South Essex Homes Limited
Board Meeting
Date: Wednesday 3rd October 2018
Time: 5pm  Committee Room 6
Public Agenda

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PUBLIC AGENDA

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<td>4. Minutes &amp; Matters arising from the Board Meeting of 11th July 2018</td>
<td>Roger Eastwood</td>
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<td>5. Governance &amp; Stewardship</td>
<td>Beverley Gallacher</td>
<td>10 mins</td>
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<td>6. Chair’s Remarks</td>
<td>Roger Eastwood</td>
<td>10 mins</td>
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<td>7. Residents: Voice Your View</td>
<td>Beverley Gallacher</td>
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<td>8. Audit &amp; Risk Committee Minutes – 20th June 2018</td>
<td>Chris Vaughan</td>
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<td>9. Company Assurance Report as at 31/08/18</td>
<td>Daniel Lyons</td>
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<td>10. South Essex Community Hub/Resident Consultation (Big Conversation)</td>
<td>Traci Dixon</td>
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South Essex Homes Limited
Minutes of Board Meeting
Date: 11th July 2018
Time: 4:30pm
Park Inn Hotel, Southend-on-Sea

Present: Roger Eastwood - Chair of the Board; Meg Davidson - Vice-Chair of the Board; David Joyce; Sacha Jevans; Keith Ducker; Rosalind Lane; Barbara Lambert; Chris March; Michael Oxley; Ron Woodley; David McGlone;

In Attendance: Mike Gatrell - Chief Executive; Mario Ambrose - Executive Director; Chris Vaughan - Director of Business Development; Beverley Gallacher - Company Secretary (Agenda Item 1-5); Hannah Moxsom - Corporate Services Officer (Agenda Item 1-5); and Daniel Lyons – Financial Services Manager (Agenda Item 1-5)

Observers: 2

1. Welcome and Introductions
   RE welcomed the Board to the meeting

2. Apologies for absence
   No Apologies for absence were recorded

3. Declaration of Interest
   There were no declarations of interest recorded

4. Minutes and Matters arising from the Board Meeting of 24th May 2018
4.1 The minutes of the meeting held on 24th May, 2018 were agreed as a true and accurate record. The matters arising from this meeting were deferred to the next Board meeting on 3rd October, 2018.

5. Draft Audited Accounts as at 31st March, 2018 including External Auditors Report
5.1 The Board were advised that changes to the FRS17 pension deficit had been advised by Essex Pension Services and had been reflected in the Financial Statements contained at Appendix 1.

5.2 Recommendations
   i) The Board approved the Financial Statements for 2017/18 as recommended by the Audit and Risk Committee subject to the changes in relation to the Pension Liability which have been confirmed by Essex Pension Services.
   ii) The Board noted the letter of representation from Southend Borough Council confirming group support (Appendix 3).
   iii) The Board agreed the Letter of Representation from the Company to Scrutton Bland and to agree to the Chair and Company Secretary signing the letter on behalf of the Company.

6. Date of Next Meeting – 3rd October 2018
7. The meeting finished at 17:30
South Essex Homes Limited

Report of Group Manager Resources and Business Development
to
The Board
on
3rd October, 2018

Report prepared by: Beverley Gallacher
Tel: 01702 212649

Governance and Stewardship

A Public Agenda Item

1 Purpose of Report

1.1 To obtain agreement from the Board on governance related issues.

2 Recommendations

2.1 The Board are recommended:-

2.1.1 To elect and agree the appointment of the Chair of the Board for a one year term of office in accordance with the Articles of Association.

2.1.2 To elect and agree the appointment of the Vice-Chair of the Board for a one year term of office in accordance with the Articles of Association.

2.1.3 To agree the reviewed and amended Code of Governance contained at Appendix 1.

2.1.4 To agree the reviewed and amended Code of Conduct contained at Appendix 2 to this report.

2.1.5 To agree to the appointment of the nominee to South Essex Property Services from the South Essex Homes Board to be appointed at the Shareholder Board Meeting on 3rd October, 2018 for a term of office of 3 years until 3rd October 2021 in accordance with the Articles of Association of South Essex Property Services.

2.1.6 To note the current position in relation to the review of the Management Agreement (Partnership arrangements) with Southend Borough Council.
3 Background

3.1 Annual Appointments for the position of Chair and Vice-Chair

3.1.1 We have received nominations for the positions of Chair and Vice-Chair in accordance with the Articles of Association. Board Members can also nominate themselves or an agreed nominee at the Board Meeting itself under Agenda Item 4.

3.1.2 The Board are asked to formally accept the appointments of the Chair and Vice-Chair, in accordance with Clause 5.1 of the Code of Governance, which states, ‘the Chairman is elected by the Board in accordance with the Articles, normally, in September of each year unless there is a vacancy in this post in year. Persons so elected are appointed for a term of one year and cannot serve as Chairman for more than 6 consecutive years unless the Board agrees otherwise. Any Vice Chairman will be appointed on the same terms as the Chairman or otherwise the Vice Chairman or Deputy Chairman will be appointed on such terms as the Board sees fit’.

3.2 Board Governance Framework

3.2.1 The governance documentation of both South Essex Property Services (SEPS) and South Essex Homes has been reviewed over the last three months. SEPS Articles of Association and Code of Governance have been approved and reflect changes discussed with the Shareholder of SEPS specifically around Joint Committees. In order to ensure that consistency applies between the two organisations the Code of Governance of South Essex Homes has been amended to reflect these changes. Contained at Appendix 1 are the tracked amendments being requested for approval. In summary those changes are:

- Changes to the Mission Statement and Aims and Objectives
- Removal of existing or preliminary arrangements with SEPS that no longer apply
- Addition of reference to Joint Committees with the Subsidiary

3.2.2 Further, a review of the Code of Conduct, which is due periodically, has been undertaken and updates and amendments are reflected in the tracked changes contained at Appendix 2. In summary those changes are :

- Changes to the Mission Statement and Aims and Objectives
- Correction of titles and Senior Management and Executive Management roles

3.3 South Essex Homes Board Nominee - appointment to South Essex Property
Services

3.3.1 In accordance with Clause 3.4 of the Code of Governance of South Essex Property Services, Board Members are asked to indicate if they are interested in the vacant Non-Executive Director position on the subsidiary Board.

3.3.2 As South Essex Property Services has increased its business activities substantially in last 18 months and now has full Board Membership, anyone interested in this position, has been asked to complete a short statement indicating their skills and abilities that would enhance the Board of South Essex Property Services.

3.4 Management Agreement Review

3.4.1 South Essex Homes has been working with the Council to review the Management Agreement due to end on 31st March, 2019. The first document and statement is being reviewed. Its level of detail and statements are those that SBC wish to see and consider at this stage. The SBC Consultant has arranged a series of detail meetings covering performance, tenancy engagement and financial aspects. The first of the series of meetings discussed the principles of partnership and the consultant will draft an agreement document based on these and further discussions planned for the near future.

3.4.2 The pressing desire of the Council is that we, together, evidence our efficiency and effectiveness more frequently than is the current practice and that we strive for more innovation around the wider housing service. Our working assumption is that, where this attracts additional cost, the Council will fund the initiatives. Broadly speaking our price assumption is that there will be little change initially but as the partnership progresses we will change as required to become more efficient, more economic and more involved in the work of the Council’s wider Housing role.

3.4.3 The Council are demonstrating a positive approach to the agreement and to South Essex Homes as a whole. Target date for partnership start is 1st April 2019 and we understand that they plan to complete their democratic cycle in good time.

4 Equality and Diversity

4.1 All equality and diversity issues identified from the proposals contained in this report have been considered and are in accordance with the South Essex Homes Equality and Diversity Policy.

5 Risk

5.1 Any risks identified from the proposals contained in this report have been considered by the Senior Management Team. The Board have identified risks associated with the governance of the organisation within statutory
regulations.

6 Financial Implications

6.1 Not applicable for this particular report.

7 Resident Consultation

7.1 Not applicable for this particular report.

8 Background Papers

8.1 N/A

9 Appendices

9.1 Appendix 1 – Code of Governance with tracked changes
9.2 Appendix 2 – Code of Conduct with tracked changes
SOUTH ESSEX HOMES LIMITED

CODE OF GOVERNANCE
# Code of Governance

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SOUTH ESSEX HOMES LIMITED
CODE OF GOVERNANCE

1. INTRODUCTION

1.1 South Essex Homes Limited ("the Organisation") seeks to conduct all its activities in accordance with its mission statement which sets out that the Organisation is working together to:

- **Involve residents** Empower our residents
- **Invest in decent homes** Provide excellent services and quality homes
- **Improve services; and** Engage with our communities; and
- **Build strong and proud communities** Work in partnership with Southend-on-Sea Borough Council

1.2 This code of governance (the "Code") is based upon the Articles of Association of the Organisation (the "Articles") and addresses wider issues of governance.

1.3 This Code will be reviewed annually by the Organisation’s non-executive directors (the "Board Members").

2. MEMBERSHIP OF THE ORGANISATION

2.1 The Organisation is registered with the Registrar of Companies as a Company Limited by Guarantee and not having a Share Capital. Southend-on-Sea Borough Council (the "Council") is the only member of the Organisation. The Organisation is a Local Authority Controlled Company within the meaning set out in the Local Government and Housing Act 1989.

3. THE CONSTITUTION OF THE BOARD

3.1 The constitution of the Board of the Organisation is set out in the Articles. This provides for a Board consisting of up to 11 Board Members as follows:

i. 3 Council Board Members nominated by the Council;

ii. 3 Tenant Board Members; and

iii. 5 Independent Board Members.

3.2 No Board Members other than Tenant Board Members shall be Tenants and no Board Members other than Council Board Members shall be Local Authority Persons (as such terms are defined in the Articles).

3.3 The non-executive directors of the Organisation and Board Members are one and the same. The selection or election and appointment of Board Members for each class of Board Members is described below.
3.4 The procedure for the selection or election and appointment of Board Members is set out in the Articles and the relevant recruitment policy and is summarised as follows:

3.4.1 The Council has the right to appoint or remove the Council Board Members at any time where such Council Board Member/s have served a term not less than one year (subject to the Articles relating to eligibility and disqualification which apply to all Board Members).

3.4.2 The Tenant Board Members will be elected in accordance with the relevant policy and then formally appointed by the Board.

3.4.3 The Independent Board Members will be selected and appointed by the Board in accordance with the relevant policy.

3.4.4 The Tenant Board Members and Independent Board Members will be appointed for a fixed term of three years or less if required in order to make sure that the appointment does not contravene the maximum period of time (normally being 9 years but subject to transitional arrangements for current Board Members) for which a person can serve on the Board.

3.4.5 The provisions for the maximum period of service as a Board Member apply to the Council Board Members also.

3.5 All Board Members share responsibility for the Board’s decisions and should act only in the best interests of the Organisation and for the benefit of the community and not on behalf of any constituency or interest group.

3.6 All Board Members are bound by the obligations set out in the Articles and by any rules made under the Articles. They shall cease to be a Board Member in the circumstances set out in the Articles.

3.7 Under the Articles, the Council has the power at any time by notice in writing to the Secretary to remove any Board Member.

3.8 Board Members should collectively possess the qualities required to take decisions and monitor the Organisation’s performance. In order to discharge its responsibilities effectively, the Board needs continually to ensure that it has experience and understanding of:

i. the housing needs to be met by the Organisation;

ii. general business skills, including the management of staff and property;

iii. finance;

iv. tenants’ issues and concerns;

v. community relations and needs, including equal opportunities;

vi. development and building;
vii. legal matters; and

viii. any other matters which are included in the job description and person specification of Board Members which may be adopted from time to time.

| 3.9 | The Board will conduct an annual review of its own strengths and weaknesses in order to satisfy the above requirements. A skills audit will be actioned as part of this annual review.

| 3.10 | On appointment each Board Member will be required to sign a letter of appointment, specifying amongst other matters, his or her obligations as a Board Member. These include obligations to:-

i. uphold the Organisation's aims, values, objectives and policies;

ii. contribute to and share responsibility for the Board’s decisions;

iii. attend meetings, training sessions and other events and to prepare for these as appropriate;

iv. represent the Organisation as required;

v. in accordance with the relevant Articles, declare any relevant interests and to refrain from voting or influencing any decision where interests may be seen to conflict;

vi. respect confidentiality of information; and

vii. uphold the Code.

| 3.11 | The Company Secretary will ensure that all new Board Members receive induction training and that effective ongoing training arrangements are made to enhance the skills and motivation of all Board Members.

4. FUNCTIONS OF THE BOARD

4.1 The main role of the Board is to direct the affairs of the Organisation in accordance with its objects, i.e. to determine strategic direction and policies. Management, i.e. the implementation of the Board’s policies, is delegated to the Organisation’s officers and employees.

4.2 The Board’s main functions include duties to:-

i. define and ensure compliance with the values and objectives of the Organisation;

ii. establish strategies, policies and plans to achieve those objectives;

iii. approve each year’s budget and accounts prior to publication;

iv. establish and monitor a framework of delegation and financial regulations;
v. agree policies and make decisions on all matters that might create significant financial or other risk to the Organisation or which raise material issues of principle;

vi. establish a Risk Management Strategy for the Organisation and monitor and ensure compliance with the same;

vii. oversee the Organisation’s Health and Safety and Safeguarding Policies and compliance with the same and to review these policies on at least an annual basis;

viii. monitor the Organisation’s performance in all key areas on an exception basis;

ix. appoint (and, if necessary, dismiss) the Chief Executive and be represented in the appointment of the executive management Team (“SEMT”);

x. ensure that, when necessary (e.g. resignation or retirement), the Chief Executive is replaced in a timely and orderly fashion;

xi. determine the remuneration of the Chief Executive and the SEMT and ensure a proper annual appraisal process is carried out with the Chief Executive;

xii. satisfy itself that the Organisation’s affairs are conducted lawfully and in accordance with generally accepted standards of performance, conduct and priority;

- appoint the first Commercial Director of Atilius Limited; and

xiii. monitor the performance of any subsidiary of the Organisation (including Atilius Limited) in all key performance areas.

4.3 The Board can only delegate in accordance with the provisions contained in the Articles. If it wishes to delegate any of its main functions then this should be in accordance with Terms of Reference approved by the Board for each Committee Leadership Group or a Joint Committee with the Subsidiary and Leadership Group.

5. THE ROLE AND RESPONSIBILITIES OF THE CHAIRMAN AND VICE OR DEPUTY CHAIRMAN

5.1 The Chairman is elected by the Board in accordance with the Articles, normally, in September of each year unless there is a vacancy in this post in year. Persons so elected are appointed for a term of one year and cannot serve as Chairman for more than 6 consecutive years unless the Board agrees otherwise. Any Vice Chairman will be appointed on the same terms as the Chairman or otherwise the Vice Chairman or Deputy Chairman will be appointed on such terms as the Board sees fit.

5.2 A Board Member appointed as a Chairman, must act on behalf of and in the interests of the Board as a whole and not in isolation.

5.3 The responsibilities of the Chairman include:-
Tab 3.1 Appendix 1 to Agenda Item 5 - Code of Governance with tracked changes

i. acting lawfully;

ii. ensuring the efficient conduct of the Board's business and any general meetings of the Organisation;

iii. ensuring that all Board Members are given the opportunity to express their views before any decision is taken;

iv. establishing a constructive working relationship with, and providing support for, the Chief Executive;

   i. ensuring that the Board delegates sufficient authority to its Committees, the Chairperson, the Chief Executive and others to enable the business of the Organisation to be carried on effectively between meetings of the Board, and ensuring that the Board delegates sufficient authority to its Committees or Joint Committees with the Subsidiary, the Chairman, and others to enable the business of the Company to be carried on effectively between meetings of the Board, and ensuring that the Board monitors the use of those delegated powers;

v. ensuring that the Board monitors the use of those delegated powers;

vi. ensuring that the Board receives professional advice when it is needed;

vii. representing the Organisation, as required;

viii. making decisions delegated to the Chairman and, where practicable, working in consultation with other Board Members and the Chief Executive;

ix. in consultation with other Board Members, annually reviewing the composition of the Board and the skills of its individual Board Members and ensuring that appropriate action is taken to remedy any deficiencies;

x. together with any Vice or Deputy Chairman, conducting an appraisal of all the Board Members in accordance with the Board Appraisal Policy as agreed by the Board from time to time;

xi. ensuring that the Organisation's affairs are conducted in accordance with generally accepted codes of performance, conduct and propriety;

xii. together with the Chairman of the Personnel & Remuneration Committee or Vice or Deputy Chairman, conducting an appraisal of the Chief Executive on an annual basis.

5.4 The Vice or Deputy Chairman will deputise for the Chairman in his or her absence. The Board may also appoint the Chairperson of the Personnel and Remuneration Committee to be the Chairman of the Community Development and Equalities Leadership Group. Where the Chairman or Vice or Deputy Chairman are not present at a meeting of the Board, the Board Members present will elect a chairman for the meeting from amongst them. The appointment of such a chairman shall be
the first item on the agenda but the person so appointed will only be the chairman of that meeting.

5.5 In the case where it is necessary for an urgent decision to be made which is not within the delegated authority of the Executive Management Team and it is not possible to convene a meeting of the Board or relevant Committee, a decision may be taken by the Chairman and the Vice or Deputy Chairman or either of the aforementioned and at least one of the Chairperson or Vice or Deputy Chairman of any Committee, based on the recommendations of the Executive Management Team. Any such decision will be reported to the Board at its next meeting.

6. THE CONDUCT OF BOARD BUSINESS

6.1 Effective conduct of Board business is vital to good governance. Subject to the provisions of the Articles, the Board Members may regulate its proceedings as they see fit.

6.2 Although not prescribed in the Articles, the Board will hold at least 3 meetings in each calendar year.

6.3 One third of the total number of Board Members (or such whole number of Board Members nearest to one third) may request the Company Secretary to call a meeting of the Board.

6.4 Notices of Board meetings will be sent to all Board Members, unless they are absent from the United Kingdom, at least 5 working days before the date of the meeting. The Company Secretary is responsible for sending out notices and servicing meetings of the Board.

6.5 No meeting of the Board will be quorate unless any 4 Board Members are present.

6.6 The Board will conduct its business in accordance with the following principles:

i. Board decisions will, wherever possible, be based upon properly structured agendas (which will be agreed in advance of the meeting with the Chairperson, as appropriate) and properly prepared documents;

ii. Reports sent to the Board, its Committees or any other group set up by the Board will be laid out in accordance with the reporting template agreed by the Board from time to time;

iii. Documents and papers presented to the Board for consideration and approval should be clear and concise, avoid unnecessary detail, evaluate options where appropriate, provide a summary in the case of lengthy reports and, in the case of general financial and other performance monitoring information, give brief narrative analyses of the key points;

iv. The minutes of every Board meeting will be taken, as a true record of the proceedings of the meeting, those attending and the decisions made. The minutes will be presented to the following Board meeting and will be confirmed.
or amended as necessary to ensure there is a fair and accurate record of the
previous meeting;

v. at times it may be necessary to supply certain personal details about the
Board Members however this will be undertaken at all times in accordance
with the Data Protection Act 1998.

7. THE COMPANY SECRETARY

7.1 The Board acknowledges that it is not a legal requirement to have a Company
Secretary however for the efficient working of the Organisation shall retain a
Company Secretary post for the time being.

7.2 The Company Secretary is an officer of the Organisation and under the Companies
Act he or she may be criminally liable for defaults committed by the Organisation
including failure to comply with filing requirements.

7.3 The Company Secretary will be expected to fulfil the following duties, including other
such duties ancillary to their roles as determined by the Board:-

7.3.1 facilitating the smooth operation of the Organisation's formal decision making and
reporting machinery; organising Board and Board committees' meetings (e.g. audit,
personnel and remuneration committees etc.); formulating meeting agendas with the
Chairman and/or the Chief Executive and advising management on content and
organisation of memoranda or presentations for the meeting; collecting, organising
and distributing such information, documents or other papers required for the
meeting (including sending formal notices calling the meeting); ensuring that all
meetings are minuted and that the minute books are maintained with certified copies
of all minutes and that all Board committees are properly constituted and provided
with clear terms of reference;

7.3.2 at meetings, ensuring that the voting is carried out accurately; co-ordinating the
administration and minuting of meetings;

7.3.3 ensuring that the Organisation complies with its Articles and, drafting and
incorporating amendments in accordance with correct procedures;

7.3.4 maintaining the following statutory registers:

7.3.4.1 members;

7.3.4.2 company charges, mortgages and debentures;

7.3.4.3 directors and secretary;

7.3.4.4 directors’ interests;

7.3.5 filing information with the Registrar of Companies to report certain changes
regarding the Organisation or to comply with requirements for periodic filing. Of
particular importance in this regard are:

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| 7.3.5.1 | annual returns; |
| 7.3.5.2 | report and accounts; |
| 7.3.5.3 | any changes to the Articles; |
| 7.3.5.4 | notices of appointment and removal or resignation of directors and the Company Secretary; |
| 7.3.5.5 | notices of removal or resignation of the auditors; |
| 7.3.5.6 | change of registered office; |
| 7.3.5.7 | resolutions as required by the Companies Act. |
| 7.3.6 | co-ordinating the publication and distribution of the Organisation’s final accounts and interim statements, in consultation with the Organisation’s internal and external advisers, in particular, when preparing the directors’ report; |
| 7.3.7 | communicating with the Council as a member of the Organisation; |
| 7.3.8 | continually reviewing developments in corporate governance; facilitating the proper induction of directors into their role, advising and assisting the directors with respect to their duties and responsibilities, in particular compliance with company law; |
| 7.3.9 | establishing and administering the registered office; attending to the receipt, co-ordination and distribution of official correspondence received by the Organisation, sent to its registered office; ensuring the provision of facilities for the public inspection of company documents as required by the Companies Act or Board policy; |
| 7.3.10 | ensuring that all business letters, notices and other official publications of the company show the name of the Organisation and any other information as required by the statutes and that the company name plates are displayed in a conspicuous place; and |
| 7.3.11 | monitoring and laying in place procedures which allow for compliance with relevant regulatory and legal requirements particularly under the Companies Act 2006 including legal requirements on retention of documents; retaining the minimum set of records required for commercial reasons; ensuring that procedures are in place to allow adequate historical archive to be maintained. |

### 8. COMMITTEES OF THE BOARD

8.1 The Board may establish one or more Committees (including establishing a leadership group) for the purpose of supervising or performing any duty which can be more conveniently undertaken in this way.

8.2 Committees are established under clear terms of reference approved by the Board. These deal with the role and responsibility of the Committee, appointment of Committee members, delegated authorities from the Board, the role of the
Chairperson, and the conduct of business, more particularly including development and leadership. The proceedings at all Committees will be properly recorded and the minutes reported to the next meeting of the Board.

8.3 The Board may collapse and/or replace Committees or vary the Committees’ terms of reference as and when it sees fit to do so and when required under clause 8.5 below.

8.4 The Board may from time to time, in addition to Committees, establish various working groups which will be non-decision making bodies but will drive forward particular issues in order to recommend a course of action/decision for the Board.

8.5 The Board will annually review the Committees operating at the time and any working groups established with a view to ensure that any such Committees and groups remain relevant and appropriate and should continue to work as part of the Organisation.

9. OPENNESS AND ACCOUNTABILITY

9.1 The Organisation seeks to act in an open and accountable way in relation to residents, local communities, its staff, the Council and other interested parties.

9.2 The Board of the Organisation accept the obligation to account for their actions in an open manner. In response to this commitment, the Organisation will:

i. where possible and appropriate involve tenants, Council and community representatives in its decision-making processes;

ii. ensure that Board meetings and other meetings are conducted as openly as possible save where confidential or commercially sensitive matters are being discussed;

iii. respond clearly and openly to questions from stakeholders, the public or press on all matters other than confidential or commercially sensitive items;

iv. create specialist Committees and working groups as necessary;

v. encourage and assist tenant and resident associations and other groups and respond to their concerns;

vi. ensure that where errors or mistakes occur or bad practice arises, these matters are investigated thoroughly and openly, errors corrected and where appropriate, compensation awarded and systems reviewed where necessary;

vii. welcome constructive criticism from whatever source and respond to such criticism where justified; and

viii. require, through a Code of Conduct, that Board Members conduct themselves in ways which are seen to be accountable and consistent with publicly acceptable standards;
9.3 The Board will review any arrangements made as a result of these commitments on a regular basis and consider any developments in good practice.

10. THE INVOLVEMENT OF TENANTS AND OTHER RESIDENTS

10.1 The Organisation has to balance the interests of a wide range of groups, and must be accountable in different ways to tenants, potential tenants, other residents, the Council and other community groups. The involvement of tenants and other residents must, however, be the main focus of accountability.

10.2 The Organisation has adopted the Council’s formal structures for involving tenants in its decision-making process (the ‘Tenants’ Compact’).

10.3 The Organisation will publish policies for involving tenants and other residents in the decisions that affect their lives and provide a comprehensive range of information to tenants and other residents. This may include:

i. a handbook for tenants;

ii. a regular newsletter;

iii. the publication of service standards to enable tenants and other residents to judge value for money;

iv. monitoring to ensure a consistent service to tenants and other residents across the organisation via the Resident Scrutiny programme of work; and

v. a complaints and compliments procedure for tenants and others;

11. EQUALITY OF OPPORTUNITY

11.1 The Organisation exists to serve the whole community and has equality of opportunity as a core commitment in all its activities. The Organisation will operate in accordance with its Equal Opportunities Policy.

12. BOARD MEMBERS AND EMPLOYEES INTERESTS

12.1 The Company Secretary shall keep a record of all declarations of conflicts of interests of employees and Board Members and make this record available for inspection as required by any statute or policy. The Articles and the Code of Conduct set out the conflicts which need to be disclosed by the Board Members.

12.2 Any candidate for a position of employment in the Organisation who canvasses Board Members directly or indirectly will be disqualified.

12.3 No Board Member may recommend anyone for appointment or promotion, although if requested a written reference in a standard format can be given.

12.4 Any applicant for a job with the Organisation shall declare on their application form details of any relationship with any Board Member or employee of the Organisation.
Any applicant who fails to make such a disclosure will be disqualified and, if appointed, will be subject to dismissal proceedings.

13. INSOLVENCY PROCEDURES

13.1 The Board is responsible for ensuring that the Organisation ceases to trade if there are reasonable grounds for believing that the Organisation is insolvent or unable to meet its liabilities when they fall due.

13.2 As soon as it is believed that the Organisation may be trading insolvently, the Chief Executive and the Executive Director(s) shall notify the Chairman, the Vice or Deputy Chairman and the Council who will agree the action to be taken. This may include an external review of its financial position and the seeking of external advice, prior to notifying the Board.

13.3 This is in addition to the Board Members’ statutory obligations.

14. AUDIT

14.1 Effective audit is essential to good governance.

14.2 The Organisation will observe the rules, regulations and policies set out in the Organisation’s Financial Regulations.

15. CONDUCT AND PROBITY

15.1 The Organisation has adopted a Code of Conduct, which requires all Board Members to ensure that their private or personal interests do not influence their decisions, and that they do not use their position to obtain personal gain of any sort. The Code of Conduct also provides a procedural framework for personal conduct for Board Members.

15.2 Board Members are required to be meticulous about declaring conflicts of interest. The Organisation maintains records of the interests of Board Members which are available for public inspection in the form of a Register of Interests.

15.3 When the Board discusses an item which poses a conflict of interest for any Board Member present at a meeting, that person should declare the interest. In addition to the record in the Register of Interests, all Board agendas include a specific opportunity at the start of the meeting for those present to declare an interest in any item on the agenda.

15.4 Unless specifically invited to remain, a Board Member with a conflict of interest which is not expressly authorised or permitted under the Articles is required to withdraw from that part of the meeting where the item concerned is being discussed.

15.5 Where a conflict of interest reoccurs on a regular basis, the Board Member may be expected to offer to resign. Officers will report to the Board on an annual basis detailing conflicts of interest reported in the Register of Interests.
16. RESPONSIBILITIES

16.1 The Board, having formally adopted the Code of Governance for the Organisation, accepts responsibility for its implementation and for monitoring its effectiveness.

16.2 Day to day responsibility lies with the Chief Executive and the Executive Management Team. The Chief Executive will be the nominated "Controlling Authority" and will therefore be responsible for the day to day management, governance, administration and overseeing of the running of the Organisation.

16.3 Issue control: the management of duly authorised policies and procedures or amendments will be the responsibility of the Chief Executive who will ensure they are circulated to appropriate individuals and they are kept updated with the current versions.

17. MONITORING

17.1 Policies relating to Governance will be reviewed as often as is necessary to ensure that the policies established remain relevant and appropriate to ensure that the Organisation is able to achieve its objectives.
CODE OF CONDUCT

for Board Members
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**Scope**

This Code of Conduct was adopted by the Board of South Essex Homes on 25th February, 2014 and **reviewed on 3rd October, 2018** it applies to every Board Member. This Code of Conduct reflects various best practice guidance including the National Housing Federation's Excellence in Governance Code for Board Members.

A Board Member must always observe this Code of Conduct whenever he/she:

- (a) conducts the business of South Essex Homes
- (b) conducts the business of the office to which he/she has been elected or appointed; or
- (c) acts or appears to act as representative of South Essex Homes

High standards of conduct imply disclosure of matters that might conceivably be seen as giving rise to a duality or conflict of interest, and require Board Members to uphold the spirit as well as the wording of this Code of Conduct

1. **Introduction**

The conduct of South Essex Homes Board Members should give confidence to residents and partners, show integrity and, at all times, avoid any suggestions of influence by improper or biased motives.

This Code of Conduct respects the following seven principles:

1) **Selflessness**

To take decisions solely in terms of South Essex Homes values and purpose and not in order to gain financial or other material benefits for family, friends or ourselves.

2) **Integrity**

Not to place ourselves under any financial or other obligation to outside individuals or organisations that might influence the performance of our duties.

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3) **Objectivity**  To ensure impartially in the delivery of services, the appointment of staff, or the awarding of contracts and that choices are made on merit alone.

4) **Accountability**  To accept accountability for our decisions and actions towards our residents, the providers of public funds and other stakeholders and to submit ourselves to whatever scrutiny is appropriate.

5) **Openness**  To be as open as possible about all the decisions and actions that we take. We should give reasons for our decisions and restrict information only when individual or commercial confidentiality demands.

6) **Honesty**  To declare any private interests relating to duties and to take steps to resolve any conflicts arising in a way that is lawful and protects South Essex Homes reputation, values and aims.

7) **Leadership**  To promote and support these principles by leadership and example.

The core responsibilities of a Board Member are as follows:

- Ensure that the Board address the Mission and Aims of South Essex Homes (rather than the interests of any specific group which they represent);
- Work in the public interest;
- Bring about positive outcomes for the people who use the services;
- Provide good value for tax-payers who fund these services;
- Balance public interest with accountability locally
- Motivate front-line staff by making sure that good executive leadership is in place.

Once members have been elected to the Board, they are not and should not act as representatives of any one individual group, and must always act in the best interests of the company when carrying out their duties as a Board Member or acting on behalf of the company.

2. **Statutory Duties**

Board Members must always ensure that they comply with the law when discharging their duties.

The Companies Act 2006 clarified the responsibilities of all Company Directors. Board Members at South Essex Homes must ensure that they meet the seven statutory duties: 

3
1. Act within powers  
2. Exercise independent judgment  
3. Exercise reasonable care, skill and diligence  
4. Avoid conflicts of interest  
5. Not accept third party benefits  
6. Declare any interest in a proposed transaction or arrangement  
7. Promote the success of the organisation  

3. South Essex Home Mission Statement  

The Board is responsible for developing the Company’s Mission Statement which will be publicised broadly, to staff and customers. 

Board Members are required to incorporate the Mission and Aims into their roles as Board Members. 

Board Members have a specific duty to make sure they steer the Company in accordance with the agreed Mission and Aims. 

South Essex Homes Mission Statement is:  

Working together to:  

- Involve Residents  
- Invest in decent homes  
- Improve services  
- And build strong, proud communities  
- Empower our residents  
- Provide excellent services and quality homes  
- Engage with our communities  
- And Work in partnership with Southend-on-Sea Borough Council  

South Essex Homes Aims Objectives are:  

- Ensure fair and equal access to excellent services for all our residents and business customers  
- Bring all homes up to the Decent Homes Standard by 2016 and ensure they continue to be maintained at a level that meets residents’ expectations  
- Contribute to meeting housing need and increasing the supply of affordable homes locally
Increase our local customer base to create a healthy, sustainable future for our business.

Further develop our contribution to local neighbourhoods to improve the quality of life for our residents.

Promote environmental sustainability and minimise the negative impact we have on the climate.

Deliver Value to the Council by working in partnership with the Council to critically review our purpose and contribution.

Empower Residents by developing our Engagement Strategy to support and train residents, work in partnership with the Residents Scrutiny Forum and sustain tenancies.

Provide Innovative Solutions – by striving to maintain key performance and satisfaction measures, develop the Asset Management Strategy, Repairs delivery, ICT Systems and front line services.

Engage with Communities – by enhancing communities, working on the wider strategy with the Council and education and supporting residents where needed.

Develop our Commercial Activities – by maximising the Careline Service, and focusing on utilising South Essex Property Services to is maximum.

4. Disclosure of interests

Board Members must not put themselves in a position which may influence them or be perceived to influence them in the conduct of their duties.
4.1 Board Members’ interests

A conflict of interest could arise in any given situation, but it is important that Board Members understand what a potential conflict of interest is.

Conflicts of interest can arise from:

- an interest in any property being managed or purchased by South Essex Homes,
- an interest in any company selling or being agent for any property being managed or purchased by South Essex Homes,
- a business relationship with any person or firm earning fees from work placed by South Essex Homes,
- a business relationship with any person or firm entering into a contract to carry out work for South Essex Homes.

The above is not an exhaustive list. All such interests and any other personal or business interest which conflicts with South Essex Homes’ interest must be disclosed. Where there is doubt as to whether or not a conflict of interest arises the Company Secretary should be approached for advice on how to proceed.

Board Members can seek further guidance from the Company Secretary regarding conflicts of interest.

Board Members must ensure that:

- private and personal interests do not influence their decisions which impact on South Essex Homes.
- they do not use their position, or South Essex Homes activities, to obtain personal or business gain either for themselves or for their families, friends or associates

Article 20 of the Company’s Articles of Association provides that an interest should always be disclosed to the Company Secretary in respect of:

1) All bodies trading in which staff/members have an interest as:
   - A director or senior employee;
   - A member of a firm;
   - The owner or controller of more then 2% of the issued share capital in a company

2) All interests as an official or elected member of any statutory body;
3) All interests as the occupier of any property owned or managed by South Essex Homes
4) Any other significant or material interest

Board Members must always be alert to any potential conflicts of interest. It is also recommended that Board Members declare any form of employment and any other relevant appointments (voluntary or otherwise) such as a trustee or elected official of a membership body.

4.2 Declaration of interests

Agendas for all Board, Committee Joint Committee & Leadership Group meetings include “Declaration of Interest” as a standard item, during which time participants at that meeting should make any personal interests known relating to the business on the agenda.

Unless the interest is of a type described in the paragraph below, a Board Member who has any interest in an arrangement between the Company and another person or body (a “transactional” conflict) must not remain present whilst the relevant item is discussed unless requested to do so by the other Board Members and must not vote on the matter in question.

However, provided that the interest has been properly disclosed, a Board Member may remain present during the discussion and may vote on the matter under discussion where the interest arises because:-

a) the Board Member is a Tenant so long as the matter in question affects all or a substantial group of Tenants;

b) the Board Member is a Director or other officer of a company or body which is a parent, subsidiary or associate or South Essex Homes;

c) the Board Member is an official or Elected Member of any statutory body; or

d) another circumstance provided that the conflict of interest has been authorised in accordance with the articles of association.
4.3 Authorisation of conflicts

If an actual or potential conflict of interest arises for a Board Member other than in relation to a transaction or arrangement with the Company (a 'situational' conflict) and the conflict is not authorised under the Articles, the un-conflicted Board Members may authorise the conflict of interest provided that:

a) any conflicted Board Member is not counted in the quorum of Board Members at the meeting whether the conflict is to be authorised; and

b) the un-conflicted Board Members consider it is in the interests of the Company to authorise the conflict of interest in the circumstances.

The Board Members may attach conditions to any such authorisation that they consider to be in the best interests of South Essex Homes. The Board should consider whether any situational conflicts should be authorised each time a new Board Member is appointed or a new situation (not already authorised) arises for an existing Board Member that gives rise to an actual or potential conflict of interest.

4.4 Failure to disclose an interest

If a Board Member fails to disclose an actual or potential conflict of interest, this may result in them being removed from the Board.

Notwithstanding the Board's powers to require a Board Member to stand down, Board Members will take personal responsibility wherever appropriate for resolving the conflict. In particular, if an external role or responsibility gives rise to a serious or persistent conflict, they must consider either resigning from the Board, or stepping down from the external role/responsibility.

5. Confidentiality of Information

South Essex Homes' work involves confidential information about its customers and South Essex Homes' business and Board Members must respect that confidentiality. South Essex Homes must take account of the Access to Personal Files (Housing) Regulations (Statutory Instrument 1989/503), the General Data Protection RegulationAct and other relevant legislation.

Specifically a Board Member must not –
Disclose information relating to South Essex Homes or its tenants acquired by way of his/her work as a Board Member for any reason other than the promotion of the objectives of the Board.

Disclose information given to him/her in confidence by anyone, or information acquired which he/she believes is of a confidential nature, without the consent of a person authorised to give it, or unless he/she is required by law to do so; nor

Prevent another person from gaining access to information to which that person is entitled by law.

Under no circumstances must Board Members use or disclose any information obtained during their work as a Board Member for their personal gain or benefit of themselves or others associated with them.

Board Members must treat as confidential all information they acquire during the period of and as a result of being a Board Member specifically including:

- Information concerning people – residents, staff, applicants etc and
- Those matters of business which are confidential or commercially sensitive, such as policy, future plans, staffing or financial or other resources and their allocation.

Where information is to be released outside South Essex Homes, it must only be released with the prior written consent of the Chief Executive or the Chair, unless required to disclose this information by law or court order.

If a Board Member breaches our duties of confidentiality it will be treated as a breach of this Code of Conduct.

The obligations of confidentiality continue after a person has ceased to be a Board Member. When a Board Member leaves for any reason, they will return all the paperwork relating to South Essex Homes to the Company Secretary.
6. **Board Member Conduct**

6.1 **General**

A Board Member must not in his/her official capacity, or any other circumstances, conduct himself/herself in a manner which could be reasonably be regarded as bringing his/her office or South Essex Homes into disrepute.

A Board Member –

1. Must not in his/her official capacity, or any other circumstance, use his/her position as a Board Member improperly to confer on or secure for himself/herself or any other person, an advantage or disadvantage; and

2. Must, when using or authorising the use by others of the resources of South Essex Homes –

   - Act in accordance with South Essex Home’s Financial Regulations and Code of Governance
   - Ensure that such resources are not used other than for purposes that could reasonably be regarded as likely to facilitate, or be conducive to, the discharge of the functions of South Essex Homes or of the office to which the Board Member has been elected or appointed.

A Board Member must not hold him/herself out as acting on behalf of, or representing the views or concerns of, the Board of South Essex Homes in part or in whole to any third party unless a resolution has been passed by the Board.

A Board Member must when reaching decisions –

1. Have regard to any relevant advice provided to him/her by –

   - South Essex Homes’ Director of **Finance**
   - South Essex Homes’ Director of **Business Development**, Chief Executive
   - South Essex Homes’ Company Secretary or Executive Director; and

2. Give the reasons for those decisions in accordance with South Essex Homes' and any statutory requirements in relation to the taking of a decision.

In addition to the above a Board Member must adhere to any rules agreed by their respective Board.
A Board Member must if he/she becomes aware of any conduct by another Board Member which he/she reasonably believes involves a failure to comply with this Code of Conduct, bring this to the attention of the Chair or Vice Chair and the Company Secretary as soon as it is practicable for him/her to do so.

All Board Members who represent South Essex Homes are expected to conduct themselves appropriately when they are carrying out a duty or attending a function, and in their everyday life.

Board Members are required to annually re-affirm their commitment to the Code of Conduct, and to South Essex Homes, its aims and objectives, policies and procedures.

Board Members are required to have knowledge of the roles of the Board and its Board Members. They should be aware that the Board is a team, and that it can only be effective if it is working together and can resolve any differences of opinion amicably.

Board Members must act in the interests of South Essex Homes (and not on behalf of any particular constituency or interest group). The Board needs a wide range of skills and experience and will only function effectively if each Board Member is committed to contributing fully. Contribution involves all Board Members using their skills, experience, and time to help the Board collectively to reach the most appropriate decision, usually by a consensus.

6.2 Collective responsibility

Board Members must accept and share a responsibility for all Board decisions. Board Members acknowledge that there will be opportunities to change, alter and amend decisions in an appropriate manner.

Individual Board Members will inevitably have differences of opinion on issues debated at meetings. After full discussion when the meeting has reached a conclusion all individuals must uphold the decision whether they voted for it or against it. Speaking against agreed decisions in public could potentially undermine the Board and could damage the reputation of South Essex Homes. Individuals have a responsibility to stand by the collective decisions of the Board and to present a united front. For example, if the Board makes a decision that is later discussed at another committee meeting which is attended by a Board Member of the decision making Board, that Board or committee member must support that decision. Board Members must recognise that if they are opposed strongly to a Board decision to the extent that they cannot abide by this paragraph, they may need to resign as a Board Member.
Board Members need to ensure that in their actions and decisions they are open and accountable to the general public as well as to the many organisations and individuals who have a more direct interest in their work, such as tenants, local communities, local authorities and other interested parties.

6.3 Conduct at meetings

Board Members must observe the rules of good meeting behaviour. This means (amongst other things) that Board Members will be courteous to other attendees, respect their views and allow them the opportunity to speak without interruption, remain measured and controlled even in stressful circumstances, will not use offensive, provocative, abusive or racist language or use threatening behaviour or violence or otherwise disrupt the meeting.

If Board Members have personal differences with another Board Member they will not bring these into the arena of a Board meeting. Instead they will resolve such differences quickly, quietly and discreetly between themselves outside of meetings.

If Board Members have a complaint against another Board Member or a colleague of South Essex Homes, they will raise the complaint with the Chair of the Board or the Company Secretary.

7. Disclosure of gifts and hospitality

7.1 Register of interests, Gifts and Hospitality

To show that Board Members do not receive improper personal benefits because of the activities of South Essex Homes, declaration of interests will be required from Board Members on an annual basis for the Register of Interests, Gifts and Hospitality held by the Company Secretary. Should Board Members’ interests change from the position disclosed in the register at any time, they should contact the Company Secretary within 28 days from when the change took effect. Board members will be asked to review the details held on an annual basis.

7.2 Gifts

Giving and receiving gifts creates a relationship that can be seen to influence Board Members’ judgement. Therefore, other than nominal gifts (below the value of £25) they should always be avoided. Cash should never be accepted.
Anyone offering gifts should be asked to donate them for residents’ benefit or they should be pooled for donation to external charities.

All gifts offered, whether accepted or refused, must be declared to the Company’s Register of Interests, Gifts and Hospitality held by the Company Secretary within 28 days.

7.3 Hospitality

Board Members may not give or receive repeated lavish hospitality or entertainment.

Occasional and modest hospitality is permitted. Board Members are encouraged to seek advice from the Chief Executive, the Company Secretary or the Chair of the Board on acceptable levels of hospitality.

Hospitality, which could be perceived to influence one’s judgement, whether accepted or refused, must be declared in the Company’s register of Interests, Gifts and Hospitality held by the Company Secretary within 28 days.

8. Relationship with residents

Any personal relationship between Board Members and residents must not conflict with the best interest of the resident concerned or bring undue pressure to bear in matters concerning their rights as residents.

Board Members must never allow themselves to be compromised by, nor take advantage of, their relationship with residents. The relationship of trust must never be abused.

9. Provision of housing and other benefits

Board Members must not be given preferential treatment due to their position within South Essex Homes in respect of any benefit or housing-related service provided or managed by the Company.

10. Payments

Board Members must not be in receipt of any payments by South Essex Homes, apart from payments specified in the approved Board Expenses Policy.
11. Employment Matters

Board Members involved in making appointments should ensure that these are made on the basis of merit alone. It is unlawful to make an appointment based on anything other than the ability of the candidate to undertake the duties of the post. Personal preferences should not influence judgements to be made.

In order to avoid any possible accusations of bias, Board Members must not be involved in any appointment where they are related to an applicant or have a close personal relationship outside of work with him/her. Any such relationship should be declared.

Similarly, Board Members should not be involved in decisions relating to discipline, promotion or pay adjustments for any employee who is a relative, partner or close personal friend.

The law and South Essex Homes’ procedures lay down rules for appointment, discipline and dismissal of staff. These must be observed scrupulously and impartially, subject always to the duty in every case to act fairly.

Board Members must not canvass the support of other Board Members or officers for any candidate applying for employment. Board Members must also resist and report any attempt by others to do so.

If a Board Member (or member of their family) is a resident or tenant or employee of South Essex Homes they must not use their position as a Board Member to gain any advantage or preferential treatment.

12. Confidential Reporting (Whistleblowing)

Board Members who become aware of any breach of this code or any other impropriety, have a duty to draw this to the attention of the Chair of the Audit & Risk Committee, the Director of Finance, Company Secretary or Chief Executive of South Essex Homes.

In no circumstances will anyone raising legitimate concerns by following the Confidential Reporting procedure be penalised in any way for doing so. Equally, abusing this process by raising unfounded or malicious allegations is a serious matter and would be dealt with under the Appendix 1 to this policy.
13 **Political activities**

Board Members should demonstrate that South Essex Homes is politically neutral, and therefore, they must not allow party political or other affiliations influence their judgement in a way that is in conflict with the best interest of the Company.

14 **Outside activities**

Board Members are required to declare outside paid work or other interests in accordance with the register of interest procedure.

No outside work is permitted on the Company’s premises or using equipment supplied by South Essex Homes. Such facilities are to be used only for South Essex Homes approved duties.

15 **Media**

All media requests for the organisation must be dealt with through the Marketing and Communications Coordinator. If a Board Member is asked by the media for comment on issues relating to South Essex Homes, this should be referred to the Marketing and Communications Coordinator immediately.

Board Members also should not contact the media in their capacity as a Board member without prior consent of the Board.

16. **Equality and Diversity**

South Essex Homes is legally obliged as an employer and provider of housing services to offer equal opportunity for all. All parts of the Company must adhere to the Equal Opportunities Policy adopted by the Board. The policy includes the statutory duties of South Essex Homes in this respect, and outlines the wider aims in relation to valuing diversity.

Board Members should actively promote the Equal Opportunities Policy and seek to ensure that all decisions taken by the Board adhere to its principles.

17. **Attendance**

The full procedures relating to Board member attendance are covered in Article 21 of the Articles Code of Association. Regular attendance at Board, Committee & Leadership meetings and any relevant training and development is essential to being an effective Board member. Board Members must endeavour to give full attendance.
18. **Disqualification as a Board Member**

Any Board Member who would become disqualified under Company Law to act as a company director would also be disqualified from Board Membership.

Other criteria for disqualification are set out in Article 15 of the Company’s Articles of Association (Appendix 2).

A serious breach of the Code of Conduct could also result in removal from the Board depending on the recommended course of action by the Standards Panel and subject to a resolution by the Board to that effect.

17. **Failure to follow the Code of Conduct**

Board Members should recognise that failure to follow the Code of Conduct could damage South Essex Homes’ work and reputation and, therefore, it will normally be viewed as a disciplinary matter.

In the case of a Board Member failure to comply with the Code, action will be considered in accordance with Appendix 1 of this Code of Conduct and South Essex Homes’ Articles of Association.

Board Members carry special duties of accountability and, as consequence, their conduct and personal integrity must always be beyond reproach. For this reason, any Board Member who:

- Becomes subject to legal proceedings brought against him/her by South Essex Homes
- Brings legal proceedings against South Essex Homes; or
- Becomes subject to any criminal or civil proceedings, the nature of which could compromise his/her position as a Board Member.

Shall immediately become suspended from membership of the Board. Upon the conclusion of any such proceedings, the Board will decide whether to reinstate or seek removal of a Board Member in accordance with South Essex Homes’ Articles of Association.

The Articles of Association lay down procedures for the removal of an individual from the Board.
BOARD MEMBER COMPLAINTS PROCEDURE

A) Where a complaint or allegation is made against a Board Member by another Board Member, member of staff, resident or member of the public, this must be made verbally or in writing to the Company Secretary or the Chief Executive who subsequently will inform the Chair of the Board and/or the Vice Chair of the Board. The Board Member will also be informed in writing of the complaint made against him/her, but not of who has made the complaint at this stage. At the appropriate time the person who has made the complaint may need to come forward as a witness.

Examples of a complaint which would fall within this policy:
- Conduct which is an offence or a breach of law
- Disclosures related to miscarriages of justice
- Health and safety risks, including risks to the public as well as to employees
- Damage to the environment
- The unauthorised use of public funds
- Possible fraud or corruption
- Other unethical conduct including but limited to bullying or harassment of staff, residents or other board members

B) In cases where the complaint or allegation refers to a Board Member who is a Councillor and may also be a breach of Southend Borough Council’s Code of Conduct, the Company will refer the matter to the Council’s Chief Executive. South Essex Homes will not undertake an investigation until notified of the outcome of the Council’s own investigation. This will not prevent the Councillor being suspended from the Board in accordance with paragraph (E) of this Appendix whilst the Council’s investigation is being undertaken.

C) A preliminary investigation will be conducted by the Chair and Vice Chair of the Board unless they are the subject of the complaint in which case the Chair of a Committee of the Board will substituted to determine whether a breach of the Code of Conduct has occurred. If it is assessed as a minor breach, the Board Member will be informed in writing of the outcome of the investigation and the case closed. It is at this point, that the Board member will also be informed of who made the complaint unless to do so could be deemed to put the complainant at risk. No further action will then be taken, although if another complaint is made against the same Board
Member regarding the same breach, this may be considered as part of any future investigation. The Board will be informed of the complaint and outcome of the investigation.

D) If it is assessed that a serious breach may have occurred, a Standards Panel will be convened to investigate the matter in-depth and the Board Member shall be informed in writing that the investigation is to take place. When the Board Member is informed of this, he/she will be told of who has made the complaint against him/her.

The Standards Panel will be made up of a minimum of three people to include the Chief Executive or Executive Director, an independent person appointment by the Board (usually the Company’s legal advisors) and the Chair or Vice Chair of the Board or as substituted above. The relevant Board Member will be notified in writing of the steps which will be taken to investigate the complaint and expected timescale within which the complaint will be dealt with. These steps will include a right for the Board Member to submit a written statement to be considered by the Standards Panel as part of the investigation.

A meeting date for the Standards Panel will be set as soon as practicable, while allowing for a full investigation to be carried out.

E) In cases where the continued involvement of a Board Member about whom an allegation has been made may, in the opinion of the Standards Panel:

- Damage South Essex Homes reputation;
- Involve material financial detriment to South Essex Homes;
- Give rise to claims against South Essex Homes or Southend Borough Council;

the Panel may decide to suspend that Board Member from the Board as a precautionary measure pending the outcome of the investigation and the Standards Panel meeting. A Board Member upon being temporarily suspended shall not attend any Company meetings in their capacity as a Board Member but arrangements will be made whereby the Board member’s views on issues to be discussed by the Board (other than those which relate to the Board Member in question) are given due and proper consideration by the Board.

If the Board Member is to be suspended the Board Member will be advised of their suspension and the Board will also be notified. The suspension will be reviewed upon completion of the investigation.
F) The Board Member may attend the Standards Panel meeting and can appoint their own independent advisor/nominated representative to accompany or represent them.

The Standards Panel will, no later than ten working days before the Standards Panel meeting, provide the Board Member with any names of witnesses and copies of any documentation to be used during the meeting. The Board Member will provide any documentation (including any witness statements) they wish to use at the Standards Panel meeting no later than seven working days before the date of the meeting.

G) Following the determination of the Standards Panel, the Standards Panel will advise the Board Member of their decision in writing (ideally this should be no longer than 5 working days after the meeting unless specified otherwise), outlining the outcome of the investigation and Standards Panel meeting including any recommendations to be made to the Board. The ultimate penalty that the Board could impose for any breach of this Code is the removal of a Board Member in accordance with the Articles of Association. In advance of such action and, according to the circumstances of any breach, the Standards Panel and the Board could determine to issue warnings that any continued or repeated breach will result in their consideration or removal.
ARTICLES OF ASSOCIATION

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:

1. Ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director;
2. Is or becomes a person disqualified from elected membership of a local authority;
3. Becomes bankrupt or makes any arrangement or composition with his creditors generally;
4. Is or becomes physically or mentally incapable of acting as a director (and a written confirmation of this has been provided by a registered medical practitioner who is treating that person) and may remain so for more than three months;
5. Resigns his/her office by notice to the Organisation;
6. Is removed from office by a resolution (or written notice) signed by at least three quarters of all the other Board Members from time to time;
7. Shall for more than six consecutive months have been absent (without permission of the Board) from meetings of the Board held during that period and the Board resolves that his office be vacated;
8. In any period of 12 months, he shall have been absent (without the permission of the Board) from at least 60% of the meetings of the Board held during that period and the Board resolve that his/her office be vacated;
9. In the case of a Tenant Board Member he ceases to be a Tenant PROVIDING THAT this shall not apply in respect of a Tenant Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Board Member’s home;
10. Is a Tenant Board Member and is (in the reasonable opinion of a majority of Board Members) in serious breach of their obligations as a Tenant (including but not limited to, being seven weeks in arrears in respect of any payments due under their lease or tenancy, as the case may be);
11. Is a Council Board Member and is or becomes a Tenant;
12. Is a Tenant Board Member and is or becomes a Local Authority Person;
1.1 Disqualification and removal of Board Members

A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:

1.1.1 ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director; or

1.1.2 is or becomes a person disqualified from elected membership of a local authority; or

1.1.3 becomes bankrupt or makes any arrangement or composition with his creditors generally; or

1.1.4 is or becomes physically or mentally incapable of acting as a director (and a written confirmation of this has been provided by a registered medical practitioner who is treating that person) and may remain so for more than three months; or

1.1.5 resigns his office by written notice to the Organisation; or

1.1.6 is removed from office by a resolution (or written notice signed by) at least three quarters of all the other Board Members from time to time; or

1.1.7 shall for more than six consecutive months have been absent (without permission of the Board) from meetings of the Board held during that period and the Board resolves that his office be vacated; or

1.1.8 in any period of 12 months shall have been absent (without the permission of the Board) from at least 60% of the meetings of the Board held during that period and the Board resolves that his office be vacated; or

1.1.9 in the case of a Tenant Board Member ceases to be a Tenant provided that this Article 15.1.9 shall not apply in respect of a Tenant Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Board Member's home; or

(13) is an Independent Board Member and is or becomes a Tenant or a Local Authority Person;

Or

(14) is removed by resolution of the Council Member pursuant to Article 15.2;

Or

(15) has served on the Board for nine consecutive years (the “Maximum Term”) provided that any Board Member who has reached the Maximum Term on or before 31 December 2014 would have a right to have his Maximum Term to be extended for one more year if the Board so resolves.
1.1.10 is a Tenant Board Member and is (in the reasonable opinion of a majority of other Board Members) in serious breach of their obligations as a Tenant; (including, but not limited to, being 7 weeks in arrears in respect of any payments due under their lease or tenancy, as the case may be); or

1.1.11 is a Council Board Member and is or becomes a Tenant; or

1.1.12 is a Tenant Board Member and is or becomes a Local Authority Person; or

1.1.13 is an Independent Board Member and is or becomes a Tenant or a Local Authority Person; or

1.1.14 is removed by resolution of the Council pursuant to Article 15.2; or

1.1.15 has served on the Board for nine consecutive years (the "Maximum Term"), provided that any Independent Board Member who has reached the Maximum Term on or before 28 February 2017 would have a right to have his Maximum Term to be extended for one more year if the Board so resolves.
**South Essex Homes Limited**

**Minutes of Audit & Risk Committee Meeting**

**Date:** Wednesday 20<sup>th</sup> June

**Time:** 5:00pm

**Room 1.03, Civic Centre**

**Present:** David Joyce - Chair of the Audit & Risk Committee; Michael Oxley; Tony Churton; Keith Ducker

**In Attendance:** Christopher Vaughan – Director of Business Development; Beverley Gallacher - Company Secretary; Daniel Lyons - Financial Services Manager; Sarah Lander – Project Manager Corporate Services; Linda Everard - Head of Internal Audit; Elaine Allen - Audit Manager; Tim O’Connor – External Auditor Scrutton Bland; Gurdip Bhambra – Internal Audit.

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<tr>
<td><strong>1. Welcome and Introductions</strong></td>
</tr>
<tr>
<td>1.1 The Chair welcomed Officers and Committee Members. Sarah Lander introduced herself as Corporate Services Project Manager and updated the Committee on her role and Gurdip Bhambra was introduced as the newly appointed Internal Audit Senior Manager</td>
</tr>
<tr>
<td><strong>2. Apologies for Absence</strong></td>
</tr>
<tr>
<td>2.1 There were no apologies for absence received. David McGlone did not attend the meeting</td>
</tr>
<tr>
<td><strong>3. Declarations of Interest</strong></td>
</tr>
<tr>
<td>3.1 Declaration of Interest was received and recorded from David Joyce.</td>
</tr>
<tr>
<td><strong>4. Report of Whistle Blowing Incidences</strong></td>
</tr>
<tr>
<td>4.1 No reports for the last quarter</td>
</tr>
<tr>
<td><strong>5. Minutes and Matters Arising from the Meeting held on 15th May, 2018</strong></td>
</tr>
<tr>
<td>5.1 Minutes agreed as a true and accurate record completed.</td>
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</table>
6. **Draft Audited Accounts as at 31st March, 2018 including External Auditors Report**

6.1 Financial statements include key points, before pension adjustments a loss was made. SEPS made a profit.

6.2 After pension Financial Reporting Standard (FRS) 102 adjustments the group shows a loss of £1.4 million. We have been advised that Essex Fund report was incorrect and it is likely that there may be revised FRS102 reports.

6.3 Accounts are due to go to the board on 11th July. We would need to agree accounts as they stand currently but are now chasing Essex Pension and will not impact INE but will have a gain that is overstated, so it will show on other comprehensive income. Page 36. This will affect the balance sheet.

6.4 3.5 update on FRS102 – page 37 balance sheet. This is consolidated and includes SEPS. Balance sheet position of net assets of £1.895 million pre pension. We consider at this point the going concern. Pension deficit £8.2 million that liability. Liability held by us. It is unlikely that this will crystallise.

6.5 With churn and less people in the pension scheme we are paying less in and our employer triannual covers all employees in the scheme in totality, contributions could increase if other employers did churn too.

6.6 Note 18d page 41 of Accounts Page 55 of pack. Discount rate 4-5 years ago was 5% now down to 2% so a big fall the lower the discount rate, the higher your liability.

i) This is linked to triple A bond markets. This is an accounting liability.

6.7 Long term growth in salaries has also impacted the liability.

6.8 **Recommendations**

i) The Committee is requested:

ii) To note the Financial Statements for 2017/18 and recommended them to the Board for approval and signing.

iii) To note the report to the Board and the external audit management letter comments.

iv) To note the letter of Representation from the Company to Scrutton Bland and to recommend to the Board that it authorises the Chair and Company Secretary to sign the letter on behalf of the company.

16. **Date of Next Meeting – 17th October 2018**

17. **The meeting closed:**
South Essex Homes Limited
Report of Director of Business Development
To
The Board
On
3rd, October 2018

Report prepared by: Daniel Lyons
Tel: 01702 212605

Company Assurance Report

1 Purpose of Report
1.1 To provide the Board with a high level statement of assurances relating to the financial performance of the company.

2 Recommendations
2.1 That Board are recommended to :-
2.1.1 Note the update provided on financial information as at August, 2018.
2.1.2 Agree the amendment to Financial Regulations and Schedule of Delegation contained at Appendix 1 to this report.
2.1.3 Note the Key Performance Indicator exceptions as at August, 2018.
2.1.4 Agree the Treasury Management Policy as recommended by the Audit and Risk Committee
2.1.5 Note the Compliance Statement contained at Appendix 4

3 Financial Update
3.1 Introduction
3.2 This report sets out the actual expenditure on the operating budget and revenue repairs budget to 31st August, 2018.

3.3 Expenditure for 2018/19

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget for year £000</th>
<th>Budget to 31st August £000</th>
<th>Actuals at 31st August £000</th>
<th>Variance £000</th>
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<tr>
<td>Turnover</td>
<td>10,058</td>
<td>4,409</td>
<td>4,510</td>
<td>101</td>
</tr>
<tr>
<td>Operating costs &amp; Interest</td>
<td>9,937</td>
<td>4,132</td>
<td>4,011</td>
<td>121</td>
</tr>
<tr>
<td>Profit / (Loss)</td>
<td>121</td>
<td>277</td>
<td>499</td>
<td>222</td>
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### 3.4 The Operating Budget

The main variances on The Operating Budget are detailed below;

#### Commercial Income & Costs - £61k favourable

We have gained additional income from Castle Point by undertaking a programme of stock condition surveys. We are now also securing income on some Ex-SHO properties which we had not included in the budget, as at the end of August we collected £24k in rent on these properties.

#### Employees - £40k favourable

We over allowed for redundancy costs in our year end accruals. This has led to a small savings this year as the redundancy costs are unwound against the accrual.

#### Training and Staff Advertising - £26k favourable

Spend on this area is always slow at the start of the year while programmes are put in place to utilise these funds.

#### Premises - £22k unfavourable

This variance is mainly due to increased costs in the Estate Service team. As we go through the year we should see some of this even out, for example, grounds maintenance is currently overspent but we are likely to see less grounds works in the winter and so the budget should catch up with the actual spend across these months.

#### Utilities - £20k unfavourable variance

Spend on gas in sheltered schemes is higher than anticipated so far this year. This is always an area that fluctuates due to weather conditions and market prices.

#### ICT Costs - £66k favourable variance

This budget includes a number of one off items where we will incur expenditure this year and we will see this gap reduce as the year goes on.

### 3.5 Revenue Repairs

The Revenue Repairs Budget is over spent by £70k to date

The entire overspend is due to the costs increase associated with the Responsive Repairs and Voids contract with Kiers. This contract had a substantial increase in
the rates and this is now being reflected in higher than budgeted expenditure.

3.6 **Capital Programme**

There is an under spend of £415k on the Capital Programme.

The 2018/19 capital programme has been subject to several delays due to the replacement of the Decent Homes contractor. We should now see this spend increase throughout the remainder of the year whilst the new contractor catches up with the programme.

4 **Financial Regulations and Schedule of Delegation (Appendix 1)**

4.1 The revised Financial Regulations and Schedule of Delegation are shown in Appendix 1. There are just 2 small changes to this document, the first is to clarify that the regulations are applicable to SEH employees hosted in SEPS. The second is the addition of the 2 Assistant Directors to SMT in the glossary.

4.2 The Schedule of Delegation has been altered to include the posts of Assistant Director.

5 **Key Performance Indicator Exceptions**

5.1 The performance report for the period April 2018 to August 2018 is shown at Appendix 2. Most indicators have met, or were better than year-to-date targets with the following exceptions:

- KP4 – Collection rate for rents
- KP12 – Responsive repairs completed in target time
- KP15 – Average time to complete all repair jobs
- KP24 – Working days lost to sickness absence

5.2 Rent collection shown in KP4 was below target in August 2018, this was due to the school holidays. Rent collection rates usually fall during the school holiday periods. The months of May and June were also slightly below target, during these months we have several bank holiday periods which also have an impact on rent collection. There has been no reduction in recovery activity, and every effort has been made to reach the target.

5.3 Performance for responsive repairs completed in target time in KP12 was affected in the earlier months by a small number of lower priority jobs and a small number of urgent jobs by Kiers. Performance returned to be above target for July and August 2018 and is now only slightly below target.

5.4 Performance for KP15, the average time to complete all repair jobs, was on target in July and August but was below target for the first 3 months of the year. This indicator is prone to fluctuation caused by the volumes of completed jobs being processed, especially where there are access difficulties or extended works required. At present this is not of concern and we expect to be within the
annual target by year end, but is continuously monitored with the contractor management teams.

5.5 The number of working days lost to sickness absence, KP24, stayed above target for each month so far. We are confident that a number of long term sickness cases will be resolved over the next few months which should improve the position. However we know that sickness levels continue to be at a concerning level and this remains a top priority for the SMT. Group Managers are rigorously following our procedures and while conscious of being supportive and making all reasonable adjustments for staff who are unwell, where appropriate we are undertaking contractual reviews with some individuals. We are working with colleagues in SBC HR Team and all managers at SEH to ensure effective Return to Work interviews take place to ensure the impact of continued sickness is understood throughout the organisation.

6 Treasury Management Policy

6.1 The Treasury Management Policy was discussed at the Audit and Risk Committee of the 15th May 2018. Attached in Appendix 3 is the Treasury Management Policy with all changes recommended by the Audit and Risk Committee.

6.2 The changes to the previous version of the policy are detailed below;

The document has been renamed from ‘Treasury Management Strategy’ to ‘Treasury Management Policy’.

The maximum balance in any institution has been increased from £1.5m to £2m to allow for liquidity with the main current account.

The previous strategy only allowed for a maximum of £5.5m to be invested, this has been increased by allowing greater flexibility with the 1 month short term investments.

7 Diversity and Equality Opportunities

7.1 There are no direct Equality and Diversity implications arising from this report.

8 Financial Implications

8.1 The financial implications are incorporated in the body of the report.

9 Resident Consultation

9.1 Residents are indirectly involved in budgetary control as they are involved in reviewing our performance on a regular basis.

10 Background Papers
11 Appendices

11.1 Appendix 1 – Financial Regulations

11.2 Appendix 2 – Key Performance Indicator Report

11.3 Appendix 3 – Treasury Management Policy

11.4 Appendix 4 – Compliance Statement
FINANCIAL REGULATIONS

October 2018
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1. Introduction

1.1 These financial regulations set out the rules for the secure, efficient and proper conduct of financial transactions for South Essex Homes Ltd (SEH). These regulations comply with the Company's Code of Governance and are designed not only to establish clearly defined practices (under which all officers must operate) but also provide protection for officers.

1.2 Aside from practical changes that have been agreed with the Chair of the Board and the Chair of the Audit and Risk Committee; these regulations can only be amended or waived by agreement of the Board, which would normally be on recommendation of the Audit and Risk Committee.

1.3 Every Board Member and all officers must comply with the Financial Regulations and have a duty to take reasonable action to provide for the security of the assets under their control. They must also ensure that the use of SEH’s resources is legal and properly authorised, in the best interests of the organisation, and delivers Value for Money for SEH and its customers.

1.4 The Senior Management Team (SMT) will determine within these regulations whether matters are “material”, “substantial” or “significant”. If any non-compliance with these Financial Regulations occurs the Company Secretary must consult with the Chief Executive and then inform the Chair of the Audit and Risk Committee or the Board if necessary.

1.5 All officers must comply with the Company's procedures for financial management; failure to do so may result in disciplinary action and potential dismissal.

1.6 All officers hosted by South Essex Property Services Ltd on behalf of South Essex Homes must comply with these regulations.

1.7 Where stipulated, contractors and associated bodies must comply with these regulations. Such stipulation will be included in contract and service agreement documents.

1.8 These regulations set out the principles by which the Company's financial administration is carried out. Detailed procedures, which must be complied with, will be found in various policies and procedures that complement them.
2 Accounting Arrangements

2.1 All accounts of the Company shall be compiled under the direction of the Financial Services Manager who is responsible for the organisation and supervision of all accounting arrangements.

2.2 The Financial Services Manager referred to in 2.1 above will notify the Audit and Risk Committee of any proposed changes in Accounting Policies adopted by the Company as and when they occur.

2.3 SEH’s Annual Budget will be approved by the Board on the advice of the SMT. Approval of the Annual Budget carries with it the authority for the SMT to incur any expenditure included within that budget without further reference to the Board.

2.4 It is the responsibility of the SMT to ensure that budget estimates reflect agreed priorities in the Business Plan.

2.5 The SMT may appoint suitably trained individual managers to manage the whole or part of any budget. The authority for suitably trained officers to execute or authorise any financial transaction is set out in The Scheme of Delegation, which will be set by the SMT. The levels of authority appertaining to the SMT will be set by the Board after consideration by the Audit and Risk Committee.

2.6 All officers to whom budgets are delegated are accountable for the expenditure and income in those budgets and must take action to avoid exceeding budget allocations, and inform SMT of any potential issues.

2.7 All Group Managers must establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, value for money and for achieving their financial performance targets.

2.8 All employees have a duty to ensure the financial and business transactions of the Company are carried out with integrity, are properly recorded, and that the Company is not brought into disrepute.
3 Financial/Computing Systems & Procedures

3.1 It is the ultimate responsibility of SMT to ensure all systems and procedures include adequate arrangements to ensure proper internal controls.

3.2 All Group Managers must ensure that all procedures include adequate segregation of duties to ensure no one officer is able to handle any financial or property transaction from start to finish.

3.3 All Group Managers are responsible on a daily basis for ensuring that systems and procedures within their area, or for which they are responsible on a Company-wide basis, are adequately detailed in writing.

3.4 All officers are responsible for ensuring the accuracy and integrity of information entered into, and contained within the accounting and management information systems of the Company.

3.5 All officers are responsible for ensuring the security and probity of all financial and other information belonging to the Company.

3.6 All officers must comply with Southend Borough Council’s ICT policies and strategy together with the requirements of any relevant legislation (e.g. the Data Protection Act 1998 and the Computer Misuse Act 1990).
4 Audit

4.1 The external auditors will be appointed by the Board on the recommendation of the Audit and Risk Committee. The Financial Services Manager directly responsible for the financial services function will liaise with the external auditors on behalf of South Essex Homes Ltd.

4.2 The SMT is collectively responsible for maintaining an adequate and effective system of internal audit of the Company in line with the Audit Plan as approved by the Audit and Risk Committee.

4.3 The SMT and any officer to whom the duty of internal audit has been delegated has at any reasonable time, the right:

(i) Of access to all Company records and property

(ii) To inspect any of the accounts, systems, records whether on paper or electronic, cash, stock, securities or assets as they may deem necessary

(iii) To obtain any explanation or information they may require without delay.

4.4 Upon the completion of an audit, draft Internal Audit reports will be issued to the appropriate Manager and members of OMT who will be required to respond within the agreed timescale from the date of receipt and detail the action(s) to be taken on the recommendation(s) made.

4.5 All completed audit reports will be submitted to the SMT and the Audit and Risk Committee for consideration and as necessary, recommendation to the Board in relation to the findings of those reports.

4.6 Periodic review of both External and Internal Audit Services will be undertaken and agreed between the SMT and the Audit and Risk Committee.
5 Fraud, Irregularities and Confidential reporting

5.1 All employees and Board members must comply with the Company’s Anti-Fraud and Corruption Policy, Confidential Reporting Policy and Southend Borough Council’s Computer Security Policies.

5.2 It is the duty of any Board member or employee who knows of, or suspects, any fraud, corruption, bribery, theft or other financial irregularity concerning the Company’s property, the Council’s property, the transactions of either SEH or Southend Borough Council or private funds if appropriate, to immediately report it in line with the Confidential Reporting Policy.

5.3 The Chief Executive, Company Secretary and the Chair of the Audit and Risk Committee will arrange for such action or investigation as is considered appropriate to be undertaken whenever they are informed of any irregularity or suspected irregularity as above.
6  **Risk Management & Business Continuity**

6.1 Corporate arrangements for the management of risk are under the direction of the SMT.

6.2 The SMT will prepare a Risk Management Strategy for approval by the Audit and Risk Committee and adoption by the Board. The Risk Management Strategy will be reviewed at least every 3 years.

6.3 The Company will prepare a Risk Register, to be reviewed regularly by SMT and submitted to the Audit and Risk Committee to ensure the risks identified are complete in their coverage and that they remain appropriately assessed and mitigated wherever possible.

6.4 All Group Managers will ensure that risks are managed in accordance with the Company's Risk Management Strategy.

6.5 The members of SMT will ensure that there is an adequate Business Continuity Plan and that it is regularly reviewed by the Audit and Risk Committee.
7 Value for Money (VfM)

7.1 The SMT will prepare a VfM strategy for agreement by the Board.

7.2 All employees should adhere to the Company’s VfM Strategy and are responsible for ensuring the Company achieves VfM in carrying out its functions.

7.3 The finance team will maintain a Value for Money Register.
8 Operating Budget

8.1 The members of SMT are responsible for developing and maintaining Service Plans for the business in line with the Business Plan. These service plans in turn inform the creation of the Operating Budget.

8.2 The Board approves the Operating Budget as prepared by SMT. This is informed by the annual Management Fee negotiated with the Council and any other sources of funding available.

8.3 The SMT is responsible for delegating ownership of individual budgets within the Company to ensure maximum accountability and VfM.

8.4 The SMT is responsible for delivering services within the Annual Operating Budget approved by the Board. In the event of a forecast overspend at Company level, the SMT will report to the Board at the earliest opportunity outlining the options available including the use of any working balances.

8.5 The Board is responsible for approving virements in excess of £250,000 between budgets. Any virements below this level will be in line with the Virement Limits set by the SMT.

8.6 The SMT will consider and review monthly Budget Monitoring Reports and take action as necessary to ensure effective delivery of planned services within the year will be contained within the approved Annual Operating Budget.

8.7 The SMT will ensure that the Board and the Audit and Risk Committee will receive regular Assurance Reports.
9 **Capital Budget**

9.1 The Capital Budget is managed by the Company on behalf of Southend Borough Council.

9.2 The Executive Director, in conjunction with the Group Manager (Property Services), is responsible for the preparation of estimates of Capital Expenditure and a multi-year Capital Programme for recommendation by the Board to Southend Borough Council.

9.3 Expenditure will be incurred in line with these Financial Regulations and the Council's contract procedure rules.

9.4 The approval of any virements between Capital Budgets should be by agreement of Southend-on-Sea Borough Council.

9.5 The SMT will monitor all capital projects from inception to completion and ensure that agreed procedures followed.

9.6 The SMT will submit regular reports of capital expenditure to the Audit and Risk Committee detailing and explaining significant variations. The SMT will submit summary financial statements to the Board at each formal meeting.
10 Revenue Repairs Budget

10.1 The Board approves the Revenue Repairs Budget as prepared by SMT. This is informed by the annual Repairs Fee negotiated with the Council and any other sources of funding available.

10.2 The SMT is responsible for delegating ownership of individual budgets within the Company to ensure maximum accountability and VfM.

10.3 The SMT is responsible for delivering services within the Annual Repairs Budget approved by the Board. In the event of a forecast overspend, the SMT will report to the Board at the earliest opportunity outlining the options available.

10.4 Any underspend on the Revenue Repairs Budget will be reimbursed to Southend Borough Council after the Annual Audit of the accounts.

10.5 The Board is responsible for approving virements in excess of £250,000 between budgets. Any virements below this level will be in line with the Virement Limits set by the SMT.

10.6 The SMT will consider and review monthly Budget Monitoring Reports and take action as necessary to ensure effective delivery of planned services within the year will be contained within the approved Annual Revenue Repairs Budget.

10.7 The SMT will ensure that the Board and the Audit and Risk Committee will receive regular Assurance Reports.
11 Procurement of Works, Supplies and Services

11.1 Before any order is issued for supplies the authorising officer must ensure that:

a) the supplies are necessary for the discharge of the responsibilities of SEH.

b) sufficient budget is available

c) the Southend Borough Council Contract Procedure Rules have been complied with

d) the procurement of such supplies is within their delegated authority

e) No contract currently exists for the supply of the goods or services being procured, that provides better value for money or whether there is an in-house resource that can be used instead.

11.2 The following are the minimum requirements for procuring new works, supplies & services, the contract total will be the sum of all contract costs over the length of the contract including any extension:

Up to £1,000 – Minimum of one written quote

£1,001 - £4,999 – Minimum one written quote which evidences best value.

£5,000 - £24,999 – A minimum of three written quotations which should be evaluated for best value. If three written quotations cannot be obtained see 11.4 below.

£25,000 - £74,999 – Advertise via Contract Finder.

£75,000 – EU Threshold - Formal tender process to be used requiring submission of sealed bids.

Above EU Threshold - Formal tender process to be used requiring advertisement in the Official Journal of the European Union (OJEU).

11.3 A suitable framework agreement may be used without the need to follow these minimum requirements as long as the framework has been subject to EU procurement rules.

11.4 Where work is of a specialist nature, such that competitive quotes cannot realistically be obtained, endorsement of the SMT is required to seek a price from a single contractor. Due regard should be made to ensure value for money. Where this specialist work is above £50,000 authorisation is required by the Board to seek a price from a single contractor. Where the contract is being procured on behalf of Southend Borough Council and will be a contract in the Council’s name then an exemption from Southend Borough Council Procurement is required.
11.5 Except for Exempt Purchases listed in 11.6, all orders for, or commitments entered into, to procure works, supplies or services must be raised using the Agresso purchase requisitioning system following the current Purchase Requisitioning Procedures.

11.6 The following are Exempt Purchases and are not required to be ordered through the Agresso purchase requisitioning system:

- Utility supplies
- Telephone service
- Responsive, planned and void maintenance works where the purchase is initiated through the Northgate system
- Capital improvement works to managed properties
- Any purchase over £50,000 (which will need to be authorised manually on paper)
- Any operational budget purchase of less than £1,000

11.7 The SMT may add categories of purchases or specific purchases to the Exempt purchases.

11.8 For any purchase of goods or services which is not an Exempt Purchase:

1. The purchase orders must be authorised in accordance with the levels of delegated authority set by the SMT

2. On receipt of the goods or service an officer must mark the order as received by entering the GRN.

3. On receipt of the invoice, two authorisations are required with the appropriate level of delegated authority set by the SMT below SMT level or agreed by the Board above this.

11.9 All contracts over the limit specified in the Management Agreement (£75,000) must be in the name of Southend Borough Council and executed accordingly (including compliance with Southend Borough Council's standing Orders and Financial Regulations).

11.10 Copies of all orders placed over £1,000 shall be retained on file within the Service. Budget holders are responsible for matching the orders they place to the invoices received and investigating any differences with the supplier before authorising the invoice for payment.

11.11 For all orders less than £1,000 Budget Holders must exercise appropriate controls in order that such expenditure can stand up to external scrutiny and be justified as safeguarding public money and achieving VfM.

11.12 All discounts available from a supplier should be taken as a deduction against the cost of the goods purchased and must appear on the invoice. Where a supplier provides any free item or a discount is available in the form of goods; these are the property of South Essex Homes Ltd and must be declared.
11.13 For provision of electrical installation and or maintenance works the contractor must be on the Roll of Approved Electrical Installation Contractors of the National Inspection Council for Electrical Installation Contractors or the Electrical Contractors Association.

11.14 For provision of gas installation and or maintenance works the contractor must be on the Gas Safe Register.

11.15 For provision of scaffolding services the contractor must have a licence issued by the Health and Safety Executive.

11.16 If providing asbestos services then the contractor must have a licence issued by the Health and Safety Executive.

11.17 All contractors engaged by South Essex Homes Ltd must have all accreditations and certifications decreed by law; these must be valid and up to date throughout the term of the engagement.

11.18 The above does not exclude the use of procurement consortiums. If the use of such a consortium will provide Value for Money to the organisation.
12 Contracts

12.1 Before going out to tender, the relevant Budget Holder must prepare a pre-tender estimate of the cost of the specified work, service or supply and ensure that they have the financial resources available to enter into the contract. For Repairs or Capital Budget expenditure this estimate must be certified by The Executive Director. For all other estimates this contract must be certified by a member of SMT.

12.2 Where such pre-tender estimate indicates that additional financial resources will be necessary, the relevant Budget Holder must either review the specification to reduce its cost or request a virement between budgets to cover the shortfall as set out in these Financial Regulations (see section 8).

12.3 Tenders that do not exceed the budgeted provision by more than 10% or £10,000 (whichever is the lesser) may be accepted by the Budget Holder without further approval of the SMT as long as the total sum is within the officers’ authorisation limits, subject to adequate financial provision being available to cover the additional cost.

12.4 Acceptance of all tenders that exceed the approved estimate as set out in 12.3 above are subject to the approval of the SMT.

12.5 Any variation on, addition to, or omission from a contract duly authorised must be given in writing to the contractor by the responsible Budget Holder

12.6 Where a variation to a contract duly authorised is estimated to vary the amount of an accepted tender or estimate by an amount in excess of 10% a report including the comments of the SMT will be submitted to the Board as soon as possible by the appropriate Budget Holder, together with a revised estimate of the project cost and possible funding sources.

12.7 Budget Holders are responsible for ensuring the accuracy of contractors’ final accounts, which must be made available to the Executive Director when required.

12.8 Where a firm of consultants are employed to act as supervising officer(s) for work carried out by a contractor to the Company it shall be:

(i) A condition of their employment that they comply with the Company’s Financial Regulations and all other relevant procedures.

(ii) The responsibility of the consultant, to certify the value of work completed but the relevant Budget Holder will remain responsible for certifying payment to the contractor as the Company’s authorised certifying officer.

(iii) See also requirements in section 13.

12.9 The company shall maintain a Contract Register showing details of all contracts tendered.
13 **Appointment of Temporary Officers and Consultants**

13.1 This section relates to all non-permanent officers who are not directly employed by SEH whether they are covering vacancies, supplementing capacity or providing consultancy services.

13.2 The recruitment of any non-permanent officers as defined in 11.1 above requires specific written approval from a member of SMT on the appropriate form.

13.3 The appointment of such officers should be based on a robust assessment of need (i.e. a business case) and affordability within the current year’s budget.

13.4 The procurement of consultancy services must be in line with the requirements in section 11 above.

13.5 Particular care should be taken when allowing non-permanent officers, access to financial systems and processes. This should include the relevant vetting and processes e.g. DBS checks.

13.6 Non permanent officers do not have the authority to commit the company to any expenditure whatsoever unless expressly approved by the Board.
14 Payment of Creditors

14.1 Apart from petty cash payments (see section 15) the payment of accounts will be by BACS, cheque, company credit card, online payment or other instrument drawn on SEH’s bank account.

14.2 All Budget Holders are responsible for ensuring that all sums that they or their officers certify for payment by the Company are legally and properly payable. They are also responsible for identifying the budget provision by way of an accounting expenditure code.

14.3 By signing an account for payment or authorising an invoice, whether manually or through the Agresso system by authorising a purchase order, or approving an invoice, the authorised Officer certifies that satisfactory checks have been carried out to ensure that:-

(i) Goods supplied, work done or services rendered have been received and/or satisfactorily carried out;

(ii) Charges are correct and in accordance with quotations or contracts;

(iii) All discounts have been claimed;

(iv) There is a proper VAT invoice where appropriate

(v) As far as possible the account has not previously been certified for payment;

(vi) Previous payments on account have been deducted,

(vii) The proper entries have been made in the inventories or stores records, where appropriate;

14.4 The Finance Team will compile a payment batch as necessary.

14.5 Once collated, each payment batch will be checked by the Financial Services Manager or Accounting Technician for accuracy.

14.6 Once the Financial Services Manager or Accounting Technician is satisfied that invoices have been authorised appropriately then payment will be made on such invoices by the Finance Team by whatever method is deemed appropriate.

14.7 Any account paid must be available for inspection on request at any reasonable time by any Board Member of the Company.

14.8 The Financial Authority Limits for officers to approve payment of invoices (including Petty Cash) are set out in the Schedule of Delegation set by the SMT.
15 Petty Cash Accounts

15.1 The Financial Services Manager will provide petty cash accounts for the purpose of meeting ad-hoc expenses of less than £10.

15.2 Officers responsible for petty cash accounts will maintain full records and reconciliations of the account at all times.

15.3 Income received shall not be paid into the petty cash accounts, but must be accounted for and paid into the Company bank account as provided in section 19.
16 Certification

16.1 The SMT are able to delegate responsibility for certification of Official orders, accounts, contract certificates and similar documents on their behalf to any appropriate designated member of their staff or a duly appointed contractor providing that:

16.2 Such delegations are made in writing and approved by a member of the SMT.

16.3 The Company will maintain and keep up to date a list of all such delegations, detailing the documents the authorised signatory is authorised to certify and provide copies to the Finance Team, complete with specimen signatures.
17 Company Credit / Charge Cards

17.1 All arrangements regarding credit / charge cards will be under the direction of the SMT.

17.2 Each cardholder will ensure the directions stated in the credit card guidance issued to them by the Finance Team along with the card are adhered to at all times.
18 Salaries, Wages and Pensions

18.1 The Personnel & Remuneration Committee is responsible for the approval of the arrangements for the payment of all salaries, wages, pensions, compensation or other emoluments of the SMT.

18.2 The SMT is responsible for making the arrangements for the payment of all salaries, wages, pensions, compensation or other emoluments for all other officers.

18.3 All payment of salaries, wages, pensions and other emoluments to employees or former employees, and deductions shall be processed through the payroll system.

18.4 The Human Resources Business Partner on behalf of the Company must ensure that appointments of all employees are in accordance with the appropriate employment policies of the Company, approved Establishment list, grades and rates of pay.

18.5 The Human Resources Business Partner on behalf of the Company will maintain adequate records to notify the payroll provider of all matters of appointments, resignations, dismissals and retirements together with changes in pay rates, bonuses, overtime and other matters affecting remuneration, and ensure correct information is provided to ensure that the correct adjustments are made in respect of absences, pensions, income tax, national insurance, sickness, maternity pay, paternity pay and any other additions to or deductions from pay.
19 Income Collection

19.1 The SMT are responsible for approving arrangements for the collection of all monies due to the Company.

19.2 As soon as items or services to be recharged are identified, full details must be passed to the Finance Team immediately to maximise recovery prospects and cash flow.

19.3 Where new sources of income are identified, the Financial Services Manager must be consulted, so as to establish robust charging arrangements.

19.4 All items identified for write-off should be duly authorised in accordance with the Schedule of Delegation, and in a timely manner.

19.5 All income due to the Company should wherever possible be paid electronically into the Company’s bank account. Where other methods are used, payments should be paid into the bank as soon as possible with all details being passed to the Finance Team immediately.
20 Banking Arrangements

20.1 The Financial Services Manager is responsible for all arrangements made with the Company's Bankers concerning the Company's bank accounts, the issue of cheques, company purchase and credit cards, and for other methods of payment. Clients of the Company should be strongly encouraged to use the BACS system for payment of invoices, although other arrangements are in place should the need arise.

20.2 All cheques drawn on SEH bank account must be signed in accordance with the approved Signatory Levels set by the Board. This mandate will be reviewed as necessary.
21 Property

21.1 The Company will maintain an asset register of all property, land, and other fixed assets owned by the Company.

21.2 The SMT are responsible for ensuring Company assets are kept securely and, where appropriate, marked as the property of the Company/the Council.

21.3 The Company’s Legal Advisors will have secure custody of all title deeds.

21.4 The Budget Holders to whom assets have been entrusted must maintain records detailing numbers, location, value and condition of the items and ensure that these are also recorded on the Company’s Asset Register.

21.5 Company assets can only be removed from Company premises for Company business in accordance with company policy and are only to be used for Company business.

21.6 No officer will make significant change of use to Company property used by their service area or discuss its use by any third party without the agreement of the SMT; which may be given on conditions designed to protect the Company’s interest.

21.7 Where goods become surplus or obsolete the appropriate Budget Holder must seek approval of the SMT before making arrangements for sale or redeployment within the Company with a view to maximising income. Where no value is deemed retrievable, charitable or appropriate disposal can take place. All legislation controlling safe disposal of goods (such as those relating to electrical equipment) must be conformed with.
Investments, Borrowing, Treasury Management and Capital Financing

22.1 All investments made or controlled by the Company will be in the Company’s name and authorised in line with the Schedule of Delegation.

22.2 The Company adopts the four clauses set out in section 5 of the CIPFA revised code of Treasury Management.

22.3 Accordingly, the Company will create and maintain, as the cornerstone for effective treasury management:

(i) a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities;

(ii) suitable treasury management procedures (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

22.4 Investments will be selected in accordance with the criteria set out in the Treasury Management Strategy applicable at the time of the investment.

22.5 Investment activity will be subject to review and monitoring as set out in the current Treasury Management Strategy. As a minimum this will include regular reports to the Audit and Risk Committee on investments made and their performance.

22.6 The SMT is responsible under delegated authority for all of the Company’s capital financing arrangements including leasing contracts.

22.7 Once the decision to make an investment has been made (in accordance with the Treasury Management Strategy Investments) the actual placement should be authorised in line with appendix 1.
23 Insurances

23.1 The SMT is responsible for assessing insurable risk and ensuring the Company has adequate insurance cover, subject to any directions which may be given by the Board.

23.2 Budget Holders shall be responsible for promptly notifying the Group Managers of the extent and nature of new risks, properties, vehicles or equipment to be insured and of any alterations affecting insurable risks, insured property or assets, or insured values in their service areas.

23.3 Any incident or loss which could give rise to an insurance claim must be notified without delay to the Group Managers and Finance Team by the relevant officer who must also inform the police where appropriate.

23.4 The SMT is responsible for making arrangements for the administration of insurance claims in conjunction with the Company's insurers and with the Company's Legal Advisor if proceedings are issued.

23.5 Where the Company is requested to give an indemnity, the relevant officers must consult with the SMT and the Company's Legal Advisor.
24 Third Party Funds (excluding Grants)

24.1 It is not general Company Policy to hold any funds on behalf of third parties (see section 24 for administration of Grants).

24.2 However, in cases where this is unavoidable, any cash or other valuables held must be kept to an absolute minimum and held securely; such funds must be banked or deposited as soon as possible. The responsible officer must seek the prior written approval of a Group Manager and the Finance Team must be made aware accordingly.
25 Grants and Financial Assistance

25.1 All grants and financial assistance must be administered in accordance with the Company's approved Budget or agreements with third parties.

25.2 The full value of all grants, whether financial or in kind, must be recorded transparently in the Company's accounts.

25.3 For grants or assistance to any voluntary organisation, such as Residents Associations, appropriate controls must be clearly in place and must comply with these Financial Regulations in all respects e.g. Budgetary Control and sound Accounting arrangements.

25.4 Where third party grants are administered by the Company these must be processed in accordance with the specific grant conditions and Internal Controls and Procedures.
26 Relationships with Partners, Clients & Contractors

26.1 The SMT is responsible for approving the financial arrangements relating to any and all contracts entered into to ensure they are sound and secure.

26.2 Officers must not work for any current or prospective supplier or contractor to South Essex Homes Ltd or Southend Borough Council which may cause, or lead to the suspicion of, any conflict of interests as detailed in the staff handbook and contracts of employment.

26.3 All intellectual property created by employees of South Essex Homes Ltd in the course of their duties is the property of South Essex Homes Ltd and cannot be sold or passed to third parties without the permission of the SMT.
27 Travelling, Subsistence & Other Expenses

27.1 Payment of all claims are to be made in accordance with the Expenses Policy.

27.2 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses must be made on the self-serve Agresso expenses system.

27.3 The certification of a claim by the authorising officer is taken to mean that the officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by SEH.

27.4 Any expense claims (including mileage) submitted by the Chief Executive will need to be authorised by the Chair or Vice Chair of the Board. Any claims made by the Executive Director or Director of Business Development should be authorised by the Chief Executive.

27.5 Any claims submitted by Board Members will need to be authorised by a member of SMT and be in accordance with the agreed budget.

27.6 Claims submitted more than six months after the expenses have been incurred will not be paid; except in special circumstances as agreed by a member of SMT.
28 Gifts & Hospitality

28.1 It should be noted that this section of the policy applies to both Board Members and officers alike.

28.2 The receipt of personal gifts should be discouraged as far as possible.

28.3 Any impersonal gift of nominal value such as diaries, calendars, sweets may be retained by the recipient (although, to completely remove any suggestion of impropriety, should be shared with the employee’s team where possible).

28.4 All gifts and hospitality must be recorded in the gifts and hospitality register ("Honesty Book") maintained by Resources and Business Development which should be inspected or reviewed by the SMT periodically.

28.5 All known receipts of gifts and/or hospitality should be included on the SMT meeting agenda.

28.6 Hospitality must only be given or accepted where it is on a scale appropriate to the circumstances, reasonably incidental to the occasion, not extravagant and justifiable as in the public interest.
29 Maintenance of Records

29.1 The retention and disposal of all records and documents shall be in accordance with the current legislation in force and as detailed in the Retention Policy.
30 Taxation

30.1 The Financial Services Manager is responsible for submitting all returns to HM Revenue & Customs for PAYE, VAT, Corporation Tax and other tax returns, making payments or seeking refunds and for obtaining and giving advice and guidance to officers on PAYE and VAT matters that relate to the company.
Appendix 1

Authorise Investments of Cash Balances

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive *</td>
<td>Unlimited</td>
</tr>
<tr>
<td>The SMT (excluding Chief Executive)</td>
<td>£1,500,000</td>
</tr>
</tbody>
</table>

* This must be consistent with the Company’s approved Treasury Management Policy and Strategy
### Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agresso</td>
<td>Agresso is the company’s main accounting system and is used for raising orders, paying invoices, financial reporting, payroll and HR management.</td>
</tr>
<tr>
<td>Virement</td>
<td>Movements of budget provisions between budget headings.</td>
</tr>
<tr>
<td>SMT</td>
<td>The Senior Management Team is made up of the Chief Executive, the Executive Director, the Director of Business Development, the Assistant Directors, the Group Managers and any other members of staff from time to time agreed by SMT.</td>
</tr>
<tr>
<td>Capital budget</td>
<td>Proposed expenditure on the capital repairs budget as agreed with Southend Borough Council.</td>
</tr>
<tr>
<td>Revenue repairs budget</td>
<td>Proposed expenditure on the revenue repairs budget.</td>
</tr>
<tr>
<td>Operating budget</td>
<td>Proposed expenditure by the company not out of the revenue repairs budget and not constituting part of the capital programme.</td>
</tr>
</tbody>
</table>
Appendix 1a to Agenda Item 9 – Schedule of Delegated Responsibility

Schedule of Delegated Responsibility
Virement Limits (for Operating Budget)

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board</td>
<td>Over £250,000</td>
</tr>
<tr>
<td>Chief Executive, Executive Director &amp; Director of Business Development</td>
<td>Up to £250,000</td>
</tr>
<tr>
<td>Assistant Directors</td>
<td>Up to £100,000</td>
</tr>
<tr>
<td>Group Managers</td>
<td>Up to £50,000</td>
</tr>
<tr>
<td>Other Signatories</td>
<td>Nil</td>
</tr>
</tbody>
</table>

These limits relate to moving budgets between Group Manager responsibilities.
### General Limits (excluding payments and virements)

<table>
<thead>
<tr>
<th>JOB TITLE</th>
<th>Authorise purchase orders, GRN’s or invoices</th>
<th>Authorise Credit Notes / Refunds</th>
<th>Authorise Write Offs</th>
<th>Authorise Payroll input</th>
<th>Amend officers contracts</th>
<th>Amend grades of post</th>
<th>Authorise overtime claims</th>
<th>Mileage/Expense claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board</td>
<td>Purchase orders only, over £250,000</td>
<td>unlimited</td>
<td>unlimited</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

| Chief Executive (Note 1) | £350,000 | £10,000 | £50,000 | Yes | Yes | Yes | Yes | Yes | Yes |
| Executive Director (Note 2) | £250,000 | £5,000 | £25,000 | Yes | Yes | Yes | Yes | Yes | Yes |
| Director of Business Development (Note 2) | £250,000 | £5,000 | £25,000 | Yes | Yes | Yes | Yes | Yes | Yes |

| Assistant Director - xxx | £100,000 | £5,000 | £10,000 | Yes | Yes | No | Yes | Yes | Yes |
| Assistant Director - xxx | £100,000 | £5,000 | £10,000 | Yes | Yes | No | Yes | Yes | Yes |
| Group Manager (Support Services) | £50,000 | Nil | Nil | Yes | Yes | No | Yes | Yes | Yes |
| Group Manager (Property Services) | £150,000 | Nil | Nil | Yes | Yes | No | Yes | Yes | Yes |
| Group Manager (Resources and Business Development) | £50,000 | £2,500 | £10,000 | Yes | Yes | No | Yes | Yes | Yes |
| Group Manager (Enforcement) | £50,000 | £2,500 | £10,000 | Yes | Yes | No | Yes | Yes | Yes |
| Project Manager (Corporate Services) | £50,000 | £2,500 | £10,000 | Yes | Yes | No | Yes | Yes | Yes |
Notes

1. The Chief Executive can authorise invoices for any amount in excess of £350,000 provided that the Board has given written approval to incur the expenditure.
2. In the absence of the Chief Executive, invoice authorisation in between £250,000 - £350,000 requires the signature of the Executive Director and Director of Business Development.
## Authorised Cheque Payment Signatory List

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>A</td>
</tr>
<tr>
<td>Executive Director</td>
<td>A</td>
</tr>
<tr>
<td>Director of Business Development</td>
<td>A</td>
</tr>
<tr>
<td>Assistant Directors</td>
<td>A</td>
</tr>
<tr>
<td>Group Manager (Enforcement)</td>
<td>BA</td>
</tr>
<tr>
<td>Group Manager (Resources and Business Development)</td>
<td>BA</td>
</tr>
<tr>
<td>Group Manager (Property Services)</td>
<td>B</td>
</tr>
<tr>
<td>Group Manager (Support Services)</td>
<td>B</td>
</tr>
<tr>
<td>Project Manager (Corporate Services)</td>
<td>B</td>
</tr>
</tbody>
</table>

### Minimum Authorisation Required

<table>
<thead>
<tr>
<th>Amount</th>
<th>Minimum Authorisation Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>£1 - £10,000</td>
<td>1A or 2Bs</td>
</tr>
<tr>
<td>£10,001 - £250,000</td>
<td>2As</td>
</tr>
<tr>
<td>Over £250,000</td>
<td>2As including the Chief Executive</td>
</tr>
</tbody>
</table>
**Authorise Investments of Cash Balances**

<table>
<thead>
<tr>
<th>Job Title(s)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive *</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Executive Director All other members of SMT</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Group Managers</td>
<td>£1,500,000</td>
</tr>
<tr>
<td>Director of Business Development</td>
<td>£1,500,000</td>
</tr>
</tbody>
</table>

* This must be consistent with the Company’s approved Treasury Management Policy and Strategy
August 2018 performance report Board

<table>
<thead>
<tr>
<th>PI Status</th>
<th>Long Term Trends</th>
<th>Short Term Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alert</td>
<td>Improving</td>
<td>Improving</td>
</tr>
<tr>
<td>Warning</td>
<td>No Change</td>
<td>No Change</td>
</tr>
<tr>
<td>OK</td>
<td>Getting Worse</td>
<td>Getting Worse</td>
</tr>
<tr>
<td>Unknown</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data Only</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Short Name</th>
<th>2017/18 Value</th>
<th>July 2018 Value</th>
<th>August 2018 Value</th>
<th>2018/19 Value</th>
<th>Long Term Trend Arrow</th>
<th>Current Target</th>
<th>Traffic Light Icon</th>
<th>Latest Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEH KP 3</td>
<td>Careline calls answered in 1 minute</td>
<td>98.5%</td>
<td>97.7%</td>
<td>99.2%</td>
<td>98.2%</td>
<td>▼</td>
<td>97.5%</td>
<td>▶</td>
<td>Must achieve target within 2 weeks from date of observation</td>
</tr>
<tr>
<td>SEH KP 4</td>
<td>Collection rate for rents</td>
<td>99.57%</td>
<td>101.63%</td>
<td>97.16%</td>
<td>99.29%</td>
<td>▼</td>
<td>99.70%</td>
<td>◼</td>
<td>Although there is always monthly fluctuation in rent collection figures, in August the rent collection was below the target, although the overall year to date figure is 99.29% this is just 0.41% below the target of 99.70%. The main reason for the lower collection in August were the school holidays. There has been no reduction in recovery activity, and every efforts has been made to reach the target, nevertheless the overall arrears performance (KP5) is within target.</td>
</tr>
<tr>
<td>SEH KP 5</td>
<td>Current rent arrears as % of rent due</td>
<td>1.43%</td>
<td>1.50%</td>
<td>1.65%</td>
<td>1.65%</td>
<td>▼</td>
<td>1.77%</td>
<td>▶</td>
<td>This indicator represents the current arrears as a percentage of the total rent collectable for the year. I am pleased to report that we are on target this month, which has been as a result of the combined efforts of the frontline teams working together to tackle rent arrears at an early stage, and to support tenants in sustaining their tenancies.</td>
</tr>
</tbody>
</table>

Tab 7.2 Appendix 2 to Agenda Item 9 - August 2018 Performance Report Board
<table>
<thead>
<tr>
<th>Code</th>
<th>Short Name</th>
<th>2017/18 Value</th>
<th>July 2018 Value</th>
<th>August 2018 Value</th>
<th>2018/19 Value</th>
<th>Long Term Trend Arrow</th>
<th>Current Target</th>
<th>Traffic Light Icon</th>
<th>Latest Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEH KP 7</td>
<td>Void turnaround time</td>
<td>16.8</td>
<td>15.5</td>
<td>11.7</td>
<td>14.9</td>
<td>↑</td>
<td>↑</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP11</td>
<td>Satisfaction with outcome of ASB complaints</td>
<td>99%</td>
<td>100%</td>
<td>N/A</td>
<td>100%</td>
<td>=</td>
<td>93%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP12</td>
<td>Responsive repairs completed in target times</td>
<td>98.60%</td>
<td>99.94%</td>
<td>100.00%</td>
<td>98.61%</td>
<td>↑</td>
<td>99.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP15</td>
<td>Average time to complete all jobs</td>
<td>7.33</td>
<td>6.94</td>
<td>6.75</td>
<td>8.48</td>
<td>↑</td>
<td>8.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP17</td>
<td>Gas safety certificates</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>↑</td>
<td>100.00%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP19</td>
<td>% non-decent council homes</td>
<td>2.3%</td>
<td>5.7%</td>
<td>5.4%</td>
<td>5.4%</td>
<td>↑</td>
<td>5.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP20</td>
<td>Improvement Programme completed</td>
<td>67.9%</td>
<td>22.6%</td>
<td>32.1%</td>
<td>32.1%</td>
<td>↑</td>
<td>25.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH KP24</td>
<td>Working Days Lost Due to Sickness Absence</td>
<td>0.95</td>
<td>1.27</td>
<td>1.60</td>
<td>6.28</td>
<td>↓</td>
<td>0.73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The performance in August met target for the month, the performance for the year to date is still slightly behind the annual target due to poorer performance earlier in the year but we expect to meet target before year end.

The performance in August met target for the month, the performance for the year to date is still slightly behind the annual target due to poorer performance earlier in the year but we expect to meet target before year end.

Decent Homes works to address these elements is ongoing and we remain on target to meet 100% decency by year end.

Works are continuing with programmes that rolled forward from 2017/18, other contracts for 2018/19 works are currently in the procurement process. The majority of works usually takes place from summer onwards and it is predicted there will be time to complete the works required for DH targets.

We are confident that a number of long term sickness cases will be resolved over the next few months which should improve the position of this PI. However we know that sickness levels continue to be at a concerning level and this remains a top priority for the SMT. Group Managers are rigorously following our procedures and while conscious of being supportive and making all reasonable adjustments for staff who are unwell, where appropriate we are undertaking contractual reviews with some individuals. We are working with...
## Appendix 2 to Agenda Item 9 – August 2018 Performance Report Board

<table>
<thead>
<tr>
<th>Code</th>
<th>Short Name</th>
<th>2017/18 Value</th>
<th>July 2018 Value</th>
<th>August 2018 Value</th>
<th>2018/19 Long Term Trend Arrow</th>
<th>Current Target</th>
<th>Traffic Light Icon</th>
<th>Latest Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEH KP25</td>
<td>Complaints responded to within 10 days</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
<td></td>
<td>colleagues in SBC HR Team and all managers at SEH to ensure effective Return to Work interviews take place to ensure the impact of continued sickness is understood throughout the organisation.</td>
</tr>
<tr>
<td>SEH Local V8</td>
<td>Percentage of property void &amp; relettable</td>
<td>1.03%</td>
<td>1.07%</td>
<td>0.73%</td>
<td>1.10%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEHLocalR66b%</td>
<td>% of Tenants in arrears over 7 weeks</td>
<td>2.86%</td>
<td>3.28%</td>
<td>3.63%</td>
<td>3.41%</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH Local R2</td>
<td>Number of eviction for rent arrears</td>
<td>29</td>
<td>2</td>
<td>2</td>
<td>12</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH Local R7</td>
<td>Write-offs (cash value)</td>
<td>£140,633</td>
<td>£33,321</td>
<td>£66,901</td>
<td>£155,117</td>
<td>100%</td>
<td></td>
<td>This is the base figure used in the calculation of KP5, so please see comments under this indicator.</td>
</tr>
<tr>
<td>SEH Local R13</td>
<td>Current rent arrears (in cash)</td>
<td>£459,585</td>
<td>£481,314</td>
<td>£532,149</td>
<td>£532,149</td>
<td>100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH Local R13a</td>
<td>Former tenants arrears</td>
<td>£395,093</td>
<td>£436,180</td>
<td>£406,385</td>
<td>£406,385</td>
<td>£440,000</td>
<td></td>
<td>This represents the cash figure for the Former Tenant Arrears. The figure is constantly changing as any termination, be it an eviction or a tenant terminating their tenancy voluntarily will create a former tenant debt. We are currently achieving the target this year, and there is no reason at this stage in the year why we shouldn't achieve the target. The Former Tenant arrears in August are £406,385 against a target of £440,000.</td>
</tr>
<tr>
<td>SEH Local R14</td>
<td>FTAS as a percentage of debit</td>
<td>1.05%</td>
<td>1.07%</td>
<td>0.96%</td>
<td>1.01%</td>
<td>1.20%</td>
<td></td>
<td>The Former Tenant Arrears is a constantly moving figure in that any termination, be it an eviction or a tenant termination their tenancy voluntarily will create a former tenant debt, therefore it is quite difficult to predict the levels of new debt. Nevertheless we are currently achieving the target this year, and there is no reason at this stage in the year why we shouldn't achieve the target.</td>
</tr>
</tbody>
</table>

---

This table presents the performance metrics and trends for various indicators at SEH, including complaint response times, property void rates, tenant arrears, and debt recovery measures. The performance data is compared across fiscal years 2017/18 and 2018/19, highlighting improvements and areas for ongoing focus. The traffic light icons signify the performance status against targets, with green indicating achievement and amber indicating targets to be met.
## Appendix 2 to Agenda Item 9 – August 2018 Performance Report Board

<table>
<thead>
<tr>
<th>Code</th>
<th>Short Name</th>
<th>2017/18</th>
<th>July 2018</th>
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<th>2018/19</th>
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<th>Current Target</th>
<th>Traffic Light Icon</th>
<th>Latest Note</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td>Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH Local SP8</td>
<td>Occupancy rate for Hostels</td>
<td>88%</td>
<td>91%</td>
<td>94%</td>
<td>91%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH Local V3</td>
<td>Void loss as % of debit</td>
<td>1.71%</td>
<td>1.33%</td>
<td>1.20%</td>
<td>1.35%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEHLocalV3(F1)</td>
<td>Void Loss</td>
<td>£560,230</td>
<td>£41,534</td>
<td>£29,983</td>
<td>£186,065</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEHLocalV21</td>
<td>Proportion of lettable voids empty for over four weeks</td>
<td>22.37</td>
<td>26.98</td>
<td>32.56</td>
<td>24.69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEH Local V22</td>
<td>Percentage of tenants underoccupying due to spare room subsidy who we have contacted</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEHLocalV22(F1)</td>
<td>Number of tenants underoccupying due to spare room subsidy who have been contacted</td>
<td>6.83</td>
<td>5</td>
<td>5</td>
<td>4.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SEHLocalV22(F2)</td>
<td>Total number of tenants underoccupying due to spare room subsidy</td>
<td>6.83</td>
<td>5</td>
<td>5</td>
<td>4.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
TREASURY MANAGEMENT POLICY

Date published: May 2018
South Essex Homes – Keeping you informed
www.southessexhomes.co.uk  0800 833 160
## Contents

1. Introduction .............................................................................. 3

2. General Policy Statement ...................................................... 3

3. Aims ....................................................................................... 4

4. Policy ..................................................................................... 4

5. Strategy .................................................................................. 7

6. Responsibility ....................................................................... 6

7. Risks ..................................................................................... 9

8. Review and Monitoring ......................................................... 7
1. Introduction

- The CIPFA code of practice recommends that all Public Sector organisations adopt the CIPFA Code of Treasury Management and this policy is based upon that recommendation.

- Investing surplus cash will supplement the income of South Essex Homes Ltd (SEH) and the guidelines laid down by this document will enable officers to pursue this objective within boundaries approved by the Board.

- The policy is consistent with and complimentary to the Company’s core activity, which is to deliver housing management and maintenance services for Southend Borough Council.

- The Policy Statement covers the financial year 2018/19.

2. General Policy Statement

Treasury management activities are defined as:

- The management of the organisation’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

- The key objectives of the Treasury Management Policy is to minimise risk, ensure security and liquidity and to protect capital rather than maximise return.

- The company will not make any investments that involve exchange rate risk.

- The successful identification, monitoring and control of risk is the prime criteria by which the effectiveness of the Company’s Treasury Management activities will be measured.

- Obtaining value for money is one of the Company’s key objectives and Treasury Management will contribute to this in the context of effective risk management.
3. **Aims**

South Essex Homes mission statement is;

**Working Smarter Together**
In partnership with Southend Borough Council
We will:
- Provide excellent services
- Ensure our sustainability

Effective treasury management will ensure that the Company is able to maximise its investment in the services that residents need. As a result, it is committed to the principle of achieving value for money as part of this treasury management policy within an effective risk management framework.

4. **Policy**

South Essex Homes Ltd will ensure the following:

- The company will be risk adverse in its approach to investing. And to such an end it will balance risk against return; placing the emphasis on the security of its invested funds and liquidity rather than on maximising the returns.

- The Company will adopt the four clauses set out in section 5 of the CIPFA revised code of Treasury Management within its Financial Regulations.

- The Treasury Management procedures will operate in conjunction with Cash Flow forecasting in order to ensure that:
  - The Company always has sufficient funds to meet its obligations as they fall due.
  - Investment opportunities are maximised, subject to meeting the investment criteria and limits approved by the Board.
  - The Company does not go into overdraft
  - South Essex Homes Ltd will use a ratings based approach to selecting approved financial institutions for investments.
- The Financial Services Manager will monitor the credit ratings of approved financial institutions to ensure that these continue to meet the minimum credit criteria at all times.

- Potential risks will be identified and understood, and the necessary steps will be taken to minimise these risks.

- The authority to commit an investment will follow the procedures set out in the Financial Regulations.

- The Company will use the services of suitably qualified consultants to give advice and training on Treasury Management.

- On any day that investments are to be undertaken a cost benefit analysis will be undertaken before placing any investments.

5. Strategy

- Investment Objectives
  The general principle is to invest surplus funds prudently. The priority will be (1) security (2) liquidity (3) yield, in that order. The highest rate of return is sought only after security and liquidity requirements are satisfied. (set out below)

- Security
  The Company will only invest on deposit in sterling in UK registered banks with a credit rating of: Fitch – F1 and Moody’s P-1 to P2 or where the UK bank is majority owned by the Government. In addition other general indicators will be used to complement this, such as: information from quality papers, credit default swap prices, government support of banks, rates being offered and market price of debt securities. A composite rating statement from Link Treasury Services is used to direct the decisions on investment.

As at May 2018 the institutions which meet the criteria set out above are:

- Natwest plc – Fitch Rating: A- (F2) , Moody’s Rating: A1 (P1) – Part of the Royal Bank of Scotland Group - Government Majority Owned (73%)
- Barclays plc – Fitch Rating: A (F1) , Moody’s Rating: A2 (P1)
- HSBC Bank plc – Fitch Rating: AA- (F1+) , Moody’s Rating: Aa3 (P1)
- Lloyds Bank plc – Fitch Rating: A+ (F1) , Moody’s Rating: Aa3 (P1)
- Nationwide Building Society– Fitch Rating: A+ (F1) , Moody’s Rating: Aa3 (P1)

- Santander UK plc – Fitch Rating: A (F1), Moody’s Rating: Aa3 (P1)

The maximum investment in any one institution at any one time will be £2m

- Liquidity

Cash flow will be monitored and investments made to ensure that the Company does not go overdrawn or as far as possible the balance on deposit with any institution does not exceed £2m. If this is exceeded a report will be produced for the following meeting with an explanation. A report of cash flow will be produced for each Audit and Risk Committee.

- Yield

Returns will be maximised by obtaining the best rates available on the day of investment consistent with the criteria set above.

- Investment Profile

The investment pattern will be in line with the investment profile set out in Appendix 1. This will be reviewed at least half yearly intervals.

- Training

Treasury Management training will be provided for both the Audit and Risk Committee Members and key officers with responsibility for treasury management. The Company will use Link Treasury Services for advice and training in 2018/19.

- Performance

Regular reports will be made to the Audit and Risk Committee on performance and security arrangements.

6. Responsibility

- The Director of Business Development is ultimately responsible to the Board for compliance with the Policy and Strategy. On a day to day basis the Finance Team will be responsible for maintaining the cash-flow and all associated investments with the support of the
Group Manager (Resources & Business Development) in line with the Policy and Strategy and Financial Regulations.

- The Audit and Risk Committee will be responsible for the effective scrutiny of Treasury Management

7. Risks

The CIPFA code sets out the eight key treasury management risks. These are set out in Appendix 2 together with the appropriate mitigating actions required.

8. Review and Monitoring

- As part of the monthly budget monitoring report the SMT will receive notification of any interest earned within the month.
- On a quarterly basis; the Audit and Risk Committee will be notified of all investments made and any interest earned.
- All investments will be approved in line with Schedule of Delegation contained in the Financial Regulations.
- Regular report on risk management performance will be made to the Audit and Risk Committee
- The Treasury Strategy will be reviewed annually by the Audit and Risk Committee.
- Where it is necessary to exceed the £2m deposit with any financial institution, the reasons will be reported on an exception basis to the next Audit and Risk Committee.
Appendix 3a to Agenda Item 9 – Investment Risks

INVESTMENT RISKS

(1) Credit and counterparty risk

The risk of failure by a counterparty (the borrower) to meet its contractual obligations to the organisation under an investment, particularly as a result of the counterparty’s diminished creditworthiness, and the resulting detrimental effect on the organisation’s capital or current (revenue) resources.

(a) Well documented records of the standing of counterparties it does or may deal with, and continuous access to independent sources of advice and information on the same

(2) Liquidity risk

The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the organisation’s business/service objectives will be thereby compromised.

(a) An effective cash and cash flow forecasting and monitoring system which will identify the extent to which the organisation is exposed to the effects of potential cash flow variations and shortfalls

(3) Interest rate risk

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the organisation’s finances, against which the organisation has failed to protect itself adequately.

(a) Access to financial market commentaries and reviews on the likely future courses of interest rates and inflation, to enable it to assess future treasury risks and scenarios, and to permit the effective management and control and development of suitable risk and management strategies.

(4) Legal and regulatory risk

The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.
(a) Full analysis and records of the processes pursued in making treasury management decisions, and in executing transactions, to enable an organisation to create a successful audit trail, and to allow it to assess the need for contingency arrangements

(5) **Fraud, error and corruption, and contingency management**

The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

(a) Comprehensive records of an organisation’s contractual responsibilities and liabilities under treasury management contracts with counterparties, to enable it to fulfil its obligations there under

(6) **Market risk**

The risk that, through adverse market fluctuations in the value of the principal sums an organisation borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately

(a) Reliable information about the potential for fluctuations in the market value of its investments, borrowings and other financings, to allow an informed assessment of the potential for capital growth or capital reduction
## Investment Profile
### 2018/19

<table>
<thead>
<tr>
<th>Investment</th>
<th>April</th>
<th>July</th>
<th>October</th>
<th>January</th>
</tr>
</thead>
<tbody>
<tr>
<td>One year Deposit</td>
<td>£500k</td>
<td>£1m</td>
<td>£500k 1yr</td>
<td>£500k 1yr</td>
</tr>
<tr>
<td></td>
<td>£500k repaid</td>
<td>£1m repaid</td>
<td>£500k repaid</td>
<td>£500k repaid</td>
</tr>
<tr>
<td>3 Month Deposit</td>
<td>£1m</td>
<td>£1m</td>
<td>£1m</td>
<td>£1m</td>
</tr>
<tr>
<td></td>
<td>£1m repaid</td>
<td>£1m repaid</td>
<td>£1m repaid</td>
<td>£1m repaid</td>
</tr>
<tr>
<td>1 Month Deposit</td>
<td>Any available funds above the £2m limit with Barclays to ensure liquidity of the company as per the regular cash flow forecasts.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit at Bank</td>
<td>Balance in Barclays Deposit</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Corporate Compliance Position Statement**

**3rd October 2018**

<table>
<thead>
<tr>
<th>Key Regulations</th>
<th>List of Control measures, South Essex Homes, has in place in order to comply with Health and Safety Legislation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Regulatory Reform (Fire Safety) Order 2005 BS 5839: Fire detection and Fire alarm systems for buildings – Part 1: Code of Practice for design, Installation, commissioning and maintenance.</td>
<td>Fire Alarm systems, Weekly fire alarm call point tests are carried out in Sheltered Housing Schemes, Homeless Hostels and Women’s Domestic Violence Refuge. Fire alarm systems are serviced and maintained by specialist contractor. The Fire Alarm systems themselves are tested and checked four times a year April, July, October and January. This included fire doors being serviced and maintained as part of the fire alarm service contract. <strong>The July 2018 test has been carried out.</strong> Fire evacuation drills are completed in all Sheltered Housing Schemes every 3 months. <strong>These are up to date and recorded in the onsite fire log</strong> Fire extinguishers and fire blankets are annually serviced and maintained in accordance with BS 5306. <strong>Service regime progressing to schedule</strong> Mains operated smoke and heat detectors are annually serviced and maintained as part of the gas servicing contract. <strong>Service regime progressing to schedule in line with gas service programme</strong> Fire Risk Assessments in accordance with The Regulatory Reform (Fire Safety) Order 2005 are carried out by the Regulation Compliance Officer employed directly by South Essex Homes. The schedule of properties subject to fire risk assessments for 2018 are: 22 Sheltered Housing Schemes (SHS), 13 Tower Blocks (TB), 9 Hostels (H), 149 medium and low rise blocks (B) 85 Others (O).</td>
</tr>
</tbody>
</table>
A total of 278 Fire Risk Assessments.

**The fire risk regime for 2018 has begun.**

Progress so far for 2018/19 up to 30th September 2018:-
- SHC = 16 completed
- TB = 11 completed
- H = 5 Completed
- B= 30 completed
- O = 25 completed

**South Essex Homes complies**

<table>
<thead>
<tr>
<th>BS 5266</th>
<th>Emergency Lighting. Code of Practice for the emergency escape lighting of premises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity at Work Reg. 1989</td>
<td></td>
</tr>
<tr>
<td>IET Wiring Regulations 2008: BS 7671</td>
<td></td>
</tr>
<tr>
<td>Note:</td>
<td></td>
</tr>
<tr>
<td>BS 7671:2018 Requirements for Electrical Installations will be issued on 2nd July 2018 and is intended to come into effect on 1st January 2019.</td>
<td></td>
</tr>
</tbody>
</table>

Emergency Lighting testing: Annual programme, this consists of an annual inspection & 11 monthly service visits.

**All inspections are progressing in line with agreed schedule**

Mains electrical systems associated with individual properties and landlord services are subject to a 5 year periodic test and a certificate is issued.

A total of 6,093 properties are scheduled to be tested as part of a 5 year programme carried out by external contractors. We are in year three of the programme.

The Electrical Testing contractor delayed the start of their 2018/19 programme due to resource issues. Contractual meetings have taken place with the contractor to try and resolve the issues. We now have agreement that the contractor will now commence the programme in September and complete it by the end of March 2019. Progress will be closely monitored to ensure compliance to the programme. However there are a number of properties where the current certificate has expired and these will be prioritised as part of the programme.

**South Essex Homes partially complies**

Annual Portable Appliance Testing (PAT): This area of activity is delivered in house by the Estate Services team and the 2018/19 programme of tests has just commenced with a completion target date of December 2018

**South Essex Homes complies**

<table>
<thead>
<tr>
<th>Legionnaires</th>
<th>Risk assessment for every sheltered scheme and homeless hostel are undertaken every 2 years. The existing contract started in 2014</th>
</tr>
</thead>
</table>
### Appendix 4 to Agenda Item 9 - Corporate Compliance Position Statement

#### The Control of Legionella Bacteria in water systems. Approved Code of Practice and Guidance (L8)

and ends in 2018. Water samples are taken every quarter and analysed and results stored on a data base. The existing contract has been extended until March 2019 while a new contract is being procured.

**Samples have been taken in accordance with the schedule and any remedial works carried out**

Hot water temperatures are taken at each of the 22 sheltered schemes each month by the gas contractor and all remedial works carried out as required.

**This is in line with the monthly service visit for the communal boilers and is on schedule**

At the high rise blocks South Essex Homes currently sample and Test for Legionella every six months. To date we have had no adverse samples. The last round of testing has been completed.

### Control of Asbestos Reg. 2012 (CAR)

South Essex Homes monitor and update the asbestos register, to maintain the information held on it. Surveys are undertaken before all refurbishment works and asbestos is removed if applicable.

Two contractors are employed with regards the asbestos regime. One undertakes the test, inspection and analysis while the other is licenced for Asbestos removal and Waste Carrying.

**South Essex Homes complies**

### The Lifts Reg. 1997

The lifts are surveyed by the Councils Insurers (ALLIANZ) every six months and certificates of compliance are issued. At the time of the six month inspection the inspector will advise whether any supplementary tests are required. All comments and recommendations made by the insurers are passed to South Essex Homes technical staff, who forward said reports to the Lift Maintenance Contractor for action and where necessary for quotes.

The Lift Maintenance Contractor undertakes monthly inspections and maintenance services to each lift in accordance with a service schedule. The inspection is carried out by a competent person who will detect defects or weaknesses and asses the safety and continued safe use of the lifts.

### South Essex Homes complies
<table>
<thead>
<tr>
<th>Appendix 4 to Agenda Item 9 - Corporate Compliance Position Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All monthly inspections are on schedule</strong></td>
</tr>
<tr>
<td><strong>South Essex Homes complies</strong></td>
</tr>
<tr>
<td><strong>Gas Safety (Installation and Use) Reg. 1998</strong></td>
</tr>
<tr>
<td>South Essex Homes complies with the legal obligation to carry out an annual gas safety check in all properties with Council owned gas appliances. Annual gas safety certificates for gas boiler / appliances are issued by our contractor and said certificate (CP12) are recorded on our data system. Remedial works are actioned by the contractor as part of the comprehensive contract. South Essex Homes runs a rolling 10 month service programme to ensure every gas appliance is definitely serviced before expiry of the CP12 Landlord Gas Safety Record certificate (LGSR).</td>
</tr>
<tr>
<td><strong>The programme is on track and all properties have a valid LGSR certificate.</strong></td>
</tr>
<tr>
<td><strong>South Essex Homes complies</strong></td>
</tr>
<tr>
<td><strong>Construction (Design and Management) Reg. 2015</strong></td>
</tr>
<tr>
<td>This regulation applies to capital and major works contacts and is managed “in house” by the South Essex Homes property team.</td>
</tr>
<tr>
<td><strong>South Essex Homes complies</strong></td>
</tr>
</tbody>
</table>
Report of the Executive Director
To
The Board
On
3 October 2018

Report prepared by: Stuart Long
Tel: 01702 212693

Update on Resident Involvement and South Essex Community Hub

A Public Agenda Item

1 Purpose of Report

1.1 To advise the Board on the outcomes from the further consultation meeting carried out after the May 2018 Board. The meeting was attended by Board Members: Meg Richardson, Keith Ducker, Rosalind Lane and Barbara Lambert and also the Resident Scrutiny Panel and members of the Southend Tenant and Resident Federation (Federation).

2 Recommendation

2.1 To note the content of the report regarding the further consultation work and developing resident involvement to endorse specific proposals relating to future consultation mechanisms.

3 Specific Proposals

3.1 The further consultation with residents has led to joint agreement that:

Resident Block and Street Voices will be realigned under the Federation. A stronger governance structure will be implemented and the focus will be on reporting into the Federation on outcomes and progress. A stronger safeguarding mechanism in place for residents.

3.2 The following Focus Groups will continue as individual Focus Groups: Income Management, Leaseholder Focus Group, Sheltered, Planned Maintenance and Responsive Repairs. The remaining Focus Groups – ASB, Resident Involvement, Tenancy, Estates and Communications will be merged and operate on a bi-monthly basis. This new combined Focus Group will concentrate on issues raised by residents and staff, act as a group that can provide task and finish projects and the appropriate section Manager will be required to attend the group as and when required. Membership of these groups will be reviewed and the new format for all
groups will be outcome focused. A further review will take place after a 6 month period.

3.3 The use of taxis for resident involvement activities has been reviewed and will cease as of the 1st October 2018 apart from exceptions around vulnerability.

3.4 Further work is to be undertaken to explore formalising the relationship between South Essex Community Hub and South Essex Homes and a report will be brought back to the Board in December 2018.

4 Background

4.1 Further to the report considered by the Board on 24 May 2018, members requested that further consultation be held. A number of Board Members volunteered to attend a meeting to discuss the recommendations and a meeting was held on the 10 July 2018. Also in attendance at that meeting were members of the Resident Scrutiny Panel and the Southend Tenants and Residents’ Federation. The aim of the meeting was to discuss the proposed recommendations contained within the Board Report of the 24 May 2018.

4.2 It was acknowledged that the Big Conversation day was not as well attended due to the adverse weather conditions on the day. In addition to the Big Conversation Day further consultation was carried out with residents via surveys through social media channels.

4.3 At the meeting on the 10 July 2018 each recommendation of the Board Report were discussed, particularly around potential sticking points and consensus was found around each point and the agreed outcomes are set out in the new proposals described in Section 3 of this report.

4.4 Concerns had been raised around the proposals to change Focus Groups to Task and Finish Groups, however, after discussion reassurances were given around the continuation of Focus Groups albeit a reduced number and one combined Focus Group to cover the remaining topics.

4.5 Concerns were raised regarding the proposals to remove block voices and after discussion it was agreed to retain block voices and in line with the Resident Scrutiny Forum recommendations to look at some additional training and safeguarding measures.

4.6 Attendees of the meeting were in agreement to the resident involvement budget being reduced particularly in the area of taxi costs; however, it was acknowledged that those participants who are vulnerable would be provided with a taxi to attend meetings.

4.7 It was agreed that more work was needed around formalising the relationship with South Essex Community Hub before further consideration could be given
to a devolved budget. This will be bought back to a future Board Meeting for approval.

4.8 All parties felt that the recommendations are within the aspirations of the Scrutiny Panel Report and supports greater resident empowerment, in line with the new Social Housing Green Paper.

5 Diversity and Equality

5.1 There are no specific diversity issues identified in this report.

6 Risk

6.1 There are no specific risks identified in this report.

7 Financial Implications

7.1 There will be a saving to the Resident Involvement budget in the region of £20K due to the cessation of the use of taxis.

8 Background Papers

8.1 None.

9 Appendices

9.1 Appendix 1 Resident Involvement Flow Chart (Old)

9.2 Appendix 2 Resident Involvement Flow Chart (Proposed New)
Appendix 1

Resident Involvement Flow Chart (Old Version)

- Southend on Sea Borough Council
- South Essex Homes Board including resident board members
- Reinvestment Panel
- P & R Committee
- Investment and New Business Committee
- Audit Committee
- Performance Committee
- Resident Scrutiny Forum
- Standards Leadership Group
- Focus Groups:
  - Leaseholders
  - Income Management
  - Sheltered
  - Disability & Carers
  - ASB
  - Resident Involvement
  - Communications
  - Tenancy
  - Estates

Southend on Sea Borough Council Tenants and Leaseholders
Appendix 2

Resident Involvement Flow Chart
(New Proposed Version)

Southend on Sea Borough Council

South Essex Homes Board including resident board members

South Essex Property Services Board

P & R Committee

Investment and New Business Committee

Audit & Risk Committee

Performance Committee

Southend Residents Forum

Southend Tenants & Residents Federation

Resident Co-ordinators

Focus Groups
- Repairs & Gas Servicing
- Planned Maintenance

Resident Scrutiny Forum

Focus Groups
- Leaseholders
- Income Management
- Sheltered
- Merged Task and Finish Group

Southend on Sea Borough Council Tenants and Leaseholders