

		Report to: Northwards Housing Board 27 January 2015		Item No: <h1>11c</h1>	
Title:		Governance Action Plan			
Date:		5 January 2015			
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Confidential:		No			
For: (Please tick action required)		NOTING		DISCUSSION	
				APPROVAL ✓	
PURPOSE OF REPORT					
To present the Board with a progress update on the Governance Action Plan.					
RECOMMENDATION					
It is recommended that the Board note the progress of actions within the Governance Action Plan.					
IMPLICATIONS					
Risk Management		The actions plan ensures there is a systematic approach to reaching compliance of the Code of Governance.			
Regulatory & legal compliance		Compliance with the NHF code includes that the Board must establish a formal and transparent arrangement for considering how the organisation ensures financial viability, maintains a sound system of internal controls, manages risk and maintains an appropriate relationship with external auditors. This also demonstrates leadership and commitment to equality.			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	N/A		
Area Panel:	N/A		
Task Groups:	N/A		
Ward Councillors:	N/A		

1.0 Governance Action Plan

- 1.1 The Governance Action Plan sets out the actions Northwards is taking to ensure compliance with the NHF Code of Practice for Excellence in Governance.
- 1.2 Actions with the Plan are set out against the main principles and provisions of the NHF Code of Practice.

2.0 Summary of progress

- 2.1 A copy of the Governance Action Plan is attached to this report. Actions which have been completed and are on-going include:
 - An internal audit of the effectiveness of governance at Northwards has been completed, and the report submitted to Audit Sub-Committee in October 2014. The report is now being presented to the Board for information in January 2015
 - In line with the recommendations from the internal audit on governance, the Board appraisal process will be reviewed in 2015 to update information on current member skills and allow Northwards to produce a Board Skills Matrix
 - A report outlining the process and timetable for tenant board member balloting in 2015 is to be presented to the Board in January 2015
 - Memorandum and Articles have been submitted to Northwards' solicitor and were approved by the Board in September 2014. They have now been sent to MCC solicitors for their feedback. An Extraordinary General Meeting (EGM) will be held to approve the updated Memorandum and Articles
 - An Intra-group agreement between Northwards and Yes has been produced and approved by the Board in November 2014. The agreement sets out Northwards' responsibility as group parent, and Yes' responsibilities as subsidiary
 - A report has been produced and presented to the Remuneration Panel on 29 December 2014.

3.0 Recommendations

- 3.1 It is recommended that the Board note the progress of actions within the Governance Action Plan.

Board Governance Action Plan – January 2015

Topic	Action	Progress	By Whom	By date	Status
B4 The board of a parent organisation in a group structure must ultimately have the responsibility and the clear powers to direct the activities of its subsidiaries.	An intra-group agreement outlining responsibilities is to be signed by the Northwards Board as parent and the YES Board as subsidiary.	Intra-group agreement produced and approved by the Board in November 2014.	SB/TK	Sept 2014	Complete
C- Main principle All board members must receive induction on joining the board and should regularly refresh and update skills	Board members to be more pro-active about their own personal development.	The appraisal process will be reviewed in line with recommendations from the Governance Audit report. This will include a Board Skills Matrix.	All Board Members	July 2015	On going
C1 All board members must receive a properly resourced induction and an on-going training programme	Gather feedback from new board members on induction programme 2013, and implement any improvements in advance of AGM 2014.	No new members elected to the Board this year. Induction will be reviewed and delivered to new Resources Sub-Committee Co-Optee.	TK	January 2015	On going
D- Main Principle Recruitment to board vacancies must be open and transparent, based on merit	Trial tenant ballot election day and review tenant board member selection process. A feedback report is to be produced post-election.	The election day process was agreed but in the end a tenant ballot was not required in 2014. A report outlining plans for tenant board member balloting in 2015 is to be presented to the Board in January 2015.	SB/TK	November 2014	Complete
D1 – point 2 Maximum terms of office must be agreed and, where	Maximum terms of office for tenant and independent board members have been agreed; terms for	Memorandum and Articles have been submitted to Northwards' solicitor and	SB/TK	March 2015	On going

Topic	Action	Progress	By Whom	By date	Status
practical and for the best interests of the organisation, should comply with current best practice.	Council appointed members remain at the Council's discretion. To be included in update of Memorandum and Articles.	approved by the Board in Sept 2014. They have now been sent to MCC solicitors for their feedback. An Extraordinary General Meeting (EGM) will be held to approve the updated Memorandum and Articles			
D4 If the organisation is paying board members, it must ensure that it has a mechanism for establishing payment levels that are independent of the board, possibly through a remuneration committee, and independent adviser or by using published guidance and industry norms	The Board discussed payments in July 2012. It was agreed to carry out triennial reviews.	The next review is due in November 2015 unless the Board request an earlier review.	All Board Members	Nov 2015	Review 2015
G3 The board must delegate to a committee responsibilities that include oversight of the appraisal of the chief executive and making a recommendation to the board on a remuneration package for the chief executive. The committee must not include any executive members of the board	Remuneration Panel to be established. Once consultants have produced the report, it is to be presented to the Remuneration Panel and then taken forward to the Board. CEO annual appraisal to be carried out by Board Chair.	Report produced and presented to the panel on 29 December 2014.	TK/SH	March 2015	On going
H3	Review terms of reference and	Sub-Committee review	SB/TK	July 2014	Complete

Topic	Action	Progress	By Whom	By date	Status
Each committee must have clear terms of reference approved and reviewed by the board on a regular basis	effectiveness of sub-committees.	carried out at Board Away Day 2014. Changes included in Standing Order review which was approved by the Board in July 2014.			
I Main Principle Boards must provide leadership in operating in an open and transparent manner, having satisfactory dialogue with key stakeholders including tenants. Board must demonstrate accountability to shareholders and other key stakeholders	Revisit the stakeholder identification exercise carried out in 2012, and update list of stakeholders.	Item replaced by mandatory Health & Safety training in December 2014 strategy meeting. To be considered as an item at the Board Away Day 2015.	All Board Members TK	April 2015	On going
I2 The organisation must have in place a strategy for communicating information about its work to its shareholders and stakeholders	Review how Northwards communicates its work with stakeholders. Annual contract review with the Council.	Northwards currently communicate through Annual Report, Business Plan Event with involved tenants and AGM. To be reviewed once stakeholder exercise is completed.	TK	May 2015	On going
K – Main Principle (part) The board must establish a formal and transparent arrangement for considering how the organisation ensures financial viability, maintains a sound system of internal controls...	Update Value for Money Strategy and review good practice that Northwards may wish to adopt. Governance Audit to be carried out to ensure effectiveness of internal controls in governance arrangements.	In September 2014 the Board approved the sections they wished to see in a Value for Money Statement. Next update scheduled for March 2015. Governance Audit to be carried out in Summer 2014 and report submitted to the Board in January 2015.	RC SB/TK	March 2015 November 2014	On going Complete

Topic	Action	Progress	By Whom	By date	Status
L Main Principle Organisations must maintain the highest standards of probity and conduct.	Refresh board members on their code of conduct, including the hospitality and whistle-blowing policies.	Whistle- blowing policy is being updated and presented to Resources Sub-Committee in March 2015. To be included as an item at the Board Away Day 2015.	TK	April 2015	On going