

## REPORT 8

### HARBOROUGH DISTRICT COUNCIL

### REPORT TO THE CABINET OF 7<sup>th</sup> February 2022

PUBLIC REPORT: N

EXEMPT REPORT: N

<b>Report Title</b>	Report to the Shareholder of Harborough District Commercial Services Limited
<b>KEY DECISION</b>	<b>N</b>
<b>Report Author</b>	Norman Proudfoot, Chief Executive
<b>Purpose of Report</b>	To obtain the necessary approvals to progress the appointment of an additional non-executive director
<b>Reason for Decision</b>	To ensure that the Company has in place a robust governance framework within which to operate.
<b>Portfolio (holder)</b>	The Leader
<b>Corporate Priorities</b>	CO 8 Deliver financial sustainability for the future
<b>Financial Implications</b>	As set out in the body of this report.
<b>Risk Management Implications</b>	The Business case for the establishment of the Company recommended that three directors should be appointed. The Company was operating with three directors however following a resignation of one of the directors there is a need to appoint another director to ensure that there remain three directors for the Company.
<b>Environmental Implications</b>	None as far as this report is concerned.
<b>Legal Implications</b>	The Company is required to operate in accordance with the Companies Act 2006
<b>Equality Implications</b>	None as far as this report is concerned.
<b>Data Protection Implications</b>	None as far as this report is concerned.
<b>Consultation</b>	The remaining two Directors are aware of this proposal.
<b>Options</b>	The Company could continue with the two remaining Directors however, this is not the option set out in the Business Case.
<b>Background Papers</b>	
<b>Recommendation to the Cabinet as shareholder</b>	<ol style="list-style-type: none"><li>1. <b>That the Deputy Chief Executive is appointed as a Non-Executive Director of the Company.</b></li><li>2. <b>That the Director; Finance, ICT &amp; Assets is confirmed as the named officer for the purposes of</b></li></ol>

	<p><b>the Governance Agreement dated 21<sup>st</sup> August 2020 as shown in Appendix A.</b></p> <p><b>3. Subject to approval of 1 and 2 above, the Director; Finance, ICT &amp; Assets is given delegated authority to approve and enter into the necessary contractual arrangements to affect the decision to appoint the Company Director.</b></p>
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## 1. Key Facts

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.
2. On 2 January 2019, Harborough District Commercial Services Limited was incorporated having adopted the model Articles of Association with Norman Proudfoot, as a Director of the Company .
3. The Council, as shareholder, appointed two further Directors on 4<sup>th</sup> November 2019 to ensure that the Company operated with the three directors in post as per the Business plan.
4. The Chief Executive is currently one of the three non-executive Directors of the company, and he retires from the Council on 28<sup>th</sup> February 2022 and as such his directorship will fall away at that time.
5. To ensure that the Company operates effectively and with a robust governance framework, the Company will need to recruit a further non-executive director which should be a council employee.
6. It is therefore proposed that the Deputy Chief Executive is appointed as the non-executive Director from 1<sup>st</sup> March 2022.
7. The Shareholder also needs to appoint a named officer who will be notified by the Council from time to time for the purposes set out in the Governance Agreement. It is suggested that the named officer is the Director, Finance, ICT & Assets.