

Thurrock: An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

General Services Committee

The meeting will be held at **5.00 pm** on **19 January 2021**

Due to current government guidance on social-distancing and the COVID-19 virus, this meeting will not be open for members of the public to attend. Arrangements have been made for the press and public to watch the meeting live via the Council's online webcast channel: www.thurrock.gov.uk/webcast

Membership:

Councillors Robert Gledhill (Chair), John Kent (Vice-Chair), Gary Byrne, Mark Coxshall, Shane Hebb, Fraser Massey and Bukky Okunade

Substitutes:

Councillors Jack Duffin, Tony Fish, Oliver Gerrish, James Halden, Andrew Jefferies and Barry Johnson

Agenda

Open to Public and Press

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1 Apologies for Absence	
2 Minutes	5 - 8
To approve as a correct record the minutes of General Services Committee meeting held on 17 December 2021.	
3 Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	
4 Declarations of Interests	

Exclusion of the Public and Press

Members are asked to consider whether the press and public should be excluded from the meeting during consideration of an agenda item on the grounds that it involves the likely disclosure of exempt information as specified in Part I of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act.

In each case, Members are asked to decide whether, in all the circumstances, the public interest in maintaining the exemption (and discussing the matter in private) outweighs the public interest in disclosing the information.

5 Recruitment for Interim Director of Public Health

Supporting documents will follow under separate cover.

Inclusion of the Public and Press

The following item will be considered back in public session.

6 Thurrock Regeneration Limited

9 - 16

Queries regarding this Agenda or notification of apologies:

Please contact Matthew Boulter, Democratic & Governance Services Manager and Deputy Monitoring Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **11 January 2021**

Information for members of the public and councillors

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- You should connect to TBC-CIVIC
- Enter the password **Thurrock** to connect to/join the Wi-Fi network.
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In the case of an emergency, you should evacuate the building using the nearest available exit and congregate at the assembly point at Kings Walk.

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Members of the Council should ensure that their device is sufficiently charged, although a limited number of charging points will be available in Members Services.

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- Access the modern.gov app
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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest *at a meeting*?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- **Not participate or participate further in any discussion of the matter at a meeting;**
- **Not participate in any vote or further vote taken at the meeting; and**
- **leave the room while the item is being considered/voted upon**

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together

2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services

3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the General Services Committee held on 17 December 2020 at 6.00 pm

Present: Councillors Robert Gledhill (Chair), John Kent (Vice-Chair), Gary Byrne, Mark Coxshall, Shane Hebb, Fraser Massey and Bukky Okunade

In attendance: Anna Eastgate, Assistant Director of Lower Thames Crossing and Transport Infrastructure Projects
Ian Hunt, Assistant Director Law and Governance and Monitoring Officer
Andrew Millard, Director of Place
Jonathon Wilson, Assistant Director, Finance

67. Minutes

The minutes of the General Services Committees held on the 9 November 2020 and 16 November 2020 were approved as a correct record.

68. Items of Urgent Business

There were no urgent items of business.

69. Declarations of Interests

No interests were declared.

70. Thurrock Regeneration Limited

The Director of Place introduced the report stating that there was a need to appoint an interim director to Thurrock Regeneration Limited (TRL) due to previous directors resigning from their posts. Cllr Coxshall continued that the report was a technical one and recommended that the committee reconvene in early 2021 to set the longer term position for TRL.

Cllr Kent asked a number of questions including why there was a need to form a subsidiary company but also the reasons why the previous directors had resigned. It was explained that most housing companies of this kind would establish a subsidiary company as a property management company. In other words the subsidiary company manages the lettings and maintenance of the properties that the Council retains in its ownership. With regards to the resignation of directors Cllr Coxshall stated that the Administration wanted a faster paced delivery of housing and to change the processes and structure to achieve this. This in turn created conflicts of interest with the directors who held posts within the council. Officers added that the previous directors were finding that holding positions both in TRL and the Council a challenge. Anna Eastgate clarified that she was the director identified in the report who left due

to a specific conflict of interest, namely that in September her job title changed to include Place Delivery, which included housing delivery. Cllr Kent questioned why, if that was the case, a current senior housing manager who sat as a director of TRL did not have a similar interest.

Cllr Kent further queried why this committee, as shareholders, had not been informed of the resignations when they occurred. Cllr Coxshall believed that his response to a Full Council question and his press statement was sufficient to alert all Members to the events. He received no queries from Members at the time or since and therefore had assumed the resignations were a widely known fact and that a specific report was not therefore required.

Cllr Byrne queried whether Roger Harris, the proposed new interim director and a current corporate director at the Council, did not have a similar conflict of interest to the previous directors. It was highlighted that 2.3 of the report explained why there was no conflict of interest and it was added that Mr Harris was leaving the Council in March and his experience in housing matters put him in a good position to steer the day to day matters of the company until a permanent alternative was put in place. It was included, in response to a further query, that should Mr Harris become ill or unable to undertake the director role the Council would follow a similar process to now in that an interim arrangements could be made within a timeframe.

Cllr Okunade explored the reasoning for the numbers to be appointed and Cllr Coxshall confirmed that the two positions being requested to be filled tonight were interim measures to fill the necessary positions as is. It was hoped that beyond the interim measures the Council could increase the board of directors to a number that was deemed appropriate for future work and with quality candidates.

Cllr Massey highlighted the responsibilities of directors continued even after they had left such a company and also queried what other options had been explored? Cllr Coxshall believed that Mr Harris was a good choice for the interim role and even after he had left council employment in March he had strong and familiar links with Thurrock, the Members and officers. Officers added that no other nominations were received so no other options were forthcoming at this present time.

Cllr Massey felt the Articles of Association could be tightened up. Councillors generally agreed that regular meetings of this committee, relating to TRL, were desirable.

Cllr Byrne felt that the size of the company with a potential £10 million turnover should not be in the hands of one director. Cllr Coxshall reminded Cllr Byrne that TRL had not completed one house in 2020 and the turnover was not as stated until housing started to be delivered. The paper tonight was a holding position.

Members discussed an additional recommendation which read:

“To bring a report back to this committee presenting options on the future operating model of the companies, including the Board of directors and a review of the articles of association before the end of March 2021”

Cllr Kent expressed his opposition to the recommendations based on poor notification of the issues at hand. He felt the report presented tonight was not adequate.

The Committee moved to a vote on the recommendations of which all, including the additional recommendation, were lost with 4 votes to 3.

The Committee discussed the options now the recommendations had not been agreed. Options presented were:

1. Continue the company with directors in place.
2. Close the company and liquidate its assets, settling any outstanding debts.
3. The Operating model for the company is revised and the Council goes to market to recruit appropriate board members.

It was added during this debate that there were no financial implications put upon members of the committee in deciding not to appoint tonight.

Cllr Kent felt the company should not be wound up as it was fundamentally a good idea. He felt the voting tonight was a reaction to lack of consultation with Members and felt a fuller report in the New Year would be appropriate. Cllr Coxshall explained that this was the intention of tonight’s meeting and the report before everyone was simply a holding position to allow the deeper discussion to continue in 2021. Officers added for clarity that a director would be needed in the interim not to necessarily provide strategic direction but to complete operational duties like signing off reports and the like.

The Chair stated he was disappointed TRL would be kept in this position and closed the meeting with a view that a meeting would be organised for the New Year to discuss further.

The meeting finished at 7.07 pm

Approved as a true and correct record

CHAIR

DATE

**Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk**

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19 January 2021		ITEM: 6
General Services Committee		
Thurrock Regeneration Limited		
Wards and communities affected: All	Key Decision: Key	
Report of: Mark Coxshall, Portfolio Holder for Regeneration and Strategic Planning		
Accountable Assistant Director: Anna Eastgate, Assistant Director Lower Thames Crossing & Project Delivery		
Accountable Director: Andrew Millard Director of Place		
This report is Public		

Executive Summary

Thurrock Regeneration Ltd (TRL) was originally set up as a wholly owned company under the name of Gloriana Thurrock Ltd. on 23rd October 2013. The company's name was changed to Thurrock Regeneration Ltd (TRL) on 23rd November 2017. On the 29th March 2017, TRL set up a subsidiary company under the name of Thurrock Regeneration Homes Ltd (TRHL).

TRL is wholly owned by Thurrock Borough Council (TBC) whereas TRHL is wholly owned by TRL. Within the Council, the General Services Committee is the shareholder of TRL.

TRL had a Board of Directors which was comprised of 3 Council officers and 1 external party (Homes England). Over the last few months, all the Directors have resigned from their posts and there is now a need to replace the board to ensure the effective administrative management of the company and to breathe new life into the company, in order to contribute to the delivery of quality housing in the borough and to assist in urban regeneration.

In the absence of any Directors, the decision making reverts to the Shareholder to appoint a new Director(s).

This report nominates the Director of Place to vote on behalf of the shareholder as its nominated proxy at the appropriate TRL Shareholder meeting to appoint a new Director.

A similar report was considered at GSC on 17th December 2020. This report addresses the concerns raised during that meeting in relation to limiting the scope of decision making of a single director to purely administrative tasks required in the

usual function of such a company until the future structure of the Board and operating model is agreed and implemented.

1. Recommendation(s)

1.1 That the Committee appoints the Director of Place to attend the Shareholders meeting of TRL as the Council's nominated proxy;

1.2 That the Committee directs the Director of Place to vote on behalf of the shareholder to:

1.2.1 approve the change to the TRL Articles of Association; and

1.2.2 appoint Roger Harris as a Director to TRL;and

1.2.3 in appointing a single director that such director shall refrain from taking any action other than action required to comply with the Companies Act 2006 for example, filing accounts, until a new company structure and Board is agreed by members and implemented.

1.3 That the Committee authorises the Director of Place to write to TRL on behalf of the Shareholder and request that it uses its shareholder powers to ensure that:

1.3.1 a change is made to the TRHL Articles of Association; and

1.3.2 Roger Harris be appointed as a Director of TRHL; and

1.3.3 in appointing a single director that such director shall refrain from taking any action other than action required to comply with the Companies Act 2006 for example, filing accounts, until a new company structure and Board is agreed by members and implemented.

1.4 That the Committee notes a further report on the future governance structure of TRL will be brought back to this Committee at the earliest opportunity.

2. Introduction and Background

2.1 TRL was incorporated as a Limited Company on 23rd October 2013, and formally agreed by Cabinet on 13 November 2012, with the aim of complementing the Housing Revenue Account (HRA), providing rental housing under assured short-hold tenancies, targeting sites that had lain dormant for many years and that the private sector was reluctant to develop, as well as providing housing for sale and low cost home ownership which is affordable by local people.

2.2 TRL is 100% owned by the Council, with land injected into the company as Council equity into the vehicle. Funding is made available to the Company by the Council through the use of the Council's prudential borrowing under a lending agreement between the Council and the Company.

- 2.3 TRL gives the Council a vehicle to increase the delivery rate of housing development, particularly on brownfield sites, and to ensure the delivery of affordable housing, especially in a tight housing sector market where private sector developers see less profit in delivering affordable housing.
- 2.4 The company had a Board of Directors which was comprised of 3 Council officers and 1 external party (from Homes England). All Directors have recently resigned from the Board, principally due a conflict of interest with their own Council roles, one being a change of role within the Council which led to a specific and direct conflict. Officers have a duty to act in accordance with the Constitution and the employee Code of Conduct. As Directors, they also have a legal duty under the Companies Act 2006 to act in the best interests of the Company. In making decisions other than administrative decisions relevant to the Companies Act 2006, there is a significant risk of a conflict between the two which often cannot be reconciled.
- 2.5 Recently the Country has been gripped by the Covid 19 pandemic and all of the associated impacts on residents, businesses and the local and national economy. However as is often the case when faced with considerable adversity, there can be a benefit to be identified. In this vain, lots of positive work has been continuing in the background to support the Council's ambitions for economic recovery and growth. The Council has a number of initiatives which are well progressed and poised to drive this ambition forward:
- The emerging economic development strategy is aimed at supporting the Council through the current economic climate back to economic growth and prosperity;
 - The emerging local plan is progressing with the aim of developing all of the evidence base to support the next statutory phases of the local plan process;
 - The Government has announced reforms to planning aimed at improving the planning process to be more efficient and delivery focussed;
 - The Council is continuing with its programme of regeneration schemes including the Stanford le Hope Transport Interchange, the A13 widening, the Grays South regeneration and the bid under the New Towns Fund;
 - The Development Consent Order for the Lower Thames Crossing is progressing along with Government Announcements of £29b of roads investment, an acceleration unit to deliver strategic transport initiatives as well as support for the development of the Tilbury Link Road.
- 2.6 All of this activity needs to be supported by an equally ambitious housebuilding programme and the reasons why TRL is considered to be an important part of this ambitious programme are as relevant now as they were when it was set up. The company purpose set out in the Articles of Association and states:

'To carry on business as a provider of social housing (including affordable and low cost housing) and other accommodation meeting the social needs as regards health and long-term care in the Borough of Thurrock.....'

- 2.7 There is now an imperative to move matters forward by appointing a new Director(s) and refreshing the approach to housing options and delivery in the borough. In this regard a report was presented to Housing Overview and Scrutiny Committee on 17 November 2020 and a paper was considered at Cabinet on 9 December 2020.
- 2.8 Work is underway to look at the future composition of a board of directors with a range of skills to ensure effective and proper governance in the future. Skills such as finance, development and construction industry, legal and housing would all be appropriate to support the future delivery of housing. This will form part of the options for the future Board structure and operating model of the company.

3. Issues, Options and Analysis of Options

- 3.1 In the absence of company directors, decision making in a company reverts to its Shareholder which in this instance is the Council, with the General Service Committee undertaking decisions on behalf of the Council.
- 3.2 The Articles of Association define the regulations for the operation of the company and define the purpose of the company. In the case of both companies, the Articles of Association currently stipulate a requirement for two directors.
- 3.3 In order to appoint a single director (even on a temporary basis) there is a need to make a change to the Articles of Association. This would be undertaken at a shareholders meeting at which the Committee is asked to nominate the Director of Place to attend and vote on its behalf to change the Articles of Association to permit a change to a single director.
- 3.4 In response to concerns raised around the appointment of a single Director on an interim basis with a wide scope of authority, the recommendations at 1.2.3 and 1.3.3 above set out the narrow remit of operation for the single director until such time as a new Board structure and operating model is agreed and implemented. Controlling the authority given to the single Director in this way ensures compliance with the Companies Act 2006, does not give rise to any conflicts of interest given the purely administrative nature of the role and further should a Director appointed act outwith the authority given, there is personal liability for the decisions made.
- 3.5 Once the resolution is passed to change the Articles of Association, a single director can then be appointed to the TRL board. The Committee is therefore also asked to nominate the Director of Place to vote in this regard.

- 3.6 TRL is the sole shareholder of TRHL, therefore the Council does not have direct powers to control the appointment of its directors, although as the sole shareholder of TRL it is in a position to give directions to TRL to enable the implementation of change at TRHL.
- 3.7 Changing the Articles of Association does not preclude them from being changed back at a point in the future once the new Board structure and operating model is agreed and implemented.
- 3.8 It is proposed that Roger Harris becomes the director of both TRL and THRL until such time as the Board and the Shareholder can agree a new board structure and revised operating model for the company, which will be progressed expeditiously after a revised strategic approach to housing delivery has been agreed by Cabinet. This was considered on 9 December 2020.
- 3.9 Once the resolutions have been passed at a shareholder meeting, there will be a need to file information at Companies House to comply with the requirements of the Companies Act 2006. The Company Secretary will therefore file the appropriate paperwork after the meeting.

4. Reasons for Recommendation

- 4.1 There is a need for a director to be appointed for the effective and proper decision making required to operate TRL and TRHL in accordance with the Companies Act 2006.
- 4.2 The Company accounts and audit will need to be signed by a Director in the coming months.
- 4.3 This is an interim arrangement in order for time to be taken to consider a new Board structure and operating model for TRL to deliver and support the priorities set out in this report and as considered by Cabinet.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 A report relating to Housing Delivery options was considered at Housing Overview and Scrutiny Committee on 17 November 2020

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The proposed approach to the development of new housing aligns closely with the Council's Vision and Priorities adopted in 2018. In particular it resonates with the "Place" theme which focuses on houses, places and environments in which residents can take pride.

7. Implications

7.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director, Finance

There are no specific financial implications arising from this report.

7.2 Legal

Implications verified by: **Ian Hunt**
**Assistant Director of Law and Governance and
Monitoring Officer**

The report sets out the process to make an amendment to the Articles of Association to permit the appointment of a single Director as an interim measure. Whilst it is lawful for the Company to operate with a single Director (once the articles are changed) it is advisable that the future operating model of the company is looked at as soon as possible to increase the number of directors on the board to provide more resilience and improved accountability in decision making.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer, Community Development
and Equalities**

There are no Diversity and Equality implications arising from this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable

9. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Articles of Association filed at Companies House

Report Author:

Anna Eastgate

Assistant Director Lower Thames Crossing & Project Delivery, Place

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