

CONFIDENTIAL

# **ELECTRICAL SAFETY BOARD & COMMITTEES**

***STRUCTURE & TERMS of REFERENCE***

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## PART 1

### 1.1 INTRODUCTION

1.1.1 The **Articles of the Charity** set out the Objects of the Charity which includes its purpose and powers, and broad descriptions of procedures, the role of the Chair and rules for appointment and re- appointment of Trustees etc. The Articles change infrequently, and some parts, such as the Objects, can be changed only with the consent of the Charity Commission. The most recent version (2020) was confirmed following the Brand sale to Certsure.

1.1.2 This, the **Governance and Committee Structure document** allows the Board to provide more detailed Terms of Reference for the Board, committees and sub-committees. This document is regularly reviewed by the Remuneration & Appointments Committee and the Board and revised on a frequent basis, to suit changing circumstances. Review should always ensure that provisions do not deviate from those set out in the Articles, which will always take precedence.

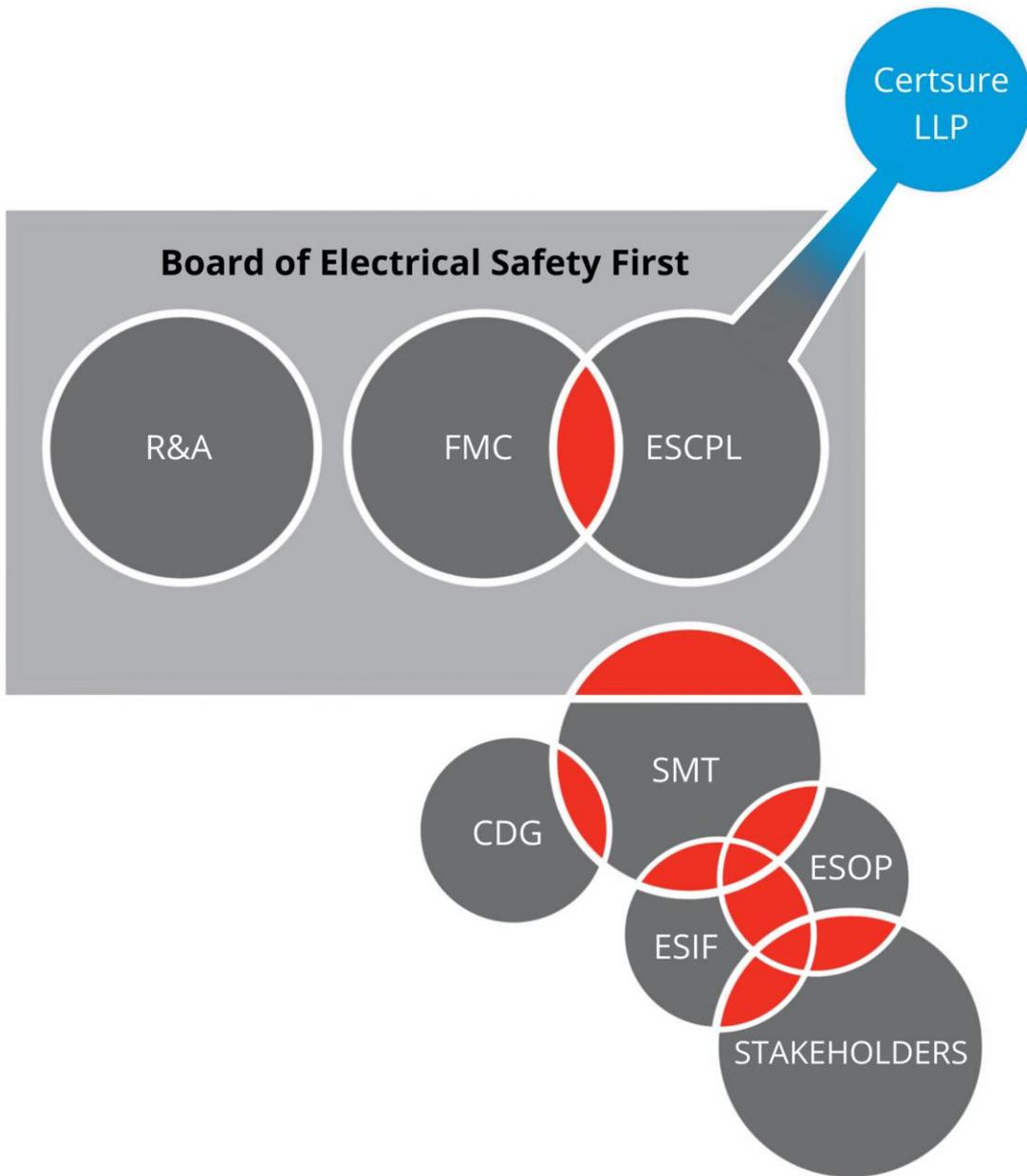
1.1.3 The following page provides a diagrammatic representation of the structure of the Board, its committees and interactions with stakeholders.

1.1.4 Part 2 sets out Terms of Reference for the Board itself.

1.1.5 Part 3 sets out Terms of Reference for the committees.

1.1.6 Part 4 explains the roles of the trading subsidiaries.

## 1.2 STRUCTURE DIAGRAM



- |       |  |
|-------|--|
| ESB   | - Electrical Safety Board                    |
| R&A   | - Remuneration & Appointments Committee      |
| FMC   | - Financial Management Committee             |
| ESCPL | - Electrical Safety Council Partnerships Ltd |
| CDG   | - Campaign Development Group                 |
| SMT   | - Senior Management Team                     |
| EISF  | - Electrical Installation Safety Forum       |
| ESOP  | - Electrical Safety Of Products              |

**PART 2**  
**ELECTRICAL SAFETY BOARD**  
**TERMS OF REFERENCE**

**2.1 PURPOSE**

The Electrical Safety Board (ESB [The Board]) is the ultimate decision making body of the Electrical Safety Council (ESC), known as Electrical Safety First. It sets the strategy and high level policy to meet the charitable aims, ensuring good governance and compliance with law.

**2.2 MEMBERSHIP**

The Board shall comprise:

- (i) The Trustees (voting members)
- (ii) Senior Management Team (non-voting members)
  - a) Chief Executive Officer
  - b) Finance Director/Company Secretary
  - c) Technical Director
- (iii) Observers:
  - a) Other Staff members by invitation
  - b) Representatives of other organisations by invitation

**2.3 QUORUM**

The participation of six Trustees, of which at least one shall be either the Chair of the Board, Chair of Financial Management Committee or Chair of Remuneration & Appointments Committee (see paragraph 2.8.1), constitutes a Quorum.

**2.4 MEETINGS**

The Board shall meet at least four times a year at approximately quarterly intervals. Meetings will be conducted under normal rules of debate and in accordance with ESB policies. Additional extraordinary meetings may be called from time to time as required.

**2.5 THE TRUSTEES**

2.5.1 The number of Trustees shall reflect the needs of the Charity but at no time shall be less than 8 nor more than 15 as required by the Articles of Association [Article 31].

2.5.2 The period of trusteeship shall be 3 years. Normally a Trustee will serve for two periods unless The Board chooses to invite the Trustee to remain for a further 3 year period. None of the Trustees shall have any actual conflict of interest with the commercial activities of the ESC. This is defined as a Trustee who has, or is likely to have during the duration of their appointment, significant interest in areas of business which overlap with those of the ESC's commercial activities namely Certsure LLP (through ESC Partnerships Ltd).

## **2.6 CHAIR**

2.6.1 The Chair of the Board is elected for a term of three years and shall be filled by the election process outlined in paragraph 2.10. If a term of 3 years takes the incumbent beyond the 3 year period as a Trustee they may be re-elected as a Trustee, subject to the requirements of the Articles.

2.6.2 The Chair, in consultation with the Chair of FMC and/or Chair of R&A and/or other relevant Trustees, as appropriate and feasible within time constraints, is empowered to act on behalf of The Board on all matters requiring urgent decision/direction between meetings of the Board. All such decision/direction shall be reported to the next meeting of The Board. Where the Chair deems the matter to be of particular importance it shall seek to communicate with all Trustees before giving a decision/direction, or call an extraordinary meeting.

## **2.7 RESPONSIBILITIES**

The Board is responsible for all matters relating to the operation of the ESC and for ensuring that the aims of the Charity are met in particular taking into account Charity Commission Guidance and approved documents, such as the Charity Governance Code. This includes aims in respect of:

- (i) Strategy and high level policy
- (ii) Governance, management and compliance with law
- (iii) Management of risks including Health & Safety of staff and Data Protection
- (iv) Financial probity
- (v) Campaigns and marketing activities
- (vi) Technical standards and representation
- (vii) Certsure operating in a manner aligned with the objects of the Charity.
- (viii) Joint ownership of Certsure and other partnership working.

## **2.8 COMMITTEE STRUCTURE**

2.8.1 The committees shown in Part 1 (Structure Diagram) fall into two categories - those that are directly responsible to The Trustee Board and those that are responsible to the Charity Executive team. The committees that are directly responsible to The Board are:

- (i) **Financial Management Committee (FMC)** - Considers financial, investments and related matters on behalf of The Board and makes recommendations accordingly.

Reviews the performance of the commercial operations with the aim of protecting the ESC's income stream.

- (ii) **Remuneration & Appointments (R&A) Committee** – Identifies and nominates to The Board suitable persons to serve as Trustees of the Charity and suitable persons to serve as Non-Executive Directors (NEDs) on the commercial boards. Makes nominations to The Board regarding Trustee appointments on its committees and sub-committees and establishes and reviews ethical standards and governance across the ESC and its commercial activities. Determines the specific remuneration package of the Chief Executive Officer of the Charity and members of the Senior Management Team, taking advice from the CEO for the latter, and considers the recommendation of the CEO for any exceptional payments to other employees of the Charity. Agrees the specific objectives for the CEO.

2.8.2 The committees that are responsible to the Executive are:

- (i) **Campaign Development Group (CDG)** – Assists with the Charity's campaign planning and evaluation process to ensure that campaigns meet the requirements of the business plan and strategy, emerging trends or areas of concern. Works in liaison with the Electrical Safety of Products Committee
- (ii) **Electrical Installation Safety Forum (EISF)** – Co-ordinates an industry-wide approach to potential safety issues brought about by existing and emerging electrical technological developments on behalf of users.
- (iii) **Electrical Safety of Products Committee (ESOP)** – Contributes to the development of good practice regarding the safety and safe use of electrical consumer and installation products and Identifies ways in which the ESC can promote this. Works in liaison with the Campaign Development Group.

2.8.3 **Sub-Committees** – there are currently no sub-committees. Committees may establish working groups from time to time as necessary.

## **2.9 APPOINTMENTS**

2.9.1 Trustee appointments to committees and ESC Partnerships Ltd shall normally be made by seeking to ratify nominations put forward annually to The Board at the Autumn Board meeting by the R&A Committee. If there is no nomination proposed for a particular position then nominations may be accepted at the meeting.

2.9.2 At least one of the two Trustees appointed as NEDs on Certsure LLP shall be selected from amongst those serving on the FMC.

2.9.3 Board members are appointed for and serve a term of three years. A retiring member of the Board is eligible for immediate re-appointment for a further term, but no person will be eligible for re-appointment on more than two consecutive occasions other than in full accordance with the process set out in the Articles. In the normal course of events it is expected that no Trustee shall hold any committee or other Board appointment for more than 6 years unless The Board chooses otherwise. In the exceptional circumstance of a Board vote of no confidence, the Chair or any committee appointee may be removed from

their position forthwith and The Board shall determine the arrangements for their replacement at that time.

2.9.4 All appointments are taken up on the first day of the month immediately following the relevant Autumn Board meeting unless otherwise agreed. In the event of a Trustee's resignation as Chair of the Board a replacement shall be elected by the process outlined in paragraph 2.10 and the position shall be taken up immediately.

## **2.10 CHAIR ELECTION RULES AND PROCEDURES**

2.10.1 Nominations for the elected position of Chair shall be invited from the Trustees in writing (or by email) at least 14 days before The Board meeting which falls closest to six months before the term of the existing Chair ends. Trustees may nominate themselves. Any nominations received within 7 days of the meeting shall be published with the agenda for the meeting by the Secretary. If no nominations are received in writing, prior to the meeting, nominations at the meeting may be accepted.

2.10.2 If two or more nominations are received a ballot shall be held. Those standing for election shall withdraw from the meeting when the ballot is held. The vote shall take place, with Trustees only present, by show of hands or in writing as agreed by the Trustees at the meeting. Postal votes shall be accepted and in a tie situation the meeting chair will have the casting vote.

2.10.3 In the event that there are no nominations for the position of Chair or if the Trustees so determine, The Board may alter these arrangements by for example recruiting externally or extending the appointment of the current Chair to ensure that the Chair role is filled at all times.

## **2.11 ADMINISTRATION**

2.11.1 The Secretary shall be responsible for calling meetings, distributing papers and maintaining records and formal minutes.

2.11.2 The Secretary shall also ensure that relevant papers are distributed with an agenda at least 7 days in advance of each meeting.

## **2.12 CONFIDENTIALITY**

With the exception of employees of ESC or its commercial activities each Member of The Board shall give a written undertaking of confidentiality in a form prescribed by ESC.

# **PART 3**

# **COMMITTEES**

## **PART 3**

### **3.1 FINANCIAL MANAGEMENT COMMITTEE (FMC)**

#### **TERMS OF REFERENCE**

##### **3.1.1 PURPOSE**

The Committee shall deal with financial, investments and related management matters on behalf of The Board and make recommendations to The Board accordingly. It shall keep under review the performance of the commercial activities with the aim of protecting ESC's income stream. The Committee shall be made up as follows:

##### **3.1.2 MEMBERSHIP**

The Committee shall comprise:

- (i) Chair of The Board
- (ii) Four Trustees, in addition to (i)  
In attendance:
- (iii) Chief Executive Officer
- (iv) Finance Director/Company Secretary (acts as FMC Secretary)
- (v) Other Executive Directors and Heads by invitation

##### **3.1.3 QUORUM**

Three Trustees, one of whom must be either the Chair of the Board or Chair of FMC, together with either the CEO or FD constitutes a Quorum.

##### **3.1.4 MEETINGS**

The Committee shall meet at least four times a year and the FMC Chair shall be elected from the Trustees of the Committee normally on a two yearly basis. The Committee Chair should not be the Chair of ESB or R&A due to the potential for conflicts.

##### **3.1.5 COMMERCIAL BOARDS**

The Board will appoint at least one of the above five Trustees as a NED of the Certsure Management Board, the second Trustee NED can be appointed from the Trustee body generally. The two appointed NEDs of Certsure LLP will also be Directors of ESC Partnerships Ltd.(see also Part 4)

### **3.1.6 RESPONSIBILITIES**

- (i) Oversee the financial management of the Charity, in accordance with Charity Commission guidance, with the aim of preserving the ESC's assets and income.
- (ii) Meeting external auditors and agreeing audit strategy
- (iii) Making recommendations to The Board in respect of external professional advisor appointments including regarding the appointment of Auditors for the Group
- (iv) Review the Council's Annual Report and Accounts prior to approval by The Board
- (v) Scrutinise all investments and acquisition proposals prior to their consideration by the full Board
- (vi) Recommend to The Board the policy and parameters for investments, and management of any surplus funds
- (vii) Make recommendations to The Board on the appropriate level of reserves
- (viii) Overview the performance of the commercial activities including the performance against budgets
- (ix) Manage the financial risks and exposure for the Charity in operating the closed final salary pension scheme.

## **3.2. REMUNERATION & APPOINTMENTS COMMITTEE (R&A)**

### **TERMS OF REFERENCE**

#### **3.2.1 PURPOSE**

The Committee shall Identify and nominate to The Board suitable persons to serve as Trustees of the Charity and suitable persons to serve as NEDs on the Certsure Management Board. The Committee shall also make nominations to The Board regarding Trustee appointments on its committees and sub-committees.

The Committee shall establish and review ethical standards and governance across ESC and its commercial activities.

The Committee will be responsible for agreeing the objectives of the Chief Executive Officer. It shall also determine, within the broad policy established by The Board, the specific remuneration packages of the Senior Management Team aiming to ensure that the Charity achieves its objectives. It will have responsibility for approval of the service contract of the Chief Executive Officer of the Charity and will review any proposal to terminate the employment of the Chief Executive Officer of the Company.

#### **3.2.2 MEMBERSHIP**

The Committee shall comprise:

- (i) Chair of ESB
- (ii) Three other Trustees
- (iii) Chief Executive Officer (non-voting)
- (iv) Finance Director/Company Secretary (Secretary) (non-voting)
- (v) Other Executive Directors and Heads by invitation (non-voting)

#### **3.2.3 QUORUM**

The presence of the Chief Executive Officer or Finance Director and two Trustees (one of which should be the Chair of ESB or Chair of R&A constitutes a Quorum.

#### **3.2.4 MEETINGS**

The Committee shall meet at least twice a year and the Chair should be elected from the Trustees on the Committee on a two yearly basis. The Committee Chair should not be the Chair of ESB or FMC due to the potential for conflicts.

### **3.2.5 RESPONSIBILITIES**

#### **3.2.5.1 Nominations**

- (i) Regularly review the structure, size and composition of The Board compared to its current position and make recommendations to The Board with regard to any changes.
- (ii) Give full consideration to succession planning for Trustees, taking into account the challenges and opportunities facing the ESC, and what skills and expertise are therefore needed on The Board in the future.
- (iii) Evaluate the balance of skills, knowledge and experience on The Board before an appointment is made by The Board, and in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates, the Committee should:
  - a. use personal contacts, open advertising or the services of external advisers to facilitate the search.
  - b. consider candidates from a wide range of backgrounds.
  - c. consider candidates on merit and against objective criteria, taking care that candidates have sufficient time available to devote to the position.
- (iv) Similarly, identify, interview and recommend for the approval of The Board, candidates to fill external NED vacancies in the commercial boards in conjunction with the relevant chair, as and when they arise.
- (v) Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with the aim of ensuring the continued ability of the organisation to compete effectively.
- (vi) Ensure that on appointment to The Board, Trustees receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee services and involvement outside The Board meetings.
- (vii) Ensure that The Board has in place a Trustee's induction programme and pack (including monitoring the progress of new trustees through the programme) and meets the ongoing training needs of Trustees through appropriate review on an annual basis.
- (viii) Make recommendations to The Board concerning the membership of all committees and the re-appointment of any Trustee at the conclusion of their specified term of office, having given due regard to their personal performance and ability to continue to contribute to the ESC in the light of the knowledge, skills and experience required.

#### **3.2.5.2 Governance**

- (i) Develop and Maintain The Board and Committee Terms of Reference

documentation.

- (ii) Keep under review ethical standards and governance across ESC and its commercial activities.
- (iii) Keep under review legal and regulatory developments in relation to corporate governance and relevant Charity Commission guidance and consider changes to The Board's policy and practices to address such developments and to ensure best practice.

### **3.2.5.3 Remuneration**

- (i) Determine, within the broad policy established by The Board, the specific remuneration package of the Chief Executive Officer, Finance Director and Technical Director of the Charity aiming to ensure that the Charity achieves its objectives.
- (ii) Approve the service contract of the Chief Executive Officer of the Charity.
- (iii) Review any proposal to terminate the employment of the Chief Executive Officer of the Company including the terms of any such termination.
- (iv) Agree on at least an annual basis, the objectives of the Chief Executive Officer of the Charity.

3.2.5.4 In addition, the Committee may consider any other matter affecting or bearing on its roles and responsibilities, either at the request of The Board or of its own volition, and for these purposes may require the attendance and/or co-operation of any employee and, at the expense of the ESC, engage external counsel or other advisers.

## **3.2.6 REPORTING**

The Committee shall report to The Board after each meeting.

## **3.2.7 ADMINISTRATION**

3.2.7.1 The R&A Secretary shall be responsible for calling meetings, distributing papers and maintaining records and formal minutes.

3.2.7.2 The R&A Secretary shall also ensure that relevant papers are distributed with an agenda at least 7 days in advance of each meeting.

## **3.3 CAMPAIGN DEVELOPMENT GROUP (CDG)**

### **TERMS OF REFERENCE**

#### **3.3.1 PURPOSE**

To assist with the Charity's campaign planning and evaluation process to ensure that communications and public affairs activities meet the requirements of the business plan and strategy, emerging trends or areas of concern.

#### **3.3.2 MEMBERSHIP**

The Committee shall comprise:

- (i) Two Trustees, preferably having experience and/or qualifications in public affairs, consumer campaigns, working with a consumer audience, consumer research, or behaviour change campaigning and evaluation
- (ii) Head of Communications
- (iii) Corporate Communications Manager
- (iv) Other staff from Communications team as appropriate
- (v) A representative from the Charity's technical team
- (vi) CEO

#### **3.3.3 QUORUM**

A Quorum is not required as this is not a decision making Forum.

#### **3.3.4 MEETINGS**

The Committee shall meet a minimum of once a year to aid with planning and evaluation.

#### **3.3.5 RESPONSIBILITIES**

- (i) To assist in the planning and development of public affairs and consumer campaigns
- (ii) To use the annual consumer survey, input from ESOP and other consumer polling to plan top line campaign themes
- (iii) To determine areas of additional research that should be considered
- (iv) To ensure proper evaluation of campaign achievements and look at long term behaviour change trends
- (v) To assist in the planning of development work needed for the charity's website
- (vi) To input into campaign awards submissions

### **3.3.6 REPORTING**

Notes will be circulated at relevant ESB meetings.

### **3.3.7 ADMINISTRATION**

3.3.7.1 The Head of Communications shall be responsible for calling meetings, distributing papers and maintaining records and formal minutes.

3.3.7.2 The Head of Communications shall also ensure that relevant papers are distributed with an agenda at least 7 days in advance of each meeting.

## **3.4 ELECTRICAL INSTALLATION SAFETY FORUM (EISF)**

### **TERMS OF REFERENCE**

#### **3.4.1 PURPOSE**

The members of the EISF will work together to take a co-ordinated approach to the resolution of safety issues brought about by existing and emerging electrical technological developments, on behalf of users.

#### **3.4.2 MEMBERSHIP**

3.4.2.1 The Forum shall comprise:

- (i) ESC Technical Director
- (ii) ESC Engineering Standards Manager (EISF Secretary)
- (iii) ESC Trustees
- (iv) Representatives from Consumer and Industry bodies

3.4.2.2 The Chair of the Forum shall be appointed from the Membership on a two yearly basis and will be available for re-election.

#### **3.4.3 QUORUM**

A Quorum is not required as this is not a decision making Forum.

#### **3.4.4 MEETINGS**

The EISF shall meet at least twice a year.

#### **3.4.5 RESPONSIBILITIES**

The EISF's area of interest shall include but is not limited to:

- (i) Safety of low voltage electrical installations in domestic premises.
- (ii) Electrical Installation Condition reporting.
- (iii) Electrical Installation related fires.
- (iv) Electrical Installation practice.
- (v) Counterfeit and non-compliant electrical installation products.
- (vi) Building Regulations
- (vii) Identifying and promoting good practice in the industry on behalf of users of electricity.

- (viii) Exchanging information, advice and guidance.
- (ix) Seeking alliances with other professional and trade bodies and consumer groups in the UK and elsewhere, in order to support the achievement of the purpose of the EISF
- (x) Review changes in the electrical industry, government policy and the requirements and aspirations of installers and users of electricity, and propose such consequential changes to ESC and EISF member policy to support greater awareness of electrical safety issues, as appropriate.

### **3.4.6 CO-OPTION**

The EISF shall have the power to co-opt additional technical representatives to the Group as it sees fit.

### **3.4.7 REPORTING**

The Committee shall submit reports to The Board following each meeting.

### **3.4.8 ADMINISTRATION**

3.4.8.1 ESC will provide the secretariat and administrative support.

3.4.8.2 The EISF Secretary shall be responsible for calling meetings, distributing papers, maintaining records and formal minutes.

3.4.8.3 The EISF Secretary shall also ensure that relevant papers are distributed with an agenda at least 7 days in advance of each meeting.

### **3.4.9 CONFIDENTIALITY**

Each meeting will normally have a signed attendance list which confirms that attendees agree to abide by confidentiality.

## **3.5 ELECTRICAL SAFETY OF PRODUCTS COMMITTEE (ESOP)**

### **TERMS OF REFERENCE**

#### **3.5.1 PURPOSE**

To contribute to the development of good practice regarding the safety and safe use of electrical consumer and installation products and to identify ways in which the ESC can promote this directly in liaison with the Charity's Campaigns Development Group.

#### **3.5.2 MEMBERSHIP**

3.5.2.1 The Committee shall comprise:

- (i) ESC Technical Director
- (ii) ESC Product Safety Manager (ESOP Secretary)
- (iii) Representative from the Charity's Campaigns Development Group
- (iv) ESC Trustees
- (v) Representatives from Consumer and Industry bodies

3.5.2.2 The Chair shall be appointed from the membership of the Committee on a two yearly basis and will be available for re-election.

#### **3.5.3 QUORUM**

A Quorum is not required as this is not a decision making committee.

#### **3.5.4 MEETINGS**

The Committee shall meet at least four times a year.

#### **3.5.5 RESPONSIBILITIES**

- (i) Contribute to the development of good practice regarding the safety and safe use of electrical consumer and installation products.
- (ii) Seek to influence the shape of future UK legislation by establishing closer working relationships with key Government and European Commission staff.
- (iii) Support the Charity in its representation of the interests of users on national and international committees, and to seek to maintain or enhance technical standards and shape future technical standards for electrical product safety in the UK.
- (iv) Seek alliances with consumer, professional and other trade bodies in the UK and elsewhere, in order to support the achievement of the aims of the ESC.

- (v) Liaise closely with the Charity's Campaigns Development Group to ensure that both committees are aligned in delivery of the ESC's strategic aims.

### **3.5.6 CO-OPTION**

The Committee shall have the power to co-opt additional representatives to the Committee as it sees fit.

### **3.5.7 REPORTING**

The Committee shall submit written reports to The Board following each meeting and shall liaise directly with the Charity's Campaigns Development Group.

### **3.5.8 ADMINISTRATION**

3.5.8.1 The ESOP Secretary shall be responsible for calling meetings, distributing papers and maintaining records and formal minutes.

3.5.8.2 The ESOP Secretary shall also ensure that relevant papers are distributed with an agenda at least 5 days in advance of each meeting.

### **3.5.9 CONFIDENTIALITY**

Each meeting will normally have a signed attendance list which confirms that attendees agree to abide by confidentiality.

# **PART 4**

# **SUBSIDIARIES**

## **PART 4**

### **4.1 ESC PARTNERSHIPS LTD (ESCPL)**

#### **4.1.1 PURPOSE**

4.1.1.1 ESCPL was formed at the same time as Certsure LLP to be the representative member on behalf of the Charity. ESCPL is a wholly owned subsidiary of the Charity. The ownership is an indirect structure for tax reasons rather than governance.

4.1.1.2 Two Trustees from the Charity sit on the Management Board of Certsure (“CMB”, along with the Charity CEO and FD) and are Directors of ESCPL. The ESB has a responsibility to ensure that trading interests of the Charity are managed in the interests of the Charity and in accordance with Charity Commission Guidance and this is effected via the CMB.

### **4.2 ESF ENTERPRISES LTD**

#### **4.2.1 PURPOSE**

Ascertiva Group Ltd was renamed ESF Enterprises Ltd. following the sale of its Quality Assurance business in 2015 and the transfer of its Electrotechnical business to Certsure in 2013. It does not currently trade. Assets remain on the company balance sheet and the main activity is balance sheet management to maximise income for the Charity from those remaining assets.