

North East Derbyshire District Council

Special Cabinet

14 November 2019

Governance Arrangements between the Council and Rykneld Homes Ltd

Report of the Councillor Richard Welton, Portfolio Holder for Housing

This report is public

Purpose of the Report

The purpose of the report is to update Cabinet regarding the outcomes of the Rykneld Homes Ltd (RHL) Board Meeting held on Monday 14th October 2019. The Board were asked to consider and approve recommended changes to the Board structure, recruitment process and governance arrangements as well as associated changes to the Company's Articles of Association.

Board agreed the changes to the Articles and now require North East Derbyshire District Council's (NEDDC) Cabinet to ratify them.

Following ratification of the articles NEDDC can then appoint a new Council Chair to the Rykneld Homes Board and nominate an additional parent Board member.

The Board report and Appendices are attached at **Appendix 1**.

1 Report Details

Background

1.1 The background information is detailed in the attached RHL Board report.

2 Conclusions and Reasons for Recommendation

2.1 RHL Board agreed the proposed changes to the Articles of Association and this now requires ratification by Cabinet.

3 Consultation and Equality Impact

3.1 No consultation has taken place with customers or staff at this time.

4 **Alternative Options and Reasons for Rejection**

4.1 An alternative would be to leave RHL's Board structure and Governance arrangements 'as is' however this would not provide NEDDC, the sole Shareholder the leadership and control that it seeks.

5 **Implications**

5.1 **Finance and Risk Implications**

5.1.1 None

5.2 **Legal Implications including Data Protection**

5.2.1 The changes to the Articles of Association have been prepared by Trowers Hamlins LLP and have been reviewed by the Council's legal team.

5.3 **Human Resources Implications**

None

6 **Recommendations**

6.1 That Cabinet note Rykneld Homes Board report and the agreed changes to the Board structure, recruitment process and governance arrangements.

6.2 That Cabinet ratify the changes to the Company's Articles of Association.

6.3 That Council appoint the new Council Chair of Rykneld Homes and nominate a further parent Board member.

Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: <i>BDC: Revenue - £75,000</i> <input type="checkbox"/> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC: Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Affected	All
Links to Corporate Plan priorities or Policy Framework	All

7 Document Information

Appendix No	Title
1	Board Report and Appendices App 2 - Governance Handbook App 3 - Role Descriptions and Persons Specifications App 4 - Draft Revised Recruitment process App 5 - Draft Revised Articles of Association App 6 – Governance Agreement
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
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