



Magna Housing Limited

Scheme of Delegation

PART 1

INTRODUCTION

1. This Scheme of Delegation ('Scheme') sets out the distribution of authority within Magna Housing Limited ('Magna') and the delegated authority through which it operates.
2. This Scheme will be issued to all Strategic Board members on appointment and when materially changed.
3. This Scheme applies to Magna as a whole. The governance structure chart is incorporated at Appendix 1.
4. The legal status of Magna restricts the activities that it can undertake. Magna can only undertake activities that are strictly in the furtherance of its objects, as set out in Rule A2. Magna is registered as a society under the Co-operative and Community Benefit Societies Act 2014 which states that it is a registered society's responsibility to observe any limitations on their powers flowing from the registered Rules.
5. Magna has adopted the NHF Model Rules 2015 thus ensuring compliance with legislative and Regulatory requirements and sector good practice. These can be found [here](#).
6. Magna has adopted the [NHF Code of Governance 2020](#) and NHF Code of Conduct 2022.

PURPOSE

7. The purpose of this Scheme is to set out what matters are reserved to Strategic Board and what situations powers and/or authority may be delegated and to whom.
8. Ultimate responsibility for the operation of the organisation lies with the Strategic Board. However, in order to ensure the effective running of the organisation, the Strategic Board delegates decision-making authority to the Chief Executive and other colleagues.
9. The broader purpose is to:
 - Provide a clear framework for the decision-making powers that the Strategic Board

delegates to the Chief Executive

- Provide a sound and clear basis for the conduct of Magna's business in terms of financial regulation.
 - Ensure compliance with the regulatory requirements of the Regulator of Social Housing and good practice guidance from the National Housing Federation ("NHF") or other relevant bodies.
10. This Scheme is not intended to replace or alter the operation of the MHL Rules or other constitutional documents of Magna and should be read in conjunction with the Governance Framework document, Policy Delegation Framework and Financial Regulations to gain a full understanding of delegations of authority within Magna.
11. In the event of doubt or ambiguity about the meaning of any part of this Scheme of Delegation, the matter will be referred to the Chair for decision.
12. If there is a doubt as to whether a function, decision making power, or process, has been delegated under this Scheme or otherwise, the matter will be reserved to the Strategic Board.

AMENDMENTS TO THE SCHEME AND REVIEW MECHANISMS

13. This Scheme can only be amended by the Strategic Board or via specific delegated authority.
14. A review of all parts of the Scheme will be carried out on an annual basis or following a significant change in organisational structure, external regulation, or operating environment. This review shall be facilitated by the Company Secretary.
15. Magna has financial regulations which are part of the overall system of financial and management controls. It is intended that the Financial Regulations and Scheme of Delegation will complement each other. Where there is conflict between these Financial Regulations and other governance documents, the Financial Regulations will prevail. It is the responsibility the Heads of Service to notify the Company Secretary of any changes required to documents, especially the Scheme of Delegation arising from changes in policy and/or procedure.
16. The Company Secretary is the officer responsible for ensuring that the Financial Regulations and Scheme of Delegation are followed. He/she is also responsible for maintaining the documents.

SCOPE OF DELEGATION OF AUTHORITY

17. The Association's powers are set out in the Rules at B1-B3.
18. All the Association's powers not reserved for the Strategic Board are exercised on behalf of the Strategic Board by its Committees and the Chief Executive.
19. Rules B4-B6 set out the powers of the Strategic Board and the stipulation that it shall have power to delegate, in writing, subject to rules D32-D36, the exercise of any of its powers.
20. This power to delegate extends to the following issues:
- Scheme of Delegation – inclusive of matters reserved to a General Meeting and the Strategic Board, delegations to the Chief Executive and colleagues.
 - Rules
 - Financial Regulations
 - Terms of reference for: Strategic Board, Executive Board, and Committees.

21. The Scheme of Delegation sets out the particulars of the delegations made within Magna and to whom under the following headings:

- Urgent Decisions/ Chair's Actions
- Decisions Without a Meeting
- Matters Reserved to a General Meeting
- Matters Reserved to the Strategic Board
- Delegations to the Sub-Committees
- Delegations to the Chief Executive
- Authorised signatories.

Urgent Decisions

22. The expectation is that all decisions shall be taken in scheduled meetings however it may be that issues arise that are too urgent and important for consideration to be deferred until the next scheduled meeting. In such cases, the Chair shall have delegated authority to take action under paragraphs 14.7-14.8 of the Governance Framework which can be found [here](#).

Chair's Actions

23. In accordance with the Urgent Decisions Policy, the Chair of the Strategic Board, acting alone, or the Chairs Committee are empowered between meetings of the Strategic Board to take decisions which would normally be the Strategic Board's.

24. The Chair/Chairs Committee will exercise this power only in respect of decisions which cannot wait until the next scheduled Strategic Board meeting without Magna's interests, reputation, or ability to achieve its Strategic Priorities or Strategic Targets, being significantly damaged. It is the responsibility of the Officer making the request to demonstrate explicitly and to the Chair's/Committee's satisfaction that the decision requested satisfies this criterion.

Decisions without a meeting

25. In accordance with Rule D38, a resolution sent to all Strategic Board members or Committee members and signed and confirmed through electronic communication by 75% of the Strategic Board members or 75% of the members of a committee shall be as valid and effective as if it has been passed at a properly called and constituted meeting of the Strategic Board or Committee.

26. A decision made in this manner shall be minuted as a decision of the Strategic Board or Committee on the date that the last member confirmation required is received and shall be reported to the next Strategic Board meeting or Committee meeting.

27. In all cases the Chair must exercise great care before taking action on behalf of Strategic Board or Committee members. Chair's action on matters of importance will be taken only where the delaying of a decision would disadvantage the organisation.

PART 2

MATTERS RESERVED FOR THE ANNUAL GENERAL MEETING

28. Rule C17 reserves matters for the Annual General Meeting which may not be carried out

in the course of any other meeting.

29. Rule G11.2 states that the Rules may only be amended at the General Meeting by shareholders having been put forward by the Strategic Board.

30. Rule G17 states that agreeing and amending the Rules is a function for a General Meeting.

MATTERS RESERVED FOR THE MHL STRATEGIC BOARD

31. Rule D33 states that the Strategic Board may reserve to itself certain significant matters that cannot be delegated to committees or employees. These are categorised and set out below:

32. General

- Any inalienable powers conferred on it by the Rules;
- Anything that the law, Regulator of Social Housing or other regulatory body stipulates may be agreed by a Strategic Board only;
- Receiving and directing action on formal ombudsman's reports;
- Providing oversight, support, direction and constructive challenge to the organisation's chief executive and other executives;
- Approve the Strategic Risk Register;

33. Strategy and Business Plans

- Approving and ensuring compliance with Magna's values, vision, mission and strategic priorities of the organisation, ensuring its long-term success;
- Establishing a culture that is positive, focused on the needs of current and future residents, other customers and other key stakeholders, and embeds equality, diversity and inclusion in the organisation.
- Establishing and overseeing control and risk management frameworks in order to safeguard the assets, compliance, and reputation of the organisation.
- Establishing and reviewing a Risk Appetite Statement;
- Agreeing the parameters for and giving final approval to Magna's business plan and budget and any amendments to these;
- Agreeing all strategies and policies (except those which the Strategic Board has specifically delegated to a committee or to officers within the Policy Delegations Framework), and the Financial Regulations;
- Agreeing, monitoring, and directing action on Key Performance Indicators, including budget monitoring;
- Ensuring the organisation operates effectively, efficiently, and economically.
- Agreeing any development scheme that falls outside the scope of the Development plan and/or fails to satisfy the scheme appraisal policy;

34. Finances, Budget and Accounts

- Agreeing the framework for investment, borrowing, and approving new loans, including the formation of a Treasury Panel to oversee significant funding activity;
- Agreeing the annual Financial Statements prior to publication;

- Satisfying itself as to the integrity of financial information, and setting and approving each year's budget, business plan and annual accounts prior to publication

35. Governance Arrangements

- Strategic Boards are responsible for their own probity and need to ensure that a framework of controls is in place to support their members to act, and be perceived to act, in the organisation's best interests;
- Review annually the Governance Framework, Scheme of Delegation which includes terms of reference for the Strategic Board, Committees, and Executive Board, Financial Regulations and Policy Delegation Framework;
- Creating and abolishing Strategic Board committees, panels or working groups;
- Codes of conduct for Members and employees;
- Holding to account the Magna's subsidiary Board (Charter (S.W.) Ltd, committees and senior staff for the exercise of any powers delegated to them.
- Intra-group agreements between Magna Housing Limited and its subsidiary Charter (S.W.) Ltd;
- Agreeing and amending the Governance Framework;
- Agreeing and amending the Scheme of Delegation;
- Agreeing and amending the Strategic Board's terms of reference;
- Agreeing and amending Magna's committees' terms of reference;
- Agreeing and amending Executive Board's terms of reference;
- Approving any changes to the Rules for recommendation to a general meeting;
- Selecting an appropriate code of governance for Magna to comply with;

36. Membership and Employees

- Appointing and, if necessary, dismissing the chief executive.
- Approving, and considering issues of probity and seemliness associated with, the Chief Executive's and Directors' salary, benefits, terms of appointment including any discretionary payments, severance payments, and any settlement payments of employment-related disputes or any ad hoc payments;
- Appointment, suspension, and removal of the post-holder from the office of Company Secretary;
- Agreeing the levels of Strategic Board Member and Independent Committee Member remuneration and expense payments;
- Overseeing and determining employee pension arrangements;
- Agreeing and amending the terms of reference of committees, panels or working groups;
- Appointment, suspension, and removal of Members;
- Election, suspension and removal of Strategic Board Chair and Vice Chair (if any);
- Agreeing standard terms and conditions of employment and deviations from them; approve major changes to staff terms and conditions of employment such as pension provision, determining where in the market pay at Magna should be reflected (median or top quartile etc.). Approve the annual pay increase.

37. Auditors

- Approving the appointment, reappointment, or removal of the external auditor to be put to shareholders for approval at a general meeting; approve the fee; and approve the organisation's response to the external auditor's management letter.
- Appointing internal auditors;

PART 3

38. DELEGATION BETWEEN THE STRATEGIC BOARD AND SUB-COMMITTEES

- 38.1. The principal purpose of each Committee is to scrutinise issues in more detail within their remits.
- 38.2. Magna has three standing committees: Asset Investment, Governance & Remuneration and Risk & Audit. The respective Terms of Reference for each Committee can be found here.
- 38.3. Under the NHF Code of Governance, delegations of decision-making power must be made explicitly and are set out in the below Committee Delegation Matrix.

Committee Delegations Matrix

Committee		
Risk & Audit	Asset Investment	Governance & Remuneration
Appoint Internal and External Auditors	Approve individual or programmes of development and capital works for existing homes and land acquisition and disposals in accordance with Magna's scheme appraisal policy.	Strategic Board Recruitment: Appoint a consultant. Approve Role Profile
Approve the ToRs of Audits	Approve all asset investment strategies and recommend them to the Strategic Board for approval.	Annually conduct the performance review of the Strategic Board Chair
Approve the Internal Audit Programme	Approve and monitor a range of measures applied to assess the success of the strategy over time.	Approve the scope of triennial Strategic Board Effectiveness reviews
Approve the nature and scope of External Audit	Agree and have oversight of all grant bids and contracts, and the partnership or other approaches to securing grant funding.	Approve the Policy for authorising claims for expenses incurred by NEDs
To obtain advice, reports or opinions from external advisers and will have the power to hire, at the expense of Magna, legal, financial, and other advisers as they may deem necessary or appropriate, and to invite them to attend meetings.	Agree a dashboard of performance measures that effectively cover all controls relating to asset investment. Regularly review and make recommendations on additional or changes to information required.	To obtain advice, reports or opinions from external advisers and will have the power to hire, at the expense of Magna, legal, financial, and other advisers as they may deem necessary or appropriate
	Power to engage independent counsel and other professional advisers and to invite them to attend meetings.	

PART 4

39. DELEGATION BETWEEN MAGNA HOUSING LTD (PARENT COMPANY) AND CHARTER (S.W.) LTD (SUBSIDIARY)

- 39.1. The Strategic Board of a parent organisation in a group structure has the responsibility and the reserve powers to direct, and if necessary, intervene in the governance of its subsidiaries (2.5 (3) Code of Governance 2020).
- 39.2. An intra-group agreement specifies that Charter, a subsidiary organisation of Magna, retains responsibility for managing its own organisation, financial affairs and plans for business development, future growth, and risk management as long as this is done in a way that is consistent with strategy and policy set by Magna.

PART 5

40. DELEGATIONS TO THE CHIEF EXECUTIVE

40.1. Aims

- 40.2. This Part sets out the framework of delegation to ensure the effective running of the organisation by delegating powers to the Chief Executive and other staff while retaining appropriate levels of control by the Strategic Board.

40.3. Principles

- 40.4. Ultimate responsibility for the strategic direction of the organisation lies with the Strategic Board. The key roles and responsibility of the Strategic Board is set out in its terms of reference which can be found here.

40.5. Delegation to the Chief Executive

- 40.6. The Strategic Board delegates power to the Chief Executive to take decisions, grant authorities, enter into contracts and agreements, provide approvals (or similar) for the organisation to deliver the strategies, plans and budgets that have been agreed by the Strategic Board. The Chief Executive will use their powers in a way that is consistent with Magna's strategies and policies. Exceptions to this authority are set out in the 'matters reserved' in the Strategic Board Terms of Reference.
- 40.7. The Chief Executive may also delegate their authorities on temporary basis or on a specific issue where it is not practical for them to exercise their authority. Such delegation will be recorded in advance in writing (which includes email). If it is a permanent change or material change for example if the Chief Executive will be absent for a period of over 3 weeks, the Chair of the Strategic Board should be notified and make a judgement on if the Strategic Board need to be informed or approve the change.

PART 6

41. DELEGATIONS THROUGH OTHER FRAMEWORKS

41.1. Policies And Procedures

41.2. The authority to approve Magna's Policies and Procedures are specifically set out in the decision tree and tracker included in the Policy Delegation Framework which can be found [here](#).

41.3. FINANCIAL DELEGATIONS

41.4. Delegations are set out under the Financial Regulations and include:

- Budgets and budgetary control
- Financial control and accounting
- Ordering and approval of works, goods, and services
- Authorisation limits for expenditure
- Procurement and tendering
- Use of contractors
- Development
- Banking arrangements
- Treasury Management
- Insurances
- Salaries, wages and other emoluments
- Travel, subsistence and other allowances
- Income collection
- Misappropriation of money and property
- Disposal of Assets
- Authorisation limits for the approval of development schemes
- Authorised signatories.

APPENDIX 1 Governance Structure Chart

