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| 17 December 2020 | | ITEM: 5 |
| 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. There is a need to have a director in place for operational reasons of the company hence the need for this report.

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.

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.

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

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 2013. It is 100% owned by the Council.

2.2 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. There is a significant risk of a conflict between the two which often cannot be reconciled.

2.3 It is not considered that Roger Harris will have the same conflict of interest as the previous board. This is because the role is interim in nature and is required for specific operational decisions needed for the company such as the filing of accounts.

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 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.
- 3.5 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.
- 3.6 Changing the Articles of Association does not preclude them from being changed back at a point in the future once the new operating model is agreed and implemented.
- 3.7 It is proposed that Roger Harris becomes the director of both TRL and THRL for the time being.
- 3.8 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 effectively.
- 4.2 The Company accounts need to be signed by a Director and filed at Companies House by 31st December 2020.

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

8. 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

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