



STEVENAGE HOMES CORPORATE GOVERNANCE ARRANGEMENTS

Stevenage Homes is constituted by its Memorandum and Articles of Association. These set out the scale, scope and limitations of the Company's activities, responsibilities and obligations under the Companies Act as well as its governance arrangements. The Board's responsibilities, constitutional and procedural relationship with the council are also outlined in the ten year Management Agreement.

To support the Board in carrying out its responsibilities, the Directors and staff follow and are bound by the code of governance and the code of conduct. The terms of reference of its committees further describe the scope of their responsibilities and the programme of reports that they will receive to assist them in carrying out their duties. Both documents have been reviewed to take account of new legislation contained within the Companies Act 2006

The Board created four committees to help it carry out its responsibilities and has delegated appropriate decision making power to them: Delivery and Implementation (front facing customer services) Resources, Governance and Ethics and Audit.

The Board has also used the interest, knowledge and expertise of its members to help staff in their work through the creation of Board Champions for Customer Focus, Diversity and Resident Involvement.

Advice and responding to new legislation, policies etc is a responsibility shared among the Senior Management Team guided by advice from the council and external sources where necessary.

Since the creation of Stevenage Homes, the Board has kept governance under constant review to ensure that it operates to the highest standards of governance as described in the six principles of good governance. For example, the Board has agreed a process for urgent decisions by the Chair, a process for open and accessible meetings and publication of non confidential minutes and reports, gifts and hospitality policy, an expenses and equipment policy, a Board development programme. Every year, before the AGM, all Directors are required to provide an updated declaration of interests.

The Board carries out an annual review of effectiveness using a tool based upon the six principles of governance. It is preceded by individual one to ones with the Chair. This work informs the Board's view of its effectiveness and all activities and required actions to improve governance are then contained in the governance action plan. It is reported quarterly to the Governance and Ethics committee.

In terms of controls, Stevenage Homes has largely adopted those of the council, eg, contract standing orders, financial regulations, financial scheme of delegation, anti fraud and corruption policy, staff code of conduct, housing procurement strategy, business continuity policy. The council's internal audit service delivers a programme of audit inspections. That service has now improved. External audit services are provided by Baker Tilly.

We have developed our own approach to complaints, risk management, performance management, health and safety, human resources, ICT, financial management, budgets and medium term financial strategy, whistle blowing and communications. All strategies

were developed and agreed by the Board who with its committees receive regular update reports on the current position and progress against action plans.

The Board agrees its main plan every year – the Delivery Plan – and it is informed by the priorities of our customers and key stakeholders. Underpinning the plan is a series of supporting plans, eg, strategy action plans, service plans; strategic approaches to value for money and the effective use of resources through service reviews and benchmarking and lastly individual workplans and development plans. Staff receive support, training and development in key aspects of governance such as customer focus and contract standing orders.

In 2008/09, the Board will continue to review and enhance its governance arrangements, for example, it will review its approach to risk management and control measures, develop detailed operational business continuity plans, and review existing SBC policies and adopt or amend for anti fraud and whistle blowing for example.

2.6.08