

NOTTINGHAM CITY HOMES

REPORT OF THE COMPANY SECRETARY & SOLICITOR

THE BOARD
22 JANUARY 2009

COMPANY SECRETARY'S REPORT

1 SUMMARY

- 1.1 This report sets out current administrative and governance issues requiring consideration by the Board.

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 note the preparations for Board succession planning:-
- 2.1.1 the retirement provisions in accordance with the Company's Articles of Association.
 - 2.1.2 Tenant Board Member recruitment 2009
 - 2.1.3 the Independent Board Member recruitment 2009
 - 2.1.4 the review of the Co-opted Board Member appointments
- 2.2 note the use of the Company Seal
- 2.3 authorise the compensation payments in excess of £1,000.00
For the period August 2008 to December 2008
- 2.4 approve the draft Anti-Fraud and Corruption Framework.

3 REPORT

3.1 BOARD SUCCESSION PLANNING

The Board is required to review and renew its membership in accordance with the Company's Articles. Four vacancies will arise this year owing to the retirement provisions of the Company's Articles. In addition the Board is required to annually review its two Co-opted members.

In view of the recruitment and selection process that will necessarily arise as a result of the proposed vacancies, this is also an opportunity for any Board member who although not required to retire from office this year, may wish to do so. This should be made known to the Chair or the Company Secretary outside of this meeting so that any additional vacancies to be filled can be included in the 2009 recruitment and selection process.

3.1.1 RETIREMENT PROVISIONS

The Company's annual general meeting ("AGM") is scheduled to take place in September 2009 rather than July 2009 for business reasons i.e. financial accounts and to overcome problems of attendance associated with the holiday period.

The current Memorandum and Articles of the Company as amended on 2nd May 2008 require that the two longest serving independent board members and the two longest serving tenant board members retire from office at the next AGM.

Accordingly, the longest serving Board members who are required to retire from office are as follows:

Paul Rowe (Independent) appointed 1 April 2005
Ade Aderogba (Independent) appointed 1 April 2005
Anne Dean (Tenant) appointed 1 April 2005
Janet Storar (Tenant) appointed 2 May 2006

All Board members required to retire from office are eligible to re-stand by application under the appropriate recruitment and selection process (see below).

3.1.2 TENANT BOARD MEMBER RECRUITMENT AND SELECTION PROCESS

Two vacancies will arise from the retirement of the longest serving Tenant Board Members. The procedure for recruitment, selection and election of tenant board members is defined in the Company's Governance Standing Order.

The vacancies will be widely advertised across the City in the Company's reception areas including the new Housing Services centre, the City Council's reception areas; community, religious and medical centres; other partner organisations reception areas and the website.

This process requires the appointment of a recruitment panel consisting of :

- The Chair and;
- Two other Board members, one of whom to be a Tenant Board member.

An open day was held in the lead up to the 2008 election process and this and other ways of attracting applicants will be considered for the 2009 election process.

It is likely that the election process will be undertaken by an external independent body.

3.1.3 INDEPENDENT BOARD MEMBER RECRUITMENT AND SELECTION PROCESS

Two vacancies will arise from the retirement of the longest serving independent Board members. The procedure for recruitment is defined in the Company's Governance Standing Order.

The process is by way of external application, recruitment and selection against the core competencies and common criteria applicable to all Board members. With the support of the Chief Executive and the Company Secretary, the Board will also need to consider the methods of advertising the vacancies, the requirements of the applicants considering any particular, skills, knowledge and experience required and to address any diversity requirements of the Board.

The recruitment panel will consist of

- The Chair (or Vice Chair as appropriate) and
- 2 other Board members (one of whom to be a Tenant Board Member).

In respect of recruitment to both categories of vacancy, a detailed recruitment plan and timetable will be circulated for consideration at the next Board meeting.

3.1.4 CO-OPTED MEMBERS

In accordance with the Company's Articles, at the first Board meeting following the Company's AGM on 31 July 2008 the Board resolved to review the co-opted member appointments.

The Board may review the appointment of the current co-opted Board Members at any time but must review the appointments at the first Board meeting following the AGM.

The Board is requested to either:-

- a) Confirm the current appointments, to be reviewed at the first Board meeting following the next AGM or
- b) Review the current appointments

3.2 **USE OF THE COMPANY SEAL**

3.2.1 In accordance with the Company's Tender and Contractual Procedural Rules standing order, commercial contracts must be executed as a deed i.e. sealed with the Company seal and countersigned by the Company Secretary and a Board member in the following circumstances:-

- a. Any contract up to the value of £100,000.00 but only on the advice of the Company's legal advisers or
- b. Where the contract is valued in excess of £100,000.00

The significance of executing the contract as a deed reflects the high value and/or high risk nature of the contract and results in the limitation period for taking legal action on issues arising from the contract being extended from the basic 6 year limitation period to 12 years.

The Company's Articles state that the Board must give either specific or general authority (as set out at 3.4.1 above) to use the Company seal which is in the charge of the Company Secretary.

Accordingly the Board is requested to note the use of the Company Seal for the contracts on the attached Appendix 1 to this report (as recorded in the Company's Seal Register from entry 49 -71 inclusive).

3.3 COMPENSATION PAYMENTS

The Board is requested to retrospectively authorise the payment of 4 compensation claims detailed in Appendix 2 to this report for the reasons stated.

The payments are settlements in respect of complaints raised under the Company's 3 Cs procedures. Retrospective authorisation is being sought to avoid any delay in the processing of payments by the intervening period between Board meetings. Delays in processing payments cause the payments had to be made in advance of the matters being referred to Board. to avoid any further action including legal action being taken against the Company which could result due to the delay in referral of these claims to Board.

At present the Company's Financial Regulations standing order states that any ex gratia payment exceeding £1,000.00 has to be authorised by the Board.

It is proposed that at the next review of the Company's standing orders in May 2009, that in addition to any amendments deemed necessary by the Director of Finance, that consideration is given to amending the Financial Regulations so that nominated Board members are given the power to authorise payments in excess of £1,000.00 countersigned by an executive director.

Such proposed amendments will require consultation with Nottingham City Council and on the recommendation of the Audit Committee, the Board will be required to approve those amendments.

3.4 ANTI-FRAUD AND CORRUPTION FRAMEWORK

The draft Anti-Fraud and Corruption Framework was considered at Audit Committee on 8 December 2008. The Audit Committee resolved to recommend the Framework to the Board for approval.

The requirement for the Framework is on the recommendation of the Company's internal auditors. Its purpose is to ensure that there are systems of internal controls to assist the Company administer its responsibilities to protect both Company and public funds and assets.

The Company will seek to achieve this by the requirement for the compliance with rules, regulations, procedures and guidance set out within the Framework:

- For the prevention of theft, fraud or corruption from both inside and outside the Company and
- To promote detection and to identify clear responsibility for investigations

The Framework is circulated with this Report for approval.

4 OTHER OPTIONS

4.1 None.

5 FINANCIAL & RISK IMPLICATIONS

5.1 Board succession planning – costs are included within the current budgetary provision.

6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

6.1 Ensuring that the Board is working towards appropriate levels of diversity in its own composition to match the community it serves, is considered crucial for the achievement of NCH objectives.

7 VALUE FOR MONEY & EFFICIENCY ISSUES

7.1 A high performing board will be more efficient and effective

8 EQUALITY & DIVERSITY IMPLICATIONS

8.1 Board composition

9 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

9.1 Memorandum and Articles of Association, Standing Orders

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Appendix 2– Compensation Payments



Summary of Compensation Paid over £1,000 – 2008/2009

Name	Address	Date	Amount Paid	Authorising Officer	Procedural Authorising Officer	Reason for Compensation
Tenant 1	Property 1	Aug-08	£2,345	Gill Moy / MartINETTE Proud	The Board	Loss of possessions whilst in storage – Ombudsman's recommendation for payment
Tenant 2	Property 2	Oct-08	£3,200	Gill Moy / MartINETTE Proud	The Board	Goods disposed of in 2007. There was a payment delay as it was a case settled via a Solicitor.
Tenant 3	Property 3	Dec-08	£1,775	Gill Moy / MartINETTE Proud	The Board	Roof joists collapsed as previous tenant had removed the support.
Tenant 4	Property 4	Dec-08	£1,537	Gill Moy	The Board	Tenant unable to live at her home for almost 8 months due to a rat infestation as repairs were outstanding to broken pipe work.