



Cabinet 14 September 2011

Havebury Housing Partnership: Changes to Representation on Board

1. Summary and Reasons for Recommendations

- 1.1 Since it was established in 2002, Havebury Housing Partnership (Havebury) have had a Board which comprised representatives from three constituencies: tenants, Borough Council and independent. The Board has comprised fifteen members, five of each of the constituencies.
- 1.2 This report outlines Havebury's proposal to reduce the composition of the Board to twelve, with four ring-fenced places for tenants, and three for Council nominees. This will be in line with the National Housing Federation's 'Excellence in Governance' Code which Havebury have adopted.

2. Recommendations

It is **RECOMMENDED** that:-

- (1) Havebury Housing Partnership's proposal to reduce the membership of the Board to twelve members, comprising three Council nominees, four tenants and five independent representatives be approved; and
- (2) the invitation to be represented on the Recruitment Panel for the five independent places available on the Board be accepted.

3. Corporate Objectives

3.1 The recommendation(s) meet the following, as contained within the Corporate Plan:-

- (a) Corporate Priority: 'Improving the safety and well being of the community';
and
- (b) Vision 2025: St Edmundsbury will be a place which: 'has a range of affordable housing.'

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4. Key Issues

4.1 Background

4.1.1 When Havebury was established in 2002, it was usual for Large Scale Voluntary Transfer organisations to have Boards comprising three constituencies; tenants, Borough Council representatives, and independent representatives. Since 2002 there have been fifteen members of the Board, five tenants, five Councillors and five Independent representatives.

4.1.2 Since March 2010, Havebury have adopted the National Housing Federation's *'Excellence in Governance'* Code, one element of which recommends that the Board should comprise no more than twelve non-executive Board Directors, and Havebury accepted that they should progress to reduce the size of the Board.

4.1.3 The Council's current members of the Havebury Board are:-

Councillor Adam Whittaker	:	until 2012;
Councillor Frank Warby	:	until 2016;
Councillor Jeremy Farthing	:	until 2018;
Councillor Robert Everitt	:	until 2019; and
Liz Watts	:	until 2019

4.1.4 Borough Council representatives on the Board currently receive an allowance of approximately £2,800 per annum.

4.2 Proposal

4.2.1 An opportunity presents itself in September 2011 to start the process of reducing the membership of the Board with the retirement of one of the Independent Board Directors, followed in September 2012 by the retirement from the Board of one of the Borough Council nominees, and by the current Chairman of the Board. Havebury, therefore; propose to start the process of reducing the Board by leaving these three vacancies unfilled.

4.2.2 Havebury sees the involvement of tenants in its governance as crucial, and this is endorsed by the Borough Council. It is, therefore, proposed that four places on the Board in future are reserved specifically for tenant representatives, who will be selected through open competition involving application and interview, to ensure the applicant has the right skills, knowledge and experience for the role.

4.2.3 The Borough Council will be invited to nominate to three of the places on the Board. The nominations could be Councillors, or other nominees, who will also be subject to an interview to assess their suitability. The recruitment panel will include one Borough Council representative.

4.2.4 The remaining five places would then be openly recruited to, based on knowledge, skills and experience. This is felt to be critical as Havebury moves towards the more complex areas of their business. The Borough Council could, of course, field applicants for these 'open' positions also if desired.

4.2.5 In order to provide additional safeguards to the Council, who has since Havebury's inception been committed to and actively interested in how Havebury delivers its services to tenants, an invitation will be extended for the Borough Council to provide a representative on an interview panel for the selection process.

4.2.6 Havebury, therefore, propose to make the reduction to the Board by 'natural wastage' as and when Directors retire from the Board but with a clear pathway to a reduced Board

by September 2012. Thereafter, as and when vacancies arise, all Board Directors would be appointed through an open recruitment and skills based selection process, but with four places specifically targeted for tenants, and three places for Borough Council nominees. If there are no suitable candidates, the vacancy would be advertised and offered to an appropriately skilled candidate based on skills, experience and knowledge. The next vacancy to follow would then focus on seeking an appropriate tenant/Council candidate to return to a four tenant/three Borough Council Board Director position.

- 4.2.7 It is also proposed that the proportion of votes that each constituency of Members has at the Annual General meeting should change in line with the Board Director changes, namely, of the 100 votes available, tenants will have 33, Borough Council will have 25 and Independent Members will have 42.

5. Other Options considered

- 5.1 To keep the status quo and to continue to operate a Board with fifteen Board Directors who are 'nominated'. However, this is clearly against the National Housing Federation Code and was highlighted in the report from Havebury's regulator in late 2010 that the Board still exceeded the maximum recommended.
- 5.2 By moving to a recruitment and selection process for all Board Members, Havebury will ensure its Board Directors are skilled, experienced and knowledgeable to take on the role in a more complex organisation.

6. Community impact *(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)*

6.1 General

- 6.1.1 By adopting the 'Excellence in Governance' Code, Havebury will ensure its governance will meet the needs of the community, and by ensuring four places are ring-fenced for tenants, Havebury will continue to be a landlord of choice and provide housing and neighbourhood services that tenants desire. The Borough Council will also continue to have an active interest in the delivery of services to tenants.

6.2 Diversity and Equality Impact *(including the findings of the Equality Impact Assessment)*

- 6.2.1 The ring-fencing of places on the Board for tenants and Borough Council nominees will ensure a diverse range of skills and people will be considered for the positions.

7. Sustainability Impact *(including environmental or social impact on the local area or beyond the Borough)*

- 7.1 By using open recruitment for the Board selection, Havebury will ensure they have a strong and capable Board for the future, and meet the requirements of the National Housing Federation Code.

8. Consultation

- 8.1 Officers and Members of Cabinet have been consulted on the principles of the changes.
- 8.2 Any changes to the Articles of Association and, therefore, the Board require to be agreed at the Havebury Annual General Meeting (AGM) by over 75% of Members, with the Borough Council holding 33% of the votes currently.

9. Resource implications *(including asset management implications)*

- 9.1 There will be a reduction in numbers of current Members on the Havebury Board from five to three.

10. Risk Assessment *(potential hazards or opportunities affecting corporate, service or project objectives)*

10.1

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
	High/Medium/Low		High/Medium/Low
Loss of experience and skills on the Board thereby resulting in poor governance.	low	By adopting a phased approach to a new Board, continuity and experience will be sustained.	low
Borough Council interest in Havebury Board may diminish.	low	There will be three representatives nominated by the Borough Council who will undergo a recruitment and selection process thereby ensuring they have the skills to fully represent the Council on the Board. The Council will also have a place on the recruitment panel for other places on the Board.	low
Borough Council influence on the Board may reduce with the reduction in Board Directors. This could potentially lead to Tenant and Independent Directors together being able to 'override' Council Directors.	low	Working relationships with Havebury are extremely good, and sensitive or radical issues are always discussed at an operational level to ensure they fit with the Borough Council's strategic needs prior to the Board decision.	low

11. Legal or policy implications

11.1 Changes to the Board require an agreement at the Havebury AGM, with agreement from over 75% of the members

Wards affected	All	Portfolio Holder	Haverhill and Housing
Background Papers		Subject Area	Housing

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