



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.	