



Housing and Community Safety Overview and Scrutiny Committee

Date: Thursday, 25 September 2008

Time: 6.15 pm

Venue: Committee Room 3 - Wallasey Town Hall

Contact Officer: Mark Delap
Tel: 0151 691 8500
e-mail: markdelap@wirral.gov.uk
Website: <http://www.wirral.gov.uk>

AGENDA

Call-In of Cabinet Minute 186 (4 September 2008) - Wirral Partnership Homes - Proposed Amendments to Constitution

The Cabinet, at its meeting held on 4 September 2008 considered the report of the Deputy Chief Executive/Director of Corporate Services, which advised the Cabinet of proposals put forward by Wirral Partnership Homes to amend its constitution and sought the Cabinet's endorsement of those changes.

The Cabinet (minute 186) resolved – That

(1) Wirral Partnership Homes be requested to avoid meetings of the full Council when setting their meeting dates and be provided with details of the Council's calendar of meetings; and

(2) the Council member vote in favour of the amendments to the Articles of Association of Wirral Partnership Homes Limited.

Cabinet minute 186 has been called in by Councillors Duffey, K Hayes, Rennie, Blakeley, Fraser and Green on the following grounds –

"We believe that the Cabinet decision to instruct the Council's representative to vote in favour of the amendment to the Articles of Association of Wirral Partnership Homes Ltd (WPH) at its Annual General Meeting on 30 September 2008 to be ill judged and has the potential to impact on residents of Wirral, particularly those who rent or are leaseholders of WPH, without any checks and balances from any of the Council Nominated Directors.

Whilst we agree that the quorum should be six voting directors, we believe that among those present should be a Council-nominee. We also have concerns that the minutes of WPH Board Meetings are not open to public scrutiny and are effectively secret, and therefore we believe it is essential that Council Directors are present at WPH Board Meetings.

We therefore call on Cabinet to rethink its decision of 4 September and instruct the representative to vote AGAINST the amendment to the Articles of Association of Wirral Partnership Homes.”

1. CHAIR'S OPENING REMARKS

2. DECLARATIONS OF INTEREST/PARTY WHIP

Members are asked to consider whether they have personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they are.

Members are reminded that they should also declare, pursuant to paragraph 18 of the Overview and Scrutiny Procedure Rules, whether they are subject to a party whip in connection with any item(s) to be considered and, if so, to declare it and state the nature of the whipping arrangement.

3. EXPLANATION OF THE CALL-IN BY LEAD SIGNATORY

4. EVIDENCE FROM CALL-IN WITNESSES

1. Brian Simpson (Chief Executive WPH)
2. Patrick McCarthy (Company Secretary WPH)
3. Maggie Sparks (Interim Chairman WPH)
4. Councillor Bill Duffey
5. Councillor Karen Hayes
6. Councillor Ian Lewis
7. Councillor Steve Foulkes (**key witness**)
or in his place Councillor Phil Davies
8. Councillor George Davies (Cabinet Member for Housing and Community Safety)

5. EVIDENCE FROM CABINET MEMBER'S WITNESSES

1. Councillor Jim Crabtree
2. Councillor Denise Roberts

6. SUMMING UP BY MOVER OF CALL-IN

7. SUMMING UP BY CABINET MEMBER

8. COMMITTEE DEBATE

9. COMMITTEE DECISION

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WIRRAL COUNCIL

CABINET – 4 SEPTEMBER 2008

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE SERVICES

WIRRAL PARTNERSHIP HOMES – PROPOSED AMENDMENTS TO CONSTITUTION

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to advise Cabinet of proposals put forward by Wirral Partnership Homes to amend its constitution and to seeks Cabinet's endorsement of those changes.

2.0 BACKGROUND

- 2.1 In February 2005 the Council transferred its housing stock to two newly created not for profit Registered Social Landlords; Wirral Partnership Homes ("WPH") and Beechwood and Ballantyne Community Housing Association (BBCHA).
- 2.2 WPH is a company limited by guarantee. When it was created its constitution made up of Memorandum and Articles of Association were endorsed by the Council and the Housing Corporation amongst others. The Constitution of Wirral Partnership Homes can only be amended by a special resolution at a General Meeting of the Company. This requires that 75% of the membership vote in favour. The Council as a member of Wirral Partnership Homes holds one third of the votes. This effectively means that the constitution cannot be amended unless the Council votes in favour of doing so.
- 2.3 The Council is represented at General Meetings of WPH by the Head of Legal and Member Services (currently the Acting Monitoring officer and Proper Officer) or his nominee. The membership of WPH is separate from the Council's right to nominate five Board Members of WPH.
- 2.4 WPH is now over three years in to its operations and has carried out a review of its constitution in the light of its experience over that period. A number of amendments have already been made. These were the subject of a report to Cabinet on 14 December 2006, (minute 202 refers). In the light of further issues which have subsequently arisen WPH wishes to amend its constitution. Copies of two letters from WPH explaining the proposed change and the reasons for it are attached as Appendices 1 and 2 to this report.

3.0 PROPOSED AMENDMENT

- 3.1 The Board of WPH consists of 15 Directors. Five tenant Board members elected by the tenants, five independent Board members selected by WPH through an open competitive process and five Board members appointed by the Council. WPH's rules currently require at least six Directors to be present at a Board Meeting in order for it to be quorate. This must consist of at least two from each of the categories of Board Member (independent, tenant and Council nominated). This has caused some difficulties in the past in that some meetings have not been quorate.

3.2 As a result WPH proposed that the quorum consist of any 6 Board members. This would mean that at least two of the constituent groups on the Board would need to be represented. As well as approval by the membership any amendments to WPH's constitution must also be approved by the Housing Corporation. WPH has indicated that the Housing Corporation were unwilling to agree to its initial proposal. However, it would consent to an amendment that the quorum be six Board members provided that at least two are independent members. Therefore, this is the proposal that WPH will be putting to its members at its AGM on 30 September 2008

4.0 FINANCIAL & STAFFING IMPLICATIONS

4.1 There are none arising from this report.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 There are none arising from this report.

6.0 LOCAL AGENDA 21 IMPLICATIONS

6.1 There are none arising from this report.

7.0 LOCAL MEMBER SUPPORT IMPLICATIONS

7.1 The contents of this report apply to all wards.

8.0 HUMAN RIGHTS IMPLICATIONS

8.1 There are none arising from this report.

9.0 COMMUNITY SAFETY IMPLICATIONS

9.1 There are none arising from this report.

10.0 PLANNING IMPLICATIONS

10.1 There are none arising from this report.

11.0 BACKGROUND PAPERS

11.1 Wirral Partnership Homes constitution.

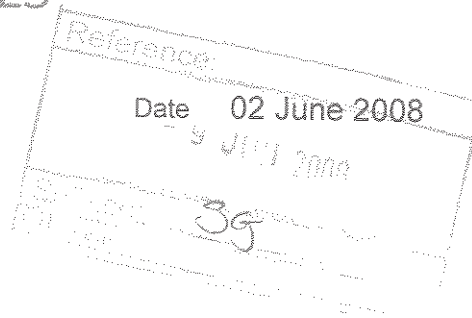
12.0 RECOMMENDATION

That the Council member vote in favour of the amendments to the Articles of Association of Wirral Partnership Homes Limited.

Jim Wilkie
Deputy Chief Executive/Director of Corporate Services

This report was prepared by Simon Goacher who can be contacted on 691 8600.

To Simon Goacher
Acting Proper and Monitoring Officer
Wirral Borough Council
Town Hall, Brighton Street
WALLASEY
Wirral CH44 8ED



Your Ref
My Ref BS/PMcC/IAB/B1/sgquorumsatmeetings
Tel Ext (0151) 606 3150 Please ask for Brian Simpson
E-mail briansimpson@wphomes.org.uk

Dear Simon

**CHANGES TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION
REGARDING QUORUMS AT MEETINGS**

May I take this opportunity to expand upon the issue of the Quorum for Board meetings which I raised briefly at our last joint liaison meeting?

As you are aware our M&A require a quorum of six directors for a Board meeting: Two independent directors, two tenant directors and two Council directors. On two occasions (September and October of last year) the Board was inquorate because we did not have two Council-nominated directors present. In fact, a third opportunity was also lost to call a short notice meeting at a training event, as only one Council Board director attended. As a result three months elapsed between quorate Boards able to move business. You will appreciate the operational difficulties this presented.

The Standards Committee of WPH has just reported to our Board having undertaken a review of our governance arrangements. Their recommendation, approved by the Board, was that the quorum for Board meetings should be changed to any six Board Directors, irrespective of their source of nomination. This would ensure that at least two "constituencies" of Board directors were always represented. I should point out that this amendment had the support of the Council Board directors present at the meeting.

I hope it will be clear that this is intended to be an anodyne change to address an extremely debilitating problem and that you will gain the support of the Council. Our intention is to present it as a motion to the Annual General Meeting in September but advance agreement, in principle, by the Council would be greatly appreciated.



business for neighbourhoods

**Wirral Partnership Homes Limited, Registered Office: 6 Europa Boulevard, Birkenhead, CH41 4PE.
Website: www.wphomes.org.uk**

A registered charity, registered number 1100969. Housing Corporation Registration no: L4435
Registered in: England with Registered no: 4912562. A member of the National Housing Federation no: 86239

If you need this letter in large print, Braille, audio or a different language call 0151 606 3000.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brian Simpson', with a stylized, cursive script.

Brian Simpson
Chief Executive

To Simon Goacher
Acting Proper and Monitoring Officer
Wirral Borough Council
Town Hall, Brighton Street
WALLASEY
Wirral CH44 8ED

Date 15th July 2008

Reference:
18 JUL 2008
Service:
Officer: SG

Your Ref
My Ref BS/IAB/B1/sgquorumsatmeetings
Tel Ext (0151) 606 3150 Please ask for Brian Simpson
E-mail briansimpson@wphomes.org.uk

Dear Simon

**CHANGES TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION
REGARDING QUORUMS AT MEETINGS**

I refer to my previous letter on this subject dated 2nd June 2008.

You will recall that in order to address the issue of inquorate board meetings the recommendation approved by the Board was that the quorum for Board meetings should be changed to any six Board Directors, irrespective of their source of nomination. This would ensure that at least two "constituencies" of Board directors were always represented. As I mentioned, this amendment had the support of the Council Board directors present at the meeting.

As this would be a change to our Memorandum and Articles of Association, we are required to seek the approval of the Housing Corporation to this proposal. We have approached them for an "in principle" view on the amendment to the quorum, before submitting it through our respective approval processes. They have advised that they would require the six members required to form a quorum to always contain at least two independent Board Directors. They will not approve the "any six" amendment previously proposed. Substantially I think this leaves us in the same place, as a quorum would still require at least two "constituencies" to be represented at a board meeting. In many ways it is better, as it is in the independent and tenant Board Directors' hands to ensure meetings are quorate – no more blaming anyone else!



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Could I therefore ask for your approval to a revision of the quorum along the lines required by the Housing Corporation?

Please do not hesitate to contact me if you require any further information.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Brian Simpson', followed by a long, horizontal, wavy flourish.

Brian Simpson
Chief Executive