

North Lanarkshire Council Report

Policy and Strategy Committee

approval noting

Ref LMCM/EW

Date 06/06/19

Culture and Leisure North Lanarkshire Limited - Appointments Process for Independent Directors

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Executive Summary

The purpose of this report is to seek approval of a special resolution to vary the appointments process in relation to the composition of the Nominations Committee of CultureNL Limited and to vary the nominations process (Articles 119, 120 and 121.2 of the Articles of Association of the Company) for the sole purpose of appointing the first independent directors of the merged entity.

It is also proposed that committee approve the appointment of the current Chair of North Lanarkshire Leisure, Derek Gamble, as an Independent Director of CultureNL Limited.

Recommendations

It is recommended that committee:

1. Approve the appointment of Derek Gamble as a Director of CultureNL Limited under the category of Independent Director (paragraph 2.1 of this report) ; and
2. Approve the special resolution as set out in paragraph 2.2 of this report.

The Plan for North Lanarkshire

Priority All priorities

Ambition statement (15) Encourage the health and wellbeing of people through a range of social, cultural, and leisure activities

1. Background

1.1 Articles of Association of CultureNL Limited

The current Articles of Association of CultureNL Limited include the following provisions in respect of the composition of the Board of Directors and the appointment of Independent Directors:-

53.2 A maximum of 5 directors shall be Independent Directors

62.2 The Independent Directors shall be appointed on the basis of (a) their being representative of the local community or representative of other stakeholders and/or (b) their having skills and expertise which, in the reasonable opinion of the Council and having considered the guidance referred to Article 63, would allow them to make a substantial contribution to the work of the Board; and such that the independent directors may include (but shall not be limited to) community representatives, arts/culture representatives, facility users/customers, academic representatives and members of the business community.

63 The Council shall be guided by the nominations committee (as defined in article 118) in relation to the selection of appropriate individuals for appointment as independent directors.

1.2 The revised Articles for the merged entity, Culture and Leisure North Lanarkshire Ltd, make provision for 7 Independent Directors. The revised Articles will become effective upon conclusion of the business transfer.

2. Report

2.1 Appointment of Derek Gamble as a CultureNL Limited Director

CultureNL Limited sought legal advice on the process for the appointment of Derek Gamble, the current Chair of North Lanarkshire Leisure Limited, to CultureNL Limited Board of Directors, and it has been established that he can be appointed by the approval of this committee.

A short profile of Derek Gamble is included in Appendix 1.

2.2 Special Resolution

Current Independent Directors of CultureNL Limited and North Lanarkshire Leisure Limited, have been invited to apply to become Independent Directors of the merged entity. This requires that a bespoke approach to the Nominations Committee requires to be established for the purpose of this initial appointments process.

CultureNL Limited sought legal advice on the process for appointing the remaining Independent Directors and have confirmed that the following process is required under the terms of their current articles.

In terms of the Companies Act 2006, the Policy and Strategy Committee is requested to approve the following resolution required by the Council as sole member of the Company:-

Notwithstanding the provisions of Articles 119,120 and 121.2 of the Articles of Association of the Company, in relation respectively to the composition of the Nominations Committee and the nominations process, for the sole purpose of appointing Independent Directors on or around the date of this Resolution, IT IS RESOLVED (i) that the Nominations Committee, be composed of the following three individuals: (1) the current Chair of the Company; (ii) the current Chair of North Lanarkshire Leisure Limited; and (iii) a nominated representative from North Lanarkshire Council, with decisions of the Nominations Committee requiring a majority vote: and (2) that the Nominations Committee will not require to seek nominations following open advertisement and will seek nominations from the current Independent Directors of Culture NL Limited and North Lanarkshire Leisure Limited provided that if any vacancies remain following such nominations the Nominations Committee may seek further nominations following open advertisement.

It is anticipated that interviews for Independent Directors of the merged entity will take place week commencing 10th June 2019.

In respect of Partner Directors, the skills matrix will be issued to Business Managers during week commencing 10th June for completion.

Approval of the Partner Directors and the six remaining Independent Directors to be recommended by the Nominations Committee will be sought at the full Council meeting to be held on 20th June 2019.

2.3 Senior Management Structure

An early priority for the board of the newly merged entity will be to agree the senior management structure, positions and associated appointments required to take the organisation forward and deliver the successful integration of both entities. It is intended that any agreed approach will adhere to established policies, and appropriate consultation requirements for appointment to roles at this level within the Council. This would include the agreement of a formal Appointments Committee, which will have delegated authority to manage the process and ensure that appropriate corporate governance principles are adhered to at all times. The Council's HR and Legal Services teams will provide professional support and guidance to the Board as part of this process.

3. Equality and Diversity

3.1 Fairer Scotland Duty

Assessment not required.

3.2 Equality Impact Assessment

Assessment not required.

4. Implications

4.1 Financial Impact

None

4.2 **HR/Policy/Legislative Impact**

None

4.3 **Environmental Impact**

None

4.4 **Risk Impact**

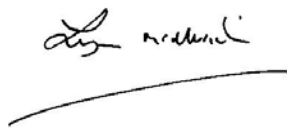
Ensures a full complement of Board members for one of the Council's key Arms-Length Bodies (ALEOs).

5. **Measures of success**

5.1 Effective participation by stakeholders/local community representatives in the governance of the Council's key ALEOs.

6. **Supporting documents**

6.1 Appendix 1 Independent Director Profile



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