

## **Item 12 - Sevenoaks District Council Trading Company named Quercus7 Ltd**

The attached report was considered by the Legal & Democratic Services Advisory Committee, relevant minute extract below

### Legal & Democratic Services Advisory Committee - 26 January 2016 (Minute 26)

The Chief Officer Legal & Governance presented a report which provided information on how the new Trading Company Quercus 7 Limited would work operationally and requested Cabinet to approve the current working and further proposed arrangements. It was important that Members were fully informed of the need to have a Trading Company and how the new Trading Company Quercus 7 Limited would work operationally as they would form the Company Shareholders. The views of the Advisory Committee would be taken into account by Cabinet when approving the current working arrangements and further proposed arrangements for the future success of the Company.

The Chairman welcomed Amardeep Gill from Trowers & Hamblins. All Members present had the opportunity to ask a number of questions of clarification concerning the report and proposals.

One of the concerns was that if staff were acting on behalf of the company, but being paid for that time by the Council not the Trading Company, how was that not in breach of state aid regulations. It was noted that it would not be in breach as all time and resources would be specifically accounted for and charged to the Company, however Members wanted to be more certain of this. It was also queried whether there was a need for a Company Secretary, and the salary cost if an external provider was used. Members were advised that there was no specific requirement to have a Company Secretary. Some mention was made of possibly using the relevant Portfolio Holder's Advisory Committee as a scrutiny function of the Cabinet acting as the Trading Board, but other Members thought it was sufficient just to have Cabinet overseeing the activities of the Company. Members also discussed a preference for being able to 'approve' not merely note, the year end reports being presented by the Trading Company to the Annual General Meeting.

With regards to the Non Executive Directors advert, Members wished to add reference to the Greenbelt in the description of the District as well as it being made up of Areas of Outstanding Natural Beauty (AONB).

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That subject to the comments and queries raised above, it be recommended to Cabinet that

- a) the appointment of Chief Officers initially put forward as Directors on incorporation;
- b) the composition of The Trading Board, established to oversee the trading activities of the Company, to comprise the Cabinet with a quorum of three Members to be chaired by the Leader of the Council;
- c) the job description and specification required to recruit the 2 Non-Executive Directors as set out at Appendix B and such recruitment to be either using internal resources or through a firm of specialist Management & Recruitment Consultants with an approved budget of up to £6,000 in this respect;
- d) remuneration to be paid to the Non-Executive Directors up to £5,000 each; and
- e) the Chief Officer Legal and Governance in conjunction with the Chief Finance Officer be authorised to finalise a Shareholder Agreement and Loan Arrangements for the Company in conjunction with relevant Portfolio Holders.