

Housing SORP Working Party

Terms of Reference

1. Responsibilities

- 1.1 The responsibilities of the Housing SORP Working Party are to advise the SORP-making Body on:
- issues arising from the UK accounting framework as they relate to social housing providers (housing associations) and
 - the development and maintenance of the Housing SORP: *Statement of Recommended Practice for Social Housing Providers*.
- 1.2 In developing its advice, the SORP Working Party should be mindful of the principles set out in the Financial Reporting Council's (FRC's) *Policy and Code of Practice on SORPs*. In particular that the SORP should be developed in line with legislative requirements, current accounting standards and best practice.

2. Constitution and membership of the SORP Working Party

- 2.1 The Housing SORP Working Party shall be made up of no more than 20 voting members, including the Chair (see Section 3. below), approved by the SORP-making Body.
- 2.2 The membership of the SORP Working Party will include members that collectively have:
- a broad spread of sector knowledge and experience, for example, in relation to
 - size and level of complexity
 - traditional associations
 - transfer associations and
 - generalist and specialist associations
 - an understanding of the regulatory environment throughout the UK and the Republic of Ireland
 - a good understanding of housing associations' treasury and corporate finance functions and
 - knowledge and experience of financial reporting by housing associations in the UK and the Republic of Ireland.
- 2.3 SORP Working Party voting members shall be drawn from:
- senior finance staff from housing associations, ensuring the views of the national housing federations are represented by up to 12 finance professionals from the UK and the Republic of Ireland
 - England
 - Northern Ireland

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- Republic of Ireland
 - Scotland and
 - Wales
- members with the appropriate qualifications and experience from the professional advisory organisations
 - Association of Chartered Accountants - ACA
 - The Chartered Institute of Public Financial Accountants - CIPFA
 - Association of Chartered Certified Accountants - ACCA and
 - Council of Mortgage Lenders - CML.
- 2.4 The administrative function of the SORP Working Party will be provided by the Secretariat (see section 5. below).
- 2.5 A Technical Advisor contracted to the Secretariat will provide technical input to the SORP Working Party.
- 2.6 In accordance with the FRC's *Policy and Code of Practice on SORPs*, a member of FRC staff will be accorded observer status at all SORP Working Party meetings.
- 2.7 Housing Regulators from each of UK regions are invited to attend SORP Working Party meetings as observers.
- 2.8 Additional observers may be invited to attend meetings at the Chair's discretion.
- 3. Chair**
- 3.1 A recommendation for the Chair of the SORP Working Party will be agreed through a competitive process based on an open invitation to members of the SORP Working Party. Details of the recommended nominee will be forwarded to the SORP-making Body for approval.
- 3.2 The appointment is for a fixed term of three years, with a maximum tenure of six years. Upon the end of the fixed term, the SORP Working Party will vote on the re-election of the Chair and/or make a recommendation for an alternative Chair to the SORP-making Body for approval.
- 4. Selection of voting members of the SORP Working Party**
- 4.1 Vacancies for membership to the SORP Working Party will be filled through open advertisement and competition. Applicants will be invited to submit a CV with a covering letter setting out their credentials for membership of the SORP Working Party.

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- 4.2 Together, the Chair, the technical advisor to the SORP Working Party and the Secretariat will short-list applicants based on the needs of the SORP Working Party and make recommendations of the nominee(s) to the SORP-making Body for approval.
- 4.3 Nominations may be accepted with a CV to fill vacancies where there are a limited number of eligible candidates.

Senior finance staff membership class

- 4.4 Appointments are for a fixed term, renewable after three years with a maximum tenure of nine years. Upon the end of the fixed term, the SORP Working Party member may apply to seek re-election.

Professional advisor membership class

- 4.5 Appointments are for a fixed term, renewable after three years with a maximum tenure of nine years. Upon the end of the fixed term, the SORP Working Party member may apply to seek re-election.
- 4.6 Vacancies arising due to the resignation of professional advisors exceeding the maximum length of tenure may be filled by a separate advisor from the same firm.

5. Administration

- 5.1 The Secretariat to the SORP Working Party will be provided by the National Housing Federation.
- 5.2 A professional advisor contracted by the Secretariat will provide technical support to the SORP Working Party.
- 5.3 A staff member of the Federation will act as secretary to the SORP Working Party.
- 5.4 Staff from the Federation will attend and provide support to the SORP Working Party as and when required.

6. Working Party etiquette

- 6.1 Members must not use their position for personal gain in either business, political or social relationships. Therefore, a member or observer who has, or may be perceived to have, such a personal interest in a particular matter under consideration should declare that interest and withdraw from all discussions relating to it. In addition, members should take no part in any vote on such a matter.

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- 6.2 There may be occasions when the confidentiality of information will need to be respected or where commercial interests might be adversely affected by premature disclosure.
- 6.3 Although the papers for the SORP Working Party are sometimes distributed fairly widely for information and debate (and may, if appropriate, be quoted in the news media), sometimes certain papers may be sent only to actual members of the SORP Working Party. This will usually be indicated on the agenda. These papers and emails will be marked 'confidential' or 'for restricted circulation.' They will be sent out on the understanding that they will not be discussed or passed on to anyone other than another SORP Working Party member until such time as their confidential status is confirmed unnecessary by the Chair and/or Secretariat.
- 6.4 Papers are only restricted when more general knowledge could interfere with negotiations, or when tentative proposals are being put forward. These may be by the housing regulators, grant funding bodies, relevant government departments, a national housing federation or the SORP-making Body, and could cause confusion if widely circulated. Sometimes papers may be restricted to preserve a confidence made to the SORP-making Body or the SORP Working Party by another organisation or individual.
- 6.5 The SORP Working Party has a good record of keeping the sector informed of developments at an early stage. The SORP Working Party also has a good record with the housing regulators, grant funding bodies and relevant government departments for being trusted with information and in preliminary consultations.
- 6.6 Bearing all these factors in mind, as a member of the SORP Working Party you are required to treat papers marked confidential with care.

7. SORP Working Party Meetings

- 7.1 The SORP Working Party will normally have four meetings per year. Most will be held at the National Housing Federation's London offices, but venues in other parts of the country are used. Meetings will be scheduled in advance, but may be changed by agreement. Fewer or additional meetings may be scheduled by agreement.
- 7.2 Members should ensure full attendance of meetings as their input is required for the deliberations of the SORP Working Party to be truly representative. For that reason, members are expected to attend at least three out of every four meetings in a year.
- 7.3 Work between meetings may be progressed either through electronic communication, through meetings of subgroups progressing specific items, and/or by the Secretariat in consultation with the Chair. These requirements will be set by the Chair as necessary.

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- 7.4 Minutes of the previous meeting, as well as agenda and papers for the forthcoming meeting will be circulated at least a week prior to each meeting. Members will be expected to review the papers in preparation for active participation in the meetings.
- 7.5 The Chair will take a majority view of members of the SORP Working Party. Where this is unclear, the Chair may canvass the votes of members of the SORP Working Party on proposals.
- 7.6 The Chair has a deciding vote on all matters, excluding their own election/re-election.

8. Quorum

- 8.1 A quorum for meetings is 50 per cent of voting members.
- 8.2 Non-quorate meetings may discuss and formally note matters for future report, but have no executive authority. Urgent decisions, at the Chair's discretion, should be dealt with by correspondence.
- 8.3 Different arrangements apply to urgent matters dealt with by the SORP Working Party, such as the issue of an invitation to comment on proposals for changes to the SORP and the finalisation of the SORP. Such issues will require consent from at least 60% of voting members. Consent may be obtained electronically.

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