

NOTTINGHAM CITY HOMES

REPORT OF THE COMPANY SECRETARY &
SOLICITOR

THE BOARD
26 NOVEMBER 2009

COMPANY SECRETARY'S REPORT

1 SUMMARY

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

2 RECOMMENDATIONS

It is recommended that the Board:

- 2.1 note the position regarding the Casual Board Member vacancy
- 2.2 approve the terms of reference and powers delegated to the Finance and Audit Committee, Property Services Committee, the Housing Management Services Committee and the Business Development Committee
- 2.3 To note the progress of the review of the Management Agreement between Nottingham City Council and Nottingham City Homes.
- 2.4 authorise compensation payments in excess of £1,000

3 REPORT

3.1 Casual Vacancy

The Board resolved at the last meeting on 24 September 2009 to fill the tenant board member position left vacant following Graham Ward's resignation earlier this year. In accordance with the Company's Articles, the TLC may nominate candidates to fill a casual vacancy and appointment to the Board will subject to Board approval..

Notice was given to the TLC to nominate suitable candidates who would then be required to undertake an assessment by the Chair and a Board member assisted by the Company Secretary to ensure that the nominated candidates have attained at least base level competency in the skills required of a board member.

At the time of writing this report, two expressions of interest were made and formal nomination of the two candidates will be considered at the next TLC meeting on 25 November 2009.

3.3 **Revised Governance Structure – Terms of Reference**

Following the Board's formal approval of the revised governance arrangements, all committees (with the exception of the Business and Development Committee) have now met to determine their proposed terms of reference and delegated powers, subject to approval by the Board.

The terms of reference for the Business Development Committee will be circulated to the Board for comments and approval following their meeting on 3rd December 2009.

It is important that the Board and the Executive Management Team is kept informed of the progress of the work of the committees. Accordingly, all committee papers, agendas and minutes will be available on the internet and if paper copies are required then these can be supplied by the Governance Team on request.

In addition, the committee Chairs supported by the relevant Director can present information to the Board as to the issues being considered at committees.

It is further proposed that the Chief Executive gives consideration to holding regular joint meetings with the Chairs of the respective committees, the Chair and Vice Chair of the Board to ensure connectivity between the Board, its committees and the Executive Management Team.

The Board is referred to the terms of reference and delegated powers for each committee at Appendix 1 to this report and is requested to consider and approve the contents.

3.4 **Management Agreement**

At the November 2008 Board meeting, the Board resolved to agree to Nottingham City Council's proposal to:

- a) extend the Management Agreement for the delivery of landlord services to the end of the financial year 2012/13; and
- b) to broaden the scope of the Agreement to build on the Company's strategic role as one of the City's major strategic partners in particular to take into account the Company's contribution to towards the Sustainable Community Strategy, the Council Plan, Local Area Agreement and the development and implementation of the Strategic Regeneration Frameworks.

Following discussions between the Council and the Company, it is further proposed that there should be a ten year Agreement with a focus on establishing the Agreement as a partnership framework to cover not only the mandatory requirements in terms of the core housing management functions of the Company but also to allow greater flexibility and freedom to allow the Company to develop business opportunities on behalf of the

Council. This will in turn enable the Company to deliver high quality services to its customer base and also strengthen its financial viability.

It is proposed that the first draft of the revised Agreement be completed by December 2009 and officers from the Company and the Council are currently in the process of jointly commissioning external solicitors to undertake this work.

It is therefore anticipated that the first draft will be tabled for discussion at the January 2010 Board meeting.

3.5 **COMPENSATION PAYMENTS**

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

The payments relate to improvements to Council properties in accordance with a tenant's right to compensation for improvements under the directive of the Communities and Local Government ("CLG") which has been adopted by the Company under "*Your right to compensation if you make improvements*" policy ("the Improvement Policy").

The payments listed in Appendix 2 are authorised as complying with the conditions of the Improvements Policy which allows for compensation up to a maximum of £3,000.00.

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

The Board is accordingly requested to approve the payments in Appendix 2.

4 **OTHER OPTIONS**

4.1 None.

5 **FINANCIAL & RISK IMPLICATIONS**

5.1 Casual Vacancy - Board succession planning, training and development costs are included within the current budgetary provision.

5.2 Management Agreement – the appointment of external solicitors is a joint commission between the Council and the Company and costs will be apportioned accordingly.

5.3 Improvement Policy payments – although payments are expressed as compensation, the payments actually reflect the reimbursement to outgoing tenants following improvements to their former tenancies in accordance with Government guidance and Company policy.

6 **IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

6.1 Casual Vacancy - Ensuring that the Board is working towards appropriate levels of diversity and a range of experience and skills within its own composition is considered to be a crucial for the achievement of NCH objectives.

6.2 Management Agreement

The proposals for review will enable the Company to deliver high quality services to its customer base and also strengthen its future financial viability.

7 VALUE FOR MONEY & EFFICIENCY ISSUES

7.1 An appropriately skilled Board will be more efficient and effective

8 EQUALITY & DIVERSITY IMPLICATIONS

8.1 Effective governance arrangements and a diverse Board will ensure that equality and diversity issues remain a continued focus for the Company.

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

9.1 Memorandum and Articles of Association, Standing Orders, CLG: Your Right to Compensation for Improvements

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