

DERBY HOMES LIMITED

MINUTES OF THE GOVERNANCE SERVICES COMMITTEE MEETING

Held on Thursday 15 September 2011

The meeting started at 2.00 pm

Board Members Present:

Tony Holme, Patrick Molson, Tabani Ndlovu, Bob Osler (Chair), Brian Perry, Margaret Redfern, Bob Troup, Ken Whitehead

Observers Present:

Mike Ainsley, Mark Menzies

Officers Present:

Sophie Bancroft, David Enticott, Jackie Mitchell

11/12 Apologies

Apologies for absence were received from Paul Bayliss, John Keith, Dennis Rees and Roy Webb.

11/13 Admission of Late Items

There were no late items.

11/14 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.

11/15 Minutes of Previous Meeting

The minutes of the meeting held on the 10 February 2011 were accepted as a true and accurate record.

11/16 Matters Arising

Minute 11/08 - Changes to Derby Homes Memorandum and Articles of Association

The Chair asked for an update regarding the TSA registration. The Director and Company Secretary said that Derby Homes registered with the TSA in April and is now a Registered Provider.

Minute 11/09 Derwent Living Board Peer Review

The Chair said that a small number of Board Members attended the Derwent Living Board meeting and it was a successful meeting.

11/17 Review of Committees Structure

The Committee received a report reviewing the operation of the revised committee structure. As part of Derby Homes business transformation programme the Board agreed in September 2010 to reduce the number of its meetings by combining the two Local Housing Boards into one City Board, deleting the Performance Management Committee and spreading this role amongst the Chairs meeting, the Board and the Committees, and reducing the Governance Committee to two meetings per year.

The Director and Company Secretary said that a questionnaire had been sent to City Board Members about the City Board and good feedback has been received. A total of 13 out of 23 responses were received.

Bob Troup felt that the changes have worked well, as initially he had reservations about deleting the Performance Management Committee.

Mark Menzies asked whether there had been a dip in performance since then and if not then the new set up must be working well.

Agreed

The Committee were satisfied that the current committee structure was working well and no changes were needed.

11/18 Governance Arrangements Review

The Committee received a report setting out a series of recommendations as a consequence of a review of Derby Homes' Governance Arrangements. The report was divided into a number of sections aligning with a report commissioned from Anthony Collins Solicitors :

- overarching issues – General
- overarching issues – Board matters
- Memorandum and Articles

- Standing Orders
- City Board
- Delegation of Responsibilities
- Financial Regulations
- Standing orders of appointment of staff
- Wider governance issues for consideration by officers.

The decision whether to adopt the NHF Code of Practice 2009 or 2010 was deferred until the end of the report consideration had been given to all other issues.

The Committee considered the recommendations listed in the report, requiring approval by the Board, as follows:

- whether to include a statement in the Governance Arrangements setting out the key skills that all Board Members should have and delegate the identification of the key skills to the Chair, Chief Executive and/or Director & Company Secretary.

It was noted that Board Members carry out an annual self assessment of their individual skills as part of the performance review process and this should be formalised by including a statement in the Governance Arrangements.

- whether to adopt a policy limiting the number of Board Members who are the paid staff or Board Members of other housing providers and determine what that number should be.

The Committee suggested adopting a policy statement that it was the Board's intention to limit the number to 50%.

- whether to introduce Board Members' Services Agreements.

The Committee was in favour of introducing service agreements and that there should include provision for greater requirement of Board Members who are paid.

- whether to reverse the order of meetings to take confidential items after public reports.

It was felt the current order of meetings was satisfactory and that as is the practice now, agenda items could be brought forward if necessary.

- whether to enable Board Members to abstain in votes.

There was agreement for this proposal. Margaret Redfern suggested if a Board Member abstains, the Chair could ask them to give their reason for abstaining.

- whether the current size of the City Board is appropriate.

The majority of Committee Members felt the current size of 26 members was appropriate and this was back up by the results of a recent questionnaire to City Board Members.

- whether a further report is required to be taken to each panel or Committee setting out new or revised terms of reference for that panel or committee, and to refer this matter back to this Committee and then to the Board. In the case of irregular committees and panels, it is suggested that suitable terms of reference be drafted and brought back to this committee at its next meeting.

The Committee agreed this proposal.

- whether to delegate public questions to either the Board or City Board alone or to retain questions at both.

The current system works well and it was agreed to formalise it.

- The Committee considered the level of delegation that is appropriate for the City Board.

It was felt the current level of delegation is appropriate and the ability of main Board Members to refer decisions to the main Board should be retained.

- whether to formally delegate decisions on early retirements and redundancy payments to the Resources, Remuneration & Regeneration Committee.

This is current practice and was agreed to formalise and continue it.

- whether to rename the scheme of delegation to officers as the Officers Authorisation scheme.

The Committee agreed to this proposal.

- whether to delegate the appointment of the Chief Executive to the appointments panel rather than receiving a recommendation from that panel and reserving the appointment to itself.

The Committee recommended continuing the current practice of the panel making a recommendation to the Board.

The Committee was advised that the following matters would require a change to the Memorandum & Articles of Association and approval by the Council. It was proposed that if agreed, would be included in the next review of the Memorandum & Articles.

- whether to amend the current maximum term of office rules for Board members.

It was agreed that the maximum term of office should continue to be 10 years, but reduced to 9 years and retaining the ability for the Board to agree extensions, when the Memorandum & Articles are next reviewed.

- whether to amend the current size of the Board from 15 to 12.

It was agreed the current size of the Board was satisfactory.

- whether to move to a skills or competency base for recruitment of future Board Members.

This is current practice for Independent Board Members and so therefore it was not felt necessary to make any changes. Margaret Redfern suggested co-opting Board Members when needed for specialist work.

- whether to recommend to the Council that tenants of Derby Homes be given the same rights in terms of election to Derby Homes Board and City Board as tenants of the Council.

This was agreed.

- whether to change the rules for removing Members from the Board by reducing the number of absences from board meetings from more than 3 consecutive meetings or 4 in any period of 12 months and that this is included in the proposed Board Members services agreement.

The Committee recommended that this should be reduced to absences of 3 meetings or 3 in any period of 12 months.

- whether the Chair should be appointed for a three year term subject to annual confirmation and whether the election of the chair should take place at the first meeting of the calendar year rather than the meeting following the AGM.

The Committee agreed to recommend this proposal.

The Director and Company Secretary said that a report will be prepared for the next Board meetings and any further comments regarding the Governance Arrangements are welcome. The Director and Company Secretary thanked everyone for attending.

Agreed

The Committee recommended that the Board

1. Agrees to:

1. formally adopt the NHF Code of Practice 2010
2. include a statement in the Governance Arrangements setting out the key skills that all Board Members should have and delegates identification of the key skills to the Chair, Chief Executive and/or Director & Company Secretary.
3. adopt a policy statement of the Board's intention to limit the number of Board Members who are the paid staff or Board Members of other housing providers to 50% of the Board.
4. introduce Board Members' Services Agreements and with provision for greater requirement of those Board Members who are paid office holders. A draft Service Agreement to be brought to a future Board meeting for approval.
5. continue the current practice to take confidential agenda items before public reports.
6. drop the insistence that Board Members cannot abstain in votes and replace it with an expectation that Board Members will not abstain.
7. retain the current size of the City Board, of 26 members.
8. take a further report to each panel or committee setting out new or revised terms of reference for that panel or committee, and to refer this matter back to the Governance Services Committee and then to the Board. In the case of irregular committees and panels, it is suggested that suitable terms of reference be drafted and brought back to the Governance Services Committee at its next meeting
9. retain public questions to the Board and City Board
10. continue the current level of delegation for the City Board and continue with the ability of main Board Members to refer decisions to the full Board
11. formally delegate decisions on early retirements and redundancy payments to the Resources, Remuneration & Regeneration Committee
12. rename the scheme of delegation to officers as the Officers Authorisation scheme.

13. continue to receive a recommendation on the appointment of the Chief Executive from the appointments panel and reserve the appointment to itself.
 14. approve the updated set of Governance Arrangements.
2. to recommend to the Board, the following changes to the Memorandum & Articles of Association, noting that these changes would have to be incorporated into a future review of the Memorandum & Articles and are subject to the Council's approval:
 1. to amend the current maximum term of office rules for Independent and Tenant Board members to 9 years, but retain the ability for the Board to agree extensions to this
 2. tenants of Derby Homes be given the same rights, in terms of election to Derby Homes Board and City Board, as tenants of the Council
 3. change the rules for removing Members from the Board by reducing the number of absences from board meetings to 3 consecutive meetings or 3 in any period of 12 months and that this is included in the proposed Board Members services agreement
 4. the Chair of Derby Homes to be appointed for a three year term subject to annual confirmation
 5. the election of the Chair and Vice Chairs to take place at the first meeting of the calendar year rather than the meeting following the AGM
 3. Ratifies this Committees decision not to
 1. amend the current size of the Board from 15 to 12.
 2. move to a skills or competency base for recruitment of future Board Members

Date of next meeting

The date of the next meeting will be agreed at the Annual General Meeting on Thursday 27 October 2011.

The meeting ended at 4.40 pm.

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CHAIR

Signed as a true and accurate record of the meeting held on 15 September 2011.