



SHAREHOLDER REFERENCE GROUP

Tuesday, 04 October 2022

| | |
|---------------------------|--|
| Subject | Appointment of a Board Member 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 |
|-------------------------------|------|

| | |
|------------------------|-----------|
| Wards Affected: | All Wards |
|------------------------|-----------|

Purpose and high-level overview

Purpose of Report:

To approve the appointment of Cassandra-Ann Clements, the Managing Director of East Suffolk Services Limited (ESSL), as a Director of ESSL.

Options:

There is an option not to appoint the Managing Director as a Director of ESSL, however this is not recommended for the reasons set out under item 4.

Recommendation/s:

That the Shareholder Reference Group approve the appointment of Cassandra-Ann Clements as a Director of ESSL under Article 21.1 of the ESSL Articles of Association.

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:

There are no equality and diversity impacts.

Financial:

There are no financial implications.

Human Resources:

There are no HR implications.

ICT:

There are no ICT implications.

Legal:

This report has been drafted in consultation with the Council's legal team and the Council's external lawyers, Bevan Brittan.

Risk:

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

| | |
|-----------------------------|----------------|
| External Consultees: | Not applicable |
|-----------------------------|----------------|

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 people 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 help the Council deliver on its commitment to financial sustainability. | | | |

Background and Justification for Recommendation

| 1 Background facts | |
|--------------------|---|
| 1.1 | The Council has established a number of companies within a group structure, including ESSL which was incorporated in March 2022. |
| 1.2 | At the point of incorporation three officers of the Council were appointed as its representatives on the ESSL Board of Directors – Stephen Baker, Andrew Jarvis and Nicholas Khan. |
| 1.3 | Directors are required to make decisions based on the best interests of the company. In order to do this, Directors need to have access to detailed operational information as part of board deliberations and decision making. |
| 1.4 | At their next meeting it is anticipated that the ESSL Board of Directors will: a) agree to enter into the Shareholder Agreement previously approved by Cabinet. b) seek the Council's approval to the appointment of the Cassandra-Ann Clements (the ESSL Managing Director) as a company director of ESSL. |
| 1.5 | Subject to confirmation that the ESSL Board of Directors has taken the decisions referred to in paragraph 1.4 above, the SRG are asked to approve the appointment Cassandra-Ann Clements as Company Director of ESSL. |

| 2 Current position | |
|--------------------|--|
| 2.1 | The Managing Director of ESSL, Cassandra-Ann Clements, joined the Company on 11 July 2022. |
| 2.2 | The ESSL Board of Directors request approval of the appointment of Cassandra-Ann Clements as a Director of the Company under Article 21.1 of the Company's Articles. |

| 3 How to address current situation | |
|------------------------------------|--|
| 3.1 | The Board of Directors needs detailed operational input to inform its decision making. There is therefore a requirement for an employee of the Company to join the Board of Directors in order to provide operational expertise. |

| 4 Reason/s for recommendation | |
|-------------------------------|---|
| 4.1 | As other Directors are not engaged full time on Company business, the advice of a full-time employee of the company with sufficient seniority is needed to provide input to the Board in order to facilitate decision making. |
| 4.2 | The Managing Director of the Company is best placed to provide this and therefore the ESSL Board recommend appointing Cassandra-Ann Clements to this position. |
| 4.3 | 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: |
| None. |

| |
|-------------------------------------|
| Background reference papers: |
| None. |