



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Council

1 October 2020

Report of: Councillor Graham Jeal

Chairman of the Companies
Committee



Gravitas Housing Limited: Appointment of Directors

This report requests that four additional Directors be appointed to Gravitas Housing Ltd.

Report Author

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Corporate Priority:	Decision type:	Wards:
Growth	Administrative	All Wards

Reviewed by:	Shahin Ismail, Director of Law and Governance	23 September 2020
Approved by:	Richard Wyles, Interim Director of Finance	23 September 2020
Signed off by:	Councillor Graham Jeal, Chairman of the Companies Committee	23 September 2020

Recommendation (s) to the decision maker (s)

1. The Council is asked to appoint the following as Directors of Gravitas Housing Limited:
 - a) Councillor Kelham Cooke, the Leader of the Council
 - b) Councillor Barry Dobson, the Deputy Leader of the Council
 - c) Paul Thomas, Strategic Director
 - d) Director of Housing and Property

1 The Background to the Report

- 1.1 Gravitas Housing Limited is a wholly owned company of the Council limited by shares. The company was incorporated on 30 January 2017 in order to deliver quality new housing in the District.
- 1.2 To date one scheme at Wherry's Lane Bourne has been approved by the shareholders (the Council) and financing for this scheme was approved by Council on 2 March 2017. At the present time, this project is the only one approved for delivery and continues to be the focus in order that the Council can recoup the financial outlay it has invested into Gravitas by way of shares and a commercial loan.
- 1.3 Article 13.1 of the Company's Articles of Association states that the quorum for the transaction of Gravitas business shall be three Directors. This means that there must be at least three Directors voting on any decision.
- 1.4 The three Directors previously listed for the company were Harry Rai, Jane McDaid and Richard Wyles. Harry Rai and Jane McDaid are no longer employed by the Council and have consequently resigned as Directors of Gravitas. This means that Gravitas currently has only one Director in post, making it inquorate and therefore unable to take decisions.
- 1.5 In order for Gravitas Housing Limited to be able to lawfully make any decision, it must appoint at least two more Directors.
- 1.6 Following the resignation of Harry Rai and Jane McDaid as Directors of Gravitas Housing Ltd, members are asked to appoint:
 - Councillor Kelham Cooke, Leader of the Council
 - Councillor Barry Dobson, Deputy Leader of the Council
 - Paul Thomas - Strategic Director for Growth
 - Director of Housing and Property (subject to approval of the post by Council)
- 1.7 These proposed appointments will bring the political and professional strategic support to enable Gravitas to successfully deliver the Wherry's Lane development and bring forward a pipeline of strategic housing development proposals for Committee consideration.

2 Consultation and Feedback Received, Including Overview and Scrutiny

- 2.1 The proposed appointments were considered by the Companies Committee at its meeting on 22 September 2020. A majority of the Members present at the meeting were supportive of the proposed appointments.

3 Available Options Considered

- 3.1 The appointment of Directors is required in order to replace the two previous Directors who resigned on 31 July 2020.

4 Preferred Option

- 4.1 This is set out in the report.

5 Reasons for the Recommendation (s)

- 5.1 The report recommends nominated Directors who, if appointed, will provide the political and professional focus to enable the company to continue to develop quality housing in the district.

6 Next Steps – Communication and Implementation of the Decision

6.1 Any changes to the directorships of the company will be communicated to Companies House to ensure up-to-date information is being held for the company.

7 Financial Implications

7.1 From a Council perspective there are no financial implications arising from this report.

Financial Implications reviewed by: Richard Wyles, Interim Director of Finance

8 Legal and Governance Implications

8.1 The appointment of additional Directors is important to ensure the board can function properly.

8.2 Articles 4.2 (xi) and 17.17 of the Council’s Constitution lists as a local choice function for determination by Council, the appointment of any individual a) to any office other than an office in which he or she is employed by the authority; b) to anybody other than the authority or a joint committee of two or more authorities; or c) to any committee or sub-committee of such a body and the revocation of any such appointment.

Legal Implications reviewed by: Shahin Ismail, Director of Law and Governance

9 Equality and Safeguarding Implications

9.1 There are no equality and safeguarding implications arising as a result of this report.

10 Risk and Mitigation

10.1 Risk has been considered in the preparation of this report; the most significant risk would be created by failing to appoint additional Directors to Gravitas Housing Limited. By not appointing additional Directors, the company would be unable to operate.

11 Community Safety Implications

11.1 There are no community safety implications arising as a result of this report.

12 How will the recommendations support South Kesteven District Council’s declaration of a climate emergency?

12.1 This report has no carbon impact.

Report Timeline:	Date of Publication on Forward Plan (if required)	Not applicable
	Previously Considered by: Companies Committee	22 September 2020
	Final Decision date	1 October 2020