources and the Head of Legal and Governance. Any potential problems must be reported to Board.

### 10.12 Travel, Subsistence and Other Allowances

10.12.1 All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Resources and using the payroll system and its normal pay dates. Claims should be submitted in the month following that in which the expenditure was incurred. Claims over three months old will not be paid except in exceptional circumstance and with the approval of the Director of Resources. Claims must be submitted in the financial year in which the expenditure was incurred with the exception of March of each year which must be submitted by the end of the first week in April. The backdating of claims into previous financial years will only be made in exceptional circumstances, as determined by the Director of Resources.

10.12.2 All claims will be examined and checked for reasonableness by the authorising officer with respect to the amounts claimed.

10.12.3 Payments due to Board Members, including co-opted Members who are entitled to claim travelling or other reasonable costs incurred, will be made upon receipt of the prescribed form duly completed and authorised by the Chief Executive, together with supporting documentation, where possible. The accuracy of the information contained in a claim shall be the responsibility of the Member concerned.

10.12.4 Claims by members of staff must be certified by their supervising manager. The certification by the supervising officer shall be taken to mean that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by LHP.

10.12.5 Claims by the Chief Executive will be certified by the Chair of LHP on a monthly basis.



10.12.6 Use of private vehicles on LHP business must be approved in advance by the Chief Executive. Vehicles must be appropriately insured for business use.

10.12.7 Employees should be aware that:

- LHP will not accept liability for excess parking charges, parking fines or speeding charges
- Expenditure in respect of entertaining must conform to the requirements of LHP's Probity Policy and Codes of Conduct

10.12.8 All staff using their own vehicles on behalf of LHP shall maintain appropriate insurance cover for business use. Where staff use their car for work, they must provide current copies of their driving license, insurance and MOT certificate and have completed the appropriate driver training modules. Staff are not authorised to use their vehicle for work purposes and will not be entitled to mileage payments without having supplied this documentation and completed the training.

10.12.9 All staff must inform their line manager and the Head of Human Resources and Organisational Development if their medical circumstances change or they are disqualified from driving.

### 10.13 Emergency salary advances

10.13.1 Emergency salary advances to cover staff in immediate need may in exceptional circumstances be authorised by the Chief Executive or, if they are not available, the Director of Resources. All such payments must be accounted for through the payroll system and tax deducted accordingly.

### 10.14 Utilities and Statutory Payments

10.14.1 Payments to utility companies (telephones, energy, water) and statutory authorities including local authorities, Government Departments and Agencies including Her Majesty's Revenue and Customs have separate levels of authority limits, limited to certain roles within LHP to reflect the fact that they are dictated by regulations and recognising the obligations LHP has to make these payments promptly.

## **11.0 Assets**

### 11.1 Property, Assets and Fixed Assets Register

11.1.1 The purchase, lease or rent of land or buildings or fixed plant other than office accommodation can only be undertaken as part of an approved growth strategy or as part of an approved strategy of land banking. Such a strategy must take into account the financial burden and risks involved in land banking.

11.1.2 The purchase, lease or rent of land or buildings or fixed plant as office accommodation can only be undertaken as part of a plan approved by the Board.

- 11.1.3 Publicly funded rented housing assets should only be used for social housing related purposes and not placed at risk by non-social housing activities.
- 11.1.4 A register of all properties owned by LHP will be kept in a form approved by the Director of Resources and form part of the Assets and Liabilities Register.
- 11.1.5 A fixed asset register and inventory shall be maintained recording a description of furniture, fittings and equipment, plant and machinery and other capital equipment owned or leased by LHP. The form in which the fixed asset register and inventories shall be kept is to be set by the Director of Resources and each Manager will be responsible for items within his/her area with a copy being provided to the Director of Resources upon request.
- 11.1.6 Each Manager responsible for assets in the fixed asset register shall ensure that an annual check is made of all items detailed on the register, that action is taken in relation to surpluses or deficiencies and for making amendments to the register and notifying these to the Director of Resources.
- 11.1.7 LHP's assets shall not be removed other than in the ordinary course of business or used other than for the purposes of LHP except in accordance with specific directions issued by any Executive responsible for the asset.

## 11.2 Asset Disposal

- 11.2.1 The Board have delegated to the Chief Executive authority for the disposal of all interest in land and properties where the disposal falls under one of the following categories:
- Right to Buy / Right to Acquire / Voluntary Right to Buy sales
  - Properties already approved by the Board as shared ownership properties for sale
  - Properties already approved by the Board as having been built for sale
  - Properties identified in the latest Annual Asset Management Strategy or Growth Strategy
- 11.2.2 Board have delegated authority to approve the disposal of any individual property or interest in a property with a value of less than £25,000 to the Chief Executive Specific Board approval is required to dispose of a property if the value is in excess of £25,000 unless covered by Regulation 11.2.1 above.
- 11.2.3 In the absence of an agreed asset plan, prior approval shall be sought for asset disposals from the Chair of the Assets and Investment Committee, reported back subsequently to the Committee and Board.
- 11.2.4 The Directors are authorised to approve disposals of land with limited intrinsic value up to a limit of £10,000.

11.2.5 Other than provided for in Regulations 11.2.1 and 11.2.2 disposal of land and buildings can take place where:

- the cost of carrying out major repair works, adaptations or demolition and rebuilding is not financially viable
- the undeveloped land can be sold at such a value that alternative housing development, more appropriate to current housing need, can be undertaken; or
- there are strategic benefits to LHP

11.2.6 Board approval is required for any such disposal. ELT members will be required to demonstrate that such disposal does not detract from the ability to satisfy housing need and that consultation with residents and the local authority has been carried out, where appropriate.

11.2.7 Consent for disposal must be obtained from LHP's lenders and any relevant regulator in accordance with their requirements.

11.2.8 The disposal of all other assets with a value owned by LHP (including but not limited to vehicles, furniture, computers and office equipment) must be approved by the Director of Resources.

### 11.3 Stocks and Stores

11.3.1 Each member of the ELT shall be responsible for the security and care of all stocks and stores under their control and for ensuring that only the minimum required for efficient operational purposes is held to reduce losses through loss, obsolescence, damage or cost of financing.

11.3.2 Stocks and stores records will be kept in a form approved by the Director of Resources following consultation with the appropriate member of ELT and managers.

11.3.3 Members of ELT and managers will provide finance staff with all information as is required to prepare and maintain accounting, costing and related financial records.

### 11.4 Treasury Management

11.4.1 The Board is responsible for approving the treasury management policy. The Audit & Risk Committee interprets the Policy into the Annual Treasury Strategy This sets out the strategy and criteria for cash management, long term investments and borrowings. The Audit and Risk Committee has the responsibility for ensuring implementation, monitoring and review of the Strategy and compliance with the Policy.

11.4.2 The principal aims of the treasury management strategy will be to:

- Minimise exposure to adverse interest rate movements

- Ensure as far as possible stable interest payments against borrowings over the long term
- Ensure all investments make a satisfactory rate of return
- Limit the business's exposure to risk of loss of capital
- Minimise the cost of funds whilst maintaining a balanced portfolio of borrowing which minimises interest rate risk

11.4.3 All executive decisions concerning borrowing, investment or financing, within policy parameters, shall be delegated to the Director of Resources.

11.4.4 The Director of Resources will report to the Audit & Risk Committee regularly in each financial year on the treasury management function and on the exercise of powers delegated to him/her including monitoring compliance.

11.4.5 Specific Board approval is required for any new loan or [material] financing / leasing facilities other than necessary in the normal course of business for non-housing assets.

## 11.5 Leasing and Other Financial Instruments

11.5.1 The financial limits provided for in the Delegations Table (Appendix 1) apply to the capital value (inclusive of VAT) of any vehicle or item of equipment or plant to be leased or financed.

11.5.2 The Director of Resources shall be responsible for the co-ordination of all leasing or alternative financing agreements, of any item entered into by LHP.

11.5.3 Each member of the ELT is responsible for ensuring that all leasing needs are forwarded to the Director of Resources.

11.5.4 The Director of Resources shall maintain a register showing details of all vehicles or items of equipment or plant financed by LHP.

11.5.5 The Director of Resources shall notify any member of ELT of any changes to a financing agreement to ensure appropriate measures are taken.

## **12.0 External Arrangements**

### 12.1 Partnerships and Joint Ventures

12.1.1 The Director of Resources must be consulted on the financial and probity implications of all partnership agreements, joint ventures and similar arrangements before any such agreements are finalised. Such arrangements must be approved by the Director of Resources prior to approval by the Board and be in accordance with the detailed standards in Regulation 12.1.4 below. Members of the ELT are required to agree and formally accept the roles and responsibilities of each of the partners involved before the project commences and to communicate regularly with partners for the duration of the project.

12.1.2 Members of the ELT are responsible for assessing the risks and benefits associated with partnership or joint venture budget arrangements and for ensuring any such arrangement is in the best interest of the LHP and its service users.

12.1.3 Members of the ELT are responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships and joint ventures that apply throughout LHP.

12.1.4 Partnership arrangements may be used as a means of acquiring goods, works or services and may be of a complex nature. It is therefore necessary that the Director of Resources is consulted on the financial implications of such arrangements and must approve that:

- Costs and income are provided for in LHP's budget
- Arrangements are in place for accurate accounting for costs and income
- Appropriate Governance arrangements with sufficient controls are in place for the successful operation of the partnership, including arrangements for sufficient access to financial and other records
- End of contract carry forward or cessation arrangements have been determined
- A formal risk assessment has taken place and a management strategy devised; and
- An auditing regime has been established

12.4.5 In any joint venture or partnership involving land, legal advice must be sought, received and form part of the process of taking advice to the Board.

## 12.2 External Funding

12.2.1 The Director of Resources must be consulted on the financial and probity implications of all projects involving funding from external sources (e.g. Lottery grants, European Social Funds etc).

12.2.2 All funding received from external bodies or associated parties must be properly recorded in the LHP's accounts.

12.2.3 Key conditions of funding and any statutory requirements must be understood and followed.

12.2.4 Any match-funding requirements must be given due consideration prior to entering into long term agreements and future revenue budgets must reflect those requirements.

## 12.3 Work for Third Parties

12.3.1 Proposals should be costed properly before an agreement is reached to do work for a third party. Formal contracts or a memorandum of understanding should be drawn up prior to any work commencing.

## **13.0 Risk Management, Security and Control**

### **13.1 Risk Management**

- 13.1.1 The Director of Resources is responsible for the effective risk management procedures, including strategic and operational risk maps and any other arrangements which from time to time are regarded as best practice for Registered Providers Housing Associations.
- 13.1.2 All Board Members and members of staff are required to comply with the Risk Management Policy.
- 13.1.3 It is the responsibility of the Corporate Management Team to ensure that risk is effectively managed throughout the organisation including within their own area of operation. It is the responsibility of all staff to consider the risks involved in the activities in which they are involved, how they might change, and the risks involved in new proposals.
- 13.1.4 The Director of Resources will ensure that LHP has a risk map and programme of risk management which is approved and monitored by the Audit and Risk Committee.
- 13.1.5 The Executive Leadership Team, Heads of Service and Managers will provide assurance that the mitigating controls identified within the risk register are in place and operating effectively through certification twice a year. This will feed into the internal controls assurance report provided by the Chief Executive to the Board at the end of each financial year.

### **13.2 Insurance**

- 13.2.1 The Director of Resources is responsible for effecting insurance cover, as determined by the Board, the regulators and private lending institutions.
- 13.2.2 Any and all insurance policies entered into must be approved by the Director of Resources.
- 13.2.3 Responsibility for day-to-day administration of insurance is delegated to departments as appropriate. The Director of Resources will be responsible for obtaining quotes and maintaining the necessary records and will deal with the insurers and advisers about specific insurance problems.
- 13.2.4 The Director of Resources will annually review insurance arrangements and cover in consultation with the Corporate Management Team. All members of ELT, CMT and managers will notify promptly the Director of Resources of any new risks identified and/or assets that require to be insured or of any alteration that might affect existing insurance cover.

- 13.2.5 The ELT must ensure that any agreements negotiated within their departments with external bodies cover any legal liabilities to which LHP may be exposed.
- 13.2.6 The process for making an insurance claim is to be made is outlined in the financial procedures.
- 13.2.7 All losses or potential losses that might lead to an insurance claim either on behalf of or against LHP will immediately be notified to the Director of Resources.
- 13.2.8 Uninsured losses must be recorded separately and reported to the Director of Resources to help inform the insurance requirement and the risk management process.
- 13.2.9 The Director of Resources will keep a register of all insurances affected by LHP and the property and risks covered.
- 13.2.10 The Director of Customers is responsible for keeping suitable records of plant that is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.
- 13.2.11 The ELT and Managers in consultation with the Director of Resources shall ensure that all contractors and service providers have adequate employers and third-party liability insurance in place before contracts are awarded.

### 13.3 Security

- 13.3.1 Board members and employees are responsible for accountability, security, control and proper use of all LHP resources, including cash, plant, buildings, stores and materials within their sphere of control.
- 13.3.2 Maximum limits for cash holdings shall be agreed with the Director of Resources and shall not be exceeded without his/her express permission.
- 13.3.3 Keys to safes or similar containers are to be carried on the person of those responsible at all times while in the office and stored safely when not in the office. The loss of such keys must be reported to the appropriate member of ELT and the Director of Resources as soon as practicable. Duplicate keys will only be issued in exceptional circumstances on satisfaction that all reasonable efforts have been made to recover lost keys. No keys should be marked in such a way as to make them identifiable to any person who is not authorised to hold that key.
- 13.3.4 The Director of Customer Service will be responsible for ensuring that all permanent staff have identification cards as appropriate. The appropriate member of the ELT will be responsible for making arrangements for identity cards to be issued to temporary staff and that all staff return their identity cards when they leave LHP.

13.3.5 The Chief Executive and Head of IT are responsible for maintaining proper security and privacy of information held in any computer installation maintained, operated or accessed by LHP and for ensuring that information is not improperly disclosed. Members of staff should be responsible to ensure the data they are dealing with remains secure.

13.3.6 Computer data security will be the responsibility of the Head of IT as will ensuring that adequate disaster recovery arrangements are in place to protect LHP's interests in the event of a major systems or hardware failure. Data security, including password maintenance and disaster recovery, will be carried out in accordance with the computer security and disaster recovery procedures which will be reviewed at least annually.

13.3.7 LHP will comply with the Data Protection Act 2018 and any associated regulatory requirements, under the direction of the nominated Data Protection Officer (Head of IT). It will also comply with the General Data Protection Regulation (GDPR) and ensure adequate measures and training is provided on a timely basis. The Head of IT will extend their remit to covering this new requirement.

13.3.8 The Head of IT is responsible for ensuring that regular copies of computer data are made and that these are stored in a safe, secure and remote location.

13.3.9 All staff and Board members have a responsibility to ensure that they comply with data security instructions issued and from time to time updated.

#### 13.4 Protection of Private Property

13.4.1 Staff, Board Members and Committee Members should ensure that their personal belongings are kept safe and secure at all times because LHP cannot be responsible for losses.

#### 13.5 Fraud, Bribery, Corruption and Financial Misconduct

13.5.1 All Board and Committee members, ELT, CMT and all other staff shall comply with the requirements of LHP policies at any given time relating to preventing fraud and corruption, anti-bribery, anti-slavery and anti-money laundering as well as complying with the Probity Policy and Codes of Conduct. The Director of Resources and Head of Legal and Governance/Company Secretary shall ensure that these policies and documents will always be available for all to access on the intranet and other media.



## SECTION C: PROCUREMENT STANDING ORDERS

### 14.0 SECTION 1

#### 14.1 Introduction and General Overview

14.1.1 The purpose of the Procurement Standing Orders is to provide a series of internal rules for Lincolnshire Housing Partnership (LHP) which ensure the Company's purchasing decisions are undertaken in a consistent manner. These rules are necessary so that the company can:

- Further its corporate objectives
- Use its resources efficiently and effectively
- Evidence value of Money through its procurements
- Safeguard its reputation from any suggestion of impropriety or dishonesty; and
- Act Lawfully.

14.1.2 The Procurement Standing Orders help to ensure that the company procures its supplies, services, and works in a fair, efficient, and economic manner.

14.1.3 The Procurement Standing Orders form part of the wider constitution comprising standing orders and financial regulations.

14.1.4 Procurement is about obtaining the most competitive rates and value for money from external suppliers, for the goods, services and works necessary to support the company, in delivering its services to residents.

14.1.5 It is important to note that procurement goes beyond financial efficiencies, of which are identified in the companies Procurement Strategy, However, these objectives need to be carefully balanced with achieving value for money.

#### 14.2 Scope

14.2.1 These standing orders apply to all purchases of works, services or supplies by the company. Where these standing orders refer to "suppliers", this also includes service providers (as applicable).

14.2.2 Every decision that involves LHP Staff making a purchase from an external supplier is a procurement decision. It is not just about LHP's big spend areas (e.g. the repairs and investment programme), it is about raising awareness of good procurement practices across all of our external expenditure. This means thinking through the available choices and their associated consequences before committing to a purchase. Naturally, there will be greater focus on those areas of spend which are of higher value, of greater risk or offer opportunities for improvement. Of course, the starting point for any procurement decision should be whether, or not, the purchase is genuinely necessary. It is also essential to confirm that a budget exists for the purchase.

14.2.3 All LHP staff responsible for making procurement decisions will be required to ensure that their decisions are consistent with the Procurement Strategy, Procurement Policy and Procurement Standing Orders, this will be of particular relevance to individuals who have significant procurement responsibilities as part of their wider job role. Compliance with the organisations Procurement Standing Orders are mandatory for LHP Employees.

### 14.3 Purpose

14.3.1. The Procurement Standing Orders are intended to ensure LHP remains compliant with legislative requirements with regard to Procurement, to support the delivery of regulatory requirements and most importantly to reinforce LHP's commitment to delivering Value for money for customers, potential customers and other stakeholders.

14.3.2 A key issue regarding LHP's procurement activity is the requirement to comply with all relevant procurement law when awarding contracts. Procurement Law specifically regulates the award of contracts above certain value thresholds. Certain contracts also need to be advertised to potential suppliers electronically, both nationally and across Europe, and the contract award process is required to follow set procedures and specific timescales.

14.3.3 All of LHP's contract awards, regardless of their value, are subject to principles which stem from the "Treaty on the functioning of the European Union" (TFEU). These require that contract awards follow principles of no-discrimination, equal treatment and transparency.

### 14.4 Regulatory Requirements

14.4.1 The regulatory Framework for Social Housing in England from April 2012 (Revised in April 2015).

14.4.2 The Homes and Communities Agency (HCA) regulatory framework requires that all registered providers shall ensure effective governance arrangements that deliver their aims, objectives and intended outcomes for tenants and potential tenants in an effective, transparent and accountable manner.

14.4.3 They must:

- Adhere to all relevant law
- Comply with their governing documents and all regulatory requirements
- Be accountable to tenants, the regulator and relevant stakeholders
- Safeguard taxpayers' interests and the reputation of the sector
- Have an effective risk management and internal controls assurance frameworks
- Protect social housing assets

14.4.4 In addition, the Value for money standard require registered providers to articulate and deliver a comprehensive and strategic approach to achieving value for money in meeting their organisations objectives.

## 14.5 Legislative Requirements

### 14.5.1 EU Procurement Rules

The Company is legally bound to comply with the requirements of both the Public Contracts regulations 2015 and the TFEU; Collectively, this legislation is known as EU Procurement Law.

The European Union (EU) procurement rules, which are transposed into UK Law by the Public Contracts Regulations 2015 (PCR 201), are designed to give all potential suppliers a fair chance of bidding for, and winning, contracts. Any contract with a potential value over the current tendering thresholds must be advertised in the official journal of the European Union (OJEU).

The rules identify aggregate contract value tendering Thresholds and prescribe procurement practice and procedure to be followed where the rules apply.

Activity	EU Tendering Threshold
Works	£4,733,252
Supplies	£189,330
Services (other than for social and other specified services)	£189,330
Light touch regime*	£663,540

14.5.2 The above thresholds are advertised in the EU Directive in Euros. The European Commission publishes official conversion figures to the £ every 2 years on 1 January. When deciding whether the value of a contract is above the threshold it is these converted figures that apply.

14.5.3 PCR 2015 specify how contracts should be valued for the purposes of the EU Tendering thresholds. In summary:

- I. The Value of a contract for works is the total amount payable for those works over the whole life contract, including the value of any services or free issue” materials made available
- II. The value of a contract for services is the value of those services over 4 years, or over the life of the contract if it is for less than 4 years
- III. The value of a contracts for the purchase of goods (supplies) is the value of all goods that are to be purchased under it
- IV. The value of a contract for the hire of goods is the value over the life of the Contract if it has affixed length, or over 4 years if it is an indefinite contract
- V. The value of a framework agreement or dynamic purchasing system is the maximum estimated value of the contracts that may be let, or purchases made under it

14.5.4 These thresholds do not apply just to the contract being procured, but also to other contracts whose values are aggregated with it for the purposes of identifying whether the total value is above the tendering threshold.

14.5.5 As well, as valuing an individual contract, it must be considered whether the value of that contract has to be aggregated with the values of other related contracts, so that if their combined value is over the relevant EU Tendering threshold, an EU procurement process is required for the contract that is being procured. The EU procurement rules aggregate together:

- I. The value of all works contracts that relate to a single work (for example, works to a single building or separate contracts for a “single programme” of works)
- II. The values of all supplies or service contracts to meet a single requirement (for example, three separate appointments with the same firm for architectural services for the refurbishment of a single building were considered to be a “single requirement” even though each annual refurbishment programme came from a different annual budget)
- III. The value of all supplies or services contracts for suppliers or services of the same type that are regular in nature (for example, contracts for spot-purchased items such as building materials bought from a supplier’s retail branch) signed within a twelve-month period. This value is determined either by aggregating the actual values of all contracts for similar types or services or supplies in the previous twelve months or aggregating the estimated value of such contracts in the coming 12 months

14.5.6 If the aggregate value of the contract and all contracts whose values are aggregated with it is above the relevant EU Tendering Threshold, then that contract must be procured by a formal procurement process under PCR 2015. Where there is any doubt as to the value of any contract or the application of the aggregation rules, advice should be sought.

14.5.7 The above thresholds must be considered when any significant procurement within the company is planned.

14.5.8 Before applying the EU procurement procedures, further guidance must be sought from The Procurement Business Partner.

14.5.9 It is beyond the scope of the Procurement standing orders to cover the detailed requirements of EU Procurement Law. Employees are not expected to be aware of the full details of these obligations. However, employees with Procurement Responsibilities as part of their job role should develop a basic awareness and advice is always available from the Procurement Team and Head of Governance.

14.5.10 In the event of any contradiction between the requirements of EU Procurement Law and the Procurement standing orders, the obligations of EU Procurement law shall take precedence.

14.5.11 The company will maintain a “watching brief” on how Brexit may impact on EU procurement Law. Once further details are known and how any potential changes will impact on how the Company undertakes its procurement activities a full review of the procurement standing orders will be undertaken.

#### 14.6 Consultation of Leaseholders on Service Charges

14.6.1 When procuring any goods, works or services where the cost is to be recharged to Leaseholders or tenants who pay variable service charges (i.e. service Charges which vary according to the costs incurred) the company should consider whether those leaseholders or tenants (referred to in this document as leaseholders) needs to be consulted formally on those contracts in accordance with the Landlord and Tenant act 1985 (LTA 1985) and the service charges (consultation requirements (England) regulations 2003 (“the service charge regulations”)

14.6.2 In order for service charges to be recoverable from Leaseholders:

- I. Those service charges must be reasonably incurred
- II. The works/ services provided must be of a reasonable standard
- III. The lease or tenancy agreement must allow them to be recovered from Leaseholders
- IV. Where the amount being recovered is above certain threshold figures, the company must either formally consult leaseholders on those service charges or gets a dispensation from the First tier Tribunal (Property Chamber) (Formally known as the Leasehold Valuation Tribunal) from doing so

14.6.3 Formal Leaseholder consultation is needed where the company procures:

- A “qualifying long-term agreement” (QLTA) i.e. any agreement lasting for more than 12 months, although there are expectations for agreements with Subsidiaries for which any leaseholder will be charged more than £100 in service charges in a 12-month period; or
- “qualifying works” for which any leaseholder will be charged over £250 in service charges in relation to a particular programme of works

14.6.4 The consultation requirements are set out in the following schedules to the service charge regulations:

- I. Schedule 1- for a QLTA that does not need to be tendered via OJEU e.g. because its value is below the applicable EU Tendering threshold
- II. Schedule 2 – For a QLTA that must be procured via OJEU
- III. Schedule 3 – for qualifying works done under a QLTA (following a schedule 1 or schedule 2 consultation to set up the QLTA)
- IV. Schedule 4 – Part 1 – for qualifying works not done under a QLTA that have to be tendered via OJEU; or

V. Schedule 4 – Part 2 – for qualifying works not done under a QLA that do not have to be tendered via OJEU

14.6.5 There are minor differences between the consultation requirements set out in these different schedules. Care is required to ensure that the correct consultation route is followed.

14.6.6 For Procurement over OJEU threshold it is important to note that the first consultation notice has to be served within a minimum of 30 days prior to submitting the OJEU notice.

14.6.7 Most of the consultation routes allow the company to simplify the notices by telling leaseholders where they can inspect relevant documents, rather than including full details in the notices that are served on Leaseholders. All notices under these procedures must also be served on recognised Tenants associations.

14.6.8 In conjunction with the association of London Government, LEASE has issued guidance on section 20 consultation. This guidance includes checklists and model notices for each type of consultation. These model notices provide a good starting point for the company's own leaseholder consultation. However, there is flexibility to tailor them to the Company's own style of communicating with its residents. Making the leaseholder consultation materials as "user friendly" as possible, through plain English and clear Financial information, can reduce the risks of non-recovery.

14.6.9 Failure to consult properly may result in the company being unable to enforce the collection of service charges above these amounts. A dispensation is likely to be given, as long as leaseholders have not been prejudiced by the procurement route used. However, this will mean the company having to meet legal costs (their own and those of the service charge payers) of going to tribunal.

14.6.10 Underpinning this need for consultation is an undertaking given to Leaseholders that no new services would be introduced and recharged without consultation prior to procurement.

## 14.7 Probity and Ethics

14.7.1 The company is committed to achieving the highest standards of probity and good governance in all of its activities. All employees shall uphold the standing of the company by maintaining the highest standard of ethical behaviour when dealing with suppliers.

14.7.2 The company's "Bribery Policy" and "Anti-fraud and Corruption Policy" are particularly relevant to its procurement activities.

14.7.3 Conflicts of interests shall be managed according to the company's probity (Payments and Benefits) Policy" procurement decisions shall never be taken for the personal gain of employees. The "Employee Code of conduct" must be followed on all occasions.

14.7.4 For each Competitive Procurement Exercise, employees are required to review their Register of interest's declaration form for Employees to ensure that there have been no material changes to their annual declaration and if so, to amend their declaration.

#### 14.8 Bribery

14.8.1 The company has a commitment to a high level of ethical and moral standards and actively works to prevent and detect instances of bribery and / or suspected bribery. The company has a zero-tolerance approach to bribery and any instance may lead to criminal investigation and / or disciplinary action.

14.8.2 A person commits an offence of bribery under the bribery act 2010 by giving, promising or offering to give a financial or other advantage to another person with the intention of inducing them to perform a relevant function or activity improperly. The offence is also committed where the person offering the advantage knows that if the advantage is accepted this in itself would constitute improper performance of a relevant function or activity.

14.8.3 The offence of being bribed can also be committed by a person requesting, agreeing to receiving or accepting a financial or other advantage in return for performing a relevant function or activity improperly or through performing a relevant function or activity improperly on the expectation of receiving a financial or other advantage.

14.8.4 In every contract that is let, there is a clause empowering the company to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor has been responsible for or Authorised or allowed any bribe.

#### 14.9 Modern Slavery Act

14.9.1 The modern slavery act 2015 (MSA) requires commercial organisations with an annual turnover of £36 million to publish a statement for each financial year stating:  
"the steps that the organisation has taken during the financial year to ensure that slavery and human trafficking is not taking place: in any of its supply chains and in any part of its own business."

14.9.2 The MSA does not currently apply to the company since its turnover is below the reporting threshold. However, organisations are increasingly being required to take steps to enforce compliance with the MSA, even if they are not themselves subject to it.

14.9.3 In order to be able to report positively on the steps that the company has taken in relating to its supply chain, the company should therefore include terms in its contracts requiring its suppliers to:

- I. Warrant that they and their senior people have not been convicted of any offence involving slavery or human trafficking; and
- II. Take appropriate steps to ensure that there is no slavery or human trafficking in their own supply chains (including an obligation to ensure that its subcontractors include similar provisions in relation to slavery and human trafficking).

## **15.0 SECTION 2**

### **15.1 Authority to Purchase**

15.1.1 The authority necessary for employees to make purchases on behalf of the company is split into two separate and distinct aspects.

- Delegate Procurement Authority - This is the authority required to undertake any procurement exercise up to the point just prior to committing the company to making the purchase; and
- Procurement Commitment Authority - This is the authority required to subsequently commit the company to making the purchase (i.e. Authorising release of a purchase order; or signing a contract; or making any other similarly binding commitment on the Company's behalf.

15.1.2 All Employees have delegate procurement authority providing that their manager has agreed they have procurement responsibilities as part of their job role. Managers should ensure that employees undertaking procurement activities have the sufficient knowledge, skills or experience to perform such activities.

15.1.3 By contrast, only employees holding "enter into Contracts and "placement of Orders" authority in accordance with the schedule of delegate authority" have Procurement Commitment authority. Employees without procurement commitment authority shall escalate the proposed purchase to a member of employees with the necessary authority before any purchase can be made on behalf of the company.

15.1.4 It is very important to clearly distinguish the two types of authority. Only employees with Procurement Commitment authority can enter into commitments with suppliers on behalf of the company.

15.1.5 All purchases must be undertaken within the available financial resources and approved budgets of the company. It is essential that an approved budget is identified before a purchase order is placed and/ or a contract is entered into on behalf of the company.

15.1.6 Procurement can involve complex technical provisions and detailed legal rules-. These are particularly relevant to HIGH Value and HIGH-RISK purchases. Failure to comply with the requirements of the Procurement Standing Orders can potentially have series consequences for the company and amount to a breach of the "Employee Code of



Conduct. If you are in any doubt regarding these rules, then you must seek assistance for the Procurement Business Partner.

15.1.7 Before requesting quotations, going out to tender or to entering into any contract, the services director or delegated deputy must ensure that he/ she has been authorised to incur expenditure on the work or supply of materials or services in questions and that there is sufficient budget available.

## 15.2 Application

15.2.1 The Procurement standing orders apply to all employees of the company. They are relevant to employees with responsibilities for making purchases on the company's behalf.

15.2.2 Procurement is any arrangement which will lead to the company making payment to a third party (i.e. a supplier) in exchange for obtaining supplies, services and works. This includes any hire, rental or lease of supplies. Consultancy and agency labour should be considered as being within the scope of the definition of services.

15.2.3 All purchases made on behalf of the company shall comply with the Procurement standing ordered unless:

- I. An existing contract is used, and the scope allows for it; see Section 3;
- II. A specific Exemption applies as per section 3; or
- III. An authorised waiver has been secured as per section 3 Waivers.

15.2.4 Purchase using a company credit card are required to comply with the requirements of these procurement rules.

## 15.3 Procurement Principles

15.3.1 The following 3 key principles shall apply at all times when lead officers and project managers consider the most appropriate procurement method; all are of equal propriety and point iii is mandatory.

- I. Value for money
- II. Customer satisfaction
- III. Compliancy

## 15.4 Standard Processes

15.4.1 A range of standard procurement processes have been aligned to the Procurement Standing orders. Key Processes include a mixture of direct awards, low value Procurement, request for quotations, Lincolnshire Housing Partnership Tender processes, EU Tender Processes, Mini Competitions via Frameworks and Works Tenders (below and above OJEU level).

15.4.2 Tenders will be categorised as either an EU tender procedure or a Lincolnshire housing partnership tender procedure. This categorisation will determine how the tender exercise is subsequently undertaken.

15.4.3 EU tender procedure must follow a series of rigid steps which are set out in legislation. The LHP tender procedure is less prescriptive, but still requires adherence to the company's own rules.

## 15.5 Low Value Procurement

### 15.5.1 Process A- All purchases Below £2,500

- a) It is not considered cost-effective to obtain competition where the requisition value is less than £2,500, please check the quotation register for previous suppliers for the requirement and use these where possible to standardise and rationalise these types of purchases.
- b) Competition need not be sought where the product / service is available via a direct award via a framework
- c) Verbal informal quotes should be obtained wherever practicable.
- d) Raise Purchase order for authorisation as per financial regulations.
- e) Record details on the quote register.

### 15.5.2 Process B- Above £2,500 and Below £10,000

- a) "formal quotes" should be obtained from a minimum of two suppliers where practicable using an RFQ low value template, please check the quotation register for previous suppliers for the requirement and use these where possible to standardise and rationalise these types of purchases.
- b) Competition may not be sought where the product / service is available via direct award of a framework.
- c) Where competition is impracticable, then a permanent record, stating the reason, must be recorded on the quote register.
- d) Raise Purchase order for authorisation as per financial regulations.
- e) Record details on the quote register including evidence of quotes obtained where applicable.

### 15.5.3 Process C – Above £10,000 and Below £25,000

Where the purchase value is below £25,000 then "formal quotes" should be obtained using an "invitation to quote" form and the opportunity advertised on the procurement e-procurement portal under the low value option. please check the quotation register for previous suppliers for the requirement and use these where possible to standardise and rationalise these types of purchases.

- a) Competition need not be sought where the product / service is available via direct award from a framework.
- b) Raise Purchase order for authorisation as per financial regulations.

- c) Record details on the quote register including evidence of quotes obtained where applicable.
- d) Regular reviews of expenditure under £25,000 will be conducted by the Procurement team to ensure that a) spend is not being disaggregated within the business and b) to identify any items that could be linked to a contract that is already in place.

Processes between £0.01 and £25.000

Total purchase value (ex VAT)		Type of competitive procurement exercise	Minimum level of response required	Advertising requirements	Documentation/ Template	Approval for contract award	Contract signature requirement
From	To						
£0	£2,500	Request for quotation	1 x quotation catalogue price/ internet price	None	Written quotation or catalogue reference	Reference delegated authorities	Reference delegated authorities
Raise PO, PO ref recorded on quote register, Evidence of obtain quotes centrally filed, PO authorised, Goods Received (GRN), Payment processed							
£2,501	£10,000	Request for quotation / direct award from framework	2 x quotations	Optional	Written quotation	Reference delegated authorities	Reference delegated authorities
Raise PO, PO ref recorded on quote register, Evidence of obtain quotes centrally filed, PO authorised, Goods Received (GRN), Payment processed							
£10,000	£24,999	Request for quotation / direct award	3 x quotations	Optional	Written quotation	Reference delegated authorities	Reference delegated authorities
Raise PO, PO ref recorded on quote register, Evidence of obtain quotes centrally filed, PO authorised, Goods Received (GRN), Payment processed							

## 14.6 Strategic Procurement

- 14.6.1 All Processes above £25,000 require a “Request for Procurement form” and must be completed by the individual responsible for the procurement – this will be the “Requisition”. The requisitions will provide evidence of budget available and record the options of which route to market are available for the requirement for the purpose of audit.
- 14.6.2 Contracts with a value of £25,000 or more which are advertised publicly in any way must also be advertised on Contracts finder. This does not apply where specific suppliers are approached to quote and there is no public advertisement of the tender opportunity.
- 14.6.3 Where the contract is not advertised at least 4 suitable suppliers must provide a quote for the requirements.
- 14.6.4 All Processes above £25,000 require a Request for Executive Approval form (REFA) to be completed which provides the evidence of due diligence carried out in the procurement process. The Request for Executive Approval form must be signed by a member of the Procurement team and presented to the delegate authority for signature prior to awarding a contract. This will provide reassurance to the Delegate authority that all applicable Procurement rules have been adhered due to for the requirement.
- 14.6.5 Where the contract is advertised on contracts finder:
- a) All documents relating to the tender process must be available online and free of charge. (This includes the Invitation to tender, the award criteria, the contracts, the specification and payment provisions).
  - b) It must state an Estimated value of Contract
  - c) Contracts with a value estimated to equal or exceed the applicable EU tendering threshold must also be tendered through an OJEU compliant tender process or either via direct award from an OJEU framework or mini competition via a framework. (see section for information on Frameworks).

## 14.7 Strategic Procurement Processes

- 14.7.1 Process D; Strategic procurement Level 4 £25,000 to £49,999
- a) Where the requisition value is for £25,000 but less than £49,999 then “formal quotes” should be obtained using an invitation to quote form and the opportunity advertised on the procurement e-procurement portal under the low value option.
  - b) A requisition must be completed for all purchases above £25,000

- c) The opportunity must also be advertised via “contracts finder” in line with EU Legislation. An advert will be placed on Contracts finder once the requisition is completed and authorised by budget holder.
- d) Competition need not be sought where the product / service is available via framework.
- e) The allocation of a contract number and subsequent contract management is required for expenditure within the above thresholds.
- f) Where no competition is sought, the “single quotation / tender action “part of the Requisition form will need to be completed and authorised in accordance with LHP SFI’s.
- g) A purchase order must not be raised unless a fully authorised Request for Executive Approval form has been received.

#### 14.7.2 Process E; Strategic procurement Level 5 £50,000 to £75,000

- a) Where the requisition value is greater than £50,000 less than £75,000 then formal competitive tenders must be obtained, and the opportunity advertised on the electronic procurement systems under the low value ITT option.
- b) A requisition must be completed for all purchases above £25,000
- c) The opportunity must also be advertised via “contracts finder” in line with EU Legislation – An advert will be placed on Contracts finder by the Procurement Team once the requisition is completed and authorised by budget holder.
- d) Competition need not be sought where the product / Service is available via direct award on a framework.
- e) The allocation of a contract number and subsequent contract management is required for expenditure within the above thresholds.
- f) Where no competition is sought, the “single quotation/ Tender action” part of the requisition form will need to be completed and authorised.
- g) A purchase order must not be raised unless a fully authorised Request for Executive Approval form has been received.

#### 14.7.3 Process F - Strategic procurement level 6 £75,000 to OJEU value

- a) Where the requisition value is greater than £75,000 but less than the OJEU value, then formal competitive tenders must be obtained, and the opportunity advertised on the electronic procurement system and “contracts finder”.
- b) A requisition must be completed for all purchases above £25,000
- c) Competition need not be sought where the product / service is a viable via direct award on a framework.
- d) Where no competition is sought, the “single quotation / tender action” part of the Requisition form will need to be completed and authorised
- e) A purchase order must not be raised unless a fully authorised Request for Executive Approval Form has been received.

#### 14.7.4 Process G- Strategic Procurement level 7EOJEU Level – inc. Works contracts

- a) Where the requisition value exceeds the EU threshold of £189,330 there is a legal obligation to advertise the contract through the official journal of Europe; adherence to EU Legislation is paramount in regard to the tender process in order to safeguard LHP from Legal challenge.
- b) A requisition must be completed for all purchases above £25,000
- c) Competition need not be sought where the product / service is available via a direct award from a framework.
- d) Expenditure exceeding the EU threshold cannot be waived unless there is genuinely only one sole supplier – See Procurement for advice on these suppliers.
- e) A purchase order must not be raised unless a fully authorised request for Executive Approval form has been received.

**Table One**

Total purchase value (ex VAT)		Type of competitive procurement exercise	Minimum level of response required	Advertising requirements	Documentation/ Template	Approval for contract award	Contract signature requirement
From	To						
£25,001	£49,000	RFQ	3 x Quotations	<ol style="list-style-type: none"> <li>1. Company's E-Tender portal</li> <li>2. Contracts finder portal***</li> </ol>	Formal request for Quotation (RFQ)	Executive Director or Chief Executive	Executive Director or Chief Executive
RfEA, Raise PO, Authorisation of PO, publish award on Contracts finder, record on Procurement database, Invoices paid as per Schedule or GRN and process payment upon invoice							
£49,001	£75,000	Low value tender Exercise / Direct award or mini Competition	3 tenders	<ol style="list-style-type: none"> <li>1. Company's E-Tender portal</li> <li>2. Contracts finder portal***</li> </ol>	Invitation to tender (Low Value) ITTLV	Executive Director or Chief Executive	Executive Director or Chief Executive
RfEA, Raise PO, Authorisation of PO, publish award on Contracts finder, record on Procurement database, Invoices paid as per Schedule or GRN and process payment upon invoice							
£75,000	£OJEU	Tender exercise/ direct award or Mini Competition via framework	3 to 5 tenders**	<ol style="list-style-type: none"> <li>1. Company's E-tender Portal</li> <li>2. Contracts finder***</li> </ol>	Invitation to Tender (ITT)	Executive Director or Chief Executive	Executive Director or Chief Executive
RfEA, Raise PO, Authorisation of PO, Publish Award on Contracts finder, record on procurement database, invoices paid as per schedule or GRN and process payment upon invoice							
>£OJEU		EU Tender process for above EU threshold supplies or services contract / Direct award or Mini Competition via framework	As required by EU Regulations	<ol style="list-style-type: none"> <li>1. Company's E-Tender Portal</li> <li>2. Contracts finder portal***</li> <li>3. Official Journal of the European union (OJEU)</li> </ol>	Invitation to tender EU template (ITTEU)	Chief Executive up to £4,700,000	Chief Executive up to £4,700,000
Observe mandatory Standstill period- 10 days, RfEA, Raise PO, Authorisation of PO, publish award on Contracts finder and OJEU, record on procurement database, Invoices paid as per schedule or GRN and process payment upon invoice							

## 16.0 SECTION 3

### Use of existing contracts, exemptions, and waivers

#### 16.1 Use of existing contracts:

- a. Before initiating a new competitive procurement exercise (i.e. obtaining Quotations or tenders), the company Procurement database should be reviewed. Using the information on Current live contracts, employees shall determine whether there is an existing contract which could meet their requirement. Where a suitable contract already exists and both points below are satisfied, this shall be used instead of commencing a new competitive exercise.
  - i. The PCR 2015 state that the scope of the new requirement must have been advertised in the PIN or contracts finder notice.
  - ii. The value of the new requirement must not exceed 50% of the original value of the awarded contract.
- b. If you intend on using an existing contract, then Procurement must be made aware of this and record it on the Procurement database. The use of the requisition form for this purpose is acceptable.
- c. Employees should also assure themselves that the use of an existing contracts will provide value for money. This could simply involve a discussion with the relevant Contract Manager the first time the contract is used in order to confirm it is suitable for the types of purchase planned. It is acceptable to consider value for money in terms of the entirety of the contract, rather than as the level of the individual purchase.
- d. An existing contract is only valid if it was competed in accordance with the procurement rules in effect at the time of its original award. If not, then the existing contract shall not be used, and a new competitive procurement exercise should commence.
- e. Where an existing contract is both valid and offers value for money, there are no further obligations to comply with under the Procurement rules except for the rules on authority to purchase and re-procurement.

#### 16.2 Exemptions

16.2.1 An exemption allows the Competitive procurement exercise summarised in paragraph 3 to be avoided. An exemption is available to cover a range of planned for and anticipated circumstances where competition is either not possible or not appropriate. Before an exemption provision can be used it needs to be validated.

16.2.2 An appropriate degree of research into the supply market should take place to determine whether suitable alternatives are available which could remove the needs for an exemption. This is an important qualification which applies to the use of any exemption. An exemption should only be used where it is genuinely in the best interests of the company.



16.2.3 Before an exemption can be invoked, the total purchase value shall be calculated as per the guidance provided in the Procurement Processes Short Form Guide.

16.2.4 For exemptions with a total purchase value is between £25,000 and £75,000 the exemption record form shall be validated by any one of the following:

- 16.2.4.1 Procurement Team;
- 16.2.4.2 Head of service (or equivalent senior manager); or
- 16.2.4.3 Executive Director

16.2.5 For exemptions where the total purchase value is above £75,000, the exemption record form shall be validated by any one of the following:

- 16.2.5.1 Head of Governance;
- 16.2.5.2 Executive Director; or
- 16.2.5.3 Chief Executive.

### 16.3 Exemption Circumstances

16.3.1 For Legal reasons and regulated purchases;

16.3.2 For regulated purchases which can only be made from a single supplier (public or private sector) the REFA should still be completed and not the exemption form. For example, this includes television licences, fees for planning applications and court costs. These examples are included for indicative purposes and are not an exhaustive list;

16.3.3 For purchases which fall under the circumstances outlined in subsection 3 exclusions of the public contract's regulations 2015;

16.3.4 For the appointment of legal counsel and expert witness in legal proceedings. This includes where this is requirement for insurance related purposes (e.g. liability disputes);

16.3.5 For Purchase or contracts of an ongoing nature;

16.3.6 Where the supply is for the licencing, support of, or upgrade to existing IC hardware or software, which can only be offered by the original equipment manufacturer (OEM) or their nominated reseller – REFA sole supplier section should be completed;

16.3.7 For Purchases or contracts which are property related;

16.3.8 For agreements relating solely to the lease. Acquisition, disposal or transfer of land and / or existing property;

16.3.9 For services where the supplier has been nominated by the leaseholder and it is a condition of the lease hat the services cannot be opened up to competition;

- 16.3.10 For circumstances of genuine Emergency situation;
- 16.3.11 Where the requirement to undertake a competitive procurement exercise would prevent the company from responding to situations identified in the company's major incident process" which are of an urgent nature;
- 16.3.12 Where the requirement to undertake a competitive procurement exercise would pose an immediate risk the health and safety, of damage to property, of financial loss. Or of reputational damage to the company;
- 16.3.13 In the event that an existing supplier to the company expectably ceases to trade as a short-term exemption is permissible to support the company with securing continuity of supply. The exemption shall only be valid whilst a new supplier is appointed according to the full requirements of the procurement rules;
- 16.3.14 For circumstances necessary for the effective running of the company;
- 16.3.15 For the supply of utilities (Gas, Eater, Electricity etc.) to void and new development properties only;
- 16.3.16 For purchase made under schemes where all payments to suppliers on behalf of the company will be fully compensated by external income streams paid by the 3rd party direct to supplier;
- 16.3.17 For the provision of banking facilities and other financial service which cannot reasonably be the subject of a competitive e-procurement exercise in the opinion of the Director of finance; or
- 16.3.18 Where the headings used to group Exemptions only exist for categorisation purposes and cannot be sued to justify an exemption which is not specifically identified in the text.

#### 16.4 Waiver of Procurement Rules

- 16.4.1 The requirement to comply with the Procurement rules can be waived by means of an authorised waiver where this would be advantageous to the company. In contrast to exemptions, a waiver is an exceptional process and needs to be supported by a robust justification as to why the standard requirements of the Procurement rules are not appropriate in a specific set of circumstances.
- 16.4.2 Waivers can be used to remove the needs to undertake a Competitive procurement exercise. They can also be used as a means to depart from the standards method of conducting a competitive procurement exercise. Waivers can either be of a permanent or temporary (i.e. specific to a particular contract) nature.

16.4.3 Waivers should only be sought in limited circumstances and they should genuinely be in the best interests of the company. The use of Waivers is not appropriate where inadequate planning has taken place and there is insufficient time to undertake a competitive procurement exercise.

16.4.4 A waiver shall only be sought by completing the waiver request form. No waiver shall be relied upon until the appropriate authorisation has been obtained. A waiver does not need to be sought if an exemption is already available. The waiver request form provides examples of where a waiver may be considered to be appropriate.

16.4.5 Waiver shall be authorised as follows.

Total purchase Value	Authorisation of waiver
Up to £75,000	Executive director
£75,000 - £OJEU value	Chief Executive
£OJEU value and above	Board

16.4.6 The total purchase values shall be calculated by reference to guidance provided in the Procurement standing orders. All approved waivers shall be recorded in the waiver register held by the Procurement team.

16.4.7 A list of approved waivers shall be provided to ELT on a monthly basis and the board on an annual basis.

## **17.0 SECTION 4**

### 17.1 Alternative procurement routes

#### **17.1.1 Framework agreements, DPS and procurement consortia**

- a. The use of existing Framework Agreement established by either Procurement Consortia or the company is available as an alternative to undertaking a competitive procurement exercise.
- b. This option is available because framework agreements have already been established by means of a tender procedure. This ensure that robust competition has already taken place and is compliant with the public contract's regulations 2015.
- c. There is no presumption in favour of the use of Framework agreements, they simply offer an alternative to other procurement processes. In some instances, the use of Framework Agreements can offer savings in time and effort where otherwise a full competitive procurement exercise would be required. Each individual purchase needs to be assessed as to whether a framework agreement or a competitive procurement exercise is most advantageous to the company.
- d. Framework agreements established by recognised Procurement consortia may be used provided:
  - i. The framework agreement offers value for money;

- ii. That the procurement team is engaged for any purchases;
  - iii. The company is permitted to access the framework agreement; and/or
  - iv. Using the Framework agreement will not unduly restrict business opportunities for local suppliers.
- e. The procurement team will undertake the necessary liaison with the recognised procurement consortia.
  - f. In addition to using Framework agreements established by Procurement Consortia, the company can establish frameworks in its own right.
  - g. Framework agreements are formed either with a single supplier or multiple suppliers. For multiple supplier framework agreements purchases shall be made in accordance with regulation 33 of the public contract's regulations 2015. This provides two methods of making purchases:
    - i. Direct Call offs; by applying the terms laid down in the framework Agreement without reopening competition (where such terms are sufficiently precise with regards to the particular purchase); or
    - ii. Mini competitions: by holding a mini competition in accordance with the terms laid down in the framework Agreement or the requirements of EU procurement Law where the framework details are not sufficiently precise (or complete).

#### **17.1.2 Dynamic Purchasing systems (DPS)**

17.1.2.1 The Dynamic Purchasing System (DPS) is a procedure available for contracts for works, services and goods commonly available on the market. As a procurement tool, it has some aspects that are similar to an electronic framework agreement, but where new suppliers can join at any time.

17.1.2.2 It has its own specific set of requirements. It is to be run as a completely electronic process and should be set up using the restricted procedure and some other conditions (as set out in Regulation 34 of the Public Contracts Regulations 2015). Contracting authorities, including central purchasing bodies, may set up a DPS.

17.1.2.3 The DPS should be set up for identified types of requirement, which may be divided into categories of products, works or services.

#### **17.1.3 The DPS is a two-stage process.**

17.1.3.1 First, in the initial setup stage, all suppliers who meet the selection criteria and are not excluded must be admitted to the DPS. LHP will not impose any limit on the number of suppliers that may join a DPS.

17.1.3.2 Individual contracts are awarded during the second stage. In this stage, the company invites all suppliers on the DPS (or the relevant category within the DPS) to bid for the specific contract.

#### **17.1.4 Collaborative Procurement**

17.1.4.1 The Company may enter into Collaborative Procurement arrangements with other partner organisations in order to enhance value for money. Collaboration should only normally take place with organisations who are subject to EU Procurement Law. Such partner organisations could include, but are not limited to, other housing associations, local authorities, further and higher education services, NHS Trusts and the emergency services.

17.1.4.2 Where the Company is acting as the lead organisation on a collaborative Competitive Procurement Exercise this shall be undertaken in accordance with the Company's own Procurement Rules.

17.1.4.3 Where a partner organisation undertakes the lead role on Collaborative Procurement arrangements then that organisation's equivalent of Procurement Rules can take precedence over the Company's own requirements. However, the Procurement Team shall consult with the Head of Legal and Governance in this regard and must give approval to this effect.

17.1.4.4 Where a partner organisation's equivalent of Procurement Rules takes precedence, certain rules of the Company's own requirements shall still overrule those of the partner organisation. These are as follows:

- 17.1.4.4.1 Authority to Purchase section 2
- 17.1.4.4.2 Contracts Register section 5
- 17.1.4.4.3 Variations to Existing Contracts section 5
- 17.1.4.4.3 Re-procurement section 5

### **18.0 SECTION 5**

#### **Contracts and other formalities**

##### 18.1 Contracts Registers

- a) The Company maintains a Contracts Register in order to provide visibility of the arrangements which have made on its behalf. Following the completion of a Competitive Procurement Exercise, the Contracts Register shall be updated in accordance with any further instructions provided by the Procurement Team.

##### 18.2 Contract Management

- a) The purpose of contract management is to maximise the financial and operational performance of contracts which have been awarded following a Competitive Procurement Exercise. Appropriate arrangements shall be put in place to ensure that there is suitable oversight of contracts awarded by the Company and this is the responsibility of the Contract Manager.

- b) A proportionate approach towards contract management shall be taken. Those contracts which create the greatest risks for the Company shall require more robust management by the nominated Contract Manager.
- c) Contract management activities are concerned with the following:
  - i. Ensuring Lincolnshire Housing Partnership's position is protected;
  - ii. Decreasing the level of risk for both parties;
  - iii. Improving the quality of service and customer focus;
  - iv. Achieving value for money and financial controls;
  - v. Clarifying roles and responsibilities of the Contract Manager/Team, suppliers and end users;
  - vi. Monitoring and evaluating the supplier's performance against the specification and key performance indicators;
  - vii. Enabling early detection and resolution of poor performance and other potential sources of dispute; and
  - viii. Continually improving contract performance.

### 18.3 Contract Extensions

- a) An option to use a Contract Extension can be taken where this was provided for in the original contract and does not exceed the maximum permitted extension period.
- b) In order to take advantage of the option for a Contract Extension, the following requirements apply:
- c) The Contract Extension shall provide the Company with value for money and be in its best interests;
- d) Documentation and records shall be kept to ensure that details of the Contract Extension are appropriately maintained;
- e) The Contracts Register shall be updated to reflect the revised end date for the contract;
- f) A Competitive Procurement Exercise shall be scheduled so that the contract can be re-competed before the revised end date of the contract;
- g) When extending an existing contract in accordance with these requirements, there is no obligation to undertake a Competitive Procurement Exercise to cover the period of Contract Extension; and
- h) In the event that a Contract Extension also expands the scope of the original contract, the rules regarding Variation to Existing Contracts (rule 4.8.4) shall apply.

#### 18.4 Variations to Existing Contracts

- a) Variations to existing contracts are permitted where they were allowed for in the original contract. For example, this can include pre-agreed formulas for price adjustments and minor amendments to service levels. This is not an exhaustive list of areas of potential areas for Variations.
- b) Where the proposed Variation includes an expansion to the contract scope, approval shall be sought from the Procurement Team or the Head of Governance before the variation is permitted. Variations which involve an expansion to the contract scope shall only be approved if they are consistent with the Public Contract Regulations 2015 (Regulation 72) and the Court of Justice of the European Union's ruling in the Presstext (C-454/06) case or any subsequent case law.
- c) In accordance with the Presstext ruling, a Variation is likely to be denied if:
  - i. It introduces conditions which, had they been part of the initial award procedure, would have allowed for the admission of tenderers other than those initially admitted, or would have allowed for the acceptance of a tender other than the one initially accepted;
  - ii. It extends the scope of the contract considerably to encompass services not initially covered; and/
  - iii. It changes the economic balance of the contract in favour of the supplier in a manner which was not provided for in the terms of the initial contract.
- d) Advice should be sought from the Procurement Team in this regard for Variations to any contracts with a Total Purchase Value above £25,000.
- e) Where a contract Variation is permitted, appropriate documentation shall be maintained so that the contract history and Variations are adequately recorded.

#### 18.5 Re-Procurement and Forward Planning

- a) For contracts or purchases where the Company has ongoing requirements beyond the initial contract or Supply Period length, adequate planning shall take place to ensure that appropriate re-procurement takes place when it is due.
- b) The Contract Manager and the Procurement Team is responsible for ensuring that a new Competitive Procurement Exercise is commenced in sufficient time. Appropriate allowance should be made for the period of time required to mobilise a new supplier (if necessary) in order to achieve a successful transition with no gap in supply or service provision.

## 19.0 SECTION 6

### Miscellaneous

#### 19.1 E-Procurement

19.1.1 E-procurement is a term which describes the use of electronic methods to automate or improve various stages of the procurement process. Requests for Quotations can be issued and received by either e-mail or through the use of any specialist E-Tender Portal introduced by the Procurement Team.

19.1.2 Mini-competitions based upon Framework Agreements can also be undertaken using e-procurement methods providing that the technology satisfies the requirements of Regulation 33 of the Public Contracts Regulations 2015.

19.1.3 The use of electronic auctions as part of a Tender or a Mini-Competition is permitted providing prior authorisation is obtained from the Procurement Team. Electronic auctions can be undertaken by either using the E-Tender Portal introduced by the Procurement Team or via a suitable third party (e.g. a Procurement Consortia).

#### 19.2 Amendments to Procurement Rules

19.2.1 The Director of Property Services in consultation with Head of Governance may make amendments to the Procurement Rules of a technical and procedural nature. Such changes shall be limited to changes which do not substantively alter the requirements of these Procurement Rules. Changes to the thresholds stated in Table 1 constitute a substantive change and shall require Board approval.

19.2.2 In the event of changes to the law regarding public procurement, the Head of Governance may amend the Procurement Rules to take account of these changes.

### Definitions

Term	Definition
Brexit	A term for the potential or hypothetical departure of the United Kingdom from the European Union.
Call Off	A contract or purchase which is directly awarded to a supplier on a Framework Agreement without undertaking a Mini-Competition.
Collaborative Procurement	Where the Company enters into an agreement (formal or informal) with another organisation subject to EU Procurement Law in order to jointly undertake a Competitive Procurement Exercise.



Common Procurement Vocabulary	A numeric coding system which is used by the EU Procurement Law regime in order to classify purchases into Supplies, Services or Works.
Company	Means Lincolnshire Housing Partnership.
Competitive Procurement Exercise	A term to describe the different procurement processes (including Requests for Quotations and Tenders) used by the Company.
Contract Extension	A provision in an existing contract which permits the Company to continue with the contract after its stated expiration date (this is subject to a maximum extension period).
Contract Manager	An employee of the Company who has responsibility for ensuring that an appointed supplier performs to the required standard and meets any contractual obligations.
Contracts Register	A list of all the contracts entered into by the Company containing information which is pertinent to the contract (e.g. end dates/contract value etc.).
Delegated Procurement Authority	The authority necessary for an employee of the Company to undertake a Competitive Procurement Exercise up to the point just prior to committing the Company to making the purchase.
EU Procurement Law	The body of European Union and English law regarding public procurement which the Company is required to comply with. This includes the Public Contracts Regulations 2015 and the Treaty on The Functioning of The European Union.
EU Tender	A tender process for which there is a legal requirement (per the Public Contracts Regulations 2015) to place a contract notice in the Official Journal of the European Union
Evaluation Criteria	The factors (e.g. whole life cost; technical merits of the solution etc.) which will be used to assess competing suppliers' Quotations and Tenders on a consistent basis. Evaluation criteria are weighted according to the relative importance of each factor.
Exemption	Purchases which are exempted from complying with the competition requirements of the Procurement

	Rules due to competition not being in the Company's interest.
Exemption Record Form	A Company form which must be used to obtain an Exemption where the Total Purchase Value is above £25,000.
Framework Agreement	A formal agreement with one or more suppliers which is established by means of an Invitation to Tender. Such an agreement will establish terms (particularly with regard to price) governing future contracts or purchases. Subsequent purchases can be made either via a Call Off or by a Mini-Competition as permitted by EU Procurement Law.
Invitation to Tender	A structured document prepared by the Company which invites suppliers to submit a formal bid for the provision of Supplies, Services or Works.
Mini-Competition	A further competition between all suppliers on a multi-supplier Framework Agreement who are capable of meeting the particular need.
Negotiation	Bargaining with one or more suppliers on key aspects of their commercial offer (such as price; terms and conditions etc.) in return for concessions made by the Company.
Post-tender Negotiation	Negotiation with suppliers after Tender responses have been received.
Pre-procurement Research	Any research activity which takes place before a Competitive Procurement Exercise is launched. This can involve meeting with suppliers in order to inform the procurement activity.
Procurement Authority Commitment	The authority necessary for an employee of the Company to commit the Company to making a purchase by any means.
Procurement Consortia	Organisations established with the intention of creating Framework Agreements which can be used by third-party organisations. For example, Procurement for Housing, Efficiency North, Fusion 21, Crown Commercial Service, Northern Housing Consortium, Scape etc.

Procurement Rules	The rules in this document which govern the Company's procurement procedures.
Procurement Strategy	The Company's formal written strategy for its approach to procurement, as approved by the Board.
Procurement Team	The Procurement Team is the Senior Procurement Officer and the function managed by the Head of Assets and any other employees appointed to this team on a temporary or permanent basis.
Public Contracts Regulation 2015	A prescriptive set of legal rules which govern the Selection and Invitation to Tender procedures for contracts above the EU threshold.
Quotation	An offer of price and any other relevant matter made by a supplier in response to a Request for Quotation.
Regulated Purchases	Refers to purchases for which there is no competitive supply market due to legislation and, as a result, the supplier enjoys a monopoly position. Regulated Purchases will normally be made from public sector bodies; although the monopoly may also be operated by the private sector on the public sector's behalf.
Request for Quotation	Any informal or formal process which is used to obtain Quotations from suppliers.
Self-Certification Form	A Company form which must be completed by employees at the outset of each Competitive Procurement Exercise if there have been no significant changes to the annual declaration.
Selection (previously Pre-Qualification)	A means by which suppliers are assessed on their financial standing, technical capability and organisational capacity before being considered for the Invitation to Tender stage.
Services	Are any of the activities specified in Schedule 3 of the Public Contracts Regulations 2015. This relates to a wide range of service led activities. For example, consultancy, insurance, printing and legal services all come under this classification.
Lincolnshire Housing Partnership Tender	Any Tender required by these Procurement Rules which is not required to follow an EU Tender process.

Standing List	A formal list of suppliers given preference by the Company to undertake certain types of Supplies, Services or Works.
Supplies	Are physical goods and products which are not covered by the definition of Services or Works. For example, this can include boiler spares, furniture and office stationery.
Supply Period	Used to calculate the Total Purchase Value where repeated purchases of an ad-hoc, but frequent, nature are made with an individual supplier without being exposed to competition. This applies to the purchases of Supplies, Services and Works.
Tender	A formal written offer by a supplier in response to an Invitation to Tender. This will include a fully costed proposal and document the supplier's proposal for a solution to meet the Company's requirements.
Tender Record Sheet	A form used by the Company when Tenders are opened in order to keep a formal record of their key details.
Total Purchase Value	A concept used in the Procurement Rules to determine which type of Competitive Procurement Exercise must be used.
Treaty on The Functioning of The European Union	A set of overarching European Union rules which prohibit suppliers from being discriminated against on the grounds of their location.
Variation	A formal change to a contract which amends the original agreement in factors such as scope, service levels, prices or other related issues.
Waiver	A formal process requesting a deviation from the requirements of the Procurement Rules
Waiver Register	A record held by the Procurement Team of all Waivers which have been requested.
Waiver Request Form	A Company form which must be used in order to secure approval for a Waiver.
Whole Life Costs	The systematic consideration of all relevant costs associated with a purchase during its period of ownership.

Works	Are any of the activities specified in Schedule 2 of the Public Contracts Regulations 2015. This relates to construction and construction related activities. For example, painting, glazing, plastering and construction of new buildings are all classed as Works.
-------	--

**Appendix One: Delegated Authorities**

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Chief Executive	4,700,000.00	Unlimited <sup>2</sup>	Unlimited <sup>2</sup>	500.00	2,000.00	150,000.00	Unlimited <sup>2</sup>	150,000.00	1,000.00	Unlimited <sup>2</sup>
Executive Director of Resources	187,000.00 <sup>5</sup>	1,500,000.00 <sup>5</sup>	7,500.00 <sup>5</sup>	500.00 <sup>5</sup>	1000.00 <sup>5</sup>	10,000.00 <sup>5</sup>	10,000.00 <sup>5</sup>	150,000.00 <sup>5</sup>	1,000.00 <sup>5</sup>	10,000.00 <sup>5</sup>
Interim Director of Resources	187,000.00 <sup>6</sup>	1,500,000.00 <sup>6</sup>	7,500.00 <sup>6</sup>	500.00 <sup>6</sup>	1000.00 <sup>6</sup>	10,000.00 <sup>6</sup>	10,000.00 <sup>6</sup>	150,000.00 <sup>5</sup>	1,000.00 <sup>5</sup>	10,000.00 <sup>5</sup>
Executive Director of Property	187,000.00	1,500,000.00 <sup>1</sup>	7,500.00	500.00	1,000.00	10,000.00	10,000.00	150,000.00	1,000.00	10,000.00
Executive Director of Customers	187,000.00	1,500,000.00 <sup>1</sup>	7,500.00	500.00	1,000.00	10,000.00	10,000.00	150,000.00	1,000.00	10,000.00
Executive Director of Business Transformation	187,000.00	1,500,000.00 <sup>1</sup>	7,500.00	500.00	1,000.00	10,000.00	10,000.00	150,000.00	1,000.00	10,000.00

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Head of ICT & Digital Services	25,000.00 <sup>4</sup>	20,000.00	2,500.00	100.00	500.00	-	-	-	-	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Head of Human Resources	25,000.00 <sup>4</sup>	10,000.00	2,500.00	100.00	500.00	-	-	-	-	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Company Secretary <sup>2</sup>	25,000.00 <sup>4</sup>	500,000.00 <sup>2</sup>	2,500.00	100.00	500.00	-	5,000.00	-	-	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Health & Safety Manager	0.00	10,000.00	100.00	-	100.00	-	-	-	-	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Head of Communications	25,000.00 <sup>4</sup>	10,000.00	0.00	50.00	500.00	-	0.00	0.00	0.00	0.00
Head of Assurance	25,000.00 <sup>5</sup>	10,000.00	0.00	50.00	500.00	-	0.00	0.00	0.00	0.00

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Head of Asset Management	25,000.00 <sup>4</sup>	50,000.00	2,500.00	50.00	500.00	-	-	-	100.00	2,500.00 <sup>3</sup>
Head of Repairs and Maintenance	25,000.00 <sup>4</sup>	50,000.00	2,500.00	50.00	500.00	-	-	-	100.00	-
Home Ownership & Leasehold Manager	0.00	60,000.00	1,000.00	50.00	500.00	-	-	-	-	750.00 <sup>3</sup>
Development Manager	0.00	25,000.00	500.00	50.00	500.00	-	-	-	100.00	-
Commercial Manager	0.00	25,000.00	500.00	50.00	500.00	-	-	-	100.00	-
Planned Maintenance Manager	0.00	25,000.00	100.00	50.00	500.00	-	-	-	100.00	-
Repairs Manager	0.00	25,000.00	100.00	50.00	500.00	-	-	-	100.00	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Repairs & Maintenance Manager	0.00	25,000.00	100.00	50.00	500.00	-	-	-	100.00	-
Planning Team Leader	0.00	10,000.00	100.00	-	-	-	-	-	-	-
Voids & Maintenance Surveyor	0.00	2,000.00	100.00	50.00	50.00	-	-	-	100.00	-
Compliance Coordinator	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Gas Supervisor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Asset Officer	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Asset Officer	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Electrical Supervisor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Responsive Repairs Supervisor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Responsive Repairs Supervisor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Trainee Quantity Surveyor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Voids Supervisor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Voids Supervisor	0.00	2,000.00	100.00	-	-	-	-	-	-	-
Asset Management Project Surveyor	0.00	1,000.00	100.00	-	-	-	-	-	50.00	-
Asset Management Project Surveyor	0.00	1,000.00	100.00	-	-	-	-	-	50.00	-
Compliance & Performance Surveyor	0.00	1,000.00	100.00	-	-	-	-	-	50.00	-
Asset Management Project Surveyor	0.00	1,000.00	100.00	-	-	-	-	-	50.00	-
Repairs Surveyor	0.00	1,000.00	100.00	-	-	-	-	-	50.00	-
Environmental Task Team Supervisor	0.00	500.00	100.00	-	-	-	-	-	-	-
Construction H&S Manager		2,000.00	100.00							

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Head of Commercial and Support Services	25,000.00 <sup>4</sup>	10,000.00	6,500.00	100.00	500.00	-	1,000.00	10,000.00	500.00	-
Head of Housing	25,000.00 <sup>4</sup>	10,000.00	6,500.00	100.00	500.00	-	2,000.00	10,000.00	500.00	2,000.00
Head of Income	25,000.00 <sup>4</sup>	10,000.00	6,500.00	100.00	500.00	-	2,000.00	-	-	2,000.00
Head of Lettings	25,000.00 <sup>4</sup>	10,000.00	6,500.00	100.00	500.00	-	-	-	500.00	2,000.00
Service Development Manager	0.00	5,000.00	100.00	50.00	500.00	-	-	-	-	-
Customer Services Manager	0.00	5,000.00	100.00	50.00	500.00	-	-	-	-	-
Lettings Manager	0.00	1,000.00	250.00	50.00	250.00	-	-	-	100.00	-
Lettings Manager	0.00	1,000.00	250.00	50.00	250.00	-	-	-	100.00	-
Area Housing Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	100.00	750.00
Area Housing Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	100.00	750.00
Area Housing Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	100.00	750.00
Area Housing Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	100.00	750.00
Area Housing Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	100.00	750.00
ASB Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	100.00	-
Income Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	-	750.00
Income Manager	0.00	1,000.00	250.00	100.00	500.00	-	-	-	-	750.00
Customer Contact Centre Team Leader	0.00	500.00	250.00	50.00	50.00	-	-	-	100.00	-
Customer Contact Centre Team Leader	0.00	500.00	250.00	50.00	50.00	-	-	-	100.00	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Business Development Manager	0.00	5,000.00	200.00	50.00	500.00	-	-	-	-	-
Support Service Manager	0.00	2,000.00	200.00	50.00	500.00	-	-	-	-	-
Senior Operations Coordinator	0.00	0.00	0.00	0.00	500.00	-	-	-	-	-
Senior Sales and Accounts Officer	0.00	0.00	0.00	0.00	500.00	-	-	-	-	-

<u>Job Title</u>	<u>Certifying Value</u>									
	Entering into a Contract (up to)	Orders	Special Payment Requests	Petty Cash	Emp/Board Expenses	Sale of goods / services	Bad Debt/Arrears Write Off	Place Grants	Dec.Vouchers	Refunds
Head of Finance	25,000.00 <sup>4</sup>	10,000.00	2,500.00	100.00	500.00	-	-	-	-	2,500.00 <sup>3</sup>
Corporate Treasury and Strategic Planning Manager	25,000.00 <sup>4</sup>	10,000.00	2,500.00	100.00	500.00	-	-	-	-	2,500.00 <sup>3</sup>
Chief Accountant	0.00	7,500.00	2,500.00	100.00	500.00	-	-	-	-	2,500.00 <sup>3</sup>
Corporate Finance and Performance Manager	0.00	7,500.00	1,000.00	100.00	500.00	-	-	-	-	-
Financial Services Manager	0.00	7,500.00	1,000.00	100.00	500.00	-	-	-	-	-
Risk and Assurance Manager	0.00	7,500.00	1,000.00	100.00	500.00	-	-	-	-	-
Performance Manager	0.00	7,500.00	1,000.00	100.00	500.00	-	-	-	-	-
Rent and Service Charge Manager	0.00	7,500.00	1,000.00	100.00	500.00	-	-	-	-	-



- 1 = any amount above £1.5m requires two directors' signatures (one from the resource and an independent)
- 2 = requires service directors and a secondary independent director approval
- 3 = Only in respect of leaseholders and other non- housing system billed residents
- 4 = Limits between £25k and £181k will require Heads of Service & a Director signature
- 5 = In the absence of the Chief Executive Officer delegated authorities fall to the Director of Resources and in their absence to the Company Secretary

Please note that before entering in to contracts the following process needs to be adhered to

£0 - £10k	2 Quotes
£11k - £25k	3 Quotes
£26k - £75k	Contact Procurement Department (Heads of Service & Directors approval)
£76k - £181k	Director Approval
£182k - £4.5m	Appropriate Service Director, plus CEO, or Company Secretary, or Director of Resources

**All delegated authorities must notify colleague prior to their absence a nominated deputy who will assume their Delegated Authorities.**

**N.B. Special Payments are paid by completing a "Cheque/BACS Requisition (BACS is our preferred method of payment.) This process is used to make payments to customers for reimbursements such as; complaints/compensation, customer refunds, shared costs to private owners e.g. boundary fencing works etc (where no invoice is available.) For payments to suppliers used on a "one-off" basis - please refer to "Authorise Invoice" approval limits.**