

DERBY HOMES – MEMORANDUM AND ARTICLES OF ASSOCIATION

Report of the Chief Executive

SUMMARY OF REPORT

1. This report seeks approval for changes to the Memorandum and Articles of Derby Homes that are being recommended by its Board. These provide for the representation of leaseholders on the Board and create some restrictions upon tenants and leaseholders who are two months or more in arrears.

REASON FOR URGENCY

2. This matter should be considered as an urgent item and not subject to call-in, as it relates to matters to be considered at an Extraordinary General Meeting of Derby Homes to be held on 27 June 2002.

RECOMMENDATIONS

3. To approve the changes to the Memorandum and Articles of Derby Homes being recommended by its Board at an Extraordinary General Meeting to be held on 27 June 2002.

REASONS FOR RECOMMENDATIONS

4. The changes proposed need to be considered in order to adjust the Memorandum and Articles of Derby Homes to reflect the Board's proposed methods for electing tenants and leaseholders to its membership and for the conduct of its business.

MATTER FOR CONSIDERATION

- 5.1 An Extraordinary General Meeting of Derby Homes is to be held on 27 June 2002 at 6.00 pm. It will be attended by the Director of Policy, acting on behalf of the Chief Executive. It will consider proposals to change the Memorandum and Articles being recommended by the Board of Derby Homes. The Board is responsible for establishing detailed procedures for the conduct of elections held for tenants and leaseholders to serve on the Board. These elections will be held in the period 27 September – 28 October 2002, with the results being declared at the first Annual General Meeting of Derby Homes on 31 October 2002.
- 5.2 In order to conduct these elections in accordance with procedures agreed by the Board, a number of consequential changes are being proposed to the Memorandum and Articles.
- 5.3 The attached notice of the Extraordinary General Meeting sets out the

proposed changes in full. The purpose of these changes is to make sure that there is leaseholder representation on the Board and that there is limitation on the right of tenant and leaseholders to stand for election and, if elected, to vote on financial matters when they are two months or more in arrears. These are similar to restrictions which apply to Councillors.

5.4 In summary, the changes proposed are:

- deletion of the provision for a fifth tenant board member to be nominated by Derby Association of Community Partners
- insertion of a provision that a Board member be elected by leaseholders
- provision that the four tenant Board members elected to represent each one of four areas
- insertion of a prohibition on those in more than 2 months arrears of rent or invoiced service charges from being eligible to seek election
- prevention of any elected tenant or leaseholder Board member who is more than two months in arrears from participating in financial decisions at board meetings.

5.5 DTLR has been advised of the proposed changes and has raised no objections.

OPTIONS CONSIDERED

6. The option of not approving these changes has been considered. This is not appropriate since the forthcoming elections to the Board cannot proceed in the manner agreed unless these changes are made.

FINANCIAL IMPLICATIONS

7. None.

LEGAL IMPLICATIONS

8. The proposed changes require the approval of the Council as the sole member of Derby Homes Limited.

PERSONNEL IMPLICATIONS

9. None.

ENVIRONMENTAL IMPLICATIONS

10. None.

EQUALITIES IMPLICATIONS

11. None.

Background Papers:

None

JB/JM