
Report To:	Inverclyde Council	Date:	27 February 2025
Report By:	Head of Legal, Democratic, Digital & Customer Services	Report No:	LS/011/25
Contact Officer:	Lynsey Brown	Contact No:	01475 712710
Subject:	Council Representation on the Board of River Clyde Homes		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 River Clyde Homes' ("RCH") Articles of Association allow for up to two persons nominated by the Council to sit on the board of River Clyde Homes.
- 1.3 Councillors Brooks and Curley were appointed to the board of RCH on 19 May 2022. On 15 October 2024 Councillor Curley tendered his resignation from this appointment. On 5 December 2024, a report was presented to Council recommending that the Council appoints a new member to the RCH Board and nominations to this post were invited. No such nominations were received at the meeting of the Council or in the period thereafter. Consequently, since October 2024, the Council has only been able to nominate one person to the RCH Board.
- 1.4 This report requests Council to consider formalising current arrangements by agreeing to the nomination of a single Council board member to the RCH Board either in perpetuity or until the date of the next Council election.

2.0 RECOMMENDATION

- 2.1 It is recommended that Council notes the current position, considers the options set out at Section 4 of this report and decides to proceed on the basis of Option 2. Thereafter, it is recommended that Council authorises the Chief Executive to notify RCH of the option that Council decides upon and authorises the Head of Legal, Democratic, Digital and Customer Services to sign formal agreement(s) giving effect to any agreed change.

Lynsey Brown
Head of Legal, Democratic, Digital & Customer Services

3.0 BACKGROUND AND CONTEXT

3.1 The Council's Housing Stock Transfer in December 2007 established River Clyde Homes as Inverclyde's largest registered social landlord ("RSL"). Council staff TUPE transferred to RCH and initially RCH's governance arrangements made provision for up to four Council nominated board members. In February 2019, as a result of [The Regulation of Social Housing \(Influence of Local Authorities\) \(Scotland\) Regulations 2018](#), the number of Council board members was reduced from four to the current number of two representatives.

3.2 The RCH Articles of Association (included in the background papers to this report are set out in the Annex) state at Article 42:

"

(a) *Subject to Article 32, the Council shall have the power from time to time and at any time to nominate up to two persons as Council Board Members and to remove from office any such Council Board Member.*

(b) *Appointment or removal pursuant to Article 42(a) shall be effected by an instrument in writing signed by the Council and shall take effect upon lodgement at the registered office of the Company or such later date as may be specified in the instrument."*

Article 32 states:

"The Board shall consist of not less than seven persons nor more than 12 persons...and shall comprise:

(a) *up to two Council Board Members (provided the total number of Council Board Members does not exceed 24% of the total number of Board Members at any one time); and*

(b) *up to 10 Board Members who may be Community Board Members, Customer Board Members or Executive Board Members (in any combination)"*

"Council Board Members" is defined within the Articles as meaning *"the two persons nominated by the Council pursuant to Article 42(a) to sit on the Board, who will be deemed to be Members for the duration of their nomination"*.

3.3 Since the statutory meeting of the Council in May 2022, Councillors Brooks and Curley were appointed to the board of RCH. Councillor Curley resigned from this appointment in October 2024 and on 5 December 2024, a report was presented to Council recommending that the Council appoints a new member to the RCH Board and inviting nominations. As no nominations were received at the meeting of the Council or in the period thereafter, the Council has only been able to nominate one person to the RCH Board since October 2024.

3.4 As the Council's current arrangement with RCH means that, despite having only one current board member, it is able to take up its full nomination of two board members at any time, RCH is unable to fill the vacancy in a way that provides any stability for a potential new board member or for RCH. This could make it difficult for RCH to attract quality board members and/or mean that a vacancy in board members is carried for a significant period. Each of these outcomes could lead to an impact upon board outcomes and decision-making. This has the potential to impact upon all stakeholders including tenants.

- 3.5 Consequently, the Council is asked to consider whether it could make the current arrangement, whereby there is one nominated Council board member, more long term or, indeed, permanent. If the Council was able to provide certainty in relation to its requirement to appoint board members this would facilitate RCH in appointing another board member of sufficient calibre with the potential of strengthening its board. The more long-term or, indeed, permanent such certainty can be given for, the greater the chance of realising these benefits.
- 3.6 For context, the table below summarises the position of some other local authorities regarding representation on RSL boards post- housing stock-transfer:

Name of RSL	Relevant Local Authority	No. of Council Representatives permitted on RSL Board
Argyll Community Housing Association	Argyll & Bute	Not more than 2 (min 7, max 12 on Board)
Hebridean Housing Partnership Ltd	Western Isles Council	Up to 3
Scottish Borders Housing Association	Scottish Borders	None stipulated
Glasgow Housing Association Ltd	Glasgow City Council	Up to 2
Wheatley Homes South Ltd (formerly Dumfries and Galloway Housing Partnership)	Dumfries & Galloway	None stipulated

4.0 PROPOSALS

- 4.1 There are three options currently available to the Council. These are as follows:

Option 1 - Council decides to agree to reduce the number of board members on RCH's board to up to one member permanently;

Option 2 – Council decides to agree to reduce the number of board members on RCH's board to up to one on a temporary but fixed basis until the earlier of 7th May 2027 or the actual date of the next council elections; and

Option 3 – Council decides to take no action at this time and to retain the ability to nominate up to 2 members to RCH's board notwithstanding the fact that there is currently only one nominated member. As part of this option the Council can keep the position regarding nominees under review on a regular basis and may reconsider the options in this report at some time in the future if required.

- 4.2 RCH continues to be a key partner of the Council in delivering the Strategic Housing Investment Plan (SHIP) and it is considered that regularising and clarifying the position with RCH regarding the number of Council board members will foster effective co-operation and be conducive to RCH's ability to maintain a strong and impactful board.

- 4.3 For this reason, officers' recommendation is that **Option 2** is followed as this option gives some certainty to RCH whilst retaining the ability for the Council to consider reactivating its right to nominate up to 2 members to the RCH board at the beginning of the next Council term.
- 4.4 It is also proposed that Council authorises the Chief Executive to notify RCH of the option that Council decides upon and authorises the Head of Legal, Democratic, Digital and Customer Services to sign formal agreement(s) giving effect to any agreed change.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial		X
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

There are no financial implications

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

5.3 Legal/Risk

As mentioned in paragraph 3.7, the Transfer Agreement does not contain any requirements or stipulations regarding RCH's internal governance arrangements (such as its articles of association), therefore the Transfer Agreement is unaffected by this proposal. Depending upon the option Council decides to follow, there may be a requirement for the Council to enter into legal agreement(s) formalising the position.

5.4 Human Resources

There are no human resources implications

5.5 Strategic

This report helps deliver Council Plan Theme 2 – Place – outcome - Our strategic housing function is robust by assisting our strategic housing partner attain optimum governance arrangements

5.6 Equalities, Fairer Scotland Duty & Children/Young People

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
X	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqIA is required.

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
X	NO – Assessed as not relevant under the Fairer Scotland Duty.

(c) Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
X	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.7 Environmental/Sustainability

Summarise any environmental / climate change impacts, positive or negative, which relate to this report.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
X	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.8 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

6.0 CONSULTATION

6.1 The Head of Legal, Democratic, Digital & Customer Services has consulted with RCH's Governance Manager who is receptive to the proposals of this report.

7.0 BACKGROUND PAPERS

7.1 Annex - RCH's Articles of Association