



**Gloucester
City Council**

Cabinet

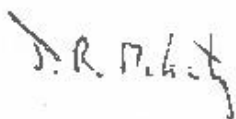
Meeting: Wednesday, 20th July 2016 at 6.00 pm in Civic Suite, North Warehouse, The Docks, Gloucester, GL1 2EP

Membership:	Cllrs. James (Leader of the Council and Cabinet Member for Regeneration and Economy) (Chair), Dallimore (Deputy Leader and Cabinet Member for Communities and Neighbourhoods), Noakes (Cabinet Member for Culture and Leisure), D. Norman (Cabinet Member for Performance and Resources), Organ (Cabinet Member for Housing and Planning) and Porter (Cabinet Member for Environment)
Contact:	Atika Tarajiya Democratic Services Officer 01452 396127 atika.tarajiya@gloucester.gov.uk

AGENDA

1.	APOLOGIES To receive any apologies for absence.
2.	DECLARATIONS OF INTEREST To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes.
3.	MINUTES (Pages 5 - 10) To approve as a correct record the minutes of the meeting held on 22 nd June 2016.
4.	PUBLIC QUESTION TIME (15 MINUTES) The opportunity is given to members of the public to put questions to Cabinet Members or Committee Chairs provided that a question does not relate to: <ul style="list-style-type: none"> • Matters which are the subject of current or pending legal proceedings, or • Matters relating to employees or former employees of the Council or comments in respect of individual Council Officers

<p>5.</p>	<p>PETITIONS AND DEPUTATIONS (15 MINUTES)</p> <p>To receive any petitions or deputations provided that no such petition or deputation is in relation to:</p> <ul style="list-style-type: none"> • Matters relating to individual Council Officers, or • Matters relating to current or pending legal proceedings
<p>6.</p>	<p>RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY TASK AND FINISH GROUP ON ACTIONS TO IMPROVE HOUSING CONDITIONS IN THE PRIVATE RENTED SECTOR (Pages 11 - 36)</p> <p>This agenda item will be considered in two parts:</p> <p>6a. Presentation from Councillor Haigh (Member of Overview and Scrutiny Committee) highlighting the findings and recommendations of the Task and Finish group on actions to improve housing conditions in the private rented sector.</p> <p>6b. The response of the Cabinet Member for Housing and Planning on the recommendations of the Task and Finish Group.</p>
<p>7.</p>	<p>SAFE & ATTRACTIVE STREETS POLICY (Pages 37 - 52)</p> <p>To consider the report of the Cabinet Member for Communities and Neighbourhoods seeking approval for the introduction of a “Safe & Attractive Streets” policy which covers begging, street drinking, rough sleeping and so-called “legal highs”.</p>
<p>8.</p>	<p>CITY CENTRE INVESTMENT FUND ALLOCATIONS AND UPDATE (Pages 53 - 62)</p> <p>To consider the report of the Cabinet Member for Regeneration and Economy updating Members on the projects within the City Centre Investment Fund (CCIF) delivery programme and seeking approval to reallocate funds to maximise the benefits of the CCIF to the City.</p>
<p>9.</p>	<p>COUNCIL ADVERTISING NETWORK (Pages 63 - 68)</p> <p>To consider the report of the Cabinet Member for Performance and Resources seeking approval to continue with the advertising on the Council’s website via the Council Advertising Network for another year.</p>
<p>10.</p>	<p>GCH GOVERNANCE STRUCTURE & RULE AMENDMENT (Pages 69 - 112)</p> <p>To consider the report of the Cabinet Member for Housing and Planning seeking approval for an amendment to the Rules of Gloucester City Homes in order to implement governance improvements.</p>



Jon McGinty
Managing Director

Date of Publication: Tuesday, 12 July 2016

NOTES

Disclosable Pecuniary Interests

The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<u>Interest</u>	<u>Prescribed description</u>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Council's area. For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with

whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

Access to Information

Agendas and reports can be viewed on the Gloucester City Council website: www.gloucester.gov.uk and are available to view five working days prior to the meeting date.

For further details and enquiries about this meeting please contact Atika Tarajiya, 01452 396125, atika.tarajiya@gloucester.gov.uk.

For general enquiries about Gloucester City Council's meetings please contact Democratic Services, 01452 396126, democratic.services@gloucester.gov.uk.

If you, or someone you know cannot understand English and need help with this information, or if you would like a large print, Braille, or audio version of this information please call 01452 396396.

Recording of meetings

Please be aware that meetings may be recorded. There is no requirement for those wishing to record proceedings to notify the Council in advance; however, as a courtesy, anyone wishing to do so is advised to make the Chair aware before the meeting starts.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the Public and Press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

FIRE / EMERGENCY EVACUATION PROCEDURE

If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.



CABINET

MEETING : Wednesday, 22nd June 2016

PRESENT : Cllrs. Dallimore, Noakes, Organ and Porter

Others in Attendance

Jon McGinty, Managing Director
Jonathan Lund, Corporate Director (Transformation)
Anne Brinkhoff, (Corporate Director (Partnerships))
Shirin Wotherspoon, Solicitor
Jon Topping, Head of Finance
Atika Tarajiya, Democratic and Electoral Services Officer

APOLOGIES : Cllrs. James and D. Norman

1. DECLARATIONS OF INTEREST

There were no declarations of interest.

2. MINUTES

Councillor Organ (Cabinet Member for Housing and Planning) referring to the petition submitted by Mr O' Connor on behalf of Kemble Close residents, advised that the Acting Asset Manager had been considering the request with help of Officers. He requested a copy of the formal response sent to the petitioner.

RESOLVED:

That the minutes of the meeting held on 9th March 2016 be confirmed as a correct record and signed by the Chair.

3. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

4. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions or deputations.

5. REVIEW OF THE CATERING SERVICE

Cabinet considered the report of the Cabinet Member for Culture and Leisure (Councillor Noakes) seeking approval for a number of recommendations to ensure that the Council was providing modern, cost effective and attractive catering services moving forward.

Councillor Noakes reported that the Herbert Warehouse staff kitchen was not considered a viable option as it continued to make losses. She commented that staff had access to kitchen pods throughout the Docks offices and work was underway to investigate the option for alternative snack facilities at this location.

Councillor Noakes acknowledged the successes at The Arbor and Tea Room following the implementation of a partnership arrangement, reporting that the need to extend the current facilities to maximise opportunities had been identified and were currently being explored.

Referring to the Museum of Gloucester Café, she acknowledged that poor footfall was a significant contributing factor to the losses incurred at the site, noting that an improvement in the overall visitor experience would be required to allow the Café to generate profit. She welcomed the 83 public consultation responses to the proposals, commenting that a majority of these were received from staff and existing users of the service.

In response to the suggestions of Overview and Scrutiny Committee at its meeting held on the 13th June 2016, she reported that an amendment to the proposed recommendations had been agreed. She advised that the closure of the Museum Café would be delayed until 30th September 2016 to allow time for expressions of interest from private sector organisation or individual businesses to be received. She concluded by informing Members that Officers were also investigating opportunities to develop a shared café service with the neighbouring library, managed by Gloucestershire County Council.

Cabinet Members welcomed the implementation of suggestions put forward by the Overview and Scrutiny Committee, acknowledging that modernising the visitor experience and fully embracing partnership arrangements with similar programmes and cultural centres would be the only way to significantly increase the Museums' exposure and footfall. They praised Officers for their work in redeveloping the catering service at the Crematorium, noting that it was ranked very highly across the entire Country.

RESOLVED:

1. Approval be granted to cease operating the catering facility at the Council's Herbert Warehouse, but to note that alternative arrangements are being investigated to provide a snack option for staff at no cost to the Council;
2. Authority be delegated to the Corporate Director (Transformation) to undertake an outsourcing exercise in order to seek expressions of interest by 30th September 2016, to operate the Museum of Gloucester Café in a partnership

CABINET
22.06.16

manner and on a shared commercial basis to be set out in the exercise documentation.

3. If expressions of interest are not received or are deemed unsuccessful by 30th September 2016 and the Museum of Gloucester Café continues to operate at deficit, approval be granted to cease operating the café but to note that alternative arrangements will be implemented to provide a snack option for visitors at no cost to the Council
4. Further investigation into opportunities to develop a shared café space with the City Library be endorsed; and
5. Plans outlined within the report in respect of the catering facilities at The Arbor at Gloucester Crematorium, Gloucester Guildhall, Gloucester Life Museum and Blackfriars Priory, which will enhance the level of service provided at these facilities be endorsed.

6. REVIEW OF THE WASTE AND RECYCLING SERVICE

Cabinet considered the report of the Cabinet Member for Environment (Councillor Jim Porter) which updated Members on the work undertaken in respect of the Waste & Recycling Review and which recommended a new model of delivery that would deliver savings, enhance recycling performance and future proof the service for future challenges.

Councillor Porter informed Members that following implementation of the New Service Model (NSM) in 2017, resident would experience an increase in the types of materials they were able to recycle, including cardboard and most likely mixed plastics. He welcomed the £200,000 savings that the NSM would deliver; advising Members there was scope for a further £100,000 of savings that could potentially be achieved.

In response to Councillor Organ's query regarding the consideration given to market volatility, Councillor Porter answered that market fluctuations were out of the City Council's control, but as cardboard and textiles had consistently held their market value in recent years, some reassurance could be provided.

Cabinet Members commended Officers for all their efforts in delivering the savings, in addition to delivering a top priority ask of local residents.

RESOLVED:

1. The contents of the report and the work of the 'Waste & Recycling Review Members Project Group' be noted;
2. Approval be granted to implement the New Service Model (NSM) Option, as outlined in the report with a target commencement date of Spring 2017;
3. Approval be granted to purchase capital items (as outlined in Appendix 2 of the report) to the value of £2,356,900 in order to deliver and implement the NSM.

7. 2015-16 FINANCIAL OUTTURN REPORT

Cabinet considered the report of the Cabinet Member for Performance and Resources (Councillor David Norman) which updated Members on the final Council position against agreed budgets for the 2015/16 financial year.

Councillor Dallimore (The Cabinet Member for Communities and Neighbourhoods) summarised key areas of the report noting the significant savings achieved.

RESOLVED:

1. It be noted that:

- (i) The savings achieved in year total £1.174m
- (ii) The year-end position for the financial year 2014/15 is to decrease the Council's General Fund balance by £246k
- (iii) The General Fund balance has decreased from £1.881m to £1.635m at the end of 2015/16
- (iv) That the business rates pool has returned a surplus of £173k to the City Council.

2. The transfers to and from earmarked reserves as below and detailed in section 8 of this report be approved.

- £710k to adopted land reserve
- £291k to VAT Shelter reserve
- £200k to Business Rates reserve
- £5k from Members Allocation Reserve
- £13k to Portfolio Reserve
- £197k to Regeneration Reserve
- £50k to Trading Development Reserve

8. TREASURY MANAGEMENT ANNUAL UPDATE 2015/16

Cabinet considered the report of the Cabinet Member for Performance and Resources which updated Members on Treasury Management activities for quarter 4, (1st January 2016 to 31st March 2016) and provided a summary of 2015/16 financial year.

Councillor Dallimore highlighted key areas of the reporting noting that the City had maintained an under borrowing position and had achieved £200,000 in savings due to a reduction in borrowing costs.

In response to Councillor Organ's query regarding the impact of the EU Referendum result on the City Council's position, the Head of Finance advised that the long term impacts were uncertain and therefore no short term decisions would be taken until the full impact could be assessed.

CABINET
22.06.16

RESOLVED:

That the contents of the report be noted subject to any comments subsequently received by Audit and Governance Committee.

9. DISPOSAL OF LAND FOR PROPOSED CHURCH DOWN SURGERY

Cabinet considered the report of the Cabinet Member for Regeneration and Economy which sought approval for the intended disposal by way of a 125 year lease of land at Parton Road, Churchdown for the purpose of building a new doctors' surgery.

Councillor Dallimore advised Members that difficulties in disposing of the site on the open market could arise; due to its classification as an important open space by Tewkesbury Borough Council and the likelihood that residential development would not be permitted.

Cabinet Members welcomed the proposals noting that a new Doctors' surgery would provide much needed relief to existing services.

RESOLVED:

1. The land be disposed to Brackley Developments for the purpose of building a new doctors' surgery for the value outlined in Appendix 1, on the basis of a long lease on the general terms set out in the report and such other terms as the Acting Asset Manager, in consultation with the Head of Property and Asset Management of Cheltenham Borough Council, deems appropriate;
2. That the Council Solicitor be authorised to execute such documents as she deems necessary or appropriate to carry into effect the transaction upon the terms agreed.
3. That the proceeds of the disposal be split equally between Gloucester City Council and Cheltenham Borough (who jointly own the land) and Churchdown Community Association (who have a lease on the land).

10. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that the press and public be excluded from the meeting during the following item of business on the grounds that it is likely, in view of the nature of business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of this items there will be disclosure to them of exempt information as defined in Schedule 12A of the Local Government Act 1972 as amended.

11. KINGS QUARTER DEVELOPMENT SCHEME

Cabinet considered the report of the Cabinet Member for Regeneration and Economy updating Members on the Kings Quarter scheme.

RESOLVED:

The recommendations as laid out in the exempt report.

Time of commencement: 6.00 pm

Time of conclusion: 6.42 pm

Chair

Gloucester City Council

Meeting:	Cabinet	Date:	20th July 2016
Subject:	Recommendations from the Overview and Scrutiny Task and Finish Group on actions to improve housing conditions in the private rented sector		
Report Of:	Cabinet Member for Housing and Planning		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Julie Wight, Private Sector Housing Manager		
	Email: Julie.wight@gloucester.gov.uk	Tel:01452 396320	
Appendices:	1. Report of the Task and Finish Group 2. Cabinet Response to Recommendations		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To consider the recommendations of the Overview and Scrutiny Committee Task and Finish Group on actions to improve housing conditions in the private rented sector and to provide a formal Cabinet response to Overview and Scrutiny Committee.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the recommendations of the Overview and Scrutiny Task and Finish Group, as set out in Appendix 2 to this report, (and summarised in 2.2) be addressed and the opportunity be taken to action these matters at the earliest opportunity.
- 2.2 Summary of recommendations:-
 - 2.2.1 The current programme of proactive work to improve the worst privately rented accommodation in Houses in Multiple Occupation (HMOs) should be maintained into the future
 - 2.2.2 Funding to support the Private Sector Housing Officer's work should continue until at least April 2017 to allow these improvements to be sustained into the future.
 - 2.2.3 The City Council should await the outcome of the recent Government consultation on extending mandatory HMO licensing before taking any further steps to introduce a discretionary licensing scheme

3.0 Background and Key Issues

- 3.1 Appendix 1 sets out the findings of the Overview and Scrutiny Task and Finish Group on actions to improve housing conditions in the private rented sector. The recommendations are summarised in Appendix 2.
- 3.2 The Task and Finish Group's report was endorsed by Overview and Scrutiny Committee for submission to Cabinet at a meeting held on 7th March 2016.
- 3.3 Cabinet needs to provide a formal response to Overview and Scrutiny Committee indicating whether the recommendations of the Task and Finish Group are accepted and when they will be implemented.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 We are starting to notice that some Landlords who have been subject to previous enforcement are beginning to support and advise other Landlords who have been found to managing their properties badly.
- 4.2 Also, as our interventions improve accommodation, tenants' standards and expectations are also raised and the tenants themselves will apply pressure on landlords to ensure they carry out the necessary improvements.

5.0 Alternative Options Considered

- 5.1 If the proactive work ceases in October 2016 (when the current funding for the extra member of staff in the private Sector Housing Team ends), we are likely to find that:-
 - We will be unable to tackle the growing list of pending cases that require investigation
 - The properties that have been improved will fall back into poor condition.
 - The poorly performing Landlords that have been brought into line will revert to their previous behaviours
 - Income is lost because we are unable to identify licensable HMO's
 - Good landlords will be less inclined to operate in Gloucester.
 - We will be unable to sustain improvement in the target areas.

Therefore, this option is not recommended

6.0 Reasons for Recommendations

- 6.1 Cabinet is asked to accept and implement the recommendations of the Overview and Scrutiny Task and Finish Group as set out in Section 6 of Appendix 1 and summarised in Appendix 2.

7.0 Future Work and Conclusions

- 7.1 The financial analysis (see paragraph 8.0) concludes that we are able to support the costs of an additional member of staff, certainly until April 2017 and therefore a combination of financial monitoring to analyse current and future HMO licence income and a review of the current team workload will be carried out to suggest how this proactive method of working can be sustained after April 2017.
- 7.2 Overview and Scrutiny Committee will be monitoring implementation of any recommendations agreed by Cabinet in approximately 6 months' time.
- 7.3 The link between health and housing is well known and the Housing Health and Safety Rating System (HHSRS) is the method used to assess hazards in the home. There are established tools for measuring the savings to the NHS when these hazards (such as cold, damp or danger from falls) are removed and these savings are reported through to the Gloucestershire Health and Well Being Strategy. Further working with the Health and Well Being Board can look at ways in which we can maximise the opportunities to pool funding and develop initiatives to improve housing conditions and reduce the impact on health services.

8.0 Financial Implications

- 8.1 An additional £37,000/year is required to finance an additional member of staff.

Following a reduction of hours from a member of the team a saving of £16, 936 has been identified.

HMO estimated income allocated to this year will be approximately £33,500, of this income, £21,200 is available to support additional staff costs.

Therefore, in total, a budget of £38,136 is available to support additional staff costs.

(Financial Services have been consulted in the preparation of this report).

9.0 Legal Implications

- 9.1 All enforcement actions are governed by the Environmental Health enforcement policy and in accordance with statutory instruments. The Housing Act 2004 is the overarching statutory legislation that enables improvements in housing conditions. It also imposes a duty on local authorities to deal with all Category 1 hazards and licence all HMO's that fall within the mandatory licensing criteria.

(One Legal have been consulted in the preparation of this report).

10.0 Risk & Opportunity Management Implications

- 10.1 A risk analysis has not identified any high risks

11.0 People Impact Assessment (PIA):

- 11.1 An improvement in housing conditions will positively benefit the most vulnerable tenants as they are likely to live in the worst housing conditions.
- 11.2 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications

Community Safety

- 12.1 Reducing the problems caused by poorly managed tenanted properties will increase community confidence in an area and reduce anti social behaviour incidences.

Sustainability

- 12.2 Improving the condition of properties will sustain a good and affordable supply of properties available for private renting

Staffing & Trade Union

- 12.3 The Task and Finish Group has recommended that the Private Sector Housing Officer's work should continue until at least April 2017.

Background Documents: None

Gloucester City Council

OVERVIEW AND SCRUTINY COMMITTEE

TASK AND FINISH GROUP

ON ACTIONS TO IMPROVE HOUSING CONDITIONS IN THE PRIVATE RENTED SECTOR



FINAL REPORT AND RECOMMENDATIONS

FEBRUARY 2016

Published by Democratic Services

www.gloucester.gov.uk

CONTENTS

Section 1	Introduction
Section 2	Scoping of study
Section 3	Summary of current position
Section 4	Findings
Section 5	Conclusions
Section 6	Recommendations
Section 7	Acknowledgements

Section 1 – Introduction

Background

On the 21st July 2014, Gloucester City Council's Overview and Scrutiny Committee commissioned a Task and Finish Group study to identify actions to improve conditions in the private rented sector, particularly focusing on houses in multiple occupation (referred to in the report as HMOs).

The Task and Finish Group was formed in December 2014. The report details the purpose and process of the review, the Task and Finish Group's findings, and its recommendations.

Membership

The following cross-party Members took part in the study:-



Councillor Mary Smith
Chair



Councillor Andrew Gravells



Councillor Jim Beeley

The Group was supported by Julie Wight, Private Sector Housing Manager, Michelle Thomas, Private Sector Housing Officer, and Sonia Tucker, Democratic Services Officer.

Section 1 – Introduction (continued)

Terms of Reference (as defined in the scoping document shown in Section 2 of this report)

The agreed **ambitions** for the review were:-

'To agree an action plan to implement proactive programmes intended to improve the worst privately rented accommodation in HMOs'

'To agree how these improvements can be sustained into the future'

'To identify if there is a case for additional licensing schemes'

The **anticipated outcomes** for the review were set as:-

- Improved condition of rented accommodation in HMOs in the City

Length of Study

When the terms of reference were drawn up, it was anticipated that the review would take 3-6 months. However, from the outset it became clear that time had to be allowed for the Officers to undertake their series of proactive visits in order for them to be able to report back on progress made.



To allow for this factor, the study was more protracted with meetings of the Task and Finish Group being programmed around the work of the Officers.

Overview and Scrutiny Committee was briefed on the Group's progress when Councillor Smith, Chair of the Task and Finish Group, attended their meeting on 14 September 2015 in order to give Members a verbal interim report.

Additionally, during the course of the study, there were 3 press releases issued in June, October and November of 2015 which raised the profile of the work carried out by the Private Sector Housing staff by informing the public of successful prosecutions.

Section 2 – Scoping of Study (the Terms of Reference)

SCRUTINY REVIEW – ONE PAGE STRATEGY	
Broad topic area	Private Rented Housing Councillors Smith (Chair), Councillor Gravells, Councillor Beeley
Specific topic area	Proposed Actions to Improve Housing Conditions in the Private Rented Sector
Ambitions for the review	<ul style="list-style-type: none"> • To agree an action plan to implement proactive programmes intended to improve the worst privately rented accommodation in HMOs. • To agree how these improvements can be sustained into the future. • To identify if there is a case for additional licensing schemes.
How do we perform at the moment?	Team currently works in a reactive way responding to service requests. This approach only deals with the symptoms and not the causes of poor housing.
Who should we consult?	<ul style="list-style-type: none"> • Tenants • Landlords • Other colleagues within the Council • Other authorities • Health colleagues • Local Government Association • Police • Immigration Services • Fire Service • Advice Agencies • Trading Standards • 'Turning Point' • GEAR
Background information	<ul style="list-style-type: none"> • Gloucester House Conditions Surveys 2005 and 2011 • House of Commons Communities and Local Government Committee, The Private Rented Sector. http://www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/50.pdf
Support	<ul style="list-style-type: none"> • Julie Wight and Michelle Thomas, Private Sector Housing Team • Democratic Services • Legal Services • Housing enabling and Homelessness Services • Community Engagement Services
How long will it take?	3-6 months (Series of proactive inspection programmes to be implemented for one year from early 2015)
Outcomes	Improved condition of rented accommodation in HMOs in the city

Section 3 - Summary of Current Position

Introduction

The Private Sector Housing team had been aware for some time that in the City there were unlicensed HMOs and also other HMOs (that did not require a licence) that were in a poor condition, particularly in Barton and Tredworth, Westgate and Moreland wards.

Following a question from Overview and Scrutiny Committee about the condition of the private rented sector in the City, a report was submitted to Cabinet on 24 June 2014 which proposed the following options:-

- Designating an area for selective licensing and using the income to support a staff resource for continued proactive inspection projects.
- Prioritising workloads and targeting reactive work to the highest priority service requests to create capacity with the existing staff resource
- Working with legal services to ensure suitable resource is available for increased enforcement work
- Using existing HMO licence income to provide additional support for the team during the proactive programme period. Identifying unlicensed HMOs will increase income which can be re-cycled into staff resource.
- Exploring public health funding opportunities
- Using an Asset Based Community Development (ABCD) approach for dealing with neighbourhood issues by using the resources and skills within the communities as support. For example, good landlords in the target areas can provide advice and information to those landlords who do not understand the regulations around renting properties.
- Partnership working with other agencies such as the Fire Service, Immigration Authority and Trading Standards

As a result of the report it was agreed that the HMO licence income could be used to resource an additional member of staff to free up one member of the team to work entirely proactively to identify unlicensed HMOs and other HMOs in poor condition. This initiative would also include partnership working with Gloucestershire Fire and Rescue Service and other organisations where appropriate.

It was agreed that the proactive work would:-

- Improve conditions in rented accommodation in the target areas
- Establish whether there was a case for additional licensing schemes
- Identify where there were rogue landlords operating in the areas
- Publicise action to encourage further improvements
- Identify properties that have been illegally converted into HMOs or self-contained units

Section 3 - Summary of Current Position (continued)

What might the proactive work uncover?

- Unlicensed HMOs
- Poor conditions in HMOs
- Poor quality accommodation with resident landlords
- Unregulated B&Bs
- Poor quality in staff accommodation above commercial premises
- Illegal immigrants
- Vulnerable people such as exploited migrant labour, people in need of support, young vulnerable adults
- Other related issues such as environmental health, anti-social behaviour, general neglect

It was acknowledged that the project would necessitate support from the City Council's Public Protection, Neighbourhood Management, Homelessness and Building Control teams in addition to external agencies such as the Police, Fire and Rescue Service, Trading Standards and Immigration Services, and the Council's partner, One Legal

Definition of an HMO (House in multiple occupation)

An HMO is a privately rented property where there are two or more households with 3 or more individuals, except where:-

- A resident owner has up to 2 lodgers
- The property is composed of purpose built flats
- The property is composed of self-contained flats that meet current building regulations standards

A flat can be an HMO.

A household is defined as a group of related people or a couple.



Mandatory Licensing

Mandatory licensing currently only applies to HMOs that are 3 or more storeys high and accommodate 5 or more tenants where there is some degree of sharing. There are currently 168 licensed HMOs in the City and it is evident that the licensing scheme has resulted in improved housing conditions for these types of properties. Enforcement action is taken where properties identified as HMOs are not licensed.

The Private Sector Housing Team recognised at the outset that their proactive work was likely to uncover more unlicensed HMOs and would result in the requirement for further resources.

Section 4 – Findings



Introduction

This section summarises the discussions held at the Task and Finish Group meetings and the actions which were identified during these meetings.

Meeting 1 – 17 December 2014

The Group discussed the background to the study and agreed the scope of the project by completing a one page document which set out the ambitions for the review and the anticipated outcomes.

Outcomes from the meeting held on 17 December 2014

1. Julie Wight and Michelle Thomas outlined the targeted approach which the private sector housing team intended to take in order to identify areas of the City where there were particular issues with properties and landlords.
2. The Group was informed of the powers that private sector housing staff had in relation to entering properties and issuing cautions. The Group heard of the spot checks carried out at weekends which had proved successful.

3. The role of the Fire Service and Trading Standards was discussed and the Group noted that the private sector housing team had good liaison with both services.
4. The merits of the accreditation scheme for landlords was discussed, with the Group acknowledging that only the better landlords were likely to seek accreditation.
5. The Group agreed that relevant findings would be referred to the County Council's Health and Wellbeing Board, as necessary.

Section 4 – Findings (continued)

Meeting 2 – 17 February 2015

The Group welcomed the following witnesses:-

- Katherine Jenkins, Interim Chief Executive, Elim Housing (GEAR Projects)
- Steve Isaac, Solicitor, One Legal

Outcomes/Learning Points from meeting

1. Katherine Jenkins briefed the Group on the work of GEAR which had become subsumed within Elim Housing in October 2014. GEAR ran various projects in the City including 'dry' houses for those with addictions. The Group learned that GEAR received high support referrals for housing for troubled individuals who had chaotic lifestyles. After 6 months these persons were moved into private rented accommodation with a lower level of support provided by organisations 'Green Square' and 'P3' for a further 6 months. Katherine Jenkins reported that some landlords were reluctant to take on tenants from supported housing because of perceived problems associated with such tenancies. These landlords were not subject to the same scrutiny as housing associations, but tenants could use a support worker or advocate to raise concerns on their behalf.
2. As a result of the discussion with Katherine Jenkins there was recognition of how the Council's initiatives might impact negatively on vulnerable tenants who were likely to be living in the worst privately rented accommodation in the City. It was agreed that a leaflet produced by the City Council to raise tenants' awareness of poor housing conditions would be passed to Katherine Jenkins in order for it to be incorporated in briefing sessions for 'Green Square' and 'P3'.
3. There would be partnership working with Gloucestershire Fire and Rescue Service and Gloucestershire Trading Standards Service. For example, an inspection of a premises in Southgate Street revealed a fire safety issue in both the accommodation and the commercial unit below. In this case a joint approach was particularly effective in addressing the hazards for the tenants.
4. From March 2015 there would be a series of unannounced inspections in targeted wards in the City. The City Council's Homelessness Team would be on standby in case any emergency housing needs emerged from the inspections.
5. Legal support for the Private Sector Housing Team's work was also discussed at this meeting with the representative from One Legal.

Section 4 – Findings (continued)

Meeting 3 – 29 June 2015

There had been a deliberate gap since the last meeting held in February 2015 to allow the Private Sector Housing Team to carry out their programme of unannounced inspections.

Outcomes/Learning Points from meeting

1. The Group was pleased to note the recent [prosecution](#) of father and son landlords who were operating an unlicensed HMO in the Barton area of the City. This was as a direct result of the proactive work of the Private Sector Housing Team. It was agreed that further press releases would be produced to maintain public interest in the project.
2. The Private Sector Housing Officer briefed the Group on inspections she had made to 24 properties in the City. On many of these occasions she had been accompanied by a member of the Fire and Rescue Service and occasionally by a County Trading Standards Service Officer. Due to the severity of the hazards identified it had been necessary to revisit the properties several times. Below is a snapshot of just some of the properties visited.

2.1 Flat above a shop in Barton Street

Warrant granted for entry as the property was feared to be overcrowded. Poor condition, rat infested, faulty fire alarm. Believed the flat was occupied by up to 18 people. Faulty electric supply also found in shop and cellar. Prohibition order issued to limit number of occupants to 10. Electrical faults reported to Western Power.

2.2 Commercial building in Westgate Street

Discovered that premises above shop being used for residential purposes by at least 8 people. No washing facilities, poor kitchen, fire concerns. Prohibition order issued. Social services contacted as 2 young children found to be living on the premises.



Section 4 – Findings (continued)

Meeting 3 – 29 June 2015

2.3 Property in Barton Street

Warrant granted due to previous dealings with property and landlord. Poor condition, defective fire alarm, means of escape compromised by large kitchen appliances and white goods in 1st floor hallway and on 2nd floor landing, indicating the property could be overcrowded as there was not enough room or facilities in the existing kitchen. Entry gained into 3 bedrooms. 2 of the tenants had children in their rooms, a young baby and a boy aged approximately 8 years old. Although unable to access all the rooms there was evidence that at least 12 tenants were living there, making it an unlicensed HMO. Owner was very hostile and used racially abusive language.

After revisits Emergency Prohibition Order granted and owner and manager were successfully prosecuted in June 2015 for failing to register the house as an HMO. The resultant press release attracted a lot of publicity (referenced in 1. above).

The Group recommended that Officers took the necessary precautions to protect their personal safety at all times and suggested that they should carry personal alarms.



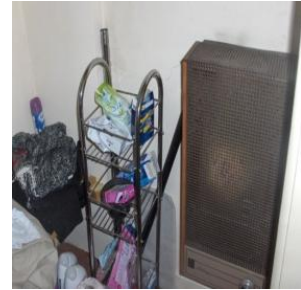
(Barton Street, Gloucester)

Section 4 – Findings (continued)

Meeting 3 – 29 June 2015

2.4 Property in Regent Street

Flats converted without planning consent or building regulations. No fire detection, fire doors and top flat has no safe means of escape. Improvement notice served.



2.5 Property in Nettleton Road

6 tenants living in property prohibited for use. Prosecution file prepared. (This led to a successful prosecution in October 2015).

2.6 Property in Eastgate Street

Nail bar with room above. Fire extinguisher out of date, hallway at rear of shop in secondary escape route blocked with cooker and fridge freezer. Fire door locked and when opened revealed obstructed by full metal gate which was chained and padlocked. Exposed asbestos ceiling in shower room. Emergency prohibition order issued. Health and Safety team also inspected shop and found damaged extraction equipment, dirty toilet and non PAT tested electrical equipment.



3. The Private Sector Housing Manager briefed the Group on the additional licensing scheme operated at Oxford City Council and noted the general consent process which Oxford had gone through, including a 10 week consultation period. The Group agreed that further information should be sought from Oxford City Council on their scheme.
4. It was agreed that further press releases would be issued to highlight the important work of the Private Sector Housing team and to maintain public interest.
5. The Chair agreed to attend Overview and Scrutiny Committee on 14 September 2015 to give the Committee an update on the Group's progress.

Section 4 – Findings (continued)

Meeting 4 – 6 January 2016

Summary of activity since the last meeting

Since the previous meeting of the Group in June 2015, the Private Sector Housing Team had continued with their programme of unannounced inspections, revisits and preparation of prosecution files.

On 14 September 2015, the Chair of the Group attended a meeting of the Overview and Scrutiny Committee to brief the Members on the Group's progress.

In October 2015 there was a successful prosecution of the owner of a property in Nettleton Road for continuing to let the property despite having been served with a Prohibition Order. This was publicised as part of a [press release](#) highlighting the Council's initiatives on 'rogue' landlords.

In November 2015, the owner of a house in Barton Street was successfully prosecuted for failing to manage the property and for failing to provide gas and electrical safety certificates to the Council. This case received good publicity when it was [reported](#) in the press.



Section 4 – Findings (continued)

Meeting 4 – 6 January 2016

Discussion with Ashley Bayliss, Homelessness and Housing Options Team Leader, Gloucester City Council

1. Mr Bayliss commended the Private Sector Housing Team on the work undertaken to secure properties to help the Council in discharging its homelessness responsibilities and for their current initiative to raise the standard in the private rented sector.
2. He advised the Group that it was difficult to identify vulnerable families who could not access the benefits system or were in the country illegally.
3. The Group noted that Prohibition Orders could limit the number of people in a property, but many displaced tenants then disappeared. It was agreed that early involvement with the Homelessness team could help identify these persons.
4. Mr Bayliss reported that people often took in a room mate to share the cost of the rent which could lead to overcrowding which was overlooked by some landlords.
5. The Group noted that as a result of the proactive inspections, the Private Sector Housing Officer had become aware of a ring of landlords operating in the Barton and Tredworth ward who were involved in selling illegal cigarettes and money laundering. The Police and the Gloucestershire Trading Standards Service had been notified of this.
6. The Chair asked Mr Bayliss if anything further could be done to assist. Mr Bayliss replied that good communications and early involvement between the two teams was key.

Other matters discussed at the meeting

1. The Private Sector Housing Officer circulated an updated progress report, including photographs, on the proactive inspections carried out. The Group noted that 36 cases were pending.
2. The Group noted that the outcome of a consultation carried out by the Local Government Information Unit on 'Tackling Rogue Landlords and Improving the Private Rented Sector' was awaited.

Section 4 – Findings (continued)

Meeting 4 – 6 January 2016

3. There was a discussion on the recent [consultation](#) on extending mandatory licensing of HMOs, the results of which were awaited. The Group noted that Oxford City Council required all their HMOs to be licensed, but that there were 5,000 HMOs in Oxford and a large team including 9 administrative officers to run the scheme.
4. The Group agreed that the Private Sector Housing Team's initiative was vital as it was helping to raise standards in rented accommodation and protecting the health and safety for the most vulnerable tenants in Gloucester. It was noted that the Private Sector Housing Officer was half way through the project which had been funded for 1 year. The Group considered that the post should continue to be funded until at least April 2017.



Section 5 – Conclusions

The Task and Finish Group reached the following conclusions:-

1. 37 inspections of properties in the targeted wards have revealed that 25 are poorly managed. Many have very serious hazards or have been found to be overcrowded and 6 were found to be unlicensed HMOs. There are currently another 33 properties on a pending list which are scheduled for investigation.
2. The work has resulted in three successful prosecutions with costs being awarded to the Council/Legal services. The work has also produced additional income of £4,370 from the six unlicensed HMOs that subsequently became licensed.
3. 25 enforcement notices have been served addressing 40 Category 1 hazards which will save the NHS a one off cost in excess of £4000 (this is based on an established formula equating the elimination of a housing hazard with the cost to the NHS to deal with the injury or ill health caused by that hazard).
4. The inspections have uncovered properties that have been converted into self contained flats without planning and building regulation authorisation. These have been classed as HMOs and many were found to be poorly converted and substandard.
5. The project has also resulted in accurate Council Tax band valuation changes being made. For example, properties classed as a single dwelling have now been re-banded to flats, resulting in the correct Council Tax charges being imposed by the City Council.
6. The Council will benefit from the closer working relationship with Gloucestershire Trading Standards Service. Joint working to recover monies from prosecuted landlords under the Proceeds of Crime Act 2002 has been proposed for future cases, where appropriate. This could potentially be an income generator for the Council because landlords are required to repay all benefits (such as rental income and assets bought with the rental income) that were accrued whilst a property was being operated illegally.

Section 5 – Conclusions (continued)

7. This work has also started to have positive impacts for other areas within the Council. We know that we have a significant problem with dumped rubbish and badly presented refuse in certain wards and this is in part due to the overcrowding of HMOs. The more we can reduce the numbers living in a house, the less waste they will produce and we can also work with the landlords of these properties to ensure they take more responsibility in dealing with their tenants waste.
8. Evidence of landlords involved in money laundering and selling illegal cigarettes has been discovered during the inspections and this has led to positive benefits for the Police and Gloucestershire Trading Standards Service.
9. The Government is targeting rogue landlords and has recently published two consultation documents. The first 'Tacking rogue landlords and improving the private rental sector' suggests an increase in penalties against landlords operating illegally. The second 'extending mandatory licensing of Houses in Multiple Occupation and related reforms' looks to increase the number of HMOs that would require a licence. **If we now reduce our staffing levels, we will not be in a position to react to any changes in the HMO licensing scheme.**
10. **There is clear evidence from the Task and Finish Group's study that the proactive work of the Private Sector Housing team needs to continue.**



Section 6 – Recommendations

The Task and Finish Group’s ambitions for the study were:-

- *To agree an action plan to implement proactive programmes intended to improve the worst privately rented accommodation in HMOs*
- *To agree how these improvements can be sustained into the future*
- *To identify if there is a case for additional licensing schemes*

The Task and Finish Group’s recommendations are:-

1. The current programme of proactive work to improve the worst privately rented accommodation in HMOs should be maintained into the future.
2. Funding to support the Private Sector Housing Officer’s work should continue until at least April 2017 to allow these improvements to be sustained into the future.
3. The City Council should await the outcome of the recent Government consultation on extending mandatory HMO licensing before taking any further steps to introduce a discretionary licensing scheme.

RECOMMENDED

Section 7 – Acknowledgements

The Task and Finish Group would like to thank the following individuals/organisations for their input to the study:-

- Katherine Jenkins, former Interim Chief Executive, Elim Housing (GEAR Projects)
- Graham Parker and other colleagues from the Gloucestershire Fire and Rescue Service
- Colleagues from Gloucestershire Trading Standards Service
- Steve Isaac, One Legal and other One Legal colleagues
- Ashley Bayliss, Homelessness and Housing Options Team Leader, Gloucester City Council
- Public Protection Team, Gloucester City Council

Particular thanks go to:-

- Julie Wight, Private Sector Housing Manager, Gloucester City Council
- Michelle Thomas, Private Sector Housing Officer, Gloucester City Council
- Sonia Tucker, Democratic Services Officer, Gloucester City Council

Thank You!

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APPENDIX 2 – CABINET RESPONSE

OVERVIEW AND SCRUTINY TOPIC	Actions to improve housing conditions in the private rented sector
DATE OF PRESENTATION TO CABINET	20 July 2016

RECOMMENDATION	ACCEPTED YES/NO	IF 'YES' INDICATION OF ACTION TO BE TAKEN AND IMPLEMENTATION DATE	IF 'NO' REASONS FOR DECISION
1. The current programme of proactive work to improve the worst privately rented accommodation in HMOs should be maintained into the future.	yes	The current arrangement will continue until April 2017 and in the meantime a review of the private sector team current activities will be carried out to assess ways to continue with a proactive inspection programme into the future. To be completed before April 2017 and reported back to O&S committee.	
2. Funding to support the Private Sector Housing Officer's work should continue until at least April 2017 to allow these improvements to be sustained into the future.	yes	An extension of the existing temporary staff resource will continue until 2017 with immediate effect	
3. The City Council should await the outcome of the recent Government consultation on extending mandatory HMO licensing before taking any further steps to introduce a discretionary licensing scheme.	yes	Agreed. Timescales not known as determined by Central Government.	

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Meeting:	Cabinet	Date: 20 th July 2016
Subject:	Safe & Attractive Streets Policy	
Report Of:	Cabinet Member for Communities and Neighbourhoods	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Emily Jones, Senior Community Safety Officer	
	Email: emily.jones@gloucester.gov.uk	Tel: 396268
Appendices:	1. Safe & Attractive Streets Policy	

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To seek approval to introduce a “Safe & Attractive Streets” policy which will cover begging, street drinking, rough sleeping and so-called “legal highs” which are now subject to the newly implemented Psychoactive Substances Act 2016. This policy formalises the partnership work being taken to resolve street nuisances and sets out clear guidelines and accountabilities amongst teams within Gloucester City Council and partner agencies for taking engagement, support and enforcement routes, as necessary, to resolve street issues.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) The “Safe & Attractive Streets” policy outlined in Appendix 1 be adopted.
- (2) Awareness campaigns to help tackle street nuisance and raise awareness of support for rough sleepers be used
- (3) The lead Cabinet Member delegates authority to the Head of Public Protection to sign off public space protection orders (PSPO)
- (4) Consideration be given to exploring Making Every Adult Matter that reviews local services and can develop co-ordinated interventions that can transform lives.

3.0 Background and Key Issues

3.1 Begging has become an increasing issue in our city centre and one which both Gloucester City Council and Gloucestershire Constabulary receive increasing complaints about from local people and businesses. From the end of March until the middle of May 2016, 139 complaints about begging or rough sleeping in the city centre were logged with Gloucestershire Constabulary alone.

- 3.2 Anecdotal evidence and complaints from various sources, including the Licensed Victuallers Association (LVA), City Safe, Police, Members and city council staff points to an increased visibility of beggars in Gloucester city centre both during the day and night. Instances have been reported of beggars turning up on a Friday and Saturday evening to beg on Eastgate Street when the pubs and clubs are busiest and of beggars sharing “prime locations” or working together to pool their money.
- 3.3 Drugs and alcohol feature heavily as part of the begging issue in the city. Witness reports have included a member of a partner agency seeing a group of beggars pooling their money and then buying drugs together. A member of the public reports seeing a beggar or rough sleeper using drugs in Longsmith Street car park, and a member of city council staff has witnessed a beggar or rough sleeper injecting drugs into their arm in broad daylight.
- 3.4 It must be noted that rough sleeping is a separate issue to begging and that the necessary measures and referral process are in place for assertive outreach (a method that engages with and challenges street beggars) to take place through Street Link, with support through the City Council’s homelessness team. Currently Street Link advise that there are 16 rough sleepers in Gloucester, although not all of these sleep in the city centre.
- 3.5 Street Link do not receive referrals in proportion to the number of complaints currently being received by GCC and Police about rough sleepers and beggars which suggests that awareness of this service is low. We are keen to run an awareness campaign to advise the public on how to refer a rough sleeper. This will also make the general public more aware of the routes of support for a rough sleeper or beggar and offer them the chance to donate their money to an agency that is fully qualified to offer intensive support, rather than giving their money directly to street beggars thus perpetuating the problem.
- 3.6 Following discussions at both the Night Safe group and Safer Gloucester leadership group, Project Solace were tasked by Safer Gloucester to look at the best approach. Project Solace have since implemented a multi-agency model for dealing with “street people”. The initial meeting of this multi-agency model identified 13 individuals who are known to beg in the city centre. Almost all of these are in receipt of housing and the majority receive benefits. Many receive support already but some are either vulnerable so require additional support, or are not already accessing the support they could be.
- 3.7 In addition, an initial multi-agency meeting, wider than Safer Gloucester, was held in November 2015. This included many of the faith and voluntary and community sector (VCS) partners who provide support to many of these individuals and a “holistic” approach was agreed with Project Solace given the task of drawing up the detail. They presented to the Homeless and Vulnerable Faith Forum on 9 March 2016 where it was endorsed as a good approach by faith, VCS and partners.
- 3.8 The link between begging, rough sleeping and the use of drugs and alcohol amongst this group of people highlights the need to include street drinking and “legal highs” in the Safe & Attractive Streets Policy. Drugs issues will be dealt with by Gloucestershire Constabulary but the new Psychoactive Substances Act which has come in to force has some loopholes which could be covered with the implementation of a Public Space Protection Order (PSPO) if required.

- 3.9 Many of the individuals, whose behaviours can be a “nuisance” to others, have complex needs, for example mental health issues, which requires a multi-agency response. This is recognised in the policy through the shared model of engaging and supporting to help address these complex issues. The VCS and faith groups support these individuals, as well as partner agencies, and this assistance will continue as part of the partnership.
- 3.10 The model that Project Solace are implementing will deal with the complex needs of the most prolific individual and look to enforce against those that do not engage with support. They will seek civil injunctions against persistent offenders who refuse to engage with support and they can be tailored to the individual to deal with issues effectively. It includes prohibitions to prevent the perpetrator from engaging in ASB and can also include positive requirements to address the underlying causes of their ASB.
- 3.11 To support the multi-agency work led by Project Solace, the city council can give consideration to PSPOs. The purpose of a PSPO is to stop individuals or groups committing anti-social behaviour (ASB) in a public space.

A PSPO can be made by the council if they are satisfied that the activities:

- have had, or are likely to have, a detrimental effect on the quality of life of those in the locality
 - are, or are likely to be, persistent or continuing in nature
 - are, or are likely to be, unreasonable
 - justify the restrictions imposed.
- 3.12 It should be noted that the implementation of a PSPO can be a lengthy process. It can be issued by the local authority after consultation with the Police as well as the Police and Crime Commissioner (PCC), the owner or occupier of the land and appropriate community representatives. A prerequisite for a PSPO is that the council can demonstrate reasonable attempts to resolve the issue informally by working across teams internally and with the police. The restrictions and requirements imposed by a PSPO can be enforced by police officers, police community support officers and council officers. We are currently working on developing working protocols for the consultation, making and enforcing of PSPOs.

4.0 Alternative Options Considered

- 4.1 Alternatives to Project Solace’s multi-agency model for dealing with beggars have been discounted for the following reasons:
- Increased policing of the city centre – Gloucestershire Constabulary do not have sufficient resources to re-introduce a city centre policing team. Operation Crux has been re-introduced in the last few weeks and sees PCSOs patrolling the city centre at key times twice per day, but this resource is temporary. Furthermore, aggressive begging is not taking place therefore perpetrators cannot be dealt with by criminal means.

5.0 Reasons for Recommendations

- 5.1 There is currently no policy in place relating to begging and how it would be dealt with.
- 5.2 The policy pulls together information from Gloucester City Council and partner agencies on how street related issues will be dealt with, giving clarity and consistency to future approaches.
- 5.3 Awareness of the public with regards to Street Link, and indeed with city council staff and Members, is currently low. To tackle rough sleeping and begging, it is essential that this service works effectively.
- 5.4 Closer working with Project Solace will bring consistency between the city council's strategic commitments and operational delivery in dealing with anti-social behaviour.

6.0 Future Work and Conclusions

- 6.1 Awareness needs to be raised regarding how begging within the city is to be dealt with. The communications team are to be consulted with regarding press releases. St Mungos and Gloucester City Mission can provide assistance with poster campaigns to encourage referrals to Street Link.
- 6.2 Further work is ongoing with Gloucestershire Constabulary to resource the enforcement of PSPOs through the training of PCSOs to issue fixed penalty notices (FPNs). Training should be arranged for PCSOs regarding the issue of FPNs. FPN books need to be amended to include new legislation including changes to environmental protection guidance.
- 6.3 A more general anti-social behaviour policy will be developed, in partnership with Project Solace, so that clear courses of action and responsibilities are recognised. Part of this should include discussion with Gloucestershire Constabulary regarding sharing of costs for legal actions where a case has had an impact on police resources.
- 6.4 There are ongoing discussions to introduce a business improvement district (BID) and late night levy. These have the potential to provide and attract further funding that will give an opportunity to review enforcement resources in the city centre.

7.0 Financial Implications

- 7.1 Gloucester City Council meets the cost of Project Solace's court applications. However, financial implications in terms of legal actions against persistent street nuisance perpetrators should not exceed the usual expectation of legal action that Project Solace take. Because of the supportive approach that Project Solace are taking, it is anticipated that only a small number of injunctions will be sought in relation to beggars. Injunction applications cost £355 per application and a breach application costs around £100. This should be accommodated through existing budgets.

- 7.2 Enforcement of PSPOs and resourcing the issuing of FPNs may result in additional financial pressure. In order to meet this within existing resources, delegating additional enforcement powers to officers across various council services could be considered as part of a wider city centre plan.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

- 8.1 The legal context for the proposed policy is as set in this report and the policy itself.

(One Legal has been consulted in the preparation of this report.)

9.0 Risk & Opportunity Management Implications

- 9.1 There is a risk that, if the policy is not adopted, the city council will not be dealing with issues effectively.

10.0 People Impact Assessment (PIA):

- 10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, there a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

- 11.1 Adoption of the policy is integral to the work of the community safety partnership. In particular, it will help reassure the public and reduce the fear of crime and anti-social behaviour.

Sustainability

- 11.2 Not applicable.

Staffing & Trade Union

- 11.3 Not applicable.

Background Documents: none

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SAFE & ATTRACTIVE STREETS POLICY

July 2016

SAFE & ATTRACTIVE STREETS Policy

Contents

1. Introduction.....	Page 3
2. Our Policy Position.....	Page 4
2.1 Engage.....	Page 5
2.2 Support.....	Page 5
2.3 Enforce.....	Page 6
3. Issues & Resolutions.....	Page 6
3.1 Begging.....	Page 7
3.2 Rough Sleepers.....	Page 7
3.3 Psychoactive Substances.....	Page 8
3.4 Street Drinking.....	Page 8
4. Consultation.....	Page 9
5. Reporting Issues.....	Page 9

DRAFT

1. Introduction

Gloucester is a vibrant multicultural city that combines historic architecture with a unique blend of visitor attractions. Our city centre boasts a mixture of major stores and independent and regional retailers, many of which are unique to Gloucester and make the city an ideal place to shop. Gloucester also offers a selection of restaurants, pubs and bars, between Gloucester Quays and the city centre offering something for everyone. Key to the success of the docks and the City Centre is the linkage between the two, and the overall ambience of the main city centre streets is critical to maintaining a good reputation for the general benefit of residents, businesses and visitors. As a City Council, in partnership with local businesses, residents and partner organisations, we are committed to making Gloucester a better place to live, work and play.

While it is important to encourage a vibrant and welcoming street environment, a number of factors may occur at any time and have a negative effect on the overall atmosphere within Gloucester city centre. These factors may be loosely grouped together as “negative behaviours” that impact on other people and may include:

- Begging
- Rough Sleeping
- The consumption of so-called “legal highs”
- Street Drinking

There has been increasing demand from city centre businesses and partner agencies for a clear policy on negative behaviours, as expressed through Gloucester City Safe, the Licensed Victuallers Association, Gloucestershire Constabulary and individual complaints submitted directly to the Council. However, as these issues can mostly be categorised as “negative behaviours”, rather than a threat to public health and safety, or criminal activity, there are limited enforcement resources/powers available.

The purpose of this policy is to clarify the legal position of each of these issues, and to outline potential resolutions. In relation to some issues, it is not recommended that specific action be taken other than regular review of the issue, a wider publication of the Council’s policy towards said issue and/or awareness campaigns. Some will benefit from further consultation both internal and external, and inter-agency working to tackle the issues as trends in our City change. Overall, this policy aims to provide clarity for businesses, visitors, and other stakeholders of the city centre.

Appropriate awareness campaigns will be implemented and may take the form of leaflets, flyers, posters, online, on social media and press releases where appropriate. In order to tackle issues as soon as possible, it is essential that information is shared with partner organisations and the general public, for example regarding how to report.

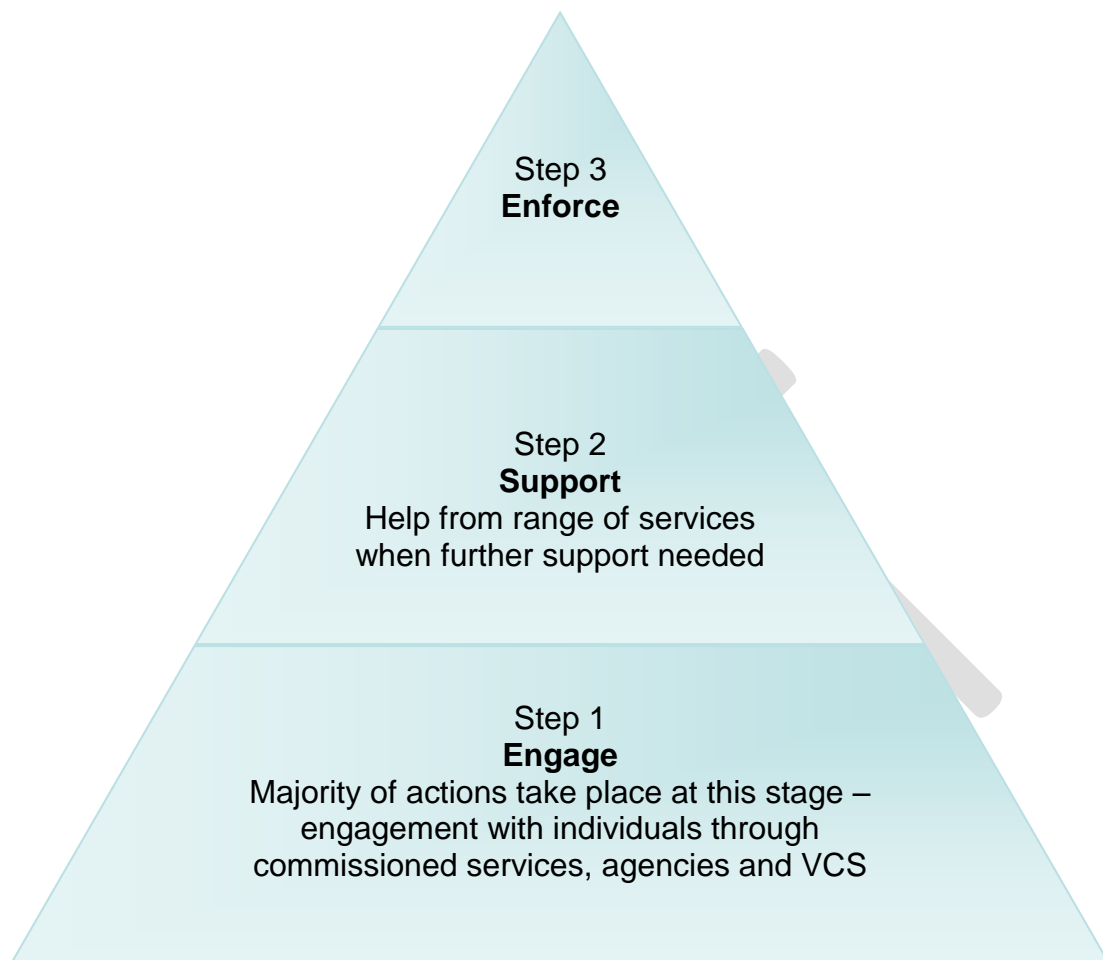
2. Our Policy Position

Gloucester City Council is committed to keeping Gloucester a safe place to live, work and play. We recognise that negative behaviours, such as begging and street drinking, may fluctuate at times and impact on our residents and visitors. We will work in partnership to tackle and prevent this.

We recognise that issues like begging and rough sleeping are complex and the root causes can be varied. As a local authority we will support those with genuine needs, such as the need for housing or for access to services and ensure, through inter-agency working, that outreach work takes place to help people live, or work towards living, independently without impacting negatively on others.

We do, however, recognise that small numbers of people may already be accessing all of the services they are entitled to, but still engaging in behaviours that are impacting negatively on others. Likewise, there may also be cases where people refuse to engage with support services and choose to engage in behaviours that cause a nuisance to others. In these instances, enforcement action will be taken against individuals where it is appropriate to do so.

Gloucester City Council, along with our partner agencies, will adopt a shared model of **Engage, Support, and Enforce** to address these complex street issues where they may occur in our City. We believe that where engagement is effective it leads to successful support, and where engagement and support succeed, enforcement is not required. Enforcement is included in this approach for the cases where individuals themselves refuse to engage with community led work, outreach or support and continue to behave in a way that impacts negatively on others. We will enforce only where we cannot resolve issues through appropriate engagement and support.



2.1. Engage

In many cases there are underlying issues that have caused a person to engage in behaviours such as begging, street drinking or rough sleeping. We consider it important to understand reasons for behaviours as opposed to criminalising individuals at the first opportunity. Engagement with individuals through commissioned outreach services and support agencies will take place initially to understand issues and resolve them where possible, then signpost and assess what assistance they are able to access and introduce them to support.

2.2. Support

There can be many support needs identified for one individual and sometimes complex issues can be present which require help from varied range of services. This often takes time to do, during which outreach services may continue working with individuals and encourage their engagement. Once the appropriate support has been identified, it may be provided through statutory means such as Gloucester City Council's homelessness team. Other support may be accessed, for example through supported housing or tenancy

support, health services and charitable organisations including the faith sector. The services available to a person vary depending on their needs.

2.3. Enforce

We do recognise that some individuals categorised in this policy may behave inappropriately and if this is the case then, as with any other person doing so in our City, firm action should be taken to prevent a negative impact on the wider community.

In most cases, where an offence is committed it is the Police who would generally enforce the relevant legislation.

Enforcement powers under the Anti-Social Behaviour, Crime and Policing Act 2014 may be implemented to deal with street nuisance. This could include the use of Public Space Protection Orders and Community Protection Notices, for example. Such orders relate to specific nuisance behaviours and are ultimately enforced by the local authority and through the Magistrates Court.

Gloucester City Council's statutory function for dealing with anti-social behaviour (ASB) is met by Project Solace, the City's ASB team which investigates cases of ASB occurring in non-housing association properties and public spaces including the city centre. Through Project Solace, multi-agency approaches are co-ordinated to resolve negative issues, and enforcement through civil injunctions may be sought where necessary and appropriate.

Gloucester City Safe is a not for profit Business Crime Reduction Partnership (BCRP) formed by members of the Business Community with the sole intention of facilitating the reduction of crime, disorder and anti-social behaviour. City Safe is representative of both the day and night time economies, who work together to reduce shoplifting, theft, anti-social behaviour, alcohol related disorder, street drinking and begging which affect all businesses throughout Gloucester. City Safe operates a yellow and red card scheme for individuals causing nuisance in member premises, which ultimately ban the perpetrators from entering any premises in the City Safe scheme. If breached, a Criminal Behaviour Order may be sought and can impose tougher restrictions. City Safe will work closely with Project Solace in these cases.

3. Types of issue and resolutions

3.1. Begging

Complaints focus on beggars occupying doorways, sitting next to cash points and interfering with business trade, occasional aggressive begging, beggars approaching members of the public and causing concern to passers-by.

Legal Position

Passive begging is not prohibited. Aggressive begging is potentially a breach of the peace and may be dealt with by the Police.

Enforcement orders could be implemented powers under the Anti-Social Behaviour, Crime and Policing Act 2014.

Action against persistent perpetrators may be sought through Project Solace.

Resolution(s)

Project Solace, the City's anti-social behaviour team, have worked in partnership with Street Link, Gloucester City Council, Police and support agencies to establish a multi-agency model for engaging with street beggars in the City. The model focuses on "Engage, Support, Enforce" in order to offer assertive outreach and support to individuals, but taking the necessary enforcement action against those who persistently beg whilst receiving support or whilst refusing to engage.

Project Solace's multi-agency model has commitment from key support agencies including the Outreach Service via Street Link, Turning Point and faith groups as well as Police and Gloucester City Council to work together to proactively tackle the issue of begging in our City.

Enforcement actions under the ASB, Crime and Policing Act, where needed, are likely to be implemented by Project Solace. Civil actions such as injunctions may be sought.

Awareness campaigns will take place to inform members of the public about how best to help beggars and rough sleepers – by donating to Street Link to provide a responsive, local outreach support service, rather than giving money directly to the individual.

3.2. Rough Sleeping

Rough sleepers cause concern and the Council frequently receive calls from members of the public that someone is rough sleeping and needs support.

Rough sleeping has significant implications for individual's wellbeing, including physical safety and reduction of healthy life expectancy. To minimise these effects and reduce the fear of crime or perception of safeness on the streets, we commission an assertive outreach programme which works to ensure clients are diverted away from the streets as quickly as possible.

Gloucester City sometimes sees an increase in rough sleeping as some people come here with the assumption that the night shelter is still open.

Legal Position

Rough sleeping is not a criminal offence.

Resolution(s)

Gloucester City Council adheres to the “No Second Night Out Policy” which strives to ensure that rough sleepers receive outreach support as possible to prevent further nights sleeping on the streets.

Gloucester City Council commission an Outreach Service, currently through St Mungo’s, who receive referrals by the Street Link service to provide a proactive service that links in with partner agencies to help rough sleepers access the support they require and are entitled to. A recognised ‘homeless pathway’ provides a range of options, appropriate to the needs of the individual and for those with complex or uncertain support needs Assessment Centres and high support provision exists to assist with enabling for independent living. This is in addition to advice and assistance that is offered through the City Council’s homelessness team.

Awareness campaigns to promote referrals to the Street Link service will be undertaken on a regular basis to ensure that access to support is widely recognised.

3.3. Psychoactive Substances (so-called “legal highs”)

The Psychoactive Substances Act came in to force on 26th May 2016. Use of these drugs is a national concern, and increasing numbers of small carbon dioxide canisters are found throughout the City. These drugs are not only highly dangerous to use, the paraphernalia that is often blatantly discarded is alarming to see. Associated nuisance includes the litter, and congregating groups.

Legal Position

Psychoactive substances are often not manufactured for human consumption, and so some can still be bought legally from shops. The new law makes it illegal to produce, supply, or import (even for personal use) so-called “legal highs” for human consumption.

Resolution(s)

We will carry out work in partnership with Trading Standards and other agencies to educate retail outlets and carry out enforcement where necessary. Enforcement actions under the Anti-Social Behaviour, Crime and Policing Act 2014 where appropriate.

3.4. Street Drinking

Antisocial behaviour associated with street drinking has been recognised as a concern. Associated problems can include; litter, noise, human waste and intimidation all of which have a detrimental impact to the quality of life for residents, visitors and local businesses.

Legal Position

Only people over 18 are permitted to drink in public, except in areas of towns where Public Space Protection Orders are in place. A PSPO can stop people from drinking in a certain area. PSPOs replace Designated Public Space Protection Orders (DPPOs) to give police officers special powers to order a person to stop drinking alcohol in public and confiscate it from them.

Where a DPPO is already in place, it will remain so until September 2017, after which it will be converted to a PSPO. A new PSPO may be brought in at any time to replace an old DPPO and attach further restrictions, if necessary. A current DPPO covers Gloucester City centre and breach of this order can be enforced through Fixed Penalty Notices by Police officers or Gloucester City Council staff who hold delegated powers.

Even outside of these areas, the police can take away alcohol or move on under 18s if they have been drinking. The police can also fine or arrest under 18s drinking in public places

Resolution(s)

The current DPPO remains in place.

The Council will take enforcement actions under the Anti-Social Behaviour, Crime and Policing Act 2014 where appropriate.

4. Consultation Process

This policy has been written following feedback and informal consultation with Gloucestershire Constabulary, Project Solace, Gloucester City Safe, the Licensed Victuallers Association, Nightsafe, St Mungos (who fulfil the Street Link service), support services, and members of the Faith Forum.

5. Reporting Issues

This Policy covers a wide range of issues which may occur in the city centre and as such may be dealt with by one of several departments within Gloucester City Council, depending on the nature of the complaint. Complainants should report to the City Council Customer Services Team who will direct the report to the most appropriate department:

Telephone: 01452 396396

Text telephone: 01452 396161

Email: heretohelp@gloucester.gov.uk

Online: www.gloucester.gov.uk

By post or in person: Gloucester City Council Herbert Warehouse, The Docks
Gloucester GL1 2EQ

Concerns regarding somebody sleeping rough should be reported to Streetlink by calling 0300 500 0914, or by accessing their website at <http://www.streetlink/org.uk/>
Streetlink also have a smartphone app, where reports can be made directly. Search for “Street Link” in the app store.

Where a crime occurs, it should be reported to Gloucestershire Constabulary by calling 101 if a non-emergency or 999 in an emergency.

Instances of anti-social behaviour should be reported to Project Solace

By phone: on 01452 424344

Email: asb.referrals@gch.co.uk

Online: www.gch.co.uk

By post or in person: Gloucester City Homes, Railway House, Bruton Way, Gloucester GL1 1DG

DRAFT



Meeting:	Cabinet	Date:	20th July 2016
Subject:	City Centre Investment Fund Allocations and Update		
Report Of:	Cabinet Member for Regeneration & Economy		
Wards Affected:	Westgate		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Anthony Hodge, Head of Regeneration & Economic Development		
	Email: anthony.hodge@gloucester.gov.uk	Tel:	396034
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 This report updates Members on the projects within the City Centre Investment Fund (CCIF) delivery programme. It also seeks to reallocate funds to maximise the benefits of the CCIF to the city and to reflect the Administration’s manifesto commitments.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE:**

(1) That the following new projects be allocated resources:

- a) Opening of Kings Walk Bastion, £20,000
- b) Contribution towards developing the capital components of the cultural strategy, £30,000
- c) £20,000 be allocated for commissioning economic profiling of the city centre to support the delivery of the Business Improvement District and Kings Quarter.

(2) That the following projects receive additional allocations:

- a) £50,000 be allocated for business support and authority be delegated to the Head of Regeneration & Economic Development, in consultation with the Cabinet Member for Regeneration & Economy, to develop a policy that enables the Council to secure a financial return where appropriate
- b) £30,000 be allocated for the delivery of a city centre public realm masterplan

- c) Targeted Historic Grants scheme £40,000 to include £3,000 towards the refurbishment of building plaques

2.2 Cabinet is asked to **NOTE:**

- (1) The final cost of the ANPR will be met through the contingency sum
- (2) The success of the relocated Gloucester Antiques Centre at 26 Westgate Street has meant that this important heritage building is now occupied and a review of the format and location of the Tourist Information Centre will take place following the completion of the Visitor Information Strategy.

3.0 Background and Key Issues

- 3.1 Much has been achieved utilising the receipt (£2m) from the Tesco disposal at St. Oswalds. However following the original allocation some years ago, now is an appropriate moment to reflect on the success of the use of this resource to date, and how the residual expenditure can most effectively be utilised to deliver the best outcomes for our ever changing and growing city in light of current circumstances and the manifesto commitments of the Administration.

4.0 Allocations

- 4.1 The CCIF was allocated to a number of projects and much has been achieved, as detailed in the report below. However there remains a balance that has not been spent due to complexities around project delivery and changes to the city following the original allocations. This report considers that balance and how it should be used to deliver sustainable benefits. At present the CCIF balance is as follows:

City Centre Investment Fund	£
Budget	2,000,000
Amount Spent To Date	774,100
Outstanding Balance	1,225,900

- 4.2 Cabinet has received detailed reports previously considering progress and the success of a number of the projects, for example, the repaired Westgate Street mosaics, stone cleaning and stabilisation of St Michael's Tower and improvements to the car parks. This report proposes to Members amendments to the CCIF in light of significant changes to Gloucester and its ongoing regeneration and development activity.
- 4.3 In the first instance the main city centre car parks have undergone major improvements and this continues, not least with the Eastgate Centre Car Park. There have been challenges including the application of a rubber based paint that has not been as successful as it should have been at Longsmith Street car park. However this has been monitored by Officers and the paint is going to be replaced at no further cost to the Council.
- 4.4 Following Cabinet on the 25th February 2016 the Head of Regeneration and Economic Development successfully procured a supplier for the Automatic Number Plate Recognition (ANPR) system, following a competitive process. A decision was

taken to focus the delivery of ANPR on the Eastgate and Kings Walk car parks. Longsmith Street was discounted on the basis that the long term replacement of this car park had to be a priority and incurring expenditure was not deemed a good use of resources. The lowest tender received was £30,000 above the amount initially allocated. This cost will be met through the use of the CCIF contingency sum.

- 4.5 There is an additional annual maintenance cost of £11,000 per annum for the ANPR system. There will be no impact on the Council's revenue budget as this is expected to be met by increased income through improved functionality and increased use.
- 4.6 The anticipated date for the ANPR going live is mid-August.
- 4.7 Because of the age of the building and complexity of the structure, in particular the roof, progress on delivering improvements at the City Museum has been less rapid than expected. However this was as a result of the need to, in the first instance, commission a roof condition survey, prior to any detailed works being undertaken. Bearing in mind the roof forms part of a shared structure with the building's other occupant, the library and hence the County Council, a joint approach was taken to assess its condition. This was deemed to be the most efficient approach. Now that the condition of the roof is determined, a remediation package is being designed together with internal works.
- 4.8 The Gloucester Antiques Centre has now been successfully relocated to 26 Westgate, with the assistance of Marketing Gloucester, after facing an uncertain future. This has had a major positive impact not only on securing the future of the Centre, but also making 26 Westgate accessible to the public, not least viewing it from Maverdine Lane. The outcome is that there is no longer the requirement for the Tourist Information Centre (TIC), to move to this location, although we are not ruling out a smaller presence within the Antiques Centre. A tenant has been found for this important heritage building without the Council needing to take it on itself. As a consequence the Council can consider how to shape the Tourist Information service that best serves visitors and has regeneration benefits. This it is already doing through the preparation of a visitor information strategy. Until this is completed, this allocation should remain secure within the CCIF.
- 4.9 The City Centre Targeted Historic Grant Scheme was launched in July 2013, a total of twenty grants have been formally offered and accepted totaling £102,728.60 of which £72,818.10 has been paid out for completed work. The most recent approvals of grant are:
- 59-61 Westgate St
 - 82 Westgate Street
 - 58 Westgate Street
 - 78 Westgate Street
- 4.10 Officers have recently approved a number of grant applications including 82 Westgate Street for minor repairs and repainting of the façade which is welcomed. An offer has been made to 59-61 Westgate Street, a Grade II* designated asset, for redecoration and repair works. An offer has also been made to 58 Westgate Street and was accepted with works completed. This included new windows being inserted within the basement to facilitate its use as an office and community space.

Officers have also recently approved applications for 88-90 Westgate Street redecoration works and 16 Commercial Road.

- 4.11 A priority project has been subject to an offer of £20k for 78 Westgate Street, the building is on the city's Building at Risk Register and a comprehensive scheme for the property is welcomed and work will be commencing over the forthcoming months to restore this Grade II asset.
- 4.12 Members are aware that officers have prioritised building projects for targeted grants and these are buildings which are on the City Council's Buildings at Risk Register (B@R) and also those which are vacant on both ground and upper floors to help rejuvenate the gate streets of Gloucester. The following properties have been allocated funds totalling £77k and an update on their status is as follows:
- 26 Westgate Street – Funded condition survey and structural surveys, this has now been completed and the surveys identified a number of repairs required. The money has been allocated to fund urgent repairs and this is subject to further discussions with the owner, to work alongside the new occupants, the Antiques Centre.
 - 39 Westgate Street – Awaiting final condition survey report, the building is in need of substantial repair.
 - 41 Westgate Street - Following the granting of planning & listed building consent for a new shop front and the conversion of the upper floors on 41 Westgate Street the Conservation Projects Officer has been working with the owner and contractor regarding further opening works and development of a scheme for the building due to its poor condition and it is anticipated that a grant application on this priority project (buildings at risk) will be submitted shortly.
- 4.13 Should any of the above schemes not come forward then the grant monies allocated will be offered to alternative historic building improvement schemes in the city centre area. Officers are still pushing for the priority projects to come forward and have been working with owners and developers to ensure that they take advantage of this unique opportunity. This allocation has been successful and an additional £40,000 is proposed to be allocated to it, to enable further projects to be delivered. This will include £3,000 towards the cost of refurbishing and conserving plaques on historic buildings.
- 4.14 A thriving economy is a key component of this Administration's manifesto. The business grant component of the CCIF is now fully spent. Below details a number of responses from businesses who have benefited from the grant support:

“By enabling us to afford efficient equipment and employ more staff we have been able to expand successfully.”

“The grant helped us with an internal restructure which helped create departments within the business to allow the company to grow further. In doing this it was created three additional job roles, 2 full time and 1 part time.”

- 4.15 Within the context of the success of this component of the CCIF, and the objectives of supporting and enabling business growth and employment creation, it is proposed that an additional £50,000 of the CCIF, funded through underspends, be allocated to business development. However, to provide a future source of revenue, this should be based on an equity stake rather than a grant. As a consequence Officers will be tasked to develop a compliant programme for this additional money that is free from bureaucracy, but allows the Council to take an equity stake in businesses to help promote ongoing support and growth.
- 4.16 As illustrated by the photograph below, lighting of a number of the city's buildings has been very successful.



- 4.17 £75,000 was allocated for improved street lighting in the gate streets. Various options were looked at, including column-based lighting, but it was felt that additional clutter in the gate streets would not be desirable. The suggested approach of renewing the existing building-mounted floodlights with new energy-efficient LED lighting will provide a better quality of lighting as well as reducing electricity costs. This allocation will be reduced to £30,000 and will leave an unspent balance on this budget line which can be reallocated to other priorities.
- 4.18 In addition to this, £10,000 contribution will be retained for the lighting of St. Michael's Tower, at The Cross. This lighting project is being developed by Gloucester Civic Trust with support and involvement from Historic England.
- 4.19 There has been much discussion previously concerning the unattractive facades proposals. As has been well-documented, it has been challenging to find a solution which delivers the change we are looking for and represents good value for council taxpayers. In addition, the transfer of the ownership of both shopping centres in the last two years and the need to work with the new owners on their investment intentions for the new centres has complicated matters further. In particular Kings Walk needs the agreement of the owners for the removal of the canopy structure on Eastgate Street, which has been costed and determined as an expensive component of the scheme. There are also complexities of legal agreements which only came to light as with any project, as the detail is progressed. It is felt that

£100,000 of the proposed budget can be reallocated to other priorities in view of the low cost solutions now being pursued.

- 4.20 It is also worth noting that an interim low cost solution was undertaken for the Kings Walk façade, through cleaning and repainting. This was well received. Once the sale of the shopping centre has completed, discussions can be held with the new owners on the approach for this façade. In addition, street art has been added to the vertical rendered panels at Longsmith Street car park. Concrete repairs and further repainting is also proposed, along with the replacement of out of date vinyls and signage.
- 4.21 Work on the public realm within the city has been continuing. Included within this activity was the renewal and refurbishment of city centre bins, extensive painting and a contribution towards the Hollie Gazzard bench. Detailed work has also been funded to consider further improvement to the public realm including:
- i) A street furniture database recording characteristics of the furniture between the Docks and Westgate Street, to inform the development of the Public Realm Strategy
 - ii) The boundary of the street furniture survey work has been established and the plan drawn up using a GIS map base, set within the boundary of the Primary Shopping Area.
 - iii) Surveys of existing street furniture have been undertaken.
- 4.22 This detailed information will together with a draft strategy be used to inform the development a of public realm scheme for the city centre. £30,000 will be allocated to this proposal to enable the Head of Regeneration & Economic Development, in conjunction with the Cabinet Member for Regeneration and Economy to procure and deliver an indicative scheme which will be subject to public consultation. This agreed scheme will then be the focus to enable the capital sums to be raised to deliver the project going forward.
- 4.23 Delivery of economic growth is central to this Administrations manifesto. To help deliver this a sound knowledge base of the city centre economy is required, based on evidence. To deliver this £20,000 is proposed to commission a detailed assessment of the city centre to ensure our key projects, not least Kings Quarter, are progressed in a direction that the market and private sector can support and our inward investment activities can be properly focused e.g. right tenant mix.
- 4.24 In relation to signage, the two interpretation boards for “The Spa” and “Kimbrose Triangle” have been completed and have been delivered to the City Council Offices. A contractor has been appointed to install the new boards which are due to be completed by the end of July.
- 4.25 A replacement for the Eastgate Chamber interpretation board has now been delivered and is in situ. This was implemented with the valuable assistance of the Civic Trust.
- 4.26 Marketing Gloucester are leading on the installation of further signage boards/finger posts being installed across the City similar to those for the public realm

improvements to the docks and Kimbrose Triangle. This will include reference to City tourist attractions including both City Council museums and the Guildhall.

- 4.27 Planning permission has now been granted for seven digital signs to replace existing signage with the possibility of an additional six being put in place in partnership with Docks management and Canal and River Trust. New vinyl skins were fitted to signs throughout the city on the large signs and currently options are being examined for the remaining slim wayfinding between Kimbrose and the Docks, some of which may be replaced by the digital signs. The CCIF will make a contribution of £20,000 towards this project. However much work still needs to be done to ensure the effective implementation of the digital signage. By their very nature they are complex and power sources will be required to ensure their functionality.
- 4.28 Work is progressing on the public toilets, detailed investigations have been undertaken in relation to the location and accessibility of services to connect toilets to in Kings Square. The next meeting of the Kings Square Steering Group will be asked to agree the location.
- 4.29 To really make the most of the city's heritage, CCIF is proposed to be used, through this re prioritisation, on the opening up of the Kings Walk Bastion, at a cost of £20,000. Creating access will enable tours to be made around the Bastion and to help it to contribute more directly not only to our visitor economy, but also encouraging people to visit the city centre. Combined with other improvements both existing and proposed, this will make the draw of the city centre ever more powerful.
- 4.30 These proposed revisions will leave a sum, £63,000, to be reallocated. It is proposed that £30,000 be used to support the development of the capital components of the Cultural Strategy, with the balance being held as contingency.

5.0 Alternative Options Considered

- 5.1 The alternatives for the allocation of the remaining money in this fund were assessed in Section 5 of the September 2013 Cabinet report. These included:

Scheme	Likely Impact	Priority Rating	Cost in £000's
Tourist transfer buggies to the Cathedral	Raised by an individual and not followed up by the Friends of the Cathedral. Slight impact on the economy but no impact on appearance.	Low	tbc
South-west Corner of the Park	Clearance and re-vamp work, should now be achieved through the Planning Obligations on the nursing home scheme planned for the corner of Southgate and Trier Way.	Low	tbc
Street-side paved area at Fountain Square, Westgate	Near Folk Museum but peripheral to the centre. The cost is an estimate for a basic scheme rather than a significant improvement.	Low	25
Kings Bastion/Eastgate	Opportunity to showcase Roman Gloucester and add to the	Medium	100

Chamber Improvements	attractiveness of the tourist offer. Timing for submission to HLF programme suggests this should not be a top priority at the moment.		
Street lighting improvement in Westgate and Eastgate.	Scheme from the Lighting Strategy that would change the ambience of the Gate Streets and benefit the evening economy. Supported by the EE Task and Finish Group.	High	75
Improvements to Southgate Street public realm from Kimbrose to Spa Road.	Some benefit to lower Southgate businesses but low impact on attractiveness of main shopping /tourist area.	Low	tbc
Contribution to new footbridge over the Barge Arm in the Docks.	Improved linkages creating a circuit to benefit Barge Arm and Merchants Quay business potential and the Waterways Museum, but overall impact is limited.	Low	tbc
Pop-up toilets for evening use	Would benefit the evening economy in particular if this curbed anti-social behaviour.	Medium	tbc
Introduce Flag Holders on all gate street buildings	Copies Tewkesbury. Would introduce colour and movement or add clutter depending on viewpoint. Listed Building and conservation issues. Would need good coordination and good maintenance from businesses.	Medium	tbc

6.0 Reasons for Recommendations

6.1 The recommendations for further allocations have been based on the objectives of the City Centre Investment Fund which is to improve the attractiveness of the City Centre.

7.0 Future Work and Conclusions

7.1 A considerable amount of further specific work will be required. A six monthly update report will be brought back to Cabinet so that progress and potential re-allocations can be considered.

8.0 Financial Implications

8.1 The report proposes the spending of an element of a capital receipt received as a result of the sale of a piece of land to Tesco.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

9.1 The business support proposal set out in this report which aims to be based on an equity stake rather than a grant will need to be carefully considered to ensure compliance with legislative requirements.

(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

10.1 The recommendations offer an opportunity to improve the appearance and attractiveness of the City Centre.

11.0 People Impact Assessment (PIA):

11.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required.

12.0 Other Corporate Implications:

12.1 Community Safety

There are no community safety implications.

12.2 Sustainability

Use of LED lighting is more efficient than standard street lights will reduce energy consumption.

12.3 Staffing & Trade Union

There are no staffing implications.

Background Documents: None

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Meeting:	Cabinet	Date:	20th July 2016
Subject:	Council Advertising Network		
Report Of:	Cabinet Member for Performance & Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Wendy Jones, Customer Services Manager		
	Email:	wendy.jones@gloucester.gov.uk	Tel: 396101
Appendices:	1. Screen shot of example advert		

FOR GENERAL RELEASE

1.0 Purpose of Report

This report seeks Cabinet approval to continue with the advertising on the Council’s website via the Council Advertising Network for another year.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:-

- (1) A twelve months extension of the term of the contract from October 2016 advertise via the web site through CapacityGrid be approved.
- (2) The contract be monitored on a regular basis with a report produced at the end of the contract with proposals for the future.

3.0 Background and Key Information

- 3.1 A pilot project for advertising on the website was approved at Cabinet 15th June 2015.
- 3.2 Following the web site development the contract went live mid October 2015. The pilot was to be reviewed July 2016 to consider extending the contract for another year or to give the provider 3 month’s notice to cancel the service.
- 3.3 Following initial go live we did encounter a few problems with the display and appearance of certain adverts but these were ironed out by the supplier.
- 3.4 Since go live (7 months) we have generated £612.57 income with annual income estimated at £1,300 for this year 2015/2016.
- 3.5 The initial potential income target (£5,000) was not met due to system problems during the initial months and web page hit forecast being lower than expected. The

income is gradually increasing each month increasing from £53.00 in October 2015 to £170 in April 2016.

- 3.6 During the pilot we have only had two complaints about advert content; one about promoting 'safe sex – wear a condom'; the second advertising a vaping company to encourage people to stop smoking. . In both cases, once reported, the adverts were removed immediately.
- 3.7 We have received no complaints about displaying adverts on the web site.
- 3.8 There is no cost to the council for providing the adverts.
- 3.9 No advertising space was sold to new businesses but we did create a couple of adverts ourselves to promote the TIC, Coach Parking, the Museums passes and promoting Broadband.

4.0 Other Options Considered

4.1 Build In House

Having discussed this proposal with the Web Manager and other local authorities designing and running the service in house would require:-

- Dedicated resource to sell advertising space
 - Dedicated resource to design and amend adverts
- This work has proven to be time consuming and often the revenue generated does not cover the cost of the work involved.

4.2 Using Other Advertising Suppliers

The CAN offers advertising suitable for local authorities. Speaking to other local authorities (e.g. Birmingham) suggests that other potential suppliers demonstrated little care and attention to reputational risks. No attention was given to the suitability of adverts and standards often fell-short of what would be expected by the relevant local authorities.

5.0 Future Work and Conclusions

- 5.1 The recommendations contained within this report have been prepared to ensure Council services operate efficiently and effectively; achieving better value for money for local residents, and assisting the Council in obtaining another revenue stream while ensuring no impact on targets outlined for Budget savings.
- 5.2 There is no cost to the Council to provide advertising via the website. All reviews and any work involved with the running of the service are completed by the Digital Communications team. The system is up and running and embedded within the website so will not require any additional work for renewal of the contract for another year.
- 5.3 If Cabinet agrees the recommendations in the report, officers can analyse the findings after the 12 month and review the project moving forward. We are

currently working with Gloucestershire County Council to possibly move to their website content management system during 2017/18 so a decision will be needed at this time for continuation or cancellation of this service.

- 5.4 We can use the advertising space to promote our own campaigns/events during the year.
- 5.5 We will once again explore the possibility of selling advertising space to new businesses to help increase the income generated.

6.0 Financial Implications

- 6.1 There is no charge, outlay or ongoing costs for this implementation.
- 6.2 An income savings target of £5k was budgeted during 2015/2016. The potential income in excess of £2,000 will contribute to this saving.
- 6.3 A further review of selling advertising space to new businesses will be completed before renewal of the contract is approved. This review should ensure that the income target is reached going forward.

7.0 Legal Implications

- 7.1 The value of the contract is such that its extension is not subject to the requirements of the Public Contract Rules 2015. Thus the Council's obligation is to act in accordance with its own contract procedure rules. Paragraph 6.29 of the rules state that "a contract may be extended in accordance with its terms" i.e. in accordance with a clause regulating the granting of extensions. Clause 4.1 of the contract permits an extension of 12 months, provided that the parties agree this in writing at least three months prior to the expiry of the initial term.

8.0 Risk & Opportunity Management Implications

- 8.1 If the Council does not agree to the advertisers on the white list (the list is controlled by the local authority having direct access to a portal where adverts can be veto'd from appearing on their web site) this may impact on the amount of revenue received.

No specific advertisers were rejected during 2015/2016.

- 8.2 If the Council has issues with a particular advert following the agreed monthly advertising list it can contact the CAN and request removal of a specific advert.

This was undertaken twice during 2015/2016.

- 8.3 If the Council does not manage to sell its 20% advertising space to local businesses this will impact on the amount of revenue received. Unsold inventory would be used to promote local events and initiatives.

We created promotional adverts for the TIC, Museum, Coach Parking, Broadband.

8.4 IT Security issues have been raised with Civica IT who confirm that this proposal does not provide a route into our data. We will be pulling images from their secure server onto our website. The CAN proposal provides IL3 level security where the standard for Local authorities is IL2 so they are offering a higher level of security than we could offer.

9.0 People Impact Assessment (PIA):

9.1 Completed – all neutral with some positive aspects where customers may benefit from Grants or Discounts advertised.

10.0 Other Corporate Implications

Community Safety

10.1 None

Sustainability

10.2 There will be positive impact on the Council's day to day operations.

Staffing & Trade Union

10.3 None

Background Documents: None

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Gloucester City Council

Meeting:	Cabinet	Date:	20th July 2016
Subject:	GCH Governance Structure & Rule Amendment		
Report Of:	Cabinet Member for Housing and Planning		
Wards Affected:	All		
Key Decision:	Yes	Budget/Policy Framework:	No
Contact Officer:	Helen Chard, Housing Strategies and Enabling Manager		
	Email:	Helen.Chard@gloucester.gov.uk	Tel: 396534
Appendices:	<ol style="list-style-type: none"> 1. Email following informal meeting between GCH and GCC Group Leaders) For Cabinet Briefing only 2. Trowers and Hamlins report on the amended Rules 3. Draft amended Rules 4. Tenant and leaseholder consultation letter 5. Tenant and leaseholder consultation additional factsheet 		

FOR GENERAL RELEASE.

1.0 Purpose of Report

- 1.1 The report is intended to inform Members about the proposed change in governance arrangements relating to Gloucester City Homes (GCH) and a change to its rules.
- 1.2 In order to meet its regulatory requirements and to enable it to remain a strong and viable organisation; this report seeks Cabinet approval for an amendment to the Rules of Gloucester City Homes and to implement governance improvements to;
 1. Reduce the size of the board from 15 to 12 (and to reduce the quorum from 5 to 4;
 2. Reduce the number of GCC nominees from 5 to 3, ensuring that as far as possible, future GCH board members nominated by GCC bring relevant skills, knowledge and experience, and;
 3. Note that the GCH Board, in the future, may consider paying some or all Board members (excluding Council nominees), subject to independent advice and compliance with Housing and Regeneration Act 2008 requirements.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the GCH Rules as appended to this report be approved.

3.0 Background and Key Issues

- 3.1 The constructive and positive partnership relationship between GCC and GCH is an important one for the Council and for GCH. The Council-nominated GCH board members have made a significant contribution, helping GCH get established firstly as a successful ALMO and then as an independent Registered Provider (RP). Changes to the Homes and Communities Agency's regulatory requirements regarding board member skills, selection and independence now require GCH to re-think its routes to board membership.
- 3.2 In its first year as a 'Private Not-For-Profit' Registered Provider, GCH has had to respond to many different challenges including statutorily enforced rent reductions over 4 years from 2016, the roll out of Universal Credit and other welfare benefit reforms; and significant public sector spending cuts, and rising demand for new homes.
- 3.3 GCH needs to remain a strong and viable organisation; contributing to social cohesion and economic growth in its local communities, and is committed to investment in Gloucester and supporting the Council's aims through:
- Regenerating local homes and communities
 - Improving the lives and wellbeing of residents
 - Providing training and employment opportunities, and
 - Building affordable homes for the people of Gloucester as a preferred development partner for the Council.
- 3.4 GCH's focus is on efficient and effective delivery of the 8 Offer Document tenant promises and the 5 strategic aims iterated in its Corporate Plan, and needs to develop a board that is fit for the future; that can manage the risks associated with achievement of delivery of promises and aims; and diversification into new business areas such as new homes development; and the in-house repairs and maintenance service (from next April); all this will require a differently skilled board.

Current GCH Board Structure

- 3.5 The GCH Board is fairly typical of a new Large Scale Voluntary Transfer (LSVT) organisational structure in that it is made up of 15 members split equally between the three principal constituencies:
- elected residents
 - local authority nominees and
 - selected independents.

Social Housing Regulatory Context

- 3.6 The HCA, in its regulatory documents, the Governance and Financial Viability Standard (G&FVS), the accompanying G&FVS Code of Practice, the Sector Risk Profile and Regulating the Standards (which describes its operational approach) acknowledges that, as the level of challenge and risk in the external operating environment increases, registered providers need to make sure that their Boards and executive teams are capable of delivering promised and strategic aims in the changed environment.

- 3.7 To achieve this, the GCH Board need to ensure that they have the appropriate skills for the type of activities GCH undertakes, and the associated risks they have to manage. The Board is also expected to conduct its affairs with an appropriate degree of independence in order to ensure that they act in their own best interests and not those of third parties. The HCA's G&FVS, with which GCH must demonstrably comply, suggests that organisations that have the appropriate mix of skills and capability and are suitably independent will be run more effectively and are better able to protect their social housing assets.
- 3.8 The HCA's G&FVS therefore places a focus on Board skills and capability, with the requirement that:
- "2.2 Registered providers shall ensure that they manage their affairs with an appropriate degree of skill, independence, diligence, effectiveness, prudence and foresight."*
- 3.9 The accompanying Code of Practice suggests that one way in which this could be achieved is by having independent board members, who help to ensure that the registered provider is able to act effectively in its own best interest without undue influence from others. The HCA does not stipulate the number of independent board members but requires that registered providers determine for themselves how best to meet regulatory requirements on independence.
- 3.10 As part of the on-going development of the GCH Board, during 2016, a Board skills strategy and skills matrix have been approved and all current board members have self-assessed against the collective skills required. In addition, all board members have had a robust individual appraisal, and collective board and committee appraisal has also been completed, with reports to Board on the outcomes

Proposed Changes

- 3.11 An informal meeting with Council Group Leaders on 29th January 2016 resulted in agreement in principle from the Group Leaders to:
- A reduction in the overall size of the GCH board from 15 to 12
 - A reduction in the number of GCC nominated board members from 5 to 3
 - A reduction in the number of 'ring-fenced' board posts for tenant board members from 5 to 2
 - An increase in the number of independently selected board members from 5 to 7.
- (See **Appendix 1** – email following meeting between GCC Group Leaders and GCH)
- 3.12 A consensus was further reached with GCC Group Leaders concerning the basis for selection of GCC nominees such that GCC would in future seek to nominate board members who brought skills which matched those identified in GCH's Board skills strategy and skills matrix. GCC Board members would seek to match specific skills requirements on the GCH Board, and GCC nominations would not be made primarily on a political basis or necessarily be elected GCC members.
- 3.13 It was highlighted to the Leaders that the GCH board skills matrix includes a 'Customers and Communities' section with nine specific skills identified, which the

GCH Board believes will continue to deliver a balanced board, with the capacity to challenge the GCH executive across the full range of issues relevant to the business of a Registered Provider, not just those relating to finance, funding/treasury and risk management, and including those of importance primarily to customers and local communities.

- 3.14 Currently tenants/leaseholders are interviewed but then subject to an election process. Following an independent Tenant Participation and Advisory Service (TPAS) review of Resident Engagement at GCH, in January 2016, the GCH Board approved the creation of a new Tenants Panel (and the disbanding of the former Customer Forum and Tenant Scrutiny) to support the HCA's requirements regarding co-regulation. This started the move towards a different form of accountability to tenants/leaseholders, which was widely consulted on with customers, involving reducing the number of 'ring-fenced' positions on the board for customers, but at the same time creating stronger accountability through the new Tenants Panel. GCH remains committed to 'the voice of the tenant' continuing to being heard at board level, and to tenants having a wide range of opportunities to scrutinise performance and make recommendations for service improvements.
- 3.15 It is proposed therefore that alongside the reduction in tenant Board members from 5 to 2, that the selection move away from an election-based approach to a skills-based approach which would be in line with the recruitment process for selecting independent Board members and reflecting the GCC member nomination principles.
- 3.16 Clause D10 of the Rules deals with the removal of Board Members. Currently with a larger board of 5 (Council nominated), 5 (Independent) and 5 (Tenant) Board Members, the removal of a Board Member is subject to a vote of 75% of the Board, which would mean at least one Council Member would need to be party to a decision to remove another Council nominated Member, along with all Tenant and Independent Board Members, whereas with a reduced Board, currently Tenant and Independent Board Members could vote off Council nominated Members. It is important to remember that all Board Members have a duty to vote in the best interests of the company, not necessarily the interests of the Council.
- 3.17 The governance model GCH proposed is tried and tested, and based on up to date not-for-profit housing sector specific Model Rules, which are acknowledged as a beacon of best practice. The model meets the HCA's regulatory compliance requirements and the National Housing Federation's Code of Governance, with which GCH must comply. It takes account of best practice in the sector and GCH's rules have been amended taking external professional advice from GCH lawyers, Trowers and Hamlins. Many other LSVT housing associations already have similar rules.

Remuneration

- 3.18 A recent (2015) NHF survey, supported by independent evidence from Altair consultants and Grant Thornton, suggests that most LSVT boards have introduced payment for some or all board members.
- 3.19 The potential future benefits of allowing GCH the option to remunerate board members has been discussed with GCC, and it is proposed to incorporate the necessary rule amendment with the overall amendment allowing the GCH board the

option to consider Board member remuneration in the future, should it be judged necessary to recruit and retain suitably skilled and experienced board members. This would not mean that Board members would be remunerated right now, but would give the Board the flexibility to consider remuneration in the future. The current GCH rules do not permit the option to consider payment of board members.

Tenant and Leaseholder Consultation

- 3.20 A full tenant and leaseholder consultation exercise has been undertaken. All GCH tenants and leaseholders were individually sent a letter dated 22nd March 2016 outlining the proposals. Responses were invited by 3rd May 2016. The letter was sent with an invitation to attend the GCH Customer Conference on 30th March, where the GCH Head of Governance and Policy was available to discuss the proposals with any customers who wished to do so. The consultation letter was also provided on the GCH website (**Appendix 4**).
- 3.21 An additional factsheet (**Appendix 5**) was sent on 14th April 2016 to nine respondents in answer to some of the questions and points raised in the feedback received. This was also made available on GCH's website. No further responses were received. Below is a summary of the responses:

Received via	Date range of response(s)	Number	Note
Email	23/03/16 – 30/03/16	4	Includes one person who also contacted a Board member
In person at Customer Conference	30/03/16	4	Includes two people who sought clarification / additional information but had no concerns
Letter	07/04/16	1	

- 3.22 The GCH Board has reviewed the nine responses received, and has agreed that the responses do not provide grounds for reconsidering the governance improvement proposals.

Draft Rule Amendment

- 3.23 A report on the rule amendments by GCH lawyers, Trowers and Hamblins is provided at **Appendix 2**. This provides a commentary on the proposed amendments.
- 3.24 The draft amended rules are provided in **Appendix 3**.
- 3.25 The GCH Board has considered the governance improvements twice (on the 2nd March and on 1st June 2016), and has approved the Rule amendments.
- 3.26 At its meeting on 1st June 2016 the GCH Board approved amending the rules to remove the formal requirement for GCH to hold an Annual General Meeting (after the next Annual General Meeting scheduled for 7th September 2016). This was recommended by GCH lawyers, Trowers and Hamblins, and is a common feature of the rules of Registered Providers who, like GCH, have a "closed" membership. The draft amended rules entitle the Council to call a general meeting of shareholders upon a written requisition.

Potential Changes to Local Authority Control under the Housing and Planning Act

- 3.27 The Housing and Planning Act (the Act) includes provisions which entitle the Government to make regulations to limit the Council's ability to appoint or remove officers and/or exercise or control voting rights of Registered Providers. If such regulations are issued they may impact on the Council's rights and obligations in the Rules. At this stage the effect of such regulations remains hypothetical; although it is understood that they are not expected before the end of the year, it is not certain when the regulations will be issued, nor is there any indication of their content.
- 3.28 As currently drafted, the amended Rules do not materially "dilute" the constitutional mechanisms through which GCH remains accountable to the Council – the right to appoint a number of GCH's board members is preserved and the Council retains its "golden share". If future statute requires a relaxation of the Council's rights and obligations under the Rules, GCH is committed to discussing such regulations with the Council at an early stage and would seek to resolve any mismatch between statutory requirements and the Rules in a manner which would be amicable to both parties.

4.0 Asset Based Community Development (ABCD) Considerations

- 4.1 Strong governance helps GCH achieve its key Strategic Aims, which include maintaining and transforming homes and communities, and developing and maintaining effective partnerships. GCH believes that developing and maintaining strong partnerships with a range of agencies and community organisations is essential to providing valued tenant services and supporting strong, successful communities, through an asset based community development approach.

5.0 Alternative Options Considered

- 5.1 Not applicable.

6.0 Reasons for Recommendations

- 6.1 The recommendations are made to:

- i. Meet recent changes to the Homes and Communities Agency's Regulatory Framework which places a greater emphasis on the role of board members linked to financial risk and strategic risk management. This requires a high degree of skill and higher levels of responsibility, time commitment and accountability than previously.
- ii. Ensure GCH's governance arrangements comply with the National Housing Federation Code of Governance, giving the right mix of skills, knowledge and experience, and selection, to allow the GCH Board to be as effective and successful as it can be in delivering the eight tenant promises and GCH's 5 strategic aims.
- iii. Allow the GCH board to consider Board member remuneration in the future, should it be judged necessary to recruit and retain suitably skilled and experienced board members.

- iv. Ensure GCH remains a strong and viable organisation; able to contribute to social cohesion and economic growth in its local communities, committed to investment in Gloucester and able to support the Council's aims.

7.0 Future Work and Conclusions

- 7.1 Assuming that GCC approval is provided at its meeting, the Rule amendment will require final ratification by the GCC shareholder at a GCH General Meeting, in its capacity as 'the council shareholder' holding 33.3% of the shareholding membership voting rights.
- 7.2 GCH will ensure that its own internal processes are followed, including:
- Notification to its lender, RBS, of the Rule amendments (legal advice is that lender consent is not required)
 - Calling a General Meeting where the necessary constitutional changes will need to be approved by the shareholders including the Council shareholder (which holds 33% of the total votes), or at the GCH Annual General Meeting (proposed date 7th September 2016)
 - Seeking Financial Conduct Authority (FCA, which is GCH's Registrar) consent to the Rule change (HCA consent will not be required, but they will need to be informed).
- 7.3 It is anticipated that, subject to GCC approval in July, and GCH shareholder approval in September, the amended Rules will be in place by mid-October 2016.
- 7.4 Following this, GCH will work with GCC to seek to develop and agree a suitable (ideally skills-based) selection process for GCC nominees to the GCH Board.

8.0 Financial Implications

- 8.1 None.

(Financial Services have been consulted in the preparation this report.)

9.0 Legal Implications

- 9.1 The Transfer Agreement dated 17th March 2015 provides:

'GCH will not change its Constitution so as to reduce the actual or percentage Council or Tenants shareholding or membership on its Board of management without the Council's prior consent in writing such consent (in relation to Tenants) not to be unreasonably withheld or delayed'.

- 9.2 This report seeks authority to approve the changes to the Constitution.

- 9.3 The advice from Trowers and Hamlin sets out the changes to the Rules. The main change is at Board level in that the current membership is 5:5:5 but this will change to:

- Council 3
- Tenants 2

- Independents 7

This changes the potential balance of decision making at Board level from the Council and Tenants to the Independents. It is important to note, however, that all directors are under a duty to act in the best interests of the Company when making decisions at Board level.

- 9.4 The shareholding for the 3 classes of owners remains equal with each class entitled to a 33 1/3% of the vote at General Meetings. The proposed changes to the Rules cannot be implemented until approved by the Shareholders. The council's vote may be exercised by the Cabinet Member for Housing and Planning.

(One Legal have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

- 10.1 No additional risks identified, given the shareholding remains as now.

11.0 People Impact Assessment (PIA):

- 11.1 Not applicable

12.0 Other Corporate Implications

Community Safety

- 12.1 Not applicable

Sustainability

- 12.2 Not applicable

Staffing & Trade Union

- 12.3 Not applicable

Background Documents:

HCA Governance & Viability Standard

HCA Governance & Viability Standard Code of Practice

HCA Sector Risk Profile (September 2015)

HCA Regulating the Standards (June 2016)

NHF Code of Governance "Promoting board excellence for housing associations [2015 edition]

Appendix 1 – Email following informal meeting between GCH and GCG Group Leaders

Dated: 29th January 2016

Dear Group Leaders,

Thank you for meeting with myself, Ashley Green (Chief Executive), Rob Wharton (Director of Resources and Company Secretary) and Stephanie Bamford (our external governance advisor) today. I think we all found the meeting very useful, constructive, positive and productive. I have tried to encapsulate the agreed outcomes below.

The changing external environment

- Ashley opened by explaining just how much has changed in the past 12 months since Gloucester City Homes moved from being an ALMO to being an independent Register Provider (RP).
- He reiterated the importance to GCH of continuing to be a strong and vibrant organisation, committed to investment in Gloucester, and to working in partnership with GCC to the long term benefit of our local communities
- There has been a new and much more robust Homes and Communities Agency (HCA) regulatory framework since April 2015, accompanied by a new sector-wide Code of Governance, and a new and much more robust regulatory assessment process.
- The 8th July Summer Budget heralded a 4-year reduction in our rental income which is being implemented through the Welfare Reform and Work Bill; our income will reduce by over £7m between 2016-2020.
- The changes being proposed in the Housing and Planning Bill will continue to impact on the external environment which has become, and will continue to be, much more difficult for RPs
- This combined with other welfare reforms which will impact on our income (and our arrears), pressure on public expenditure which will impact on grant funding for new homes, increasing demand for new homes, and the [current national government policy emphasis on home ownership](#), are all focusing attention on the changing role and responsibilities of the RP board member

Gloucester City Homes compliance with Homes and Communities Agency regulatory requirements

- GCH is currently undergoing a HCA 'In Depth Assessment' process which has highlighted the current regulatory focus on:
 - Smaller boards
 - Boards which have the necessary non-executive skills to direct the business of GCH; manage the risks and provide effective challenge to the [Leadership Team](#) in an increasingly complex environment

- Boards which have a higher level of finance, funding and risk skill and knowledge than previously required
- GCH is working towards full compliance with HCA regulatory requirements (notably the Governance and Financial Viability Standard) and with the National Housing Federation's Code of Governance (which says that ideally boards should comprise no more than 12 members, and that all board members, regardless of whether they are nominated or elected, should be subject to some form of skills assessment)

Agreement in principle, subject to formal approval by GCC

To summarise our discussion, and the agreement we reached in principle, we will now work towards bringing a governance changes 'business case' back to the Council for approval that will include:

- Reducing the overall size of the GCH board from 15 to 12
- Reducing the number of GCC nominated board members from 5 to 3
- Reducing the number of 'ring-fenced' board posts for tenant board members from 5 to 2
- Increasing the number of independent board members from 5 to 7

We also agreed that as far as possible:

- GCC would seek to nominate board members who brought skills which matched GCH's skills strategy and skills matrix (approved by the GCH board). I have attached copies of the Skills Strategy and Skills Matrix for your information. The skills matrix has been developed by the board, and identifies the skills the board believes it needs to deliver GCH's 5 strategic aims and the 8 promises to tenants. It is important to note that the skills matrix includes a 'Customers and Communities' section with 9 specific skills identified, which we believe will continue to deliver a balanced board, with the capacity to challenge the executive across the full range of issues relevant to the business of a RP, not just those relating to finance, funding and risk management, and including those of importance primarily to customers.
- That future nominations would not be made primarily on a political basis.
- That GCC nominations to the GCH board did not have to be of an elected member.

We sought to reassure you that the work commissioned by the GCH board and undertaken by TPAS, the sector's leading independent tenant empowerment organisation, has already started the move towards a different form of accountability to tenants, which has been widely consulted on with GCH's tenants. This would involve reducing the number of 'ring-fenced' positions on the board for tenants, but at the same time creating a Tenant Senate. GCH remains committed to the voice of the tenant continuing to being heard at board level, and to tenants having a wide range of opportunities to scrutinise our performance and make recommendations for service improvements.

We also discussed the potential future benefits of allowing GCH the option to remunerate board members in the future. We agreed that GCC would permit the necessary rule change allowing the GCH board to consider board member remuneration in the future, should it be judged necessary to

recruit and retain suitably skilled and experienced board members. This would not mean that GCH board members would be remunerated right now, but would give the GCH board the flexibility to consider remuneration in the future. Remuneration is currently not allowed in GCH's Rules.

The process and timetable

Working on the basis that we have an in principle agreement, we will work internally to:

Complete the GCH current board member skills assessment of their current skills against the agreed skills matrix and undertake board member appraisal. This will help us to identify where there are skills gaps, and guide future board member recruitment and appointment.

We agreed it would be beneficial for potential future GCC nominees to complete a skills self-assessment to assist in identifying the most suitable candidates, and then for potential nominees to meet with GCH so that we can brief them more fully on their responsibilities and the requirements of the role.

The changes we have discussed and agreed in principle will require a change to GCH's constitutional document (Rules) which GCC would have to approve at a GCH General Meeting.

In terms of timescale there are the following key steps in terms of the Council 2016 cycle:

- 7th March – Council Scrutiny to receive a report on the proposed changes.
- 24th March – Council meeting to receive the report following review on 7th March by Scrutiny.
- 12th May – Council meeting to discuss nominations to outside bodies, following Local Government elections.
- 23rd May – Annual Council Meeting – nominations confirmed

The necessary Rule change

GCH will also need to ensure that its own internal processes are followed, including:

- Consulting with tenants
- Gaining lender consent
- Securing GCH board agreement to the proposed Rule changes at a board meeting
- Calling a General Meeting where the necessary constitutional changes will need to be approved by the shareholders including the council shareholder (which holds 33% of the total votes)
- Seeking Financial Conduct Authority (FCA, which is GCH's Registrar) consent to the Rule change. (HCA consent will not be required, but they will need to be informed).

We will now arrange to meet with GCC's Managing Director Jon McGinty to discuss the proposals, timetable and the mechanism for implementation.

Information you requested

Attached are the following GCH documents, all of which have been approved by the GCH board:

- Board Skills Strategy
- Board Skills Matrix
- Board Member Purpose, Responsibility and Person Specification

We would all like to thank you for your time this morning. We all felt that it was a really useful, constructive, positive and productive meeting which will help GCH on the next stage of its journey as a Registered Provider.

Best regards,
Paul

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Appendix 2 – Trowers and Hamlins report on the amended Rules



dated 24 May 2016

Gloucester City Homes Limited

Report on the amended Rules

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Gloucester City Homes Limited – Rules

1 Introduction

- 1.1 As part of the review of Gloucester City Homes Limited's (**GCH**) governance structure we have been instructed to prepare an amended version of GCH's rules (the **Rules**). The Rules reflect the consultation with tenants on the proposed governance arrangements which has now completed. This report provides board members with a summary of the key changes made to the Rules to reflect the new governance structure.
- 1.2 We attach a copy of the draft Rules to this report and draw your attention to the notes on the front cover.

2 Board

- 2.1 The composition of the board is set out in Rules D2 to D4. The size of the board has been reduced from fifteen members to a minimum of five and a maximum of twelve members. The composition of the board will now be as follows:
- 2.1.1 Council board members – The Council may appoint up to three board members (reduced from five). The Council is required to work with the association to ensure as far as possible that the Council board members have the necessary skills and expertise (see Rule D2.1.1).
- 2.1.2 Tenant board members - Up to two board members may be tenants – the previous rules required five tenant board members on the board.
- 2.1.3 All other members of the board (i.e. those who are not Council or tenant board members) will effectively be independent board members (although they will not form part of a specifically defined constituency).
- 2.2 Independent and tenant board members will now be appointed by the board (in accordance with a policy governing to the selection and appointment of board members) rather than elected by shareholders.
- 2.3 Employees of GCH may serve on the board but may not form a majority.
- 2.4 Board members will automatically be disqualified if they have served on the board for longer than nine years, unless they have served for six years in aggregate as at 31 March 2015, in which case the board may appoint them for a further fixed term (of a length to be agreed by the board). While the Regulator ordinarily expects board members' terms to be limited to nine years, this extension has been agreed with the Regulator in relation to specific members of the board and we therefore do not expect this Rule to have a wider application in future. Please note that the nine year longstop does not apply to board members who are employees.

2.5 The quorum for the board is three (reduced from five), and must include at least one Council board member.

3 **Membership**

3.1 The membership is now "closed" – the only shareholders comprise the:

3.1.1 tenant board members;

3.1.2 Council; and

3.1.3 "independent" board members.

3.2 Each of the above "classes" of shareholder is entitled to a 33⅓% of the vote at a general meeting, apportioned between the members of the class, which reflects the current position.

3.3 Board members who are employees may not be shareholders.

3.4 The quorum for a general meeting is three (reduced from six) and must include a representative of the Council.

4 **AGM**

4.1 As the Rules have been amended to reflect a "closed" membership, strictly speaking there is no legal need for an AGM. Many other organisations with the same structure no longer hold AGMs as this can seem artificial when the tenant and "independent" board members (plus the Council) are the only shareholders. The Rules no longer contemplate an election of the board and the accounts do not have to be laid at the AGM – i.e. all "AGM business" can be conducted at a board meeting. There is of course an administrative cost to holding an AGM and it would still be possible to convene a "stakeholder" event instead of a formal AGM.

4.2 We therefore recommend that the board consider removing the formal requirement to hold an AGM. This would require minor amendments to the Rules and if the board agrees that no AGM is necessary we suggest that it delegate approval of the amended Rules.

5 **Remuneration**

Provided GCH takes appropriate independent advice, it now has the power to remunerate board members and members of committees. GCH may also pay authorised expenses as well as benefits (provided such benefits comply with the Housing and Regeneration Act 2008).

6 **Model rules**

We have made amendments throughout the Rules to make them compliant with the NHF Model Rules 2015. We have not commented on these separately as they are not material to GCH's rights and obligations.

7 **De-regulation**

7.1 The Rules contain some provisions which are likely to become redundant once de-regulation measures in the Housing and Planning Act 2016 (**the Act**) come into effect. We have flagged these in the Rules as, depending on the timing of the commencement of the de-regulation measures, it may be necessary to make further amendments to these Rules to give effect to such provisions.

7.2 The Act also entitles the Government to make regulations to limit the Council's ability to appoint or remove officers and/or exercise or control voting rights. If such regulations are issued it may impact on the Council's rights and obligations in the Rules. We understand that it is unlikely that such regulations will be brought forward before GCH's September AGM and that in any event it is not expected that they will come into effect until the end of this year. Of course, if this changes, we will alert the board and amend the Rules to reflect the updated position before the September AGM.

Trowers & Hamlins
24 May 2016

RULES of: Gloucester City Homes Limited

Registered under the Co-operative and Community Benefit Societies Act 2014

Register No.

MODEL RULES 2011(version 2)
National Housing Federation

CONTENTS

Part A	Name and objects
A1	Name
A2-A4	Objects
A5	Corporate status
Part B	Powers of association, board, and shareholders
B1-B3	Powers
B4-B6	Powers of the board
B7	Limited powers of shareholders in general meeting
B8-B9	General
Part C	Shareholders and general meetings
C1	Obligations of shareholders
C2-C3	Nature of shares
C4-C7	Nature of shareholders
C8	Admission of shareholders
C9	Ending of shareholding
C10-C11	General meetings
C12-C14	Calling a general meeting
C15-C20	Proceedings at general meeting
C21	Proxies
C22-C29	Voting
C30-31	Representatives and nominees
Part D	The board
D1	Functions
D2-D4	Composition of board
D5-D8	Co-optees
D9-D10	Terms of office and ceasing to be a board member
D11	Quorum for the board
D12-D24	Board members' interests
D25-D26	Meetings of the board
D27	Availability of certain board statements
D28-D33	Management and delegation
D34-D36	Miscellaneous provisions

Part E Chair, vice chair, chief executive, secretary and other officers

E1-E4	The chair
E5-E6	The chair's responsibilities
E7	The chief executive
E8	The secretary
E9	Other officers
E10-E11	Miscellaneous

Part F Financial control and audit

F1-F5	Auditor
F6- F7	Auditor's duties
F8-10	Accounting requirements
F11	Annual returns and balance sheets
F12-F14	Borrowing
F15	Investment

Part G Miscellaneous and statutory

G1-G2	Registered office and name
G3	Disputes
G4-G9	Minutes, seal, registers and books
G10-G11	Statutory applications to the registrar
G12	Amendment of rules
G13-G14	Dissolution
G15	Interpretation of terms
G16	Notices and communications

PART A

NAME AND OBJECTS

Name

A1 The name of the society shall be Gloucester City Homes Limited (the **association**).

Objects

A2 The association is formed for the benefit of the community. Its objects shall be to carry on for the benefit of the community:

A2.1 the business of providing and managing housing and social housing and providing assistance to help house people and associated facilities and amenities or services for poor people or for the relief of aged, disabled (whether physically or mentally) or chronically sick people;

A2.2 any other charitable object that can be carried out from time to time by a registered society registered as a provider of social housing with the regulator.

A3 The association shall not trade for profit and any profits shall only be applied for the purpose of furthering the association's objects and/or in accordance with these rules.

A4 Nothing shall be paid or transferred by way of profit to shareholders of the association.

Corporate status

A5 [The association is not a subsidiary of another organisation and shall not become a subsidiary of another organisation without first amending these rules to state the name of the parent entity and without first having obtained the consent of the Regulator (if and to the extent required) to such a rule change pursuant to section 212 of the Housing and Regeneration Act 2008.]

PART B

POWERS OF ASSOCIATION, BOARD, AND SHAREHOLDERS

Powers

B1 The association shall have power to do anything that a natural or corporate person can lawfully do which is necessary or expedient to achieve its objects, except as expressly prohibited in these rules.

B2 Without limiting its general powers under rule B1, and only so far as is necessary or expedient to achieve its objects, the association shall have power to:

B2.1 purchase, acquire or dispose, and purchase, take or grant any interest in land or any of the association's assets including any mortgage, charge or other security whatsoever;

B2.2 construct or carry out works to any buildings or land;

B2.3 help any charity or other body not trading for profit whose objects or activities are compatible with those of the association;

B2.4 subject to rules F12, F13, and F14, borrow money or issue bonds, notes, loan stock or any other debt instrument or enter into any transaction having the commercial effect of a borrowing on such terms as the association sees fit;

- B2.5 enter into and perform any derivative transaction on such terms as the association thinks fit for the purpose of hedging or otherwise managing any treasury risk or other financial exposure of the association;
- B2.6 subject to rule F15, invest the funds of the association;
- B2.7 lend and/or borrow money on such terms as the association shall think fit;
- B2.8 guarantee, enter into any contract of indemnity or suretyship in relation to, or provide security for, the borrowings or performance of the obligations of a third party on such terms as the association shall think fit;
- B2.9 make grants and donations; and
- B2.10 support, administer, set up or acquire other corporate bodies.

B3 The association shall not have power to receive money on deposit in any way which would require authorisation under the Financial Services and Markets Act 2000 or any other authority required by statute unless it has such authorisation.

Powers of the board

B4 The business of the association shall be directed by the board.

B5 Apart from those powers which must be exercised in general meeting:

B5.1 by statute; or

B5.2 under these rules

all the powers of the association may be exercised by the board for and in the name of the association.

B6 The board shall have power to delegate, in writing, the exercise of any of its powers in accordance with rules D28-33. Such delegation may include any of the powers and discretions of the board.

Limited powers of shareholders in general meeting

B7 The association in general meetings can only exercise the powers of the association expressly reserved to it by these rules or by statute.

General

B8 The certificate of an officer of the association that a power has been properly exercised shall be conclusive as between the association and any third party acting in good faith.

B9 A person acting in good faith who does not have actual notice of these rules or of any regulations made by the board shall not be concerned to see or enquire if the board's powers are restricted by such rules or regulations.

PART C

SHAREHOLDERS AND GENERAL MEETINGS

Obligations of shareholders

C1 All shareholders agree to be bound by the obligations on them as set out in these rules. When acting as shareholders they shall act at all times in the interests of the association and for the benefit of the community, as guardians of the objects of the association.

Nature of shares

- C2 The association's share capital shall be raised by the issue of shares. Each share has the nominal value of one pound which shall carry no right to interest, dividend or bonus. Shares shall be non-withdrawable and non-transferable.
- C3 When a shareholder ceases to be a shareholder or is expelled from the association, his or her share shall be cancelled. The amount paid up on that share shall become the property of the association.

Nature of shareholders

- C4 C4.1 A shareholder of the association is a person or body whose name and address is entered in the register of shareholders. Save for any person who is an employee of the association (employees shall not be admitted as shareholders) and any person appointed by the council under rule D2.1.1, the board members from time to time shall be the only shareholders. The council shall also be a shareholder. No other person or body shall be admitted as a shareholder.
- C4.2 The shareholders shall be divided into three classes as follows:
- the council shareholder
 - the tenant shareholders
 - the independent shareholders
- C4.3 A shareholder shall belong to a class and cannot belong to more than one class.
- C5 The council can appoint an individual to exercise its rights at general meetings. Any such appointment shall be in writing, and given to the secretary.
- C6 C6.1 No shareholder shall hold more than one share and each share shall carry only one vote.
- C6.2 In any vote the shareholders present in person or by proxy shall carry the following percentage of votes cast:
- The council shareholder: 33 $\frac{1}{3}$ %,
 - The tenant shareholders: 33 $\frac{1}{3}$ % apportioned equally amongst them,
 - The independent shareholders: 33 $\frac{1}{3}$ % apportioned equally amongst them.
- C7 A share cannot be held jointly.

Admission of shareholders

- C8 Every board member who becomes a shareholder under rule C4.1 shall pay the sum of one pound to the association. Board members appointed under rule D3 shall automatically become shareholders with board members who are tenants belonging to the tenant shareholder class and all other board members appointed under rule D3 belonging to the independent class. The name of the person and the other necessary particulars shall be entered in the register of shareholders. One share in the association shall be issued to the person.

Ending of shareholding

- C9 Save for the council shareholder, a shareholder shall cease to be a shareholder if they cease to be a board member for any reason.

General meetings

- C10 The shareholders may hold general meetings which shall be convened either:
- C10.1 upon an order of the board; or
 - C10.2 upon a written requisition of the Council or any three other shareholders;
 - C10.3 upon a written requisition signed by one-tenth of the shareholders stating the business for which the meeting is to be convened and if within twenty-eight days after delivery of a requisition to the secretary a meeting is not convened, the shareholders who have signed the requisition may convene a meeting.
- C11 A general meeting shall not transact any business that is not set out in the notice convening the meeting.

Calling a general meeting

- C12 Subject to rule C14, all general meetings shall be convened by at least fourteen clear days' written notice posted or delivered by hand or sent by email to every member at the postal or email address given in the share register. The notice shall state whether the meeting is an annual or special general meeting, the time, date and place of the meeting, and the business for which it is convened.
- C13 Any accidental failure to get any notice to any shareholder (including an accidental failure to send it) shall not invalidate the proceedings at that general meeting. A notice or communication sent to a shareholder shall be deemed to have arrived as specified in rule G16.
- C14 A general meeting may be held with less notice than required by rule C12 if three quarters of all shareholders agree, by consenting in writing or by email to such shorter notice.

Proceedings at general meetings

- C15 Before any general meeting can start its business there must be a quorum present. A quorum is three, including at least a representative of the council shareholder. Two shareholders must be present in person.
- C16 A meeting held as a result of a shareholder's requisition will be dissolved if too few shareholders are present half an hour after the meeting is scheduled to begin.
- C17 All other general meetings with too few shareholders will be adjourned to the same day, at the same time and place in the following week. If no quorum is present within half an hour of the time the adjourned meeting is scheduled to have started, those shareholders present shall carry out the business of the meeting.
- C18 The chair of any general meeting can:
- C18.1 take the business of the meeting in any order that the chair may decide; and
 - C18.2 adjourn the meeting if the majority of the shareholders present in person or by proxy agree;
- C19 An adjourned meeting can only deal with matters adjourned from the original meeting. An adjourned meeting is a continuation of the original meeting. The date of all resolutions passed is the date they were passed (as opposed to the date of the original meeting). There is no need to give notice of an adjournment or to give notice of the business to be transacted.

C20 At all general meetings of the association the chair of the board shall preside. If there is no such chair or if the chair is not present or is unwilling to act, the vice chair (if any) shall chair the meeting, failing which the shareholders present shall elect a shareholder to chair the meeting. The person elected shall be a member of the board if one is present and willing to act.

Proxies

C21 Any shareholder entitled to attend and vote at a general meeting may appoint another person, whether or not a shareholder, as their proxy to attend and vote on their behalf. A proxy can be appointed by delivering a written or emailed appointment to the registered office, or such other place as may be selected by the board and stated in the meeting notice, at least two clear days before the date of the meeting at which the proxy is authorised to vote. It must be signed or confirmed electronically by the shareholder or a duly authorised attorney. Any proxy form delivered late shall be invalid. Any question as to the validity of a proxy shall be determined by the chair of the meeting whose decision shall be final.

Voting

C22 Subject to the provisions of these rules or of any statute, a resolution put to the vote at a general meeting shall, except where a ballot is demanded or directed, be decided upon a show of hands.

C23 On a show of hands every shareholder present in person and on a ballot every shareholder present in person or by proxy shall have one vote and votes shall be counted in accordance with rule C6.2. In the case of an equality of votes the chair of the meeting shall have a second or casting vote.

C24 Unless a ballot is demanded (either before or immediately after the vote), a declaration by the chair that a resolution on a show of hands has been carried or lost, unanimously or by a particular majority, is conclusive. An entry made to that effect in the book containing the minutes of the proceedings of the association shall be conclusive evidence of that fact.

C25 Any question as to the acceptability of any vote whether tendered personally or by proxy, shall be determined by the chair of the meeting, whose decision shall be final.

C26 A ballot on a resolution may be demanded by the council shareholder or by any three shareholders at a meeting (in person or by proxy) or directed by the chair (and such demand or direction may be withdrawn). A ballot may be demanded or directed after a vote on the show of hands, and in that case the resolution shall be decided by the ballot.

C27 A ballot shall be taken at such time and in such manner as the chair shall direct. The result of such a ballot shall be deemed to be the resolution of the association in general meeting.

C28 Subject to the Act, a resolution in writing sent to all shareholders by post or email or delivered by hand and signed or approved electronically by the requisite majority of votes referred to in rule C29, shall be as valid and effective as if it had been passed at a properly called and constituted meeting of shareholders. Such a resolution in writing may comprise of more than one document in the same form, each signed or confirmed electronically by one or more shareholders.

C29 For the purposes of rule C28 the requisite majorities are:

- in the case of an ordinary resolution, a simple majority of votes of the shareholders who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting;

- in the case of a resolution requiring a two-thirds majority of votes of shareholders, at least two-thirds of votes of the shareholders who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting; or
- in the case of a resolution requiring a three-quarters majority of votes of shareholders, at least three-quarters of votes of the shareholders who would have been entitled to vote had the resolution been proposed at a properly called and constituted general meeting,

provided that in counting signatures and approvals towards the requisite majority, rule C6.2 shall be applied as if a vote had been held at a general meeting.

Representatives and nominees

C30 Under the provisions of these rules (including rules A3, A4, C2 and C3) no shareholder is entitled to property of the association in that capacity, and in the event of the death a person shall cease to be a shareholder, their share shall be cancelled and the amount paid up on that share shall become the property of the association. The following make provisions for representatives and nominees taking into account the provisions of these rules:

C30.1 The Act provides that a shareholder may nominate a person or persons to whom property in the association at the time of his/ her death shall be transferred. As any such share will have been cancelled, no person so nominated under the Act shall be entitled to any property of that shareholder on their death.

C30.2 No property shall be capable of transfer to any personal representative of a deceased shareholder.

C31 Upon a claim being made by a trustee in bankruptcy of a bankrupt shareholder to the share held by that shareholder, the association shall transfer such share to which the trustee in bankruptcy is entitled and as the trustee in bankruptcy may direct them.

PART D

THE BOARD

Functions

D1 The association shall have a board who shall direct the affairs of the association in accordance with its objects and rules and ensure that its functions are properly performed. These functions will be agreed by the board and set out separately in a code of governance or otherwise in writing.

Composition of the board

D2 D2.1 The board shall consist of between five and twelve board members (including co-optees) as follows:

D2.1.1 up to but no more than three council board members may be appointed by the council, who shall be appointed for a fixed term to be fixed on appointment. In appointing such board members, the council will work together with the association to ensure as far as

possible that council appointees have the necessary skills and expertise required by the association from time to time. The council may withdraw a council board member at any time. Any vacancies occurring among council board members shall be filled as soon as reasonably possible;

D2.1.2 up to but no more than two board members may be tenants (and no more than one shall be a leaseholder).

D3 All board members (other than the council board members who shall be appointed by the council under rule D2.1.1) will be appointed by the board in accordance with a policy relating to the recruitment and selection of board members adopted by the board from time to time. Such board members will be appointed for a fixed term of three years (with the exception of board members who are employees, who may be appointed for such term as the board determines), save where the board sets a shorter term prior to the appointment. Such board members shall cease to be board members at the end of the fixed term but may be reappointed in accordance with this rule D3. Save for any board member appointed by the council, time for the purpose of this rule shall be deemed to run from the date on which persons who are board members on the date of registration of these rules with the registrar were last elected or appointed to the board.

D4 D4.1 The board shall agree the obligations (including the expected standards of conduct) of every board member (including co-optees) to the board and to the association. The board shall review and may amend the obligations of board members from time to time.

D4.2 No board member (including co-optees) may act as such until they have signed and delivered to the board a statement confirming that they will meet their obligations (including the expected standards of conduct) to the board and to the association. The board may vary the form of statement from time to time.

D4.3 Any board member who has not signed such statement without good cause within one month of election or appointment to the board or, if later, within one month of adoption of these rules, may be removed from office by a resolution of the majority of the board.

Co-optees and employees

D5 The board may appoint co-optees to serve on the board on such terms as the board resolves and may remove such co-optees. A co-optee may act in all respects as a board member, but they cannot take part in the deliberations or vote on the election or appointment of officers of the association nor any matter directly affecting shareholders.

D6 For the purposes of these rules and of the Act, a co-optee is not included in the expressions "board member" or "member of the board". For the purposes of the Housing and Regeneration Act 2008, a co-optee is an officer.

D7 Not more than two co-optees can be appointed to the board or to any committee at any one time.

D8 The board may appoint or co-opt employees to the board on such terms as the board resolves but no employee may be appointed (or co-opted) to the board if, following their appointment (or co-option), employees would be in a majority.

Term of office and ceasing to be a board member

- D9 No one can become or remain a board member or co-optee at any time if:
- D9.1 they are disqualified from acting as a director of a company for any reason; or
 - D9.2 they have been convicted of an indictable offence which is not, or cannot be, spent or they have been convicted of any other offence which in the opinion of the board brings the association into disrepute or which is not considered by the board to be compatible with the role of board member; or
 - D9.3 a composition is made with that person's creditors generally in satisfaction of that person's debts; or
 - D9.4 they are not a shareholder (unless they are a co-optee or employee of the association); or
 - D9.5 they have absented themselves from four consecutive meetings or one quarter of the meetings of the board in one rolling twelve-month period (without special leave of absence from the board) unless the board resolves that they should remain a board member; or
 - D9.6 a registered medical practitioner who is treating that person gives a written opinion to the association stating that that person has become physically or mentally incapable of acting as a board member and may remain so for more than three months; or
 - D9.7 they are a tenant and are (in the opinion of at least three quarters of the board members) in material or serious breach of their tenancy agreement or lease and fail to rectify the breach within a reasonable timeframe as agreed with the association, or are subject to an anti-social behaviour order/injunction, demoted tenancy, or similar court decision; or
 - D9.8 they are a tenant and cease to be a tenant (save a temporary cessation arising from the demolition of or works carried out to their home) or save where the board agrees otherwise; or
 - D9.9 they are not a tenant when appointed as a board member and become a tenant save where the board agrees otherwise; or
 - D9.10 they are an employee of the association and their contract of employment is terminated; or
 - D9.11 they are a council board member and their appointment is withdrawn by the council under rule D2.1.1; or
 - D9.12 they have served as a member of the board for more than nine years, save that this shall not apply to a board member who served for a period of at least six years in aggregate on the board as at 31 March 2015, who may be appointed for a further fixed term (which shall be agreed by the board) immediately following the previous fixed term. This rule D9.12 shall not apply to any board member who is an employee;
- and any board member who at any time ceases to qualify under this rule shall immediately cease to be a board member.
- D10 A board member may be removed from the board:
- D10.1 by a special resolution at a general meeting; or
 - D10.2 by a resolution passed by three-quarters of the board members, excluding the board member who is the subject of the proposed removal and excluding co-optees and employees, provided the following conditions are satisfied:

- at least fourteen days' notice of the proposed resolution has been given to all board members, and in the case of a proposal to remove a council board member to the council; and
- the notice sets out in writing the alleged breach(es) of the member's obligations as a board member; and
- the board is satisfied that the allegation(s) is or are true.

Quorum for the board

- D11 D11.1 Subject to the provisions of rule D11.2 four board members, comprising at least one council board member shall form a quorum.
- D11.2 The board will not be quorate unless board members who are employees of the association are in a minority.
- D11.3 If the number and make up of board members prevent a quorum being achieved, the remaining board members may continue to act as the board for a maximum period of six months. At the end of that time the only power that the board may exercise shall be to bring the number and make up of board members up to that required by these rules.

Board members' interests

- D12 No board member, co-optee or member of a committee (or connected person) may have any financial interest:
- D12.1 personally; or
- D12.2 as a member of a firm; or
- D12.3 as a director or senior employee (being an employee with managerial status) of a business trading for profit; or
- D12.4 in any other way whatsoever, save that there shall be deemed to be no financial interest in relation to shares except in the circumstances referred to in rule D21.4;
- in any contract or other transaction with the association, unless it is expressly permitted by statute or by these rules.
- D13 The association shall not pay or grant any benefit to anyone who is a board member or a co-optee or a member of a committee (or a connected person), unless it is expressly permitted by these rules.
- D14 The following are permitted, subject to compliance with rule D16:
- D14.1 the payment, to board members, co-optees and members of committees, of properly authorised expenses, when actually incurred on the association's business;
- D14.2 the payment (directly or indirectly) of the costs associated with the procurement of insurance taken out to insure board members, co-optees, members of committees and employees against the cost of a successful defence to a criminal prosecution brought against them as officers or against personal liability incurred in respect of any act or omission which is or is alleged to be a breach of trust or breach of duty; and
- D14.3 the payment of any sums incurred by the association pursuant to the indemnifications permitted under rule E10;

D14.4 any benefits to board members, co-optees or committee members (or to connected persons), which are granted on the same terms and in accordance with the same criteria as they would be granted to any other beneficiary of the association and for the avoidance of doubt benefits granted under this rule D14.4 may include the grant of a tenancy, lease or licence.

D15 A board member, co-optee or member of a committee shall be deemed not to have an interest for the purpose of rules D12, D16 or D21 or a conflict of loyalties for the purpose of rule D17:

D15.1 if they are a tenant in any decision affecting all or a substantial group of tenants;

D15.2 because they are an elected member or officer of the council;

D15.3 in relation to permitted benefits applying to the whole board.

D16 Any board member, co-optee or member of a committee, having an interest in any arrangement with the association, or in any arrangement between the association and a third party, shall disclose their interest before the matter is discussed by the board or any committee. Unless it is expressly permitted by these rules, they shall not remain present unless requested to do so by the board or committee, and they shall not have any vote on the matter in question.

D17 If a potential or actual conflict of interest arises for a board member, co-optee or committee member because of a duty of loyalty owed to another organisation or person, and it is not otherwise permitted by these rules, the unconflicted board members and co-optees, or committee members, as appropriate, may authorise that conflict PROVIDED THAT no conflicted individual shall count in the quorum for such a decision. Such authorisation shall be on such terms and/or conditions as the board or committee (excluding any conflicted individuals) may determine, provided that such conditions shall include compliance with rule D16 when the authorised matter is discussed at any subsequent meetings.

D18 Any decision of the board or of a committee shall not be invalid because of the subsequent discovery of an interest which should have been declared.

D19 For the purposes of rules D16 to D18 the interest of a connected person shall be treated as the interest of the relevant board member, co-optee or committee member.

D20 If a board member receives or has received any information otherwise than by virtue of their position as a board member, co-optee or committee member, and in respect of this information they owe a duty of confidentiality to another person, the board member, co-optee or committee member is under no obligation:

D20.1 to disclose any such information to the association, the board members or any other officer or employee of the association; nor

D20.2 to use or apply any such information in connection with the performance of his or her duties in connection with the association;

provided that to the extent that such duty of confidentiality arises out of a situation or relationship which would or might otherwise constitute or give rise to a breach of the duty to avoid conflicts of interests, this rule shall apply only if such situation or relationship has been authorised under rule D17, or is otherwise permitted under these rules.

D21 Every board member, co-optee and member of a committee shall ensure that the secretary at all times has a list of all other bodies in which they, and any connected persons, have an interest as:

D21.1 a director or officer; or

D21.2 as a member of a firm; or

- D21.3 as an official or elected member of any statutory body; or
D21.4 as the owner or controller of more than 2% of a company the shares in which are publicly quoted or more than 10% of any other company; or
D21.5 as the occupier of any property owned or managed by the association; or
D21.6 any other significant or material interest.

D22 No board member, co-optee or member of a committee shall be treated as having an interest of which that person has no knowledge and of which it is unreasonable to expect him or her to have knowledge.

D23 If requested by a majority of the other board or members of a committee at a meeting convened specially for the purpose, a board member, co-optee or member of a committee failing to disclose an interest as required by these rules shall vacate their office either permanently or for a period of time.

D24 Notwithstanding rules D12 and D13, the association may:

D24.1 pay properly authorised expenses to board members, co-optees and members of committees when actually incurred on the association's business;

D24.2 pay insurance premiums in respect of insurance taken out to insure officers and employees;

D24.3 pay reasonable and proper remuneration, fees, allowances or recompense for loss of earnings to board members, co-optees and members of committees following appropriate independent advice; and

D24.4 subject to compliance with Section 122 of the Housing and Regeneration Act 2008, and subject to compliance with any code of conduct and/or governance adopted by the board from time to time grant reasonable and proper benefits to board members, co-optees and members of committees;

D24.5 grant benefits to board members, co-optees or members of committees who are beneficiaries which are granted on the same terms and in accordance with the same criteria as they would be granted to any other beneficiary of the association.

Meetings of the board

D25 The board shall meet at least three times every calendar year. At least seven days' written notice (sent by post or electronic communication) of the date and place of every board meeting shall be given by the secretary to all board members and co-optees. The board may meet on shorter notice where not less than three quarters of the board members so agree.

D26 Meetings of the board may be called by the secretary, or by the chair, or by two board members who give written notice to the secretary specifying the business to be carried out. The secretary shall send a written notice to all board members and co-optees to the board as soon as possible after receipt of such a request. Pursuant to the request, the secretary shall call a meeting on at least seven days' notice but not more than fourteen days' notice to discuss the specified business. If the secretary fails to call such a meeting then the chair or two board members, whichever is the case, shall call such a meeting.

Availability of certain board statements

D27 The board shall agree and make available:

- the board's statement of the values and objectives of the association;

- a statement of the current obligations of board members to the board and the association;

and the board may vary the form of these statements from time to time.

Management and delegation

- D28 The board may delegate any of its powers under written terms of reference to its committees or to officers or employees. Those powers shall be exercised in accordance with any written instructions given by the board.
- D29 The board may reserve to itself certain significant matters that cannot be delegated to committees or employees.
- D30 The membership of any committee shall be determined by the board. Every committee shall include at least one board member or co-optee to the board. The board will appoint the chair of any committee and shall specify the quorum.
- D31 All acts and proceedings of any committee shall be reported to the board.
- D32 No committee can incur expenditure on behalf of the association unless at least one board member or co-optee of the board on the committee has voted in favour of the resolution and the board has previously approved a budget for the relevant expenditure.
- D33 For the purposes of the Housing and Regeneration Act 2008 any member of a committee shall be an officer.

Miscellaneous provisions

- D34 All decisions taken at a board or any committee meeting in good faith shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the members at a meeting.
- D35 A resolution in writing sent to all board members or all members of a committee and signed, or confirmed electronically by three-quarters of the board members or three-quarters of the members of a committee shall be as valid and effective as if it had been passed at a properly called and constituted meeting of the board or committee and may consist of documents in the same form and signed or confirmed electronically by one or more persons.
- D36 Meetings of the board or a committee can take place in any manner and through any medium which permits those attending to hear and comment on the proceedings. Any person who attends in this manner will be deemed to be present at the meeting and whether or not all are assembled in one place.

PART E

CHAIR, VICE CHAIR, CHIEF EXECUTIVE, SECRETARY AND OTHER OFFICERS

The chair

- E1 The association shall have a chair, who shall chair board meetings, and shall be elected by the board on such terms as the board determines. The association may also have a vice chair who, in the chair's absence, shall act as the chair and have the chair's powers and duties and who shall be elected by the board. The arrangements for election and removal of any vice chair shall be determined by the board.

- E2 The chair on election shall hold office until the first board meeting after the next general meeting of the association (or until the chair resigns or is removed as chair or ceases to be a board member). The first item of business for any board meeting when there is no chair (or vice chair) or the chair (or vice chair) is not present shall be to elect a chair for the purpose of the meeting. The chair must at all times be a shareholder and a board member and cannot be an employee.
- E3 In a case of an equality of votes, the chair shall have a second vote.
- E4 The chair of the association may be removed at a board meeting called for that purpose provided the resolution is passed by at least two-thirds of the members of the board present and voting at the meeting.

The chair's responsibilities

- E5 The chair shall seek to ensure that:
- E5.1 the board's business and the association's general meetings are conducted efficiently;
 - E5.2 all board members are given the opportunity to express their views;
 - E5.3 a constructive working relationship is established with, and support provided for, the chief executive;
 - E5.4 the board delegates sufficient authority to its committees, the chair, the chief executive, and others to enable the business of the association to be carried on effectively between board meetings;
 - E5.5 the board receives professional advice when needed;
 - E5.6 the association is represented as required;
 - E5.7 the association's affairs are conducted in accordance with generally accepted codes of performance and propriety; and
 - E5.8 there is a clear division of responsibilities between the board and the paid staff.
- E6 The chair shall seek to ensure that there is a written statement of the chair's responsibilities which shall be agreed with the board, and reviewed from time to time.

The chief executive

- E7 The association may have a chief executive appointed by the board. The chief executive shall be appointed on a written contract of employment, which shall include a clear statement of the duties of the chief executive.

The secretary

- E8 The association shall have a secretary who shall be appointed by the board and who may be an employee. The board may also appoint a deputy secretary (who may also be an employee) to act as secretary in the secretary's absence. The secretary shall in particular:
- E8.1 summon and attend all meetings of the association and the board and keep the minutes of those meetings;
 - E8.2 keep the registers and other books determined by the board;
 - E8.3 make any regulatory returns on behalf of the association to the regulator and registrar;
 - E8.4 have charge of the seal (if any) of the association; and

E8.5 be responsible for ensuring the compliance of the association with these rules.

Other officers

E9 The board may designate as officers such other executives, internal auditor and staff of the association on such terms (including pay) as it from time to time decides.

Miscellaneous

E10 Every officer or employee shall be indemnified by the association for any amount reasonably incurred in the discharge of their duty.

E11 Except for the consequences of their own dishonesty or negligence no officer or employee shall be liable for any losses suffered by the association.

PART F

FINANCIAL CONTROL AND AUDIT

Auditor

F1 The association, if required by law to do so, shall appoint an auditor to act in each financial year. They must be qualified as provided by Section 91 of the Act.

F2 The following cannot act as auditor:

F2.1 an officer or employee of the association;

F2.2 a person employed by or employer of, or the partner of, an officer or employee of the association.

F3 The association's auditor may be appointed by the board or by a resolution of shareholders.

F4 Where an auditor is appointed to audit the accounts for the preceding year, they shall be re-appointed to audit the current year's as well unless:

F4.1 a general meeting has appointed someone else to act or has resolved that the auditor cannot act; or

F4.2 the auditor does not want to act and has told the association so in writing; or

F4.3 the person is not qualified or falls within rule F2; or

F4.4 the auditor has become incapable of acting; or

F4.5 notice to appoint another auditor has been given.

F5 F5.1 Not less than twenty-eight days' notice shall be given for a resolution to appoint another person as auditor, or to forbid a retiring auditor being re-appointed;

F5.2 the association shall send a copy of the resolution to the retiring auditor and also give notice to its shareholders at the same time and in the same manner, if possible;

F5.3 if not, the association shall give notice by advertising in a local newspaper at least fourteen days before the proposed meeting. The retiring auditor can make representations to the association which must be notified to its shareholders under Section 95 of the Act.

Auditor's duties

- F6 The findings of the auditor shall be reported to the association, in accordance with Section 87 of the Act.
- F7 The board shall produce the revenue account and balance sheet audited by the auditor, if required, and the auditor's report, if required. The board shall also produce its report on the affairs of the association which shall be signed by the person chairing the board meeting which adopts the report.

Accounting requirements

- F8 The end of the accounting year shall be 31 March.
- F9 The association shall keep proper books of account detailing its transactions, its assets and its liabilities, in accordance with Sections 75 and 76 of the Act.
- F10 The association shall establish and maintain satisfactory systems of control of its books of account, its cash and all its receipts and payments.

Annual returns and balance sheets

- F11 Every year, within the time period specified by legislation, the secretary shall send the association's annual return to the registrar. The return shall be prepared in accordance with the period specified in the Act, or such other date allowed by the registrar and shall be lodged within the period required by law. The annual return shall be accompanied by the auditor's report, if required, for the period of the return and the accounts and balance sheets to which it refers.

Borrowing

- F12 The total borrowings of the association at any time shall not exceed £500 million (five hundred million) pounds sterling or such a larger sum as the association determines from time to time in general meeting. For the purpose of this rule F12, any amount of the association's borrowings in any currency other than pounds sterling shall be converted to sterling at the exchange rate or rates applicable under the related derivative transaction or transactions by which the association has hedged its exposure to currency exchange rate movements in relation to the principal amount of such borrowing.
- F13 The rate of interest payable at the time terms of borrowing are agreed on any money borrowed shall not exceed the rate of interest which, in the opinion of the board, is reasonable having regard to the terms of the loan. The board may delegate the determination of the said interest rate within specified limits to an officer, board member or a committee.
- F14
- F14.1 In respect of any proposed borrowing, for the purposes of rule F12 and in relation to the amount remaining undischarged of any deferred interest or index-linked monies or amounts on any deep discounted security previously borrowed by the association, the amount of such pre-existing borrowing shall be deemed to be the amount required to repay such pre-existing borrowing in full if such pre-existing borrowing became repayable in full at the time of the proposed borrowing;
- F14.2 For the purposes of rule F12 in respect of any proposed borrowing intended to be on deferred interest or index-linked terms or on any deep discounted security the amount of borrowing shall be deemed to be the proceeds of such proposed borrowing receivable by the association at the time of the proposed borrowing; and

F14.3 No person dealing in good faith with the association shall be concerned to know whether rules F12 or F13 or this rule F14 have been complied with.

Investment

F15 The funds of the association may be invested and may be applied by the board as it thinks fit.

PART G

MISCELLANEOUS AND STATUTORY

Registered office and name

G1 The association's registered office is: Railway House, Bruton Way, Gloucester, Gloucestershire, GL1 1DG

G2 The association's registered name must:

G2.1 be placed prominently outside every office or place of business; and

G2.2 be engraved on its seal; and

G2.3 be stated on its business letters, notices, advertisements, official publications, cheques, invoices, website and any other formal corporate communication whether electronic or otherwise.

Disputes

G3 Any dispute on a matter covered by the rules shall be referred by either party to a suitably qualified independent mediator for settlement. The mediator shall be appointed by agreement between the parties or, in default of agreement, by the Centre for Effective Dispute Resolution whether the disagreement be as to the qualifications, the identity of the mediator or otherwise. The mediation will be conducted in accordance with the requirements of the mediator. Both parties will be obliged to comply and co-operate with this procedure at each stage and to share equally the costs of appointment of the relevant mediator as referred to above. Costs thereafter will be borne as the mediator will determine. Where the dispute is not resolved by mediation, any claim shall be dealt with in the county court which shall have sole jurisdiction over any dispute arising under the rules.

Minutes, seal, registers and books

G4 The minutes of all general meetings and all board and committee meetings shall be recorded, agreed by the relevant subsequent meeting and signed by the chair of the subsequent meeting and stored safely.

G5 The secretary shall keep the seal. It shall not be used except under the board's authority. It must be affixed by one board member signing and the secretary countersigning or in such other way as the board resolves. The board may in the alternative authorise the execution of deeds in any other way permitted by law.

G6 The association must keep at its registered office:

G6.1 the register of shareholders showing:

- the names and addresses of all the shareholders and
- a statement of all the shares held by each board or committee member and the amount paid for them and

- a statement of other property in the association held by the shareholder and
- the date that each shareholder was entered in the register of shareholders;

G6.2 a duplicate register of shareholders showing the names and addresses of shareholders and the date they became shareholders;

G6.3 a register of the names and addresses of the officers, their offices and the dates on which they assumed those offices as well as a duplicate;

G6.4 a register of holders of any loan;

G6.5 a register of mortgages and charges on land; and

G6.6 a copy of the rules of the association.

G7 The association must display a copy of its latest balance sheet and auditor's report (if one is required by law) at its registered office.

G8 The association shall give to all shareholders on request copies of its last annual return with the auditor's report (if one is required by law) on the accounts contained in the return, free of charge.

G9 The secretary shall give a copy of the rules of the association to any person on demand who pays such reasonable sum as permitted by law.

Statutory applications to the registrar

G10 Five shareholders can apply to the registrar to appoint an accountant to inspect the books of the association, provided all applicants have been shareholders of the association for a twelve-month period immediately before their application.

G11 The shareholders may apply to the registrar in order to get the affairs of the association inspected or to call a special general meeting. Five shareholders must make the application.

Amendment of rules

G12 G12.1 The rules of the association may be rescinded or amended, but not so as to stop the association being a charity [without the prior consent of the regulator where such consent is required under the Housing and Regeneration Act 2008].

G12.2 The rules may only be amended by a resolution put before the shareholders by the board and approved by at least two-thirds of the board prior to approval by the shareholders.

G12.3 These rules can only be amended or rescinded by a written resolution under rule C28 (for which the requisite majority is three quarters) or by three quarters of the votes cast at a general meeting.

G12.4 Amended rules shall be registered with the registrar as soon as possible after the amendment has been made. An amended rule is not valid until it is registered.

G12.5 [A copy of the amended rules shall be sent to the regulator as soon as possible after registration by the registrar.]

Dissolution

- G13 The association may be dissolved by a three quarters majority of shareholders who sign an instrument of dissolution in the prescribed format or by winding-up under the Act.
- G14 G14.1 Any property that remains, after the association is wound-up or dissolved and all debts and liabilities dealt with, the shareholders may resolve to give or transfer to another charitable body with objects similar to that of the association;
- G14.2 If no such institution exists, the property shall be transferred or given to the Housing Associations Charitable Trust;
- G14.3 If the association is registered as a provider of social housing with the regulator any transfer or gift must be in compliance with Section 167 of the Housing and Regeneration Act 2008.

Interpretation of terms

- G15 In these rules, including this rule, unless the subject matter or context is inconsistent:
- G15.1 words importing the singular or plural shall include the plural and singular respectively;
- G15.2 words importing gender shall include the male and female genders;
- G15.3 references to any provision in any Act of Parliament shall include reference to such provision as from time to time amended, varied, replaced, extended or re-enacted and to any orders or regulations made under such provision;
- G15.4 **the Act** means the Co-operative and Community Benefit Societies Act 2014;
- G15.5 **amendment of rules** shall include the making of a new rule and the rescission of a rule, and **amended** in relation to rules shall be construed accordingly;
- G15.6 **association** shall mean the association of which these are the registered rules;
- G15.7 **board** shall mean the board appointed in accordance with Part D and **board member** or **member of the board** shall mean a member of the board for the time being but shall not include a person co-opted to the board under rule D5;
- G15.8 **chair** shall, save as provided in rule E1 and where applicable, include the vice chair;
- G15.9 **clear days**, in respect of notice for a meeting, shall mean a period calculated excluding both the day on which any notice or communication is deemed to be received under these rules and the date of the meeting;
- G15.10 **connected person** shall mean, in relation to an individual who is a board member, co-optee or committee member ("the fiduciary"), a person or body with whom the fiduciary shares a common interest such that the fiduciary may reasonably be regarded as benefitting directly or indirectly from any material benefit received by that person or body, being either a member of the fiduciary's family or household, or a person or body who is a business associate of the fiduciary, but (for the avoidance of doubt) this does not include a company with which the fiduciary's only connection is as the owner or controller of less than 2% of a company the shares in which are publicly quoted or less than 10% of any other company;
- G15.11 **co-optee** means a person appointed pursuant to rules D5-7;

- G15.12 **the council** shall mean Gloucester City Council or any successor body thereto;
- G15.13 **council board member** means a board member appointed pursuant to rule D2.1.1;
- G15.14 **the council shareholder** shall mean the council;
- G15.15 **derivative transaction** means any transaction which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, or any combination of these transactions;
- G15.16 **leaseholder** shall mean a tenant who is resident in a dwelling of the association and occupies it on the basis of a lease originally granted for more than 21 years and who is resident in that dwelling
- G15.17 **officer** shall include the chair and secretary of the association and any board member for the time being and such other persons as the board may appoint under rule E9;
- G15.18 **property** shall include all real and personal estate (including loan stock certificates, books and papers);
- G15.19 **register of shareholders** means the register kept in accordance with rule G6.1;
- G15.20 **registrar** means the Financial Conduct Authority or any statutory successor to or any assignee of any or all of its relevant functions from time to time;
- G15.21 **regulator** means the Homes and Communities Agency acting through the Regulation Committee established by it pursuant to Part 2 of the Housing and Regeneration Act 2008 and any similar future authority (including any statutory successor) carrying on substantially the same regulatory or supervisory functions;
- G15.22 **secretary** means the officer appointed by the board to be the secretary of the association or other person authorised by the board to act as the secretary's deputy;
- G15.23 **shareholder** shall mean one of the persons referred to in rule C4 and means **member** as defined by the Act;
- G15.24 **social housing** means low cost rental accommodation and low cost home ownership accommodation as defined in Section 68 and social housing as defined in Section 77 of the Housing and Regeneration Act 2008;
- G15.25 **special resolution** means a resolution at a general meeting passed by a two-thirds majority of all shareholders who vote in person or by proxy;
- G15.26 **tenant** means a person who alone or jointly with others holds a tenancy, lease or licence to occupy the association's premises for residential use and who occupies the premises as their only or principal home;
- G15.27 **these rules** shall mean the registered rules of the association for the time being.

Notices and communications

- G16 Any notice or communication required to be sent, served or delivered under these rules may be sent, served or delivered by hand, by post, by fax or by email or other electronic communication, to the last address for such communication given to the secretary, and shall be deemed to have been received by a person:
- G16.1 if posted by first class post, two clear days after being posted;

G16.2 if faxed, emailed or sent by other electronic communication, one hour after transmission provided that no transmission notification of non-delivery or error has been received by the person transmitting the communication;

G16.3 if delivered by hand, on delivery.

DRAFT

Appendix 4 – Tenant and leaseholder consultation letter

Date: 22nd March 2016

Dear

Consultation on proposed changes to the Board of Gloucester City Homes Limited (GCH)

We are proposing to make some changes to the make-up of our Board. We have always put you at the heart of what we do, and we are now writing to you to explain our proposals and seek your views and comments on what we would like to do.

We are also talking to other key stakeholders, including the Council, about our proposals.

Background

Gloucester City Homes Limited was established in 2005 to manage Gloucester City Council's housing stock, improve the homes to meet the Decent Homes Standard, and to deliver excellent services. In March 2015, the ownership of the housing stock was transferred from the Council to GCH which at the same time became a housing association, regulated by the Homes and Communities Agency as a Registered Provider.

Currently GCH has a Board of 15 made up of 5 Tenant Board Members, 5 Independent Members and 5 Council Nominees. The make-up of the Board reflects what was set out to tenants and leaseholders in the Offer Document prior to the stock transfer from the council to GCH.

What are the changes being proposed?

We have been reviewing the structure of the Board and our governance arrangements to ensure that we are well positioned to respond to the rigorous demands placed on Registered Providers and their Boards. We are proposing to reduce the number of Board members from 15 to 12 and make some changes to the composition of the Board. We are proposing that the 12 Board members are made up of 2 Tenant Board members, 7 Independent Board Members plus 3 Council nominees.

Since we became a housing association in March 2015 our shareholding membership has been made up of our Tenant and Independent Board Members and the Council and we are not proposing that this change.



The Board has approved a Skills Matrix and it is proposed that in the future all Board members would be recruited for their skills, knowledge and experience, and appointed by the Board in accordance with an agreed Board Recruitment Policy. This means that Tenant Board members would no longer be appointed through an election process.

It is also proposed to amend our Rules (constitution) to allow Board members to be paid for their role to reflect the amount of time needed to fulfill this important role and meet their expenses. This would not mean that Board members would be paid right now, but this change would give the Board the flexibility to consider payment in the future. This would be in line with many organisations to bring in the necessary skills required.

Why are we proposing to make these changes?

In the time since we became a housing association, the environment in which we operate has become much more challenging. Given the increasing legal and regulatory demands placed on Boards of Registered Providers, we have been reviewing our governance arrangements, considering best practice from other stock-transfer housing associations, and working with the council and our advisors on what is best for GCH going forward.

The National Housing Federation Code of Governance (our chosen Code) recommends a maximum board size of 12. This is because large boards (like ours currently) are thought to be less effective and have less added value. It is possible to have a balanced board with all the necessary skills, knowledge and experience to properly govern the organisation with fewer members.

We have already started the move towards a different form of accountability to our tenants as a result of extensive consultation by the Tenant Participation Advisory Service (TPAS) with our customers and endorsed by Customer Forum in December 2015. From April 2016, the new Tenant Panel will provide a wide range of opportunities to scrutinise our performance and make recommendations for service improvements which will feed regularly to the Board on each agenda. This provides a strong consumer voice to be heard in the Board room, whilst allowing tenants to contribute through the new Panel into the Board meeting. This allows us to reduce the number of 'ring-fenced' positions on the board for tenants whilst maintaining a strong tenant voice on our standards and performance.

There has been a move in the sector towards the recruitment of Board Members based on their individual skills knowledge and experience. This is also a requirement to ensure GCH continues to comply with the National Housing Federation Code of Governance. By adopting this approach we would ensure that there is the right mix of skills, knowledge and experience to allow the Board to be as effective and successful as it can be.

Recent changes to the Homes and Communities Agency's Regulatory Framework place a greater emphasis on the role of board members linked to financial risk and strategic risk management. This requires a high degree of skill and higher levels of responsibility, time commitment and accountability than previously. The proposed change would also allow the GCH board to consider Board member remuneration in the future, should it be judged necessary to recruit and retain suitably skilled and experienced board members.

What does this mean for you?

First of all, and importantly, this proposal does not impact on the way we deliver our services or set our rents and other charges and does not affect your rights as a tenant or leaseholder. Gloucester City Homes will continue to provide the strong services you have become used to over the last 10 years.

Tenants and leaseholders would still be able to apply to become GCH board members, in accordance with our new rules.

Next steps

We welcome any views you have on these proposals. If you have any comments or queries please do not hesitate to contact us by:

Emailing: governance@gch.co.uk

Writing to us at: Gloucester City Homes, Railway House, Bruton Way, Gloucester, GL1 1DG

Telephoning us on: 01452 42 43 44.

Please let us know if you have any comments or queries by **12.00 noon on Tuesday 3rd May 2016**. All feedback will be considered by GCH's Board before any final decision is made.

You can also give us your feedback at the GCH Customer Conference on Wednesday 30th March, at Kingsholm Rugby, Kingsholm Road Gloucester (see enclosed leaflet for details).

I look forward to hearing from you.



Paul Masters
Head of Governance & Policy

Appendix 5 – Tenant and leaseholder consultation additional factsheet

Date: 14 April 2016

Consultation on proposed changes to the Board of Gloucester City Homes Limited (GCH) - Additional Factsheet

This factsheet follows the consultation letter sent to all GCH tenants and leaseholders on the proposed board changes and is in response to some of the questions and points raised in the feedback we have received. It is being sent to those tenants and leaseholders who have responded and will also be available on our website.

Why the new structure is being proposed

In developing the proposals, we have worked with consultants on what would be the best board structure for GCH, and the one we are proposing is in line with that recommendation.

The board needs to be balanced in terms of skills and experience to be able to deliver our key strategic aims, including delivering the eight tenant promises, to effectively manage the associated risks, and to provide oversight and the right challenge to protect social housing assets in an ever increasing complex financial and political environment. It is no longer acceptable to just provide quotas of representation but instead to ensure board members have the skills needed so that the board as a whole can be as effective as possible.

We recognise the importance of delivering services for our tenants. The link between the board and the new Tenant Panel, where tenants are involved in setting service standards, providing feedback and monitoring performance, will strengthen our approach to delivery of the Consumer Standards part of the regulatory framework.

The changes are supported by the three Council party Group Leaders who have been fully consulted as to the reasons why the changes are being proposed, and they understand the importance of the board having the right skills and expertise to protect tenants, their homes, and future investment through a strong 30 year financial plan.

Key decision-making – shareholder voting rights

There are some major decisions that may need to be taken from time to time, for example, changes to GCH's Rules (constitution) such as those changes being proposed, or a decision, which is not currently expected, about whether to merge with another housing association.

As stated in the consultation letter we are not proposing to change our shareholding membership, which is made up of our tenant and independent board Members and the Council.

To clarify, the shareholders of GCH are currently the tenant board members, the independent board members and the Council. When considering a general resolution, for example, at a general meeting, the voting rights are split one third / one third / one third between these groups of shareholders. Under our proposals, none of this would change.

This would mean that the votes of the two tenant board members would carry the same weighting as the votes of the seven independent board members and that of the vote by the Council's authorised person.

Decisions at board meetings (that is not general meetings) would continue to be made as they are at present, with each board member voting individually.

Recruitment of independent board members

It is Government Policy to ensure that all boards are fit for purpose and the requirements are outlined in the new Governance and Financial Viability standard code of practice. All Registered Providers have to sign up to a recognised Code of Governance; we have signed up to the NHF Code which requires us to recruit board members the board to specific skills requirements to run the organisation, and independent board members will be recruited in line with that as will all board members.

Leaseholder position on the board

At present one of the tenant board member positions can be filled by a leaseholder (as long as they are resident in the property they lease from GCH). We are not proposing to alter this principle, so the changes would not preclude someone who is a leaseholder from being a GCH board member.

Paying our board members

We accept payment to board members is sensitive, however, it is rare these days for registered providers like ourselves not to pay board members. It is not because we want to, but we know that to attract the right level of skills may make it necessary in the future. The board has not yet made any decisions on this matter and it would be a relatively small sum to reflect that the board gives up a substantial amount of time. An increasing level of commitment and complexity of decision making is now being asked of board members to provide the organisation with an effective board and good governance.

Any decision on payment would be subject to an independent review and linked to benchmarking with other registered providers including other local housing associations.

Yours sincerely



Paul Masters
Head of Governance & Policy