

CABINET

Date of Meeting	Tuesday 17 th March 2020
Report Subject	North East Wales Homes Limited
Cabinet Member	Cabinet Member for Corporate Management and Assets
Report Author	Chief Officer (Governance)
Type of Report	Operational

EXECUTIVE SUMMARY

North East Wales Homes Limited (“NEW Homes”) board wishes to significantly expand the company’s asset portfolio and strategic goals in order to improve on its commitment of providing affordable housing in the community. In order for the Board to take forward such a programme, it feels that it needs to recruit directors with the relevant skills and capacity.

There are currently vacant NEW Homes board posts including an Independent board post as well as a Council Officer board post. The board are currently recruiting more board members to assist with that expansion, seeking individuals with certain skills set identified as necessary to aid delivery of those goals. The board have received a good response with many candidates applying who appear to have skills sets identified as required.

Appointments to the board of NEW Homes are subject to approval by the Council.

The board have already approved in principle a change in the composition of the board of NEW Homes to facilitate the above. This also requires the consent of the Council and an amendment to the company’s Articles of Association approved by way of a written resolution of the Council as sole shareholder.

RECOMMENDATIONS

1	To approve an amendment to the NEW Homes Articles of Association to remove the provision for up to 1 Council Officer on the board and amend
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	to allow up to 4 independent directors on the board as detailed in Appendix A.
2	Authority be given to the Cabinet Member for Housing and Assets to sign the Written Resolution authorising the changes.

REPORT DETAILS

1.00	NEW Homes Board of Director Composition Amendments
1.01	<p>North East Wales Homes Limited (“NEW Homes”) is entering a new and ambitious phase of development with ambitions to significantly increase the number of houses it owns, and to expand the type of stock available from affordable rental housing to shared equity.</p> <p>The NEW Homes board has carried out a skills assessment of its members. Whilst the board as it stands has many key skill strengths, especially in respect of finance, it would like to increase skills and experience in the areas of housing development and management, including a high level of commercial acumen. It also needs to increase capacity and diversity amongst its board members.</p> <p>The current rules of the company, the company’s Articles of Association, permit up to 9 board members in total with up to 3 Independent directors, up to 5 Councillor directors and up to 1 Council Officer director. There are currently vacant board posts for 1 independent member, 1 officer and 2 councillors.</p> <p>The Board believes that it is no longer appropriate or necessary to have a Council Officer board member due in part to potential conflict of interests with roles at the council. In addition, the Council Officer post has remained vacant for a considerable length of time. Instead it would like to increase the maximum number of Independent board members to 4. The maximum board size of 9 would remain. This will require a change to the Memorandum and Articles of Association, which, if approved, can be implemented via a written resolution of the Council as sole shareholder.</p> <p>The Board advertised for candidates and received a positive response. Given the strength of the candidates the board would like to potentially recruit more than one independent member, subject to interview performance and prior written consent of the Council.</p> <p>In the event of any successful candidates for the role as board members for NEW Homes, Flintshire County Council will be asked to approve their appointment.</p>

2.00	RESOURCE IMPLICATIONS
2.01	There are no resource implications arising from this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Not applicable

4.00	RISK MANAGEMENT
4.01	<p>There are no specific risks arising out the proposed amendments to company's Articles of Association and any board appointments will be subject to Flintshire County Council approval.</p> <p>Appointing further Independent board member(s) will assist in diversifying the board's skills set.</p>

5.00	APPENDICES
5.01	Appendix A - Written Resolution
5.02	Appendix B - Current NEW Homes Article 22 regarding Composition of the Board

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Tim Dillon Telephone: 01352 702354 E-mail: tim.dillon@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>NEW Homes: North East Wales Homes Limited</p> <p>Board Members: Directors of New Homes</p> <p>Articles of Association: The internal rules governing NEW Homes</p> <p>Independent Directors: Directors who are not Councillors or Council Officers</p>