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Friday, 7 December 2018

Members of the Committee:

Councillor P Handley
Councillor D Lloyd
Councillor D Payne
Councillor P Peacock
Councillor D Staples

MEETING: Shareholder Committee

DATE: Monday, 17 December 2018 at 3.00 pm

VENUE: Castle House

**You are hereby requested to attend the above Meeting to be held at the time/place
and on the date mentioned above for the purpose of transacting the
business on the Agenda as overleaf.**

If you have any queries please contact Helen Brandham or Catharine Saxton on
helen.brandham@newark-sherwooddc.gov.uk catharine.saxton@newark-sherwooddc.gov.uk.

AGENDA

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1. Apologies for Absence	
2. Declarations of Interest by Members and Officers and as to the Party Whip	
3. Declarations of any Intentions to Record the Meeting	
4. Minutes of the Previous Meeting	4 - 8
5. Arkwood Developments Ltd - Retirement and Appointment of Directors	9 - 10
6. Appointment of Managing Director - Arkwood Developments Ltd	To Follow
7. Minutes from the Board Meetings of Arkwood Developments Ltd	11 - 12
8. Forward Plan	13 - 14

Exempt and Confidential Items

Exclusion of the Press and Public

To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1, 2, 3 and 7 of part 1 of Schedule 12A of the Act.

9. Appointment of Managing Director - Arkwood Developments Ltd (Curriculum Vitae) (confidential appendix only)	To Follow
10. Minutes from the Board Meetings of Arkwood Developments Ltd (Appendices Exempt)	15 - 26
11. Date of Next Meeting	

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Shareholder Committee** held in the Room S1/S2, Castle House on Tuesday, 23 October 2018 at 10.00 am.

PRESENT:

Councillor D Payne (Acting Chairman)

Councillor D Staples

APOLOGIES FOR ABSENCE: Councillor D Lloyd (Chairman), Councillor P Handley and Councillor P Peacock

7 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

There were no declarations of interest.

8 DECLARATIONS OF ANY INTENTIONS TO RECORD THE MEETING

There were no declarations of intention to record the meeting.

9 MINUTES OF PREVIOUS MEETING

AGREED (unanimously) that the minutes of the meeting held on 29 March 2018 be approved as a correct record and signed by the Acting Chairman.

10 COMPANY PROGRESS REPORT

The Committee considered the report presented by the Policy & Projects Officer which set out the progress of Arkwood Developments Ltd. business activities.

The report set out the remit of the company and provided a full report of its progress together with key activities. In relation to paragraph 3.3, officers clarified that an external recruitment agency had been engaged to undertake the recruitment and appointment of the Non-Executive Director and would also be engaged to assist in the recruitment and appointment of the Managing Director. However, the intention was that day to day human resources matters would be carried out by the Council's Human Resources Team.

AGREED (unanimously) that:

- (a) the content of the reported be noted;
- (b) the provision of human resources services to Arkwood Developments Ltd. reflect the original intention as set out in the business case with routine human resources matters being dealt with by the Council's Human Resources Team but with specialist external human resources advice being sought where necessary and appropriate; and

(c) the drawdown of £100,00 from the allocated budget be noted.

11 RISK MANAGEMENT PROFILE

The Committee considered the report presented by the Policy & Projects Officer which provided Members with the risk management profile for Arkwood Developments Ltd. The profile was developed in accordance with the Council's risk management process and it was produced in conjunction with the Council's Safety & Risk Management Officer. Paragraph 3.2 of the report set out the five main areas of risk with the full profile being attached as an appendix to the report.

In considering the report Members noted the importance of recognising the risks. A Member queried whether the recently announced changes to the HRA funding and market changes in house building had been assessed and included. In response, Officers advised that the recent specific changes had not been included at this stage but the profile would be regularly updated.

The Council's Director – Resources, who was in attendance at the meeting, stated that he was there in a dual capacity, acting also as the interim Managing Director for Arkwood Developments Ltd. He commented that the market had changed, noting that this was not just in relation to house prices. He stated that construction costs had also been affected and that there was a shortage of skilled workers such as brick layers and also a shortage of construction materials. He stated that, when appointed, the Non-Executive Director and Managing Director of Arkwood Developments Ltd. would bring with them their expertise and that the Business Case would be reviewed, revised and brought back to both the Shareholder Committee and the Company for approval. He reiterated that the Risk Register would be under constant review.

AGREED (unanimously) that the report be noted.

12 EXCLUSION OF PRESS AND PUBLIC

AGREED (unanimously) that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of this item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

13 APPOINTMENT LETTER AND STATEMENT OF TERMS OF EMPLOYMENT - MANAGING DIRECTOR

The Committee considered the exempt report presented by the Policy & Projects Officer in relation to the appointment letter and terms and conditions of employment for the Managing Director of Arkwood Developments Ltd.

(Summary provided in accordance with 100C(2) of the Local Government Act 1972).

14 APPOINTMENT OF NON-EXECUTIVE DIRECTOR

The Committee considered the report presented by the Policy & Projects Officer which sought Members' approval for the appointment of Mark Stevenson to the post of Non-Executive Director and the terms and conditions of the post to Arkwood Developments Ltd.

Paragraph 3.0 of the report set out the remit of the Non-Executive Director and that the post was for a fixed period of 2 years. The appointment constituted a 'contract for services'.

It was noted that the Chairman of the Shareholder Committee had been involved with the recruitment of Mr. Stevenson with the Chief Executive advising that his working background enabled him to know, in detail, how the development industry carried out their operations.

AGREED (unanimously) that:

- (a) the appointment of Mark Stevenson to the post of Non-Executive Director to Arkwood Developments Ltd. be approved; and
- (b) the terms and conditions of appointment of the Non-Executive Director of Arkwood Developments Ltd., as set out in the report, be approved.

Meeting closed at 10.40 am.

Chairman

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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SHAREHOLDER COMMITTEE

17 DECEMBER 2018

ARKWOOD DEVELOPMENTS LTD - RETIREMENT AND APPOINTMENT OF DIRECTORS

1.0 Purpose of Report

- 1.1 To consider the retirement of the Chief Executive (John Robinson) as a director on the Board of the Company and to approve as his replacement, the Council's Business Manager – Asset Management (Steven Syddall).

2.0 Background Information

- 2.1 It is within the Shareholder Committee's remit to:

“Agree the constitution of the Board of Directors and to approve the appointment of the directors to the Board and to have the power to remove directors of the Board and approve best practice policies in relation to such appointments”

- 2.2 On the 25 January, 2018 the Policy and Finance Committee, as part of its decision to establish the Company, approved the Board composition to include the Chief Executive of the Council, initially during set up. The Board currently comprises:

- One Elected Member (Councillor R. V. Blaney)
- The Chief Executive (John Robinson)
- The Deputy Chief Executive/Director – Resources (Sanjiv Kohli)
- Two Officers of the Council (Deborah Johnson – Strategic Development Manager & Rob Main – BM Strategic Housing)

3.0 Proposals

- 3.1 Following further consideration, and now that the Company has been established, it is recommended that the Chief Executive retire from his position on the Board to enable him to more properly represent the Council's interests as shareholder. It is suggested that an appropriate officer replacement on the Board with suitable qualifications and experience would be the Business Manager – Asset Management. The Chief Executive is also currently the Chairman of the Board. The Committee will therefore need to consider who will replace John as the Chairman as this is a reserved matter for shareholder approval. It is suggested that the recently appointed non-executive Director, Mark Stevenson be appointed as Chairman.

4.0 Equalities Implications

- 4.1 There are no equality implications with relation to the proposals contained in this report.

5.0 Financial Implications

- 5.1 There are no financial implications with relation to the proposals contained in this report.

6.0 RECOMMENDATIONS that:

- a) **the Chief Executive, John Robinson be replaced by the Business Manager – Asset Management, Steven Sydall as a Director on the Board of Arkwood Developments Ltd; and**
- b) **the Committee consider and appoint one of the Directors as Chairman of the Board.**

Reason for Recommendation

To amend the composition of the Board of Arkwood Developments Ltd.

Background Papers

Nil.

For further information please contact Karen White on Ext 5236.

**Karen White
Director - Safety**

SHAREHOLDER COMMITTEE

17 DECEMBER 2018

MINUTES FROM THE BOARD MEETINGS OF ARKWOOD DEVELOPMENTS

1.0 Purpose of Report

1.1 To note the minutes from the Board Meetings of Arkwood Developments Ltd (the Company) held on 29 June 2018, 28 August 2018 and 8 November 2018.

2.0 Background Information

2.1 The Governance Agreement between the District Council and the Company states that the Company should provide copies of Board Minutes to the Shareholder Committee following each Board meeting.

3.0 Proposals

3.1 The Company has held three Board meetings since its establishment and the minutes are attached as Exempt Appendices A, B, and C to this report.

3.2 The Board minutes include decisions around governance arrangements, recruitment for the Non-Executive Director and Managing Director, developing a brand for the Company and the progression of the business case for Bowbridge Road.

3.3 Items of note for the Shareholder Committee have either been presented to a previous Committee meeting, such as the approval of the Terms and Conditions for the Non-Executive Director or are on the forward plan to be presented to a future Committee.

3.4 The next meeting of the Board is scheduled for 24 January 2019 and in accordance with the Governance Agreement, a representative from the Council has been invited to attend.

4.0 Equalities Implications

4.1 Where appropriate, equalities implications have been considered in relation to the information contained within the relevant Company reports and minutes.

5.0 Financial Implications

5.1 There are no direct financial implications arising from this report. In reference to minute numbers 10 and 29 relating to the start-up funding, the Council has transferred **£90,935.32** to the Company.

6.0 RECOMMENDATION that:

The minutes from the Board Meetings of Arkwood Developments are noted.

Reason for Recommendation

To note the minutes from the Board Meetings of Arkwood Developments.

Background Papers

Nil.

For further information please contact Natalie Cook on Ext 5725

Kirsty Cole

Deputy Chief Executive

SHAREHOLDER COMMITTEE

17 DECEMBER 2018

FORWARD PLAN

1.0 Purpose of Report

1.1 To note the forward plan for the Shareholder Committee.

2.0 Proposals

2.1 A forward plan has been developed referencing the Governance Agreement and the standing agenda items that the Shareholder Committee would expect to consider for the forthcoming year.

2.2 Council officers will be liaising with the Company to confirm that the timescales for certain items such as the Bowbridge Road Business Case and Arkwood Business Plan are realistic to ensure that they can be considered by the Committee at the appropriate times.

2.3 The forward plan is a 'live' document and will need to be updated regularly. A copy of the forward plan will be considered by the Committee at each future meeting.

3.0 Equalities Implications

3.1 Where equalities implications that have been identified these will be considered within the main body of the report.

4.0 Financial Implications

4.1 There are no direct financial implications arising from this report.

5.0 RECOMMENDATION that:

The content of the forward plan be noted.

Reason for Recommendation

To develop a forward plan for the Shareholder Committee.

Background Papers

Nil.

For further information please contact Natalie Cook on Ext 5725.

Kirsty Cole

Deputy Chief Executive

Forward Plan – Shareholder Committee

		Dates to be agreed at Council in December as Committee Schedule of Meetings (including reference to governance agreement)			
March (Date TBC)		11 June 2019	17 September 2019	10 December 2019	10 March 2020
Proposed Agenda items	1. Bowbridge Road Business Case (7.4a)	1. Arkwood Business Plan (6.1)	1. Quarterly Management Accounts (7.4c)	1. Quarterly Management Accounts (7.4c)	1. Quarterly Management Accounts (7.4c)
	2. Quarterly Management Accounts (7.4c)	2. Audited Accounts (7.4b)	2. Minutes of previous Board Meetings (if applicable)	2. Minutes of previous Board Meetings (if applicable)	2. Minutes of previous Board Meetings (if applicable)
Agenda Page 14	3. Minutes of previous Board Meetings (if applicable)	3. Quarterly Management Accounts (7.4c)		3. Arkwood Performance Report (as 29.2 b)	
		4. Evidence of implementation of adequate procedures (7.4d)			
		5. Minutes of previous Board Meetings (if applicable)			
		6. Confirm compliance with clause 5.1a and 5.1b (5.1c)			
		7. Arkwood Performance Report (as 29.2 b)			

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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