

Committee: **Council**
 Date of Meeting: **18th July, 2024**
 Report Subject: **Tai Calon Rule Changes**
 Report Submitted by: **Martyn Price, Director of Resources & Company Secretary, Tai Calon Community Housing**

Reporting Pathway								
Directorate Management Team	Corporate Leadership Team	Portfolio Holder / Chair	Governance Audit Committee	Democratic Services Committee	Scrutiny Committee	Cabinet	Council	Other (please state)
	For info 06.06.24				18.06.24		18.07.24	

1. Purpose of the Report

Inform Blaenau Gwent County Borough Council (the Council) on changes to Tai Calon Community Housing's Rules.

2. Scope and Background

2.1 Tai Calon Community Housing (Tai Calon) was created in July 2010 as a result of a stock transfer from the Council. The legal status of Tai Calon is that it is a registered company under the Co-operative and Community Benefits Society Act 2014 and is registered with the Financial Conduct Authority (FCA) as a mutual society with charitable objectives.

2.2 Tai Calon is governed by a set of Rules which have been approved by the FCA which include the charitable objectives. The Rules are based on the model rules created by Community Housing Cymru and Welsh Government. A new set of model rules were created in 2021 and Tai Calon is now seeking approval to adopt these Rules and also make a number of other changes to update the Rules to reflect the changes in governance arrangements. As part of Welsh Governments regulatory process Tai Calon has to adopt these new model rules.

2.3 In simple terms the Rules governs what Tai Calon can do and its powers. The Rules can be summarised as follows:

- Part A Name and objects
Sets the name of Tai Calon and also its charitable objectives i.e. Tai Calon is formed for the benefit of the community. Tai Calon is also a non-profit
- Part B Powers of the Association, board, and Members
Part B sets out the powers of the Association, board and its members.
- Part C Members and general meetings

Part C sets out the obligations of members, and how members are created and ended. Part C also sets out the process for holding Annual General Meetings and Special General Meetings.

- Part D the Board
Part D sets out the functions of the board, the board membership and appointment of board members and their terms of office.
- Part E Chair, vice chair, chief executive, secretary and other officers
Part E sets out the role and responsibilities of the chair, chief executive, secretary and other officers.
- Part F Financial control and audit
Part F deals with the appointment of auditors and well as the financial controls for Tai Calon
- Part G Miscellaneous and statutory
Part G set outs the miscellaneous matters such as registered office, use of company seal, registers, amendments to the Rules and dissolution.

2.4 Attached at Appendix 1 to this report is a tracked changed version of the proposed new Rules. The majority of these changes are due to the new model rules required by Welsh Government, however the main change that affects the Council is in relation to how Board Members are appointed.

2.5 Tai Calon is governed by its Board Members and Tai Calon's Board currently has 11 Board Members, consisting of 6 Independent Members, 3 Tenant Members and 2 Local Authority Board Members. The Board has also appointed 2 co-opted Board Members to the Board, subject to a maximum of 3. The Regulation of Registered Social Landlord Regulations (Wales) Act 2018 sets out that the Local Authority Board Members cannot exceed more than 24% of the total Board. As the Board has 11 Members, this limits the number of Local Authority Board Members to 2. The co-opted Board Members are excluded from the 24% calculation. There are no proposed changes in relation to the composition of the Board.

2.6 The proposed changes to the Rules allow for all Board Members to be appointed via the same recruitment process based on skills and experience. The proposed changes for the appointment of tenant and local authority Board Members is as follows:

- a) Tenant Board Members – Tenant Board members are currently appointed via a ballot of all tenants. This has caused concerns in the past and exposes Tenant Board Members candidates to the risk of some public unsubstantiated negative comments. That risk acts as a disincentive to tenants putting themselves forward. The amended Rules proposed that tenants can apply to be a Board Member and then a selection process is held based on skills and experience and the tenants Board Members are then appointed by the Board. Tai

Calon has consulted their tenants on this proposal, and tenants are content with this change.

- b) Local Authority Board Members – Blaenau Gwent County Borough Council currently nominates two Councillors to sit on Tai Calon's Board. The proposed changes to the Rules would mean that Local Authority Board Members are appointed in the same way as tenants and independent Board Members, via a recruitment and selection process based on skills and experience.

2.7 There is no proposed changes to the term of board membership, which will remain as a 3 year term, subject to a maximum of 9 years as per the existing Rules.

2.8 Once the Rules are approved, Tai Calon will then seek approval at its Annual General Meeting in September before seeking approval from the FCA.

3. **Recommendation**

3.1 For Council to be informed of the proposed Rule changes as set out in Appendix 1.

4. **Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan**

The proposed Tai Calon Rule changes will enable Tai Calon to operate more effectively and support the Council in delivering its Corporate Plan.

5. **Implications Against Each Option**

5.1 ***Impact on Budget (short and long term impact)***

There are no impact on budgets.

Background Documents /Electronic Links

- *Appendix 1 proposed Tai Calon Rules (tracked changes)*
- *Appendix 2 proposed Tai Calon Rules (clean version)*