

OPERATIONAL BOARD CONSTITUTION

Report of the Director & Company Secretary

1. SUMMARY

This report presents the draft Operational Board Constitution.

2. RECOMMENDATION

The Governance Service Committee is asked to consider this document and offer any further suggestions or amendments and recommend the Board approves it at its meeting on 31 July 2014.

3. MATTER FOR CONSIDERATION

- 3.1 The Council and Derby Homes' new partnership arrangements have required some changes to the governance structure of Derby Homes. The changes include reform of the City Board which has resulted in the dissolution of the City Board and formation of the Operational Board, with the aim of more decisions of an operational nature being taken directly by the Operational Board with strategic decisions left with the main Board.
- 3.2 The proposals have seen a reduction in the size of the Operational Board while strengthening the proportion of tenants, who form the majority of those taking decisions. In cases where they have doubts about a proposal, the three main Board Members retain the power to refer any matter back to the main Board, as the main Board retains the formal responsibility for decisions made by the Company at all levels. This enables the main Board to delegate more responsibility to the Operational Board and requires the Operational Board to focus increasingly on making decisions and having the skills required to take on those responsibilities.
- 3.3 As a consequence of the changes to the governance structure, a review of the Company's governing documents is taking place. Attached to this report at Appendix 1 is a draft version of the Operational Board Constitution.
- 3.4 The draft Constitution was considered by the Operational Board at its meeting on 19 June and formal approval will need to be obtained by the main Board.

6. LEGAL AND CONFIDENTIALITY IMPLICATIONS

Agreeing amendments to the Derby Homes Governance Arrangements is a matter reserved to the Board of Derby Homes.

The areas listed below have no implications directly arising from this report:

Consultation
Financial and Business Plan
Legal and Confidentiality
Council
Personnel
Environmental
Equalities Impact Assessment
Health & Safety
Risk
Policy Review

If Board Members or others would like to discuss this report ahead of the meeting please contact:

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Background Information: None

Supporting Information: City Board report – Reform of the City Board 20 February 2014

Part V

Derby Homes Operational Board Constitution

The Operational Board is a committee of the Derby Homes Board with delegated authority pursuant to Article 24. The functions delegated to the Operational Board are as follows.

DELEGATED POWERS

1.1. The Operational Board has the following delegated powers:

Performance

- Set Performance standards within a Derby Homes framework

Agree performance standards for the delivery of services. An example of this could be arranging monthly walkabouts with tenants.
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- Set Performance targets within a Derby Homes framework

Agree performance targets for the delivery of services. An example of this could be the target for waiting time for the completion of repairs.
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- Monitor Performance

Monitor performance in key service areas and request additional information where areas of concern/interest arise.
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Improvement Schemes

- Develop, consider, approve and monitor improvements initiatives within any budget available for this purpose.

Tenant Involvement

- Develop, prioritise and approve bids for funding initiatives from various funding sources
- Approve any grants, loans or sponsorship to organisations operating specifically within the City, subject to approval by the Council

Approve funding to Tenant and Residents Associations and other community groups benefiting tenants in their area. All funding will also be subject to approval by the Council.
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- Respond to representations from the Tenants' Review Panel

The Tenants' Review Panel is able to take items of concern/interest to the Operational Board. Tenants Review Panel representatives will put items forward for agendas and present them to the Operational Board.

- Approve tenant participation structures

The Operational Board will review and approve the arrangements for involving tenants and can develop new ways of working with tenants.

- Monitor local Tenant Management Organisation performance

Tenants have the right to set up their own Tenant Management Organisation (TMO) to manage some or all of the services provided by Derby Homes. If a TMO is set up the Operational Board will monitor their performance.

- Monitor and propose ways of improving forms of consultation

Service & Policy Review

- Develop and approve Derby Homes' service plans and targets

Approve service plans and targets and review achievement against previous year's plans.

- review and approve the provision of equal opportunities services
- review existing customer services and approve the introduction of new services
- agreeing and/or amending policies, plans and any other matters delegated by the Board

Other Matters

- Work with other organisations and agencies in order to improve sustainability of council housing within the City

The Operational Board will provide a key role in co-ordinating the work of partner organisations and agencies to ensure maximum benefit is made from partnership working towards achieving sustainability on council housing estates.

- receive questions from members of the public and approve answers
- receive petitions from members of the public and approve actions arising

- make recommendations to the Board on any change in strategies, policies, business plans and any other matter reserved to the Board, that it sees fit
- make recommendations as part of the Budget Review process
- receive recommendations from the Board and other Committees on any matter delegated to it by the Board
- make major decisions about implementation of any of the Derby Homes' functions delegated to the Operational Board
- major decisions for the Operational Board, as referred to above, are defined as:
 - i. any decision that has significant impact on the City
 - ii. any decision that results in incurring expenditure or saving in excess of £200,000 – however any decisions with expenditure or savings between £100,000 and £200,000 will be reported to the next Operational Board for noting
 - iii. any decision to change strategy or policy on housing management, maintenance or customer service

the decision is qualified as follows:

- iv. decisions that are a direct consequence of implementing a major decision are not, in themselves, major;
- v. bids for sums over £200,000 are not major decisions;
- vi. decisions to make a grant or a loan to any individual or organisations is a major decision.

Under the terms of the Memorandum & Articles of Association, decisions to make grants or loans under (vi) above will be subject to approval by the Council.

- significant impact on the City means any decision that is likely to have a significant positive or negative impact on environmental, physical, social or economic terms on tenants and/or leaseholders or residents living or working in the City;
- in recognition of their legal responsibility and liability, main Board Members have the right to redirect a decision of the Operational Board to the next available main Board meeting. This has the effect of status quo applying until the main Board has considered the matter.

1.2 The Operational Board may not sub-delegate any of the powers listed above.

2. **POWERS SUBJECT TO MAIN BOARD RATIFICATION**

In addition, subject to ratification from the Main Board, the Operational Board has the power to appoint partner contractors for improvement programmes.

CONSULTATIVE ROLE

The Operational Board will have the power to:

- (a) Make recommendations to Main Board on matters that it has reserved to itself;
- (b) Contribute to Derby Homes Service Reviews
- (c) Monitor and propose ways of improving other forms of local consultation.

3. **MEMBERSHIP**

3.1. The number of Operational Board Members shall be twelve.
Membership is as follows:

- (a) Six tenant members (called "Tenant Operational Board Members")
- (b) A nominee of the Leaseholder Group (called "Leaseholder Operational Board Member")
- (c) A nominee of the Derby Association of Community Partners
- (d) A nominee of the Voices in Action Youth Forum who is a tenant or a family member of a Tenant
- (e) One Tenant main Board Member or a substitute Board Member
- (f) One Independent Board Member or a substitute Board Member
- (g) One Council Board Member or a substitute Board Member

3.2. Only one member of each family can be on the Operational Board.

3.3. The Chair of the Operational Board may invite any number of non-voting 'guests' for a period at his discretion, who have skills and experience that can assist the Operational Board.

4. **TERMS OF OFFICE**

4.1. Operational Board Members who are also main Board Members are to serve until removed by a resolution of the main Board.

4.2. Operational Board Members who are not also main Board Members are to serve for a term of three years. They will be ineligible for re-appointment if they have served as an Operational Board Member for the Maximum Period of Office in accordance with Derby Homes Article 20.

5. **APPOINTMENT AND RECRUITMENT**

Appointment and recruitment will be as follows

- 5.1. Six tenants will be selected to represent the whole City. They will be appointed for a term of office as close to three years as possible. When calculating this length of time in office, a person who was appointed to fill a casual vacancy is treated as though he/she had held office from the date of the appointment of the Tenant he/she replaced.
- 5.2. A representative of the Derby Association of Community Partners will automatically be appointed to the Operational Board.
- 5.3. A nominee of the Leaseholder Group will automatically be appointed to the Operational Board.
- 5.4. A nominee of the Voices in Action Youth Board will automatically be appointed to the Operational Board.
- 5.5. Procedural arrangements for the selection of Tenant Operational Board Members and casual vacancies will be as for Main Board Members, set out in Derby Homes Governance Arrangements Section Part IX Appointment and Recruitment of Board Members.

6. **CHAIR AND VICE CHAIR**

- 6.1. The Chair of the Operational Board will be a main Board member selected by the Operational Board from those main Board Members nominated by the Main Board to sit on the Operational Board.
- 6.2. A second main Board Member will be appointed as Operational Board Vice Chair by the Operational Board.
- 6.3. In the absence of the Operational Board Chair or Vice Chair, the Operational Board Members present may only appoint one of their number who is also a main Board Member to chair the meeting.
- 6.4. All Members of the Operational Board have equal rights to speak and vote subject to Derby Homes' Governance Arrangements concerning the declarations of interests.

7. **VOTING**

Where a matter is to be put to a vote, it shall be decided by a simple majority of votes on a show of hands, subject to paragraph 6.4 above, each Operational Board Member present in person will have one vote. In the event of a tied vote, the Operational Board Chair has a second or casting vote.

8. **DISQUALIFICATION**

A person shall be ineligible for appointment to the Operational Board and if already appointed shall immediately cease to be an Operational Board member if the relevant individual:-

- (a) in the case of a main Board member where they cease to be a main Board Member; or
- (b) resigns his office by notice to the Company Secretary; or
- (c) a registered medical practitioner who is treating that person gives a written opinion to the Organisation stating that that person has become physically or mentally incapable of acting as an Operational Board Member and may remain so for more than three months; or
is, or may be, suffering from mental disorder and either:-
 - (a) is required by law to be admitted to hospital because of that disorder; or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) in the case of a Tenant or Leaseholder Operational Board Member in any period of 12 consecutive months shall have been absent without permission of the Operational Board from three Operational Board meetings held during that period unless the Operational Board (at or before such meeting where an Operational Board Member would be removed) resolves otherwise; or
- (e) in any period of 12 consecutive months, an Operational Board Member shall have been absent from three Operational Board meetings held during that period and on application to the Operational Board they resolve not to reinstate them; or
- (f) where an Operational Board member ceases to fulfil the criteria of their membership of the Operational Board, for example by means of ceasing to be a tenant, leaseholder or family member or other criteria specific to an Operational Board member's position;
- (g) is a Tenant or Leaseholder Operational Board member and is in the opinion of the main Board in serious breach of their obligations as a Tenant or a Leaseholder.

PROCEDURAL GUIDANCE

9. A number of reports will normally be submitted to meetings of the Operational Board. They will be in three categories:
 - (a) Reports for information – these will give routine statistics and other information and progress reports on matters already approved by the Operational Board.
 - (b) Reports for decision – these will suggest action, which could be taken to tackle particular problems.

- (c) Confidential reports – these will contain confidential and/ or business sensitive information

In case of (b), Operational Board Members may sometimes disagree with the recommendations laid out in the report. If so, it is within the Operational Board's powers to reject the recommendations. In this situation the Operational Board Members may suggest an alternative course of action to the recommendation or indicate which aspects of the problem may need a further report or further work to be undertaken.

For matters requiring an urgent resolution/decision, an urgent decision may be taken by the Operational Board Chair in consultation with Chair of Derby Homes and Director of Derby Homes. A report on the decision will then be made to the subsequent Operational Board meeting for noting.

Members of the Operational Board will not normally be expected to make reports themselves, but there is nothing to stop them from doing this if they so wish.

10. Meetings of the Operational Board will be convened by the Company Secretary, upon a decision of the Operational Board Chair, Chair of Derby Homes or by requisition of 3 Members of the Operational Board.
11. Agendas should be set by a process with the Operational Board at the start of every financial year and as a minimum the Operational Board Chair should agree the actual agenda. Members of the Operational Board can request the Director of Derby Homes to include items on the agenda and to produce reports on certain subjects. In order to do this, Members should contact the Company Secretary. The agenda will be despatched five clear working days prior to the Operational Board Meeting and therefore it is essential to contact the Company Secretary at least ten working days before the date of the meeting to ensure that an item is placed on the agenda. In cases of urgent items, they will only be accepted onto the agenda with approval of the Operational Board Chair.
12. The Operational Board minutes will be submitted for consideration and action as required to the Main Board. Copies of the minutes of the previous meeting will be circulated with the agenda for the next meeting of the Operational Board for approval.
13. The Operational Board Chair will conduct the meeting and all remarks, questions, comments, etc are to be made through the Operational Board Chair.
14. Meetings of the Operational Board are open to the public subject to limitations imposed by the size of the venue. Participation in the business of the meeting, but not voting, may be extended to non-members at the discretion of the Operational Board Chair. The Operational Board may exclude members of the public from any part of a Meeting where it considers the business is private. The Operational Board must exclude any member of the public from any meeting at which a possible benefit to him/her is being considered.

15. Business shall only be conducted at meetings if at least 2 Main Board Members are present. This minimum number of Members is known as the quorum of the Operational Board. Where a quorum is not present the meeting shall be adjourned. Where a meeting is adjourned, the business that would have been conducted at that meeting may be referred to the next meeting of the Operational Board, except in the case of urgent business, which should be referred directly to the Chair of the Board.
16. All Operational Board Members will be under a duty of confidentiality. Matters relating to individual tenants or tenancies should not be discussed, nor should information be disclosed so that these can be identified.
17. Where a member of the Operational Board or a close relative has a personal interest in a matter being discussed the interest should be declared to the meeting. The member should then take no further part in the consideration of that matter.
18. Meetings of the Operational Board shall have duration of no more than 2 hours, but can be extended by Members agreeing to move Standing Orders.
19. The venue should be convenient and reasonably accessible to all.
20. Training will be made available to Operational Board Members, on an annual basis to maximise their effectiveness as an Operational Board.
21. So far as they are capable of applying and unless already addressed in this Operational Board Constitution, the main Board's Standing Orders will apply to the proceedings of the Operational Board.