



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL



# Governance and Audit Committee


14 June 2023

Report of Councillor Philip Knowles,  
Cabinet Member for Corporate  
Governance and Licensing

## Appointment of Directors of Council-Owned Companies

### Report Author

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### Purpose of Report

The Governance and Audit Committee is requested to appoint Directors to fill vacancies on Council-owned companies.

### Recommendations

**That the Governance and Audit Committee:**

- 1. Approves the appointment of Directors to Aubers Ridge Management Company Limited with immediate effect.**
- 2. Approves the appointment of Directors to LeisureSK Limited with immediate effect.**
- 3. Approves the appointment of Directors to Gravitas Housing Limited with immediate effect.**

### Decision Information

Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Growth and our economy Healthy and strong communities
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 and Procurement***

- 1.1 There are no financial implications arising from this report. Directorships of Council-owned companies do not offer any remuneration.

Completed by: Richard Wyles, Chief Finance Officer

### ***Legal and Governance***

- 1.2 It is strongly recommended that Cabinet Members are not appointed as Directors of Council-owned companies given their roles on 'Council-side' decision-making, unless there is a very strong justification for doing so. Similarly, consideration should be given as to whether the Council's Statutory Officers are also not placed in a similar position given their personal/individual responsibilities in respect of the Council.
- 1.3 Where a specific Committee has responsibility for oversight and scrutiny of a Council-owned company a Member of that Committee who is also appointed as a Board Member is likely to have a potential conflict of interest where matters arise for consideration at the Committee in relation to the company. It is therefore recommended that a Member of an Overview and Scrutiny Committee whose terms of reference include responsibility for scrutiny of a Council-owned Company are not appointed onto the Board of that Company.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

## **2. Background to the Report**

- 2.1 A number of vacancies have arisen on the Boards of Council-owned companies. The Governance and Audit Committee is requested to consider making appointments to fill these vacancies.

## **3. Key Considerations**

### ***Aubers Ridge Management Company Limited and Gravitass Housing Limited***

- 3.1 Following the resignation of Directors from Aubers Ridge Management Company Limited and Gravitass Housing Limited, the Board of each company currently consists of Richard Wyles (Chief Finance Officer at South Kesteven District Council).
- 3.2 Both companies are no longer operational and Mr Wyles is continuing his role as Director to assist in the process of their dissolution given the extensive knowledge he has in respect of both entities.
- 3.3 A minimum of two additional Directors are recommended for appointment to the Board on each company to ensure that they are quorate, can take decisions and operate in accordance with their articles of association. A key element of their work as newly appointed Directors will be to oversee dissolution of the respective companies.
- 3.4 Councillor Elvis Stooke has been nominated as a Director for both companies.
- 3.5 Councillor Elvis Stooke feels that he is the right person for these roles and would ensure that everything was done in the proper manner. He understands that this would solely be to oversee the closure of the respective companies and he would look forward to working in this position to help towards this outcome.
- 3.6 Further nominations for the two remaining elected member vacancies will be reported in due course. Nominations can also be put forward at the meeting for consideration.

### ***LeisureSK Limited***

- 3.7 Following the resignation of Directors from LeisureSK Limited, the Board currently consists of Nicola M<sup>c</sup>Coy-Brown (Director of Growth and Culture at South Kesteven District Council) and David Monkhouse (Non-Executive Director) who continue to oversee the operational and financial performance of the company.
- 3.8 It is recommended that three elected Members and one additional Officer be appointed onto the Board to ensure that it is quorate, can take decisions and operate in accordance with its articles of association.
- 3.9 Councillors James Denniston and Charmaine Morgan have been nominated as Directors of LeisureSK Limited.

- 3.10 Councillor James Denniston has 30 years' experience of the leisure industry from managing and operating gyms, selling equipment to gyms and owning a gym. His passion is fitness and he still gets a buzz from seeing people enjoying exercise. Councillor Denniston also has experience working with local authorities and leisure trusts who he works with on a weekly basis and therefore fully understands what is being asked and targeted. He believes with this overall knowledge he would be an asset to the Board.
- 3.11 Councillor Charmaine Morgan has lived in the South Kesteven District for over 20 years and has been a lifelong supporter of sports and leisure amenities. She has an extensive knowledge of the services provided within the District, in particular at The Meres Leisure Centre, Grantham. Councillor Morgan is also aware of the challenges the District's Leisure Centres face. Her personal experience is both as a customer, parent, District and former County Councillor who has worked with service providers inside and outside LeisureSK Ltd. For eight years, until the last term, Councillor Morgan sat on the Rural and Communities Overview and Scrutiny Committee which included leisure amenities in its remit until LeisureSK Ltd was created.
- 3.12 A further nomination for the remaining elected member vacancy will be reported in due course. Nominations can also be put forward at the meeting for consideration.
- 3.13 In terms of the Officer vacancy, it is recommended that Craig Spence as the Council's Acting Director of Housing be appointed onto the Board of LeisureSK Limited. Mr Spence is a Chief Officer of the Council and in addition to his responsibilities associated with housing services has responsibility for strategic leadership in respect of health and safety, safeguarding and corporate parenting. He works with vulnerable people in his day-to-day work and is an advocate of access to leisure facilities for residents, encouraging more active lifestyles in the district's communities. Mr Spence has indicated that he would be willing to act as Director of LeisureSK Limited should his nomination be approved.

#### **4. Other Options Considered**

- 4.1 The Governance and Audit Committee could opt not to make appointments to the Boards of the Council-owned companies set out in this report.
- 4.2 The Committee could make further appointments to those set out in the report and consider an alternative appointment to the Officer recommended in paragraph 3.8.

#### **5. Reasons for the Recommendations**

- 5.1 To ensure that Council-owned companies are properly constituted in terms of Board membership in order that they are quorate, can take decisions and operate in accordance with their articles of association.