

Governance and Audit Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL



(Extraordinary Meeting)

Friday, 26 April 2024 at 10.00 am
Council Chamber - South Kesteven House, St. Peter's Hill,
Grantham. NG31 6PZ

Committee Members: Councillor Tim Harrison (Chairman)
Councillor Paul Wood (Vice-Chairman)

Councillor Patsy Ellis, Councillor Bridget Ley, Councillor Charmaine Morgan,
Councillor Rob Shorrock, Councillor Peter Stephens, Councillor Ian Stokes and
Councillor Sue Woolley

Agenda

This meeting can be watched as a live stream, or at a later date, [via the SKDC Public-I Channel](#)

1. **Apologies for absence**
2. **Disclosure of interests**
Members are asked to disclose any interests in matters for consideration at the meeting.
3. **LeisureSK Limited - Board of Directors** (Pages 3 - 6)
To consider making appointments to the Board of Directors for LeisureSK Ltd.

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Governance and Audit Committee

26 April 2024

Report of Councillor Paul Stokes,
Cabinet Member for Culture and Leisure

LeisureSK Limited – Board of Directors

Report Author

Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

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Purpose of Report

To consider making appointments to the Board of Directors for LeisureSK Limited.

Recommendations

That the Governance and Audit Committee appoints the following individuals to the Board of LeisureSK Limited:

1. Councillor Philip Knowles
2. Councillor Patsy Ellis
3. Mr Paul Sutton

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? Connecting Communities
Enabling Economic Opportunity

Which wards are impacted? All wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 There are no financial implications arising from this report.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.2 It is strongly recommended that Cabinet Members or Statutory Officers of the Council are not appointed as Directors of Council-owned companies given their roles on 'Council-side' decision-making and the personal responsibilities Statutory Officers hold in the interests of the authority, unless there is sufficient justification for doing so.
- 1.3 The requirements of the Companies Act 2006 in respect of company Directors is set out in the body of the report.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2. Background to the Report

- 2.1 LeisureSK Limited was established as a company to manage the council's leisure facilities. It is wholly-owned by the Council.
- 2.2 The membership of the Board currently consists of Debbie Roberts (the Council's Head of Corporate Projects, Performance and Climate Change) and David Monkhouse (Non-Executive Director) who continue to oversee the operational and financial performance of the company as existing Directors. The Company is currently quorate in accordance with the provisions of the Companies Act 2006 and its own Articles of Association, which specify that at least one Director must be appointed to the Board. The quorum for meetings of Directors, where decisions can be taken relating to the Company, is two Directors
- 2.3 Following recent resignations from the Board, there are currently five (5) vacancies on the Board.

2.4 At the meeting of the Governance and Audit Committee held on 13 March 2024, no nominations were put forward for appointment onto the Board and, therefore, no appointments were made.

3. Key Considerations

3.1 Since the previous meeting of the Governance and Audit Committee, further consideration has been given to nominations for appointment to the LeisureSK Ltd Board.

3.2 Despite being quorate, the Board is significantly under-represented.

3.3 After consultation with Cabinet, the Leader of the Council requests the Governance and Audit Committee to consider two nominations. The individuals are both Members of Council and Members of Cabinet. They are:

- Councillor Philip Knowles (Cabinet Member for Corporate Governance and Licensing) and
- Councillor Patsy Ellis (Cabinet Member for Environment and Waste)

3.4 Having taken external legal advice into account regarding the appointment of Cabinet Members onto the Board, the Leader and the Monitoring Officer believe there is sufficient justification to support the above appointments especially given the recent difficulties in appointing Directors to the Board as well as the current financial circumstances of the Company. Both Cabinet Members have experience of managing finances within a corporate environment.

3.5 Paul Sutton (the Council's Interim Deputy Section 151 Officer) has also been nominated for appointment to the Board. Mr Sutton has previously acted as a Local Authority Chief Finance Officer and Section 151 Officer, with experience as a Public Sector and Trading Company Finance Director. He considers himself to be a transformational leader, focused on improving business performance and quality. He has experience of setting up Teckal and Commercial Local Authority Trading Companies and has operated both as the shareholder representative and also within the Company as Finance Director. This is why it is believed Mr Sutton will bring particular skills to support both strategic and operational financial planning of the company and also to develop cost mitigation strategies to provide financial resilience.

4. Other Options Considered

4.1 The Governance and Audit Committee could opt not to make appointments to the Board of LeisureSK Limited.

4.2 The Governance and Audit Committee could nominate other individuals for appointment to the Board of LeisureSK Limited.

5. Reasons for the Recommendations

- 5.1 To ensure that LeisureSK Limited is: properly constituted in terms of Board membership; in order that it is quorate; and can take decisions and operate in accordance with the Companies Act 2006 and its Articles of Association.