

OPERATIONAL BOARD ATTENDANCE & RETIREMENT

Report of the Finance Director & Company Secretary

1. SUMMARY

- 1.1 This report confirms the rules regarding Operational Board Members attendance at meetings following consideration by the Governance Committee on 11 May 2017.
- 1.2 The report also explains the need to stagger retirement dates for Tenant Operational Board Members and requests those Members to draw lots at the meeting to determine the date at which they will stand down from the Operational Board.

2. RECOMMENDATION

To:

- 1. note the recommendation of the Governance Committee that the Board's rules for attendance set out in Article 18 (paragraph 4.2 below) will apply to the Operational Board, starting from this meeting, with a 'clean slate' with respect to previous absences.
- 2. to note that the Chair and Vice Chair of the Operational Board will meet with those Members who have accrued 2 or 3 absences following the last meeting and with any Member who accrues 2 absences in any period of 12 consecutive months in future
- 3. to draw lots in order to determine and agree the retirement dates for each Tenant Operational Board Member
- 4. to note the arrangements for the reappointment of Tenant Operational Board Members when reaching their retirement date.

3. REASON(S) FOR RECOMMENDATION

- 3.1 To ensure clarity and understanding of the rules regarding Operational Board Members attendance at meetings.
- 3.2 To ensure Operational Board Members retirement dates are staggered to avoid the risk of a significant number of Members leaving the Board at the same time.

4. MATTER FOR CONSIDERATION

Attendance

- 4.1 Operational Board Members' attendance is not covered by any specific provision

in the Operational Board's Constitution. In the absence of any provision the Memorandum & Articles (M&As) of Derby Homes applies.

4.2 The M&A's state:

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

18. A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:-

- (7) in any period of 12 consecutive months, he shall have been absent from three Board meetings held during that period unless the Board (at or before such meeting where a Board Member would be removed under this Article) resolves otherwise; or
- (8) in any period of 12 consecutive months, he shall have been absent from three Board meetings held during that period and on application to the Board they resolve not to reinstate him; or

4.3 The issue was debated at the Operational Board meeting on 27 April 2017 and Members were asked to consider whether they wished to adopt the same rule as the main Board or suggest an alternative. The consensus of those Members present was to adopt the same rule as the main Board. This means that if any member is absent from 3 meetings in 12 consecutive months (with or without apology) they will automatically be removed from the Operational Board.

4.4 Any Operational Board Member in breach of the attendance rule or likely to be in breach can apply to the main Board to be re-instated if they wish to continue on the Operational Board.

4.5 Following the meeting on 27 April, there were two Operational Board Members with three absences in 12 consecutive months and three Members who had two absences. The Governance Committee considered the matter at the meeting held on 11 May and agreed that all Members should start the next Operational Board meeting in June with a clean slate (ie 'nil' absence). This proposal is expected to be ratified by the main Board at its next meeting.

4.6 The Governance Committee also agreed that any Operational Board Member who currently has 2 or more absences within the last 12 months and any such Member in future, be required to meet with the Operational Board Chair and Vice Chair to discuss their absences and identify any reasonable support they require to improve their attendance in future.

The Governance Services Manager will be contacting these Members to arrange meetings with the Chair and Vice Chair following this meeting.

4.7 Where attendance of Members who are directly nominated by the Leaseholder Group and the DACP falls below the agreed level, the relevant group will be made aware.

- 4.8 An attendance report is attached at Appendix 1 and will be included with the agenda for all future meetings of the Operational Board, in line with current practice for the main Board. This will ensure that members are aware of their attendance record and it will act as a reminder of the rules.
- 4.9 The rules for attendance will be made clear in future recruitment and induction processes.

Operational Board Members Retirement

- 4.10 At its inaugural meeting in June 2014 the Operational Board agreed that Members should retire at the AGM 2017 having served a three year term of office.
- 4.11 The Governance Committee considered this matter at their meeting on 11 May 2017 and raised concern that this would present a risk to the Operational Board and would not be in the best interests of Derby Homes, if a significant number of Members decided they did not wish to continue, as new Members might not have sufficient experience and knowledge to make decisions.

The Governance Committee has therefore agreed that retirement dates should be staggered.

- 4.12 This means that each year two Tenant Operational Board Members will stand down and either be reappointed or replaced as follows:

2 Tenant Operational Board Members will retire at the 2017 AGM
2 Tenant Operational Board Members will retire at the 2018 AGM
2 Tenant Operational Board Members will retire at the 2019 AGM.

- 4.13 At today's meeting, Tenant Operational Board Members will be asked to draw lots to determine their retirement date.
- 4.14 It should be noted that when a Tenant Operational Board Member reaches their retirement date, they will have the option to continue for a further 3 year term if they wish, subject to an interview with the Appointments Panel (see paragraphs 4.15 – 4.16 below).

The maximum period of office for Tenant Operational Board Members is 9 years.

- 4.15 In accordance with the National Housing Federation's 2015 Code of Governance the main Board has approved a policy that the Board Appointments Panel must formally review Board Members' contribution to the Board, before the expiry of their period of office to determine whether to offer a further period or to open the position to others. This policy will also apply to Operational Board Members.
- 4.16 The Appointment's Panel will consist of three Board Members one of which should be the Chair of Derby Homes, or a Vice Chair who will determine whether to offer a further three year period of office.
- 4.17 The following Operational Board Members are excluded from this process:
- The three main Board Members who are appointed to and removed by the main Board

- The DACP and Leasehold Members who are nominated and removed by their respective Groups
- Dennis Rees, Tenant Operational Board Member, who has been given a lifetime position by the Board.

5. OTHER OPTIONS CONSIDERED

5.1 None.

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: Report - Item B2 Governance Committee 11 May 2017