

## NOTICE OF MEETING

# CABINET MEMBER SIGNING

**Tuesday, 31st May, 2022, 9.30 am -**

**Members:** Councillor Peray Ahmet Leader of the Council

**Quorum:** 1

### **1. APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

### **2. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

### **3. COUNCIL AS OWNER OF HOMES FOR HARINGEY TO APPROVE SPECIAL RESOLUTION, NEW ARTICLES OF ASSOCIATION, MEMBER'S AGREEMENT AND APPOINTMENT OF NEW DIRECTORS - NON KEY DECISION (PAGES 1 - 52)**

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Monday, 23 May 2022

**Report for:**           **Leader signing**

**Title:**                   **Council as owner of Homes for Haringey to approve Special Resolution, new Articles of Association, Member's Agreement and appointment of new Directors**

**Report authorised by :**   **David Joyce, Director of Housing, Regeneration & Planning**

**Lead Officer:**       **Benita Edwards** - Head of Legal Services - 020 8489 5935  
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**Ward(s) affected:**   **Not applicable**

**Report for Key/  
Non Key Decision:** **Non-key**

**1.     Describe the issue under consideration**

- 1.1    On 7 December 2021, Cabinet resolved that the Council's housing service which is currently provided by Homes for Haringey ("HfH") should be brought back in-house and delegated authority to officers to deal with the detailed implementation process including "*arrangements for continuing with a residual HfH legal entity to fulfil ongoing management of property leases held directly by HfH and used to provide homeless accommodation*" (further details of the decision taken by Cabinet are set out in paragraph 5.13 of this report).
- 1.2    HfH is a company limited by guarantee and the Council is the owner and sole Member of HfH. As such, it is for the Council to authorise adoption of a new Member's Agreement, Articles of Association and appointment of new Directors so that HfH may operate from 1 June 2022 with a new remit as outlined above. This report recommends that the Leader approves the said changes so that HfH may operate as stated.
- 1.3    Since the Cabinet report was approved on 7 December 2021, there are a number of legacy issues which will need to be resolved after 1 June 2022. In order to meet this objective, this report recommends that the Leader approves HfH's ability to continue to provide housing services to the Council as required. In addition to future-proofing HfH, that will also enable HfH to continue as the counter-party to contracts with third parties, the benefit of which will be for the Council, whilst action is taken to terminate, assign or novate these contracts as required.

## **2. Recommendations**

It is recommended that the Leader, acting on behalf of the Council in its role as owner and sole Member of HfH:

- 2.2 approves the Member's Agreement (Appendix C to this Report), which shall apply to HfH with effect from 1 June 2022.
- 2.3 approves the Articles of Association (Appendix B to this Report), which shall apply to HfH with effect from 1 June 2022.
- 2.4 appoints Robbie Erbmman, Josephine Lyseight and Judith Page as Directors of HfH with effect from 00.01am on 1 June 2022.
- 2.5 approves the Special Resolution (Appendix A to this Report) to adopt new Articles of Association, enter the Members Agreement and appoint new Directors in accordance with Recommendations 2.2, 2.3 and 2.4.
- 2.6 approves that with effect from 1 June 2022, the remit and objectives of HfH shall be:
  - a. to provide private sector leases to the Council for the provision of short term tenancies;
  - b. to provide housing services to the Council;
  - c. such other matters as notified by the Council in writing.
- 2.7 delegates authority to the Chief Executive of the Council, in consultation with the Leader and the Lead Member for Housing Services, Private Renters and Planning, to exercise the role of the Council as sole member of HfH in relation to the future appointment and / or removal of Directors of HfH.

## **3. Reasons for decision**

- 3.1 In accordance with the decision of Cabinet on 7 December 2021, a Termination Agreement will shortly be finalised and signed by the Council and HfH. Some of the key provisions of the Termination Agreement are as follows:
  - i. to terminate the current Management Agreement between the Council and HfH with effect from 1 June 2022;
  - ii. resignation of the HfH Board of Directors at 00.01am on 1 June 2022;
  - iii. transfer of HfH staff to the Council at about 00.01am on 1 June 2022.
- 3.2 Accordingly, in order for HfH to operate as envisaged from 1 June 2022, there is a need for the Council to approve the changes set out in this report. The proposal is consistent with the decision made by Cabinet at its meeting on 7 December 2021, along with the additional legacy issues set out in paragraphs 1.3, 5.2 and 5.3 of this report. This re-structure of HfH reflects its change in purpose from an ALMO (managing the Council's housing stock) to a company holding private sector leases to provide accommodation to homeless applicants (and such other housing services as the Council may determine).

#### 4. Alternative options considered

4.1 The Council could choose to close Homes for Haringey and take over the leases it already holds

This option was rejected as this would forgo the forecasted future savings. This option would also require renegotiation with landlords to convert the existing HfH leases to Council ownership and to re-sign tenancy agreements with existing tenants.

4.2 The Council could choose to allow Homes for Haringey to continue until the current leases end but with new leases taken up by the Council

This option was rejected as although it would allow some limited savings to be maintained until the leases naturally expired, it would still lead to those savings to be lost after that date. This option would also forego future savings.

4.3 The Council could choose to allow Homes for Haringey to continue until the current leases end but with new leases taken up by a third party

This option was rejected at this time as there is not currently a viable alternative provider. However, further negotiations may lead to alternative providers in the future as Capital Letters and the Haringey Community Benefit Society evolve.

#### 5. Background information

5.1 On 20 May 2022, the Director of Housing, Regeneration & Planning approved a proposal that “*Homes for Haringey continue as a wholly-owned company with the purpose of holding Private Sector Leases and being the direct landlord of tenants within those properties*”, which is consistent with the decision made by Cabinet on 7 December 2021.

5.2 There are some legacy issues that it will not be possible to fully resolve prior to 1 June 2022: in particular, where contractors have not yet agreed to the transfer of their contracts from HfH to the Council, there will be an ongoing need to novate, assign and/ or terminate some of the contracts that were entered into by HfH. While that work is ongoing, from 1 June 2022, HfH will remain in contract with those suppliers and will, therefore, continue to pay suppliers for pertinent goods, works or services provided by them. The Council will provide accounting / billing support to HfH and HfH will invoice the Council for all costs that it has incurred under those contracts.

5.3 In order to ensure that from 1 June 2022, HfH will have sufficient flexibility and scope to deal with such legacy issues as well as future requirements that the Council may have in relation to the provision of housing services, it is proposed that the objects of HfH be:

- a. to provide private sector leases to the Council for the provision of short term tenancies;

- b. to provide housing services to the Council;
  - c. such other matters as notified by the Council in writing.
- 5.4 The approved change in the remit of HfH entails that a number of other changes are made so that HfH may continue to operate from 1 June 2022 for the purposes noted above. Those changes include the adoption of a new Member's Agreement, Articles of Association and a new Management Agreement as well as the appointment of new Directors.
- 5.5 HfH is a company limited by guarantee and the Council is the owner and sole Member of HfH. As such, it is a matter for the Council as owner of HfH to approve a Special Resolution and the adoption of a new Member's Agreement, Articles of Association as well as the appointment of new Directors.
- 5.6 A limited new Management Agreement is being prepared with a view to its being approved by the Director of Housing, Regeneration & Planning as a non-key decision. In summary, under the Management Agreement, the Council will provide all services required by HfH to enable it to manage the private sector leases which it holds, as well as preparing all operational requirements including preparing the business plan and budget for the company annually.
- 5.7 Given the limited remit of HfH after 1 June 2022, it is proposed that three Council officers be appointed as Directors of HfH with effect from 00.01am on 1 June 2022. Those officers are: Robbie Erbmman, Josephine Lyseight and Judith Page.
- 5.8 The proposed new Articles of Association, Member's Agreement and Special Resolution have been drafted by our external lawyers, Bevan Brittan. In addition, Bevan Brittan have provided reports on the Articles of Association and Member's Agreement setting out the key provisions of both documents, a copy of those documents are appended to this report at Appendices A, B, C, and D.
- 5.9 In summary, the Member's Agreement sets out the terms upon which the Council will participate in HfH as its sole member and the terms upon which the Council will retain decisive influence over both the strategic objectives and the significant decisions of HfH. Schedule 1 of the Member's Agreement specifies those matters where decisions are reserved for the Council as owner of HfH.
- 5.10 In summary, the Articles of Association contain the rules governing the manner in which HfH will be managed and operate and the objectives of HfH.
- 5.11 HfH is a company governed by public law and is therefore subject to the procurement regulations. Both the Member's Agreement and Articles of Association have been drafted to fall within the Teckal exemption. This means that the Council and HfH are able to make direct awards of contracts between them.
- 5.12 The continuation of HfH to manage PSL properties will reduce the net cost to the Council in providing such accommodation. If and when HfH is in a loss-making position, provided that any support provided is within the limits permitted under the Subsidy Control regime, the Council will need to provide grant funding or loans to enable it to remain solvent. The business case

assessment nevertheless is that HfH is a viable option as the Council would otherwise need to provide the housing directly to homeless applicants at a greater cost. The financial position will of course be kept under review.

### 5.13 Details of the decision taken by Cabinet on 7 December 2021

#### Cabinet Resolution

1. Note and consider the results of the consultation with tenants and leaseholders on the proposal to insource services from Homes for Haringey (see Appendix A), as well as the submission from the Board of Homes for Haringey (see Appendix B).
2. Approve the insourcing of services from Homes for Haringey, based on the rationales set out in the report, with the detailed implementation process delegated to Council officers, including service of a notice to terminate the Management Agreement, finalising the organisational structure for incoming staff and services, staff consultation and transfer under TUPE regulations, transferring budgets and financial processes, and resolving legal issues such as contract novation, ongoing management of leases, support to the Haringey Community Benefit Society, etc. as set out in section 6.7 of the report.
3. Approve co-design and co-production of new resident engagement arrangements, including involvement in policy, operational oversight and scrutiny, with detailed proposals to be brought back for final approval during 2022, as set out in section 6.6 of the report.
4. Approve a virement of £565,000 for the year 2021/22 and note an additional sum of £550,000 required next year, 2022/23, to meet the one-off expenditure needed to complete the transfer processes, as set out in paragraph 6.7.2 of the report.

#### Extract from paragraph 6.7 of the Report

6.7.1 If Cabinet approve the proposal to insource HfH, based on the rationales set out above and having considered the results of consultation, then a detailed implementation programme will be needed to effect a smooth transition, including servicing notice on HfH to terminate the Management Agreement, ensuring seamless business continuity for residents as well as reshaping service delivery to achieve the improvements needed and seize integration opportunities. Council officers, working collaboratively with HfH colleagues, have mapped out a set of implementation workstreams and a programme team is in place to manage the transition process. Broad areas of work include:

- overarching leadership and change management with a focus on welcoming, aligning and integrating HfH staff into the Council's organisational culture
- finalising the organisational structure for incoming HfH staff and services



- staff consultation and transfer under TUPE regulations
- where necessary, matching and selecting staff to new roles
- resolving any redundancy situations that may arise Page 9 of 13
- transferring budgets and financial processes
- formally dealing with legal issues through a termination agreement to end the existing management agreement between the Council and HfH
- contract novation where contracts held directly by HfH need to continue
- contract termination where contracts held by HfH are no longer needed
- arrangements for continuing with a residual HfH legal entity to fulfil ongoing management of property leases held directly by HfH and used to provide homeless accommodation
- continuation of management and maintenance services provided to the Haringey Community Benefit Society for homes used to provide move-on accommodation for homeless households
- ensuring communication with residents, Council and HfH staff, trade unions, contractors, partner organisations, and the wider community about the timing and practical details of the transfer

## **6. Contribution to strategic outcomes**

- 6.1 This decision will support the strategic outcomes identified in the report to Cabinet on 7 December 2021.

## **7. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)**

### **Finance**

The governance arrangements proposed in this report appears to have no direct financial implications on the Council.

There will be costs involved in setting up the company and progressing the PSL schemes and these will be covered by the budget for the PSL activities.

The full business case and capital expenditure required to progress schemes will be the subject of a future report to HfH board and Council for approval.

There are no fees or salary payable to directors. However, they can claim normal work-related expenses from HfH.

### **Procurement**

The Head of Procurement has been consulted in the preparation of this report and confirms the recommendations in Section 2 above, fall outside of the Public Contract Regulations 2015. Therefore, there are no procurement related regulatory reasons preventing the Council from approving the recommendations stated in Section 2 of this report.



## **Head of Legal & Governance**

The Head of Legal and Governance (Monitoring Officer) has been consulted in the preparation of the report.

HfH will carry on trading in accordance with the Cabinet decision 7 December 2021 after the Termination Agreement is entered into. As a result certain changes are required to be made to the Articles of Association and new Board of Directors must be appointed. In addition, a new Member's Agreement is needed.

The Council owns HfH and is its sole Member. The exercise of functions as owner of HfH is an Executive function. As such, the proposed decisions can be taken by the Leader. The rationale for those decisions and legal implications are set out in the body of the report.

The reason that decisions in relation to the appointment of Directors, adoption of a Member's Agreement and Articles of Association are to be taken by the Council in its capacity as owner of HfH, is that such matters are "reserved matters" under the current Articles of Association of HfH, which means that such decisions are required to be taken by the Council. Further, it should be noted that the proposed decisions are not unilateral decisions for the Council. Accordingly, on 1 June 2022, it is anticipated that the new Directors of HfH will accept their appointments and agree to adopt the proposed new Articles of Association and the Member's Agreement.

## **Equality**

The paving decision made by Cabinet on 7 December 2021 was supported by a full Equalities Impact Assessment. As making the proposed changes to Homes for Haringey is consistent with the Cabinet's decision, it is considered that there are no additional implications with respect to the Council's public sector equality duty arising under section 149 Equality Act 2010. Accordingly, in approving this decision, it is considered that the Council will be acting in accordance with its duties.

**8. Appendices**

- A. Special Resolution
- B. Articles of Association
- C. Member's Agreement
- D. Report on Articles of Association and Member's Agreement

**9. Local Government (Access to Information) Act 1985**

Minutes of Cabinet meeting on 7 December 2021 approving that arrangements be made for "*continuing with a residual HfH legal entity to fulfil ongoing management of property leases held directly by HfH and used to provide homeless accommodation*" –

[Agenda item - Decision on the Council's proposal to bring Homes for Haringey in-house | Haringey Council](#)

**COMPANY NUMBER: 05749092**

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY GUARANTEE**  
**WRITTEN RESOLUTION**  
**OF**  
**HOMES FOR HARINGEY LIMITED**  
**(the "Company")**

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the sole member of the Company hereby passes the resolutions set out below as special resolutions (the "**Resolutions**");

**Special Resolutions**

1. **THAT** the draft articles of association attached to this Resolution be adopted as the articles of association of the Company in substitution for and to the exclusion of the existing articles of association.
2. **THAT** Robbie Erbmman, Josephine Lyseight and Judith Page be appointed as directors of the Company effective from 00.01 on 1 June 2022.
3. **THAT** the directors be authorised to enter into the Member's Agreement in relation to the Company to be made between the Company and The Mayor and Burgesses of the London Borough of Haringey as the sole member of the Company.

**AGREEMENT**

The undersigned, being the person entitled to vote on the Resolutions hereby irrevocably agrees to the Resolutions:

Signed .....  
For and on behalf of **The Mayor and Burgesses of the London Borough of Haringey**

Date .....

**NOTES**

1. If you agree with the Resolutions, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company by hand.
2. If you do not agree to the Resolutions, you do not need to do anything. You will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.
4. Unless by the date falling 28 days after the circulation date above, sufficient agreement is received for the Resolutions to pass, it will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.
5. In the case of joint holders of shares, only the vote of the senior holder who votes will be counted by the Company. Seniority is determined by the order in which the names of the joint holders appear in the register of members.
6. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

COMPANY NUMBER 05749092

**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY GUARANTEE**

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**ARTICLES OF ASSOCIATION**  
**OF**  
**HOMES FOR HARINGEY LIMITED**

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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY GUARANTEE**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HOMES FOR HARINGEY LIMITED**  
**(the “Company”)**

**1 DEFINED TERMS**

**1.1 Neither:**

1.1.1 the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2009/3229); nor

1.1.2 any other regulations or model articles contained in any statute or subordinate legislation, shall apply to the Company, but the following shall be the articles of association of the Company.

**1.2 In these articles, unless the context requires otherwise:**

**articles** mean the Company's articles of association

**bankruptcy** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy

**Chair** has the meaning given in article 13

**Companies Acts** means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company

**Conflict** means a situation in which a Director has or can have, a direct or indirect interest that conflicts or possibly may conflict, with the interests of the Company

**Director** means a director of the Company

**document** includes, unless otherwise specified, any document sent or supplied in electronic form

**electronic form** has the meaning given in section 1168 of the Companies Act 2006

**hard copy form** has the meaning given in section 1168 of the Companies Act 2006

**instrument** means a document in hard copy form

**ordinary resolution** has the meaning given in section 282 of the Companies Act 2006

**Owner** means a person or body whose name is entered in the Register of Members of the Company

**participate**, in relation to a Directors' meeting, has the meaning given in article 11

**special resolution** has the meaning given in section 283 of the Companies Act 2006



**writing** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise

- 1.3 Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when these articles become binding on the Company.
- 1.4 Any words following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

## **2 LIABILITY OF THE OWNER**

- 2.1 The liability of the Owner is limited to £1, being the amount the Owner undertakes to contribute to the assets of the Company in the event of it being wound up while it is an Owner or within one year after it ceases to be an Owner:
- 2.1.1 payment of those debts and liabilities of the Company incurred before it ceased to be an Owner;
  - 2.1.2 payment of the costs, charges and expenses of winding up; and
  - 2.1.3 the adjustment of rights of contributors among themselves.

## **3 OBJECTS**

- 3.1 The objects and purposes of the Company shall be:
- 3.1.1 to provide private sector leases to the Owner for the provision of short term tenancies;
  - 3.1.2 to provide such other housing services as may be required by the Owner from time to time.

## **4 DIRECTORS' GENERAL AUTHORITY**

- 4.1 Subject to these articles and the terms of any agreement between the Owner and the Company from time to time, the Directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

## **5 OWNER'S RESERVE POWER**

- 5.1 The Owner may, by special resolution, direct the Directors to take, or refrain from taking, specified action.
- 5.2 No such special resolution invalidates anything which the Directors have done before the passing of the resolution.

## **6 DIRECTORS MAY DELEGATE**

- 6.1 Subject to these articles, the Directors may delegate any of the powers which are conferred on them under these articles:
- 6.1.1 to such person or committee;
  - 6.1.2 by such means (including by power of attorney);
  - 6.1.3 to such an extent;
  - 6.1.4 in relation to such matters or territories; and

6.1.5 on such terms and conditions,

as they think fit.

6.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.

6.3 The Directors or the Owner may revoke any delegation in whole or part, or alter its terms and conditions.

## **7 COMMITTEES**

7.1 Committees to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these articles which govern the taking of decisions by Directors.

7.2 At least one member of the committee must be a Director. The relevant Director must form part of the quorum of the committee for a decision of the committee to be validly taken.

7.3 The Directors may make rules of procedure for all or any committees, which prevail over rules derived from these articles if they are not consistent with them.

7.4 All proceedings of committees must be reported promptly to the Directors.

## **8 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

8.1 The general rule about decision-making by Directors is that any decision of the Directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.2.

8.2 If only one Director is eligible to vote on any authorisation under article 15 or if there is only one Director, the general rule does not apply and the eligible Director may take decisions in relation to the relevant matter without regard to any of the provisions in these articles relating to Directors' decision-making.

8.3 Every Director has one vote on each issue.

8.4 A procedural defect of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.

## **9 UNANIMOUS DECISIONS**

9.1 A decision of the Directors is taken in accordance with this article when all eligible Directors indicate to each other by any means that they share a common view on a matter.

9.2 Such a decision may take the form of a resolution in writing, which may consist of several copies each signed by one or more eligible Directors or to which the eligible Directors have otherwise indicated agreement in writing.

9.3 References in this article to eligible Directors are to Directors who would have been entitled to vote on the matter had it been proposed as a resolution at a Directors' meeting.

9.4 A decision may not be taken in accordance with this article if the eligible Directors would not have formed a quorum at such a meeting.

## **10 CALLING A DIRECTORS' MEETING**

10.1 The Owner or any Director may call a Directors' meeting by giving notice of the meeting to the Directors or by authorising the company secretary (if any) to give such notice.

- 10.2 A meeting of the Directors must be called by at least seven days' notice unless either:
- 10.2.1 the Directors unanimously agree otherwise; or
  - 10.2.2 urgent circumstances require shorter notice.
- 10.3 Notice of any Directors' meeting must indicate:
- 10.3.1 its proposed date and time;
  - 10.3.2 where it is to take place (which may be physical, virtual or a combination); and
  - 10.3.3 if it is anticipated that Directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.
- 10.4 Notice of a Directors' meeting must be given to each Director, but need not be in writing.
- 10.5 Notice of a Directors' meeting need not be given to Directors who waive their entitlement to notice of that meeting. A Director may waive the requirement that notice of a meeting of the Directors or of a committee of the Directors be given to him at any time before or after the date on which the meeting is held by notifying the Company to that effect. Where a Director gives such notice after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

## **11 PARTICIPATION IN DIRECTORS' MEETINGS**

- 11.1 Subject to these articles, Directors participate in a Directors' meeting, or part of a Directors' meeting, when:
- 11.1.1 the meeting has been called and takes place in accordance with these articles; and
  - 11.1.2 they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.
- 11.2 In determining whether Directors are participating in a Directors' meeting, it is irrelevant where any Director is or how they communicate with each other.
- 11.3 If all the Directors participating in a meeting are not in the same place, the meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chair of the meeting is.

## **12 QUORUM FOR DIRECTORS' MEETINGS**

- 12.1 At a Directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 12.2 The quorum for the transaction of business of the Directors shall be two Directors. If the total number of Directors for the time being is less than the quorum required, the Directors must not take any decision other than a decision to call a general meeting so as to enable the Owner to appoint further Directors.
- 12.3 If a quorum is not present with half an hour from the time appointed for the meeting, or during a meeting a quorum ceases to be present, the meeting shall be adjourned to such time and place as the Directors may determine.

## **13 CHAIRING OF DIRECTORS' MEETINGS**

- 13.1 The Owner shall appoint a Director to chair the meetings of the Directors. The person so appointed for the time being is known as the Chair.

- 13.2 The Owner may:
- 13.2.1 appoint a person as chairman of the Directors;
  - 13.2.2 determine the period for which the Chair is to hold office; and
  - 13.2.3 at any time remove the Chair from office.
- 13.3 The Owner may terminate the Chair's appointment at any time.
- 13.4 If at the date and time of a meeting of the Directors no person has been appointed as Chair pursuant to article 13.2, or if the person so appointed is not present within 15 minutes of the time set of the meeting, then the participating Directors may appoint a Director present to act as Chair and to chair that meeting. The participating Directors may terminate the appointment of a person as Chair made under this article 13.4 at any time during the meeting at which the Chair is appointed.
- 13.5 The Chair or other Director chairing the meeting shall not have a casting voting if the numbers of votes for and against a proposal are equal.

#### **14 DIRECTORS' CONFLICTS OF INTEREST**

- 14.1 A Director must declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the Company or in any transaction or arrangement entered into by the Company which has not previously been declared. A Director must absent himself or herself from any discussions of the Directors in which it is possible that a Conflict will arise between his or her duty to act solely in the interests of the Company and any personal interest (including but not limited to any personal financial interest) and not count in the quorum nor vote on any such matters unless otherwise authorised by article 15.

#### **15 AUTHORISATION OF DIRECTORS' CONFLICTS OF INTEREST**

- 15.1 For the purposes of section 175 of the Companies Act 2006, as amended, consolidated or re-enacted from time to time, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach by a Director of the duty to avoid conflicts of interest set out in that section of the Companies Act 2006. Any reference in these articles to a Conflict of interest includes a Conflict of interest and duty and a Conflict of duties.
- 15.2 Provided that he has disclosed to the Directors the nature and extent of any interest of his in accordance with and to the extent required by the Companies Act 2006, a Director notwithstanding his office may be an elected member, director or other officer of, employed by the Owner or any company in which the Owner has an interest.
- 15.3 For the purposes of article 15.2 a Director shall be deemed to have disclosed the nature and extent of an interest which consists of him being an elected member, director, officer or employee of the Owner or any company in which the Owner has an interest.
- 15.4 Where a Director is an elected member, director, officer, or employee of the Owner or any company in which the Owner has an interest, they:
- 15.4.1 may in exercising his independent judgment take into account the success of the Owner or any company in which the Owner has an interest as well as the success of the Company; and
  - 15.4.2 shall in the exercise of his duties have a duty of confidentiality to the Owner or any company in which the Owner has an interest in relation to confidential information of the Owner or any company in which the Owner has an interest, but they shall not be restricted by any duty of confidentiality to the Company from providing information to the Owner or any company in which the Owner has an interest.

- 15.5 Save as pre-authorised under article 15.2, authorisation of a matter under this article 15 shall be effective only if:
- 15.5.1 the matter in question shall have been proposed in writing for consideration by the Directors, or in such other manner as the Directors may determine;
  - 15.5.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together, the **Interested Directors**); and
  - 15.5.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.
- 15.6 Unless otherwise determined by the Directors (excluding the Interested Directors), any authorisation of a matter under this article 15 shall extend to any actual or potential Conflict of interest which may reasonably be expected to arise out of the matter so authorised.
- 15.7 Any authorisation of a matter under this article 15 shall be on such terms and/or conditions as the Directors (excluding the Interested Directors) may determine, whether at the time such authorisation is given or subsequently and may be varied or terminated by the Directors (excluding the Interested Directors) at any time. Such terms or conditions may include (without limitation) terms and conditions as to the duration, renewal and/or revocation of the authorisation, and/or the exclusion of the Interested Directors from all information and discussion of the matter in question. A Director shall comply with any obligations imposed on him by the Directors (excluding the Interested Directors) pursuant to any such authorisation.
- 15.8 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

## **16 RECORDS OF DECISIONS TO BE KEPT**

- 16.1 The Directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the Directors.

## **17 DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

- 17.1 Subject to these articles, the Directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to Directors.

## **18 APPOINTMENT AND REMOVAL OF DIRECTORS**

- 18.1 Unless otherwise determined by the Owner, the number of Directors shall be a minimum of three and a maximum of five, from time to time.
- 18.2 The Owner shall appoint and remove Directors at any time and on such terms as the Owner determines. Every such appointment or removal shall be effected by notice in writing to the Company and shall take effect immediately (or on such later date, if any, specified in the notice).
- 18.3 A Director may not appoint an alternate Director or anyone to act on his or her behalf at meetings of the Directors.
- 18.4 Any removal pursuant to this article 18 shall be without prejudice to any claim that a Director may have under any contract between him and the Company.

## **19 TERMINATION OF DIRECTOR'S APPOINTMENT**

- 19.1 A person ceases to be a Director as soon as:

- 19.1.1 that person ceases to be a Director by virtue of any provision of the Companies Act 2006 or is prohibited from being a director by law;
- 19.1.2 that person has for more than six consecutive months been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that person's office be vacated;
- 19.1.3 a bankruptcy order is made against that person;
- 19.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
- 19.1.5 a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a Director and may remain so for more than three months;
- 19.1.6 that person (having an Owner employee at the time of their appointment as a Director) ceases to be employed by the Owner;
- 19.1.7 that person (having been an elected member of the Owner at the time of their appointment as a Director) ceases to be an elected member;
- 19.1.8 notification is received by the Company from the Director that the Director is resigning from office, and such resignation has taken effect in accordance with its terms; or
- 19.1.9 is removed by the Owner by notice in writing to the company secretary.

## **20 DIRECTORS' REMUNERATION**

- 20.1 Directors may undertake any services for the Company that the Directors decide.
- 20.2 Subject to the Local Authorities (Companies) Order 1995 and the prior approval of the Owner, Directors are entitled to such remuneration as the Directors determine:
  - 20.2.1 for their services to the Company as Directors; and
  - 20.2.2 for any other service which they undertake for the Company.
- 20.3 Unless the Directors decide otherwise, Directors are not accountable to the Company for any remuneration which they receive as Directors or other officers or employees of the Owner or of any other body corporate in which the Company is interested.

## **21 DIRECTORS' EXPENSES**

- 21.1 Subject to the Local Authorities (Companies) Order 1995 and to such general rules and limitations as the Owner may from time to time determine, the Company may pay any reasonable expenses which the Directors properly incur in connection with their attendance at:
  - 21.1.1 meetings of Directors or committees of Directors;
  - 21.1.2 general meetings; or
  - 21.1.3 otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

## **22 COMPANY SECRETARY**

- 22.1 The Directors may appoint a company secretary for such term, at such remuneration and upon such conditions as they think fit. Any company secretary may be removed or replaced by the Directors.

**23 OWNER REPRESENTATIVE**

- 23.1 Subject to the provisions of any agreement between the Owner and the Company in force from time to time, there shall be a sole Owner of the Company. The Owner may appoint an individual to exercise its rights at general meetings and to give or receive notices and other documents under these articles.

**24 CALLING A GENERAL MEETING**

- 24.1 The Owner or the Directors may call a general meeting at any time.
- 24.2 The minimum period of notice required to hold a general meeting of the Company is fourteen clear days.
- 24.3 A general meeting may be called by shorter notice if it is so agreed by the Owner.
- 24.4 The notice of general meeting must specify the date time and place of, or online meeting location for, the meeting and the general nature of the business to be transacted. The notice must also contain a statement setting out the right of the Owner to appoint a proxy under section 324 of the Companies Act 2006.
- 24.5 The notice must be given to the Owner and to the Directors.
- 24.6 The proceedings at a meeting shall not be invalidated because a person who was entitled to receive notice of the meeting did not receive it because of an accidental omission by the Company.

**25 PROCEEDING AT A GENERAL MEETINGS**

- 25.1 No business is to be transacted at a general meeting if the person(s) attending it do not constitute a quorum. A quorum is formed by the duly authorised representative of the Owner.
- 25.2 If:
- 25.2.1 a quorum is not present within half an hour from the time appointed for the meeting; or
  - 25.2.2 during a meeting a quorum ceases to be present;
- the meeting shall be adjourned to such time and place as the Owner shall determine.
- 25.3 General meetings shall be chaired by the duly authorised representative of the Owner.
- 25.4 A resolution put to the vote of a general meeting will be decided on a show of hands.
- 25.5 Each Owner, present in person or by proxy, whether an individual or an organisation, shall have one vote.
- 25.6 A person is able to exercise the right to vote at a general meeting when:
- 25.6.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 25.6.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- 25.7 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.
- 25.8 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.



25.9 Directors may attend and speak at general meetings.

25.10 The chair of the meeting may permit other persons who are not:

25.10.1 appointed representatives of the sole Owner; or

25.10.2 otherwise entitled to exercise the rights of the sole Owner in relation to general meetings, to attend and speak at a general meeting.

## **26 ERRORS AND DISPUTES**

26.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

26.2 Any such objection must be referred to the chair of the meeting, whose decision is final.

## **27 AMENDMENTS TO RESOLUTIONS**

27.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

27.1.1 notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chair of the meeting may determine); and

27.1.2 the proposed amendment does not, in the reasonable opinion of the chair of the meeting, materially alter the scope of the resolution.

27.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:

27.2.1 the chair of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

27.2.2 the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

27.3 If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair of the meeting's error does not invalidate the vote on that resolution.

## **28 WRITTEN RESOLUTIONS**

28.1 A resolution in writing agreed by a simple majority (or in the case of a special resolution by a majority of not less than 75%) of the Owners who would have been entitled to vote upon it had it been proposed at a general meeting shall be effective provided that:

28.1.1 a copy of the proposed resolution has been sent to every eligible Owner;

28.1.2 a simple majority (or in the case of a special resolution a majority of not less than 75%) of Owners has signified its agreement to the resolution; and

28.1.3 it is contained in an authenticated document which has been received at the registered office within the period of 28 days beginning with the circulation date.

28.2 A resolution in writing may comprise several copies to which one or more Owners have signified their agreement.

28.3 In the case of an Owner that is an organisation, its authorised representative may signify its agreement.

**29 MEANS OF COMMUNICATION TO BE USED**

- 29.1 Subject to these articles, anything sent or supplied by or to the Company under these articles may be sent or supplied in any way in which the Companies Acts provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.
- 29.2 Subject to these articles, any notice or document to be sent or supplied to a Director in connection with the taking of decisions by Directors may also be sent or supplied by the means by which that Director has asked to be sent or supplied with such notices or documents for the time being.
- 29.3 Any notice to be given to or by any person pursuant to these articles:
- 29.3.1 must be in writing; or
  - 29.3.2 must be given in electronic form.
- 29.4 The Company may give any notice to the Owner either:
- 29.4.1 personally; or
  - 29.4.2 by sending it by post in a prepaid envelope addressed to the Owner at the Owner's address; or
  - 29.4.3 by leaving it at the address of the Owner; or
  - 29.4.4 by giving it in electronic form to the Owner's address; or
  - 29.4.5 by placing the notice on a website and providing the person with a notification in writing or in electronic form of the presence of the notice on the website. The notification must state that it concerns a notice of a company meeting and must specify the place date and time of the meeting.
- 29.5 An Owner who does not register an address with the Company or who registers only a postal address that is not within the United Kingdom shall not be entitled to receive any notice from the Company.
- 29.6 An Owner present in person at any meeting of the Company shall be deemed to have received notice of the meeting and of the purposes for which it was called.
- 29.7 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given.
- 29.8 Proof that an electronic form of notice was given shall be conclusive where the Company can demonstrate that it was properly addressed and sent, in accordance with section 1147 of the Companies Act 2006.
- 29.9 In accordance with section 1147 of the Companies Act 2006 notice shall be deemed to be given:
- (a) 48 hours after the envelope containing it was posted; or
  - (b) in the case of an electronic form of communication, 48 hours after it was sent.

**30 COMPANY SEALS**

- 30.1 Any common seal may only be used by the authority of the Directors.
- 30.2 The Directors may decide by what means and in what form any common seal is to be used.

- 30.3 Unless otherwise decided by the Directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.
- 30.4 For the purposes of this article, an authorised person is:
- 30.4.1 any Director of the Company;
  - 30.4.2 the company secretary (if any); or
  - 30.4.3 any person authorised by the Directors for the purpose of signing documents to which the common seal is applied.

## 31 INDEMNITY

- 31.1 The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company (including any liability incurred in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)) provided that this article shall have effect, and any indemnity provided by or pursuant to it shall apply, only to the extent permitted by, and subject to the restrictions of, the Companies Act 2006. This article does not allow for or provide (to any extent) an indemnity which is more extensive than as permitted by the Companies Act 2006 and any such indemnity is limited accordingly. This article is also without prejudice to any indemnity to which any person may otherwise be entitled.
- 31.2 To the extent permitted by, and subject to the restrictions in, the Companies Act 2006 and without prejudice to any indemnity to which he may otherwise be entitled, the Directors shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Companies Act 2006, or to enable him to avoid incurring such expenditure.
- 31.3 Without prejudice to the provisions of article 32, the Directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of any person who is a relevant officer or an employee or former employee of the Company or any associated company or who is or was a trustee of a retirement benefits scheme or another trust in which a relevant officer or an employee or former employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.
- 31.4 In these articles:
- 31.4.1 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
  - 31.4.2 **relevant officer** means any current or former Director, secretary or other officer of the Company or an associated company (including any company which is a trustee of an occupational pension scheme (as defined in section 235(6) of the Companies Act 2006)), other than any person (whether an officer or not) engaged by the Company (or associated company) as an auditor, to the extent he acts as an auditor.

## 32 INSURANCE

- 32.1 The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant Director in respect of any relevant loss.
- 32.2 In this article:
- 32.2.1 a **relevant Director** means any Director or former Director of the Company or an associated company; and

- 32.2.2 a **relevant loss** means any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- 32.2.3 companies are **associated** if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

**Dated**

**2022**

**THE MAYOR AND BURGESSES OF THE LONDON  
BOROUGH OF HARINGEY**

**HOMES FOR HARINGEY LIMITED**

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**MEMBER'S AGREEMENT  
in relation to HOMES FOR HARINGEY LIMITED**

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MEMBER'S AGREEMENT dated

2022

## PARTIES

- (1) **THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY** of Civic Centre, High Road, Wood Green, N22 8LE (the "**Owner**")
- (2) **HOMES FOR HARINGEY LIMITED** (company number 05749092) a company limited by shares whose registered office is at 10 Station Road, London, England, N22 7TR (the "**Company**")

## INTRODUCTION

- (A) The Company was incorporated on 20 March 2006 and, at the date of this Agreement, the Owner is the sole member of the Company.
- (B) The Company has been established for the purpose of, amongst other things, providing housing stock to the Owner to house homeless applicants.
- (C) This Agreement sets out the terms upon which the Owner will participate in the Company as its sole member and the terms upon which the Owner will retain decisive influence over both the strategic objectives and the significant decisions of the Company.

## AGREED TERMS

### 1 DEFINITIONS AND INTERPRETATION

#### 1.1 In this Agreement:

**Articles** means the articles of association of the Company

**Business** means the business of the Company as set out in clause 2

**Business Day** means a day (other than a Saturday or Sunday) on which the banks in the City of London are open for business

**CA2006** means the Companies Act 2006

**Data Protection Legislation** means all legislation and regulatory requirements in force from time to time relating to the protection and handling of personal data and the privacy of electronic communications, including, without limitation (i) any data protection legislation from time to time in force in the UK including the Data Protection Act 2018 or any successor legislation, as well as (ii) the General Data Protection Regulation ((EU) 2016/679) and any other directly applicable European Union regulation relating to data protection and privacy (for so long as and to the extent that the law of the European Union has legal effect in the UK)

**Director** means a director of the Company

**Environmental Information Regulations** means the Environmental Regulations 2004

**FOIA** means the Freedom of Information Act 2000

**Information** has the meaning given to it under section 84 of the FOIA

**Owner Consent** means the prior written consent of the Owner

**Owner Consent Matters** means those matters listed in Schedule 1

**Owner Representative** means the person holding the role of assistant director for housing demand (or such successor title) from time to time or such other person as nominated by the Owner from time



to time to act as its authorised representative which shall be determined by the Owner in accordance with its constitution from time to time and notified to the Company in writing

**Remuneration Policy** means a policy adopted by the Company (following receipt of Owner Consent) in relation to the provision of remuneration (including salary, bonus, the provision of benefits-in-kind or otherwise) for employees, officers and consultants

**Request for Information** has the meaning set out in the FOIA or any apparent request for information made under the FOIA

**Subsidiary** has the meaning given in the CA2006

**Teckal** means the codified rule of EU procurement law as set out within Directive 2014/24/EU and Regulation 12 of the Public Contracts Regulations 2015, deriving from the Teckal case (*Teckal Srl v Comune de Viano and Azienda Gas-Acqua Consorziale (AGAC) di Reggio Emilia* (C-107/98) [1999] ECR I-8121) pursuant to which the requirement for open advertisement and tendering for public contracts in accordance with the Public Contracts Regulations 2015 does not apply

**United Kingdom** means the geographical area of the United Kingdom of Great Britain and Northern Ireland as at the date of this Agreement

- 1.2 A reference to a statutory provision includes a reference to:
- 1.2.1 a statutory amendment, consolidation or re-enactment (whether before or after the date of this Agreement);
  - 1.2.2 statutory instruments or subordinate legislation (as defined in section 21(1) of the Interpretation Act 1978) or orders made under the statutory provision (whether made before or after the date of this Agreement); and
  - 1.2.3 statutory provisions of which the statutory provision is an amendment, consolidation or re-enactment.
- 1.3 Reference to:
- 1.3.1 a person includes a legal or natural person, partnership, trust, company, government or local authority department or other body (whether corporate or unincorporate);
  - 1.3.2 a statutory or regulatory body shall include its successors and any substituted body;
  - 1.3.3 an individual includes, where appropriate, his personal representatives;
  - 1.3.4 the singular includes the plural and vice versa; and
  - 1.3.5 one gender includes all genders.
- 1.4 Unless otherwise stated, a reference to a clause or Schedule is a reference to a clause of or schedule to this Agreement and a reference to this Agreement includes its Schedules.
- 1.5 Clause headings in this Agreement are for ease of reference only and do not affect its construction.
- 1.6 In construing this Agreement the so-called ejusdem generis rule does not apply and accordingly the interpretation of general words shall not be restricted by words indicating a particular class or particular examples.
- 1.7 For the purposes of this Agreement **Party** means a party to this Agreement and reference to **Parties** shall be to all or more than one of them as applicable.
- 1.8 A reference to **writing** or **written** includes email but not fax.

- 1.9 A reference to any agreement or document (or any provision of it) referred to in the Articles is a reference to that agreement or document (or the relevant provision of it) as varied, amended or supplemented (in each case, other than in breach of the provisions of that agreement or document) from time to time.
- 1.10 Any words following the terms **including**, **include**, **in particular**, **for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- 1.11 A reference to an **amendment** includes a novation, re-enactment, supplement or variation (and amended shall be construed accordingly).
- 1.12 A reference to **determines** or **determined** means, unless the contrary is indicated, a determination made at the absolute discretion of the person making it.

## **2 BUSINESS AND BUSINESS PLAN**

- 2.1 The Business of the Company shall be:
- 2.1.1 to provide private sector leases to the Owner for the provision of short term tenancies;
  - 2.1.2 to provide housing services to the Owner as notified by the Owner in writing;
  - 2.1.3 such other matters as notified by the Owner in writing;
- together with any activities reasonably incidental to the above or activities from time to time.
- 2.2 The Parties intend that the Company shall at all times be a Teckal-compliant company.
- 2.3 The Company shall deliver to the Owner by no later than November each year (or such other date as may be agreed between the Parties) its draft business plan and budget for the following financial year in a form approved by the Owner.
- 2.4 The Owner will use reasonable endeavours to respond in the following February (or such later date as may be agreed between the Parties) with any issues of concern with the draft business plan and budget, and the Company shall make such amendments to its draft business plan and budget as the Owner may reasonably require.
- 2.5 The Owner shall notify the Company of the reasons for raising issues of concern with its draft business plan and budget and the Owner and the Company will endeavour to work together to agree a revised business plan and budget for approval by the Owner as soon as possible. Until such issues are resolved the business plan and budget shall not become the Company's business plan and budget for the purposes of this Agreement and the preceding year's business plan and budget shall continue to have effect unless the Parties agree otherwise.
- 2.6 The Company covenants to carry on the Business in accordance with and only to enter into commitments as envisaged by the business plan and budget then in force or where any matter is outside the business plan and budget with Owner Consent.
- 2.7 The Company shall not introduce a new or amend an existing Remuneration Policy to allow for the payment of a Director or Directors without Owner Consent.

## **3 OWNER'S ROLE**

- 3.1 The Owner will monitor and control the Business and affairs of the Company through the Owner Consent Matters, through receiving periodic reports, through its Directors and through ad hoc information requests.
- 3.2 The Owner:

- 3.2.1 shall have unlimited, unrestricted and prompt access to any Company information and documents requested pursuant to this Agreement;
- 3.2.2 will not usurp the functions of the Directors but will monitor the activities of the Company to ensure that they are acceptable and accountable to the Owner as ultimate owner of the Company; and
- 3.2.3 may, in addition to those matters requiring Owner Consent:
  - (a) make recommendations from time to time to the Directors; and/or
  - (b) give directions by notice in writing from time to time to the Directors.

3.3 Any notice to or from the Owner shall be sent to or from the Owner Representative. Where a consent or approval is expressed in this Agreement to be required of the Owner (including Owner Consent), it shall be given by the Owner Representative. Such consent or approval shall be given in writing in advance of the decision or matter requiring consent or approval and the Owner shall use its reasonable endeavours to communicate any such decision, consent or approval (including any decision not to give consent or approval) to the Company within a period of 20 Business Days from receipt of the request provided that the Owner shall not be deemed to have made a decision or given its consent or approval by virtue of the fact that it has not communicated the same within that time limit. Where the Company requires the Owner to make any decision or provide any consent or approval, the Company shall provide such material information as the Owner may require to enable it to consider the decision, consent or approval in question.

3.4 Once a consent or approval is given in accordance with clause 3.3 then, to the extent a special or an ordinary resolution is required pursuant to the CA2006 or otherwise, and the form of consent or approval doesn't already take the form of such a special or ordinary resolution, the Company shall prepare and circulate to the Owner a draft resolution for consideration and, if thought fit, approval by the Owner. The Owner shall approve any resolution which is in line with a consent or approval previously given.

3.5 The Company shall ensure that the Directors and and/or any employees of the Company as requested by the Owner shall attend such meetings or parts of meeting(s) of the Owner as the Owner may require and shall answer questions put by the Owner and provide information regarding the activities of the Company as reasonably requested.

#### **4 CONDUCT OF THE COMPANY'S AFFAIRS**

4.1 Meetings of the Directors shall be held no less than four times in every year and at not more than three monthly intervals.

4.2 With the exception of the Owner Consent Matters, the management of the Company shall be vested in the Directors. The Company shall ensure that no Owner Consent Matters shall be carried out without Owner Consent.

4.3 The Directors may, with Owner Consent, appoint a chief executive/managing director on such terms as they may think fit who shall be responsible for the day to day management of the Business within the terms of the business plan and budget then in force and this Agreement, and perform such duties as may be delegated to him by the Directors. The Directors may also remove such managing director, and appoint a replacement, in each case on such terms as they may think fit, providing that no appointment or removal shall be made without Owner Consent.

4.4 The Directors will determine the general policies of the Company and the manner in which the Business is to be carried out, subject to:

- 4.4.1 the business plan and the budget then in force;
- 4.4.2 those matters requiring Owner Consent; and

4.4.3 any other express provisions of this Agreement.

4.5 In particular, but without limitation, the Directors shall exercise all voting rights and other powers of control available to them in relation to the Company so as to procure (in so far as they are able in the exercise of such rights and power) that, at all times during the term of this Agreement, the Company shall:

4.5.1 carry on and conduct the Business and affairs in a proper and efficient manner, for its own benefit and in accordance with the business plan and budget and good business practices; and

4.5.2 transact all its business on arm's length terms.

4.6 The Company shall not carry out any activity which would render the Owner's membership of the Company unlawful provided that where a proposed change of law would render such membership unlawful the Owner will use its reasonable endeavours to take such steps as are necessary to allow it to continue lawfully to be a member of the Company.

4.7 The Company will, if it requires any approval, consent or licence for the carrying on of its Business in the manner in which it is from time to time carried on or proposed to be carried on, obtain and maintain the same in full force and effect.

4.8 The Company shall permit any Director to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Owner's designated officers and executives at any time. All books, records, accounts and documents relating to the Business and the affairs of the Company shall be open to the inspection of any such person, who shall be entitled to make any copies thereof as he or she deems appropriate to keep the Owner properly informed about the Business and affairs of the Company or to protect its interests as Owner. Any information secured as a consequence of such discussions and inspections shall be kept confidential by the Owner and its designated officers and executives in accordance with the terms of clause 6.

4.9 The Company agrees with the Owner that it will maintain effective and appropriate control systems in relation to the financial, accounting and record-keeping functions of the Company and will generally keep the Owner informed of the progress of the Business and affairs and in particular will procure that the Owner is given such information and such access to the officers, employees and premises of the Company as it may reasonably require for the purposes of enabling it to monitor its investment and interest in the Company.

4.10 The Company shall not breach nor cause the Owner to be in breach of the Local Authorities (Companies) Order 1995.

## **5 TERMINATION**

5.1 This Agreement shall terminate upon:

5.1.1 the written agreement of the Parties in accordance with the terms agreed; or

5.1.2 when a resolution is passed by the Owner or creditors of the Company, or any order made by a court or other competent body or person instituting a process that shall lead to the Company being wound up and its assets being distributed among the creditors, Owner or other contributors; or

5.1.3 the Company ceasing to carry on its Business; or

5.1.4 the Company being convicted of a criminal offence; or

5.1.5 upon the Owner giving not less than 3 months' written notice of the date on which this Agreement will terminate.

## 6 CONFIDENTIALITY, FREEDOM OF INFORMATION AND DATA PROTECTION

- 6.1 Each Party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other Party except as permitted by clause 6.2.
- 6.2 Each Party may disclose the other Party's confidential information:
  - 6.2.1 to its employees, officers, representatives or advisers who need to have such information for the purposes of carrying out the Party's obligations under this Agreement. Each Party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other Party's confidential information comply with this clause 6; or
  - 6.2.2 as may be required by law, court order or any governmental or regulatory authority.
- 6.3 Each Party acknowledges that the other Party is subject to the requirements of the FOIA and the Environmental Information Regulations, and shall facilitate the other Party's compliance with its Information disclosure requirements pursuant to and in the manner provided for in clauses 6.4-6.7.
- 6.4 If either Party (the **Recipient**) receives a Request for Information in relation to Information that the other Party is holding and which the Recipient does not hold itself, the Recipient shall within 6 Business Days of receiving a Request for Information:
  - 6.4.1 respond to the Request for Information explaining that that the other Party shall be responding within the required timeframe; and
  - 6.4.2 refer the Request for Information to the other Party explaining that the other Party is holding the relevant Information and that the Request for Information must be met by the other Party within the required timeframe.
- 6.5 The Recipient shall provide all necessary assistance as reasonably requested by the other Party to enable the other Party to respond to the Request for Information within the time for compliance set out in Section 10 of the FOIA or Regulation 5 of the Environmental Information Regulations.
- 6.6 The Parties acknowledge that (notwithstanding the provisions of clause 6.1) a Recipient may, acting in accordance with the Freedom of Information Code of Practice 2018 and the Regulation 16 Code of Practice on the discharge of the obligations of public authorities under the EIR (as appropriate) disclose Information concerning the other Party:
  - 6.6.1 in certain circumstances without consulting with the other Party; or
  - 6.6.2 following consultation with the other Party and having taken their views into account. The Recipient shall have absolute discretion as to whether Information is exempt from disclosure under the FOIA and the Environmental Information Regulations and whether Information is to be disclosed in response to a Request for Information.
- 6.7 Each Party shall transfer to the other Party any Request for Information which it receives but is addressed to the other Party as soon as practicable and in any event within 6 Business Days of receiving it.
- 6.8 The Parties acknowledge that any lists provided which itemise or outline confidential information are of indicative value only and that a Recipient may nevertheless be obliged to disclose confidential information in accordance with this clause 6.
- 6.9 The Parties shall comply with all Data Protection Legislation at all times when carrying out their respective obligations pursuant to this Agreement and any other agreement to which it is a party.

**7 NO PARTNERSHIP**

- 7.1 Nothing in this Agreement gives rise to a partnership between the Parties or constitutes one Party acting as the agent of the other.

**8 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

- 8.1 Unless the right of enforcement is expressly granted, it is not intended that a third party, other than a lawful successor in title or a lawful assignee, should have the right to enforce a provision of this Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999. The Parties may rescind or vary this Agreement without the consent of a third party to whom an express right to enforce any of its terms has been provided.

**9 COSTS OF THIS AGREEMENT**

- 9.1 Each Party shall pay its own costs in connection with the negotiation, preparation, execution and performance of this Agreement.

**10 WAIVER**

- 10.1 The rights of each of the Parties in respect of a breach of this Agreement shall not be affected by completing, rescinding, or failing to rescind, this Agreement, or failing to exercise, or delaying to exercise, a right or remedy, or by anything else, except a specifically authorised written waiver or release. A single or partial exercise of a right or remedy provided by this Agreement or by law does not prevent its further exercise or the exercise of another right or remedy.
- 10.2 Waiver of a breach of a term of this Agreement, or of a default under it, does not constitute a waiver of another breach or default nor affect the other terms of this Agreement.
- 10.3 The rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies.

**11 VARIATION**

- 11.1 A purported variation of this Agreement is not effective unless in writing and signed by or on behalf of each of the Parties.

**12 INVALIDITY**

- 12.1 If a provision of this Agreement is held to be illegal or unenforceable, in whole or in part, under an enactment or rule of law, it shall to that extent be deemed not to form part of this Agreement and the enforceability of the remainder of this Agreement shall not be affected. The Parties agree to negotiate in good faith to agree the terms of a mutually satisfactory provision to be substituted for the provision found to be illegal or unenforceable.

**13 ENTIRE AGREEMENT**

- 13.1 This Agreement (together with any documents entered into under it or at the same time as it) supersedes all prior understandings and agreements between the Parties (whether written or oral) relating to its subject-matter and contains the entire agreement between the Parties relating to its subject-matter.
- 13.2 Each Party acknowledges that it does not enter into this Agreement on the basis of, and does not rely on, warranties or representations made, or agreed to, by any person (whether a party to this Agreement or not).
- 13.3 Each Party waives its rights against the other in respect of warranties and representations (whether written or oral) not expressly set out or referred to in this Agreement.

- 13.4 Nothing in this clause 13 limits or excludes liability for fraud.

**14 STATUS OF THIS AGREEMENT**

- 14.1 In the event of any ambiguity or discrepancy between the provisions of this Agreement and the Articles, then it is the intention of the Owner that the provisions of this Agreement shall prevail. Accordingly, the Owner shall take all such steps and do all such acts and things as may be necessary or desirable, including, without limitation, exercising all voting and other rights and powers of control available to it in relation to the Company, so as to give effect to the provisions of this Agreement and shall further if necessary procure (insofar as it is able to do so by the exercise of those rights and powers) any required amendment to the Articles.

**15 CONSENTS**

- 15.1 Consents, notices, approvals or agreements to be given by the Owner under this Agreement (including Owner Consent) shall be given in writing.
- 15.2 Where this Agreement provides that a matter is subject to the consent, approval or agreement of either Party then (except as expressly provided otherwise), it shall be in the absolute discretion of that Party as to whether (and if so, on what terms and conditions) the consent, approval or agreement is made.

**16 COMMUNICATIONS**

- 16.1 Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first-class post or by email as follows:

16.1.1 if to the Owner:

Address: as recorded in the recitals in the recitals to this Agreement

Email: as notified to the other party from time to time

marked for the attention of the Owner Representative; and

16.1.2 if to the Company, to:

Address: as recorded in the recitals to this Agreement

Email: as notified to the other party from time to time

marked for the attention of the Company Secretary,

or to such other person, address, or email as any Party may specify by notice in writing to the other.

- 16.2 In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given:

16.2.1 if delivered personally, when left at the address referred to in clause 16.1;

16.2.2 if sent by mail, other than airmail, two Business Days after posting it;

16.2.3 if sent by email, when sent and there has been no communication by the recipient to the sender that the email has not been received,

provided always that a notice given in accordance with the above but received on a day which is not a Business Day or after business hours on a Business Day will only be deemed to be given on the next Business Day.



**17 COUNTERPARTS**

- 17.1 This Agreement may be executed in counterparts and by the Parties on different counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart, when executed, shall be an original, but all the counterparts together constitute the same document.

**18 GOVERNING LAW AND JURISDICTION**

- 18.1 This Agreement and the rights and obligations of the Parties shall be governed by and construed in accordance with the laws of England and Wales.
- 18.2 The Parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales in respect of any dispute or claim arising out of or in connection with this Agreement or any of the documents to be executed pursuant to this Agreement or their subject-matter or formation (including non-contractual disputes or claims).
- 18.3 This Agreement has been executed as a deed and delivered on the date stated at the beginning of this Agreement.

**SCHEDULE 1 - OWNER CONSENT MATTERS**

The table below sets out the Owner Consent Matters that are reserved to the Owner

<b>Number</b>	<b>Owner Consent Matters</b>
	<b>Constitution of the company</b>
1	Varying in any respect the articles or the rights attaching to any of the shares or memberships (as applicable) in the company.
	<b>Officers and Shareholders of the company</b>
2	The appointment and the appointment terms (including any remuneration terms) of any Directors.
3	The removal of any Directors (including any terms on which such Directors are removed from their office as Directors).
4	The admission of further members to the Company or agreeing any rights or restrictions attaching to any shares or memberships allocated to such new shareholders or members as applicable).
	<b>Future direction and development of the company</b>
5	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or incorporated joint venture vehicle.
6	Amalgamating or merging with any other company or business undertaking.
7	Selling or disposing of any part of the business of the Company.
8	Approving the Business Plan and any in-year material changes.
9	Undertaking any business or action which is inconsistent with the Business Plan then in force or omitting to undertake any action which is required by that Business Plan except with the prior written consent of the Owner.
10	Passing any resolution for its winding up or presenting any petition for its administration (unless it has become insolvent).
11	Agreeing or approving any other material services to be provided by the Company to a third party the total value of which exceeds either (i) £500,000 or (ii) 15% of the Company's current turnover.
12	Appointing any agent (not being a subcontractor), other than the Owner (or Owner owned entity) to conduct the whole or any part of the business of the Company, other than the appointment of an agent to conduct an area of the business of the Company.
13	Applying for the listing or trading of any shares in its issued capital or debt securities on any stock exchange or market (where applicable).

	<b>Management of the business of the company</b>
14	Changing the Company's registered office.
15	Changing the Company's name.
16	Creating or agreeing to create a charge, security or encumbrance over the Company's assets, shares or income.
17	Approving any matter that will have an adverse effect on the reputation of the Owner.
18	Changing the activities or nature of the business or commencing any new business which is not ancillary or incidental to the business of the Company.
19	Any acquisition of land.
20	Agreeing to enter into or entering into any acquisition or disposal of any material assets by the Company the total value of which exceeds (i) £500,000 or (ii) 15% of the Company's current turnover.
21	<p>Giving notice of termination of:</p> <ul style="list-style-type: none"> <li>(i) any Joint Venture or</li> <li>(ii) any arrangements, contracts or transactions the total value of which exceeds (i) £500,000 or (ii) 15% of the Company's current turnover,</li> </ul> <p>or materially varying any such arrangements, contracts or transactions and such termination or variation is likely to have an adverse impact on the financial status of a Company.</p>
22	Granting rights (by licence or otherwise) in or over any intellectual property owned by the Company.
23	Appointing and changing the Company's auditors.
24	Changing the Financial Year of the Company.
25	Agreeing to make or making any loan (otherwise than by way of a deposit with a bank or other institution, the normal business of which includes the acceptance of deposits or in the ordinary course of business) or granting any credit or giving any guarantee or indemnity (other than in the normal course of trading (which ordinary course includes guaranteeing rent to landlords).
26	Increasing or reducing the amount of its issued share capital, granting any option over or in its share capital, redeeming or purchasing any of its own shares or otherwise altering, or effecting any re-organisation of, its share capital (where applicable).
27	Declaring or paying any end of year dividend of the Company.
20	Assigning the rights to any Company assets to a third party.
32	Settling any claim made against the Company in a sum in excess of £50,000.
33	Approving any loan or mortgage taken out by the Company (including the terms of any security)

34	Approving the adoption of any regulatory regime, including, but not limited to, (i) becoming a Registered Social Landlord or Shared Ownership Provider, (ii) providing consumer credit or other FCA regulated activity or (iii) any other regulated activity
	<b>Subsidiary</b>
36	Approving any Owner Consent Matters or business plan for a Subsidiary which has a turnover in excess of £250,000.

**In witness** whereof the parties have executed this Agreement as a deed.

Executed as a deed by affixing )  
the common seal of )  
**THE MAYOR AND BURGESSES OF THE** )  
**LONDON BOROUGH OF HARINGEY** )  
in the presence of )  
..... )  
Authorised signatory )

Executed as a deed by )  
**HOMES FOR HARINGEY LIMITED** )  
acting by ....., )  
a director and a director/secretary ) **Director**

.....  
**Director/Secretary**

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**THE MAYOR AND BURGESSES OF THE LONDON BOROUGH OF HARINGEY**

**HIGH LEVEL SUMMARY OF DOCUMENTS RELEVANT TO THE COUNCIL'S OWNERSHIP OF HOMES FOR HARINGEY LIMITED**

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**20 MAY 2022**

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## 1 INTRODUCTION

- 1.1 The Mayor and Burgesses of the London Borough of Haringey (the **Council, you, your**) is in the process of re-structuring of Homes for Haringey Limited (the **Company**) and as such is putting in place a members agreement and is replacing its articles of association.
- 1.2 This paper reports on the key terms of the following draft documents (together the **Documents**)

<b>Member's Agreement</b>	The agreement will govern the Council's role as sole member and its management of the Company. It includes provisions relating to the business of the Company and also the day to day management of the Company by the directors.
<b>Articles of Association</b>	The Articles of Association set out the rules by which the Company is to be governed and run. In particular, it provides for the Director's powers and authority to carry out the business of the Company, as well as the procedures which must be followed to take certain actions (such as call directors and general meetings). The documents are drafted to fit together, some matters will by convention be referred to in both documents. If there is a conflict the terms of the Member's Agreement shall take precedence.

- 1.3 This is a report summarising the key terms of the Documents and raising material points for the Council to consider and note.
- 1.4 We have used defined terms given in the Documents without further defining them in this note.

## 2 MEMBER'S AGREEMENT

<b>Document</b>	Member's Agreement 20.05.2022
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<b>Clause</b>	<b>Summary of Function</b>
<b>Parties</b>	<p>(1) The Mayor and Burgesses of the London Borough of Haringey</p> <p>(2) Homes for Haringey Limited</p>
<b>Business and Business Plan</b> (clause 2)	<p>This clause sets out the Business of the Company i.e. to provide housing services and leases to the Council. (clause 2.1)</p> <p>The Company shall provide an annual draft business plan and budget for the following financial year to the Owner for its review and approval. The Owner is to flag any issues with the plan and budget and to work with the Company to resolve such issues before the plan and budget can be implemented. (clauses 2.3 – 2.5)</p> <p>Any business which falls outside the scope of the plan and budget in force at that time must only be carried out with the Owner's prior written consent. (clause 2.6)</p> <p>There shall be no introduction of or amendments to an existing Directors remuneration policy without the Owner's prior written consent. (clause 2.7)</p>
<b>Owner's Role</b> (clause 3)	<p>Key decisions about the Company can only be made with the Owner's prior written consent. These are listed at Schedule 1 of the agreement (see below). The Owner must provide such consent within 20 business days of receipt of a request to do so. Where the Council does not respond within the timescale, this will not amount to consent being provided. (clauses 3.3 &amp; 3.4)</p> <p>The directors are to attend meetings as requested by the Owner to discuss the business of the Company. The Owner will also receive general communications and updates from the directors and will have access to all Company information and documents.</p>
<b>Conduct of the Company's Affairs</b> (clause 4)	<p>There must be at least 4 Directors meetings per year, no more than 3 months apart. (clause 4.1)</p> <p>A managing director may be appointed, replaced or removed by the Company but only with the prior written consent of the Owner. (clause 4.3)</p>

Clause	Summary of Function
	The Directors may exercise all powers and authorities to manage the business and affairs of the Company, subject to the business plan and budget (at clause 2) and those matters requiring Owner's consent. The Company has a responsibility to keep accurate records and information regarding the business and transactions and make these readily available to the Owner and its designated officers on request.
<b>Termination</b> (clause 5)	The Deed shall terminate upon: <ul style="list-style-type: none"> <li>(i) the written agreement of the parties in accordance with the terms agreed; or</li> <li>(ii) when a resolution is passed by the Owner or creditors of the Company, or any order made by a court or other competent body or person instituting a process that shall lead to the Company being wound up and its assets being distributed among the creditors, Owner or other contributors; or</li> <li>(iii) the Company ceasing to carry on its business; or</li> <li>(iv) the Company being convicted of a criminal offence; or</li> <li>(v) upon the Owner giving not less than 3 months' written notice of the date on which this Agreement will terminate.</li> </ul>
<b>Confidentiality, Freedom of Information and Data Protection</b> (clause 6)	<p>The Owner and the Company are to treat all confidential information belonging to the other as confidential. Both parties may disclose confidential information to their employees, officers, representatives or advisers for the purposes of carrying out that party's obligations under the Deed, provided such person also comply with the provisions of clause 6. (clause 6.2.1)</p> <p>Each party is required to assist the other as reasonably requested with any Request for Information (as defined in the relevant legislation). In response to a Request for Information, a party may only disclose confidential information about the other after having consulted the other party as to the whether such information is exempt or, in certain circumstances subject to the relevant legislation, without consulting the other party. (clauses 6.5 – 6.7)</p> <p>The Deed is subject to the Freedom of Information Act 2000 and the Environmental Regulations 2004. There is a general obligation for both parties to comply with relevant data protection legislation.</p>
<b>No Partnership</b> (clause 7)	Nothing in the Deed gives rise to a partnership between the parties or constitutes one party acting as the agent of the other.
<b>Contracts (Rights of Third Parties) Act 1999</b> (clause 8)	No third party rights are granted by the Deed.
<b>Costs of this Agreement</b> (clause 9)	Each Party shall pay its own costs in connection with the negotiation, preparation, execution and performance of this Agreement.

Clause	Summary of Function
<b>Variation</b> (clause 11)	Any variation to the agreement must be in writing and signed by or on behalf of each of the parties.
<b>Status of this Agreement</b> (clause 14)	In the event of any conflict between the provisions of the Deed and the Company's Articles of Association, the provisions of the Deed shall take precedence.
<b>Consents</b> (clause 15)	<p>The consent of the Owner, as required, shall be given in writing.</p> <p>The approval, consent or agreement of either party as required under the Deed shall be made in the absolute discretion of that party, save for where expressly provided otherwise in the Deed.</p>
<b>Communications</b> (clause 16)	Sets out the requirements for sending notices or communications between the parties, and each party's contact details. Clause 16.2 sets out deemed receipt depending on the method of delivery.
<b>Counterparts</b> (clause 17)	Each party to execute their respective counterparts before the Deed takes effect.
<b>Owner Consent Matters</b> (Schedule 1)	<p>Schedule 1 of the Deed lists out all of the matters which require the prior written consent of the Council before the directors of the Company can take any steps to action such matters. These include matters relating to:</p> <ul style="list-style-type: none"> <li>• Constitution of the Company (i.e. variations to the Articles of Association);</li> <li>• Officers of the company and their appointment and removal;</li> <li>• Future direction and development of the Company (e.g. mergers, material transactions, approving the business plan and budget);</li> <li>• Management of the business of the Company;</li> <li>• Approving similar matters or a business plan for subsidiary companies.</li> </ul>

### 3 ARTICLES OF ASSOCIATION OF THE COMPANY

<b>Document</b>	Articles of Association 20.05.2022
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<b>Clause</b>	<b>Summary of Function</b>
<b>Liability of the Owner</b> (article 2)	The liability of the Council as Owner of the Company, or within one year of it ceasing to be Owner, is limited to £1.
<b>Objects</b> (article 3)	The objects of the Company are: (i) to provide private sector leases to the Owner for the provision of short term tenancies; (ii) to provide such other housing services as may be required by the Owner from time to time.
<b>Director's General Authority</b> (article 4)	The Directors are responsible for the management of the Company's Business and may exercise all powers of the Company in doing so.
<b>Owner's Reserve Power</b> (article 5)	The Council may direct the Directors to take specified action by way of special resolution.
<b>Directors may Delegate &amp; Committees</b> (articles 6 & 7)	The Directors may delegate any of their powers of management of the Company as they think fit. (article 6)  Any committee to which the Directors delegate any of their powers must follow the relevant procedures contained within the Articles, although any rules or procedures made by the Directors for the committee will take precedence. At least one member of a committee must be a Director. (article 7)
<b>Directors to take Decisions Collectively &amp; unanimous decisions</b> (articles 8 & 9)	Directors may only make decisions based on a majority vote of the Directors who are eligible to vote on the matter (i.e. who are not prohibited to vote by way of a conflict of interest). Each Director has one vote on each issue.  Where only one Director is eligible to vote then the provisions within the Articles relating to Directors' decision making will not apply. (article 8)  A unanimous decision of the Directors takes place when all eligible Directors reach a common view on a matter, subject to the meeting being quorate. (article 9)

Clause	Summary of Function
<b>Director's Meetings</b> (articles 10 – 13)	<p>Article 10 (Calling a Directors' Meetings) sets out the requirements for calling a meeting of the Directors of the Company and giving notice to each Director. A meeting must be called by at least seven days' notice unless the Directors unanimously agree otherwise or the matter is urgent.</p> <p>It does not matter where each Director is or how they communicate with each other for the purposes of participating in the meeting. (article 11 (Participation in Directors' Meetings))</p> <p>The quorum for Directors' Meetings shall be 2 Directors and where the total number of Directors is less than the required quorum no proposal is to be voted on or any decision to be made. The Directors may only call another Directors' Meeting and / or call a general meeting to allow the Owner to appoint further Directors. (article 12)</p> <p>The Owner may appoint and / or remove one of the Directors as the chair of the Directors' Meetings. The Directors may appoint a chair where no chair has been appointed by the Owner, or the appointed chair does not arrive to the meeting within 15 minutes of its start.</p> <p>The Chair shall not have a casting vote. (article 13)</p>
<b>Directors' Conflicts of Interest</b> (articles 14 & 15)	<p>Directors must declare the nature and extent of any direct or indirect interest they may have in a proposed transaction. Such Director may not vote nor count towards the quorum of a meeting to discuss any matter within which they are interested, subject to article 15. (article 14)</p> <p>Article 15 sets out the process for authorisation of a director's conflict of interest subject to the provisions of the Companies Act 2006.</p> <p>A Director will be pre-authorised provided they have declared the nature and extent of their interest. Otherwise, the Directors may consider and vote on whether to authorise the conflicted Director provided that director does not form part of the quorum or vote on the matter of their authorisation.</p>
<b>Records of Decisions to be kept</b> (article 16)	<p>The Directors must keep a record of all decisions made by the Directors for 10 years from the date of the decision.</p>
<b>Directors' Discretion to</b>	<p>The Directors may make any rule about how they take decisions as they think fit.</p>

Clause	Summary of Function
<b>make Further Rules</b> (article 17)	
<b>Appointment and Removal of Directors</b> (article 18)	<p>The minimum required number of Directors shall be 3.</p> <p>The maximum required number of Directors shall be 5.</p> <p>The Owner can appoint and remove Directors as it sees fit. Removal of a Director will not prevent that Director from bringing a claim against the Company.</p>
<b>Termination of Director's Appointment</b> (article 19)	<p>Article 19 lists a number of events which will result in a person immediately ceasing to be a Director of the Company. These include:</p> <ul style="list-style-type: none"> <li>• by way of any statutory requirement or prohibition;</li> <li>• more than 6 months' unauthorised absence from Directors' meetings;</li> <li>• bankruptcy and /or an arrangement is made between the Company and that person's creditors;</li> <li>• a medical professional's written opinion confirming mental or physical incapacity for more than 3 months;</li> <li>• ceases to be an employee or elected member of the Council (where applicable);</li> <li>• resignation;</li> <li>• removal by the Owner.</li> </ul>
<b>Directors' Remuneration and Expenses</b> (articles 20 & 21)	<p>Subject to the Local Authorities (Companies) Order 1995 and the prior approval of the Council, the Directors are entitled to such remuneration as the Directors may determine for any services they undertake for the Company. (article 20)</p> <p>Subject to the Local Authorities (Companies) Order 1995 and any such limitations imposed by the Owner, the Company may pay the Directors' reasonable expenses which they incur in connection with their attendance at Directors / committee / general meetings or otherwise in connection with the exercise of their powers as Directors of the Company. (article 21)</p>
<b>Company Secretary</b> (article 22)	The Directors may appoint, replace or remove a company secretary on such remuneration as they think fit.
<b>Owner Representative</b> (article 23)	Subject to the provisions of any agreement in force between the Company and the Owner, there shall be a sole Owner of the Company. The Owner may appoint a representative to exercise its rights on the Owner's behalf at meetings and to give or receive notices and any other documents.

Clause	Summary of Function
<b>General Meetings</b> (articles 24 – 26)	<p>The Owner or the Directors may call a general meeting at any time, giving 14 days' notice or by shorter notice if agreed by the Owner. Both the Owner and the Directors must receive notice of the meeting including the date, time, location and the business to be discussed. (article 24)</p> <p>The required quorum for a general meeting is formed by the duly authorised representative of the Owner, who shall also chair the meeting. A resolution put to a vote at a general meeting will be decided on a show of hands and each Owner shall have one vote.</p> <p>Directors may attend and speak at general meetings. (article 25)</p> <p>Any objection to a person voting at a meeting must be raised at that meeting to which the vote in question is related to. Such objection must be referred to the chair of the meeting whose decision is final. (article 26)</p>
<b>Amendments to Resolutions</b> (article 27)	<p>Article 27 allows for amendments to be made to ordinary resolutions to be proposed at a general meeting, provided such amendment is given to the Company 48 hours before the meeting is to take place and does not materially alter the scope of the resolution.</p> <p>Amendments may also be made to special resolutions to be proposed by way of ordinary resolutions, provided the chair proposes the amendment at the meeting and the amendment does not go beyond a grammatical or other non-substantive correction.</p>
<b>Written Resolutions</b> (article 28)	<p>Written resolutions (ordinary and special) shall be effective provided that:</p> <ul style="list-style-type: none"> <li>(i) a copy of the proposed resolution has been sent to each Owner;</li> <li>(ii) the required majority has signified its agreement to the resolution; and</li> <li>(iii) it is contained in an authenticated document which has been received at the Company's registered office within 28 days of the circulation date.</li> </ul>
<b>Communication</b> (article 29)	<p>Article 29 sets out the ways and means by which the Company, Owner and Directors may communicate with each other.</p> <p>An owner who does not register an address with the Company shall not be entitled to receive any notice from the Company.</p> <p>Article 29.9 sets out when a notice will be deemed to have been given depending on the method of delivery.</p>
<b>Company Seals</b> (article 30)	<p>Company seals may only be used with the authority of the Directors and any document affixing the company seal must be countersigned by a duly authorised representative (director or company secretary) of the Company in the presence of a witness who attests the signature.</p>



Clause	Summary of Function
<b>Indemnity</b> (article 31)	<p>The Company may indemnify any relevant officer out of the assets of the Company from and against any loss, liability or expense incurred by him or them in relation to the Company.</p> <p>The Directors shall have the power to provide funds to meet any expenditure incurred or to be incurred by any relevant officer in defending any criminal or civil (including regulatory) proceedings, or in connection with an application under the Companies Act 2006, or to enable him to avoid incurring such expenditure.</p>
<b>Insurance</b> (article 32)	<p>The Directors may purchase and maintain insurance, at the Company's expense, for the benefit of any Director in respect of any relevant loss (being any loss or liability which has been or may be incurred by a relevant Director in connection with that Director's duties or powers).</p>

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