

SLOUGH BOROUGH COUNCIL

REPORT TO: Council **DATE:** 28th January 2020

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WARD(S): All

PART I **FOR DECISION**

RECOMMENDATIONS FROM THE CABINET COMMERCIAL SUB-COMMITTEE **MEETING HELD ON 16TH DECEMBER 2019**

APPOINTMENT OF DIRECTORS FOR DISH HOLDING COMPANY AND REGISTERED PROVIDERS

1 Purpose of Report

To appoint Councillors as directors of the DISH CLS and make nominations for elected members to work on the set up of the DISH RP (Not for Profit) and DISH RP (For Profit).

2 Recommendation(s)/Proposed Action

2.1 Council is requested to resolve:

- a) That Councillors Swindlehurst, Nazir and Mann be appointed as directors of DISH CLS;
- b) That two Councillors are nominated to work with officers on the set up of each of the DISH RP (Not for Profit) and the DISH RP (For Profit).

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

Effective, transparent and equitable decision making processes are an essential prerequisite to the delivery of all the Council's priorities.

3a. Slough Joint Wellbeing Strategy Priorities

The provision and maintenance of good quality and affordable family housing can reduce housing need for local households and contributes to the identified priorities of the JSNA. This initiative will provide an opportunity to provide good quality affordable homes that will improve the safety, health and wellbeing of families in the Borough. It will provide for opportunities to build and manage fit for purpose housing stock, but also enable the utilisation of various finance sources and generate income for the General Fund.

3b Five Year Plan Outcomes

It is well established that having a stable, attractive home has a significant impact on a person's health and wellbeing. Through the creation of the DISH RPs, innovation in the provision of new housing and assets will ensure:

- i our children and young people have the best start in life and opportunities to give themselves positive lives;
- ii our people become healthier and will manage their own health, care and support needs;
- iii Slough will be an attractive place where people choose to live, work and visit; and
- iv our residents will have access to good quality homes.

4 Other Implications

(a) Financial

There are no financial implications of proposed action.

(b) Risk Management

Recommendation from section 2 above	Risks/Threats/Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
That the Council appoint councillors to sit on the board of the DISH CLS	If directors are not appointed, the company cannot operate to make decisions in relation to the DISH RPs which will be subsidiary companies within the group.	Appointment of councillors as directors	Legal / Regulatory 4	Further appointments as directors

(c) Human Rights Act and Other Legal Implications

The Cabinet Commercial Sub-Committee reports in October and December 2019 set out more detail about the operational structure of the group of companies. The DISH CLS is a company limited by shares and wholly owned by the Council. It is proposed that the two RPs will be subsidiary companies within the group and will be companies limited by guarantee. It is anticipated that the RP companies' articles will permit the Council to have two directors for each company, whilst ensuring that the board is sufficient in size to avoid the RPs being deemed to be "influenced" companies. The

articles are yet to be drafted, however in the interim, it is beneficial for nominated elected members to work with officers on the set up of the company, to ensure it meets the aims of the Council's housing strategy.

It is necessary for full council to appoint directors to the holding company as an outside body, in accordance with Part 3.3 of the Council's constitution. It is proposed that elected members are appointed as directors. Whilst acting as directors, the elected members will owe specific statutory and common law duties to the company. The main duties are contained in the Companies Act 2006. Members must comply with the Council's code of conduct and declare any interests and must also manage any conflict of interest between the company and the council. Specific advice should be sought if a member is concerned about a conflict of interest.

Appointment and removal of directors to outside bodies will be considered at Annual Council each year.

A further report will be brought back once the RPs have been set up, with a recommendation in relation to representation on the RPs' board of directors.

There are no Human Rights Act implications arising from this report.

(d) Equalities Impact Assessment

There is no identified need for the completion of an EIA.

5 **Supporting Information**

- 5.1 Further to a report to Cabinet Commercial Sub-Committee in October and December 2019, the Council is in the process of establishing a group company structure to support its strategy to deliver additional housing.
- 5.2 The proposal is that the DISH RPs are set up to deliver affordable housing with sufficient governance to deliver the objectives of building new homes, generating income through commissioning of services, funding and investment.
- 5.3 The report recommended the appointment of named elected members to the holding company within the Group, with a further report being brought back at a future date to allow the Council to identify further individuals to sit as directors. Whilst the DISH CLS company is wholly owned by the Council, the RP companies will have an arms length relationship with the Council, being subsidiary companies within the group structure. The articles, once drafted, will set out the rules for appointment of directors for each company.

6 **Comments of Other Committees**

The proposal to set up a group structure of companies was considered and approved by Cabinet Commercial Sub-Committee.

7 **Conclusion**

This report recommends appointment of named elected members to the DISH CLS within the proposed group structure to enable it to deliver on the aims of its housing strategy.