



CABINET  
DECISION NOTICE

Publication Date: 22<sup>nd</sup> September, 2017

At a special meeting of the Cabinet held on 22<sup>nd</sup> September, 2017 the following matters were discussed. The decisions of Cabinet are set out below each item along with reasons for the decision and other options considered.

**PRESENT:** Councillor Oxby (in the Chair)  
Councillors Bolton, James, Patrick and P. Wheatley

DN.41 **APOLOGIES FOR ABSENCE**

Apologies for absence from this meeting were received from Councillors Hyldon-King and Watson.

DN.42 **DECLARATIONS OF INTEREST**

There were no declarations of interest received for this meeting.

DN.43 **PROPOSED MERGER OF SHORELINE HOUSING PARTNERSHIP WITH BOSTON MAYFLOWER**

Cabinet considered a report from the Portfolio Holder for Regeneration, Assets, Skills and Housing setting out the framework of the Shoreline merger.

**RESOLVED –**

- (1) That the proposed merger of Shoreline Housing Partnership and Boston Mayflower Housing Association be supported as recommended by Full Council at its meeting of 21st September 2017.**
- (2) That authority be delegated to the Director for Economy and Growth in consultation with the Director of Finance, Resources and Operations and the Portfolio Holder for Regeneration, Assets, Skills and Housing to settle terms with Shoreline Housing Partnership to confirm its intentions towards the Borough of North East Lincolnshire so far as its responsibilities, investment, growth, strategic development and partnership are concerned; such matters to be captured in a deed and duly executed, so as to bind both parties and to endure through any merger process;**
- (3) That authority be delegated to the Chief Legal and Monitoring Officer to give formal written notification to Shoreline Housing Partnership of the wish to appoint the Director for Growth and Economy as Authorised Representative to the Board of Members;**
- (4) That authority be delegated to the Director for Growth and Economy, as Authorised Representative, to call for a poll; and**
- (5) That, subject to completion of resolution (2), the Authorised Representative be instructed to vote as decided by Cabinet.**

REASONS FOR DECISION – The Council has representation at board level of Shoreline Housing Partnership (SHP) as two councillors serve as directors.

Directors of a company are obliged by law (sections 171 - 177 Companies Act 2006) to act and vote within the powers of and in the interests of the company. Directors cannot be influenced or instructed by any third party as to whether and how their vote is cast as they are required to exercise independent judgement.

In the absence of an Authorised Representative any vote defaults to the directors.

The articles of association of SHP permit the Council to place an Authorised Representative at member level in order to be the conduit for the Council's vote on any matter.

Further, such articles reflect that subject to a poll being called, in writing by the Authorised Representative, the Council will have the benefit of two votes rather than the usual position of one member, one vote.

Such Authorised Representative is free to act without the fetters placed on directors and therefore Cabinet is able to direct the Authorised Representative to vote and how to vote.

There are five member votes out of which the Council, through its Authorised Representative (and subject to a poll being called) has two. Therefore a voting power of 40%.

The merger of SHP and Boston Mayflower will be by Special Resolution. Such resolution ordinarily requires a 75/25 majority.

#### OTHER OPTIONS CONSIDERED –

Options available to Cabinet were:

1. To vote in favour of the proposed merger;
2. To vote against the proposed merger;
3. On the basis of appointment of an Authorised Representative, to abstain;
4. Not to appoint an Authorised Representative and permit the vote to fall to the directors to exercise based upon their perception of the best interests of the company.

It was suggested that options 3 and 4 be not considered as they would result in uncertainty so far as the merger was concerned and the standing of the local authority.