



Tuesday, 24 September 2024

Report of Councillor Ashley Baxter,
Leader of the Council and Cabinet
Member for Finance, HR and Economic
Development

LeisureSK Limited – Board of Directors

Report Author

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Purpose of Report

To consider extending the terms of office of those Directors of LeisureSK Limited appointed by the Governance and Audit Committee at its extraordinary meeting held on 26 April 2024.

Recommendations

The Committee is recommended to:

1. **Approve the permanent appointment of Councillors Patsy Ellis and Councillor Philip Knowles to the Board of LeisureSK Limited.**
2. **Approve the extension of Mr Paul Sutton's appointment on the Board of LeisureSK Limited to until the cessation of his interim contract with South Kesteven District Council.**

Decision Information

Does the report contain any exempt or confidential information not for publication?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

What are the relevant corporate priorities? Effective council

Which wards are impacted? (All Wards)

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.

Completed by: Richard Wyles, Deputy Chief Executive and Section 151 Officer

Legal and Governance

- 1.2 Councillor Patsy Ellis, Councillor Phil Knowles and Mr Paul Sutton were appointed as Directors of the LeisureSK Limited Board for a period of six months. Should their terms of office not be extended, the Board would consist of two Directors with effect from 26 October 2024. In such circumstances the Board would still be quorate in accordance with the provisions of the Companies Act 2006 and the company's Articles of Association, which specify at least one Director must be appointed to the Board. It would, however, represent good governance to maintain wider representation on the Board.

Completed by: Graham Watts, 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 Miss Debbie Roberts (the Council's Head of Corporate Projects, Performance and Climate Change and Chairman of the Board), Councillor Patsy Ellis (District Councillor), Councillor Philip Knowles (Cabinet Member for Corporate Governance and Licensing), Mr Paul Sutton (the Council's Interim Deputy Section 151 Officer) and David Monkhouse (Non-Executive Director).
- 2.3 The Governance and Audit Committee at its extraordinary meeting on 26 April 2024 appointed Councillor Ellis, Councillor Knowles and Mr Sutton onto the Board of LeisureSK Limited as Directors for a period of six-months.

3. Key Considerations

- 3.1. The Governance and Audit Committee is invited to consider extending the terms of office for the appointments referenced in paragraph 2.3 above.
- 3.2. To assist the Governance and Audit Committee in its deliberations, statements from Councillor Ellis, Councillor Knowles and Mr Sutton are set out below which outline their experience, qualifications or other information pertinent to the role of Director of LeisureSK Limited:

3.3 Councillor Patsy Ellis

Councillor Ellis has issued a statement attached at Appendix A to this report.

3.4 Councillor Philip Knowles

Councillor Knowles graduated the London School of Economics with a BSC (ECON) Degree. He joined the NFC (the nationally owned arm of road transport) as a Management Trainee and worked for British Road Services in the North-West for 20 years. In 1972 he became the then youngest Branch Manager in the Company and then worked in Line Management and Personnel Management with a brief period in Planning and Development until in 1989 when he was head-hunted to join John Dee Transport. He subsequently came to Lincolnshire as Distribution Manager for Geest Fresh Produce in Spalding in 1991.

He was head-hunted once again in 1995 by Fowler-Welch part of the Dart Group of Companies to become Distribution Director where he worked until 2004 when he retired. He worked for 18 months as MD of a haulage company in Devon who had lost their licence but won it back on appeal to revive its business. Between 2000 and 2007 Councillor Knowles was a Non-Executive Director of Royal Liver Assurance the Mutual Financial Business and was Chair of Remuneration for four years. He had been a Delegate to The Royal Liver for 20 years and was one of only four delegates ever to Chair its Annual or Special meeting twice.

3.5 Mr Paul Sutton

Paul has extensive experience in the setting up of and running Local Authority Trading Companies. This is both from the Council shareholder side and acting as a Board Member within Trading Companies.

Mr Sutton states: "the past six months have been challenging for the new LSK Board; however it is clear they have worked together and real progress has been demonstrated".

3.6 It is recommended that Councillor Ellis and Councillor Knowles be appointed onto the LeisureSK Limited Board permanently.

- 3.7 It is recommended that Mr Sutton's term of office on the LeisureSK Limited Board be extended until the cessation of his interim contract with the Council.

4. Other Options Considered

- 4.1 To not extend the terms of office of those Directors referenced in the report.
- 4.2 To consider any further appointments onto the Board of LeisureSK Limited.

5. Reasons for the Recommendations

- 5.1. To ensure that LeisureSK Limited is properly constituted and has adequate membership on its Board.

6. Appendices

- 6.1 Appendix A – Statement by Councillor Patsy Ellis