

Agenda Item 6

Executive Member	Councillor Vivienne Michael
Strategic Management Team Lead Officer	Rachel O'Reilly
Author	Alison Wilks
Telephone	01306 870645
Email	Alison.wilks@molevalley.gov.uk
Date	23 July 2013

Ward (s) affected	All
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Subject	Proposed Reduction in the Size of Mole Valley Housing Association's Board
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RECOMMENDATION

(1) To approve that written consent be given to Mole Valley Housing Association to change its Rules of the Association to enable the reduction in size of the Association's board from 15 to 12 members.

(2) That the Council appoints the three Council representatives to sit on the board should the decision to reduce the size of the Mole Valley Housing Association board be approved.

CORPORATE PRIORITIES

The recommendations of this report are not directly related to the Council's priorities.

The Council has the authority to determine the recommendations.

1.0 BACKGROUND

The Council transferred, under Large Scale Voluntary Transfer (LSVT), the housing stock to Mole Valley Housing Association (MVHA) in 2007. MVHA is part of Circle Housing Group, which is the parent body, and is registered as a not for profit Industrial Provident Society and with the regulator of registered social housing providers the Homes and Communities Agency.

The Rules of Mole Valley Housing Association Limited are based on the Model Rules that were recommended in the National Housing Federation's Code of Governance 2005. The current MVHA board membership is shown on the table below.

Tenants members	MVDC representatives	Independent members	Total
6 (includes up to one leaseholder)	4	5	15

Council representatives are nominated to serve on the MVHA board at each Annual Council. Representatives may be either serving Council members or residents nominated with the appropriate expertise to serve on MVHA's board. The current board members are:

Councillor Valerie Homewood
 Councillor David Mir
 Councillor Philippa Shimmin
 Mr Peter Smith (former elected member of Council)

Following best practice all board members share the same legal status and have equal responsibility for decisions taken that affect the Association.

2.0 THE PROPOSAL

The National Housing Federation's 'Excellence in Governance: code for members and good practice guide 2010' recommends that boards should have a maximum of 12 members and that the association decide on the best board composition. MVHA's board currently has 15 members, as shown above.

MVHA is, therefore, proposing to reduce each part of the board by one to bring the overall size of the board to 12, which is shown in the table below.

Tenant members	MVDC representatives	Independent members	Total
5 (includes up to one leaseholder)	3	4	12

The LSVT contract between the Council and MVHA states in the Covenants by the Association:

'Not to change the Rules of the Association so far as they relate to the Association's objects and powers or to local authority or tenant representation without the Council's prior consent in writing, such consent not to be unreasonably withheld or delayed and in relation to all reasonable advice issued by the regulator concerning governance of all classes of housing associations such consent should not be withheld or delayed.'

MVHA's proposal is in keeping with recommended national good practice and as the LSVT contract requires that consent should not be unreasonably withheld or delayed it is recommended that written consent be given to MVHA to change its rules of Association and reduce the board members from 15 to 12. This will also give the Portfolio Holder for Customer Services and Wellbeing the mandate to vote on this matter on behalf of the Council at MVHA's AGM on 5 September. Before the AGM the MVHA Board will need to approve the proposal at its meeting on 11 July.

Assuming the MVHA Board votes to change the membership at its meeting on 11 July the Council is asked to determine the three Council representatives to sit on the board.

Financial Implications

There are no financial implications to this report.

Legal Implications

There are no legal implications arising from this report.

3.0 CORPORATE IMPLICATIONS

Monitoring Officer Commentary

All relevant legal implications have been considered.

S151 Officer Commentary

There are no financial implications relating to this report.

Risk Implications

There are no risk implications relating to this report

Equalities Implications

There are no equalities implications relating to this report.

Employment Issues

There are no employment issues relating to this report.

Sustainability Issues

There are no sustainability issues relating to this report.

Consultation

Information on the proposed change to Mole Valley Housing Association's board was circulated in advance to all members.

4.0 BACKGROUND PAPERS

- Current Rules of Mole Valley Housing Association Limited
- Letter of 4 June from David Searle Managing Director of Mole Valley Housing Association to Councilor Vivienne Michael Portfolio Holder for Customer Services and Wellbeing
- Large Scale Voluntary Transfer contract with Mole Valley Housing Association 2007
- Excellence in Governance, Code for members and good practice guidance 2010, National Federation of Housing