

**CABINET SUB-COMMITTEE (LOCAL AUTHORITY TRADING COMPANIES'
SHAREHOLDER)
19 March 2024**

PART 1

**TITLE OF REPORT: APPOINTMENT OF DIRECTORS TO BROADWATER HUNDRED LTD
(HOLDING COMPANY)**

REPORT OF: SERVICE DIRECTOR – ENTERPRISE

EXECUTIVE MEMBER: EXECUTIVE MEMBERS FOR ENTERPRISE AND THE ARTS

COUNCIL PRIORITY: SUSTAINABILITY AND A BRIGHTER FUTURE TOGETHER

1. EXECUTIVE SUMMARY

1. The purpose of this report is to seek approval to appoint two new company directors to Broadwater Hundred Limited.

2. RECOMMENDATIONS

- 2.1. To approve the appointment of the named officers at 8.3 as company directors for Broadwater Hundred Ltd.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that the Council's company is complying with the company's Articles of Association.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Not to appoint the new directors, by taking this approach this will put the current company director at risk and will be contrary to the Articles of Association.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1. The Executive Member and Deputy Executive Member for Enterprise and the Arts have been briefed on this item.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1. A part 2 exempt delegated decision was taken on 24 March 2020 by the Chief Executive, to establish a holding company for business continuity reasons¹ and following this, the Council incorporated a holding company on 7 May 2020, called Broadwater Hundred Limited (BHL). Two directors were originally appointed to this holding company – one see 8.1, the other was a director who has since retired from the authority and from the office of director to the company.

8. RELEVANT CONSIDERATIONS

- 8.1. Currently there is only one director appointed to Broadwater Hundred Ltd, who is also the Service Director – Enterprise.
- 8.2. As the Company is due to commence trading soon, it is advised that two further directors are appointed. By having three directors this will ensure there is greater resilience.
- 8.3. The two proposed directors of Broadwater Hundred Ltd are Council officers and a supplementary document will be available prior to the Sub-Committee meeting to confirm.
- 8.4. If approved the named individuals will complete the necessary paperwork, which will be sent to Companies House to register them as directors of Broadwater Hundred Ltd.
- 8.5. Both individual will also undertake the appropriate training to ensure they clearly understand the role and responsibilities of a company director.

9. LEGAL IMPLICATIONS

- 9.1. The Council has the ability to act on this Report and its recommendations in accordance with TOR 5.11.4 (g) (iv) which provides that it is able to *“agree to appoint or dismiss (in principle in so far as company ratification is required) any Director of the company (where power is reserved to the shareholder).”*
- 9.2. The Council has authority under the general power contained within Section 1 of the Localism Act 2011 to continue to take steps in relation to the operation of the company (including its financial relationship with the company), having particular regard to the Council’s fiduciary duties.

10. FINANCIAL IMPLICATIONS

- 10.1. The Council will fund the training reference in paragraph 8.5, which will be met from existing training budgets

11. RISK IMPLICATIONS

- 11.1. Good Risk Management supports and enhances the decision-making process, increasing the likelihood of the Council meeting its objectives and enabling it to respond quickly and effectively to change. When taking decisions, risks and opportunities must be considered.

¹ Remaining exempt under para 3 of Schedule 12A Local Government Act 1972.

- 11.2. Having three Directors will help ensure resilience and should contribute to better governance. This therefore reduces the level of risk.

12. EQUALITIES IMPLICATIONS

- 12.1. In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.2. There are no equality implications in this decision to appoint new Company directors.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 The officers concerned undertake this role having completed a ‘willingness to act’ and in doing so will be covered by appropriate insurance and indemnity. The ‘office’ is unpaid and in addition to their current workload.

16. APPENDICES

- 16.1 None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

18.1 Companies House link: [BROADWATER HUNDRED LIMITED Company number 12590961](#)