

**North East Derbyshire District Council**

**Cabinet**

**11<sup>th</sup> June 2020**

**Appointment of Directors to the new Housing Services Group**

**Report of Cllr Alan Powell, Portfolio Holder for Communications and Housing and  
Lorraine Shaw, Managing Director of Rykneld Homes Limited**

This report is public

**Purpose of the Report**

- To appoint the Directors to the four Housing Companies in the new Housing Services Group

**1 Report Details**

- 1.1 Previous reports (particularly the March Cabinet meeting) and Members' approvals have set the scene and approved the formation of a North East Housing Services Company Group. The proposal has been presented to Council at the recent meeting and received broad backing from Members of all parties. This proposes four companies – a Holding Company and three subsidiary companies being Rykneld Housing Limited, a DevCo and a Trading Company.
- 1.2 The companies are now being incorporated and as an initial step the Monitoring Officer will be a Director of each company until she can be replaced by Members. This is to speed up incorporation because as a result of Covid 19 restrictions Companies House is working more slowly than usual.
- 1.3 The intention is to appoint Directors as outlined on the Appendix to this report as soon as the companies have been formed.
- 1.4 The Task and Finish Group consisting of Council Officers, Rykneld Housing Limited's Managing Director and the Council's external advisers – Savills for commercial advice and Bevan Brittan solicitors for legal advice. It is Bevan Brittan who are sorting the incorporation of the companies.
- 1.5 There are currently two vacancies amongst the Independent Directors. The Managing Director of Rykneld Homes Limited has been undertaking an exercise including a skills analysis to appoint to these Directorships. If these appointments have been made at the time the agenda for the Cabinet meeting they will be included on the Appendix.
- 1.6 As the term "Independent Directors" could be somewhat confusing in Council terms is proposed that these are called "Non-Executive Directors" in future. The Articles of

Association for Rykneld Homes Limited will be changed to put this in place officially the next time they are reviewed. This is likely to be as a part of setting up the Company Group.

## **2 Conclusions and Reasons for Recommendation**

2.1 It is necessary to appoint the Directors formally as this has not yet been done.

## **3 Consultation and Equality Impact**

3.1 there is no requirement to consult or carry out an equality impact assessment on these appointments.

## **4 Alternative Options and Reasons for Rejection**

4.1 The only alternative recommendations would be to appoint alternative Directors or a recommendation not to proceed with the scheme. This was rejected as Council has recently given its approval

## **5 Implications**

### **5.1 Finance and Risk Implications**

5.1.1 None for the Council

### **5.2 Legal Implications including Data Protection**

5.2.1 A number of the Members appointed may not have held Directorships before. There is therefore a need to brief the new Members appointed as Directors on the conflicts of interest that may arise including the requirement on the Council side to register the interest and to make Disclosable Pecuniary Interests declarations where appropriate and also a need to brief the new Directors on the potential liabilities and responsibilities of Directors.

5.2.2 There are no data protections issues.

### **5.3 Human Resources Implications**

5.3.1 None

## **6 Recommendations**

6.1 That the Members outlined in the Appendix are appointed as Directors of the four companies as shown.

6.2 That Members note the appointment of the Non Executive Directors.

## **7 Decision Information**

<p><b>Is the decision a Key Decision?</b>  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></p>	No
<p><b>Is the decision subject to Call-In?</b>  (Only Key Decisions are subject to Call-In)</p>	No
<p><b>Has the relevant Portfolio Holder been informed</b></p>	Yes
<p><b>District Wards Affected</b></p>	None
<p><b>Links to Corporate Plan priorities or Policy Framework</b></p>	All

## 8 Document Information

Appendix No	Title
Appendix 1	List of proposed Directors for the North East Housing Services Company Group.
<p><b>Background Papers</b> (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)</p>	
None	
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