

## **DERBY HOMES LIMITED**

### **MINUTES OF THE GOVERNANCE SERVICES COMMITTEE MEETING**

**Held on Thursday 12 September 2013**

The meeting started at 3.00 pm

#### **Board Members Present:**

Mike Ainsley (Chair), Tony Holme, Iain MacDonald, Dennis Rees

#### **Officers Present:**

David Enticott, Director & Company Secretary  
Taran Lalria, Company Solicitor  
Jackie Mitchell, Governance Services Manager  
Maria Murphy, Acting Chief Executive  
Julie Robinson, Directors' Secretary

#### **13/01 Apologies**

Apologies for absence were received from Tabani Ndlovu, Bob Osler, Brian Perry, Margaret Redfern, Roy Webb

#### **13/02 Admission of Late Items**

There were no late items.

#### **13/03 Declarations of Interests**

The Council Board Members were noted as declaring their interest in matters relating to Derby City Council.

The Tenant and Leaseholder Board Members declared their interests as tenants (as defined in the Memorandum and Articles of Association) of Derby City Council.

#### **13/04 Minutes of Previous Meeting**

The minutes of the meeting held on the 13 September 2012 were accepted as a true and accurate record.

### **13/05 Matters Arising**

The Chair commented that due to the length of time that had elapsed since the last meeting there was nothing to be gained from discussing any matters arising unless anyone had anything they wanted to raise.

The Director and Company Secretary informed the Committee that he has invited Ben Taylor of the Chartered Institute of Housing to provide this year's Finance Training. The training will take place in November 2013. Any new Board Members, as well as the current Board Members will be invited to attend.

### **13/06 Confidential Business**

The Committee agreed that Under Part IV of Derby Homes Governance Arrangements, members of the public be excluded from the meeting during discussion of the following items on grounds that it involves the likely disclosure of confidential information as defined in Standing Order 20.2 (n)".

### **13/07 Draft Memorandum & Articles of Association**

The Committee received a report containing a draft of the Memorandum and Articles of Association, prepared to incorporate the objectives of the Council Cabinet report "The future Arrangements for Council Housing", dated 15 May 2013.

The draft document, which included previous amendments made by the Board and accepted by the Council Cabinet on 7 November 2012, was sent to the Council on 23 August 2013; they have now returned it with suggested amendments.

The main changes include the reduction in the number of Board members from 15 to 9, the removal of leaseholders and family members of leaseholders from being appointed as Tenant Board Members and the change from election to appointment of Tenant Board Members.

Tony Holme raised his objection to the removal of leaseholders and stated that they should be included as part of the resident community. The Director and Company Secretary said that Derby Homes has 13,500 tenancies compared to 500 odd leaseholders and so fair representation is needed.

A question was raised whether or not a report on the proposed transition arrangements will need to be taken to the Board for approval. Iain MacDonald said he believed it was for this Committee to put their

recommendations to the Board. The Acting Director believed The Board had delegated authority to the Chair and Vice Chairs. The Governance Manager will check the minutes of the Board meeting.

Discussion took place on the definition of 'tenant'. The Company Solicitor said the proposed definition of tenant board member is a secure tenant. The Acting Chief Executive suggested that a leaseholder could be eligible to become an independent Board Member.

Iain MacDonald proposed a second recommendation to allow a leaseholder to take part in the election process for Tenant Board Members.

The Acting Chief Executive commented that if we allow leaseholders to take part we should limit their membership to one. Iain MacDonald said this would be a decision the Board would need to make.

The Director and Company Secretary advised that this needs to be resolved by the time of the AGM and Derby Homes will need to inform the Council of this option.

With regard to the appointment of Tenant Board Members rather than election, Dennis Rees said he was happy with this as long as tenants are involved in the selection process.

The Committee considered the proposed amendments to the Memorandum and Articles of Association.

The Director and Company Secretary advised of an issue regarding Object (A) regarding Derby Homes being permitted to operate outside of the City boundary. The Council's solicitor, Olu Idowu, has suggested this was only approved in principle and discussion is still taking place around this. It was agreed to leave this amendment in for the time being.

All proposed changes in the document were accepted.

## **Agreed**

### **The Committee**

1. Noted the draft Memorandum & Articles of Association.
2. Recommended the Board to decide whether a Leaseholder can be permitted onto the Board
3. Recommended the Board to accept the proposed changes.

## **13/08 Governance Changes**

The City Board received a report detailing proposed changes to the Governance Arrangements.

In addition to the changes to the Memorandum and Articles (M&As) already discussed, a series of other changes to the Governance Arrangements were also required. The changes were detailed in a track changes document attached to the report and the main changes highlighted in the report.

Not all consequent changes were detailed and further updates will be required depending on the outcome of further discussion with the Council, but the essence of the required changes should not be too different to those listed in the report. It was confirmed that the Governance Arrangements would require an overhaul in the near future.

The proposed changes highlighted in the report included the abolition of the Resources, Remuneration & Regeneration Committee (RR&R), a number of changes reflecting the reduced number of Board Members in the future, amendments to the City Board and the selection, rather than election of Tenant Board Members. It was noted that tenants would be involved in the selection of Tenant Board Members. A proposed selection process will be brought to a future meeting of the Committee.

The report also included a draft Partnership Agreement between Derby Homes and the Council and a detailed workload analysis indicating how it would be possible to share out the RR&Rs workload.

The Director & Company Secretary clarified that the Governance Arrangements are owned and approved by the Board and do not need to be approved by the Council, unlike the M&As.

In terms of the workload analysis, the Committee was advised that the intention was that strategic business will go to the Board, and items delegated to officers will be reported to the Board in the Chief Executive's update if there are any issues of concern or significant change.

It was agreed that the annual report to agree Derby Homes Meetings should go to the Board and not delegated to officers and the schedule attached at Appendix 3 will be checked to ensure it reflects the deletions in the Governance Arrangements Delegation of Responsibilities.

### **Agreed**

The Committee recommended to the Board to change the Governance Arrangements from the AGM, in line with the document attached to the report.

#### **13/09 Selection of Board Members**

The Council Cabinet decision of 15 May 2013 on the future of housing services requires changes to the current governance arrangements. At the Board Meeting on 29 June 2013 it was agreed to delegate authority to the Chair & Vice Chairs to work with the Executive team to consider the process by which the changes would be achieved.

The Committee was invited to discuss a report detailing the agreed process and provide input.

The Director & Company Secretary advised that by the time of the next Board meeting, the three Council Board members should be known.

With regard to the selection of Independents, it was proposed that the process be held prior to the Board meeting and that the Chair of the Board notifies Independents of the outcome in advance. Board members will be asked to vote for their 3 preferred Independents, ranking them 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup>. If there is a tie, the result will be decided on points basis. An email will be sent to Board Members with a response deadline of Monday 23 September.

The same voting process could be applied if the Board agrees to allow a Leaseholder on the Board and the three existing Tenants wish to stay on the Board.

### **Agreed**

The Committee agreed to support the process as proposed within the report, subject to the amendments above, to achieve the reduction in Board membership in accordance with the determination of the Council to change Derby Homes' Articles.

#### **13/10 Any other business**

The Director and Company Secretary advised that the Chair of Derby Homes has recommended the Committee meets 3 times next year, instead of 2, in view of the governance changes.

It was noted that the Chair of Governance Services Committee is not currently recognised as a committee chair with regard to the scheme for the payment of Board Members. This will be looked at in the near future.

Date of next meeting: to be confirmed at the Board meeting following the AGM.

The meeting ended at 5.10 pm.

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CHAIR

Signed as true and accurate record of the meeting held on 12 September 2013.