



GOVERNANCE FRAMEWORK

Our commitment to Board excellence

v1.2

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Introduction

Aims

1. This governance framework seeks to:
 - clarify the complementary roles and responsibilities of the Board and the staff team;
 - set out principles of good governance and collective organisational values, with a view to maximising the effectiveness of the Board in its contribution to the mission of the organisation
 - maximise the value to the organisation of the skills, knowledge and experience of its trustees; and
 - ensure that Trustees operate in accordance with best practice and in a way that commands the confidence of the organisation's staff, funders and stakeholders

Who does this apply to?

2. The framework explicitly sets out the mode of governance of the organisation, which means it applies to those who govern it – the Board of Trustees. The principles within the Framework should be considered to apply to all those who are employed or volunteer within the organisation.

How does this relate to the Articles of Association?

3. The framework is designed to articulate the way in which the organisation is governed and the expectations upon Trustees, in a more accessible manner than the Articles of Association. The latter remains the relevant legal document for the organisation, and in the event that there is a perceived conflict between what is contained in the Governance Framework and the Articles of Association, the latter takes precedence on all occasions.

Legal Framework

4. LGBT Health and Wellbeing is established as a Limited Company under the Companies Acts 1985 and 1989, and a registered charity under the Charities and Trustee Investment (Scotland) Act 2005.
5. The Company is established for charitable purposes only.
6. The objects for which the Company is established are to promote and improve the holistic health of lesbian, gay, bisexual and transgender people aged over 16 years within Scotland; to provide support which contributes to the health and wellbeing of relatives, friends and work colleagues of such lesbian, gay, bisexual and transgender people; to work with other organisations and individuals in order to achieve improvements in the health of such lesbian, gay, bisexual and transgender people; and to provide, publish and disseminate information and resources on aspects of health relating to lesbian, gay, bisexual and transgender people.
7. A full copy of the Memorandum and Articles of Association is available on request.

Statement of Purpose, Values and Conduct

8. The mission of LGBT Health and Wellbeing is to advance and promote the health and wellbeing of lesbian, gay, bisexual and transgender people in Scotland.

9. In achieving this mission, the organisation shall conduct itself appropriately in all business internally, and dealings externally, by acting with integrity and honesty in all circumstances. In addition, it shall be accountable and transparent in everything it does, through clear communications and the presentation of information about the organisation's mission internally and externally.

10. The Board of Trustees, as guardians of the organisation and those who have collective legal responsibility for the overall management and decision making of the organisation, should be clear about their responsibilities and the manner in which they should be enacted. The Board should seek to provide ongoing guidance to the management team and the wider staff complement in fulfilling their own responsibilities as employed individuals tasked with delivering the aspirations of the Board for the organisation.

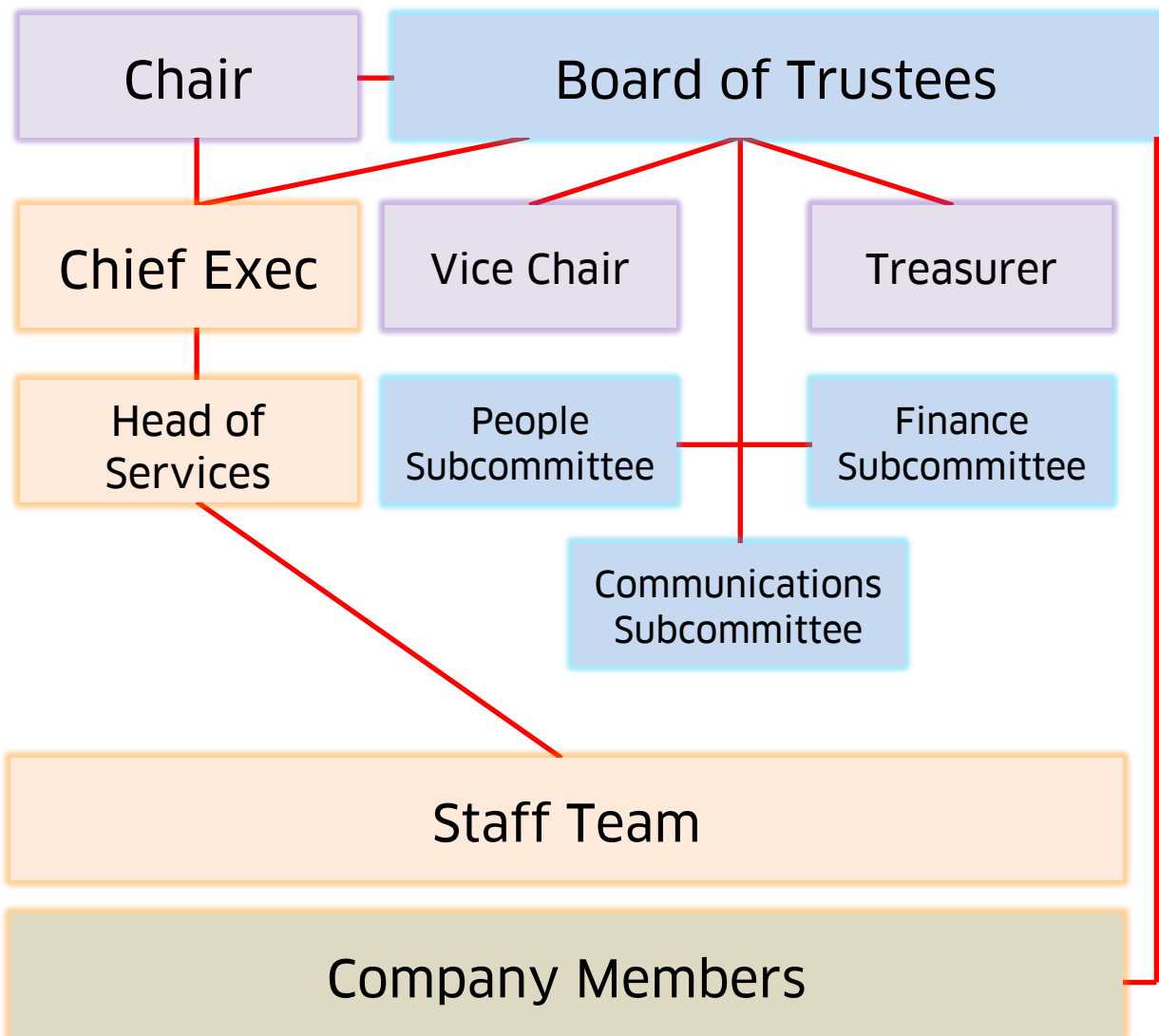
11. Trustees will:

- Act within this **Governance Framework** and the **Memorandum and Articles of Association**
- Respect **confidentiality** of discussions within the Board environment, and in relation to operational matters discussed.
- Work **considerately and respectfully** with all. Respect diversity, different roles and boundaries, and avoid giving offence.
- Act in the **best interests of the organisation** at all times by considering what is best for the organisation and its beneficiaries; and avoiding bringing the organisation into disrepute.
- Understand their **role and responsibilities** collectively and individually in relation to their legal duties; their stewardship of assets; the external environment; setting and safeguarding the vision, values and reputation of the organisation; overseeing the work of the organisation; and managing and supporting staff, volunteers and each other.
- Ensure that the organisation delivers its stated **mission** by keeping that mission remains relevant and valid; by developing and agreeing a long term strategy; by agreeing operational plans and budgets; and by monitoring the implementation of that strategy over the longer term.
- **Work effectively** together in the pursuit of organisational business, recruiting new Trustees to meet the organisation's changing needs in

relation to skills, experience and diversity and through periodically reviewing their performance as individuals and as a team.

- Make an **effective contribution** to the work of the Board; by attending meetings of the Board and meetings of subcommittees (sending apologies where this is not possible); by preparing fully for these meetings (reading the papers circulated beforehand and consider in advance areas for contribution); by actively engaging in meetings in an intelligent; constructively challenging and helpful fashion; by respecting the role of the Board as the ultimate authority in relation to the organisation; and by accepting collective decisions as made by the Board and operating in line with these decisions.
- Ensure **accountability** by making sure the organisation complies with the legal and regulatory framework; by ensuring that good internal financial controls exist; by ensuring that risk is managed and risk mitigation strategies are in place; and that by ensuring authority delegated to subcommittees and staff is properly supervised.
- Be aware of and manage **conflicts of interest** effectively, by registering, declaring and resolving conflicts of interest, and ensure that they do not gain financially or otherwise through the activities of the organisation.
- Provide suitable **induction** for new board members, and providing all Trustees with opportunities for **training and development** in accordance with their needs
- Be **open**, both internally and externally, with appropriate consultation on significant changes to the organisation's services or policies; through seeking, listening and responding to the views of company members, patrons, funders, service users and others with an interest in the organisation's work; through effectively handling complaints in a constructive, impartial and effective fashion; and through considering the organisation's responsibilities to the wider community.
- Respect the **operational autonomy** of the staff team. In engaging formally or informally with the wider organisation, ensure that relationships remain appropriate and have due regard to the dynamics of authority.
- Act as an **Ambassador** for the organisation; in engaging with the staff, team and wider stakeholder base, present as a positive and credible representative of the organisation.

Governance Structure



The Board of Trustees

General

12. Under charity law, an organisation with charitable status is required to appoint a Board of Trustees to ensure that the organisation acts in line with charitable aims and objectives under legislation. The role of the Board of Trustees is responsible for acting as 'guardian' of the organisation's mission, ensuring that the organisation is well run in strategic and operational terms, and acting as the ultimate accountable body in terms of legal and financial requirements.

Appointment of Trustees

13. Individuals shall be eligible to apply to join the Board throughout the year. This shall take place through the submission of a volunteer application form outlining the prospective trustee's skills, experience and motivation for seeking to join the Board. On a quarterly basis, a rotating panel of the Board shall consider applications submitted over the previous quarter and invite applications assessed as suitable to an informal discussion. Following further discussion and consideration, prospective Trustees shall be invited to attend Board meetings as observers. Subsequently, if willing, the prospective Trustee shall make written representations to the Board, who will decide whether to co-opt the protective Trustee as a full member of the Board, with all the rights and responsibilities that entails. All Trustees shall subsequently be elected at an Annual General Meeting through a ballot of company members. The ballot shall be secret and administered by the Company Secretary. Trustees standing for election shall be required to verbally present their reasons for wishing to be elected to the Board. In managing itself, the Board shall not exceed 13 Trustees, and shall seek to be a body which is diverse in terms of skills, experience and professional background. Trustees shall be required to submit themselves for re-election at the Annual General Meeting at 3 year intervals. New Trustees shall undergo an enhanced disclosure check.

Remuneration

14. Trustees may not claim remuneration for undertaking duties. Under certain circumstance, Trustees may claim expenses, subject to the Chair's agreement.

Conflict of Interest

15. Trustees shall be required to complete an annual declaration of any conflicts of interest, which shall be facilitated by the Company Secretary. A conflict of interest is any situation in which a trustee's personal interests, or interests that they owe to another body, may (or may appear to) influence or affect the trustee's decision making. This could include financial or non-

financial gain, or a conflict of loyalty. Concerns should be discussed with the Chair in the first instance.

Liability and Indemnity

16. Trustees of charitable organisations are not normally held financially liable for the debts occurred as a result of contracts, nor are they individually liable for negligence. In the event of the organisation becoming insolvent, the liability for individual Trustees is £1. Trustees remain liable personally if they breach their statutory and fiduciary duty as a Trustee by using the organisation's assets for personal gain; trade wrongfully under insolvency legislation; commit fraud; or become a Trustee whilst disqualified under charity law.

Appointment of Chair and Vice-Chair

17. The Board shall appoint a Chair and Vice-Chair. Both Chair and Vice-Chair shall be elected to serve for a 3 year period, with an option to run for further terms as they wish. In the event of multiple nominations, elections to the positions of Chair and Vice-Chair, shall be held by secret ballot, and organised by the Company Secretary. In the event that a Chair or Vice-Chair wishes to resign within their term for whatever reason, they shall submit written notice to the Board not less than 1 month from the desired date of their resignation. Provided the Board is content to accept a resignation, new elections for the post(s) shall be scheduled. In the event that a trustee loses confidence in either the Chair or the Vice-Chair, they may initiate a motion of no confidence in either or both. A vote of two-thirds of all Board members indicating no confidence requires the Chair, Vice-Chair or both to resign that position and for fresh elections to be held. A former Chair or Vice-Chair continues to serve on the Board as a trustee.

Appointment of other office holders

18. The Board shall appoint a Treasurer, and any other positions of responsibility not defined within the articles of association that it wishes to.

Role of Chair

19. The responsibility of the Chair is to lead the Board in the exercise of its responsibilities, chair meetings of the Board, ensuring smooth running of meetings, oversee the operation of Board business, line manage the organisation's senior staff member and act as the primary link between the Board and the staff team. The Chair may take on additional responsibilities relevant to the wider organisation.

Role of Vice Chair

20. The responsibility of the Vice Chair is to deputise for the Chair in all circumstances relevant to the Chair's responsibilities, subject to regular

dialogue between Chair, Vice Chair and the wider Board. The Vice Chair may take on additional responsibilities relevant to the wider organisation.

Role of Treasurer

21. The responsibility of the Treasurer is oversee all aspects of financial management, working with staff and advising the Board with a view to safeguarding the organisation's finances.

Board meetings

22. The Board shall meet at least 6 times a year to discuss organisational business. A meeting will be supported by a written, timed agenda and supporting papers in cases where the Board is required to either take a decision or note a matter for information. The agenda and supporting papers shall generally be circulated to the Board no later than 1 week prior to the meeting. At the meeting, a quorum of 50% of Board members shall be required to conduct Board business. The meeting shall be chaired by the Chair, or in their absence, the Vice-Chair. The chair of the meeting shall be responsible for ensuring the items of the agenda are progressed in a consensual fashion, and to time. The senior staff member of the organisation should be present, and can participate fully, aside from votes and discussions classed 'Board only'. The senior staff member may choose to bring any other members of staff, at their discretion, and to ask a senior staff member to deputise in their absence. Observers may also be present, at the Chair's discretion.

Conducting Board business between meetings

23. A matter can agreed by correspondence between meetings. This would usually be either in situations where the matter was not judged significant enough to warrant consideration at a full meeting, or a decision required to be made urgently that could not wait until the next scheduled Board meeting. For a matter to be agreed by correspondence, the Trustee or senior staff member should, following informal discussion with the Chair or Vice-Chair, submit a written paper to the Chair setting out the background of the matter, and precisely what they are seeking Board agreement to. The Chair will circulate the paper to all Board members inviting them to note their views as either content, or provide comments within 5 working days. If any Trustee indicates they are not content, the matter will proceed to the next full Board meeting for discussion and a vote.

Sub-committees

24. Subcommittees shall exercise functions delegated from the Board, as follows:

Subcommittee	Responsibilities
Communications	Oversee the development of projects and initiatives relevant to the organisation's communications and marketing; maintain oversight of policies and procedures relevant to communications and marketing; and consider innovative ways to promote the organisation to key external stakeholders
Finance	Maintain oversight of organisational budgets; oversight of policies and procedures relevant to finance, including reserves; oversight of the audit and budget processes; and support and influence the organisation's approach to fundraising.
People	Oversight and agreement of policies and procedures relevant to the organisation's people; development of processes designed to create an effectively run organisation with confident and motivated staff; oversight and manage the grievance, disciplinary and complaints process where cases are escalated to Board level; oversight and progress development of policies and procedures relevant to operational business; and consideration of wider public policy landscape as it relates to the organisation.

25. In terms of membership, those subcommittees will consist of at least two Trustees, and staff will be invited to attend where appropriate. Members will be appointed by the Board, who retain ultimate decision making authority in relation to the work of all subcommittees. Each subcommittee shall appoint a chair, who will coordinate the work of the subcommittee and agree a schedule of business and meetings with members. Whilst there is no formal requirement for subcommittees to meet a set number of times in the year, the chair of that subcommittee will consider what is most appropriate in the effective conduct of their subcommittee's business.

26. Each subcommittee chair will consult with the Board Chair on an ongoing basis as to whether particularly subcommittee matters are considered by the full Board. Subcommittee chairs will update the full Board on the business of their subcommittee at each Board meeting and seek the Board's views, as a standing item. They should use the template at page 17.

27. In respect of specific matters, the Board can decide to set up short term working groups, which should operate broadly in line with procedures set out for the operation of sub-committees.

Annual and Extraordinary General Meetings

28. The Chair and the Company Secretary shall have joint responsibility for ensuring that the organisation holds an Annual General Meeting. The Company Secretary shall arrange for the notice of the AGM and relevant papers, including the Annual Report, to be sent to company members and stakeholders at least 20 days before the meeting.

29. In the event of exceptional circumstance, an Extraordinary General Meeting may be called. The decision to call an EGM is made by the Chair, in consultation with the Board, the Company Secretary and others.

Conduct of Trustees

30. If a Trustee is considered to be in breach of the Statement of Purpose, Values and Conduct, a panel of the Board will be appointed to investigate and make suitable recommendations to the full Board for appropriate action. This may include calling a vote of confidence in the Trustees, which if carried compels the Trustees to resign with immediate effect.

Departure of Trustees

31. Any Trustee wishing to leave the Board may either seek to stand down/ not seek re-election at the AGM or give written notice to the Board of one month. Departing Trustees will conduct an exit interview with a nominated Board member.

Role of Observers

32. Observers shall be able to participate fully in Board business, albeit without voting rights. The Statement of Purpose, Values and Conduct applies to observers just as it applies to Trustees, and observers will therefore conduct themselves in an appropriate fashion.

Delegated Operational Authority

Appointment of senior staff member

33. The Board shall appoint a senior staff member (the Chief Executive) to lead the implementation of the organisation's strategy in line with charitable objectives. Appointment shall be conducted by a panel member comprising the Chair, one other Trustee with relevant experience and an external member. The Chief Executive shall operate autonomously with regards to all operational matters, seeking Board guidance and following Board instructions in relation to interpretation of the organisation's strategy, critical issues of relevance to the organisation, and management of the organisation's finances outwith delegated limits.

Accountability of senior staff member

34. The Chief Executive is accountable to the Board for all relevant matters pertaining to the organisation. For administrative purposes, the Chair shall directly line manage the Chief Executive. The Chief Executive will be appraised annually by the Chair on performance objectives, which should relate to matters in which the senior staff member is accountable to the Board and be agreed by the Board at the commencement of each reporting year. To ensure fairness and transparency, the Vice Chair shall countersign the appraisal. The Chair shall keep the wider Board informed of any relevant developments in relation to the line management of the Chief Executive.

Accountability of other staff members

35. All official communication regarding Board matters, operational matters and accountability issues shall be conducted with and through the senior staff member, and involve the Chair. In informally communicating with other staff members, Trustees should consider carefully how they handle such communications in the interests of preserving operational autonomy, the organisational chain of command and matters of confidentiality. Any concerns around such communications may be brought to the attention of the Board by the senior staff member or a Trustee.

Outline of delegated authority

36. A number of decisions are reserved to the Board in line with its responsibilities for ensuring the organisation functions within relevant legislation; determining the overall strategic direction of the organisation and ensuring the availability of resources; monitoring the performance of the staff team and, through the senior staff member, holding them to account for the exercise of powers and delivery against plans and budgets; promoting and protecting the organisation's mission, values, integrity, image and reputation and ensuring high standards of governance that command the confidence of the organisation's stakeholders. The majority of operational decisions are delegated to the senior staff member, in line with their responsibilities for

managing the organisation in accordance with the strategic, planning and budgetary limits. The following table clearly outlines matters which remain reserved to the Board (with advisory input from the Chief Executive as appropriate) and matters which are delegated to the Chief Executive (with advisory input from the Board as appropriate).

Subject	Reserved to Board	Delegated to Chief Executive
Strategy	<ul style="list-style-type: none"> • Establish and define the mission and strategic objectives of the organisation 	<ul style="list-style-type: none"> • Implement the organisation's mission and strategic objectives
Governance	<ul style="list-style-type: none"> • Develop and maintain a framework for the good governance of the organisation • Manage recruitment, and performance of Chief Executive • Co-opt Trustees 	<ul style="list-style-type: none"> • Develop and maintain the organisational structure and staffing below the level of Chief Executive • Develop suitable policies relating to people, performance and service delivery
Reporting	<ul style="list-style-type: none"> • Provide financial overview (Treasurer) • Consider regular reports against strategic objectives • Consider and approve the Annual Report for the AGM • Input into Trustee section for Annual Report 	<ul style="list-style-type: none"> • Draft and provide regular reports against delivery of strategic objectives • Report on significant developments that impact on delivery in a positive or negative sense • Draft and provide the Annual Report for the AGM, seeking input on Trustee section from Chair
Finance	<ul style="list-style-type: none"> • Maintain adequate fiscal oversight • Agree variations to the approved budget where the variation would have a significant impact on the overall approved levels of income and expenditure • Consider and approve annual budget and accounts for AGM 	<ul style="list-style-type: none"> • Prepare the annual budget in line with strategic priorities • Make adjustments to the approved budget where the variation would not have a significant impact on the overall approved levels of income and expenditure • Draw up the Annual Accounts for AGM, in conjunction with the Treasurer

Reporting requirements

37. For each Board meeting, the Chief Executive shall produce a report summarising work done to implement the organisation's strategic objectives and secure the organisation's financial sustainability. The Head of Services shall produce a report summarising operational matters and progress on service delivery. These reports should highlight any key issues the Board should be aware of, and include details of current fundraising efforts and operational achievements/challenges. The Treasurer shall produce a written report on the current finances of the organisation, highlighting key issues for the Board's attention and/or comment.

Escalation

38. There are some issues on which the Board requires early warning or dialogue, or, on which the senior staff member may seek the Board's steer and/or input. Escalation will apply to issues/cases involving potential:

- major financial decision
- significant deviation from agreed strategy
- novelty or precedent setting e.g. an issue becoming a 'test case'
- significant degree of controversy/contentiousness or political sensitivity
- damage to reputation e.g. adverse events, negative media interest
- damage to key relationships
- personal impact on Trustees

39. Escalation ensures that the Board is made aware of issues of high risk/high impact, and enables it to be kept informed, explore issues with the senior staff member and exercise discretion as to whether or not it may need to formally approve decisions/action. In such instances, the senior staff member should contact the Chair or Vice Chair to discuss whether the issue in question requires escalation.

Emergencies

40. In the event of an emergency situation arising, a staff member shall liaise with the Chair. The Chair shall ensure the Board is kept informed through correspondence at the earliest possible opportunity. In certain circumstances, an emergency Board meeting will be called to discuss and vote on any matter. This shall be at the discretion of the Chair.

Trustee Declaration

I,

As a Trustee and Director of LGBT Health and Wellbeing,

Agree during my tenure to abide by the principles contained within the Governance Framework of the organisation. I can confirm that I have read, understood and am fully subscribed to the Governance Framework, particularly in relation to:

- (a) the role and responsibility of a Trustee;
- (b) the level of delegated authority;
- (c) the statement of values; and
- (d) the code of conduct

Through the principles contained within the document, I commit to fully and actively playing my part in furthering the aims and objectives of LGBT Health and Wellbeing.

Signed:

PRINT NAME:

Date:

Co-signed by Chair:

PRINT NAME:

Date:

Subcommittee Reporting Template

Subcommittee	
Chair	
Membership	
Staff	
Scheduled Meetings	

Matters for Board Information [bullet points]

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Matters for Board Information [one box each, summarising decision sought, consideration given and subcommittee recommendation – with supplementary information attached as annex]

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