



Shareholder Reference Group

Members:

Councillor Steve Gallant (Leader)

Councillor Craig Rivett (Deputy Leader and Economic Development)

Councillor Stephen Burroughes (Customer Experience, ICT and Commercial Partnerships)

Councillor Maurice Cook (Resources)

Councillor James Mallinder (The Environment)

Members are invited to a **Meeting of the Shareholder Reference Group** to be held in the Beccles Room, Riverside, Lowestoft, on **Wednesday, 15 March 2023 at 6.00pm.**

An Agenda is set out below.

Part One – Open to the Public

Pages

1 Apologies for Absence

To receive apologies for absence, if any.

2 Declarations of Interest

Members and Officers are invited to make any declarations of interests, and the nature of that interest, that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.

3 Minutes

To confirm as a correct record the Minutes of the Meeting held on 3 January 2023

1 - 3

- 4 Appointment of a Non-Executive Director to the Board of Directors of East Suffolk Services Limited ES/1510**
Report of the Leader of the Council

4 - 9

Part Two – Exempt/Confidential

Pages

There are no Exempt or Confidential items for this Agenda.

Close



Chris Bally, Chief Executive

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Unconfirmed



Minutes of a Meeting of the **Shareholder Reference Group** held in the Deben Conference Room, East Suffolk House, on **Tuesday, 3 January 2023 at 8:30pm**

Members of the Shareholder Reference Group present:

Councillor Stephen Burroughes, Councillor Maurice Cook, Councillor Steve Gallant, Councillor James Mallinder, Councillor Craig Rivett

Other Members present:

Councillor Peter Byatt, Councillor Louise Gooch, Councillor Mary Rudd

Officers present: Chris Bing (Head of Legal and Democratic Services), Andy Jarvis (Strategic Director), Brian Mew (Chief Finance Officer & Section 151 Officer), Lorraine Rogers (Deputy Chief Finance Officer), Alli Stone (Democratic Services Officer), Julian Sturman (Specialist Accountant – Capital and Treasury Management), Nicola Wotton (Deputy Democratic Services Manager)

1 Apologies for Absence

There were no apologies for absence.

2 Declarations of Interest

Councillor Stephen Burroughes declared an Other Registerable Interest as a member of the Joint Venture Board for Waveney Norse and Suffolk Coastal Norse.

Andrew Jarvis declared a Non-Pecuniary Interest as both a member of the Board of Directors of East Suffolk Services Limited and a member of the Joint Venture Board for Waveney Norse and Suffolk Coastal Norse.

3 Minutes

RESOLVED

That the Minutes of the Meeting held on 4 October 2022 be agreed as a correct record and signed by the Chairman.

4 Shareholder Reference Group – Terms of Reference

The Shareholder Reference Group received report **ES/1402** by the Leader of the Council, which asked its Members to note the Group's Terms of Reference. The Leader reported that at its meeting on 6 September 2022, Cabinet had resolved to establish a committee of Cabinet, to be known as the Shareholder Reference Group (SRG). The SRG would undertake the functions of the Council, as shareholder and ultimate owner of its group of companies, and exercise the Council's rights under the Articles of each company and under the Shareholder Agreement, with the exception of any rights which the Cabinet or Leader reserved to themselves from time to time or which could only be exercised by Full Council.

Members noted that at the September Cabinet meeting, Cabinet also resolved to delegate to the Head of Legal and Democratic Services, in consultation with the Leader of the Council, the drafting of Terms of Reference for the SRG for incorporation into East Suffolk Council's Constitution. This report was the result of that delegation.

The Leader thanked Chris Bing, Head of Legal and Democratic Services, for his work on the report, which all Members would have read with interest.

The Leader invited questions on the Terms of Reference, however, there were none received.

The Leader moved the recommendation within the report, which was seconded by Councillor Rivett. Upon being put to the vote it was unanimously

RESOLVED

That the Terms of Reference for the Shareholder Reference Group be noted.

5 Exempt/Confidential Items

The Leader reported that in exceptional circumstances, the Council may, by law, exclude members of the public from all, or part of, an executive decision-making meeting. The Council should, unless there were urgent circumstances, give notice of its intention to do so via the Forward Plan, which was updated and published on its website 28 clear days prior to the meeting.

There were various reasons that the Council, on occasions, had to do this and examples were because a report contained information relating to an individual, information relating to the financial or business affairs of a particular person, or information relating to any consultations or negotiations.

This evening, there was just one substantive exempt matter to be considered, as outlined on the published agenda at item 6. This related to the East Suffolk Services Loan funding; East Suffolk Services needed access to pre-trading funding in compliance with subsidy control requirements to ensure the smooth transition of its activities and this paper sought to authorise that funding.

On the proposition of Councillor Gallant, seconded by Councillor Rivett, it was by a unanimous vote

RESOLVED

That under Section 100A(4) of the Local Government Act 1972 (as amended) the 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 Paragraph 3 of Part 1 of Schedule 12A of the Act.

6 East Suffolk Services Loan Funding

- Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The meeting concluded at 8.42 pm.

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Chairman



SHAREHOLDER REFERENCE GROUP

Wednesday, 15 March 2023

Subject	Appointment Of a Non-Executive Director to the Board of Directors of East Suffolk Services Limited
Report by	Councillor Steve Gallant Leader of the Council
Supporting Officer	Andrew Jarvis Strategic Director, ESC & Director, ESSL Board of Directors andrew.jarvis@eastsuffolk.gov.uk

Is the report Open or Exempt?	OPEN
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Wards Affected:	All Wards
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Purpose and high-level overview

Purpose of Report:

To approve the appointment of Tim Sadler, as a Non-Executive Director (NED) of East Suffolk Services Limited (ESSL).

Options:

There is an option not to appoint Tim Sadler as a NED, however this is not recommended for the reasons set out in the report.

Recommendation/s:

That the appointment of Tim Sadler as a NED of ESSL under Article 21.1 of the East Suffolk Services Limited Articles of Association be approved.

Corporate Impact Assessment

Governance:

ESSL is governed by the Articles of Association adopted at incorporation.

ESC policies and strategies that directly apply to the proposal:

None.

Environmental:

There are no Environmental implications.

Equalities and Diversity:

The role is being filled following an open advert, shortlisting and interview and then that There are no equality and diversity impacts.

Financial:

There are no financial implications above those already budgeted for.

Human Resources:

There are no HR implications.

ICT:

ICT support will be provided through the SLA which will be in place between the Council and the Company.

Legal:

This report has been drafted in consultation with the Council's legal team.

Risk:

The risk of not appointing Tim Sadler is that the required skills and expertise are not available to the board when making decisions.

External Consultees:	None.
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Strategic Plan Priorities

Select the priorities of the Strategic Plan which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
T01	Growing our Economy		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T02	Enabling our Communities		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
T03	Maintaining Financial Sustainability		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
T04	Delivering Digital Transformation		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
T05	Caring for our Environment		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
XXX	Governance		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
How does this proposal support the priorities selected? Having the right skills mix and experience on the ESSL Board of Directors ensures that the Council's strategy of creating Local Authority Trading Companies is more likely to be successful. This in turn helps the Council deliver on its commitment to financial sustainability.			

Background and Justification for Recommendation

1 Background facts	
1.1	The Council has established four wholly owned companies within a group structure and under a Holding Company East Suffolk Holdings Ltd. ESSL, which was incorporated in March 2022, is one company within this Group.
1.2	At the present time the Board of Directors of ESSL is made up of Cassandra-Ann Clements, Managing Director of East Suffolk Services, alongside Andrew Jarvis and Nicholas Khan who the Council appointed as its Non-Executive Director representatives.
1.3	The Directors of ESSL are required to make decisions based on the best interests of the company. In order to do this and to ensure the Board as a whole functions effectively, Directors need to have a wide range of complementary skills and experience.
1.4	At its meeting in July 2022, the ESSL Board of Directors first considered the potential appointment of a Non-Executive Director. It was discussed again in September 2022 and in December 2022 it was agreed to go out to advert early in 2023 to recruit. The intention was to seek a candidate with transferrable commercial experience.

2 Current position	
2.1	A total of 51 applications were received for the position and after long-listing a shortlist of 5 potential candidates was agreed by the other existing Board Members.
2.2	The recruitment panel took place on 6 March and interviewed all 5 candidates shortlisted for the position. Interviews were held in the usual way, with each candidate being asked the same set of questions, and included scope for the candidates to talk about themselves, their experience and what they felt they could contribute to the Board and the development of the company. The appointments panel evaluated the responses to the questions.
2.3	Following consideration of all five candidates' submissions and responses at interview it was unanimously agreed by the Panel that Tim Sadler be recommended to the SRG for appointment. Details on this candidate can be found at Appendix A.

3 How to address current situation	
3.1	The Board of Directors ESSL already has a range of skills and experience at its disposal. However, given the challenges and opportunities facing the company and the Directors, having spoken to the Shareholder Representative it is considered that the Board would benefit from additional expertise and challenge to inform its decision making.
3.2	The newly appointed NED will be required to attend a minimum of 4 Board meetings a year, as well as providing support; it is anticipated that the total time commitment will be up to 10 days per annum. Remuneration will be paid at £6k per annum, which will be funded by ESSL.

4 Reason/s for recommendation	
4.1	An additional Non-Executive Director on the Board of Directors will provide further resilience and a different skillset to what is already in place.
4.	Membership of the Board will be reviewed from time to time to ensure that the correct skills mix is in place in order to best manage the affairs of the company.

Appendices

Appendices:	
Appendix A	Supporting Information – Tim Sadler
Background reference papers:	
None.	

Tim Sadler

Tim has extensive management experience, working with a range of stakeholders.

During his time at Oxford City Council, Tim led the move of the council's direct services department to a Local Authority Trading Company. The Company has been trading successfully for over 4 years and provides many of the services that ESSL will carry out for ESC. On inception Tim became a Director of the Company, and Chair of the Board of Directors.

Following his retirement from the City Council, Tim remained as an independent Non-Executive Director and continued as Chair of the Board.

Tim has also been involved with Low Carbon Hub, a social enterprise formed around 10 years ago. He was a Non-Executive Director for the Company and his experience at the hub developed his understanding of good project and risk management, investment decision and the growing pains of a start-up.

Tim's motivation for applying for this position was his interest in the development of LATCOs, and how you can bring together the best public and private sector opportunities and practices to benefit local communities. Having led and taken part in board effectiveness reviews and self-assessments, has strengthened his understanding about how an effective board operates.

He is a member of the Institute of Directors (IoD) and has completed training hosted by the IoD on being a Non-Executive Director, being an effective Chair of a Board and a specific session created on the role of directors in a LATCO and the relations and interactions with the shareholder.