



# Doncaster Council

## Report

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Date: 21 March 2019

To the Deputy Mayor and Portfolio Holder for Housing & Equalities

**Amendment to the Articles and Memorandum of Association of St Leger Homes of Doncaster Limited**

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Cllr Glyn Jones	All	No

### EXECUTIVE SUMMARY

1. The Articles and Memorandum of Association for St Leger Homes of Doncaster Limited (SLHD) need updating following the decision by Cabinet on 3 July 2018 to extend the management agreement for SLHD for a further five years.
2. This change needs to be approved by the Shareholder. SLHD is a company limited by guarantee with one shareholder that is the Council.

### EXEMPT REPORT

3. No.

### RECOMMENDATIONS

4. That the Portfolio Holder for Housing & Equalities agrees the amendment to the Memorandum & Articles of Association of St Leger Homes of Doncaster Limited.

### WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

5. SLHD manages all of the housing stock owned by the Council (in excess of 20,000 properties) this includes the provision of housing management services, rent collection, day to day and cyclical repairs and the major investment (capital) programme. In addition to this SLHD provides the Homelessness and Housing Options services on behalf of the Council. These services are vital services to the citizens of Doncaster and it is essential that they are provided by a well-run and well governed organisation. The functions and operation of the SLHD Board are key to delivering these services and in order to do that the Organisation requires Board Members with the appropriate skills and experience.

## **BACKGROUND**

6. In corporate governance, a Company's Memorandum and Articles of Association form the company's constitution, define the responsibilities of the directors, the kind of business to be undertaken, and the means by which the shareholders exert control over the board.
7. SLHD was formed in September 2005 and its original Memorandum & Articles of Association were agreed by the Council.
8. Following a major Governance review in 2014 the Memorandum & Articles of Association were amended.
9. A report to Cabinet on 3 July 2018, St Leger Homes Management Agreement Review approved the following recommendations;
  - Doncaster Council determines to renew the 5-year contract with St Leger Homes for the period from 1st April 2019 to 31 March 2024 with a proviso of a break clause built in at year 3.
  - St Leger Homes presents annually to Doncaster Council a review of its performance including a value for money assessment
10. Following the decision to extend the management agreement it was necessary to review the Memorandum & Articles of Association as they now contain references to years which have now passed. As the document was being amended it was also reviewed to ensure that it was still fit for purpose as the last review had taken place in 2014.

The main changes are summarised below;

  - Some minor updates to language and terminology and deletion of references that are out of date
  - Specific dates removed from the sections relating to the appointment and retirement of Independent and Tenant Board Members and
  - Clarification that the Chair is an Independent Board Member.
11. A full copy of the revised Memorandum & Articles of Association is attached at Appendix A.
12. Any changes to Memorandum & Articles of Association need to be notified to Companies House and a Special Resolution needs to be signed by the Shareholder, which must accompany the revised document. The Special Resolution is attached at Appendix B.
13. These changes are approved and recommended by SLHD's Board.

## **OPTIONS CONSIDERED**

14. Option 1 - Agree the revised Memorandum & Articles of Association for SLHD, which will ensure that SLHD has an up to date and fit for purpose Memorandum & Articles of Association (recommended option).
15. Option 2 - Do not agree the revised Memorandum & Articles of Association

for SLHD which will mean that the document is out of date and no longer fit for purpose (not recommended).

## REASONS FOR RECOMMENDED OPTION

16. The amended Men & Arts document ensures that the documents do not need to be updated in the future if the only change is an extension to the management agreement as specific references to dates have been removed, it is clear that the Chair is an Independent Board Member which removes any confusion around quoracy at Board meetings and the rest of the document is up to date and fit for purpose.

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

17.

	Outcomes	Implications
	<p><b>Doncaster Working:</b> Our vision is for more people to be able to pursue their ambitions through work that gives them and Doncaster a brighter and prosperous future;</p> <ul style="list-style-type: none"> <li>• Better access to good fulfilling work</li> <li>• Doncaster businesses are supported to flourish</li> <li>• Inward Investment</li> </ul>	<p>All staff employed by SLHD are paid at or above the Living Wage.</p> <p>SLHD has an established apprenticeship programme and all entry level roles are reviewed to see if they can be converted to an apprenticeship role.</p>
	<p><b>Doncaster Living:</b> Our vision is for Doncaster's people to live in a borough that is vibrant and full of opportunity, where people enjoy spending time;</p> <ul style="list-style-type: none"> <li>• The town centres are the beating heart of Doncaster</li> <li>• More people can live in a good quality, affordable home</li> <li>• Healthy and Vibrant Communities through Physical Activity and Sport</li> <li>• Everyone takes responsibility for keeping Doncaster Clean</li> <li>• Building on our cultural, artistic and sporting heritage</li> </ul>	<p>All Council homes are improved and maintained to the Doncaster Decency standard.</p> <p>Resources have been identified to build new Council houses and to improve the energy efficiency of the existing ones.</p>
	<p><b>Doncaster Learning:</b> Our vision is for learning that prepares all children, young people and adults for a life that is fulfilling;</p> <ul style="list-style-type: none"> <li>• Every child has life-changing learning experiences within and beyond school</li> <li>• Many more great teachers work in</li> </ul>	<p>A safe and warm living environment is an excellent foundation from which children, young people and adults can prosper.</p>

	<p>Doncaster Schools that are good or better</p> <ul style="list-style-type: none"> <li>• Learning in Doncaster prepares young people for the world of work</li> </ul>	
	<p><b>Doncaster Caring:</b> Our vision is for a borough that cares together for its most vulnerable residents;</p> <ul style="list-style-type: none"> <li>• Children have the best start in life</li> <li>• Vulnerable families and individuals have support from someone they trust</li> <li>• Older people can live well and independently in their own homes</li> </ul>	<p>SLHD works closely with the Council's stronger families team. A tenancy sustainment team has recently been established.</p> <p>A significant amount of investment is made each year in aids and adaptations to people's homes to enable them to live there in a safe and comfortable environment.</p>
	<p><b>Connected Council:</b></p> <ul style="list-style-type: none"> <li>• A modern, efficient and flexible workforce</li> <li>• Modern, accessible customer interactions</li> <li>• Operating within our resources and delivering value for money</li> <li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li> <li>• Building community resilience and self-reliance by connecting community assets and strengths</li> <li>• Working with our partners and residents to provide effective leadership and governance</li> </ul>	<p>Housing services in Doncaster are excellent value for money with 92.8% of tenants saying that they are satisfied that their rent provides value for money. St Leger Homes is a key partner in Team Doncaster and in delivering Doncaster Growing Together.</p>

## RISKS AND ASSUMPTIONS

18. If this change is not made, it is unclear when Independent and Tenant Board Members are required to retire from the Board and the governance documents for SLHD may be seen as out of date and not fit for purpose.

## LEGAL IMPLICATIONS [Officer Initials: SRF

Date: 19/03/19]

19. The Council is the sole "member" or shareholder of St Leger Homes of SLHD and as such must agree to any changes to the Company's Articles and Memorandum of Association. The Articles have been updated in accordance with changes in law and reflect how the Council wishes its relationship with SLHD to continue. There are no reasons why the Council should not agree to the proposed changes which have been subject to separate legal advice.

**FINANCIAL IMPLICATIONS [Officer Initials: DH Date: 04/02/19]**

20. There are no financial implications as a result of this report.

**HUMAN RESOURCES IMPLICATIONS [Officer Initials: AC Date: 05/02/19]**

21. There are no human resources implications as a result of this report.

**TECHNOLOGY IMPLICATIONS [Officer Initials: PW Date: 05/02/19]**

22. There are no technology implications in relation to this report.

**HEALTH IMPLICATIONS [OFFICER INITIALS: RS DATE: 05/02/19]**

23. There are no direct health implications in this report. However, the provision of high quality housing is an important foundation for health which as much as 10% of individual health determined by the quality of housing. St Leger Homes should be conscious of this in their future decision making

**EQUALITY IMPLICATIONS [Officer Initials: JC Date: 1/02/19]**

24. There are no direct equality implications as a result of this change. As part of the recruitment process for SLHD Board Members, one of the criteria which is taken into account is that if possible the Board should be representative of the wider Doncaster population.

**CONSULTATION**

25. Consultation has taken place with the Portfolio Holder for Housing & Equalities, DMBC Assistant Director of Legal & Democratic Services and the SLHD Board.

**BACKGROUND PAPERS**

- Management Agreement between St Leger Homes and DMBC – Report to DMBC Cabinet Meeting, 19 March 2014.
- Key Decision K1232 taken by Cllr Christine Mills on 13 August 2014, which approved revised Memorandum & articles of Association for St Leger Homes of Doncaster.
- St Leger Homes Management Agreement Review – Report to DMBC Cabinet Meeting, 3 July 2018.
- Amendment to Memorandum & Articles of Association, report to SLHD Board, 30 January 2019 which recommends that the Shareholder (the Council) amends the Memorandum & Articles of Association.

**REPORT AUTHOR & CONTRIBUTORS**

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