

REPORT TO SHAREHOLDER COMMITTEE

Open/Exempt		Would any decisions proposed:			
Any especially affected Wards	Mandatory/	Be entirely within Shareholder Committee powers to decide YES/NO			
	Discretionary /	Need to be recommendations to Council		YES/NO	
	Operational	Is it a Key Decision		YES/NO	
Lead Member: Cllr Stuart Dark E-mail: cllr.stuart.dark@west-norfolk.gov.uk		Other Cabinet Members consulted:			
		Other Members consulted:			
Lead Officer: Honor Howell E-mail: honor.howell@west-norfolk.gov.uk Direct Dial: 01553 616550		Other Officers consulted: Lorraine Gore – Chief Executive Alexa Baker – Monitoring Officer			
Financial Implications YES/NO	Policy/ Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO	Environmental Considerations YES/NO
If not for publication, the paragraph(s) of Schedule 12A of the 1972 Local Government Act considered to justify that is (are) paragraph(s)					

Date of meeting: **13 February 2023**

APPOINTMENTS TO THE BOARD OF DIRECTORS OF COUNCIL COMPANIES

Summary

Following a review of governance of the council’s wholly owned trading companies, it was advised that none of the council’s statutory officers should act as directors for the companies. The Chief Executive will resign from the Board of Alive West Norfolk and following the resignation of Cllr Long, this will leave the Board inquorate.

Recommendation

That the Shareholder Committee recommend to the Alive West Norfolk Board that the Managing Director of Alive West Norfolk is appointed to the Board of Directors.

Reason for Decision

To implement sound governance of the council’s wholly owned trading companies, ensuring they remain quorate and to minimise potential conflicts of interest.

1 Background

Following the review of the governance arrangements of the council's trading companies, Cabinet recommended that a Shareholder Committee be established to provide the necessary oversight from the shareholder's perspective that the parameters, policies, and boundaries that the council has established are being adhered to.

The Shareholder Agreements (the document which describes the powers of the board of the company to take decisions without the approval of the shareholder) are currently being drafted. The company's Articles of Association state that the appointment of new directors is a decision of the board members. Within the Shareholder Agreements, this will be the reserved matters of the Shareholder Committee and the Articles will be re-drafted accordingly. Until such a time as the Shareholder Agreements have been adopted, the appointment of directors is the responsibility of the current Board Directors.

- 1.1 Following the resignation of Cllr Long, the Alive West Norfolk Board of Directors has been reduced to four. The Chief Executive will resign her position in accordance with the advice received during the review of companies' governance and Cllr Nockolds has advised that she is unlikely to continue as a director which will reduce the numbers to below that of the quorate requirement. With borough elections due to be held within 3 months, no further appointment of council members will be made until after that time.

2 Options Considered

- 2.1 Discussions are ongoing in respect of the future make-up of the boards of the council companies. Work is being progressed to recruit an independent board member for Alive West Norfolk to fulfil the impending vacancy for financial skills. Work has also commenced on the appointment of council officers to the board and how to manage the potential conflicts of interest (where the officer should not be acting for the council as well as the company).

Whilst this work is being progressed, it is important that the Alive West Norfolk Board remains quorate. It is proposed therefore to appoint Alive West Norfolk's Managing Director, Neil Gromett, to the Board. As an employee of Alive West Norfolk, there is no potential conflict of interest in this appointment. As an employee, Neil would be classed as an 'executive' director as opposed to non-executive.

Although presently, the Alive West Norfolk Board appoint new Directors, in future, this responsibility will be with the Shareholder Committee and will form part of the Shareholder Agreement. To embed the new process, the Shareholder Committee is asked to recommend to the Alive West Norfolk Board of Directors that Neil Gromett is appointed as a director of Alive West Norfolk.

3 Policy Implications

- 3.1 There are no policy implications.

4 Personnel Implications

- 4.1 There are no conflicts of interest with this appointment. Full consultation with the Managing Director will take place prior to any appointment.

5 Environmental Considerations

- 5.1 There are no environmental considerations.

6 Statutory Considerations

- 6.1 Following the resignation of Cllr Long and the impending resignation of the Chief Executive from the Alive West Norfolk Board, to retain a quorate number of Directors, a new appointment needs to be made.

7. Equality Impact Assessment (EIA)

- 7.1 A full EIA is not required. Pre-screening form is attached.

8. Risk Management Implications

- 8.1 Failure to appoint a new Director to Alive West Norfolk will result in the Board of Directors not being quorate and unable to function appropriately.

9. Declarations of Interest / Dispensations Granted

There are none.

10. Background Papers

Cabinet report 15 November 2023, review of the governance of council companies.

Pre-Screening Equality Impact Assessment

Borough Council of
King's Lynn & West Norfolk



Name of policy/service/function	Appointment to the Board of Directors of the wholly owned council trading companies				
Is this a new or existing policy/service/function?	Existing function				
<p>Brief summary/description of the main aims of the policy/service/function being screened.</p> <p>Please state if this policy/service is rigidly constrained by statutory obligations</p>	The appointment of new Directors to the Boards of the council's wholly owned companies. This is a statutory function				
Question	Answer				
<p>1. Is there any reason to believe that the policy/service/function could have a specific impact on people from one or more of the following groups according to their different protected characteristic, for example, because they have particular needs, experiences, issues or priorities or in terms of ability to access the service?</p> <p>Please tick the relevant box for each group.</p> <p>NB. Equality neutral means no negative impact on any group.</p>		Positive	Negative	Neutral	Unsure
	Age			x	
	Disability			x	
	Gender			x	
	Gender Re-assignment			x	
	Marriage/civil partnership			x	
	Pregnancy & maternity			x	
	Race			x	
	Religion or belief			x	
	Sexual orientation			x	
	Other (eg low income)			x	

Question	Answer	Comments
2. Is the proposed policy/service likely to affect relations between certain equality communities or to damage relations between the equality communities and the Council, for example because it is seen as favouring a particular community or denying opportunities to another?	No	
3. Could this policy/service be perceived as impacting on communities differently?	No	
4. Is the policy/service specifically designed to tackle evidence of disadvantage or potential discrimination?	No	
5. Are any impacts identified above minor and if so, can these be eliminated or reduced by minor actions? If yes, please agree actions with a member of the Corporate Equalities Working Group and list agreed actions in the comments section		Actions:
		Actions agreed by EWG member:
If 'yes' to questions 2 - 4 a full impact assessment will be required unless comments are provided to explain why this is not felt necessary: Decision agreed by EWG member:		
Assessment completed by: Name	Honor Howell	
Job title	Assistant to the Chief Executive	
Date	2 February 2023	