



**Corporate Policy and
Resources**

Thursday, 16 June 2022

**Subject: Appointment of Shareholder Representative
and trading companies Company Secretary**

Report by:

Chief Executive

Contact Officer:

Emma Foy
Director of Corporate Services (S151)

emma.foy@west-lindsey.gov.uk

Purpose / Summary:

To nominate the Shareholder Representative for the Council's company interests.
To nominate the Company Secretary of our commercial trading companies

RECOMMENDATION(S):

1. To approve the appointment of the Director of Corporate Services (S151) as the Shareholder Representative, for WLDC Trading Ltd and associated companies and to include Market Street Renewal Ltd
2. To appoint Peter Davy (Financial Services Manager (Deputy S151)) as Company Secretary for WLDC Trading Ltd, WLDC Staffing Services Ltd, and Surestaff (Lincs) Ltd from 1 August 2022.

IMPLICATIONS

Legal:

The Council has the legal power to establish and operate trading companies. These can be wholly owned by West Lindsey District Council in order to enable the Council to take advantage of the powers to trade for profit introduced under the Local Government Act 2003, where opportunities to do so arise and it is appropriate to use the company as a vehicle for the trading activity proposed.

In addition, under the “general power of competence” introduced by Section 1 of the Localism Act 2011 local authorities now have a general power that enables them to do anything that a private individual is entitled to do, subject to certain statutory limitations.

It should be noted that things done for a commercial purpose even under the Localism Act 2011 must be done through a company.

Under the Companies Act 2006 there is no legal requirement to have Company Secretary, however, the Council sees this as a role which will promote and ensure good governance and financial management.

Financial : FIN/36/23

None from this report.

The roles, of Director of Corporate Services (s151) nominated as the Shareholder Representative and the Financial Services Manager (Deputy S151) Peter Davy is nominated as Company Secretary, include these duties within their respective job descriptions.

The Council will recover costs at an agreed hourly rate for the Financial Services Manager for undertaking the role of Company Secretary from the relevant companies, as does the costs of Director Adrian Selby.

Staffing : The role is detailed with in relevant job descriptions of the nominees.

Equality and Diversity including Human Rights :

None from this report

Data Protection Implications : None from this report

Climate Related Risks and Opportunities: None from this report

Section 17 Crime and Disorder Considerations: None from this report

Health Implications: None from this report

Title and Location of any Background Papers used in the preparation of this report :

The Sole Shareholders Agreement – reserved matters are held by Democratic Services

Risk Assessment :

Conflict of interest with Council priorities and resources – each business case evaluates the resourcing requirements needed to trade in the context of the Council's statutory duties. Where a conflict occurs, the business plan will need to support any additional resources that are needed.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1 Introduction

- 1.1 As the sole owner of the Group Holding Company (WLDC Trading Ltd) and its subsidiaries (Surestaff (Lincs) Ltd and WLDC Staffing Services Ltd), the Council ultimately governs the operations of these companies.

The Shareholders Agreement (Appendix 1) is a legally binding document that sets out the Council's expectations of its companies. The Council must approve the annual business plan and accounts for the Group Holding Company and its subsidiaries. The Shareholder Agreement also details a list of *Reserved Matters*, issues that must revert to the Council, as sole Shareholder, for decision-making. One of which is the nomination of a Shareholder Representative.

2. Council appointments:

- 2.1 The Council will appoint one or more directors to each subsidiary Board and, depending on the composition, may appoint a majority of directors. Legal advice recommended that the Council's nominated directors should be officers rather than elected members to avoid potential conflicts of interest and given that it is the Council (ie all elected members) which is the shareholder and owner.
- 2.2 The Nominated Director is Adrian Selby who is the Council's Director of Commercial and Operational Services.
- 2.3 With the resignation of Tracey Bircumshaw, Company Secretary, it is recommended that Peter Davy is nominated as Company Secretary upon his commencement on 1 August 2022.
- 2.4 The Director of Corporate Services is nominated as the appointed Shareholder Representative and that this appointment be recommended to Council for formal approval in line with the Shareholders Agreement - reserved matters.
- 2.5 Apart from the reserved matters, decisions which the Council (as member) is required to approve under the Companies Act 2006, and any matters which the Council directs a company's board to undertake (or not undertake), the day to day running of each subsidiary is left to the Company Director.

3. Market Street Renewal Ltd

- 3.1 The Shareholder Representative will also incorporate Market Street Renewal Ltd, our Joint Venture Company, within the remit of this role.
- 3.1 The Council's nominated Director for Market Street Renewal Ltd is Sally Grindrod-Smith, Director of Planning, Regeneration and Communities.

4. Recommendations

- 4.1 To recommend to Council, the appointment of the Director of Corporate Services (S151) as the Shareholder Representative, for WLDC Trading Ltd and associated companies and to include Market Street Renewal Ltd
- 4.2 To appoint Peter Davy (Financial Services Manager (Deputy S151)) as Company Secretary for WLDC Trading Ltd and associated companies from 1 August 2022.