

NOTTINGHAM CITY HOMES LIMITED
REGISTERED PROVIDER SHADOW BOARD MEETING



Date: THURSDAY 28 JULY 2016

Time: 7.00 PM

Place: CLIFTON CORNERSTONE, SOUTHCHURCH DRIVE, CLIFTON, NG11 8EW

Directors of the Board are requested to attend the above meeting on the date and at the time and place stated to transact the following business:

George Pashley
Company Secretary

AGENDA

	Page No.	Time
1. INTRODUCTORY ITEMS		
1.1 WELCOME		7.00
1.2 APOLOGIES FOR ABSENCE		
1.3 DECLARATION OF INTERESTS		
1.4 ITEMS FROM THE CHAIR		
1.5 MINUTES OF THE MEETING HELD ON 31 MARCH 2016	Attached 2 - 6	7.00
1.6 MATTERS ARISING		7.05
2. GOVERNANCE		
2.1 COMPANY SECRETARY'S REPORT	Attached 7 - 16	7.10
3. CLOSING ITEMS		
3.1 ANY OTHER BUSINESS		
3.2 DATE OF NEXT MEETING		
To be arranged.		

Members wishing to raise matters under Any Other Business should note that items will only be accepted if referred to and agreed by the Chair of the Board prior to commencement of the Meeting. Members wishing to submit their apologies should do so by contacting the Company Secretariat on 0115 746 9485. This agenda was issued by email on 21 July 2016.

NOTTINGHAM CITY HOMES REGISTERED PROVIDER LIMITED

THE SHADOW BOARD

MINUTES of the **PUBLIC MEETING** held on **31 MARCH 2016** at Loxley House,
Station Street, Nottingham, NG2 3NJ

Board Members

Dave Bennett-Bull
Bill Blincoe
Scott Campbell
Anne Dean
Glenn Harris MBE
Victor Haven
Julian Owen
Trish Nixon
Janet Storar MBE (Chair)
Sarita-Marie Rehman-Wall

Also in Attendance:

Cathy Dobb	Head of Governance
Gill Moy	Head of Housing and Customer Services
Nick Murphy	Chief Executive
George Pashley	Company Secretary
Jonathan Shaw	Director of Investment and Business Services

1. WELCOME, INTRODUCTIONS & CHAIR'S ANNOUNCEMENTS

- 1.1 The Chair welcomed the Board Members and opened the meeting.

2. APOLOGIES FOR ABSENCE

Apologies were received from Alex Ball, Patience Ifediora, Mike Khouri-Bent, Steve Young and Steve Hale.

3. DECLARATIONS OF INTEREST

None declared.

4. CONFIRMATION OF MINUTES OF THE MEETING HELD ON 25 FEBRUARY 2016

These were agreed as a true record. The Chair signed the minutes.

5. MATTERS ARISING

- 5.1 Julian Owen had submitted his apologies for the meeting held on 25 February 2016.

6. COMPANY SECRETARY'S REPORT

6.1 GROUP DATA PROTECTION POLICY 2016-2019

- 6.1.1 The Company Secretary introduced the report. He confirmed that Data Protection is a statutory duty. In order to avoid or reduce the risk of non-compliance by the Group, a policy is required to give guidance and state the Group's position on Data Protection. The Policy will form part of the Homes and Communities Agency (HCA) submission in April.
- 6.1.2 It was confirmed that the Data Protection Policy was the 'umbrella' policy that other policies would come under, for example Business Continuity Planning and disaster recovery are included in the Risk Register and ICT policy.

RESOLUTION:

The Board agreed:

- 1. The Group Data Protection Policy 2016-2019.**

6.2 GROUP CODE OF CONDUCT

- 6.2.1 The Company Secretary stated that that NCH uses the National Housing Federation (NHF) Code of Governance to measure its compliance with good governance practice. The Code recommends that organisations have one Code of Conduct applying to employees and Board Members across all bodies. This Code will set the standards across the Group and ensures culture and values are lived from the top down.
- 6.2.2 In addition, the Code has been updated to take into account changes in HR and Employment legislation. The Company Secretary confirmed that the Board Member elements of the Code of Conduct have not changed

RESOLUTIONS:

The Board agreed:

- 1. The Group Code of Conduct.**

7. COMPLIANCE WITH HOMES AND COMMUNITY AGENCY (HCA) REGULATORY FRAMEWORK STANDARDS

- 7.1 The Director of Investment and Business Services introduced the report by stating that in April 2016 we will submit our detailed application to the Homes and Communities Agency (HCA) to register the new Registered Provider subsidiary, NCH Registered Provider (NCHRP). The registration criteria requires us to show the HCA that NCHRP will meet the Governance and Financial Viability Standard

at the point of registration and demonstrate that NCHRP can sustain its financial viability on an on-going basis.

- 7.2 The RP Board must also be able to demonstrate that NCHRP will have management arrangements in place that enable it to demonstrate its capacity to meet the other regulatory standards. The RP Board must be able to show that it has considered the Regulatory Framework requirements and that it has assured itself that the RP can comply with the regulatory requirements.
- 7.3 In order to comply with the HCA requirements, a gap analysis was carried out for NCH and NCHRP against the Regulatory Standards in order to check the level of compliance. The analysis identified some areas that require additional procedures to be put in place to ensure on-going compliance, however, we can confirm that NCHRP will be compliant as at the date of registration.
- 7.4 The Director of Investment and Business Services stated that stress testing, as part of the gap analysis, had been done using the Church Square Development, and it was confirmed that NCH and NCHRP is meeting all the standards required to obtain compliance. Board suggested that the HCA may not be concerned with this as this stage as there will be less than 1000 homes , however stress testing needs to 'break the plan and rebuild', and NCH and NCHRP may benefit from further advice about what stress testing will be needed.

RESOLUTION:

The Board agreed:

- 1. To confirm its assurance that the RP can comply with the regulatory requirements. In respect of the Value for Money, Rent, Home, Tenant Involvement & Empowerment and Neighbourhood and Community standards, the RP will have in place management arrangements that demonstrate it has the capacity to meet these standards.**
- 2. To note the procedures that need to be put in place to achieve on-going compliance with the Governance and Viability Standard and the measures that need to be put in place to comply with the Value for Money, Tenant Involvement & Empowerment and Neighbourhood & Community Standards.**

8. GROUP TENANT & LEADERSHIP INVOLEMENT STRATEGY 2016-2019

- 8.1 The Interim Assistant Director Tenancy and Estate Management introduced the report by stating that tenant and leaseholder involvement is central to our vision "Creating homes and places where people want to live". This strategy describes how Nottingham City Homes (NCH) will continue to achieve its vision and meet its corporate goals through listening to tenants and leaseholders and involving them in all aspects of decision making.
- 8.2 The strategy reflects on the positive outcomes of previous strategy, which are listed on page 4 of the document, including the Tenant Academy and a move away from the more formal tenant events to more interactive fun days and a Tenant Award Ceremony. The strategy builds on those successes and is looking to be more innovative, such as the Street Reps that are currently operating in the

areas. It is expected that these Street Reps will be able to approach people who are experiencing financial difficulties, and who would not wish to go through a 'formal' route, in order to support them.

- 8.3 Board Members expressed their support for the report. The Chief Executive expressed the need to meld the Tenant and Leaseholder Strategy with the Communication and Marketing Strategy to ensure that we get the celebratory news out there and by being more articulate about the things that are working well.

RESOLUTION:

The Board agreed:

- 1. To consider and provide comment on the content of the Group Tenant & Leaseholder Involvement Strategy 2016-2019.**
- 2. To delegate to the Chair of the Board the sign off of the finalised Group Tenant & Leaseholder Involvement Strategy 2016-2019.**

9. GROUP CHILDREN, YOUNG PEOPLE AND VULNERABLE ADULTS SAFEGUARDING POLICY.

- 9.1 The Interim Assistant Director, Tenancy and Estate Management introduced the report by stating that a number of adults, children and young people identified as being at risk live in social housing, so it is important that we have a robust response to supporting their needs and preventing and identifying risk of harm and abuse. Failure to do so would also carry a reputational risk.
- 9.2 NCH has identified the posts that require Disclosure and Barring Service (DBS) checks and have robust processes in place to regularly review these in accordance with the DBS Policy.
- 9.3 The new Care Act requirements, combined with safeguarding requirements will mean that NCH need to provide clear and appropriate refresher training for all employees. All have a role to pass on their suspicions, and all managers have responsibility to make a referral. It was confirmed that best practice in this area states its 'better safe than sorry' as a bench mark as to when to report and make a referral to the appropriate agency. It was confirmed that Board Members have the same level of responsibility and will need to alert a manager in NCH. A log will be kept of all submissions.

RESOLUTION:

The Board agreed:

- 1. To consider and provide comment on the content of the Group Children, Young People and Vulnerable Adults Safeguarding Policy.**
- 2. To delegate to the Chair of the Board the sign off of the Group Children, Young People and Vulnerable Adults Safeguarding Policy.**
- 3. To approve that NCH establish all employees to take the role of an 'alerter' and all Managers to take the role of Referrer for their service**

area – whose role it will be to provide guidance and responsibility for deciding the most appropriate action to be taken with any alert.

10 GROUP VALUE FOR MONEY STRATEGY 2016-2019

- 10.1 The Director of Investment and Business Services presented the report by stating that NCH’s Value for Money Strategy provides a clear and robust framework for value for money (VFM) across the NCH Group. As NCH diversifies its activities, with the creation of two subsidiary companies, our focus on VFM has an ever higher prominence.
- 10.2 The Director of Investment and Business Services stated that there were cross cutting initiatives that run through all the other strategies, and therefore it was decided to bring together a VFM Strategy to detail how NCH made savings from the Corporate level all the way down to individual Team Plans.

RESOLUTION:

The Board agreed:

- 1. **To comment on the draft NCH Value for Money Strategy 2016-2017 and delegate sign off to the Chair following inclusion of the Board’s comments.**

11. ANY OTHER BUSINESS

None.

12. DATE OF THE NEXT MEETING

The Board agreed that date of the next scheduled meeting was on the 28 April 2016 at the Sheila Roper Centre, Baslow Drive, Lenton Abbey Nottingham, NG9 2SU

The meeting closed at 17.20

SIGNED..... DATE

NOTTINGHAM CITY HOMES (REGISTERED PROVIDER)

THE SHADOW BOARD
28 JULY 2016

REPORT OF THE COMPANY SECRETARY

COMPANY SECRETARY'S REPORT

1 SUMMARY

- 1.1 This report sets out the current position with regard to the application for Registered Provider status and asks Board to consider how it wishes to proceed with regard to its future structure and membership.

2 RECOMMENDATIONS

It is recommended that the Board agree:

- 2.1 in principle to appoint a smaller Board of the subsidiary of six members with a split of 3 representatives from the Parent Board and 3 other directors; and
- 2.2 a further report is brought to a future meeting detailing the new Board structure and any implications for the Group structure.

3 REPORT

- 3.1 The Board has received responses from the Homes and Communities Agency (HCA) following its application for Registered Provider (RP) Status. These are attached at Appendices 1 and 3. The HCA has specifically queried whether the current application meets its Governance and Financial Viability Standard. They highlight in particular that "registered providers (must) ensure that they manage their affairs with an appropriate degree of independence" and have questioned whether the Board's existing structure satisfies this.
- 3.2. Nottingham City Homes' (NCH) Solicitor's, Anthony Collins, set out the Board's position on its structure in a letter to the HCA dated 17 June. (Appendix 2). However, the HCA has confirmed its original opinion in a letter back to Anthony Collins dated 19 July (Appendix 3). In it, the HCA asks whether NCH RP can evidence that it is exercising independent judgement and decision making or is able to manage potential conflicts of interest under the existing governance arrangements.
- 3.3 Anthony Collins have confirmed in an e-mail dated 20 July 2016 (Appendix 4) that it seems clear from this letter that the HCA will be concerned about NCH RP's independence as we move forward. Continuing down the current route may, at the least, protract the registration process further, and at worst it may prevent NCH RP's registration. The Board is therefore asked whether it wishes to re-consider its Co-terminus arrangement for the RP Subsidiary or put in place other arrangements. There are options the Board may wish to consider to meet HCA requirements as set out below:
1. Make no change to the existing Board arrangements;
 2. Appoint a Board completely independent of the Parent Board;
 3. Appoint a smaller Board of e.g six members with a split of 3 representatives from the Parent Board and 3 other directors (this would

allow a quorate to remain in place if the 3 Parent Board members needed to declare an interest in any item)

4. Appoint a Board with a split of 4 representatives from the Parent Board and 2 other directors. This might cause an issue with the Quorum of the meeting if Parent Board Members need to declare an interest.

EMT believes option 3 is best placed to meet HCA requirements while affording the Parent Board full involvement in running and supporting the subsidiary. If Board Members agree officers will work up a detailed proposal for further consideration. Board are also reminded that the terms and controls included in the intra group agreement will still apply to the subsidiary going forward.

4 FINANCIAL, LEGAL AND RISK IMPLICATIONS

4.1 Financial Implications

- 4.1.2 There are no significant financial implications; costs will be contained within previously agreed existing budgets at this stage.

4.2 Legal Implications

- 4.2.1 Legal advice has been sought from the Company's Solicitors throughout the RP application process and the most recent advice is attached for Board Member consideration.

4.3 Risk Implications

- 4.3.1 The key risk is to the Group's ambition to attain Registered Provider status and the impact this will have on achieving Corporate Plan objectives.

5 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES

- 5.1 As in 4.3.1 above.

6 EQUALITY IMPACT ASSESSMENT

- 6.1 Has the equality impact of these proposals been assessed?
 Yes (EIA attached)
 No (this report does not contain proposals for significant changes to process at this stage).

7 BACKGROUND MATERIAL AND PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 7.1 Correspondence between Anthony Collins and the HCA as attached to the report.

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Company Secretary
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Tel: 0115 746 9485
E-mail: george.pashley@nottinghamcityhomes.org.uk

DATE: 21 July 2016

Jonathan

Thank you for the discussion this afternoon about NCHRP's application for registration.

An applicant for registration must meet the [Governance and Financial Viability Standard](#) at the point of registration. It is a requirement of the Standard (2.2) that registered providers ensure that they manage their affairs with an appropriate degree of independence.

As we discussed, NCHRP – not NCH or the NCH group – is the applicant for registration, and needs to demonstrate that it is managing its affairs with an appropriate degree of independence from its parent company (NCH) and the controlling entity of the NCH group (the Council), bearing in mind that NCH is not a registered provider and the Council is not subject to our economic Standards, and so our regulatory powers are not exercisable against NCH or the Council to maintain NCHRP's regulatory compliance.

NCHRP therefore needs to demonstrate in its application that it is exercising an appropriate degree of independence in its consideration of the proposed arrangements with NCH and the Council (new schemes, financial arrangements, service provision, for example), and in the preparation of its business plan, risk register etc. It also needs to demonstrate that an appropriate degree of independence is embedded in its governance arrangements (in its articles, the intra-group agreement, governance policies etc).

It is acknowledged that the interests of NCHRP, NCH and the Council will to a large extent be shared, but NCHRP's governance arrangements need to enable NCHRP to protect its own interests in the event that a conflict of interest does arise between NCHRP and either NCH or the Council. I note from the application that the board members of NCH are also the board members of NCHRP, and also that a third of NCH's board members are appointed by the Council. As the NCHRP board does not include any members who are independent of NCH and the Council, it is not clear how any conflicts of interest between NCHRP and NCH/the Council can be effectively managed, or how NCHRP can exercise an appropriate degree of independent decision-making about the proposed arrangements with NCH and the Council.

I hope that these comments are helpful, and please let me know if you would like to discuss further.

Regards

Robert Buswell
Head of Registrations
Homes and Communities Agency – The Social Housing Regulator
T: 0207 393 2035
M: 07776 162051
homesandcommunities.co.uk

Follow us on [Twitter](#)
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Homes and Communities Agency

By email only: Robert.Buswell@hca.gsi.gov.uk

Our ref: SMG/35190.0019

Your ref:

17 June 2016

Dear Mr Buswell

**Nottingham City Homes Registered Provider Limited (“NCH RP”)
Application for registration**

We write further to the above application and your email to our instructing officer, Jonathan Shaw, on 26 May.

Demonstrating independence

You express concern in your email regarding the ability of NCH RP to demonstrate an appropriate degree of independence from its parent, Nottingham City Homes (“NCH”), and Nottingham City Council (the “Council”) in accordance with the requirements of the Governance and Financial Viability Standard (the “Standard”). We have been working with NCH to setup NCH RP and we have been instructed to provide a response to the queries raised. This letter therefore outlines:-

1. The reasons why NCH views it as appropriate to operate a co-terminous Board with NCH RP;
2. The steps NCH has taken (and will take on an on-going basis) to ensure that the co-terminous Board members are aware of the expectations placed upon them as Board members of a registered provider (“RP”);
3. The steps NCH has taken to ensure that the Board understands the implications of operating a co-terminous Board between an RP and non-RP and how it would deal with a conflict of interest, if one arose; and
4. The protections contained within the governance documents relating to the use of NCH RP’s social housing assets.

1. Co-terminous Board

NCH has taken the view that a co-terminous Board with NCH RP is a proportionate way to approach the governance arrangements of NCH RP at initial implementation stage. This is
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because NCH RP will only own a small number of properties and, from a value for money perspective, it would be disproportionate to appoint an entirely new Board to manage such a small portfolio. NCH considers that its Board has the appropriate skills and experience through its experience in managing affordable / social housing on behalf of the Council, and is therefore aware of the expectations placed upon NCH RP under the consumer standards.

The co-terminous Board arrangements are also considered to be important to ensure that the NCH Board becomes familiar with the additional regulatory expectations and standards with which NCH RP must comply, to ensure that it has appropriate oversight over its activities as its corporate parent (albeit that NCH itself will not be directly responsible for ensuring NCH RP's compliance with the Regulatory Framework because it is not itself an RP).

As NCH RP's portfolio grows it is acknowledged that the Board will need additional resource and expertise, and that the potential for conflicts to arise may increase as NCH RP's decisions grow in significance. At that stage NCH RP would move either to partial co-terminous arrangements or an independent Board structure if necessary to ensure that the NCH RP Board had the required expertise and independence.

2. Board member duties and obligations

As referenced above, the NCH Board already has experience of managing a large portfolio of social and affordable housing on behalf of the Council. The Board are therefore already aware and understand the duties and obligations of their office. However, you correctly point out that the NCH Board will be less familiar with the economic standards because the Council does not have to comply with these.

NCH recognised this and asked us to undertake a detailed training session with the Board and executive, which we carried out earlier this year. This was a half-day session and included the following topics:-

- Implications of being an RP, including the role of the Regulator and compliance with the Regulatory Framework;
- An overview of the economic standards, with a particular focus on the Standard and the Code of Practice;
- Detailed focus on areas of the Standard that are particularly relevant to NCH and NCH RP (as an RP with an unregistered parent);
- Expectations on Board members under the Standard;
- Probity requirements in respect of Board members of RPs; and
- General refresher training on Board member duties and, in particular, consideration of what it means to act in the 'best interests' of an organisation (particularly in the context of a Group structure with co-terminous Board arrangements).

This training included activities so that the Board and executive could work through their respective role in addressing these issues.

3. Decision making

Three of NCH's Board members are Council appointees (a quarter of the NCH Board rather than a third as mentioned in the HCA's email). These Board members are aware that their duty when acting on behalf of NCH is to NCH itself. This principle would apply equally to the Board members when they are representing NCH RP.

The HCA acknowledges in its email that the interests of NCH RP, NCH and the Council will largely be aligned. This will mean that for the majority (if not all) of the decisions NCH RP's Board makes, no conflict should arise. However, given the additional regulatory expectations placed upon NCH RP, NCH understands that arrangements need to be in place to enable the co-terminous Board to deal with a conflict appropriately, if one did arise.

As part of the detailed training we undertook with the NCH Board and its executives we therefore covered:-

- What conflicts of interests are and when they might arise;
- The Board's legal and regulatory obligations in relation to conflicts of interests – particularly in relation to the protection of social housing assets;
- Best practice requirements in dealing with conflicts of interests (in particular the NHF Code of Governance 2015);
- Conflicts in a Group structure and managing interests on the co-terminous Board; and
- How to separate the Board if a conflict did arise which prevented the co-terminous Board from being able to make a decision.

The Board has therefore considered the circumstances in which a conflict might arise and how it will deal with a conflict situation i.e. that it would need to temporarily 'split' in the event a conflict arose (or perhaps permanently if required).

4. Protections

We have included protections within the proposed governance documentation to reflect the regulatory expectations placed on NCH RP and to protect its independence. Within the Intra-group Agreement this includes:-

1. An obligation on NCH to support and assist NCH RP to comply with the Regulatory Framework and other regulatory requirements (clause 3.3.2);
2. Ring-fencing of NCH RP's assets from the Group (clause 3.3.4);
3. Restrictions on NCH RP's ability to provide funding / loans to other Group members (clauses 3.3.5 and 3.4);
4. NCH RP to prepare its own business plan and budget (clause 9.1); and
5. NCH to inform the HCA if it intends to exercise its intervention powers into NCH RP (Schedule 3).

These provisions were specifically covered in the Board and executive training session and the Board has also considered the governance documentation in detail at its formal meetings.

Next steps

NCH has given careful consideration to the co-terminous arrangements and has taken steps to ensure that the Board members are prepared for the additional expectations placed upon them. Detailed work has been undertaken with Board members around conflicts of interest under the proposed co-terminous arrangements. If the HCA is still not satisfied that the arrangements are capable of meeting the Standard despite the measures outlined above, then we should be grateful if it could indicate how the arrangements should be adapted to satisfy the Standard.

I would be very happy to discuss the measures taken with you in more detail if you have any further queries. Otherwise we look forward to receiving your further comments on the detailed application in due course.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Sme', with a large loop at the start and a trailing flourish.

Sarah Greenhalgh
Solicitor

for Anthony Collins Solicitors LLP

Departmental Direct Dial:

0121 214 3607

Departmental Fax:

0121 212 7438

Email Address:

Sarah.Greenhalgh@anthonycollins.com



Homes &
Communities
Agency

The social housing regulator

Sarah Greenhalgh
Anthony Collins solicitors

By email only to: sarah.greenhalgh@anthonicollins.com

19 July 2016

Dear Sarah

Nottingham City Homes Registered Provider Limited: application for registration

Thank you for your letter of 22nd June.

Nottingham City Homes Registered Provider Limited (NCHRP) is a new organisation which has applied for registration as an intending provider (landlord), and it does not therefore have a track record of operation upon which to base its application. It is, however, required to have appropriate governance and financial arrangements in place at registration so that, in the absence of a track record, it can demonstrate from its current way of working (including its decision-making in respect of its application for registration, particularly the proposed arrangements with NCH and the Council) that it will be compliant with the Governance and Financial Viability Standard from the point of registration onwards. NCHRP could not be registered on the basis that, whilst it will not be compliant with the Standard at the point of registration, it will be compliant at some future point after it has become a landlord.

The Standard requires registered providers to manage their affairs with an appropriate degree of independence. [The Governance and Financial Viability Standard Code of Practice](#) (paragraphs 16-18) provides guidance on this requirement: paragraph 16 notes that “In some businesses, influence is inherent in the corporate structure of the registered provider” and paragraph 17 notes that “In managing their affairs with an appropriate degree of independence, board members should exercise independence of judgement and act at all times in the best interests of the registered provider. There should also be appropriate mechanisms in place to manage any conflicts of interest to demonstrate probity and value for money”.

Where a provider is the subsidiary of an organisation which is not a registered provider, there is an enhanced requirement for independence, particularly regarding arrangements with its parent company. To meet the Standard at registration, NCHRP needs to

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demonstrate that it is currently operating with an appropriate degree of independence from NCH and the Council, evidencing its independence by reference to the preparation of the registration application, business plan, and proposed arrangements with NCH and the Council. It is difficult to see how, without any directors independent of NCH and the Council (and it would not be necessary to appoint an entirely new board as referred to in your letter to enable an independent voice to be heard in NCHRP decision-making), NCHRP can evidence that it is exercising independent judgement and decision-making or that it is able to manage conflicts of interest inherent in its corporate structure in line with any mechanisms (as referred to in the Code of Practice) it has established.

Without an independent aspect to NCHRP's decision-making, it is difficult to ascertain whether NCHRP has considered whether a coterminous board meets NCHRP's requirements, and whether, if it operates through a coterminous board, NCHRP will be able to identify when conflict of interest issues are arising. The usual approach to managing conflicts of interest is for the conflicted directors to be excluded from decision-making, and possibly also discussion, on the conflict issue, so that the decision is taken by non-conflicted directors. If NCHRP does not have any independent directors, this approach to the management of conflicts of interest will not be feasible.

However, if having considered these further comments, NCHRP wishes the initial assessment of the application to be carried out on the basis of the application as submitted, we will of course do so. If it would be helpful to discuss these issues in a telephone conference call, please let me know, but otherwise I look forward to hearing from you.

Yours sincerely

A handwritten signature in dark ink that reads "Robert Buswell". The signature is written in a cursive style with a clear, legible font.

Robert Buswell
Head of Registrations

From: Sarah Greenhalgh
Sent: 20 July 2016 14:45
To: 'jonathan.shaw@nottinghamcityhomes.org.uk'
Cc: Cathy Dobb (Cathy.Dobb@nottinghamcityhomes.org.uk); Victoria Jardine
Subject: FW: Nottingham City Homes Registered Provider Limited 35190.0019

Hi Jonathan

I have now read over Robert's letter in detail and have also reviewed the NCH RP Articles.

First, just to confirm that you do have the option of proceeding with the application on the basis of the current full co-terminous Board proposals. However, it seems clear from the letter that the HCA will be concerned about NCH RP's independence as we move forward. Continuing down this route may, at the least, protract the registration process further, and at worst it may prevent NCH RP's registration.

You could therefore consider either putting in place an entirely independent Board (of, say, 5) or opt for a partially co-terminous Board between NCH RP and NCH (perhaps 8 or 10 NCH Board members and 2-4 independent Board members). To make the latter option work from a quorum perspective, we could amend the NCH RP Articles to provide that the quorum is 6 or half the 'non conflicted' Board members in the event of a conflict situation.

Please let me know what option you/the Board prefer, or if you would like to discuss this in more detail.

One thing that sprung to mind when we spoke on the telephone is that we haven't yet handed over NCH RP formally to NCH - Helen mentioned that George would be in touch about this when you were ready to proceed, but we haven't received any of the details yet. If you're now ready to proceed with this then I attach the Director's information form to be completed by the NCH RP Board members and returned to us - we will then complete all of the necessary handover paperwork.

We look forward to hearing from you.

Kind regards

Sarah

Sarah Greenhalgh
Solicitor
for Anthony Collins Solicitors LLP

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