

SCOTTS PROJECT TRUST

The Board of Trustees: Governance Code

23 May 2019

Trustees of Scotts Project Trust are committed to the organisation's cause, seeking to deliver its purposes most effectively for public benefit. The Trust's Governance Code is consistent with that developed by *The Charity Governance Code Steering Group*, and is underpinned by seven principles

Organisational Purpose

- The Board's core role is to focus on strategy, performance and assurance
- The Board sets clear aims for the Trust and ensures that these are being delivered effectively and sustainably.
- The Board must understand the environment in which the Trust is operating and ensures its purposes are fulfilled as effectively as possible with the resources available.

Leadership

- The Board provides strategic leadership in line with the Trust's Vision, Mission, Values and Reputation.

Integrity

- The Board acts with integrity, adopting values and creating a culture to achieve the Trust's purposes and maintain the respect of beneficiaries, other stakeholders and the public

Decision-Making, Risk-Management and Control Environment

- The Board ensures that decision-making processes are informed, rigorous and timely and that control and risk assessment and management performance systems are set-up and monitored.
- The Board delegates authority for day-to-day running of the Trust, but not ultimate responsibility. It also implements suitable financial and related controls and reporting arrangements to oversee delegated matters.

Board Effectiveness

- The Board works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions.
- The Board has a rigorous approach to trustee recruitment, performance development and conduct.
- The Board is encouraged to raise, question and challenge ideas and address difficult topics.
- The Chairman will undertake a Board Effectiveness Review every 3-5 years, engaging independent experts as appropriate.

Diversity

- The Board's commitment to diversity supports its effectiveness, leadership and decision-making.

Openness and Accountability

- The Board leads the Trust in being transparent and accountable through genuine and open two-way communication that celebrates successes and demonstrates willingness to learn from mistakes - building trust and confidence in the Trust.

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The Board of Trustees: Trustee Roles & Responsibilities

The Trustees of Scotts Project Trust have ultimate responsibility for directing the affairs of the organisation, determining its strategic direction and ensuring that it is well-run, solvent and delivering the charitable outcomes for the benefit of the public for which it has been set up. In accordance with guidance from the *Charities Commission*, The Board will ensure

The Trust is carrying out its purposes for the public benefit by

- Understanding the Trust's objects and powers as laid-out in the Articles of Association
- Planning and overseeing the Trust's work
- Reviewing and updating the Trust's objectives

The Trust complies with its Articles of Association and the law, striving to employ best practices and paying due heed to

- Charity law - registration, accounting, reporting and other requirements
- CQC Standards and Reporting
- Charity Commission Regulations and Guidelines
- Other relevant legislation and guidance

The Board acts in the Trust's best interests, by

- Understanding and agreeing the Trust's interests, and making decisions accordingly
- Being prepared to challenge assumptions
- Acting with integrity and dealing with conflicts of interest and/or loyalty
- Fostering values which are essential to the character and spirit of the Trust

The Trust's resources and risks are managed responsibly, by

- Having a comprehensive Risk Register which is reviewed at least annually
- Continually seeking to reduce the risk of liability – criminal, personal and to third parties
- Ensuring the safeguarding and protection of our service users
- Budgeting effectively, then ensuring fees are optimised, funds are raised, expenses are managed prudently, and property is well-maintained.
- Ensuring the Trust is staffed with due experience and skills – including those of volunteers

The Board acts with reasonable care and skill, by

- Collectively having the skills and experience necessary to run the Trust effectively
- Acknowledging when Trustees lack such expertise and take advice accordingly
- Having appropriate Policies and Procedures that are implemented in full and reviewed regularly both in response to changes in legislation and guidance as well as to changes in circumstances

The Board ensures the Trust is accountable, by

- Complying with accounting and care standards requirements
- Demonstrating good governance and sound controls
- Being accountable to people with an interest in the charity and having procedures for dealing with complaints
- Delegating the running day-to-day operations to the CEO and Committees while providing effective oversight of operations

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The Board of Trustees: Matters Reserved to the Board of Trustees

The Trustees of Scotts Project Trust delegate management of operations to the Chief Executive Officer and staff, subject to retaining direct responsibility for the matters below, except where matters are delegated to a Committee or the Company Secretary as reflected in their terms of reference, or where specified matters have been delegated to the CEO or any member or members of staff.

Strategy and Management

- Approval of:
 - The strategic aims and objectives of Scotts', ensuring compliance with the charity's objects and relevant legislation
 - The strategic plan
 - Any decision to cease to operate all or any material part of Scotts' business
 - Any decision to extend Scotts' activities into significant new business or geographic areas
 - Proposals for the acquisition or disposal of land or buildings, or change in their use
- Appointment and dismissal of the Chief Executive Officer and determination of their remuneration
- Risk and Control framework
- Oversight of Safeguarding of Service Users, Health and Safety, and Fundraising (including the Trust's compliance with current legislation and practice)

Structure and Capital

- Changes to the legal structure and/or capital
- Changes to the Memorandum and Articles of Association
- Significant changes to the Governance, Committees and Organisational structures

Financial Management and Legal Requirements

- Approval of:
 - The Annual Report and Accounts (and filing thereof)
 - Annual budgets, including those for capital projects and refurbishment
 - Remuneration Policy
 - Significant changes to accounting policies or practices
 - Appointment (or removal) of the Company Secretary
 - Appointment (or removal) of Auditors
 - Commencing and settling litigation
 - Unbudgeted expenditure greater than £10,000 for the acquisition, alteration or disposal of fixed assets
 - Creation of, or changes to, mandates of bank accounts and other deposit media
 - Change in provider of Scotts' pension scheme and any changes to the contribution rates or benefits provided under the scheme.
- Oversight over capital projects greater than £50,000
- Receiving and noting the annual letter to management from the external auditor and agreeing the proposed course of action, taking into consideration the recommendations of the F&GP committee
- Use of the seal

Cash management

- Approval of all borrowing and financial investments greater than £25,000, except where this is to rollover an existing deposit

Regulatory Requirements

- Changes to CQC registrations
- Significant staff appointments and internal re-organisations impacting CQC regulated functions

Trustee Board and Governance

- Board structure, size and composition
- Appointment and Removal of trustees
- Succession planning for Board members
- Formation and dissolution of Trustee sub-committees, their Terms of Reference and membership
- Registration with, and provision of information to, the Charity Commission and Companies House
- Performance evaluation of the Board, Board sub-committees and individual Trustees
- Receiving the declaration of trustee interests that may conflict with those of the charity and determining the way potential conflicts will be managed
- Authorising conflicts of interest where permitted by the charity's Articles of Association

Policies

- Overall responsibility for the Trust's policies, procedures and practices and for ensuring the Trust's compliance with current legislation and guidance, including creating, reviewing and amending such policies

Further Delegation

- The Chief Executive may, for the effective management and operation of Scotts, delegate any of their individual responsibilities to other employees, and the CEO may also authorise sub-delegation at his/her discretion. Delegation of any responsibilities does not release the Chief Executive from overall responsibility to the Board.

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The Board of Trustees: Roles of Chair and Chair of F&GP

Chair - Role Summary

The role of the Chair is to provide leadership and direction to the Board of Trustees. The Chair's aim is to enable the board to fulfil their responsibilities for the overall governance and strategic direction of the organisation. The Chair will

- Ensure that the organisation complies with its Articles of Association, charity law, company law and any other relevant legislation and regulations
- Work in partnership with the Chief Executive to achieve the aims of the organisation
- Optimise the relationship between the Board of Trustees and the management team
- Liaise regularly with the Chair of F&GP to maintain clarity of the charity's financial position and ensure full and timely financial transparency and information disclosure to the Board.
- Maintain oversight of any risk to reputation or financial standing of the organisation.
- Lead the Board in fostering relations with stakeholders and potential funders/donors.
- Consult with and provide independent counsel to the Chief Executive on matters of strategy, governance, finance and HR.
- Oversee the Chief Executive's implementation of the Board's strategy and policies.
- Ensure Trustees are properly informed, and that sufficient information is provided to enable them form appropriate judgments and make decisions
- Review and appraise the performance of the chief executive.
- Act as a spokesperson for the organisation where appropriate.

Chair of F&GP - Role Summary

The Chair of F&GP will

- Ensure the oversight of the Chief Executive's day-to-day financial and operational management of the charity, including the production and approval of periodic management accounts, the annual reports and accounts and annual budgets.
- Maintain clarity of the charity's financial position and ensure full and timely financial transparency and information disclosure to the Board, in compliance with the Articles of Association.
- Provide oversight of the charity's Business Assurance Framework and the financial and risk management aspects of any significant revenue or capital projects.
- Oversee the Trust's financial risk-management processes and development of the Risk Register.
- Provide Board-level liaison with external auditors on specific issues such as the Auditors' Management Letter and related board representations.

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The Board of Trustees: Appointment of New Trustees

For effective governance, The Board requires skills and expertise held by individuals with professional backgrounds in a variety of disciplines. These include: Law, Finance & Accounting, Company Secretariat, Property, Care, Learning Disabilities, HR, Technology.

Where it is decided that a new trustee should be appointed, the Board will agree skills, experience and personal qualities which would be desirable. The Board will also consider the present mix of individual members and how diversity may be enhanced.

The Board will agree how a suitable individual could be identified. This may be - as appropriate - through trustees' personal contacts, recommendations, advertising or via a search consultant.

When an individual has been identified and expresses interest in joining the Board, Trustees will consider how the individual's skills, experience, personal qualities and time they are able to commit could contribute to the Trust's needs. To achieve this, following an introduction, the Chairman and at least two other Trustees will meet the individual and ascertain sufficient information to determine suitability.

After successful initial meetings, the candidate will be provided with information and insight on the Trust to enable them to understand the activities and ethos of the Trust and make an informed decision whether they wish to become a Trustee. This will include visiting the Trust's premises and meeting members of staff, service users and other stakeholders.

Prior to appointment, individuals should attend a Trustee Meeting to observe proceedings and meet the other Trustees informally.

Appointment to the Board will be made at a subsequent meeting of the Trustees. Before then, the proposed new Trustee will need to supply personal identification, contact details, confirmation of eligibility and other information – and (most importantly) a clearance must be obtained from the Disclosure and Barring Service (DBS, formerly CRB). This will all be arranged by the Trust's HR administrator.

Appendix: Onboarding & Induction

To undertake effectively the role and responsibilities of a Trustee, individuals must be provided with a comprehensive package of information to understand

- The Trust's activities, performance and ethos
- Governance of the Trust, along with the role and responsibilities of Trustees
- The internal control environment and external regulatory environment

The Trust's website provides an up-to-date store of information, but this needs to be supplemented with more extensive background reading and overlaid with relevant insights from meetings and seeing the organisation at work.

It is recognised that while a high-level understanding of governance and responsibilities needs to be attained through the Onboarding process around Appointment, Induction may take 3-6 months, and more may be achieved in meetings as knowledge of the organisation increases.

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The Board of Trustees: Appointment of New Trustees

Activities, Performance and Ethos

- Articles of Association
- Strategic & Business Plans
- Financial Accounts, Budgets and Organisation Chart
- Understanding Mental Capacity and underlying law_
<https://www.mencap.org.uk/advice-and-support/mental-capacity-act>

Governance plus Role & Responsibilities of Trustees

- Trust Governance Code and supporting guidance
<https://www.charitygovernancecode.org/en>
- Trustee Role & Responsibilities and supporting guidance_
<https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3>
<https://www.gov.uk/guidance/charity-trustee-whats-involved#about-charity-trustee>
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/711593/Trustee_welcome_pack_final_version.pdf

External Regulatory Environment and Internal Control Environment

- CQC and Care Standards_
http://www.cqc.org.uk/sites/default/files/20170504_CQC_About-us.pdf
- Risk Register and Employee Handbook
- Trust Policies identified as Essential Reading, including
Safeguarding, Whistleblowing, Data Protection, Complaints, Photographic Images & Social Media, Confidentiality, Health & Safety, Fire Safety, Visitors, Business Continuity,

Meetings

In liaison with the Chair and CEO, meetings should be arranged during the first 3-4 months of Appointment

- With Senior Service Managers to understand their work and challenges. These occasions should also provide an opportunity to make introductions to other members of staff, service users, etc.
- With Managers of any operation for which the trustee will assume oversight responsibility and, if appropriate, to arrange specialist reading materials and meetings to ensure due understanding
- With the Finance & Admin Manager, during which time should be made to review management accounts and arrange to complete the on-boarding process with email account, etc.