

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

**Minutes from the Meeting of the Shareholder Committee held on
Wednesday, 11th September, 2024 at 10.00 am in the Council Chamber,
Town Hall, Saturday Market Place, King's Lynn PE30 5DQ**

PRESENT: Councillor A Beales (Chair)
Councillors C Morley and S Ring

1 **MINUTES OF THE PREVIOUS MEETING**

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RESOLVED: The Minutes of the meeting held on 23 April 2024 were confirmed as a correct record.

2 **MATTERS ARISING**

By way of matters arising it was noted that the committee would meet quarterly to tie in with the Company Board meetings.

The Chair referred to the matter raised by Councillor Ryves at the previous meeting regarding the Audit Committee being able to scrutinise the Companies. It was noted that the Monitoring Officer was due to respond on the point, but it was also noted that the Audit Committee would be given access to Audits undertaken on the Companies, and the accounts were published documents, and the Corporate Performance Panel would be able to Scrutinise the Shareholder Committee.

The Chair made reference to the Company's finance that the risk premium could potentially be reduced from 2% to 1% because the level of loss wouldn't be in the exceptional range because of the underlying assets purchased at the same time.

He also asked for Finance to be added as a rolling item on the agenda. Councillor Ring also commented that the changing political agenda nationally could reduce risk for the companies.

3 **DECLARATIONS OF INTEREST**

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Councillor A Ware declared a non pecuniary interest as a Council appointed director of the West Norfolk Housing Ltd and West Norfolk Property Ltd.

Duncan Hall, Assistant Director declared a non pecuniary interest as a Council appointed director of the West Norfolk Housing Ltd and West Norfolk Property Ltd.

4 **CHAIR'S CORRESPONDENCE**

None

5 **MEMBERS PRESENT UNDER STANDING ORDER 34**

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Councillor Ware attended under standing order 34.

6 **URGENT BUSINESS**

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The Committee's attention was drawn to the resignation from the West Norfolk Housing Company Ltd by Councillor J Bhondi. It was noted that this would need to be brought forward.

7 **COMMITTEE FORWARD PLAN**

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The Committee forward Plan was noted with financing arrangements to be added as a standing item going forward. It was noted that the portfolio details needed amending slightly.

8 **APPOINTING A DIRECTOR TO ALIVE MANAGEMENT LTD**

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The Committee considered a report which explained that prior to the incorporation of Alive West Norfolk, the council's sports and leisure facilities were managed by Alive Leisure, a Leisure Trust and Alive Management Ltd which provided the operational aspects of the service for Alive Leisure.

Alive Management Ltd remained a live company of the borough council, although currently dormant since 2019. Steps were now being taken to formally wind the company down and arrange for it to be struck off from Companies House.

Currently, there was only one Director for the company listed on Companies House. The Director was Debbie Gates, former Executive Director who retired from the council in June 2024.

In order to complete the necessary work to formally close the company, permission is sought from the Shareholder Committee to appoint a further company director to Alive Management Ltd to provide resilience whilst the actions are carried out.

The Committee noted that the appointment to the position was a reserve matter to the Shareholder Committee.

The history to the Alive Management Board was explained that the senior Alive staff were employed by Leisure Trust, with Alive Management as a joint employer with the operational staff employed by Alive West Norfolk in order to maximise the VAT benefits.

The Committee agreed that Oliver Judges, Executive Director be appointed Director of Alive Management Ltd to wind up the company. It was noted that there was no benefit in keeping the company running.

The Committee also noted the resignation from West Norfolk Housing Company by Councillor J Bhondi. It was agreed that a report come forward to appoint a new Director to West Norfolk Housing Company.

RESOLVED: 1) That Executive Director, Oliver Judges be appointed as a Director of Alive Management Ltd whilst the company is formally wound up.

2) That arrangements be put in place for the appointment of a replacement Director for West Norfolk Housing Co Ltd.

Reason for Decision

Although the Articles of Association for Alive Management Ltd stipulate a minimum of one Director, it is deemed to be prudent to appoint an existing member of staff as a director.

9

UPDATE TO SHAREHOLDER COMMITTEE ON GOVERNANCE DOCUMENTS STATUS

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The Committee considered a report which explained that following work carried out by the council's Audit Department, Position Statements for both of the council's Housing Companies, West Norfolk Housing (WNHC) and West Norfolk Property (WNPL), were issued detailing recommendations to improve the governance framework of both companies. Work had been ongoing to finalise the governance arrangements of both companies to ensure all documentation was updated, signed, and placed on a rolling schedule of reviews.

The internal audit of WNPL in February 2024 made the following recommendations:

- All governance and other documentation for WNPL required to meet the requirements of the Local Partnerships Local Authority Company Review Guidance 2023 edition documentation, to be completed and presented for sign off through the designated approval process, to include:
 - Service Level Agreement
 - Scheme of Delegation
- That all governance documents were centrally stored and subject to version control
- That the company websites were updated with the minutes, agendas, AGM details and Directors details.
- Service Level Agreements were signed, and costs finalised
- Business Plan be finalised to reflect the financing arrangements
- Risk Register to be updated.

Similarly, for West Norfolk Housing, the following recommendations were made:

- Service Level Agreement (SLA) to be finalised and signed
- Shareholder Agreement to be signed
- Agree Key Performance Indicators as part of the SLA

The report noted that in August 2024, West Norfolk Housing received a notification from the Housing Ombudsman Service that the company had failed to meet the annual submission deadline for performance against the Complaint Handling Code. An extension was granted by the Ombudsman to 19 September to comply with the requirement.

It was reported that WNHC did not have a complaints policy in place, but Broadland Housing Association did have a policy, although it was last updated in 2022. Work was now progressing on putting the code into place. The performance results against the code were required to be published on the WNHC website.

The following was now being put into place:

The draft SLA for WNPL was due to go to the 17 September WNPL board meeting. KPI's still needed to be agreed and fixed cost recharges (subject to indexation and council cost of living increases).

The Scheme of Delegation for WNPL would be presented to the board on 17 September.

The WNHC Shareholder Agreement was approved at a board meeting in October 2017 but not signed.

A Probity Policy was currently in draft format for WNHC. This would go to a later board meeting.

As part of the Code of Governance 2020, WNHC were required to create an Audit and Risk Committee. This was also on the board agenda for 17 September.

The Loan Agreement was being worked on by Anthony Collins so should be able to move forward shortly.

Under standing order 34, Councillor Ware drew attention to the need for the documents to the Board meetings to be sent out in good time to allow them to be thoroughly read and drew attention to the fact that the Companies would need to take their own legal advice so would need time to get the advice in place.

The Chair asked if there was sufficient resource to finalise the documents in the absence of the Governance Officer, to which the Governance Manager confirmed she would be able to finalise the work. The Chair also expressed the hope to get the loan agreement in place, subject to the Director's view, to use when required.

Councillor Morley drew attention to the need for the Council to have information arrangements and SLAs in place to ensure the Council know what processes would affect people in residence, using the example of mould in properties. D Hall agreed it was an important element.

RESOLVED: That the detail of the points raised in the Audit of the Governance issues and progress made on the governance arrangements for the West Norfolk Housing, and West Norfolk Property Companies be noted.

Reason for Decision

To provide assurance to the Shareholder Committee that all recommendations made in the Position Statements are actioned and that the governance framework of the housing companies is robust and up to date.

10 **DATE OF FUTURE MEETING**

14 October 2024 at 3pm

11 **EXCLUSION OF THE PRESS AND PUBLIC**

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RESOLVED: That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

12

SCRUTINY OF THIRD PARTY RELATIONSHIPS

D Hall made reference to changes in regulations for housing providers, and their agents and the need to continually review arrangements and have oversight of their arrangements and reporting processes. The complaints processes of Broadland Housing was being reviewed and assurance was given that officers were working on the reporting arrangements.

A discussion was held on the resources required to carry out the work for the Companies and the scrutiny of the providers. It was noted that additional resources would be required going forward.

A discussion was held on the changes to the Rent Reform Act and potential impact on providers, it was agreed that it would be kept under review.

An advert for Independent Members was due to be placed shortly. A potential independent person was put forward for initial discussion. A round table discussion would be ideal for Job Descriptions etc for Board Members.

Councillor Morley drew attention to the fact that there needed to be one step at a time for all the work being proposed as Shareholders for the Companies. The Chair referred to the resources required for the processes.

Councillor Ware expressed concern at the pace of progress for the documents to be produced. It was suggested that after the Board meeting next week, a further round table discussion be held to accelerate the work to be done.

13

WEST NORFOLK HOUSING BUSINESS PLAN

D Hall presented the draft West Norfolk Housing Company Business Plan for the Committee's consideration and comment.

Points were raised on the draft by way of amendment:

- The Company is to support the council in developing its housing goals.
- Distinction between the 2 companies – the WNHC – not for profit to meet the housing objectives of the council, not revenue generating but assisting in the reduction of spend on B&B and temporary housing for the homeless, but must be financially sustainable.
- The Social value of the company needed to be demonstrated.

RESOLVED: That the draft West Norfolk Housing Company Business Plan be endorsed.

Reason for Decision

To enable the Committee to consider and endorse the proposed Business Plan.

14

WEST NORFOLK PROPERTY LTD BUSINESS PLAN

D Hall, Assistant Director presented the Business Plan for West Norfolk Property Ltd which had been approved by its Board at the last meeting.

Attention was drawn to the Renters Rights Bill which was presented in Parliament today. Feedback from many private rented landlords was that they would not retain the properties, leading to a further shortage of PRS properties.

It was noted that the transfer of properties to the Company was taking place, and there was great ambition for the company so going forward the long term plan for the company needed to be developed including housing and delivery planning. It was agreed that the cap on numbers to be developed should be removed.

Following a comment on decarbonisation of the stock it was noted that because the properties were newly built the Company was in a better position than most on decarbonisation already meeting the requirements..

RESOLVED: That the West Norfolk Property Company Business Plan be noted.

Reason for Decision

To enable the Committee to consider and note the proposed Business Plan which had been agreed by West Norfolk Property Company Ltd.

The meeting closed at 11.22 am