

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11 October 2022

**Cabinet Member with responsibility for Housing, Culture and Leisure:
Councillor Adam Brown**

Report Title	Amendments to the Articles of Association
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List of Appendices

Appendix 1: Proposed amendments to the Articles of Association

1. Purpose of Report

1.1. To note the proposed changes to Northampton Partnership Homes Articles of Association (AoA).

2. Executive Summary

2.1 The AoA is a legally binding document that defines the powers, objects and governance framework belonging to the company i.e. Northampton Partnership Homes. They are the written rules that define what activities Northampton Partnership Homes undertakes.

- 2.2 A company may, by special resolution, alter its articles, in accordance with the Companies Act 1985 s 9 (1).
- 2.3 The changes to the Articles of Association reflect the changes following the formation of a unitary authority, including the change to the council becoming a social housing provider for the entire West Northants area, and not limited to the Northampton area. The amendments to the AoA is required to legally allow NPH to operate across this wider area.
- 2.2 The full changes proposed are detailed in this report. The proposed new articles are at appendix 1 of this report. A full comparison of the current articles with the proposed new articles are at appendix 2 of this report.

3. Recommendations

- 3.1.1 To note that from the 1st April 2021 the Council became a social housing provider for the entire West Northants area and the AoA are being amended to reflect this.
- 3.1.2 To note changes to the AoA which NPH will consider to enable them to operate within the wider West Northants area.
- 3.1.3 To delegate to the Director of Communities and Opportunities the preparation of a new Management Agreement with NPH to incorporate the arrangements for NPH to operate in the wider area to be agreed at a future Cabinet meeting.

4 Reason for Recommendations

- 4.1.1 To ensure that the necessary steps are taken to enable the Council to carry out the role of social housing provider across the whole of the Council area.
- 4.1.2 To strengthen and modernise the governance framework with NPH through amendments to the AoA and management agreement.

5 Report Background

- 5.1.1 Northampton Partnership Homes was set up in 2015, as legacy Northampton Borough Council's Arms Length Company (ALMO). NPH manage nearly 12,000 council housing tenancies on behalf of the Council.
- 5.1.2 Northampton Partnership Homes is a company limited by guarantee and is wholly owned by the Council.
- 5.1.3 The full details of the arrangements between the Council and the ALMO for the delivery of the housing management service are set out in the management agreement. The AoA is a legal document that defines the powers, objects and governance framework for NPH. This document sits alongside the management agreement to define the activity undertaken, responsibilities and accountability of NPH.

5.1.4 Following a discussion and officer review a number of changes are being proposed to the AoA. The changes are being proposed to:

- reflect the change to Unitary and to ensure that the AoA aligns with these changes
- Ensure the AoA continues to be fit for purpose
- Strengthens and modernises the governance framework

5.1.5 The proposed new articles are attached at appendix 1 of this report.

5.1.6 The full track changed version comparing the 2015 articles and proposed new version is attached at appendix of this report.

5.1.7 The amended articles as at appendix 1 will be filed at Companies House, with the new Articles effective from the date accepted by Companies House.

5.1.8 The changes proposed are summarised below:

Title change: Name change from Northampton Partnership Homes Ltd to Northamptonshire Partnership Homes Ltd

Definitions:

- NPH means the company, Northamptonshire Partnership Homes Limited

Para 3- Name

- Name change to Northamptonshire Partnership Homes Limited

Para 7 – Limitation on Board Members’ powers and Council’s reserve power

- (7.4.1): Remuneration for an individual Board Member

Para 14 - General meetings

- (14.2) additional clause ‘all general meetings shall be called with at least 21 clear days’ notice
- (14.4) This clause has been strengthened to include additional detail around convening a general meeting

Para 18 - Appointment of Tenant Board Members and Independent Board Members

- (18.1) inclusion of ‘Independent’ Board Members
- (18.8) inclusion of ‘Tenant’ Board Members

Para 29 – Calling a Board meeting

- This paragraph has been strengthened to include additional details around calling a board meeting.

Para 33 – Chair

- This paragraph has been amended based on previous member discussion and agreement.

6 Issues and Choices

6.1 Cabinet agrees to note the amendments to the Articles of Association. The changes strengthen and modernise the governance framework and reflect the activities that NPH are undertaking.

7 Implications (including financial implications)

7.1 Resources and Financial

7.1.1 Northampton Partnership Homes are funded through the HRA for the majority of council homes and leasehold stock in the area.

7.1.2 The proposed changes to the Articles of Association does not affect the payments made to NPH for the services supplied. As such, there are no direct resource or financial implications arising from the proposals.

7.2 Legal

7.2.1 Section 27 of the Housing Act 1985, provides the power to allow another person to exercise housing management on behalf of the local housing authority. This power enables the management of the Council's housing stock to be carried out by NPH.

7.2.2 NPH is a company limited by guarantee and is wholly owned by the Council. It is registered at Companies House with its own registration number, 09019453

7.2.3 NPH has its own governance arrangements which are governed by its Articles which sets out its objects. Its decision making is through a Board.

7.2.4 Articles of Association may be amended in accordance with the provision of the Companies Act. Amended Articles are filed with Companies House

7.3 Risk

7.3.1 There are no significant risks arising from the proposed recommendations in this report.

7.4 Consultation

There has been consultation with NPH, and the decision will be made by the Board which includes tenant representatives but there is no requirement to carry out tenant consultation in relation to governance changes.

7.5 Consideration by Overview and Scrutiny

The proposed changes reflect the need to change the governance to reflect the effect of the changes of local government reorganisation but also to regularise governance arrangements. There has been no consultation with Scrutiny in relation to these technical changes.

7.6 Climate Impact

There is no impact on climate as a result of the proposed changes.

7.7 Community Impact

The community impact arising relates to the decision of the AoA board and not the decision of Cabinet to note the proposed changes. Community impact if any will arise as a result of the changes to the Management Agreement.

8 Background Papers

8.1 None