

MAYORS' EXECUTIVE DECISION MAKING

Thursday, 9th February 2012

Mayor's Decision Log No. 015

1. **CHANGES TO THE MEMORANDUM AND ARTICLES OF TOWER
HAMLETS HOMES (Pages 1 - 18)**

The Mayor has approved amendments to Tower Hamlets Homes Memorandum and Articles consequent on the previous Mayoral Decision (Log No. 013) wherein the Mayor decided to retain Tower Hamlets Homes.

The Mayor has also agreed the recruitment processes to be used for Independent and Resident Board Members.

For further details please see the attached report.

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: John S. Williams, Service Head, Democratic Services

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LONDON BOROUGH OF TOWER HAMLETS

MAYORAL DECISION PROFORMA

Mayoral Decision Log No: 0015

Title: Changes to the Memorandum and Articles of Tower Hamlets Homes

Is this a Key Decision: No

UNRESTRICTED

1. SUMMARY

- 1.1 This paper contains the necessary consequential amendments to Tower Hamlets Homes Memorandum and Articles leading on from the previous Mayoral Decision 13 wherein the Mayor decided to retain Tower Hamlets Homes.
- 1.2 The changes to THH's Memorandum and Articles are set out in Appendix 1.
- 1.3 In addition the report sets out the recruitment processes to be used for Independent and Resident Board Members.

2 RECOMMENDATIONS

- 2.1 The Mayor is recommended to:
 - A. Approve the Tower Hamlets Homes Memorandum and Articles as set out in the report at Appendix 1.
 - B. Agree the recruitment processes to be used for Resident and Independent Board Members.

3 BODY OF REPORT:

3.1 Make up of THH Board

3.1.1 The Council is the sole shareholder in the ALMO and as such the Executive Mayor is empowered to make changes to the Memorandum and Articles of the ALMO. Changes are proposed with the aim of updating the Memorandum and Articles of the ALMO to reflect the current position with regard to the Board and consequential amendments enabling improvements to the recruitment process to the ALMO Board

3.1.2 The Mayor has nominated 4 Councillor Board Members and the make-up of the ALMO Board will be:

- ❖ 3 Resident Board Members (2 Tenant, 1 Leaseholder)
- ❖ 4 Council Board members
- ❖ 2 Independent Board Members
- ❖ An Independent Chairperson
(in addition to the 9 Board members above)

3.1.3 The separate role of Independent Chairperson has been confirmed because it facilitates attracting top quality candidates to this specific role who may not apply otherwise.

3.2 Recruitment Processes

3.2.1 Under Tower Hamlets Homes Memorandum and Articles it is for the Executive Mayor to determine the methods of appointment for Resident Board Members and Independent Board Members and to make the appointments. Officers have set out below the proposed methods to be used. (The details of the recruitment processes do not form part of the Memorandum and Articles).

3.3 ALMO to manage recruitment – Mayor to approve key stages

3.3.1 It is the Mayor who makes the appointments to the THH Board.

3.3.2 The objectives of the process will be:

- ❖ attracting good quality candidates
- ❖ positively selling the council's housing strategy and the ALMO's service delivery
- ❖ identifying the best candidates for approval by the Mayor

3.3.3 It is essential that THH Board members identify strongly with both the Council's strategic priorities for housing and the objectives of the ALMO. This will be best

achieved if the ALMO run the recruitment processes with the Mayor approving key stages in the recruitment process. In the alternative, if the Council officers run the recruitment processes for the Mayor the risk is that links to the close working with officers of the ALMO will be lost and this may adversely affect the quality of the field and/or the outcome.

3.3.4 The Mayor will receive and approve a Recruitment Plan. Essentially this enables the Mayor to be satisfied with the approach being taken to the recruitment. We propose the following recruitment processes:

3.4 **Resident Board Members**

3.4.1 Care must be taken when appointing residents that the process is transparent and fair. Qualifying criteria and the terms of the code of conduct will be clear and simple.

3.4.2 The ALMO:

- ❖ Produce a Recruitment Plan to include:
 - Timeline
 - Advert copy
 - Specimen application pack including selection criteria and description of duties
- ❖ Submit Recruitment Plan to the Housing Client for agreement of the Mayor
- ❖ Place an advert capable of being seen by all residents
- ❖ Produce an application pack to include a simple application form
- ❖ Advertise and provide support where needed to interested residents
- ❖ Interview all respondents who return a completed form
(to a maximum of 8, if more than 8 apply a shortlist will be produced) based on those most matched criteria
(The Housing Client will have a member on the interview panel)
- ❖ Provide to the Housing Client a brief summary of the recruitment process to include:
 - A copy of the advert
 - Number of responses
 - Feedback on interviews
 - Names of proposed Resident Board Members to put forward to the Mayor who will decide to approve/reject

3.5 **Independent Board Members**

3.5.1 The ALMO:

- ❖ Produce a Recruitment Plan to include:
 - Timeline
 - Advert copy
 - Specimen application pack
- ❖ Submit Recruitment Plan to the Housing Client for the Mayor to approve
- ❖ Place an advert capable of being seen by potential Independent Board Members
- ❖ Produce an application pack to include a simple application form
- ❖ Produce a shortlist of candidates
- ❖ Provide the draft shortlist to the Housing Client for approval of the Mayor
- ❖ Interview candidates on the approved shortlist; the Housing Client to have a member on the interview panel
- ❖ Provide to the Housing Client a brief summary of the recruitment process to include:
 - Number of responses
 - Feedback on interviews
 - Names of proposed Independent Board Members for approval/rejection of the Mayor

3.5.2 For both processes the Client reserves the right to run the recruitment themselves if they are not satisfied with the Recruitment Plan or the outcomes.

4 **COMMENTS OF THE CHIEF FINANCIAL OFFICER**

4.1 There are no financial implications as the process can be met from within Tower Hamlets Homes budgets.

5 **CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE(LEGAL SERVICES)**

5.1 It was necessary to update the Memorandum and Articles to reflect the changes made by the last amendments in December, to clarify old provisions setting out that it is the Executive of the Council which makes the decisions under the Articles, clarifying the Board, confirming interim appointments to fill vacancies and updating the statutory references. Only an Independent Board Member can be Chair.

6 ONE TOWER HAMLETS CONSIDERATIONS

6.1 There are no implications for the One Tower Hamlets agenda stemming from the content of this report.

7 RISK MANAGEMENT IMPLICATIONS

7.1 The risks attaching to these issues are issues of quality and damage to reputation.

7.2 In terms of quality the recruitment processes need to be capable of generating applicants and appointees of a quality that reflects the scale of THH's operations and their forthcoming challenges.

7.3 If the quality of appointees is poor then the oversight provided by the Board may be insufficient to ensure adequate service delivery.

7.4 These risks are managed in two ways. THH handle the recruitment processes: this ensures that the Board positions can be proactively sold, and the process is delivered by those with the best knowledge of the organisation. Housing Client to participate in the process and the Mayor to make final approval of process and decision: this oversight ensures that the process is working effectively.

7.5 The reputational risk arises if THH fail to deliver as required and the Board fail to adequately manage poor performance. This risk is mitigated by the Mayoral approvals built into the processes.

7.6 We are satisfied that the mitigations adequately manage the risks.

Appendices

Appendix 1: Amended Memorandum and Articles of Tower Hamlets Homes

APPROVALS

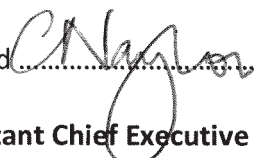
1. Corporate Director

I approve the attached report and recommendations above for submission to the Mayor.

Signed  Date 9/2/12

2. Chief Finance Officer

I have been consulted on the above recommendations and my comments are included in the attached report.

Signed  Date 9/2/12

3. Assistant Chief Executive (Legal Services)

I have been consulted on the above recommendations and my comments are included in the attached report.

Signed  Date 9/2/12

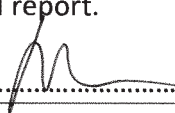
4. Chief Executive

The recommendations above are consistent with the Council's agreed Budget and Policy Framework and will contribute to the achievement of the authority's Strategic Plan.

Signed  Date 9/2/2012

5. Mayor

I agree the recommendations above for the reasons set out in the attached report.

Signed  Date 9/2/12

THE COMPANIES ACT 1985 AND THE COMPANIES ACT 2006

COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
OF
TOWER HAMLETS HOMES LIMITED

DEFINITIONS AND INTERPRETATION

1. In the Articles unless the context otherwise requires:

"the Act"	Means the Companies Act 2006 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 31(1) or in his absence any vice or deputy Chair appointed pursuant to Article 31(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.
"Council Board Member"	Means a Board Member appointed by the Executive of the Council pursuant to Article 14.
"Council"	Means London Borough of Tower Hamlets (LBTH) Council or any successor body thereto which 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.
"Executive of the Council"	Means the Mayor of the Council, or any other person or body having the powers of the Executive of the Council from time to time.
"Family Member"	Means, in relation to a Board Member, their spouse or partner (as husband, wife or same sex partner), parent, parent-in-law. Full or half Blood or adopted son, daughter, child of a partner, brother, sister, grandparent, grandchild, uncle, aunt, nephew, niece, or the spouse or partner of any of the preceding persons.
"Housing Stock"	Means all facilities land and buildings as managed by the Organisation under the Management Agreement between the Council and the Organisation, and more particularly described under the definition "dwelling" contained therein.
"Independent Board Member"	Means a Board Member appointed pursuant to Article 16 or a person appointed on an interim basis as an Independent Board Member under Article 17.
"Introductory Tenant"	Means an individual who occupies a residential property belonging to the Council under an introductory tenancy as defined in Part V of the Housing Act 1996.
"Leaseholder"	Means an individual in occupation and ownership of a residential lease where the Landlord is the Council.
"Local Authority Person"	Means any person: <ul style="list-style-type: none"> (i) who is a member of the Council; or (ii) who is an officer of the Council (which for these purposes shall not include employees with non-managerial posts apart from housing employees).
"Office"	Means the registered office of the Organisation.
"Order"	Means the Local Authorities (Companies) Order 1995
"Organisation"	Means the body of which these are the articles of association.
"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 is a leaseholder or holds a secure tenancy or lease of a residential property from and occupies a property belonging to the Council.

"Tenant Board Member"

Means a Board Member appointed pursuant to Article 15 or a person appointed on an interim basis as a Tenant Board Member under Article 17.

"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) References in these regulations to any statutory provision include any modification or re-enactment from time to time in force (whether enacted before or after the date when these regulations become binding on the Organisation) but subject to article 2(1).

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 323 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 signed by or on behalf of the Executive of the Council, which will decide on each such nomination and revocation.

5. The rights of the Council shall be personal and shall not be transferable.

GENERAL MEETINGS AND RESOLUTIONS

6. 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 Executive 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 Executive of 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 Executive 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 Executive of 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.
 - (3) The notice shall be given to the Executive of the Council and to the Board Members and auditors.
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. No business shall be transacted at any general meeting unless a quorum is present. The presence of a duly authorised representative of the Executive of the Council shall be a quorum.
11. If the Executive of 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 Executive of the Council pursuant to this Article 11 shall be recorded in writing and delivered by the Executive of the Council to the Organisation for entry in the Organisation's minute book.
12. An entry stating that a resolution has been carried or lost in the minutes of any meeting shall be conclusive evidence of the fact.

NUMBER OF BOARD MEMBERS

13. (1) The number of Board Members shall be 10.
 - (2) Four Board Members shall be Councillors of the Council.
 - (3) Three Board Members shall be Tenant Board Members of which not less than one will be a Leaseholder and for the avoidance of doubt an Introductory Tenant cannot be a Tenant Board Member.
 - (4) Three Board Members shall be Independent Board Members.
 - (5) No person shall be appointed as a Board Member if that person is a Family Member of a Board Member.
 - (6) No person shall be a Board Member if that person is an officer or employee of the Organisation or the Council.

APPOINTMENT AND RETIREMENT OF COUNCIL BOARD MEMBERS

14. (1) Subject to Article 13 and Article 18 the Executive of the Council shall from time to time appoint four 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 14(1) shall be effected by an instrument in writing signed by the Executive of the Council and shall take effect upon lodgement at the registered office of the Organisation or such date later than such lodgement as may be specified in the instrument.

- (3) Notwithstanding any other provisions in these Articles the Executive of the Council shall have power at any time by notice in writing to the Secretary to appoint and remove any Board Member.
- (4) All notices under this Article 14 will be signed in accordance with Article 43.
- (5) The Executive of the Council will determine the term for which each Council Board Member will hold office. Each Council Board Member shall retire from office at the end of such term (or when he or she ceases to hold office under any other provision of these Articles). The Executive of the Council shall appoint a new Council Board Member or can re-appoint a Council Board Member who retires from office in the manner provided in this Article 14.

RETIREMENT AND ELECTION OF TENANT BOARD MEMBERS

- 15 (1) The Executive of the Council will determine a procedure under which Tenants may apply to be appointed as Tenant Board Members and may be so appointed. The Executive of the Council may from time to time appoint Tenant Board Members in accordance with that procedure, to fill a vacancy arising either on retirement of Tenant Board Members at an annual general meeting or at any other time. Where no such procedure is in place the Executive of the Council may appoint one or more Tenant Board Members to hold office on an interim basis until such time as such procedure is put in place and until appointments of Tenant Board Members are made in accordance with it.
- (2) Any procedure under Article 15(1) may include a statement of the term for which a Tenant Board Member is to hold office. The Executive of the Council may remove any Tenant Board Member whose term has expired.
- (3) Any appointment or removal under this Article 15 shall be effected by notice in writing signed by or on behalf of the Executive of the Council in accordance with Article 43 and served on the Organisation.

RETIREMENT AND ELECTION OF INDEPENDENT BOARD MEMBERS

- 17 (1) At each general meeting of the Organisation all of the Independent Board Members shall retire from office. Each Independent Board Member may be re-appointed by the Executive of the Council.
- (2) Following the third Annual General Meeting the Executive of the Council will determine a procedure to appoint Independent Board Members and may from time to time appoint Independent Board Members in accordance with that procedure to fill a vacancy arising either on retirement of Independent Board Members or at any other time.

CASUAL VACANCIES

- 18 The Board has no power to appoint casual members to fill any vacancies occurring. The Executive of the Council may appoint a Board Member to fill any vacancy. Any Board Member who is so appointed to fill a vacancy for a Tenant Board Member or an Independent Board Member will be a Tenant Board Member or an Independent Board Member (as applicable) and may be appointed on an interim basis, in which event he or she will hold office until such time as a replacement Board Member of the relevant category has been appointed in accordance with the relevant procedure under Article 15 or 16 (as the case may be).

DISQUALIFICATION AND REMOVAL OF BOARD MEMBERS

- 19 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 (or written notice signed by) at least three quarters of all the other Board Members from time to time; or
 - (7) shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated; or
 - (8) in any period of 12 months, he shall have been absent (without the permission of the Board Members) from at least 40% of the meetings of Board Members held during that period and the Board Members resolve that his office be vacated; or
 - (9) in the case of a Tenant Board Member he ceases to be a Tenant of the Council PROVIDED THAT this Article 18(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) is a Tenant Board Member and is (in the reasonable opinion of a majority of Board Members) in serious breach of their obligations as a Tenant; or
 - (11) is an Independent Board Member and is or becomes a Tenant or a Local Authority Person; or
 - (12) is removed by notice in writing signed by or on behalf of the Executive of the Council and delivered to the Organisation; or
 - (13) is convicted of any arrestable criminal offence (other than an offence under road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed) or

- (14) is a Tenant/Independent or a Council Board Member against whom an Anti-Social Behaviour Order (ASBO) under the Crime & Disorder Act 1998 or an Anti-Social Behaviour injunctions (ASBI) under the Anti- Social Behaviour Act 2003 or has conducted or brought himself or the Organisation into disrepute.

POWERS OF THE BOARD

- 19 Subject to the provisions of the Act, directions of the Council (acting by its Executive) 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 (acting by its Executive) 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.
- 20 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

- 21 Subject to Clause 6 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

- 22 The Board may upon obtaining the prior written consent of the Executive of the Council delegate any of their powers to any committee consisting of two or more Board Members together with such other persons as the Board sees fit (but so that Board Members shall constitute a majority). 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. Any such delegation 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, 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.

ALTERNATE BOARD MEMBERS

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

BOARD MEMBERS' EXPENSES

- 24 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 Executive of 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 provider of social housing registered under the Housing and Regeneration Act 2008 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.

BOARD MEMBERS' APPOINTMENTS AND INTERESTS

25 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.

26 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 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

27 (1) Subject to any regulations established from time to time by the Organisation in general meeting in 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 business shall be three comprising no fewer than one Tenant Board Member and two Council Board Members.

(2) 33 1/3 percent of the total number of Board Members (or such whole number of Board Members nearest to 33 1/3 percent) may call a meeting of the Board. It shall not be necessary to give notice of a meeting to a Board Member who is absent from the United Kingdom.

(3) 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.

28 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.

29 (1) Any Board Member having an interest in any arrangement between the Organisation and another person or body shall disclose that interest to the meeting before the matter is discussed by the Board or committee of the Board. Unless the interest is of the type specified in Articles 29(2) or 29(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 29(2) or 29(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 29(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 24.

30 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 of the meeting and his ruling in relation to any Board Member other than himself shall be final and conclusive,

31 (1) The Executive of the Council shall nominate an Independent Board Member as the Chair of the Board to hold office until the next annual general meeting and may at any time remove him from that office. Only an Independent Board Member may act as Chair of the Board.

(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 a vice or deputy Chair to act in the absence of the Chair on such terms as the Board shall think fit.

32 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

33 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 27(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

34 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

35 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 (acting by its Executive) in its capacity as the sole member of the Organisation, including the names of the Board Members present at each such meeting.

36 The Organisation shall comply with the provisions of Part 15 of the Act in respect of:-

- (1) the keeping and auditing of accounting records;
- (2) the provision of accounts and annual reports of the directors; and
- (3) in making an annual return.

THE SEAL

37 (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 Sections 49 and 50 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Board Members.

NOTICES

38 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.

39 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.

40 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.

- 41 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

- 42 (1) Every Board Member or other 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 1157 of the Act in which relief is granted to him and no Board Member or other 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 232 of the Act.
- (2) The Board shall have power to purchase and maintain for any Board Member or officer of the Organisation insurance against any such liability as is referred to in Section 232 of the Act.

EXECUTIVE

- 43 All actions which are to be taken by the Council under these Articles and/or by the Council as the Member of the Organisation will be taken by the Executive. Any notice or document which is to be signed by or on behalf of the Executive and/or the Council may be signed by the Mayor of the Council or by a person authorised by the Mayor.

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