



## **RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

### **CABINET**

**28TH JULY 2020**

### **CHANGES TO THE RULES OF ASSOCIATION – TRIVALLIS HOUSING LIMITED (TRIVALLIS)**

#### **REPORT OF DIRECTOR OF PUBLIC HEALTH, PROTECTION & COMMUNITY SERVICES IN DISCUSSION WITH THE CABINET MEMBER FOR STRONGER COMMUNITIES, WELL-BEING & CULTURAL SERVICES, COUNCILLOR RHYS LEWIS**

**Author:** Paul Mee, Director of Public Health, Protection & Community Services

#### **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of the report is to confirm the Council's consent to an amendment to Trivallis' rules of the association concerning tenant representation on the Board.

#### **2. RECOMMENDATIONS**

It is recommended that the Cabinet:

- 2.1 Confirms its consent to the proposed change to Trivallis' rules of the association concerning tenant representation on Trivallis' Board.

#### **3. REASONS FOR RECOMMENDATIONS**

- 3.1 Trivallis are seeking Cabinet's consent to amend the rules of the association in respect of tenant representation on their Board. This follows their decision to adopt the Community Housing Cymru model rules 2017 for registered social landlords.
- 3.2 Following the implementation of the Regulation of Registered Social Landlords (Wales) Act 2018, Trivallis are no longer required to seek the Council's consent in respect of constitutional changes concerning the Council's representation on the Board, the constitution of the Board or its size. However, they are still obliged by the terms of the Transfer Agreement to seek the Council's consent in respect of any changes to tenant representation.

#### **4. BACKGROUND**

- 4.1 Trivallis (formerly RCT Homes) was created in December 2007 following the large scale voluntary transfer of the Council's social housing stock.
- 4.2 The transfer agreement between the Council and Trivallis includes a number of covenants on the association, including a requirement that Trivallis cannot change the rules of the association so far as they relate to the local authority or tenant representation without the Council's prior consent in writing.
- 4.3 Trivallis is amending its rules to adopt Community Housing Cymru's (CHC) model rules 2017. CHC is the national representative body of housing associations in Wales. The model rules have been approved by Welsh Government (The Regulator) and the Financial Conduct Authority as suitable for Registered Social Landlords.
- 4.4 As far as possible Trivallis proposes to adopt the standard provisions in the model rules and has retained its community mutual and charitable provisions.
- 4.5 The Regulation of Registered Social Landlords (Wales) Act 2018 has removed the requirement to seek the Council's consent for constitutional changes concerning the Council, including local authority representation and the constituent groups that constitute the Board. The Act supersedes the transfer agreement and these matters are now to be determined by Trivallis' Board. The Council is no longer able to be a shareholder in Trivallis.
- 4.6 The Act is however silent on tenant representation and consequently should Trivallis propose to change the tenant representation on their Board they are still subject to the requirements of the transfer agreement and require consent from the Council.
- 4.7 Trivallis have reduced the size of their Board to between a minimum of 6 and a maximum of 10 members (excluding co-optees) and have removed the previous requirement for three constituent groups; tenant, local authority and independent. Instead, appointment to the Board will be made on the basis of skills, knowledge and experience. The changes to the rules of the association will however allow the Council to appoint up to two Board members as has been current practice, although this will now be subject to those nominated persons meeting the Board's skills requirements.
- 4.8 It is proposed that the current requirement for four tenant representatives be removed and under the new rules one space on the Board will always be available for a tenant Board member subject to

the candidate meeting the skills requirements as assessed by the Board. It will still be possible for more than one tenant to be a Board member, however the requirement for four spaces will be removed.

- 4.9 There is a move across the social housing sector towards smaller Boards with appointments being made on the basis of skills and experience rather than allocations to constituent groups. In adopting the 2017 model rules, Trivallis will be modernising its constitutional arrangements as well as complying with regulatory changes and recent legislation including the Regulation of Registered Social Landlords (Wales) Act 2018.

## **5. TENANT INVOLVEMENT IN DECISION MAKING**

- 5.1 The Council has sought assurance from Trivallis that tenants will continue to be engaged and participate in the organisation in accordance with the expectations that were set out in the original transfer promise document.

- 5.2 Trivallis have confirmed that they remain committed to retaining a minimum of one Board member position for a tenant of Trivallis. Ideally they would like to see this increase and will explore how they can provide development and capacity building opportunities to support tenants to apply.

- 5.3 In addition, Trivallis have set out a number of steps that have been taken to engage tenants in decision making:

- Tenant Survey COVID19 – a recent survey of 1200 tenants regarding their experience of essential services during the pandemic, identifying repairs, planned maintenance and support and money advice services as a priority for reinstatement, which are now being taken forward by the Board.
- Customer Involvement Network (CIN) & Scrutiny Panel – these consider proposals and scrutinise implementation. The Chairs of each group attend and present the work of their groups to the Remuneration and Governance Committee and Audit & Risk Committee of Trivallis.
- Trivallis Open Board Meetings – each meeting starts with an open session which tenants can attend.
- Executive & Board Recruitment – The chairs of CIN and Scrutiny Panel are involved in the selection and decision making for senior executive appointments and the appointment of Independent Board members.

**6. EQUALITY AND DIVERSITY IMPLICATIONS**

- 6.1 There are no equality and diversity implications for the Council arising from this proposal as it concerns Trivallis' rules of association.

**7. CONSULTATION/INVOLVEMENT**

- 7.1 There are no consultation implications for the Council arising from this proposal, this being a matter for Trivallis.

**8. FINANCIAL IMPLICATION(S)**

- 8.1 There are no financial implications for the Council arising from this proposal.

**9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED**

- 9.1 The transfer agreement between the Council and Trivallis includes a number of obligations on Trivallis, including the following covenant on the association at the fourth schedule (clause 17), Appendix 1, clause 10:

*Not to change the Rules of the Association so far as they relate to local authority or tenant representation without the Council's prior consent in writing, such consent not to be withheld or delayed, and after giving consideration to all reasonable advice issued by the Welsh Ministers concerning the governance of all or classes of registered social landlords.*

- 9.2 In seeking the Council's consent to change the rules of the association in respect of tenant representation, Trivallis are complying with this legal requirement. The requirement to seek the Council's consent to change the rules of the association in respect of the composition of the Board and the Council's representation has been removed by the Regulation of Registered Social Landlords (Wales) Act 2018.

**10. LINKS TO THE CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT**

- 10.1 The Council, as the Local Housing Authority, recognises the importance of Trivallis as a key partner in the delivery of its strategic housing objectives, in addition to the wider goals of our Corporate Plan, particularly in respect of supporting our **People** to live independently and ensuring that Rhondda Cynon Taf is a safe and secure **Place** for our residents to live.

## 11. CONCLUSION

- 11.1 Trivallis has sought the consent of the Council to change its rules of association in respect of tenant representation on their Board. This is required as Trivallis propose to adopt the CHC's 2017 new model rules for registered social landlords and in doing so reduce the size of their Board and remove the current requirements regarding its composition.

### **Other Information:-**

#### ***Relevant Scrutiny Committee***

Public Service Delivery, Communities & Prosperity



**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

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**Background Papers**

Regulation of Registered Social Landlords (Wales) Act 2018

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