

Motherwell, 29 April 2019 at 2 pm.

A Special Meeting of the POLICY AND STRATEGY COMMITTEE

PRESENT

Councillor Logue, Convener; Councillor Roarty, Vice-Convener; Councillors D. Ashraf, Barclay, Beveridge, Burgess, Burrows, Castles, Di Mascio, Duffy, Gallacher, Goldie, Graham, Hume, Magowan, McNally, McPake, Morgan and Alan Valentine.

ALSO PRESENT

In accordance with Standing Order 64(A) Councillors Douglas, Jones, Kerr, Lennon and McCulloch attended as substitutes for Councillors Watson, Kelly, Fotheringham, T. Johnston and H. McVey respectively.

CHAIR

Councillor Logue (Convener) presided.

IN ATTENDANCE

The Chief Executive; Head of Legal and Democratic Solutions; Head of Financial Solutions; Head of Business Solutions; Head of Communities; Head of People and Organisational Development; Head of Strategic Communication; Audit Manager; Business Solutions Manager, and Committee Officer.

APOLOGIES

Councillors Fotheringham, Kelly, T. Johnston, Linden, H. McVey and Watson.

DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000

1. Declarations of interest were received from Members, details of which are set out below:-
 - Councillor Morgan declared an interest in Paragraph 2, by virtue of the nature of a family member's employment, and left the meeting during consideration of the matter identified;
 - Councillors Burgess and McNally each declared an interest in Paragraph 2, by virtue of their membership of the Board of North Lanarkshire Leisure Limited, and left the meeting during consideration of the matter identified, and
 - Councillors Douglas and McPake each declared an interest in Paragraph 2, by virtue of their being Partner Directors of CultureNL Limited, and left the meeting during consideration of the matter identified.

Councillor Morgan, by virtue of the nature of a family member's employment; Councillors Burgess and McNally, by virtue of their membership of the Board of North Lanarkshire Leisure Limited, and Councillors Douglas and McPake, by virtue of their being Partner Directors of CultureNL Limited, having each declared an interest in the matter prior to consideration of the following item of business, left the meeting and took no part in its determination.

INTEGRATION OF CULTURAL AND LEISURE SERVICES

2. With reference to paragraph 7 of the Minute of the meeting of this Committee held on 8 February 2019 when the Committee, following consideration of a report by the Head of Business Solutions on the progress of the integration of CultureNL Limited (CNL) and North Lanarkshire Leisure Limited (NLL) to provide sport, culture and leisure services, had (1) approved (a) the proposal to change the name CultureNL Limited to Culture and Leisure NL Limited, and (b) amendments to CNL's existing Articles of Association, and (2) noted that the effective date for integration was 1 June 2019, there was submitted a report by the Chief Executive (a) advising that the Board of Directors of CNL had met on 15 April 2019 to consider the Legal Due Diligence report in respect of NLL; (b) intimating that the Chief Executive of CNL had subsequently advised him that the Board had determined that they would not support the merger process at that time; (c) reminding Members that the Council had previously determined that integrated delivery was the mechanism to be used to support The Plan for North Lanarkshire; (d) presenting a range of options which were available to the Council to achieve a single delivery vehicle for future sport, culture and leisure services, and (e) outlining the financial implications and the risks attached to each of these options.

Decided:

- (1) that it be re-affirmed that future sport, culture and leisure services be provided through an integrated delivery vehicle;
- (2) that it be re-affirmed that CNL be retained as the entity to deliver integrated services going forward;
- (3) that it be agreed that the preferred options to achieve integrated service delivery be as follows:
 - (a) that the Board of Directors of CNL be provided with an opportunity to re-consider its position and agree to accept the merger request which had previously been approved by the Council, and
 - (b) that, in the event that the Board of Directors of CNL decide not to re-consider its decision not to support the merger process at that time, (A) the Council then proceed to exercise powers available under the Companies Act 2006 to request that the Board of CNL approve the merger with NLL, by passing a written resolution, with CNL retained as the delivery vehicle going forward, and (B) the Council, if required, (i) invoke Article 59.2 of the current CNL Articles, thereby removing the existing Independent Directors from office, and (ii) suspend Articles 63, 64, 98, 118, 119, 120 and 121, by special resolution, to appoint replacement Independent Directors without reference to the Nominations Committee, and
- (4) that it be agreed to suspend, through written resolution, the operation of Articles 59.1, 63, 64, 98 and 118 to 121 to enable CNL to transact urgent business if required.