

# MEMORANDUM OF ASSOCIATION

1. **NAME**

The name of the company is Gloucester City Homes Limited ("the Organisation").

2. **REGISTERED OFFICE**

The Organisation's registered office is to be located in England.

3. **OBJECTS**

The Objects of the Organisation shall be to:

- (1) provide, manage, maintain, improve, demolish or convert the housing stock owned or managed by the Council of the City of Gloucester or any successor body thereto ("the Council") from time to time together with any other amenities or facilities for the benefit of residents of such housing stock either exclusively or together with persons who are not residents of such housing stock;
- (2) provide amenities and services of any description for residents of housing stock owned or managed by the Council from time to time either exclusively or together with persons who are not residents of such housing stock;
- (3) provide advice and assistance to all tenants, leaseholders, and licensees, of the Council and applicants for housing and applicants for housing advice in respect of local authority housing;
- (4) carry out any activity which contributes to the regeneration or development (within the meaning of Section 126 of the Housing Grants Construction and Regeneration Act 1996) including but not limited to:-
  - (a) securing that land and buildings are brought into effective use;
  - (b) contributing to or encouraging economic development;
  - (c) creating an attractive and safe environment;
  - (d) preventing crime or reducing the fear of crime;
  - (e) providing or improving housing or social and recreational facilities for the purpose of encouraging people to live or work in the said area or for the purpose of benefiting people who live there;
  - (f) providing employment and training;

- (g) providing or improving training, educational facilities or health services for local people;
  - (h) assisting local people to make use of opportunities for education, training or employment;
  - (i) meeting the special needs of local people which arise, amongst other matters, because of disability or because of their sex or the racial group to which they belong.
- (5) provide, construct, improve or manage housing to be kept available for letting or licensing including the use of hostels;
  - (6) provide, manage, maintain or improve accommodation required from time to time for the benefit of persons who require temporary accommodation;
  - (7) carry out any function of a local housing authority (as defined in the Housing Act 1985) which is conferred by or under Part VI or Part VII of the Housing Act 1996 which the Organisation is permitted to carry out under the Deregulation and Contracting Out Act 1994 and the Local Authorities (Contracting Out of Allocation of Housing and Homelessness Functions) Order 1996;
  - (8) carry out housing benefit verification of persons on behalf of the Council;
  - (9) assess applications by residents of housing stock owned or managed by the Council to exercise the right to buy under Part V of the Housing Act 1985;
  - (10) enabling or assisting any residents of the housing stock owned or managed by either the Council or the Organisation to acquire, or to acquire and enter into occupation of, houses; and
  - (11) provide services of any description for the Council or any other person to whom the Council itself could provide such services.

#### 4. **POWERS**

Subject to Clause 5, the Organisation may in order to further the Objects (but not otherwise) do anything that a natural or corporate person can lawfully do which is not expressly prohibited by the Memorandum and in particular it has powers:

##### **Property**

- (1) to construct, alter, improve, maintain, equip, furnish and/or demolish any buildings, structures or property;
- (2) to purchase, lease, exchange, hire or otherwise acquire any real or personal property rights or privileges (including shared or contingent interests);
- (3) to sell, lease, licence, exchange, dispose of or otherwise deal with property;

- (4) to provide accommodation for any other organisation on such terms as the Board decides (including rent free or at nominal or non-commercial rents);

#### **Staff and Volunteers**

- (5) to employ staff or engage consultants and advisers on such terms as the Board may approve and to provide pensions to staff, their relatives and dependants;
- (6) to recruit or assist in recruiting and managing voluntary workers;

#### **Fund Raising**

- (7) to raise funds, to invite and receive contributions;

#### **Trading**

- (8) to trade in the course of carrying out its Objects and to charge for services;

#### **Publicity**

- (9) to hold, conduct or promote meetings, conferences, lectures, exhibitions or training courses and to disseminate information to publicise the work of the Organisation and other similar organisations;
- (10) to promote or carry out research and publish the results of it;

#### **Contracts**

- (11) to co-operate with and enter into contracts with any person, including the Council;

#### **Bank or Building Society Accounts**

- (12) to draw, make, accept, endorse discount, execute and issue promissory notes, bills, cheques and other instruments and to operate bank or building society accounts in the name of the Organisation;

#### **Borrowing and Loans**

- (13) subject to the prior written consent of the Council and to such consents as may be required by law to borrow money, to issue loan stock or raise money in such manner as the Organisation shall think fit and to secure the repayment of any money borrowed raised or owing by such security as the Organisation shall see fit (including by way of floating charge) upon the whole or any part of the Organisation's property or assets (whether present or future) and also by giving similar security to secure and guarantee the performance by the Organisation of any obligation or liability it may undertake or which may become binding on it;

## **Insurance**

- (14) to insure the assets of the Organisation to such amount and on such terms as the Board decides, to pay premiums out of income or capital and to use any insurance proceeds as the Board decides (without necessarily having to restore the asset);
- (15) to insure and indemnify its employees and voluntary workers from and against all risks incurred in the proper performance of their duties;
- (16) to take out insurance to protect the Organisation and those who use premises owned by or let or hired to the Organisation;
- (17) to take out indemnity insurance to cover the liability of the Board Members and officers of the Organisation who are not Board Members but this insurance may not extend to:
  - a. any claim arising from any act or omission which a Board Member or officer knew was a breach of duty or breach of trust or which was committed by a Board Member or officer in reckless disregard of whether it was a breach of duty or breach of trust or not; or
  - b. the costs of an unsuccessful defence to a criminal prosecution brought against a Board Member or officer in his capacity as a Board Member or officer of the Organisation.

## **Investments**

- (18) to invest the money of the Organisation in any investments, shares, securities or property (real or personal) of any nature (including investments involving liability and those not producing income) and in any location that the Board decides;
- (19) to delegate to an investment manager power at its discretion to buy and sell investments for the Organisation in accordance with the investments policy laid down by the Board;
- (20) to make such arrangements as the Board thinks fit for any investments of the Organisation or income from those investments to be held by a corporate body which is incorporated in England and Wales (or which has established a branch or a place of business in England and Wales) as the Organisation's nominee and to pay remuneration to that corporate body;
- (21) subject to such consents as may be required by law and compliance with all formal guidance issued by the Organisation's regulators (if any) to purchase or otherwise acquire or encourage or promote and in any way support or aid the establishment and development of any subsidiary, or any other body established for the purposes of carrying on any trade or business either for the purpose of raising funds for the Organisation or for the furtherance of the objects of the Organisation;

- (22) subject to the prior written consent of the Council to make donations, grants or loans or provide services or assistance to such persons and organisations and on such terms as the Board shall think fit to further the objects of the Organisation.

### **Other Organisations**

- (23) to establish, promote, assist or support (financially or otherwise) any trusts, companies, industrial and provident societies, associations or institutions which have purposes which include any one or more of its objects;
- (24) to co-operate or join with any voluntary body or public or statutory authority in any location whatsoever in furthering its objects or allied purposes, to exchange information and advice and to undertake joint activities with them;
- (25) to amalgamate with any organisation which has objects similar to its Objects;
- (26) to affiliate, register, subscribe to or join any relevant organisation;
- (27) to act as agent or trustee for any organisation;

### **Reserves**

- (28) to accumulate income in order to set aside funds for special purposes or as reserves against future expenditure;

### **Formation expenses**

- (29) to pay the costs of forming the Organisation and of complying with all relevant registration requirements;

### **General**

- (30) to do anything else within the law which promotes or helps to promote its objects.

5. The Organisation shall not, without the prior written consent of the Council, have the power to:

- (1) enter into any transaction which may affect:
- a. the Council's affordable borrowing limits as determined from time to time by the Council under section 3 of the Local Government Act 2003;
  - b. any borrowing limits set by the Secretary of State under section 4 of the Local Government Act 2003 either in relation to the Council's borrowing limits or the limits of local authorities in general; or
  - c. the Council's compliance with the Prudential Code for Capital Finance in Local Authorities published by CIPFA as amended or reissued from time to time; or

- (2) invest or make any arrangements to invest sums other than in the use of a building society or bank.

6. **APPLICATION OF INCOME AND PROPERTY**

The income and property of the Organisation shall be applied solely towards the promotion of its Objects as set forth in the Memorandum and no portion thereof shall be paid or transferred, directly or indirectly, save as provided below by way of dividend, bonus or otherwise howsoever by way of profit, to the Council and no Board Member shall be appointed to any office of the Organisation paid by salary or fees or receive any remuneration or other benefit or money or money's worth from the Organisation PROVIDED THAT nothing herein shall prevent any payment in good faith by the Organisation:-

- (1) Of reasonable and proper remuneration (including pensions, contributory pension payments, payment of premiums to pension policies and terminal grants and gratuities) to any officer or employee of the Organisation (not being a Board Member) in return for any services rendered to the Organisation;
- (2) Of fees, remuneration or other benefit in money or money's worth to a company of which a Board Member may be a member holding not more than 2% of the share capital of the company;
- (3) To (a) any Board Member or (b) any person who is appointed by the Board to sit on a committee to which the Board has delegated any of its powers (for the avoidance of doubt, in each case in their capacity as a Board Member or person so appointed), of reasonable out-of pocket expenses and such other sums as may be determined by the Council PROVIDED THAT no sum shall be paid to a Board Member or such other person in excess of that which would be permitted to be paid to a board member of a social landlord registered under the Housing Act 1996 and PROVIDED FURTHER THAT no sum shall be paid to a Board Member or other person who is an elected member of the Council in excess of that permitted by the Order and PROVIDED FURTHER THAT in making any payment under this Clause 6(3) the Organisation shall have regard to any guidance issued by the Office of the Deputy Prime Minister;
- (4) Of sums due in respect of indemnity insurance for Board Members under Clause 4(17);
- (5) Of reasonable and proper remuneration to the Council or employees thereof (not being Board Members) in return for any services rendered to the Organisation;
- (6) Of reasonable and proper rent for premises demised or let by the Council;
- (7) Of reasonable and proper interest on money lent by the Council;

PROVIDED FURTHER THAT nothing shall prevent the Organisation from managing a property in accordance with its Objects (including the full range of activities it may undertake) notwithstanding the fact that the tenant, lessee or licensee (or prospective tenant, lessee or licensee) of such property may be a Board Member SUBJECT TO the proviso that any Board Member who is a beneficiary of the Organisation shall not be entitled to speak in any debate or cast his/her vote in respect of any matter relating solely to the property of which he/she is lessee, tenant or licensee and shall absent himself/herself from such proceedings but such Board Member shall be entitled to speak and vote in respect of matters which relate not only to such property but also to other properties managed by the Organisation.

7. **EQUAL OPPORTUNITIES**

The Organisation shall at all times take into consideration the principles of equality of opportunity irrespective of age, gender, race, nationality, ethnic origin, religion, sexual orientation or disability.

8. **LIMITED LIABILITY**

The liability of the Members is limited.

9. **MEMBERS GUARANTEE**

The Members undertake to contribute to the assets of the Organisation, in the event of the same being wound up while they are a member of the Organisation, or within one year after they cease to be a member of the Organisation, for payment of the debts and liabilities of the Organisation contracted before they cease to be a member of the Organisation, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound.

10. **WINDING UP**

If, upon the winding up or dissolution of the Organisation, there remains, after the satisfaction of all its debts and liabilities any property whatsoever, the same shall be paid or transferred to the Housing Revenue Account (as defined in the 1989 Act) of the Council.

11. **DEFINITIONS**

- (a) “the Memorandum” shall mean this Memorandum of Association as originally adopted or as altered from time to time;
- (b) “Objects” shall mean the objects of the Organisation set out in Clause 3 of the Memorandum; and
- (d) terms defined in the Articles of Association of the Organisation shall have the same meaning in this Memorandum of Association.

**I am the subscriber to the Memorandum of Association and wish to be joined into a company in pursuance of the Memorandum.**

**Name and Address of Subscriber**

**Authorised Representative**

**The Council of the City of Gloucester**

**North Warehouse**

**The Docks**

**Gloucester**

**GL1 2EP**

---

**Witnessed by:**

**Name:**

**Address:**

**Dated**

# ARTICLES OF ASSOCIATION

## DEFINITIONS AND INTERPRETATION

1. In the Articles unless the context otherwise requires:

“the Act”	Means the Companies Act 1985 (as amended by the Companies Act 1989) and any statutory modification or re-enactment thereof for the time being in force.
“the Articles”	Means these Articles of Association as originally adopted or as altered from time to time.
“Board”	Means the Board of directors of the Organisation from time to time.
“Board Members”	Means the directors for the time being of the Organisation.
“Chair”	Means the Chair of the Organisation appointed pursuant to Article 38(1) or in his absence appointed pursuant to Article 38(2) or any vice or deputy chair appointed pursuant to Article 38(3).
“clear days”	In relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
“Code of Conduct”	Means the code of conduct for Board Members in the form set by the Board from time to time.
“Council Board Member”	Means a Board Member appointed by the Council pursuant to Article 20 or Article 23(1).
“Council”	Means the Council of the City of Gloucester or any successor body thereto who shall be the sole member of the Organisation.
“executed”	Means in relation to any contract, agreement or other document consent thereto and includes any mode of execution.

“Family Member”	Means, in relation to a Board Member, their spouse, partner, parent, parent-in-law, son, daughter, stepson, step-daughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding persons and “partner” means a person who lives with a Board Member as husband, wife or same sex partner.
“Joint Tenant”	Means a joint tenant who occupies a residential property belonging to the Council under a secure tenancy agreement or lease jointly with another person.
“Independent Board Member”	Means a Board Member appointed pursuant to Article 22 or Articles 23(2), (3) or (4).
“Leaseholder”	Means an individual who is not a secure tenant and occupies a residential property under a lease of originally 50 years or more where the lessor is the Council.
“Local Authority Person”	Means any person: <ul style="list-style-type: none"> <li>(i) who is a member of the Council; or</li> <li>(ii) who is an officer of the Council (which for these purposes shall not include employees without a supervisory or managerial role apart from employees responsible for monitoring the activities of or providing advice to the Organisation or who perform duties in relation to the Council’s housing functions)</li> </ul>
“Memorandum”	Means the Organisation’s Memorandum of Association as originally adopted or as altered from time to time.
“Objects”	Means the objects of the Organisation set out in Clause 3 of the Memorandum.
“Office”	Means the registered office of the Organisation.
“Office of the Deputy Prime Minister”	Means the Office of the Deputy Prime Minister or any other body or governmental (whether local, regional or national) department substituted for the Office of the Deputy Prime Minister or carrying out similar, additional or replacement functions to those carried out by the Office of the Deputy Prime Minister at the date of incorporation of the Organisation.
“Order”	Means the Local Authorities (Companies) Order 1995 as amended or re-enacted from time to time.

“Organisation”	Means Gloucester City Homes Limited.
“the seal”	Means the common seal of the Organisation.
“Secretary”	Means the secretary of the Organisation or any other person appointed to perform the duties of the secretary of the Organisation, including a joint, assistant or deputy secretary.
“Tenant”	Means an individual who occupies a residential property belonging to the Council under a secure tenancy agreement
“Tenant Board Member”	Means a Board Member appointed pursuant to Article 21 or Articles 23(5) or (6).
“Working Party”	Means a body established by the Board on such terms as it, in its absolute discretion, may determine to make recommendations to the Board but without decision making powers.
“the United Kingdom”	Means Great Britain and Northern Ireland.

2. (1) Unless the context otherwise requires, words or expressions contained in these regulations bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these regulations become binding on the Organisation.
- (2) In these Articles words importing individuals shall, unless the context otherwise require, include corporations and words importing the singular number shall include the plural, and vice versa and words importing the masculine gender shall include the feminine gender.
- (3) None of the Tables A to F in the Companies (Tables A to F) Regulations 1985 applies to the Organisation.

**ADMISSION OF MEMBERS**

3. No person other than the Council shall be admitted to membership of the Organisation.
4. The Council shall nominate a person to act as its representative in the manner provided in Section 375 of the Act. Such representative shall have the right on behalf of the Council to attend meetings of the Organisation and vote thereat, and generally exercise all rights of membership on behalf of the Council. The Council may from time to time revoke the nomination of such representative, and nominate another representative in his place. All such nominations and revocations shall be in writing.

5. The rights of the Council as sole member of the Organisation shall be personal and shall not be transferable.

### **GENERAL MEETINGS AND RESOLUTIONS**

6. The Organisation shall hold an annual general meeting within nine calendar months after the close of each of its financial years provided that no more than fifteen months shall elapse between annual general meetings. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. The Board Members may call general meetings and, on the requisition of the Council pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than eight weeks after receipt of the requisition. If there are not within the United Kingdom sufficient Board Members to call a general meeting, any Board Member or the Council may call a general meeting.
8.
  - (1) An annual general meeting and an extraordinary general meeting not called on the requisition of the Council pursuant to Article 7 shall be called by at least twenty-one clear days' notice or by shorter notice if it is so agreed by the Council in writing.
  - (2) The notice shall specify the time and place of the meeting and, in the case of an annual general meeting, shall specify the meeting as such.
    - (1) The notice shall be given to the Council and to the Board Members and auditors.
    - (2) The notice shall be posted in such place as the Board decides in order to bring it to the attention of the Tenants and Leaseholders.
9. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.
10.
  - (1) No business shall be transacted at any general meeting unless a quorum is present. The presence of a duly authorised representative of the Council shall be a quorum.
  - (2) Tenants, Leaseholders and Board Members may attend a general meeting and may speak but may not vote.
11. The Chair is to chair general meetings. If the Chair is not present within 15 minutes from the time of the general meeting, the Board Members present must choose one of their number who is present and willing to act to chair the general meeting.
12. If the Council makes a decision which is required to be taken in a general meeting or by means of a written resolution, that decision shall be valid and effectual as if agreed by the Organisation in general meeting. Any decision taken by the Council pursuant to this Article 12 shall be recorded in writing and delivered by the Council to every Board Member and to the Organisation for entry in the Organisation's minute book.

13. An entry stating that a resolution has been carried or lost in the approved minutes of any meeting shall be conclusive evidence of the fact.

#### **NUMBER OF BOARD MEMBERS**

14. (1) The number of Board Members shall be fifteen.
- (2) Five Board Members shall be Council Board Members.
- (3) Five Board Members shall be Tenant Board Members.
- (4) Five Board Members shall be Independent Board Members.
- (5) No more than six Board Members shall be Tenants.
- (6) No more than six Board Members shall be Local Authority Persons.
- (7) Four of the Tenant Board Members shall be Tenants. Subject to Article 23(6), the remaining Tenant Board Member shall be a Leaseholder. No more than one Board Member shall be a Leaseholder.
- (8) No Local Authority Person, Leaseholder or Tenant shall be an Independent Board Member.
- (9) No person shall be appointed as a Board Member if that person is an officer or employee of the Organisation.
- (10) In the event that the number of Board Members shall be less than the numbers specified in this Article 14 the remaining Board Members shall use reasonable endeavours to appoint further Board Members and may act notwithstanding this Article.
- (11) The First Board Members shall be those persons named in the statement delivered pursuant to Section 10(2) of the Act together with those appointed after incorporation and designated as such by the Board and who, in either case, shall be deemed to have been appointed under the Articles. Future Board Members shall be appointed as provided in the Articles.

#### **OBLIGATIONS OF BOARD MEMBERS**

15. The Board must set out the obligations of every Board Member to the Board and to the Organisation in writing. The Board must review and may amend the statement of Board Members' obligations from time to time.

16. The statement of the obligations of the Board Members to the Organisation must include:-
- (1) a commitment to its values and objectives (including equal opportunities);
  - (2) an obligation to contribute to and share responsibility for the Board's decisions;
  - (3) an obligation to read Board papers and to attend meetings, training sessions and other relevant events;
  - (4) an obligation to declare relevant interests;
  - (5) a commitment to equal opportunities;
  - (6) an obligation (subject to any overriding legally binding requirement to the contrary) to keep confidential the affairs of the Board;
  - (7) an obligation to adhere to the Code of Conduct and to adhere to and accept any consequences or sanctions that may be imposed on him/her by the Board or otherwise in accordance with the Code of Conduct for breach of the same; and
  - (8) a reference to their obligations under the general law.
17. Every Board Member must sign and deliver to the Board a statement confirming he/she will meet his/her obligations to the Board and to the Organisation and comply with the Code of Conduct within one month of his/her appointment or election. This statement is to be in the form determined by the Board from time to time.

### **FUNCTIONS OF THE BOARD**

18. The Board must direct the Organisation's affairs in such a way as to promote the Objects. Its functions include:
- (1) defining and ensuring compliance with the values and objectives of the Organisation;
  - (2) establishing policies and plans to achieve those objectives;
  - (3) approving each year's budget and accounts before publication;
  - (4) establishing and overseeing a framework of delegation of its powers to committees under Article 29 and employees with proper systems of control;
  - (5) taking decisions on all matters which will or might create significant financial or other risk to the Organisation or which affect material issues of principle;
  - (6) monitoring the Organisation's performance in relation to its plans budget controls and decisions;

- (7) appointing (and if necessary removing) senior officers of the Organisation;
  - (8) satisfying itself that the Organisation 's affairs are conducted in accordance with generally accepted standards of performance and propriety; and
  - (9) ensuring appropriate advice is taken on the items listed in Article 18(1) to 18(8) and in particular on matters of legal compliance and financial viability.
19. None of the functions in Article 18 may be delegated.

**APPOINTMENT OF COUNCIL BOARD MEMBERS BY THE COUNCIL**

20. (1) Subject to Articles 14 and 24 the Council shall from time to time appoint six persons as Council Board Members and shall have the power to remove from office any such Board Member.
- (2) Appointment or removal pursuant to Article 20(1) shall be effected by an instrument in writing signed by the Council and shall take effect upon lodgement at the Office or such date later than such lodgement as may be specified in the instrument.
- (3) Notwithstanding any other provisions in these Articles the Council shall have power at any time by notice in writing to the Secretary to appoint and remove any Board Member.

**RETIREMENT AND ELECTION OF TENANT BOARD MEMBERS**

21. (1) The Tenant Board Members shall retire from office in the following rotation:
- (a) at the first annual general meeting following adoption of these articles, two Tenant Board Members shall retire;
  - (b) at the second annual general meeting following adoption of these articles, two Tenant Board Members, shall retire; and
  - (c) at the third annual general meeting following adoption of these articles, one Tenant Board Member shall retire

and so forth such that the Tenant Board Members shall subsequently retire in a rotation which mirrors that in sub-paragraphs (a) to (c). The decision as to which of the six Tenant Board Members who are First Board Members are to serve for which of these periods is to be determined by lot in the absence of agreement between the Tenant Board Members.

- (2) In addition to any retirement of a Tenant Board Member appointed under Article 23(6), the Tenant Board Members to retire at any such subsequent annual general meeting shall be those who have been longest in office since they last became Tenant Board Members, but as between persons who became Board Members on the same day those to retire shall in the absence of agreement be chosen by lot PROVIDED THAT where a Tenant Board

Member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another Tenant Board Member (“the Predecessor”) under Article 23(5), the period of time for which the Tenant Board Member shall have held office shall, for the purposes only of this Article 21(2) be deemed to include the period since the last election or appointment of the Predecessor.

- (3) Prior to every annual general meeting where a Tenant Board Member is to be appointed, direct or indirect elections shall be held among the Tenants and Leaseholders for the number of Tenant Board Members to be appointed thereat. Only Tenants and Leaseholders shall be eligible to be appointed as Tenant Board Members. Only Tenants and Leaseholders shall be eligible to vote and Joint Tenants and joint Leaseholders shall have one vote each. Where the Tenant Board Member to retire under Articles 21(1) or 21(2) is a Leaseholder or where the Tenant Board Member to retire was appointed under Article 23(6) only Leaseholders will be eligible to stand in the election for that post and only a Leaseholder may be appointed to that post. Otherwise the mode and manner of such elections shall be as the Board may from time to time agree subject at all times to compliance with Articles 14 and 24.
- (4) The Secretary shall announce the results of the elections referred to in Article 21(3) at each relevant annual general meeting and the Tenants or Leaseholder elected shall be duly appointed as Tenant Board Members.

**RETIREMENT AND SELECTION OF INDEPENDENT BOARD MEMBERS**

- 22. (1) The Independent Board Members shall retire from office in the following rotation:
  - (a) at the first annual general meeting following adoption of these articles, two Independent Board Members shall retire;
  - (b) at the second annual general meeting following adoption of these articles, two Independent Board Members shall retire; and
  - (c) at the third annual general meeting following adoption of these articles, one Independent Board Member shall retire

and so forth such that the Independent Board Members shall subsequently retire under this Article 22(1) (and notwithstanding any retirements under Article 23(3) or 23(4)) in a rotation which mirrors that in sub-paragraphs (a) to (c). The decision as to which of the five Independent Members are to serve for which of these periods is to be determined by lot in the absence of agreement between the Independent Board Members.

- (2) In addition to any retirements of Independent Board Members appointed under Article 23(3) or Article 23(4), the Independent Board Members to retire at any such subsequent annual general meeting shall be those Independent Board Members who have been longest in office since they last became Independent Board Members but as between persons who became Board Members on the same day those to retire shall in the absence

of agreement be chosen by lot PROVIDED THAT where an Independent Board Member is appointed as a consequence of the death or retirement (other than by operation of this sub-paragraph) of another Independent Board Member (“the Predecessor”) under Article 23(2), the period of time for which the Independent Board Member shall have held office shall, for the purposes only of this Article 22(2) be deemed to include the period since the last election or appointment of the Predecessor.

- (3) If, at the meeting at which an Independent Board Member retires in accordance with Article 22(1), there are no other candidates to fill the post the retiring Independent Board Member shall, if willing to act, be deemed to have been re-appointed unless a resolution not to reappoint the Independent Board Member is passed by the meeting.
- (4) No person other than an Independent Board Member retiring by rotation shall be appointed as an Independent Board Member at any general meeting unless he is recommended by the Board.
- (5) Subject to Articles 14, 22(1) – (4), 23 and 24 the Council may by ordinary resolution in general meeting appoint any eligible person who is willing to act as an Independent Board Member.
- (6) Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to the Council of any person (other than a Board Member retiring by rotation at the meeting) who is recommended by the Board for appointment or reappointment as an Independent Board Member at the meeting. The notice shall give the particulars of that person which would, if he were so appointed or re-appointed, be required to be included in the Organisation's register of Board Members.

### **CASUAL VACANCIES**

23. Subject to Articles 14 and 24, vacancies on the Board may only be filled according to the following:-
  - (1) For Council Board Members, by the Council. If the Council shall have failed within three months of a written request by the Board to make the appropriate appointments to the Board of a Council Board Member, the Board may fill the vacancies solely until the next annual general meeting;
  - (2) For Independent Board Members, by the Council following a recommendation by the Board;
  - (3) If the Council fails within three months of a written recommendation by the Board to make the appropriate appointments to the Board of an Independent Board Member, the Board may fill the vacancies solely until the next annual general meeting;
  - (4) If the Board fails to make a recommendation within six months of a vacancy for an Independent Board Member, the Council may appoint any person who is willing to act as

an Independent Board Member to the vacancy solely until the next annual general meeting; and

- (5) In the case of the four Tenant Board Members who are to be Tenants, by the Board; and
- (6) In the case of the one Tenant Board Member who is to be a Leaseholder, by the Board solely until the next annual general meeting. The Board may appoint either a Tenant or a Leaseholder to be a Tenant Board Member under this Article 23(6).

### **DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS**

24. A person shall be ineligible for appointment to the Board and if already appointed shall immediately cease to be a Board Member if the relevant individual:-

- (1) ceases to be a Board Member by virtue of any provision of the Act or becomes prohibited by law from being a company director; or
- (2) is or becomes a person disqualified from elected membership of a local authority; or
- (3) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (4) is, or may be, suffering from mental disorder and either:-
  - (a) is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
  - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his/her detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (5) resigns his office by notice to the Organisation; or
- (6) is removed from office by a resolution of (or written notice signed by) a three quarters majority of the Board Members present and voting (excluding the Board Member in question) that he should be removed, provided that the Board Member concerned has first been given an opportunity to put his case and to justify why he should not be removed as a Board Member; or
- (7) shall for more than four consecutive months have been absent from meetings of the Board held during that period and held no more frequently than once a month, unless the Board resolves that he should remain a Board Member (by a 75% majority of the Board Members present and voting, excluding the Board Member in question); or

- (8) in any period of 12 months, he shall have been absent from at least 25% of the meetings of Board Members held during that period, unless the Board resolves that he should remain a Board Member (by a 75% majority of the Board Members present and voting, excluding the Board Member in question); or
  - (9) in the case of a Tenant who is a Tenant Board Member he ceases to be a Tenant of the Council PROVIDED THAT this Article 24(9) shall not apply in respect of a Tenant Board Member temporarily ceasing to be a Tenant as a result of the demolition of or works carried out to that Tenant Board Member's home; or
  - (10) in the case of a Leaseholder who is a Tenant Board Member he ceases to be a Leaseholder of the Council; or
  - (11) is a Tenant Board Member and is (in the reasonable opinion of at least three quarters of Board Members) in serious breach of their obligations as a Tenant or Leaseholder; or
  - (12) is a Council Board Member and is or becomes a Tenant leading to a breach of the limit in Article 14(5); or
  - (13) is a Tenant Board Member and is or becomes a Local Authority Person leading to a breach of the limit in Article 14(6); or
  - (14) is a Board Member and is or becomes a Leaseholder leading to a breach of the limit in Article 14(7); or
  - (15) is an Independent Board Member and is or becomes a Tenant, a Leaseholder or a Local Authority Person; or
  - (16) fails to sign a statement of their obligations under Article 17 within one month of their election or appointment and the Board resolves that they be removed; or
  - (17) is or becomes an officer or employee of the Organisation; or
  - (18) is removed by resolution of the Council pursuant to Article 20(3).
25. The Board shall from time to time to determine at its sole discretion policies and procedures for investigating allegations made against Board Members and such policies and procedures may include the imposition of such sanctions upon a Board Member as the Board may decide from time to time including but not limited to removal from office.

### **POWERS OF THE BOARD**

26. Subject to the provisions of the Act, directions of the Council in general meeting and the Memorandum and the Articles, the business of the Organisation shall be managed by the Board who may exercise all the powers of the Organisation. No alteration of the Memorandum or Articles or directions of the Council shall invalidate any prior act of the Board which would have been valid if that alteration had not been made. The powers given by this Article shall not be

limited by any special power given to the Board by the Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

27. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Organisation for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

### **BORROWING POWERS**

28. Subject to Clauses 4.13 and 5 of the Memorandum, the Board may exercise all the powers of the Organisation to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or other security over its undertaking and property, or any part thereof, and to issue any debenture, whether outright or as security for any debt, liability or obligation of the Organisation or of any third party.

### **DELEGATION OF BOARD MEMBERS' POWERS**

29. (1) Subject to Article 19, the Board may delegate any of their powers to any committee consisting of two or more Board Members together with such other persons the Board considers fit to exercise such powers. They may also delegate to the Chair/or any vice or deputy Chair or to any executive officer such of their powers as they consider desirable to be exercised by him.
- (2) Any delegation under Article 29(1) may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions and this Article, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of the Board so far as they are capable of applying.
- (3) Every committee of the Board must:-
- (a) ensure that its proceedings and decisions are reported to the Board as soon as reasonably practicable; and
- (b). appoint a secretary with responsibility for making the reports to the Board.
- (4) The Board may establish Working Parties consisting of those persons whom the Board decide. A Working Party may not take decisions on behalf of the Board but may consider issues in depth with a view to making recommendations to the Board.

### **ALTERNATE BOARD MEMBERS**

30. No Board Member shall be entitled to appoint any person as an alternate Board Member.

**BOARD AND COMMITTEE MEMBERS' EXPENSES**

31. (1) The Board Members may be paid all travelling, hotel, and other expenses reasonably and properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board or general meetings or otherwise in connection with the discharge of their duties and such other sums as may be determined by the Council PROVIDED THAT no sum shall be paid to a Board Member in excess of that which would be permitted to be paid to a board member of a social landlord registered under the Housing Act 1996 and PROVIDED FURTHER THAT no sum shall be paid to a Board Member who is an elected member of the Council in excess of that permitted by the Order and PROVIDED FURTHER THAT in making any payment under this Article 31(1) the Organisation shall have regard to any guidance issued by the Office of the Deputy Prime Minister.
- (2) Any person who is appointed by the Board to sit on a committee to which the Board has delegated any of its powers under Article 29 may be paid all travelling, hotel, and other expenses reasonably incurred by them in connection with their attendance at meetings of such committee and such other sums as may be determined by the Council PROVIDED THAT no sum shall be paid to such person in excess of that which would be permitted to be paid to a board member of a social landlord registered under the Housing Act 1996 and PROVIDED FURTHER THAT no sum shall be paid to such person who is an elected member of the Council in excess of that permitted by the Order and PROVIDED FURTHER THAT in making any payment under this Article 31(2) the Organisation shall have regard to any guidance issued by the Office of the Deputy Prime Minister.

**BOARD MEMBERS' APPOINTMENTS AND INTERESTS**

32. A Board Member may not have any financial interest personally or as a member of a firm or as a director or senior employee (being an employee with managerial status) or in any contract or other transaction of the Organisation unless it is permitted by these Articles and is not prohibited by Clause 6 of the Memorandum.
33. Each Board Member shall ensure that the Secretary has at all times an up to date list of:-
- (1) all bodies trading in which he or she has an interest as:
    - (a) a director or senior employee,
    - (b) a member or partner of a firm,
    - (c) the owner or controller of more than 2% of the issued share capital in a company,
  - (2) all interests as an official or elected member of any statutory body;
  - (3) all interests as the occupier of any property owned or managed by the Organisation;

- (4) any other significant or material interest.

### **PROCEEDINGS OF BOARD MEETINGS**

34. (1) Subject to any regulations established from time to time by the Organisation in general meeting and compliance with Section 10(1) of the Order the Board may regulate their proceedings as they think fit and the quorum for the transaction of the business of the Board at the time when the meeting proceeds to business shall be five comprising no fewer than one Tenant Board Member, one Independent Board Member, one Council Board Member and two other Board Members if either the number of Board Members in one or more category of Board Member falls below one or all the Board Members in one or more categories are prevented from voting by Article 36 then the quorum requirement shall be reduced to none in respect of such category or categories.
- (2)  $33\frac{1}{3}$  percent of the total number of Board Members (or such whole number of Board Members nearest to  $33\frac{1}{3}$  percent) may call a meeting of the Board. The Secretary must give 5 clear days' notice of Board Meetings to each of the Board Members. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.
- (3) A Board Meeting which is called on shorter notice than required under Article 34(2) is deemed to have been duly called if at least one third of Board Members from time to time certify in writing that because of special circumstances it ought to be called as a matter of urgency.
- (4) If a quorum is not present within half an hour from the time appointed for a Board Meeting the Board Meeting shall, if requested by a majority of those Board Members present, be adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Board Members present may determine.
- (5) If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then notwithstanding Article 34(1) the Board Members present shall constitute a quorum.
- (6) Any member of the public may attend a Board Meeting but may not speak without the permission of the Chair PROVIDED THAT any such person shall be excluded from the meeting during any item of business which the Chair determines is not appropriate for consideration with the public present.
35. Questions arising at a Board Meeting shall be decided by a majority of votes and each Board Member present in person shall be entitled to one vote. In the case of an equality of votes, the Chair of that meeting shall have a second or casting vote.
36. (1) Any Board Member having an interest in any arrangement between the Organisation and another person or body (which shall include interests of Family Members) shall disclose that interest to the meeting before the matter is discussed by the Board or committee of

the Board PROVIDED THAT if the interest exists solely because of the circumstances set out in Article 36(2)(a),(b) or (c) then the interest need not be specifically disclosed at that meeting so long as it is at that time properly recorded in a written Register of Interests of Board Members maintained by the Organisation. Unless the interest is of the type specified in Articles 36(2) or 36(3) the Board Member concerned shall not remain present during the discussion of that item unless requested to do so by the remaining members of the Board or committee of the Board. Unless permitted by Articles 36(2) or 36(3) the Board Member concerned may not vote on the matter in question, but no decision of the Board or any committee of the Board shall be invalidated by the subsequent discovery of an interest which should have been declared.

- (2) Provided the interest has been properly disclosed pursuant to Article 36(1) a Board Member may remain present during the discussion and may vote on the matter under discussion where the interest arises because:
    - (a) the Board Member is a Tenant so long as the matter in question affects all or a substantial group of Tenants; or
    - (b) the Board Member is a director or other officer of a company or body which is a parent, subsidiary or associate of the Organisation; or
    - (c) the Board Member is an official or elected member of any statutory body.
  - (3) A Board Member shall not be treated as having an interest:
    - (a) of which the Board Member has no knowledge and of which it is unreasonable to expect him to have knowledge;
    - (b) in the establishment of a policy in respect of Board Member expenses payable pursuant to Article 31.
37. If a question arises at a meeting of the Board or of a committee of the Board as to the right of a Board Member to vote, the question may, before the conclusion of the meeting, be referred to the Chair and his ruling in relation to any Board Member other than himself shall be final and conclusive.
38. (1) At the first Board Meeting following each annual general meeting the Board Members shall appoint one of their number to be the chair of the Board to hold office until the next annual general meeting and may at any time remove him from that office.
- (2) Unless he is unwilling to do so, the Board Member so appointed shall preside at every meeting of the Board at which he is present. But if there is no Board Member holding that office, or if the Board Member holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the Board Members present may appoint one of their number to be chair of the meeting.
- (3) The Board may appoint up to two vice or deputy chairs to act in the absence of the Chair on such terms as the Board shall think fit.

- (4) In the event of there being appointed a Chair and two Vice Chairs of the Board, then no more than one of those appointments shall be made from any one of the three categories of Board Members referred to in Articles 14(2) to (4).
39. All acts done by a meeting of the Board, or of a committee of the Board or by a person acting as a Board Member shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any Board Member or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Board Member and had been entitled to vote.

### **WRITTEN RESOLUTION**

40. A resolution in writing signed by:
- (1) three quarters of all the Board Members entitled to receive notice of a meeting of the Board or of a committee of the Board; and
  - (2) the Chair of the Organisation or of the relevant committee; and
- which satisfies the quorum requirements of Article 34(1) shall be as valid and effectual as if it had been passed at a meeting of the Board or (as the case may be) a committee of the Board duly convened and held and may consist of several documents in the like form each signed by one or more Board Members.

### **SECRETARY**

41. Subject to the provisions of the Act, the Secretary and any deputy or alternate Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.

### **MINUTES**

42. The Board shall cause minutes to be made in books kept for the purpose:-
- (1) of all appointments of officers made by the Board Members; and
  - (2) of all proceedings at meetings of the Organisation and of the Board, and of committees of the Board and of the Council in its capacity as the sole member of the Organisation, including the names of the Board Members present at each such meeting.

**RECORDS ACCOUNTS AND RETURNS**

43. The Organisation shall comply with the provisions of Part V of the Local Government and Housing Act 1989, the Order and Part VII of the Act in respect of:-
- (1) the keeping and auditing of accounting records;
  - (2) the provision of accounts and annual reports of the Board; and
  - (3) in making an annual return.

**THE SEAL**

44. (1) If the Organisation has a seal it shall only be used with the specific or general authority of the Board or of a committee of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Board Member and by the Secretary or a second Board Member.
- (2) The Organisation may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board Members.

**NOTICES**

45. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of the Board or of a committee of the Board need not be in writing.
46. The Organisation may give any notice to the Council either personally or by sending it by post in a prepaid envelope addressed to the Council at their registered address or by leaving it at that address.
47. The Council present by duly authorised representative at any meeting of the Organisation shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
48. Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted.

**INDEMNITY**

49. (1) Every Board Member, every member of a committee of the Board (including those who are not Board Members), and every officer of the Organisation shall be indemnified out of the assets of the Organisation against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him and no Board Member, no member of a committee of the Board (including those who are not Board Members, and no officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Organisation in the execution of the duties of his office or in relation thereto PROVIDED THAT this Article shall only have effect in so far as its provisions are not avoided by Section 310 of the Act.
- (2) The Board shall have power to purchase and maintain for any Board Member, every member of a committee of the Board (including those who are not Board Members, and every officer of the Organisation insurance against any such liability as is referred to in Section 310(1) of the Act.