

 Northwards Housing North Manchester's Council Homes		Report to: Northwards Housing Board 5 July 2016		Item No: <h1>12d</h1>	
Title:		Yes Corporate Director			
Date:		28 June 2016			
Author:		Robin Lawler		Tel No: 720 5821	
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Confidential:		No			
For: (Please tick action required)		NOTING		DISCUSSION	
				APPROVAL ✓	
PURPOSE OF REPORT					
To inform the Board that yes is requesting to amend their Articles of Association and remove Article 26.3 which requires Northwards be a Corporate Director.					
RECOMMENDATION					
The Board is asked to approve a resolution to remove article 26.3 from yes Articles of Association and agree that yes hold an EGM to formally approve the change.					
IMPLICATIONS					
Risk Management		CCR008b: 'Failure to manage an effective governance structure'.			
Regulatory & legal compliance		In line with the Company Act 2006, as sole member Northwards is responsible for approving any changes to the Memorandum and Articles of Association of Yes.			

Consultation/Consideration:

	Yes, No or N/A:	Name:	Date:
Sub-Committee:	No		
Task Groups:	No		
Ward Councillors:	No		



Report to:

Yes Manchester Board

Date 28 June 2016

Item No:

By email

Title: Corporate Director

Date: 28 June 2016

Author: Diane Roberts **Tel No:** 0161 720 4090

E mail: diane.roberts@yesmanchester.co.uk

Confidential: no

For: (Please tick action required)	Noting	Discussion	Approval ✓
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Our Strategic Objectives					
Funding		Employers		Governance ✓	Reputation
Performance		Community		Future	Staff/Volunteers

Purpose of Report

The Board must comply with Companies House requirements.

Companies House have announced changes in company law about Corporate Directors from October 2016:

“You won’t be able to appoint corporate directors, although there are some limited exceptions. Any company with an existing corporate director will need to take action, either explaining how they meet the conditions for an exception or notify the registrar the person has ceased to be a director.”

Yes does not meet the exceptions, the change is being implemented for transparency reasons and the need to appoint a natural person rather than a corporate entity.

Corporate Director Report September 2015

Both Northwards Board and the **yes** Board considered and approved a report recommending that one

Northwards Director resign and be reappointed as a Corporate director based on the advice below:

The current Memorandum and Articles of Association of **yes** require each member of the CIC to also be a Director (but this requirement does not apply vice versa). Weightmans have confirmed that the correct procedure for appointing the member has been carried out, but that Northwards on a strict reading of the Articles of Association are required to be appointed as a Corporate Director of **yes**.

This appointment has not been made and further advice from our lawyers has been obtained:

The reason for a corporate director was that the articles refer to each member being itself a director (article 26.3). In this instance, particularly given the changes coming in, I suggest we simply pass resolution of the member to remove this article and this requirement. As I recall, YES CIC only has individuals appointed to the board at present and there was no particular need to retain this provision.

The Board should further note that no other rule changes proposed have been implemented following advice regarding the proposal of seeking charitable status which is in progress.

Recommendation

The Board are asked to note that this report has been submitted to Northwards Board (as member) for approval.

Northwards Board (as Member) are requested to approve a resolution to remove article 26.3 from yes Articles of Association and agree that **yes** hold an EGM to formally approve the change.
