

**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**

**SHAREHOLDER COMMITTEE**

**Minutes from the Meeting of the Shareholder Committee held on Friday, 17th March, 2023 at 10.00 am in the Council Chamber, Town Hall, Saturday Market Place, King's Lynn PE30 5DQ**

**PRESENT:** Councillors A Dickinson, S Sandell and S Dark.

**MEMBERS PRESENT UNDER STANDING ORDER 34:** Councillors M de Whalley, A Kemp, J Moriarty, C Morley, E Nockolds and T Parish.

**OFFICERS:**

Honor Howell – Assistant to the Chief Executive

Alexa Baker – Assistant Director and Monitoring Officer

1 **APPOINTMENT OF CHAIR**

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**RESOLVED:** Councillor Dickinson was appointed Chair of the Committee.

2 **APPOINTMENT OF VICE-CHAIR**

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**RESOLVED:** Councillor Sandell was appointed Vice Chair of the Committee.

3 **APOLOGIES FOR ABSENCE**

There was none.

4 **DECLARATIONS OF INTEREST**

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Councillor Nockolds declared an interest as a Board Member of Alive West Norfolk and advised the Committee that she was attending the meeting in her capacity as a Director of Alive West Norfolk.

5 **CHAIR'S CORRESPONDENCE**

There was none.

6 **MEMBERS PRESENT UNDER STANDING ORDER 34**

Councillors Morley, Kemp, de Whalley, Parish and Moriarty.

The Committee noted that Councillor Nockolds was attending the meeting as a Director of Alive West Norfolk.

7 **URGENT BUSINESS**

There was none.

8 **TERMS OF REFERENCE**

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The Committee considered its Terms of Reference as included in the Agenda. The Chair invited Members present under Standing Order 34 to address the Committee.

Councillor Nockolds commented that she could not see reference to the scrutiny of company budgets in the Terms of Reference. She commented that the purpose of Alive West Norfolk reduce the Council tax subsidy for leisure. The Chair referred to section 4.4 and 4.5 of the Terms of Reference which referred to the Business Plan, which would include the budget. The Terms of Reference also included the ability for scrutiny of the work of the Committee via the Panels and Audit Committee. Councillor Nockolds queried timescales and stated that the action plan worked from June onwards. The Monitoring Officer explained that a cycle of work for the Committee would be produced, linking in with the meeting dates of the companies.

Councillor Moriarty addressed the Committee under Standing Order 34 and commented that the Panels would need to look at the Forward Plan for the Shareholder Committee in advance so that they could programme items on their agendas and the views of Councillors could be heard.

Councillor Morley addressed the Committee under Standing Order 34 and raised concerns relating to the order of the arrangements now in place. The Monitoring Officer clarified that the Companies had been set up for some time and all had Service Level Agreements in place. The purpose of the Shareholder Committee would be to monitor and scrutinise the activity of the Companies.

Councillor Kemp addressed the Committee under Standing Order 34 and explained that Councillors should have had sight of the Business Plans of the Companies and how the work of the Companies linked to the Councils Corporate Objectives.

Councillor Dark commented that he considered the Terms of Reference to be fit for purpose.

The Chair explained that a lot of work had gone on to review the relationship between the Council and the Companies and bring the Shareholder Committee to fruition.

It was noted that the Terms of Reference would be reviewed by the Committee on an annual basis.

**RESOLVED:** The Committee's Terms of Reference were agreed.

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### **COMPANY SECRETARY OPTIONS**

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Honor Howell presented the report which proposed that the Chief Executive resigned as Company Secretary to West Norfolk Housing Company and West Norfolk Property Limited. It was noted that there was currently no Company Secretary appointed to Alive West Norfolk.

She outlined the options available as set out in the report and explained that the preferred option was that the Company Secretary role would be taken on by the Council's in-house legal team. It was noted that the secretarial support was provided by the Democratic Services Team and the Accounts support was provided by the Council's Finance Section.

The Chair queried if there would be a conflict of interest should the service be provided by the in-house Legal Team. The Monitoring Officer explained that there was mechanisms in place for this and ethical walls would be put up so that the Monitoring Officer would be kept separate from the Company Secretary provision.

Councillor Moriarty addressed the Committee under Standing Order 34 and asked if there was capacity within the Legal Team, and if more officers would be recruited. The Monitoring Officer explained that recruitment was ongoing.

Councillor Morley addressed the Committee under Standing Order 34 and the proposed reserved matters that would be included in the Management documents. The Monitoring Officer explained that the Cabinet Decision of 15<sup>th</sup> November 2022 included the agreement of the action plan and the action to get an agreement in place between the Shareholder Committee and the Companies to establish Governance arrangements and this would include reserves matters which the Shareholder Committee would be able to decide upon and it was proposed that Director appointments were included in this. Presently it was still up to the Companies to decide on their arrangements, so the

Shareholder Committee would be making recommendations to the Company Boards.

Councillor de Whalley addressed the Committee under Standing Order 34 asking if training on the Company Secretary role would be provided and the Monitoring Officer explained that it would.

Councillor Kemp addressed the Committee under Standing Order 4 and asked if there was the resources and capacity available to carry out this function in house.

Councillor Moriarty asked for clarification on the rules for Members attending under Standing Order 34 and if Members could ask questions. Councillor Dark commented that questions asked at the meeting so far had been responded to if appropriate.

Councillor de Whalley addressed the Committee under Standing Order 34 and asked what interim measures would need to be put in place. The Monitoring Officer explained that there should not be much of a transition required and there was external solicitor support available in the meantime if required.

The Monitoring Officer clarified that a Company Secretary was not a legal requirement in Company Law and it could be left blank on the Companies House submission.

Councillor Morley addressed the Committee under Standing Order 34 and asked for clarification on the Service Level Agreement and Governance documents. It was clarified that Service Level Agreements were already in place for the Council to recover the cost of the service provided to the Companies. Shareholder agreements would be drawn up to specify the relationship and governance arrangement between the companies and the Shareholder Committee and would come forward to the Shareholder Committee for consideration in due course.

Councillor Dark commented that he supported the proposal to bring the Company Secretary role in house.

The Monitoring Officer proposed an alternative recommendation for the Committee to consider which provided clarity on the recommendation and this was accepted by the Committee.

**RESOLVED:** That the Shareholder Committee recommend to the Board of Directors for West Norfolk Housing Company and West Norfolk Property Limited that the Chief Executive be removed as the Company Secretary where so appointed and that the Companies leave the official appointment of Company Secretary vacant, but seek the legal requirements of a Company Secretary from the Council's Legal Team.

## **ALIVE WEST NORFOLK BOARD APPOINTMENT**

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Honor Howell presented the report which proposed that the Chief Executive resigned from the Alive West Norfolk Board. This would leave the Board inquorate and it was recommended that Alive West Norfolk Board appoint the Managing Director of Alive West Norfolk to the Board.

Honor Howell provided an update to the Committee on Director Appointments and explained that external appointments were being looked at to avoid any conflict of interests. Job descriptions were being looked at. It was confirmed that appointments were unpaid, but this could also be revisited depending on interest.

Councillor Morley addressed the Committee under Standing Order 34 and asked if the appointment of the Managing Director would mean that he lost any of his executive powers. It was confirmed that he would not and would remain as Managing Director of Alive West Norfolk. He would not be eligible to Chair the Board of Directors as an Executive Director. The Monitoring Officer confirmed that currently no other officers served as Board Directors.

In response to a further query from Councillor Morley it was explained that the Service Level Agreement in place for Alive West Norfolk stated that repairs, maintenance and utilities were retained by the Borough Council, therefore formed part of the Borough Council's Capital Programme.

Councillor Moriarty addressed the Committee under Standing Order 34 and asked if the plan going forward was to not have any Councillors serving as Board Directors. The Monitoring Officer explained that it was in the action plan to move towards removing Councillors because of their inherent conflict of interest and their duty to their constituents.

In response to a further query from Councillor Moriarty, it explained that in the future, as part of the agreement between the Companies and the Shareholder Committee, the appointment of Directors would be a reserved matter for the Shareholder Committee. It was also noted that the Forward Plan of the Shareholder Committee would be available to the Panels, so that they could call in any items in advance for further scrutiny.

Councillor Kemp addressed the Committee under Standing Order 34 and agreed that Councillors had a conflict and should be disengaged from Board Memberships.

The Monitoring Officer explained that Council officer membership of Boards could be increased and ethical walls and structures would be put in place to manage any conflict.

**RESOLVED:** That the Shareholder Committee recommend to the Alive West Norfolk Board that the Managing Director of Alive West Norfolk be appointed to the Board of Directors.

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### **COMMITTEE FORWARD PLAN**

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It was explained that the Shareholder Committee was required to hold at least four meetings per year.

The Monitoring Officer presented the Work Programme and explained that meeting dates would be confirmed once officers had looked at the Companies cycle of meetings and Panel schedules.

Councillor Nockolds was concerned that there were no meeting dates set. She explained that Alive West Norfolk needed a balanced budget by 1<sup>st</sup> April. The Monitoring Officer explained that discussions would take place with the Companies to determine what stage they were at with their Business Plans.

Councillor Dark acknowledged that the Forward Plan would be subject to change, but the plan presented was a good starting point. He reminded Members that they could contact the Chair at any time to consider adding items to the Forward Plan and there would be the opportunity for the Panels to consider any items on the Forward Plan.

It was confirmed that the next meeting would likely take place in June 2023.

**RESOLVED:** The Committee's Work Programme was noted.

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### **DATE OF FUTURE MEETING**

To be confirmed – June 2023.

**The meeting closed at 11.25 am**