

Council – 23rd February 2012

Board Composition and Membership of Walsall Housing Group

1. Summary of report

To advise the Council of a request made by Walsall Housing Group Limited to reduce the number of the Council's representatives on the Board of Walsall Housing Group Limited ("WHG") and seek authority from the Council to vote in favour of this resolution .

2. Recommendations

- 2.1 That Council consider the request received from WHG to reduce the number of the Council's representatives on the Board of WHG from 3 to 1.
- 2.2 That if the Council is minded to agree, authority be given to Head of Housing to attend the Extraordinary General Meeting at which the Special Resolution to amend the Memorandum and Articles of Association of WHG is proposed and vote in favour of the proposed Special Resolution to amend the Memorandum and Articles of Association of WHG.

3. Background

- 3.1. WHG has requested the Council to consent to a reduction in the number of Councillors who sit on the Board of WHG from three to one.
- 3.2 Originally WHG adopted the National Housing Federation (NHF) Code of Governance. However, the Governance Committee of WHG has recently received reports on compliance with the requirements of the Code which shows a failure to meet the requirements of that Code relating to the number of members on the Board.
- 3.3. The NHF Code recommends a maximum of 12 members and the Board currently has 15 made up as follows:
 - Five tenant members (one from each Local Trust, now Local Committee)
 - Two additional tenant members nominated by the Walsall Tenants and Residents Federation.
 - Three members nominated by Walsall Council
 - Five independent members.
- 3.4 WHG now wish to move to a Board with a membership of 12 members in order to comply with the Code made up as follows:
 - Five tenants members (one from each Local Committee)
 - One member nominated by Walsall Council
 - Six independent members
- 3.5 WHG have stated that they do not wish to alter the Council's nomination to either the Local Committee or VIEW (Visionary Investment Enhancing Walsall Ltd) which currently standards at three members.

- 3.6 Walsall Tenants and Residents Foundation have already agreed to the removal of their two nominations but are working in partnership with WHG in other ways including playing a much more active role in the recruitment of members to the Local Committees that focus on service delivery and local issues.

4. Legal implications

- 4.1 The Council's consent is required to any changes to WHG's Memorandum and Articles of Association both as Council Member in accordance with the Articles of Association of WHG and in accordance with the terms and conditions of the original Stock Transfer Agreements dated 22nd March, 2003.

The 6th Schedule Part II contains the following covenant by Walsall Housing Group to the Council:

"PARENT'S MEMORANDUM AND ARTICLES OF ASSOCIATION

Not to change the Memorandum and Articles of Association of the Parent so far as they relate to the Parent's objects and powers and to local authority or tenant representation without the Council's prior consent in writing such consent not to be withheld or delayed in relation to all reasonable advice issued by the Housing Corporation concerning the governance of all classes of Registered Social Landlords **PROVIDED ALWAYS** and it is agreed by the Council that, where the Council shall have given consent in writing to such a change to the Memorandum and Articles of Association of the Parent, the Council, in its capacity as a member of the Parent, shall vote in favour of that amendment at the relevant General Meeting of the Parent."

- 4.2 A Special Resolution passed at a meeting of members of WHG is required to effect a change of the WHG's Memorandum and Articles of Association which the Council as Council Member is entitled to vote on.

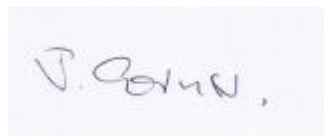
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Signed:

Democratic Services Manager

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