

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Cabinet

Date: 22 February 2021

Reporting officer: Stuart Bobby, Chief Executive and Perry Holmes, Monitoring Officer

Subject: Variation to the Articles of Association for Rosherville Limited

Purpose and summary of report:

To set out proposed amendments to the Articles of Association for Rosherville Limited for Member approval.

Recommendations:

1. Members are requested to approve the updated Articles of Association as set out in appendix two to this report.
2. Members are requested to delegate authority for the appointment and approval of Directors, in line with the revised Articles of Association to the Leader of the Executive in consultation with the Chief Executive.

1. Introduction

- 1.1 At the meeting of Full Council on 17 December, Members approved the formation of a Local Authority Trading Company (LATCo). At this meeting it was clearly set out that Cabinet would have responsibility for a number of specific activities, including the following:
 - *The Articles of Association (AoA), which establishes the constitution for the company structure.*
- 1.2 In line with this requirement, Cabinet approved the Articles of Association for Rosherville Limited, and therefore any subsidiary companies, at its meeting on 03 February 2020.

2. Proposed amendments to the Articles of Association

- 2.1 Currently, the Articles of Association state that Boards of the companies will be made up of five Directors and that the quorum for all meetings will be three Directors. This is the case with Rosherville Limited but for the subsidiary Boards of Rosherville Property Development Limited and Rosherville Servicing Limited this is not the case. The subsidiary companies have been operating at quorate level; three Directors.
- 2.2 Whilst the subsidiary companies have not maintained a full Board establishment, it is considered that they have been operating successfully and it would be appropriate to update the Articles of Association to reflect the current working practices for the subsidiary companies.
- 2.3 Amendments to the Articles of Association are suggested as follows:
 - 2.3.1 Article 3 (1) be updated to reflect that Rosherville Limited will continue to have five Directors but for subsidiary companies, there will be a requirement to have three Directors.
 - 2.3.2 Article 11 (2) be updated to reflect that the quorate for Rosherville Limited will continue to be three Directors, including one officer Director, and for the subsidiary companies, the quorate will be two officer Directors.The proposed amendments are highlighted in appendix two.
- 2.4 In reviewing the Articles of Association, it is also suggested that consideration should be given to the Cabinet providing delegated authority to the Leader of the Executive, in consultation with the Chief Executive, regarding future appointment to the Boards for both the Holding Company and the subsidiary companies.
- 2.5 At its meeting in February 2020, the Cabinet approved the Board for Rosherville Limited and then subsequently for the subsidiary companies at its meeting on 23 March 2020. The Board for Rosherville Limited is made up of Members and council officers whereas the subsidiary companies are made up purely of council officers. Post titles for the officer roles are given rather than specific, named officers.
- 2.6 It is suggested that to ensure changes can be made to the Board in a timely manner, such as providing a replacement to an officer Board member who is leaving the council with an officer with a different post title, delegations should be provided to the Leader in consultation with the Chief Executive.

3. Background Papers

- 3.1 Background papers pertaining to this report are as follows:
 - Report to Cabinet – 03 February 2020 - *Rosherville Limited - Formation of the Board and Governance Arrangements*
 - Report to Cabinet – 23 March 2020 – *Establishment of Rosherville Servicing Limited*
 - Report to Cabinet – 23 March 2020 - *Formation of a Local Authority Trading Company Subsidiary – Property Development Company*

IMPLICATIONS	APPENDIX 1
Legal	<p>The Council and Rosherville Limited have entered formal agreements whereby the council is responsible for establishing and approving changes to the Articles of Association for the company. This report sets out the proposed changes to the Articles of Association in line with this requirement.</p> <p>Subject to approval of the revised Articles of Association, these will need to be updated on Companies House.</p>
Finance and Value for Money	There are no financial and value for money implications arising from this report.
Risk Assessment	It is considered that the risks of this change to the Articles of Association is minimal, and is in fact reflective of current operating processes. There will be a quorate maintained for all Boards (holding company and subsidiaries) to ensure robust decision-making.
Data Protection Impact Assessment	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data? No.</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice? N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk. N/A</p>
Equality Impact Assessment	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
Corporate Plan	<p>Objective 3 - Progress:</p> <p>An entrepreneurial authority; commercial in outlook and committed to continuous service improvement, underpinned by a skilled workforce and strong governance environment.</p>
Climate Change	There are no specific Climate Change implications resulting from this report.

IMPLICATIONS		APPENDIX 1
Crime and Disorder	There are no specific crime and disorder implications resulting from this report.	
Digital and website implications	There are no specific digital and website implications resulting from this report	
Safeguarding children and vulnerable adults	There are no specific safeguarding children and vulnerable adult's implications resulting from this report.	