

HARBOROUGH DISTRICT COUNCIL

REPORT TO THE CABINET OF 2rd September 2019

PUBLIC REPORT: Y

EXEMPT REPORT: N

Report Title	Report to the Shareholder of Harborough District Commercial Services Limited (“the Company”)
KEY DECISION	N *
Report Author	Joint Chief Executive (BJ)
Purpose of Report	To obtain approval for the adoption of the amended Articles of Association attached to the Report which reflects that the appointment of a Director of the Company is reserved to the Council as shareholder.
Reason for Decision	To ensure that the Company has in place a robust governance framework within which to operate.
Portfolio (holder)	The Leader
Corporate Priorities	
Financial Implications	As set out in the body of this report.
Risk Management Implications	The Business case for the establishment of the Company recommended that three directors should be appointed. The Company is operating with one director at present however to ensure that the current director is adequately supported and the governance is robust two further directors should be appointed as soon as possible.
Environmental Implications	None as far as this report is concerned.
Legal Implications	The Company is required to operate in accordance with the Companies Act 2006
Equality Implications	None as far as this report is concerned.
Data Protection Implications	None as far as this report is concerned.
Consultation	The Director of Harborough District Commercial Services Limited.
Options	The Council as shareholder agreed at its meeting on 10 th June 2019, that the appointment of directors of the Company should be a decision reserved to the Council as Shareholder. It was further agreed that revised Articles of Association reflecting this should be brought back for approval. Not to adopt revised Articles of Association would be contrary to the decision taken on 10 th June 2019.

Background Papers	Companies Act 2006
Appendices	Appendix A – amended Articles of Association
Recommendation to the Cabinet as shareholder	<p>1. That the amended Articles of Association attached as Appendix A to this report are approved; and</p> <p>2. Subject to approval of 1 above, the Joint Chief Executive (BJ) is given delegated authority to submit the necessary documentation to Companies House as required to register the revised Articles of Association.</p>

1. Key Facts

- 1.1 At its meeting on 26 November 2018 the Executive agreed to set up a wholly owned local authority company, limited by shares, with the Council as sole shareholder. This was to enable the Council to progress with a strategic land acquisition with the company owning and managing the land in the short to medium term.
- 1.2 On 2 January 2019, Harborough District Commercial Services Limited (“the Company”) was incorporated having adopted the model Articles of Association (“the Articles”) with Norman Proudfoot, Joint Chief Executive as a Director of the Company (“the Director”).
- 1.3 At its meeting on 10th June 2019, the Cabinet, in its capacity as Shareholder resolved that two further non executive directors of the Company be appointed and the Joint Chief Executive (BJ) was given delegated authority to commence the recruitment process. In addition it was resolved that the appointment of directors of the Company be made a decision reserved to the shareholder and that suitably amended Articles of Association should be submitted for approval.
- 1.4. Following that decision the existing Articles of Association have been amended to reflect that the appointment of directors is a decision reserved to the Shareholder (clause 27). When the Company was incorporated it adopted the Model Articles of Association, with a view that in time these would be adapted to reflect the operational requirements of the Company.