



Report sponsor: Strategic Director of  
Communities and Place  
Report author: Head of Strategic Housing

## **Derby Homes' Memorandum and Articles**

### **Purpose**

- 1.1 To consider whether to approve the proposed amendments to Derby Homes' Memorandum and Articles by Derby Homes' Board.

### **Recommendation**

- 2.1 To approve the amendments to Derby Homes' Memorandum and Articles proposed by Derby Homes' Board attached at Appendix 1.
- 2.2 To authorise Council officers to sign a special resolution to this effect to be filed at Companies House by Derby Homes within the time limits required.

### **Reason(s)**

- 3.1 Derby Homes' Board is proposing to allow leaseholders to be considered as tenants for purposes of recruitment of tenant board members in response to repeated requests from the Leaseholder forum.
- 3.2 Derby Homes' Board requires 3 tenant board members and has sometimes had difficulty in recruiting tenants within the scope of the existing definition, which excludes leaseholders, to its main board.

### **Supporting information**

- 4.1 Derby Homes' Memorandum and Articles govern its operation. Derby City Council is the sole shareholder and 100% owner of Derby Homes and as a result is required to approve any changes to Derby Homes' Memorandum and Articles.
- 4.2 At last year's Derby Homes Annual General Meeting, the Leaseholders' forum asked whether Derby Homes could consider having a leaseholder on the Board. They had asked this question the previous year as well. The Chair of Derby Homes stated that Derby Homes would consider this matter.
- 4.3 Derby Homes' Governance Committee considered the issue at their next meeting and recommended that leaseholders should not have a specific place on the Board, but that they should be treated as tenants of the Council for the purposes of selection of 'tenant board members'.

4.4 The Board considered this matter in July and resolved to request to the Council that this be accepted, subject to the following conditions:

- That any leaseholder acting as tenant board member would have to be a resident and not a landlord
- That any leaseholder would not have a dedicated place reserved, but would have to compete within the broader pool of tenants for any opportunity that arises
- That the number of leaseholder tenant board members would be limited to one

4.5 In order to reply to the Annual General Meeting (AGM) of Derby Homes on 28 November, this decision is required before then.

4.6 The proposed changes to the Memorandum and Articles are attached at Appendix 1.

### **Public/stakeholder engagement**

5.1 The issue arose at the AGM of Derby Homes and has been discussed by Derby Homes' Board and Governance Committee.

### **Other options**

6.1 To not approve the change – this would leave leaseholders with the option of applying to the Board as independents as is the current position.

### **Financial and value for money issues**

7.1 None

### **Legal implications**

8.1 Derby Homes cannot change its Articles without the Council's approval under Derby Homes' constitution.

8.2 Changes to Derby Homes' Articles have to be filed with Companies House within 15 days along with a special resolution approved by the Council.

### **Other significant implications**

9.1 None

**This report has been approved by the following people:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu, Head of Legal Services	9 September 2019
<b>Finance</b>	Amanda Fletcher, Head of Finance	18 November 2019
<b>Service Director(s)</b>	Greg Jennings, Director of City Development and Growth	18 November 2019
<b>Report sponsor</b>	Rachel North, Strategic Director of Communities and Place	
<b>Other(s)</b>	David Enticott, Derby Homes Company Secretary	8 September 2019

<b>Background papers:</b>	Reports to Derby Homes Board
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