

Report for: Zina Etheridge - Chief Executive

Title: Delegated Decision:
Haringey Council nominations to the board and membership of
Haringey Community Benefit Society

Report authorised by: Dan Hawthorn
Director of Housing, Regeneration and Planning

Lead Officer: Martin Gulliver, Housing Strategy and Commissioning Officer

Ward(s) affected: All

**Report for Key/
Non-Key Decision:** N/A

1 Describe the issue under consideration

- 1.1 On 17 July 2018, Cabinet approved the creation of the Haringey Community Benefit Society (CBS) to provide housing to homeless households nominated to it by the Council.
- 1.2 The CBS will have a total of five Board Members, two of whom will be appointed as Council Board Members by the Council. The Cabinet gave delegated authority to the Director of Housing, Regeneration and Planning to finalise the necessary legal arrangements for the setting up of the CBS and to recruit the three independent Board Members for the CBS, after consultation with the Director of Finance and the Deputy Leader and Cabinet Member for Housing and Estate Renewal.
- 1.3 Part Three, Section D (Responsibility for functions: Local Choice Functions) of the Council's constitution delegates officer appointments to external bodies to the Chief Executive and this report seeks authority to appoint one of the Council's Board Member to the CBS Board.

2 Recommendations

It is recommended that the Chief Executive:

- 2.1 Approves the appointment of the following as a Council's Board Member to the CBS board:
 - a) Alan Benson (in his role as Assistant Director - Housing).
- 2.2 Requests Homes for Haringey nominates a second Board Member on behalf of the Council
- 2.3 Notes that the Homes for Haringey board have agreed that, if requested, their nomination to the CBS board will be Denise Gandy (in her role as Executive Director of Housing Demand).

- 2.4 Notes that the Director of Housing, Regeneration and Planning has nominated the three Independent Directors and approving the CBS's rules and their submission to the Financial Conduct Authority.

3 Reasons for decision

- 3.1 The nomination of the two Council appointees to the Board of the CBS is an essential step to enact the Cabinet's decision to create the CBS.

4 Alternative options considered

- 4.1 Refusal or delay in nominating board members.

This option was rejected, as this would reduce the influence the Council has over the CBS and this would not meet its Board Membership requirements as set out in its rules. This would delay or prevent the provision of higher quality temporary accommodation, delay or prevent the financial savings associated that this would provide and fail to deliver on the aims of the Cabinet decision.

5 Background information

- 5.1 The high numbers in temporary accommodation and the high cost of this, has led to a significant burden on the Council's General Fund, for what is sometimes poor-quality housing. By creating the CBS, the Council will create an independent organisation that can provide better quality and more cost-effective housing options for households referred to it by the Council.
- 5.2 A CBS is an entity registered under the Cooperative and Community Benefit Societies Act 2014. A CBS can own assets, trade and make a surplus; but any surplus funds are required to be reinvested in the CBS's activities. No economic benefit attaches to shares in the CBS and dividends cannot be paid.
- 5.3 The Cabinet report dated 17 July 2018 approved the creation of the Haringey CBS with delegated authority being given to the Director of Housing, Regeneration and Planning to finalise the necessary legal arrangements for the setting up of the CBS and to recruit the three independent board members for the CBS. This is following consultation with the Director of Finance and the Cabinet Member for Housing and Estate Renewal.
- 5.4 The rules of the CBS require a total of five Board Members. The Council will be a minority shareholder of the CBS; it will hold two shares with the three independent Board Members holding one share each. The Board will be responsible for the appointment of any future independent Board members.
- 5.5 While the Cabinet delegated the nomination of the initial Independent Board Members to the Director of Housing, Regeneration and Planning, it did not delegate the appointment of the Council Board Members. Under the terms of the CBS rules the Council can either appoint the Council Board member or request a Council wholly owned company to do so on its behalf. This report recommends the appointment of one of the Council Board Members and requests Homes for

Haringey nominates the second Board Member on behalf of the Council. This is in accordance with Part Three, Section D (Responsibility for functions: Local Choice Functions) of the Council's constitution that delegates appointments of this nature to the Chief Executive.

- 5.6 The Council's nomination for the Board is Alan Benson (in his role as Assistant Director - Housing) and Homes for Haringey, should they be requested to, nominated Denise Gandy (in her role as Executive Director of Housing Demand).
- 5.7 A separate report has been presented to the Director of Housing, Regeneration and Planning who approved the appointment of the three independent Board Members.

6 Contribution to strategic outcomes

- 6.1 The creation of the CBS will assist in the delivery of the second outcome for the Housing Priority in the Borough Plan, i.e. that *"We will work together to prevent people from becoming homeless, and to reduce existing homelessness"*. It will deliver the objective that *"where temporary accommodation can't be avoided, improve the experience of homeless families and minimise costs by reducing the Council's reliance on providers of nightly paid emergency accommodation"*.
- 6.2 Creating the CBS will also assist in the delivery of the Council's statutory Homelessness Strategy 2018 by increasing the suitability, affordability and location of both temporary accommodation and private tenancies.

7 Statutory Officers' comments

- 7.1 On 17 July 2018, Cabinet approved the creation of the CBS having considered the Cabinet report *"Setting up a Community Benefit Society and a Purchase, Repair and Management Partnership to deliver Temporary Accommodation solutions"*.
- 7.2 That report contained Statutory Officers' comments from Finance, Procurement, Legal and Equalities Officers and with a full Equalities Impact Assessment attached in Appendix 1 of the report.
- 7.3 The Statutory Officers supported the creation of the CBS, which would lease properties from the Council and then let them to households nominated by Haringey Council. This model and the operating parameters remain unchanged since Cabinet approved the creation of the CBS.

Legal

- 7.4 The Assistant Director, Corporate Governance has been consulted in the preparation of this report and makes the following comments:
- 7.5 The Council's power to set up the CBS is set out in the Cabinet report of 17 July 2018. As set out in this report a total of five initial board members are required. Three of these are independent and will be dealt with under the delegated authority given to the Director of Housing, Regeneration and Planning after consultation with the Director of Finance and the Deputy Leader and Cabinet

Member for Housing and Estate Renewal. The appointment of the Council's Board Members must be dealt with separately.

- 7.6 The Chief Executive has authority under Part Three, Section D (Responsibility for functions: Local Choice Functions) of the Council's constitution delegates officer appointments to external bodies to the Chief Executive to make the appointment set out in the recommendation because the person is an employee of the Council.
- 7.7 The other candidate for Council Board Member is an employee of Homes for Haringey. The Haringey Community Benefit Society rules allows where the Council has appointed fewer than two Council Board Members, by notice in writing to ask any company it wholly owns to appoint a Board Member. In these circumstances, such an appointed Board Member shall be deemed a Council Board Member and all provisions in the rules shall apply to such Board Member, including the power of the Council to remove from office any such Board Member. The other Council Board Member will therefore be appointed by Homes for Haringey (being a wholly owned company of the Council).

Finance

- 7.8 Finance agrees with the above recommendations in section 2 of this report. The potential financial implication of these appointments has been reviewed in line with the CBS financial/Business plan. There appears to be no financial implications for the Council as a result of these appointments.

Procurement – RC200619

- 7.8 Strategic Procurement note the recommendations within section 2 of this report. However, comments are not required for this report from Procurement.

Equalities

- 7.9 The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment, victimisation, and any other conduct prohibited under the Act.
 - Advance equality of opportunity between people who share those protected characteristics and people who do not.
 - Foster good relations between people who share those characteristics and people who do not.
- 7.10 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 7.11 The decision to register and thus establish a CBS will provide better quality accommodation for homeless applicants. Setting up a CBS will help to ensure a regular supply of high quality, well-managed, sub-market homes. The decision will

therefore primarily affect individuals and households living in temporary accommodation and those who are most at risk of homelessness. A full Equalities Impact Assessment was attached as Appendix 1 to the original Cabinet report.

8 Use of Appendices

None

9 Local Government (Access to Information) Act 1985

Cabinet report "*Setting up a Community Benefit Society and a Purchase, Repair and Management Partnership to deliver Temporary Accommodation solutions*".

<http://www.minutes.haringey.gov.uk/documents/g8824/Public%20reports%20pack%2017th-Jul-2018%2018.30%20Cabinet.pdf?T=10>

Minutes of Cabinet meeting of 17 July 2018 approving the creation of the CBS

<http://www.minutes.haringey.gov.uk/documents/g8824/Printed%20minutes%2017th-Jul-2018%2018.30%20Cabinet.pdf?T=1>