

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

Minutes from the Meeting of the Shareholder Committee held on Tuesday, 23rd April, 2024 at 11.00 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**

RESOLVED: The Minutes of the meeting held on 20 November 2024 were agreed as a correct record and signed by the Chair.

2 **DECLARATIONS OF INTEREST**

Councillors Bhondi and Ware and Duncan Hall declared interests as Directors of West Norfolk Housing Company and West Norfolk Property Company.

3 **CHAIR'S CORRESPONDENCE**

None

4 **MEMBERS PRESENT UNDER STANDING ORDER 34**

Councillors Bhondi, Bone, Dark, Moriarty, Parish, Ryves and de Whalley attended under standing order 34.

5 **URGENT BUSINESS**

None

6 **COMMITTEE FORWARD PLAN**

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The list of items on the Forward List was referred to. In discussing the appointment of new Board Directors to West Norfolk Property Ltd, the Committee agreed that the Board be requested to give an update on the situation so Shareholders could be updated at the June meeting.

It was noted that a schedule of meetings going forward would be prepared, although the timings would be governed by the relevant documentation being submitted to the company's boards.

The Chair also indicated the Committee may wish to look at the scheme of delegation for the Committee and Boards at its June meeting.

- RESOLVED:** 1) That the Committee Forward Plan be noted.
- 2) That the West Norfolk Property Board be asked to provide the Committee of an update on their plans for the appointment of Directors.
- 3) That a schedule of meetings for the year be prepared to tie in with items being submitted to the Boards.

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SHAREHOLDER COMMITTEE TERMS OF REFERENCE

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The Committee's Terms of Reference were noted. It was noted that 5.3 included that the Audit Committee was to receive assurances on the sound system of internal control and Risk Management process for the Committee.

Under standing order 34 Councillor Ryves asked if the Internal Auditors would have access to the Company's books as he felt that without the ability to do so he considered there would be vulnerability that the Audit Committee wouldn't be able to express confidence in all processes. The Monitoring Officer explained that she would look at what was available under the Shareholder Agreement, which if it said it would be available for scrutiny. It was noted that it would be subject to confidentiality rules.

The S151 Officer explained the Internal Audit had carried out a position statement on both companies in line with the governance arrangements the Council had over the companies. Ensorrs were the external auditors of the Companies. The Audit Committee discussed whether it had responsibility to carry out the process, which was being investigated. The arrangements would also need to be reported in the annual governance statement.

The Monitoring officer reminded members of the role of the Corporate Performance Panel regarding scrutiny of the Shareholder Committee as a Sub Committee of Cabinet. Going forward it would be made clear what the functions of Audit and Scrutiny were in the process for the Committee and the Companies.

RESOLVED: 1) That the Shareholder Terms of Reference be agreed to be reviewed annually.

2) That clarification be given on the role of Audit Committee and Corporate Performance Panel relating to the Shareholder Committee and the Council's Companies and their finances.

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**RESPONSES FROM WEST NORFOLK HOUSING COMPANY
AND WEST NORFOLK PROPERTY COMPANY ON SECTION 21
NOTICES**

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The culmination of the Boards consideration of the matter was that the Board's Directors considered that it is not in the best interests of the company to voluntarily remove section 21 notices as an option for use for ending a tenancy prior to the implementation of the Renters Reform Bill.

The West Norfolk Property Board of Directors had agreed to make the service of a Section 21 notice a matter reserved for the board in order to give reassurance that a section 21 notice would only be used where all options had been fully considered.

The Board of Directors of West Norfolk Housing Company responded that a Section 21 notice would only be used in rare cases where the breaches would not meet a mandatory ground for possession, but the circumstances were having a significant impact on the community such as anti-social behaviour. They further commented that the Council could be assured that West Norfolk Housing and Broadland Housing would in no circumstances, use a Section 21 notice to carry out a "no fault eviction"

Councillor Morley reminded members that the proposals for S21 Notices were in accordance with the Corporate Plan. The Chair drew attention to the circumstances to retain could be useful, but not for no fault evictions, although in the light of the Renters Reform Bill it may need to be reviewed.

Under standing order 34, Councillor Ware also noted that the companies offered 3 years tenancies.

RESOLVED: That the responses from the Companies Directors on S21 Notices be accepted.

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DATE OF FUTURE MEETING

After 11 June – H Howell to prepare a schedule of meetings for the year.

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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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act.

11

HOUSING COMPANIES FINANCING

At its meeting of 15 January 2024, Cabinet resolved to support the proposals for a funding arrangement for the council's housing companies. This recommendation was agreed by full Council on 7 February 2024.

A drawdown facility (comprising a mix of loan facilities and repayable grant agreements) was to be made available for the companies to consider with an overall lending cap of £50 million.

Delegated authority was given to the Executive Director (Place), in consultation with the Portfolio Holder for Business, the Section 151 Officer and the Monitoring Officer to agree the final terms of the Drawdown facility with the Companies.

During scrutiny of the proposal at the Corporate Performance Panel, it was recommended to Cabinet the involvement of the Shareholder Committee in discussions on the Council Companies financing. The Portfolio Holder for Business gave assurances that this would be the case.

In readiness of being asked to exercise this delegation, the meeting of the Shareholder Committee was to conduct a detailed examination of the arrangements for the financing of the companies to ensure all councillors were satisfied with the terms of the proposed arrangements and had further opportunity to raise any residual questions they may have. Further such meetings may be required to fully inform councillors.

Representatives from Grant Thornton attended the meeting and presented their report.

Under standing order 34 Councillors Ryves, Dark and Rust sought clarification on a number of issues which were responded to by Officers, Members of the Shareholder Committee and the representatives from Grant Thornton.

Members of the Committee sought responses to questions from officers and Grant Thornton representatives.

It was agreed that if there were any further questions or points of clarification to be asked that they be submitted to officers, collated and if necessary, a further session be arranged with Grant Thornton to provide responses.

RESOLVED: 1) That the presentation of the financial advice provided from Grant Thornton be noted.

2) That any further questions on the financial element be put in writing and if required a further meeting with Grant Thornton be added to the work programme to seek responses to the questions.

Reason for Decision

To enable all Councillors to raise any residual questions on the funding arrangements for the Council's Housing Companies, and to assist the Shareholder Committee to agree in due course, the maximum interest at which funding would be affordable, both for the Council and the Companies.

The meeting closed at 1.00 pm