

RIVER RESTORATION CENTRE (RRC)
Board of Directors Terms of Reference

1. Governance Structure

RRC is a not-for-profit company limited by guarantee without share capital. As a company, the RRC is required to have an overseeing Board of Directors including a Chair and Secretary. All directors are non-executive directors.

The Company also currently has Voting Members who have signed up to the Memorandum and Articles of Association of the company. Being 'limited by guarantee' allows members to have confidence that the organisation is limited in its liabilities if the company should wind up and is found to be in deficit. The limit is the sum of £10 per member.

The RRC Board of Directors is supported by an Advisory Group, consisting of representatives of RRC's major core funders (e.g. Environment Agency, Natural Resources Wales, Northern Ireland Environment Agency, NatureScot, DFI Rivers, and Natural England) and strategic 'sector' representatives e.g. from the research sector and NGOs.

2. RRC Directors

RRC directors are appointed on a personal basis and have a fiduciary duty to act in the interests of the company, rather than in their own interests; they also have a duty to exercise care and skill.

The Board of Directors is collectively responsible for the success of the company, primarily through ensuring good governance but also through supporting its direction and standards.

3. Directors' Roles *(taken from the Higgs recommendations – see link section 10)*

The Board of Directors:

- Provides entrepreneurial leadership of the company within a framework of prudent and effective controls that enable risk to be assessed and managed.
- Sets the company's strategic aims, ensures that the necessary financial and human resources are in place for the company to meet its objectives, and reviews management performance.
- Sets the company's values and standards and ensures that its obligations to its members are understood and met.
- All directors must take decisions objectively in the interests of the company. The role of the non-executive director (i.e. an RRC director) has the following key elements:
 - Strategy. Non-executive directors should constructively challenge and help develop proposals on strategy.
 - Performance. Non-executive directors should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
 - Risk. Non-executive directors should satisfy themselves on the integrity of financial information, and that financial controls and systems of risk management are robust and defensible.

- o People. Non-executive directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors, and in succession planning.

4. Directors' Duties

The duties of company directors include:

- Acting in good faith and in the best interests of the company's members.
- Taking the same degree of care in managing the company's finances, assets and affairs as a reasonably prudent businessperson would take in respect of their own business. This includes taking professional advice when needed and making decisions as a body.
- Keeping the account books in such a way that they can be audited or examined each year.
- Arranging for an independent audit, if required, and presenting the audited accounts and financial statements to the members at each Annual General Meeting (AGM). Producing an annual report and filing the annual accounts and annual returns each year at Companies House (N.B. filing the accounts late can result in an automatic fine of at least £100 and as much as £100,000, depending on degree of lateness).
- Supervising and managing the company's Managing Director and ensuring the proper management of the employees.
- Complying with employment and health and safety law, and making sure the organisation is properly insured, accountable to funders and has plans and strategies in place for its work.
- Filing the accounts with Companies House within 10 months after each year end. Maintaining the 'statutory books' i.e. the Register of Members, the Register of Directors and Company Secretaries and the Register of Charges - secured loans made to the company. Keeping proper minutes of meetings, both general meetings and directors' meetings. Making sure that company law is complied with when giving notice of, and holding, meetings.
- Notifying UK Companies House of changes in directors or Company Secretaries within 15 days after each change.
- Ensuring that an AGM is held in accordance with the requirements of the Companies Act and the company's Memorandum and Articles of Association; obtaining internal and external agreement to all documentation for circulation to company members; preparing and issuing notices of meetings; and distributing proxy forms.
- At meetings, ensuring that proxy forms are correctly processed and that the voting is carried out accurately; co-ordinating the administration and minuting of meetings.

5. Term and Commitment

Directors are expected to serve a three-year term starting at an AGM, after which they may step down and retire or be available for re-election. A director may, however, resign their post at any time. New directors may be co-opted to the Board at any point in the year in advance of the AGM at which they are then ratified.

The Board shall appoint a Chair, a Secretary and one or more Vice-Chairs. The Chair shall be appointed for a three-year tenure. The Vice-Chair(s) shall not automatically become Chair. The Vice-Chair and Secretary roles shall be reviewed every three years (six months prior to reappointment). The Chair shall receive an Honorarium for the role, subject to board approval. The terms of reference of the three roles are appended.

Directors are expected to offer their time at no cost to the RRC. To minimise time commitments, four quarterly Board meetings are held each year along with a Strategy Development Day at which, amongst other things, strategic direction for the following financial year is reviewed. Attendance at the January RRC Advisory Group meeting and the AGM is encouraged but not mandatory. The Advisory Group meeting is scheduled to take place on the afternoon of the January Board meeting. The AGM and Strategy Development Day take place on the day after the June and October Board meetings respectively to minimise travel time. Directors can claim reasonable travel costs from the RRC for attendance at meetings if not covered by their employer; where accommodation is required, it will be booked and paid for by the RRC.

In addition to the formal posts of Chair, Vice-Chair and Secretary, directors are encouraged to take individual responsibility for advising on aspects of RRC business that lie within their areas of technical or corporate governance expertise. Current examples include:

- Health and safety, HR, risk, finance, communication, business strategy.
- Natural capital, rewilding, natural flood management.

Furthermore, directors will be asked to agree a set of individual objectives which will be aligned with the RRC's strategic plan and reviewed on an annual basis.

On the basis of their expertise, individual directors may be approached by RRC staff with a request to provide specialist advice on specific issues. However, responsibility for execution and outcomes remains with the RRC executive and does not transfer to the respective director.

6. Board Meetings

A draft agenda will be circulated one month prior to each meeting, with the final agenda and notes circulated two weeks prior to the meeting. Additional information may need to follow or be tabled on the day if there is not time to circulate it beforehand.

Meetings timetable:

Month*	Meeting	Participants
Jan/Feb	Board of Directors and Advisory Group	Directors, Key Staff Advisory Group, Key Staff
Mar	Board of Directors	Directors, Key Staff
Jun/Jul	Board of Directors and AGM	Directors, Key Staff Directors, Advisory Board, Voting Members, All Staff
Oct/Nov	Board of Directors and Strategy Development Day	Directors, Key Staff Directors, All Staff

*Dates are fixed 18 months in advance, except the AGM which requires significant additional planning (date finalized six months prior).

One short board meeting is held before the AGM and combined with a local site visit. The AGM venue changes from year to year depending on the visit. The Chair, Vice-Chair and Company Secretary are elected at the AGM.

From time to time the Board will convene sub-groups to address specific issues. These are not mandatory and depend on the expertise/interest of the individual and their availability, although all directors should be willing to serve on a sub-group.

7. Related Roles

On resigning, an ex-director will be invited to become a 'Voting Member' of the RRC Ltd Company and sign up to the Company's Memorandum and Articles of Association. This membership differs from being purely a subscriber to RRC's services. RRC Voting Members are invited to attend the AGM and are needed to vote on specific Company issues (e.g. occasional changes in company articles, constitution, etc).

Those directors who are willing and able to offer paid professional input to RRC's deliverables to subscribers and other clients may apply to become RRC Expert Advisers, a role also open to other professionals, whether or not they are directors.

8. Information Supplied to Directors

The following information is supplied to new directors, and is available to any director on request:

- Memorandum and Articles of Association of the Company.
- List of current RRC Board of Directors, Advisory Group, RRC staff and contact details.
- RRC Strategic Plan.
- Minutes and attachments of past year's meetings.
- Dates of the next six Board meetings.
- Mini biographies detailing the interests and background of the current directors.

9. Information Required from Directors

- A one-page mini biography.

10. Relevant Links

For an overview of the River Restoration Centre's activities see:

<http://www.therrc.co.uk/>

Further information on the responsibilities of company directors can be found on the Companies House website at:

<http://www.companieshouse.gov.uk/about/guidance.shtml>

In addition, the following link provides more information on the other responsibilities of a company director:

<http://www.businesslink.gov.uk/bdotg/action/detail?type=RESOURCES&itemId=1075133056>

The following link is to the Financial Reporting Council (FRC) 'UK Corporate Governance Code'. This very briefly sets out a Board's role in leadership, effectiveness and accountability. From a review of the Code, there is also a second short FRC document of 'Good Practice Suggestions' detailing the role of a Chairman, Non-Executive Directors and a checklist for considering new directors.
<http://www.frc.org.uk/corporate/ukcgcode.cfm>

11. RRC Voting Members

RRC defines 'Voting Members' as those who are invited to subscribe to the Memorandum and Articles of Association of the company. The Voting Members form a small group of individuals, each of whom has served as a director of RRC in the past.

Voting Member's Role

The Voting Members ratify new and reappointed directors, review the annual report and help to gauge the plans and future direction of the business at the Annual General Meeting (AGM). When occasionally necessary, they vote on special resolutions outside the remit of the Board such as at Extraordinary General Meetings (EGM) (e.g. changes to the Memorandum and Articles of Association of the company).

The current RRC Voting Members as of March 2023 are:

Richard Vivash	Chris Spray
Dan Alsop	David Gilvear
David Sear	Andy Gill
Andrew Brookes	Karen Fisher
Geraldine Wharton	Andrew Pepper
Orlanda Harvey	Will Bond
Melvyn Bramley	Kevin Skinner

APPENDIX 1: TERMS OF REFERENCE FOR SPECIFIC BOARD ROLES

The Chair

The role of the Chair is to provide leadership and direction to the Board as authorised by the Memorandum and Articles of Association of the Company or agreed by the Board of Directors. The Chair's role is also to work in partnership with the Managing Director and support the employees, helping them achieve the aims of the organisation, and to optimise the relationship between the Board and the staff. The tasks include:

- Chair the meetings of the Board and the AGM, and to develop the agenda with the Managing Director.
- Act on behalf of the RRC (for example, representing it at functions, meetings or in the press).
- Lead on the development of the Board and ensure its decisions are implemented.
- Support and supervise the Managing Director and undertake performance reviews.
- Take urgent action (but not decision making unless authorised) between Board meetings when it isn't possible or practicable to hold a meeting.
- Contribute to written responses and external boards as required.
- Support the incoming Chair (in the capacity of a Vice-Chair) during the year following their appointment.

In a typical year the activities include agreeing the agenda and papers, attending and chairing the Board meetings and AGM, and commenting on the draft minutes. It also involves:

- Supporting the MD in implementing the strategic plan and management of staff through regular conversations and annual performance reviews. In this, the Chair may be assisted by the director responsible for HR.
- Agreeing the review of draft accounts and budget with the director responsible for financial matters.
- Attending the annual conference and, where appropriate, assisting and speaking as needed on technical and/or organisational matters.

The Chair may be required to lead sub-groups on particular strategic or technical areas that arise for the RRC as well as special meetings such as business strategy reviews.

Through the Chair's professional networks, they should be an advocate and representative for the RRC, and influence those who fund the organisation and/or use its services. If the Chair does not have a background within the sector, they may be assisted in the technical and representational aspects by a Vice-Chair.

The Vice-Chair(s)

The RRC has a specific role of Vice-Chair of the Board. The Vice-Chair is elected or appointed to this role as set out in the Articles of Association. A second Vice-Chair may be appointed as required to ensure appropriate coverage of technical and corporate skills.

A Vice-Chair may act as a deputy for the Chair, taking on the Chair's role when the Chair is absent or where conflicts of interest may exist. A Vice-Chair may be the 'Chair-in-waiting' and may take over the Chair's role in the future or may offer technical or corporate governance support to the

current Chair. The post is also offered to the retiring Chair to enable them to provide support to the newly appointed Chair.

The Company Secretary

The Secretary is elected or appointed to this role as set out in the Memorandum and Articles of Association of the Company. The purpose of the role is to ensure that the RRC complies with the requirements of company law. The Secretary shall ensure that the RRC staff undertake those duties of a Company Secretary that have been delegated to them. These include:

- Completing and filing confirmation statements, annual accounts and tax returns.
- Maintaining company registers and records.
- Reporting required changes to Companies House and HMRC.
- Arranging meetings of the board and the AGM and ensuring the minuting of those meetings.

The Secretary may:

- Minute, or delegate and assist in minuting, the company meetings and particularly confidential sections of meetings where employees are not present.
- Execute legal documents for the RRC, as authorised by the Board, and be authorised as a co-signatory on company cheques.
- Review developments in corporate governance, facilitate the proper induction of directors into their role, and advise and assist the directors with respect to their duties and responsibilities especially with regard to compliance with company law.
- Monitor and lay in place procedures that allow for compliance with relevant regulatory and legal requirements, particularly under the Companies Act, including meeting legal requirements on retention of documents; this includes retaining the minimum set of records required and ensuring that procedures are in place to allow an adequate historical archive to be maintained.

CT/MJ 20 Mar 2023

APPENDIX 2: RRC CHAIR'S HONORARIUM

This note sets out the Board resolution (June 2017) and the process for recording, assessing, varying and agreeing the honorarium payment.

Resolution of the Board June 2017

Remuneration of the Chair will be £3,000 pa maximum. This is not based on a rate per day but rather a contribution to recognise the additional work that is required of the Chair, over and above what is expected of directors.

Commitment

This input is expected to vary from year to year but anticipated to be in the range of 9 to 13 days. This should be assessed on an annual basis against days spent on the Chair's role to verify if the full £3,000 is to be awarded.

- Should the number of days be fewer than 9, then the Board may decide to pro-rata the honorarium downward where appropriate.
- Should the number of days exceed 13, then Vice-Chair and Secretary will consult the Board members to determine if a one-off increase to the honorarium is due, up to a maximum total honorarium of £5,000.

Where one-off items with an anticipated time commitment are required, this input should be agreed in advance with the MD and the Board to decide if this is a standalone paid role (equally applicable to other directors) or a necessary part of the Chair's role.

Time Recording

The Chair of the Board shall record days for the year April to March under the following headings:

Director duties

- Board meetings
- Other agreed director items (clearly list each separately)

Chair's additional duties

- MD Performance Management
- MD-Chair Communication
- Chair-Board Communication
- Board Process Improvement/Functioning
- Strategy Development/Planning
- Director Recruitment
- Conference
- Meeting administration (e.g. agenda-setting, minutes, pre and post meeting comms)
- Business administration (e.g. financial matters, insurance, contracts)
- Other agreed Chair items (clearly list each separately)

See Appendix A for time recording format, based on previous years.

Review Process

Chair to submit recorded days using Appendix A template two weeks prior to the March Board meeting. MD is to contact the Secretary and Vice-Chair in the week prior to the March Board

meeting to ask them to review the submitted table of days. If this accords with the standard honorarium of £3,000, it is signed off by Secretary and Vice-Chair, who will inform the Board and MD who will then notify the Chair and arrange letters and payment.

Should the number of days worked be fewer than 9 or exceed 13, then Vice-Chair, Secretary and MD will propose an amendment in line with the above guidance and will consult the Board members to discuss and agree the decision. The Board will inform the MD who will notify the Chair and arrange letters and payment.

Reporting

A short note should be prepared confirming the remuneration agreed by the Secretary and Vice-Chair for the Summer AGM and recorded in the relevant Board Minutes. This should include a summary of the last 3 years' remuneration (see Appendix A).

Appendix A: Example of time recording for RRC Chair

	19/20	20/21	21/22
Director Role			
Board Meetings (Prep, attend, actions)	4	5	5
Additional Chair Role			
Chair-Board communications	2.5	2.75	1.5
Board process improvement and functioning	1.5	1.25	0.75
MD-Chair communications	1	1.5	1.5
MD performance management	0.25	0.5	0.5
Strategy development and planning	1.5	2	1.5
Meeting administration (agendas, logistics, minutes, pre and post meeting comms)	4.25	2	1.25
Recruitment	1	0.25	3
Handover (calls and visit to RRC)	1	0	0
Media and comms correspondence	0.5	0	0
Business admin correspondence (re: finance, banking, insurance, etc)	0.25	1.5	0.5
Conference	0.25	0.25	0.5
TOTAL Chair Role Days	14	12	11
Honorarium value agreed			