

Council – 9th January 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 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

WHG has requested the Council to consent to a reduction in the number of Elected Members who sit on the Board of WHG from 3 Members to 1. WHG have advised the Council that their regulatory body, the Tenants Services Authority, requires them to adopt the National Housing Federation's Code of Governance which recommends that the overall size of WHG's Board should consist of no more than 12 Members.

The reduction in membership of the Board reflects the current position which is that the Council nominated one Member of the Council (Councillor Ali) to attend Board meetings of WHG

The proposed changes do not reduce the representation of Councillors on the five Housing Groups or the representation on Visionary Investment Enhancing Walsall Ltd., (VIEW).

The proposed changes do not affect the voting rights of the Council at General Meetings. At the present time, the Council has the right as Council Member to one-third of the votes at a General Meeting of WHG if a poll vote is demanded. A poll vote may be demanded by the Council Member acting alone, the effect of this being that the Council retains control over major decisions relating to housing stock.

4. Legal implications

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."

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:

Chief Executive:

29th December 2011