

MAYOR'S EXECUTIVE DECISION MAKING

Friday, 6 May 2016

Mayor's Decision Log No. 127


1. **TOWER HAMLETS HOMES BOARD GOVERNANCE (Pages 1 - 10)**

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Agenda Item 1

Individual Mayoral Decision Proforma Decision Log No: <u>127</u>	 TOWER HAMLETS
Report of: Aman Dalvi (Corporate Director Development & Renewal)	Classification: Unrestricted
Tower Hamlets Homes Board Governance	

Is this a Key Decision?	No
Decision Notice Publication Date:	N/A (Not a Key Decision)
General Exception or Urgency Notice published?	Not required
Restrictions:	Unrestricted
Reason for seeking an Individual Mayoral Decision:	Currently not all THH's Board appointments are filled in line with the organisation's Articles of Association.

1 EXECUTIVE SUMMARY

- 1.1 Following an Executive Decision in December 2011, the Mayor has responsibility for appointing to the Tower Hamlets Homes (THH) Board.
- 1.2 The Mayor in an executive mayoral decision log 122, agreed to increase the size of THH's Board from **ten** to **twelve** board members. The Mayor also agreed that the revised THH's Board membership comprise **four** members from each of the constituent groups – residents, independent board members and Council nominees. The added THH board capacity has created a vacancy for an independent board member.
- 1.3 This report asks the Mayor to appoint an independent board member to THH's Board.

2. RECOMMENDATIONS

- 2.1 The Mayor is recommended to appoint:
 - i. **Safia Jama** as Independent Board member.

- 2.2 Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in **appendix A**.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

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

Signed  Date 27/4/2016

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 28/4/2016

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

I confirm that this decision:-


(a) has been published in advance on the Council's Forward Plan OR
(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.

Signed  Date 28/04/16

4. Mayor

I agree the decision proposed in paragraph above for the reasons set out in paragraph X in the attached report.

Signed  Date 4/5/16

Individual Mayoral Decision Proforma	 TOWER HAMLETS
Report of: Aman Dalvi (Corporate Director Development & Renewal)	Classification: [Unrestricted]
Tower Hamlets Homes Board Governance	

Lead Member	Mayor John Biggs
Originating Officer(s)	Jackie Odunoye – Service Head Strategy, Regeneration, Sustainability & Housing Options (D/R)
Author/s	John Kiwanuka - Housing Partnerships Manager Strategic Housing (D/R) Ext:2616 John Coker – Acting Divisional Manager Regeneration & ALMO Client Management (D/R) Ext: 3782
Wards affected	All
Community Plan Theme	Great Place to Live
Key Decision?	No

1. EXECUTIVE SUMMARY

- 1.1 Following an Executive Decision in December 2011, the Mayor has responsibility for appointing to the Tower Hamlets Homes (THH) Board.
- 1.2 The Mayor in an executive mayoral decision log 122, agreed to increase the size of THH's Board from **ten** to **twelve** board members. The Mayor also agreed that the revised THH's Board comprise of **four** members from each of the constituent groups – residents, independent board members and Council nominees. The added THH board capacity has created a vacancy for an independent board member.
- 1.3 This report asks the Mayor to appoint an independent board member to THH's Board.

2. RECOMMENDATIONS

- 2.1 The Mayor is recommended to appoint:
- i. **Safia Jama** as Independent Board member.

- 2.2 To fill the remaining Independent Board Member vacancy, the Board selection panel (comprising the Independent Chair of the Board, the Leaseholder Chair of the Finance & Audit Committee, and the Chief Executive) has revisited the results of the recruitment campaign which recently appointed Andrew Bond and Caroline Compton Jones. The selection panel is unanimous in agreement that of all the available candidates, Safia Jama would add the most value to the Board as an Independent Board Member and is the best skill and competency match.
- 2.3 Safia Jama had been active as a Board Member designate and Resident Board Member for over 18 months however she ceased to be eligible to stand as a Resident Member after completing a successful management transfer to Poplar Harca.
- 2.4 Prior to her change of tenancy, Safia had been active as a Board Member designate and Resident Board Member for over 18 months. During this time, she demonstrated clear commitment to the Board and contributed vital skills and knowledge that would otherwise be absent. Specifically, she brought skills and knowledge around vulnerability, financial inclusion, welfare reform and resident engagement to Board discussions. Additionally, Safia is a member of the Somali community and lives in the borough. Somalian residents represent the second largest BME community among THH residents but are currently severely under-represented among residents who engage with THH and LBTH.

3. REASONS FOR THE DECISIONS

- 3.1 Currently not all THH's Board appointments are filled which is a requirement of the organisations Articles of Association as approved by the Mayor on 10 September 2015.

4. ALTERNATIVE OPTIONS

- 4.1 The Mayor could decide not to make any appointments to the Board; however it is prudent to strengthen a key partner

5. DETAILS OF REPORT

- 5.1 THH's Board has had significant vacancies and this report aims to complete THH's recruitment to all the vacancies in fulfilment of the Articles of Association.
- 5.2 The Articles generally state that the Executive of the Council will determine a procedure under which Tenant and Independent positions may be appointed. The procedure, reflecting custom and practice, is as **appendix1**.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 This report seeks to appoint one member to fill a vacant position on the Tower Hamlets Homes Board.

- 6.2 There are no direct financial implications arising from the recommendations in this report, however it should be noted that the THH board undertakes an essential role in relation to the management of the Council's housing stock, including ensuring that the business operates effectively. It also provides a probity role. THH receives a management fee (£33.376 million in 2016-17) to fund the delivery of the services that it provides on behalf of the council and also manages various significant revenue and capital budgets on the Council's behalf, including the delivery of the Decent Homes programme. Having a full and competent Board is critical to ensuring good governance and probity.

7. LEGAL COMMENTS

- 7.1 Tower Hamlets Homes Ltd (THH) is a company limited by guarantee, established by the Council to exercise some of its housing management functions. The functions exercised by THH are identified in a management agreement made pursuant to section 27 of the Housing Act 1985 and approved by the Secretary of State.
- 7.2 The number of Board Members and the arrangements for the appointment of Board Members are specified in THH's Articles of Association. Article 15 provides for a Board comprising 12 Members of which four shall be Independent Board Members.
- 7.3 The Articles provide that Independent Members shall be appointed pursuant to a procedure determined by the Council and Appendix 1 to this report recommends such a procedure.
- 7.4 When considering appointments or the approach to be taken to appointments, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't (the public sector equality duty). It is important to be satisfied that any process followed is supportive of equal opportunity.
- 7.5 Strict adherence to the recruitment procedure and Articles 13-18 of the Articles of Association should deliver equality of opportunity and help to minimise any risk of challenge to the appointment of Board Members.
- 7.6 Pursuant to section 9D(2) of the Local Government Act 2000, any function of the Council which is not specified in regulations is to be the responsibility of the Council's executive under executive arrangements. The relevant regulations which specify non-executive functions are the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 ("the Functions Regulations").
- 7.7 The housing management functions which the Council has delegated to THH are not specified in the Functions Regulations and consequently are executive functions by virtue of the default provision in section 9D(2) of the Local Government Act 2000.

7.8 The Functions Regulations specify a category of functions which may be (but need not be) the responsibility of a local authority's executive. These are sometimes referred to as local choice functions. Included in the category of local choice functions is the appointment of any individual to anybody, other than the Council or a joint committee, and the revocation of any such appointment. The Council's Constitution (part 3.2.2) specifies that responsibility for such appointments lies with the Mayor if the appointment is made in relation to or in support of an executive function. As THH is concerned with exercising housing management functions which are executive functions, appointments to THH's board are considered to be made in relation to or in support of executive functions and thus within the responsibility of the Mayor.

8. ONE TOWER HAMLETS CONSIDERATIONS

8.1 Appointing representatives to outside bodies increases the Council's engagement with local communities and improves its potential to offer guidance and leadership in relation to activities taking place in the borough.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

9.1 There are no specific implications arising from this report

10. RISK MANAGEMENT IMPLICATIONS

10.1 Where appropriate it is important that any training needs and / or support needs of new Board members are identified quickly and adequate measures put in place, to ensure Board members can fulfil their obligations.

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

11.1 There are no specific implications arising from this report

12. EFFICIENCY STATEMENT

12.1 There are no specific implications arising from this report

Linked Reports Appendices And Background Papers

LINKED REPORTS

- None

APPENDICES

- Tower Hamlet Homes Resident and Independent Board Member Recruitment Procedure
- Board Recruitment – Recommendation of Safia Jama

BACKGROUND PAPERS

- None

OFFICER CONTACT DETAILS FOR DOCUMENTS

- N/A

Appendix 1:

Resident and Independent Board Member Recruitment Procedure

July 2014

- Upon being notified of a vacancy, Tower Hamlets Homes will agree a recruitment timetable with the Board Chair;
- An advertisement will be placed in the relevant media: these are likely to include local and BME media for resident vacancies, and the trade press for independent vacancies;
- A panel consisting of no fewer than two Board members and one member of the Tower Hamlets Homes Residents Panel will be convened. On occasion, the Board may co-opt THH or LBTH officers to the panel in an advisory capacity.
- They will agree a shortlist of candidates to meet, and an appropriate selection method to test candidates (e.g. interview questions, presentation);
- The panel will interview the short-listed candidates, and agree a recommendation candidate for the Board vacancy;
- The panel will pass this recommendation to the Mayor for his endorsement, which will be received within four weeks;
- On receipt of the Mayor's endorsement, the Chair will notify the successful candidate on behalf of the Board.

Board Recruitment: Proposed Appointment of Safia Jama as an Independent Board Member of Tower Hamlets Homes

In early summer 2015 an external recruitment campaign and selection process was carried out to fill two Independent Board member vacancies on the Board. The campaign included a targeted search by Campbell Tickell, a consultancy with a strong presence in the housing sector, as well as advertisements through EastEnd Life, a Campbell Tickell bulletin, and the THH website. We received 10 applications and interviewed five candidates.

As a result of this campaign, in early August 2015 the Board recommended the appointment of Andrew Bond and Caroline Compton-James as Independent Board Members. This recommendation was formally approved by the Mayor on 10 September 2015.

Prior to the interviews for the then two vacant Independent Board Member positions, the Chair held informal discussions with existing Board Members, the Executive member and the Client about the proposal to increase the size of the Board to 12 members: four Councillors, four Residents (two tenants and two leaseholders) and four Independents.

This change was agreed by the Mayor at the October 2015 Strategic Housing Meeting and was formally ratified by a Mayor's Executive Decision on 12 January 2016. This created a need to recruit one further Independent Board Member, in addition to the two who were appointed through the above recruitment campaign.

After the interviews for the two, original vacant Independent Board positions, Safia Jama completed a successful management transfer to Poplar Harca and therefore ceased to be eligible to stand on the Board as a Resident Board Member.

To fill the remaining Independent Board Member vacancy, the Board selection panel (comprising the Independent Chair of the Board, the Leaseholder Chair of the Finance & Audit Committee, and the Chief Executive) has revisited the results of the recruitment campaign alongside consideration of Safia Jama's skills. The selection panel is unanimous in agreement that of all the available candidates, Safia Jama would add the most value to the Board as an Independent Board Member and is the best skill and competency match.

Prior to her change of tenancy, Safia had been active as a Board Member designate and Resident Board Member for over 18 months. During this time, she demonstrated clear commitment to the Board and contributed vital skills and knowledge that would otherwise be absent. Specifically, she brought skills and knowledge around vulnerability, financial inclusion, welfare reform and resident engagement to Board discussions. Additionally, Safia is a member of the Somali community and lives in the borough. Somalian residents represent the second largest BME community among THH residents but are currently severely under-represented among residents who engage with THH and LBTH.

In light of her previous contributions to the Board and her greater skill and competency match than other available candidates, THH recommend that Safia Jama should be retained as an Independent Board Member.

Consequently, on this basis we are seeking agreement from the Council to appoint Safia Jama as an Independent Board Member.

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