

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

SHAREHOLDER COMMITTEE

**Minutes from the Meeting of the Shareholder Committee held on
Monday, 23rd October, 2023 at 2.30 pm in the Council Chamber, Town Hall,
Saturday Market Place, King's Lynn PE30 5DQ**

PRESENT: Councillors A Beales, C Morley and S Ring

Officers present:

Alexa Baker, Monitoring Officer

Honor Howell, Corporate Governance Manager

Oliver Judges, Executive Director

Michelle Drewery, Section 151 Officer

1 **APPOINTMENT OF CHAIR FOR THE REMAINDER OF THE
MUNICIPAL YEAR**

RESOLVED: That Councillor Beales be appointed Chair for the remainder of the municipal year.

2 **APPOINTMENT OF VICE-CHAIR FOR THE REMAINDER OF
THE MUNICIPAL YEAR**

RESOLVED: That Councillor Ring be appointed as Vice-Chair for the remainder of the municipal year.

3 **MINUTES OF THE PREVIOUS MEETING**

RESOLVED: The Minutes of the meeting held on 17 March 2023 were noted as none of the current members were members of the Committee at its last meeting.

4 **DECLARATIONS OF INTEREST**

None

5 **CHAIR'S CORRESPONDENCE**

None

6 **MEMBERS PRESENT UNDER STANDING ORDER 34**

None

7 **URGENT BUSINESS**

None

8 **SHAREHOLDER COMMITTEE TERMS OF REFERENCE**

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The Committee carried out an annual review of the Shareholder Committee's Terms of Reference at its first meeting of the municipal year.

Councillor Morley suggested that in the definition of the Council Companies it should read sole shareholder/owner. This was agreed.

The Committee noted that the Business Plans from each of the Companies would be submitted to the Shareholder Committee for approval.

Councillor Beales asked how the Audit Committee would receive assurance. The S151 Officer reported that the Auditors would undertake a risk assessment and build it into their Strategic Audit Plan as appropriate.

RECOMMENDED: The Terms of Reference were reviewed and a de minimis change was approved to replace the word 'majority' with the word 'sole' in the Definition of 'Council Companies' in Section 1.

Reason for Decision

To ensure that a review is undertaken at least annually of the terms of reference of the Shareholder Committee, which, as a sub-committee of Cabinet, must refer any recommended changes back to Cabinet; this being the body that set the Terms of Reference on 15 November 2022

9 **VOLUNTARILY ENDING THE USE OF SECTION 21 NOTICES**

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In support of its proposed Corporate Strategy on supporting communities and helping to prevent homelessness, the administration wished explore the fast-tracking of the removal of section 21 notices (referred to as 'No Fault Evictions') from the range of options available to its wholly owned companies, West Norfolk Property Limited and West Norfolk Housing Company Limited, to terminate tenancies issued by the company or their contracted housing management provider.

The Chair stated that the Council was opposed to S21 notices. The Committee debated whether they required the information from the Companies or could just implement the decision. It was agreed that there was a potential risk of financial or legal impact with this action so it was recommended that the recommended route be taken.

RESOLVED: 1) That the Board of Directors of West Norfolk Property Limited and West Norfolk Housing Company Ltd be respectively requested to submit a written report addressed to the Chair of the Shareholder Committee within 8 weeks on the following matters:

- 1.1 The number of notices served under section 21 of the Housing Act 1988 (“section 21 notices”) within the last two years by the company or its contracted housing management provider;
- 1.2 The number of tenancies the company has or their contracted housing management provider has in which a section 21 notice could be served;
- 1.3 The predicted impact, financial or otherwise, on the company or their contracted housing management provider if the company was to voluntarily choose to never use section 21 notices going forwards;
- 1.4 Confirmation of any changes that would be necessary in legal contracts with any contracted housing management provider (and where possible confirmation of whether the housing management provider is willing to agree such change) in order to codify the voluntary removal of section 21 notices as an option for ending a tenancy;
- 1.5 Whether, with reference to its Business Plan, the Board of Directors considers it is in the best interests of the company to implement a company decision to voluntary remove section 21 notices as an option for use for ending a tenancy.

Reason for Decision

In anticipation of approving business plans for the companies which support the Council’s Corporate Strategy, as sole shareholder and owner of the companies.

COMMITTEE FORWARD PLAN

The Committee’s forward Plan was noted and the Committee was informed that a review of the West Norfolk Housing Company’s governance documents would also be considered in November, and an additional meeting would be required in the new year to consider the responses from the previous S21 item and Alive’s business plan. It was agreed that an amended version of the Plan would be distributed.

RESOLVED: That the Committee's Forward Plan be approved with the addition of a review of West Norfolk Housing Company's Governance Documents in the November meeting and the addition of a further meeting in January 2024 to consider the following:

- Alive West Norfolk's Business Plan
- Responses from West Norfolk Housing and West Norfolk Property regarding the Section 21 Notices
- Any further amendments requested following consideration of the West Norfolk Property and West Norfolk Housing's Business Plans.

11 **DATES OF FUTURE MEETINGS**

16 November 2023 @ 3.00pm
20 March 2024 @ 3.00pm

An additional date to be confirmed in January 2024.

12 **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 they involve the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A to the Act.

13 **SHAREHOLDER AGREEMENT FOR WEST NORFOLK PROPERTY**

The Committee was reminded that on 15 November 2022 Cabinet resolved to approve an action plan to improve the governance of the Council companies. One of the items of the action plan was the preparation and completion of common template governance documents. Cabinet delegated authority to approve these documents to the Shareholder Committee.

A draft Shareholder Agreement and revised Articles of Association had been prepared for West Norfolk Property Ltd, and authority was sought from the Shareholder Committee to enter the Shareholder Agreement following conclusion of negotiations with West Norfolk Property Ltd.

The Committee reviewed the Agreement and Articles of Association and made some de minimis amendments to it.

RESOLVED: 1) That the Committee be given access to Board Papers going forward.

- 2) That the Shareholder Committee retain the authority to decide where the Company Secretary for the Companies is appointed from.
- 3) That a Shareholder Agreement be entered and the Articles of Association for the Council's wholly owned company, West Norfolk Property Ltd be revised, in order to strengthen and codify the governance of the relationship between the shareholder (the Council) and the company (West Norfolk Property Ltd).
- 4) That authority be delegated to the Monitoring Officer in consultation with the Chair of the Shareholder Committee to approve the final terms of the Shareholder Agreement and revised Articles of Association, to include the changes identified at the meeting.
- 5) That an annual review of the Shareholder Agreement and Articles of Association be undertaken by the Shareholder Committee.
- 6) That the Shareholder Representative role in relation to West Norfolk Property Ltd be undertaken jointly by the Chief Executive and the Section 151 Officer.

Reason for Decision

To improve the corporate governance of the relationship between the Council and the Council's wholly owned company.

14

CORN EXCHANGE CONTRACTS

The Committee considered a report which set out a proposal to remove the Princess Theatre from contract clauses with performers at the Corn Exchange.

RESOLVED: That, as the Corn Exchange is operated by Alive West Norfolk on behalf of the borough council. Part 2 6(1) of the Articles of Association for Members reserved powers state 'the members may, by special resolution, direct the directors to take, or refrain from taking, specified action'. The Shareholder Committee directs the Alive West Norfolk Board of directors to remove the reference to the Princess Theatre from the contract clauses.

Reason for Decision

Although the Princess Theatre is no longer operated by the borough council, it is important that the whole borough has access to the best performers which will enhance the arts and entertainment offer in the north of the borough. Amendment of the clause will enable the Princess Theatre to operate on a level playing field with other theatres within a 50-mile radius of the Corn Exchange.

The meeting closed at 3.33 pm