

**LUMINUS GROUP – PROPOSED CHANGES TO
MEMORANDUM AND ARTICLES**

(Report by the Head of Legal and Estates)

1 INTRODUCTION

To consider a request from Luminus to amend the Memorandum and Articles of Luminus Homes and Oak Foundation, to allow for the potential remuneration of Board Members.

2 BACKGROUND

2.1 Solicitors who are currently undertaking a governance review for the Luminus Group have recently written in regarding what they consider to be inconsistencies between the different sets of Memorandum and Articles, specifically in relation to the remuneration of Board Members. At present, Luminus group has the power to remunerate Board Members, but there is not a similar provision within the Memorandum and Articles for either Luminus Homes or Oak Foundation.

2.2 The Council has been requested to consent to proposed amendments to allow for the possibility of Luminus Homes and Oak Foundation remunerating their Board Members.

2.3 Oak Foundation is a registered charity and any change to the Memorandum and Articles will also require the consent of the Charity Commissioners. Consequently Members may consider it an adequate safeguard to accept any proposed amendment, subject to the Charity Commission also agreeing.

2.4 With regard to Luminus Homes, as this is a change to the Memorandum and Articles proposed at the time of LSVT, it was suggested that some form of consultation with tenants should take place. The solicitors for Luminus have responded as follows :-

“my client has confirmed that tenants have been consulted regarding the introduction of payment to Board Members for all the companies in the group, including Luminus Homes and they were in agreement. The consultation that has taken place went deeper than publication in Luminus News; the Board Member Remuneration Proposal was also approved by the Tenant Services Consultative Forum”.

2.5 On the basis of the above, it would seem reasonable to agree to the proposed amendment.

2.6 Rather than bring matters such as these to Cabinet in future, it is proposed that delegated authority be given to deal with such requests,

after consultation with the Head of Housing and the Executive Councillor for Housing and Public Health.

3 RECOMMENDATION

3.1 It is recommended that:-

- ◆ Cabinet agrees to principle of the amendment to the Memorandum and Articles to permit the remuneration of Board Members, subject in the case of Oak Foundation to the consent of the Charity Commissioners also being obtained and in both instances to the precise wording being agreed by the Head of Legal and Estates; and
- ◆ The determination of any future proposed amendments to the Memorandum and Articles of companies within the Luminus Group be delegated to the Head of Legal and Estates, after consultation with the Head of Housing and the Executive Councillor for Housing and Public Health.

4 BACKGROUND

Legal & Estates file L/H/12
Contact Officer Colin Meadowcroft
Head of Legal and Estates Tel: 01480 388021