

Notice of Part Exempt Non-key Executive Decision

Appendices B and C to this report are exempt from publication under the provisions of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended. The documents are exempt because they refer to the financial or business affairs of any particular person (including the authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Subject Heading:	Havering London Limited
Decision Maker:	Andrew Blake-Herbert
Cabinet Member:	Councillor Gillian Ford
SLT Lead:	Barbara Nicholls Strategic Director of People
Report Author and contact details:	Guy Selfe, Head of Culture, Leisure, Heritage and Libraries, 01708 433866
Policy context:	Resources - Enabling a resident-focused and resilient Council
Financial summary:	The indemnity and insurance cover is £408 for the year.
Relevant Overview & Scrutiny Sub Committee:	Overview and Scrutiny Board
Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision

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The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place. X

Part A – Report seeking decision

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DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons set out in this report and its appendices the Chief Executive is recommended to agree:

1. to the shareholder resolution to adopt the Company Articles of Association for Havering London Limited at Appendix A to this report.
2. the appointment of Barbara Nicholls as Council Director for Havering London Limited. .
3. to the Council issuing letters of appointment with indemnities for Council Directors, Barbara Nicholls, Patrick Odling-Smee and Guy Selfe (Draft at Exempt Appendix B).
4. to the Company board making the appointments of Mathew Russell and David Shearing as independent Company Directors including issuing letters of appointments covering terms such as indemnity (Draft at Exempt Appendix C).
5. that the Council purchases Directors Indemnity Insurance cover at the cost of circa £408 per annum for all Directors on Havering London Limited and maintained thereafter as long as required.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3.3.2 Powers of the Chief Executive.

- 5.2 To have authority over all other Officers of the Council so far as is necessary for the efficient management and execution of the Council's business, functions and services except where Officers are exercising specific responsibilities imposed upon them by statute. This shall include the right to allocate, reallocate and direct all Officers as the Chief Executive shall deem necessary.
- 5.3 To exercise the powers delegated to any Officer pursuant to this Scheme (so far as the law allows).

STATEMENT OF THE REASONS FOR THE DECISION

Background

1. On 13 March 2024, Cabinet agreed to the incorporation of a company limited by guarantee wholly owned by the Council for the purpose of delivering the LBOC year (if awarded) and/or realising and delivering other cultural and place making opportunities. The application to be LBOC was unsuccessful.
2. However, in order to realise and deliver other cultural and place making opportunities, the company limited by guarantee, Havering London Limited, was established and is now registered with Companies House.

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Current Situation

3. The company was set up with model articles for companies limited by guarantee under Companies Act 2006. It is proposed that these articles are changed to those appended at Appendix A so that the Company is better suited to fit its governance with the Council.
4. Havering London has been registered with Companies House with Council Officers, Guy Selfe and Patrick Odling-Smee as named Directors in order to progress the application. It is proposed that a further three directors are appointed to Havering London which will assist with the development of the Company with the relevant expertise. This, in turn, will provide the best chance of success of securing external funding to realise the projects highlighted in the culture strategy, A Good Life.
5. It is recommended that the following are appointed as directors of Havering London:
 - Barbara Nicholls – Strategic Director of People (Council Director)
 - Mathew Russell – independent
 - David Shearing – independent
6. It is also recommended that directors indemnity insurance cover is obtained for the board of directors in respect of their work in connection with Havering London.
7. A draft (Appendix B) letter of appointment with indemnity is recommended to be issued to all Council directors. This details out the roles and responsibilities including how the role fits with day to day role at the Council. A draft form of resignation is also sought; to be held on file for the Council to use where required.
8. A draft (Appendix C) letter of appointment with indemnity is recommended to be issued by the company to the non council directors. This will include high level details on role, responsibilities and detail the fact that the role is voluntary with no remuneration. Resignation letters in draft form will be sought to be held on file for later use, as necessary.

OTHER OPTIONS CONSIDERED AND REJECTED

1. Continue with the model articles. Whilst keeping the current Articles would be a lawful course of action for the Council to take, changing the Company Articles to include aspects of Council duties including reporting matters for s151 would put the Council and its Company on better footing with clear understanding of roles.
2. Do not appoint further directors – without appointing the remaining directors to Havering London, the newly formed company will be hampered in its operations due without the full complement of expertise. Whilst two directors have been appointed in order to establish the company at Companies House, it is suggested that further directors are required to contribute the skills required to maximise the benefits of the work Havering London will undertake including

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making funding applications to deliver the culture strategy, A Good life. This option has been discounted for these reasons.

3. Not offer indemnity and obtain no insurance cover for the company board of directors. It is important that the Council protects its officers from potential liabilities in undertaking Council objectives through its wholly owned company. It is prudent for companies to take usual indemnity cover which is readily available in the market to cover officers on its board. Failing to offer cover may mean individuals choose to decline their respective roles which would leave the Council Company without key officers.

PRE-DECISION CONSULTATION

None

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Guy Selfe

Designation: Head of Culture, Leisure, Heritage and Libraries

Signature: *Guy Selfe*

Date: 23/01/2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The recommendations to this report detail out the next stages in arranging the Company in line with Cabinet decision to create the Company. The Council can use its general power of competence under section 1 of the Localism Act 2011 to make changes to its board of directors at its wholly owned company, offer and arrange indemnities and make changes to its Articles of Association in line with Companies Act 2006.

FINANCIAL IMPLICATIONS AND RISKS

There are no financial implications or risks associated with changing the company articles or appointing directors to the new company, Havering London. However, there will be a cost of approximately £400 per year for the indemnity and insurance cover recommended within the report. This is expected to be met from within existing budgets.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The Council employees will carry out the functions of being a director of Havering London on a voluntary basis and completely separate to their normal duties as an employee of the Council. There are no further human resource implications or risks associated with this decision.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

In all situations, urgent or not, the Council will seek to ensure equality, inclusion, and dignity for all.

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ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environmental or climate change implications or risks associated with this decision.

BACKGROUND PAPERS

None

APPENDICES

Appendix A – Draft Company Articles of Association
Appendix B – Draft Letter of Appointment - Council Directors (Exempt)
Appendix C – Draft letter of Appointment – Non Council Directors

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker

Signed



Name: Andrew Blake-Herbert

Cabinet Portfolio held:
CMT Member title: Chief Executive
Head of Service title
Other manager title:

Date: 23/01/2025

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____