



# *the River Restoration Centre*

*Working to restore and enhance our rivers*

## **RIVER RESTORATION CENTRE (RRC) - BOARD OF DIRECTORS**

### **Role and responsibilities**

#### **1. Governance Structure**

The River Restoration Centre is a not-for-profit company limited by guarantee. The company Memorandum and Articles of Association requires RRC to have an overseeing Board of Directors, including a Chair and Secretary. All Directors are non-executive, individuals (i.e. not representing an organisation) and unpaid.

The company also has Voting Members (see section **Error! Reference source not found.**) 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 should the company wind up and be in deficit. The limit is the sum of £10 per member.

The Company Secretary has specific duties and formal responsibilities set out by Companies House, most of which are met by RRC staff on his/her behalf.

The RRC Board of Directors forms one element of the RRC Management Board, the other element being the Advisory Board, consisting of representatives of the major 'core funders' (Environment Agency (three representatives), Scottish Environment Protection Agency, Rivers Agency (Northern Ireland), Scottish Natural Heritage, Natural Resources Wales and Natural England).

#### **2. RRC Directors**

RRC Directors are appointed on the basis of their personal skills, expertise and experience. Although many are, or have been, employed by a company or organisation, each Director is appointed on a personal basis (unlike members of the Management Board, who represent their employing organisation and are nominated by those organisations). Any Company Director has a 'fiduciary' duty to act in the interests of their company rather than in their own interests, and they also have a duty to exercise care and skill.

Directors are required to govern how RRC is run as an organisation; how it is managed and how it should develop in the future to address critical business areas. Thus their input is more strategic than being directly involved in deliverables or day-to-management.

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

The Board of Directors is collectively responsible for the success of the company.

The Board:

- Provides leadership of the company within a framework of prudent and effective controls which 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; and

- Sets the company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

All Directors must take decisions objectively and 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; and
- 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 business person 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. (*This task is compiled by the RRC Business and Financial Manager and checked by the RRC external accountants (Rees Associates).*)
- Arranging for an independent audit, if required, and presenting the audited accounts and financial statements to the members at each annual general meeting. Producing an annual report and filing the annual accounts and annual returns each year at Companies House and the Charity Commission. (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).
- 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 and the Charity Commission within 10 months after each year-end. Maintaining the 'statutory books' - that is, the Register of Members, the Register of Directors and Company Secretaries and the Register of Charges – and any? secured loans made to the company. Ensuring that? Proper minutes are kept etc? 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.

*The actioning of these duties is mostly undertaken by RRC staff, but the responsibility for ensuring this resides with the directors.*

## 5. Term and commitment

Directors are expected to serve a three year term starting at an AGM (though they can be co-opted to the board at any point during the year), after which they may step down and either retire or be available for re-election for a further 3 year term. A director may resign his/her post at any time by providing written notice.

Directors are expected to attend on average three of the four meetings per year, plus provide input/support/attendance at other meetings/sub-groups and the annual conference.

Directors are expected to provide their time and expertise/advice at no cost to RRC. To minimise time commitments no more than four Board meetings are held each year; though allowance should be made for pre-meeting reading of agenda items. Directors are able to claim reasonable travel costs (i.e. standard fare travel) from RRC for attendance at meetings, if not covered by an employer.

There may be times when additional strategic Board 'sub-groups' need to be called to focus on specific items. Volunteers are requested on the basis of skills, knowledge and availability.

In general, one director acts as the Company Chair, who serves for a minimum two year term, but also acts as Vice-Chair for the year prior and year after his/her two-year term of office. Example below (coloured wash shows Vice Chair support to the existing Chair):

	<b>Annie</b>	<b>Bob</b>	<b>Clare</b>
Yr0	Chairman (yr1)	Director	n/a
Yr1	Chairman (yr2)	Vice Chair (incoming)	Director
Yr2	Vice chair (outgoing)	Chairman (yr1)	Director
Yr3	Director	Chairman (yr2)	Vice Chair (incoming)
Yr4	Director	Vice Chair (outgoing)	Chairman (yr1)
Yr5	Director	Director	Chairman (yr2)

*NOTE. This approach may be altered as necessary by resolution of the Board*

The Chair is expected to allocate an additional 6 days to carry out their duties and represent RRC formally. For items outwith the expected Chairman role (as decided by the other directors) a maximum budget of £5,000 is available for agreed work items.

Directors are encouraged to adopt a 'responsibility area' within the Board where their individual skills and expertise are? best applied. Examples include 'finance', 'HR/learning & development' and 'research'. The purpose of this is so that individual will liaise with other directors and externally to provide input to strategy discussions and direction.

## 6. Board Meetings

A draft agenda will be circulated to the Chair and Secretary one month prior to each meeting. The agenda will be circulated to the Board two weeks prior to each meeting with notes and papers. Some tabled information may be necessary if there is not time to circulate this.

#### Meetings timetable:

Month	Meeting	Participants
January	Board & Management Board	Directors, Advisory Board
March	Board	Directors
June/July	Board & AGM	Directors, Advisory Board, Voting Members
Oct/Nov	Board	Directors

The Board of Directors usually holds a short Board meeting on the morning of the Management Board meeting, which follows after lunch.

The Board usually also hold a short meeting the afternoon/evening prior to the AGM. The AGM venue changes from year to year depending on the associated site visit (usually to the UK River Prize winner). The new Directors, 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 and availability of the individual, although all directors should be willing to serve on a sub-group.

#### **7. Related Roles**

On resigning or reaching the end of an elected term of office, 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 Advisors, a role also open to other professionals, whether or not they are directors. This paid role is via a sub-contractor agreement and is declared in the RRC annual accounts.

It is the responsibility of all directors that any potential conflict of interest is to be declared to the Chairman, recorded at relevant Board meetings and updated when necessary.

#### **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 Board, RRC staff and contact details;
- Current RRC Business Plan;
- Minutes and attachments of past year's meetings;
- Dates of the next two Board meetings;
- Mini biographies detailing the interests and background of the current directors.

## 9. Information required from Directors

- A one paragraph summary for the RRC website to appear on:  
[http://www.therrc.co.uk/rrc\\_organisation.php](http://www.therrc.co.uk/rrc_organisation.php)
- 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>

Martin Janes (Managing Director)/Kevin Skinner (Co. Secretary)  
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