

CHANGE TO STANDING ORDERS

Report of the Finance Director & Company Secretary

1. SUMMARY

1.1 This report proposes

1. a process for the appointment of a temporary Chair of Derby Homes for the period of the election of the Chair each year in the meeting following the AGM, and changes Standing Orders to clarify how this will be determined where a vote for that role is tied.
2. an amendment to the Delegation of Responsibility for the Appointments Panel.

2. RECOMMENDATION

That the Board:

2.1 Approves a change to the Articles to allow for an interim Chair of the meeting following the AGM to always be in place until any tied vote is resolved.

2.2 Adopts the following Standing Order 1(a) (existing wording in italics) once the current vote for Chair has been resolved:

1(e) elect or reaffirm the Chair for the following year. If the Chair is standing for election, the following order of precedence would be applied to determining the temporary chair for the period of the election of chair. This person would need to be a Board Member not standing for the Chair.

The following seniority would be applied in this event:

- 1 Longer serving Vice Chair
- 2 Shorter serving Vice Chair (if applicable)
- 3 Chair of Governance
- 4 Chair of Audit
- 5 Longest serving other Board Member present

2.3 Agrees the same seniority should be applied in the event of a tied vote for Chair of a future meeting.

2.4 Approves an amendment to the Governance Arrangements, Part VI Delegation of Responsibilities: 3.2 Appointments Panel to read:

3.2.3 The make-up of the panel will be determined by the Board. The panel will normally include at least one of the Chair and Vice Chairs.

3. REASON(S) FOR RECOMMENDATION

- 3.1 To provide clarity within the wording of the Articles/Standing Orders in the event that it is not possible to immediately elect a Chair of any future Board meeting following the AGM.
- 3.2 To allow for an Appointments Panel to be appointed in the event no chair nor vice chair is in place or available.

4. MATTER FOR CONSIDERATION

- 4.1 Article 39 states

At the first Board Meeting following each annual general meeting the Board Members shall appoint one of their number to be the Chair of the Board to hold office for a period of three years subject to annual confirmation. The Board may at any time remove him from that office.

- 4.2 A ballot at the last Board meeting resulted in a tie in votes for
- Mike Ainsley
 - Bob MacDonald
- 4.3 It is for the Board to determine how to break the tied vote in the next item on the agenda. The proposals in this paper address any future repetition of a tie for Chair – which has been in the past the only vote where there has been (by custom and practice) no Chair and therefore no casting vote to avoid the conflict of interest that this would involve.
- 4.4 It is proposed that the Standing Orders are amended to allow for the Board to select a Board member to chair the meeting following the AGM (rather than the Company Secretary operating a vote without a Chair) and therefore put a casting vote in place while any election for Chair takes place, and that this temporary Chair would then have a casting vote on the vote for Chair in the event of a tied vote for Chair at any future Board meeting following the AGM.
- 4.5 This would ensure that the current tied vote should not happen again in the future as the Chair of the meeting would have a casting vote. It is proposed that the Board would set a predetermined order of seniority for this eventuality in the future, as set out in the proposed new Standing Order 1(e).
- 4.6 It is suggested that the following order of seniority is applied to determine that temporary Chair (in all cases excluding any candidate for Chair):
- 1 Vice Chair – longer continuous serving
 - 2 Vice Chair – shorter serving
 - 3 Chair of Governance
 - 4 Chair of Audit
 - 5 Longest serving Board Member.

- 4.7 The make up of the Appointments Panel is set out in Part VI Delegation of Responsibilities, Section 3.2. Paragraph 3.2.1 states
“The make-up of the panel will be determined by the Board. The panel will include at least one of the Chair and Vice Chairs.”
- 4.8 In the event the Chair and Vice Chair(s) positions are not decided at this meeting, in order to ensure an Appointments Panel is appointed for Board Member recruitment (Item 11) it is proposed to amend the wording of this paragraph to include ‘normally’:
“The make-up of the panel will be determined by the Board. The panel will **normally** include at least one of the Chair and Vice Chairs.”

5. OTHER OPTIONS CONSIDERED

- 5.1 The Board could determine to use the seniority rule above only in the event of a tied vote for the role of chairing the election of the next Chair. This would allow any member to be nominated for the role as is the case at other meetings rather than a preapproved list.
- 5.2 There are other options amongst which are:
- the use of a Chair’s casting vote in the event of a future tie for Chair of Derby Homes: this would be clear but would be a conflict of interest and counter to previous practice
 - continuing with the current arrangements – this could lead to a repetition of the current tie
 - an incumbency rule – so that any role holder would continue in place in the event of a tie
 - a modified incumbency rule – so that any role holder would continue until the next meeting where a further vote was held.
 - - referring future ties to the shareholder to resolve.

IMPLICATIONS

6. FINANCIAL AND BUSINESS PLAN IMPLICATIONS

- 6.1 The Chair of the Board is entitled to receive an annual payment of £8,700. Councillor Board Members are not entitled to this payment as they are eligible for an allowance from the Council.

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

Consultation
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: None

The content of this report has been approved by:

Finance Director & Company Secretary	David Enticott	08/10/2020
Head of Governance & Corporate Services/ Company Solicitor	Taran Lalria	14/10/2020