

# TAUNTON DEANE BOROUGH COUNCIL

EXECUTIVE – 24<sup>th</sup> AUGUST 2005

## Report of Housing Transfer Manager

(This matter is the responsibility of Councillor Garner)

### HOUSING STOCK TRANSFER CONSULTATION

#### Executive Summary

The purpose of this report is to provide the Executive with an update on the work that has been undertaken recently and to ask the Executive to agree both the Reporting Arrangements for this project and the proposed make up of a Shadow Board.

Attached to this report are a number of Appendices, being:

- i) Appendix 1 - Communication Log
- ii) Appendix 2 - Project Reporting Arrangements
- iii) Appendix 3 - Briefing on the role and responsibilities of the Shadow Board

#### 1. Background

1.1 Members will be aware that progress reports have been provided through a number of guises, one for example being at Full Council on the 19<sup>th</sup> July by Councillor Garner. This report outlined the work undertaken since June's Housing Review Panel and future work to be undertaken. Further to this report, an update was sent via email to Staff and Members including Frequently Asked and Answered Questions. Attached for information, as Appendix 1 is the Communication Log for this new part of the process.

1.2 At August's Tenants Forum and Housing Review Panel the subject matter of this report was discussed. The Tenants Forum requested one minor change to the recommendation presented to them, which has been included within this report. The Housing Review Panel endorsed the recommendation presented to them in its entirety.

#### 2.0 Ongoing work

##### 2.1 *Project Team:*

2.2 The Project Team is now fully operational and starting to drive this important process forward. A key early task was to appoint the various advisors and assist tenants to appoint their Independent Tenant Advisor (ITA). The key stages over the next two months are:

- i) Work with the appointed Advisors
- ii) Agree the Project Reporting Arrangements
- iii) Agree the basis of the Shadow Board of Management
- iv) Commence the first round of briefings to Staff and Members
- v) Continue to communicate with tenants and leaseholders
- vi) Work with the appointed Surveyors - Savills to assist in the completion of the 20% warranted stock condition survey; which should be completed by the end of August.

### 3.0 **Project Reporting Arrangements**

- 3.1 Attached to this report as Appendix 2, is the suggested Project Reporting Arrangements. These arrangements have been discussed and agreed by the Corporate Management Team. The proposed arrangements have also been run past the Council's Lead Advisor – PricewaterhouseCoopers (PWC), the Council's Legal Advisor – Pinsent Masons and the Housing Corporation; none of which had any additional comments to make. Lastly, the proposals have taken into consideration comments from the Community Housing Task Force (CHTF).
- 3.2 In regard to the Officer Steering Group, this group met on the 21<sup>st</sup> July for an away morning to outline their respective roles, to reflect on the work undertaken to date including the Option Appraisal and how the future work will develop. Subsequently, the first scheduled monthly meeting took place on the 4<sup>th</sup> August where the Project Reporting Arrangements were discussed and agreed.

### 4.0 **Shadow Board of Management**

- 4.1 Attached to this report as Appendix 3, is an outline of the roles and responsibilities of the Shadow Board. The Council's Legal Advisor – Pinsent Masons, have prepared this appendix.
- 4.2 The next key step is to recruit to the Shadow Board. There are a number of options as to firstly how many persons could sit on the Shadow Board and secondly how the make up of the Shadow Board could comprise.
- 4.3 The most commonly adopted and also the preferred model by the National Housing Federation (NHF) is to have twelve Shadow Board Members, consisting equally of four Council Nominees (usually Councillors), four Tenants and lastly four Independents from the community. It is this make up that is being recommended which is also supported by all the Council's Advisors, the Housing Corporation, CHTF and lastly the Officer Steering Group.

- 4.4 In regard to the Council Nominees, it is the normal practice for each Political Leader to nominate who they would like to sit on the Shadow Board and this is usually a Councillor although other persons can be nominated. After a discussion with the Members Services Manager, it is believed the best way to represent the political make up of the Council, would be to have two nominees from the Conservative Party, one from the Liberal Democrat Party and one to jointly represent the Labour Party and Independents. This mirrors the approach adopted during the Stock Options Appraisal.
- 4.5 In regard to the recruitment of Tenant Shadow Board Members, the ITA (Aldbourn Associates) is assisting the Project Team and the Tenants Forum. The recommended principles of how tenants will be recruited is:
- i) Officers will write to existing tenant contacts to invite applicants
  - ii) Agree a selection / election process in case more than four applicants are received
  - iii) Send out job descriptions and briefing papers to those who request this
  - iv) Either hold information briefings for interested people or offer advice for tenants through Aldbourn Associates
  - v) Select / elect candidates in line with the agreed process
- 4.6 It is recommended that existing Tenants Forum Members take no more than two of the available four places on the Shadow Board.
- 4.7 It is recommended that the two elected Tenant Forum Shadow Board Members, assisted by the ITA and an officer from the Project Team, undertake any interviews that take place for the remaining two places with the Chair of the Tenants Forum attending the interviews as an observer.
- 4.8 In regard to the appointment of the Independent Shadow Board Members, it is usual and recommended that their appointment is undertaken by a panel consisting of those Shadow Board Members already recruited, assisted by the Lead Advisor - PWC, myself as the Housing Transfer Manager and Shirlene Adam – Strategic Director.
- 4.9 It is anticipated that the recruitment of both Council and Tenant Shadow Board Members will be completed by the end of August with the recruitment of Independent Shadow Board members by the end of September. This will enable the Shadow Board to be formed and in operation by the beginning of October 2005. Due to these timescales, an advert for the recruitment of the Independent Shadow Board Members will need to be placed by the end of the week commencing 1<sup>st</sup> August.
- 4.10 Comprehensive training will be provided to all Shadow Board Members by the Lead, Legal and Communication Advisors (Seymour-Cotton Partnership) to ensure they fully understand their role and can carry out their duties.

## 5.0 **Recommendation**

- i) To agree the Project Reporting Arrangements detailed in Appendix 2, which includes the make up of the Member Advisory Group
- ii) To agree the proposals detailed in section 4.0 of this report on the Shadow Board, being in summary:
  - a) A Shadow Board of twelve members, equally split between four Council Nominees, four Tenants and four Independent persons from the Community
  - b) That the Council nominees by the Political Leaders consist of two nominees from the Conservative Party, one from the Liberal Democrat Party, one to represent both the Labour Party and Independents and to decide whether these are Councillors or other persons that the Political Leaders wish to nominate
  - c) The contents of 4.5 to 4.9 of this report in relation to the appointment of Tenant and Independent Shadow Board Members

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## Appendix 1 - Communications Log

Index No.	Date sent/received	Format	Subject	Author(s)	Stakeholders/Audience	Sent to or Meeting Group	Action req. by Project Team	Logged
PB001	05-Apr-05	Press Release	Exploring the Housing Stock Transfer Option	Emma Brewster	General Public	Taunton Gazette	None	FD/TAB 16/06/05
PB002	06-May-05	Advert	Expression of Interest	Carl Brazier	Consultants	Inside Housing, TDBC Website, Intranet	None	FD/TAB 16/06/05
PB003	30-Apr-05	Newsletter	Deane Housing News Issue No. 29 Spring 2005 "Stock Transfer Update"	Carl Brazier	TDBC Tenants	TDBC Tenants	None	FD/TAB 16/06/05
PB004	22-Apr-05	Letter	Change of Roles within Senior Management	Carl Brazier	TDBC Tenants	TDBC Tenants	None	FD/TAB 16/06/05
PB005	25-Apr-05 & 26-Apr-05	Presentation	Briefing to Housing & DLO staff on housing restructure and next steps for Stock Transfer Ballot	Carl Brazier & Malcolm Western	Housing & DLO Staff	Staff Briefing	None	FD/TAB 16/06/05
PB006	15-Jun-05	Core Brief	Housing Stock Transfer Work	Carl Brazier	All Managers & Staff	All Managers & Staff	None	FD/TAB 16/06/05
PB008	Summer 2005	Newsletter	Deane Dispatch	Carl Brazier	TDBC Residents	TDBC Residents	None	FD/TAB 16/06/05
PB009	26-May-05	E-mail	New Project Team	Carl Brazier	All Managers & Staff	TDBC Staff	None	FD/TAB 16/06/05
PB010	25-May-05	E-mail	New Project Team	Carl Brazier	TDBC Councillors	TDBC Councillors	None	FD/TAB 16/06/05
PB011	01-Apr-05	Report	Housing Stock Transfer Ballot Work	Carl Brazier	TDBC Councillors, Tenant & Senior Staff	Housing Review Panel - 01 June 05	None	FD/TAB 16/06/05
PB012	01-May-05	Report	Housing Stock Transfer Ballot Work	Carl Brazier	TDBC Councillors, Tenant & Senior Staff	Housing Review Panel - May 05	None	FD/TAB 16/06/05
PB013	01-Jun-05	Report	Housing Stock Transfer Ballot Work	Carl Brazier	TDBC Councillors, Tenant & Senior Staff	Housing Review Panel - June 05	None	FD/TAB 16/06/05
PB014	12-Apr-05	Meeting	Stock Transfer Update	Carl Brazier	TDBC Tenants Forum	TDBC Tenants Forum Pre-housing review panel meeting	None	FD/TAB 16/06/05

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PB015	31-May-05	Meeting	Restructure Update	Carl Brazier	TDBC Tenants Forum	TDBC Tenants Forum Pre-housing review panel meeting	None	FD/TAB 16/06/05
PB016	14-Jun-05	Meeting	Stock Transfer update	Carl Brazier	Cllr John Clark	Cllr John Clark	None	FD/TAB 16/06/05
PB017	28-Jun-05	Meeting	Stock Transfer Briefing/Update	Carl Brazier	CMT/Executive	CMT/Executive - 28-Jun-05	None	FD 29/06/05
PB018	05-Jul-05	Meeting	Stock Transfer update	Carl Brazier	TDBC Tenants Forum	TDBC Tenants Forum Bi-Monthly Meeting	None	FD 7/07/05
PB019	14-Jul-05	Meeting	Stock Transfer update	Carl Brazier	TDBC Tenants Forum	TDBC Tenants Forum AGM	None	FD 15/07/05
PB020	19-Jul-05	Meeting	Stock Transfer update	Cllr Garner	Full Council	Full Council	None	FD 20/07/05
PB021	20-Jul-05	Meeting	Stock Transfer update	Carl Brazier	HSMT	HSMT	None	FD 20/07/05
PB022	20-Jul-05	Email	Stock Transfer update	Carl Brazier	All Managers & Staff	All Managers & Staff	None	FD 20/07/05
PB023	20-Jul-05	Email	Stock Transfer update	Carl Brazier	All Councillors	All Councillors	None	FD 20/07/05
PB024	18-Jul-05	Email	Staff Briefings Details	Carl Brazier	All Housing Managers & Staff	All SUMS	None	FD 20/07/05
PB025	25-Jul-05	Email	Staff Briefings Details	Carl Brazier	All Managers	All Managers	None	FD 26/07/05
PB026	25-Jul-05	Email	Staff Briefings Details	Carl Brazier	All Heads of Service	All Heads of Service	None	FD 26/07/05
PB027	23-Jul-05	Newsletter	Tenants' Talk Issue No 3 Summer 2005 'Stock Transfer update Invite for interest to join	Carl Brazier	All Staff/Tenants/Cllrs	All Staff/Tenants/Cllrs	None	FD 27/07/05
PB028	27-Jul-05	Letter	Shadow Board Update on Stock Transfer	Jayne Hares	Insight Group/Tenants Forum	Insight Group/Tenants	None	FD 27/07/05
PB029	27-Jul-05	Meeting	Process Update on Stock Transfer	Carl Brazier	Kevin Toller's Heads Meeting	Kevin Toller's Heads	None	FD 27/07/05
PB030	28-Jul-05	Meeting	Process	Carl Brazier	Sheltered Housing Forum AGM	Sheltered Housing Fo	None	FD 27/07/05
PB031	29-Jul-05	Meeting	Staff Briefing	Carl Brazier	Housing Staff	Housing Staff	None	FD 12/08/05
PB032	01-Aug-05	Meeting	Staff Briefing	Carl Brazier	Housing Staff	Housing Staff	None	FD 12/08/05
PB033	02-Aug-05	Meeting	Tenants Forum Meeting	Carl Brazier	Tenants Forum	Tenants Forum	None	FD 12/08/05
PB034	02-Aug-05	Meeting	Staff Briefing Update on Stock Transfer	Carl Brazier	All Staff	All Staff	None	FD 12/08/05
PB035	03-Aug-05	Meeting	Process	Carl Brazier	Members	Members	None	FD 12/08/05
PB036	03-Aug-05	Meeting	Staff Briefing	Carl Brazier	Building DLO Staff	Building DLO Staff	None	FD 12/08/05
PB037	04-Aug-05	Meeting	Staff Briefing	Carl Brazier	Housing Staff	Housing Staff	None	FD 12/08/05
PB038	09-Aug-05	Meeting	Staff Briefing	Carl Brazier	Building DLO Staff	Building DLO Staff	None	FD 12/08/05
PB039	10-Aug-05	Meeting	Staff Briefing	Carl Brazier	Housing Staff	Housing Staff	None	FD 12/08/05

## Appendix 1 - Communications Log

PB040	11-Aug-05	Meeting	Staff Briefing	Carl Brazier	Housing Staff	Housing Staff	None	FD 12/08/05
PB041	12-Aug-05	Meeting	Staff Briefing	Carl Brazier	Housing Staff	Housing Staff	None	FD 12/08/05
PB042	15-Aug-05	Meeting	Staff Briefing	Carl Brazier	All Staff	All Staff	None	FD 12/08/05
PB043	19-Aug-05	Meeting	Staff Briefing	Carl Brazier	Building DLO Staff	Building DLO Staff	None	FD 12/08/05
PB044	22-Aug-05	Meeting	Staff Briefing	Carl Brazier	All Staff	All Staff	None	FD 12/08/05

## Appendix 2

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE MANAGEMENT TEAM 19<sup>th</sup> JULY 2005

STOCK TRANSFER PROJECT MANAGEMENT ARRANGEMENTS

### **Purpose of Report**

To outline the suggested Stock Transfer project management arrangements for TDBC.

### **The Proposal - Summary**

The project will be managed in accordance with the principles of Prince 2.

The proposed governance structure is described in detail in **Annex 2**, and set out in diagram form in **Annex 1**.

Carl Brazier will be the full-time Project Manager, and will be supported by a full-time Project Administrator – Faye Davison, and by 3 full-time Project Officers – Martin Price, Jayne Hares and Tracey-ann Biss.

***As the project progresses there will be a need to appoint a full-time “corporate project manager” to this project (funded from project budget).***

The vacancies created by these individuals will be back-filled (funding available).

There will also be input required to this project from other areas of the Authority.

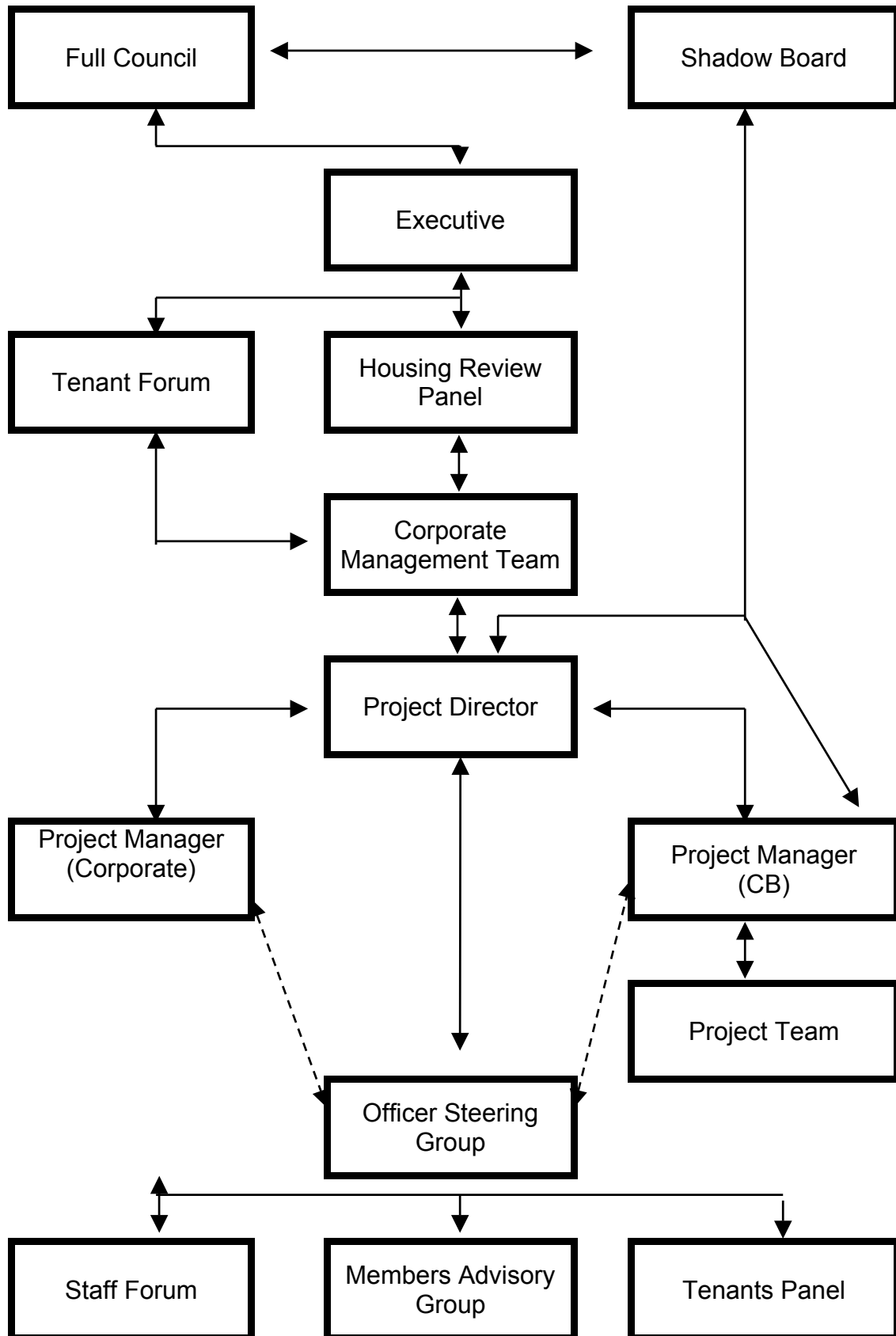
**Shirlene Adam**  
**Strategic Director**

**Carl Brazier**  
**Project Manager**





STOCK TRANSFER PROJECT MANAGEMENT ARRANGEMENTS



## STOCK TRANSFER PROJECT MANAGEMENT ARRANGEMENTS

### Executive:

- Approves the strategic direction and outline scope of activity.
- Agrees the expected outcomes and benefits.

### Shadow Board:

- Approves the strategic direction and outline scope of activity for the Proposed RSL.
- Agrees the expected outcomes and benefits for the Proposed Registered Social Landlord (RSL).

### Elected Member Advisory Group:

- Provides political direction to the project.
- Reviews project progress and approve any exceptions to the agreed scope.
- Ensures process is properly aligned at all stages to the strategic outcomes required.
- Supports key communication processes.

Frequency of Meetings: Monthly

Members: Group Leaders and Portfolio Holder

### Corporate Management Team:

- Owns the strategic vision for the project provides clear leadership and direction during the course of the project
- Receives reports on project progress

Frequency of Meetings: Weekly verbal updated at CMT by Project Director and monthly written highlight reports by Project Manager (CB)

Members: Penny James (Chair), Shirlene Adam, Joy Wishlade, Jeremy Thornberry, Kevin Toller, Brendan Cleere, Pete Weaver, Tom Noall, Malcolm Western.

### Project Director:

- Accountable for the delivery of the corporate project
- Maintains close liaison and communication with Partners Authorities, CMT and Elected Member Advisory Group.
- Provides strategic direction to the project, responds to project issues and takes decisions to ensure project maintains momentum and that the timetable is achieved.
- Ensures business case is maintained and remains relevant to the overall strategic aims.

- Ensures that communications with internal and external stakeholders is effective.
- Manages the key strategic risks facing the project.
- To have ultimate responsibility for the project budget.
- Ensures that the organisational change is managed effectively.
- Meets with the project manager at least weekly to review progress
- Commissions and chairs reviews during the project to ensure alignment with objectives, capability of delivery and measurable achievement of benefits
- Chairs the TDBC Officer Steering Group

Project Director: Shirlene Adam

**Officer Steering Group:**

- Actively leads the project through monitoring and providing steer and challenge
- Supports the communication with staff, Members, Tenants and all external stakeholders as agreed through the Communication Strategy
- Receives reports on project progress
- Informs business scope
- Coordinates and provides all service specific information required by the project team at all stages of the procurement process.
- Takes decisions to resolves any business or project issues.
- Identifies and actively supports/leads the management of project risks
- Ensures adequate resources are available during the life of the project.
- Makes recommendations to CMT and the Shadow Board.
- Receives feedback and directs action from Tenant, Staff and Member advisory Group.

Frequency of Meetings: Monthly or as project issues demand. An away half-day took place on the 21<sup>st</sup> July with subsequent meetings taking place on the first Thursday of each month.

**Officers:**

Shirlene Adam (Chair), Carl Brazier (Project Manager), Faye Davison (Project Administrator), Malcolm Western (Acting Head of Housing) Kevin Toller (Head of Corporate Services), John Seabrook (Housing Asset Manager), Paul Carter (Finance Lead Officer), Lisa Wyatt-Jones (HR Lead Officer), Ian Taylor (Legal Lead Officer), David Thompson (Valuation / Asset Lead Officer), Ruth James (Communications Lead Officer), Chris Fullword (Unison Rep), Simon Porter (Staff Side Rep), Cathy Osborn – PWC (Lead Advisor), Hugo Stephens – Pinsent Masons (Legal Advisor), Sian Humphreys – Aldbourne Associates (ITA), Miles Seymour – Seymour-Cotton Partnership (Communication Advisor)

**Staff Forum:**

To act as a reference group for the project on staff views:

- Inform the Steering Group of staff views
- Participate in the communications process

Frequency of Meetings: Monthly

Members: To be decided

**Tenants Panel:**

To act as a reference group for the project on tenants views:

- Inform the Steering Group of tenants views
- Participate in the communications process

Frequency of Meetings: To be decided

Members: To be decided

**Project Manager:**

The Project Manager runs the project on a day-to-day basis. The main responsibilities of the Project Manager are:

- To have day to day management of the project management and to develop agreed outputs within budget and according to plan
- Direct and motivate the project team
- Project manage all stages of the project and provide relevant information including the timetable, communication plan and risk register
- Monitor progress, expenditure, resources and the initiation of corrective action
- Keep the Officer Steering Group, Project Director and CMT updated
- To brief, at least weekly, the Project Director on key project developments and communications with Advisors and other external bodies.
- Responsibility for project administration
- Manage the development of the communication strategy and delivery of the communications plan
- Manage the Lead Advisor, Legal Advisor and Communication Advisor and Support the ITA
- Assist the Project Director and Advisors on the appointment of the Shadow Board. To report to the Shadow Board on project progress at key points in the project. To act as lead officer to the Shadow Board.
- To be lead officer in relationships with the Government Office South West (GOSW), Community Housing Task Force (CHTF), Office Deputy Prime Minister (ODPM) and the Housing Corporation
- Take the lead role in consulting with our Tenants and Leaseholders

- In conjunction with the Project Director, lead on keeping Staff-Side, unison and Staff in general well informed and involved in developments throughout the process. This work will result in the creation of an Employment Protocol, the production of potential TUPE List and the creation and implementation of a Change management Strategy
- Take an active role in consulting with our Partners
- Take the lead role in developing and firming up on the details submitted in the Stock Transfer Application made to the ODPM
- Ensure the Council follows the guidelines of the ODPM Housing Transfer Manual

Project Manager: Carl Brazier

**Project Team:**

Specific responsibilities of the Project Office Team are:

- Coordinates all project activities to ensure delivery of identified project objectives and deliverables raising issues as necessary
- Provides the technical skills necessary for the effective delivery of identified project deliverables e.g. finance, communications
- Monitors delivery of the project against the project plan and within the scope of the project initiation document
- Assists in writing reports for all the various groups
- Manages the project issues log, risk register and plan, and actions log
- Provides project administration

Members of the Project Team:

Carl Brazier: Project Manager (F/T)

Martin Price: Project Officer (F/T)

Jayne Hares: Project Officer (F/T)

Tracey-ann Biss: Project Officer (F/T)

Faye Davison: Project Administrator (F/T)

# Appendix 3

## TAUNTON DEANE BOROUGH COUNCIL

### BRIEFING NOTE ON THE ROLE AND RESPONSIBILITIES OF THE SHADOW BOARD OF THE PROPOSED RSL

#### 1. INTRODUCTION

This briefing note sets out the rights and responsibilities of the Shadow Board of the new proposed RSL landlord ("the RSL").

#### 2. SHADOW BOARD

2.1 The Shadow Board Members will be collectively responsible for the affairs of the RSL once it has incorporated as either an Industrial and Provident Society or a company limited by guarantee. The RSL may also be incorporated with charitable objects. The relative benefits of these proposed structures will be considered in due course.

2.2 We have suggested that the Shadow Board is made up of 12 Shadow Board Members, comprising of 4 Tenant Board Members, 4 Independent Board Members and 4 Board Members nominated by Taunton Deane Borough ("the Council").

2.3 The Shadow Board Members will be responsible for the running of the RSL. In practice, the day to day running of the RSL will be undertaken by the Council's staff at this stage but in legal terms the Shadow Board Members have collective responsibility for the RSL's affairs.

2.4 The Shadow Board Members will be given their powers of management by the constitution of the RSL which will commonly provide that the RSL will be managed by the Shadow Board who may exercise all the powers of the RSL. The constitution will require detailed consideration in due course and may include provision permitting borrowing money on behalf of the RSL and delegated powers to committees made up of one or more Board Members and other individuals (as appropriate).

2.5 In exercising their management role, Shadow Board Members are expected to comply with the Nolan Principles of public office, which are set out in Section 3 below.

2.6 The Shadow Board has a very specific role to play in the areas of strategy and policy, personnel, regulatory compliance and advocacy. These roles are explained in more detail in Section 4 below.

2.7 Shadow Board Members will owe various duties to the RSL. These can generally be classed as:-

- general fiduciary duties, which lie at the heart of their relationship with the RSL; and
- duties laid down by Act of Parliament, or "statutory duties". Shadow Board Members will be liable either under Criminal or Civil Law if they fail to carry out these duties properly.

2.8 Shadow Board Members will also have a number of rights in their role, including the right to work within a framework which protects them as far as possible from personal liability.

### 3. THE NOLAN PRINCIPLES OF PUBLIC OFFICE

**Selflessness:** Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or friends.

**Integrity:** Holders of public office should not put themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

**Objectivity:** In carrying out public business, including making policy appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**Accountability:** Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**Openness:** Holders of public office should be as open as possible about all decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**Honesty:** Holders of public office have a duty to declare private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**Leadership:** Holders of public office should promote and support these principles by leadership and example.



## 4. GENERAL RESPONSIBILITIES OF SHADOW BOARD MEMBERS

### 4.1 Strategic and policy responsibilities

The purpose of the Shadow Board is to provide leadership to the RSL. The Shadow Board will set the tone for the culture of the RSL, not only in the decisions they make, but also in the way they behave and interact with the staff, the project management groups and the Council's residents.

The Shadow Board has responsibility for developing the strategy of the RSL and governing it in the way it decides. All RSL policies, and the procedures to implement them, will need to be agreed by the Shadow Board. Policies will usually be drafted by senior managers and shown to the Shadow Board for approval and (where necessary) amendment.

It will be the job of the RSL's staff to implement these policies and to undertake the day-to-day management of the RSL. They must ensure that their actions are consistent with the RSL's policies and fall within their budgets and authorities. All aspects of service delivery and policy should be monitored and evaluated by the Shadow Board on a regular basis and policies revised as appropriate.

### 4.2 Employment and Personnel Responsibilities

The Shadow Board will be responsible for defining and reviewing the RSL's policies on employment and personnel procedures, including:-

- equal opportunities;
- contracts;
- staffing structure;
- dismissal;
- grievance and disciplinary;
- sickness;
- holidays;
- maternity/paternity/compassionate leave;
- salaries;
- appraisal;
- pensions;

- expenses, payments and training.

The Shadow Board will be required to take an active part in the recruitment of the RSL's senior managers. This could include some members of the Shadow Board serving on the interview panel for these posts and will need the Shadow Board to agree job descriptions, person specifications and terms of employment. It will be the Shadow Board's responsibility to ensure that senior managers fully understand their job descriptions and their duties.

The Shadow Board will be responsible for approving the overall staff structure, including the number and broad nature of these posts and their rates of pay. The Shadow Board will also be responsible for confirming the general terms and conditions of employment for all staff having regard to the likely Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE) from the Council to the RSL.

#### **4.3 Regulatory Compliance**

The Housing Corporation regulates registered social landlords/housing associations, and the Audit Commission inspects them regularly to ensure both compliance and value for money. The Shadow Board will need to ensure that there are procedures in place to ensure compliance with Housing Corporation requirements, and to alert the Shadow Board to any new requirements that are consulted upon or implemented.

#### **4.4 Advocacy and Representative Responsibilities**

Shadow Board Members will have an advocacy and representative role on behalf of the RSL, which can be fulfilled in a number of ways:-

- as a representative of the RSL in its relationship with its tenants, stakeholders and partners;
- by acting as a representative at external events, and meeting third parties (such as funders) and other organisations, including the Housing Corporation; and
- by keeping their eyes and ears open for information or opportunities which may be useful for the RSL, particularly residents' views of the Council's existing service provision and fundraising opportunities for community goals.

### **5. FIDUCIARY DUTIES OF SHADOW BOARD MEMBERS**

#### **5.1 The duty of skill and care**

The most important of the general fiduciary duties is the duty of all Shadow Board Members to be diligent, businesslike and prudent.

From a practical point of view, this duty of skill and care requires a Shadow Board Member to attend meetings and become actively

involved both in the management of the RSL and in the decision making process.

Part of the duty to act as prudent men and women of business is to decide when it is appropriate for the Shadow Board to take independent advice (such as financial, investment, legal or other).

This is also reflected in the Housing Corporation's Regulatory Code and Guidance. If the RSL is incorporated with charitable objects great care must be taken as to how the RSL manages its assets.

The Shadow Board commonly possess the power to delegate its functions to sub-groups and/or staff, but the terms of any delegation must be clear, in writing, and regularly reviewed and monitored.

## **5.2 The duty to ensure that the RSL acts within its constitution**

Shadow Board Members must take particular care to make sure that every proposed activity of the RSL falls within its permitted objects as is set out in its constitution.

## **5.3 The duty not to profit**

This basically means that Shadow Board Members must act in the interests of the RSL at all times and must not profit from their position. A Board Member must not put himself or herself in a situation where personal interest would or might conflict with his or her duties as a Shadow Board Member. This also links in with the Housing Corporation's requirements (most notably in relation to Schedule 1 of the Housing Act 1996 – the "Payments and Benefits Regime").

# **6. STATUTORY DUTIES OF SHADOW BOARD MEMBERS**

## **6.1 Environmental Liability**

Environmental legislation imposes increasingly heavy responsibilities in relation to waste management and contaminated land. Failure to comply with these responsibilities would be a criminal offence on the part of the RSL and the Shadow Board Members and officers involved. If the stock transfer goes ahead, it will be important for the Shadow Board to put in place controls and reporting procedures to ensure that potential environmental liability is monitored properly and regularly.

## **6.2 Health & Safety**

The Shadow Board must make sure that the RSL keeps within the health and safety legislation and employment legislation in general.

The Shadow Board are strongly advised to take out insurance cover against this liability.

### **6.3 Financial Liability**

The RSL must comply with a number of statutory requirements relating to record keeping, filing of accounts, annual returns and appointing bankers and auditors. Each Shadow Board Member must be aware of the RSL's financial situation and be kept informed as to developments, on a regular basis.

## **7. LIMITING LIABILITY FOR THE SHADOW BOARD MEMBERS**

7.1 The Shadow Board should make sure that individual Shadow Board Members and the Shadow Board as a whole are not placed in a position where negligence or breach of fiduciary duty can be attributed to them.

7.2 Shadow Board Members can minimise the risk of personal liability by:-

- understanding the RSL's constitution and making sure that it acts within them;
- ensuring that delegation by the Shadow Board to sub-groups, officers and others as permitted by the RSL's constitution and standing orders, is clear and in writing;
- making sure that a proper management structure exists, allowing the Shadow Board to make policy decisions and monitor their implementation;
- considering and implementing skills training for the Shadow Board Members where needed;
- obtaining professional advice when needed, keeping a note of the advice received if not in writing and making sure that it is clear and comprehensive;
- recording decisions in the minutes of the relevant meeting and showing how they were arrived at and on what advice they were based;
- insuring against liabilities where possible; and
- establishing clear disciplinary and grievance procedures for the Shadow Board Members.

**PINSENT MASONS**

**JULY 2005**