

Report to	Council
Date of meeting	19 th July 2022
Lead Member / Officer	Cllr Jason McLellan, Leader
Report author	Gary Williams, Head of Legal, HR and Democratic Services
Title	Denbighshire Leisure Limited – Appointment of Directors

1. What is the report about?

- 1.1. The report is about the composition of the Board of Directors (the Board) of Denbighshire Leisure Limited (DLL) and the appointment of directors by Council.

2. What is the reason for making this report?

- 2.1. To brief members as to the composition of the Board and to ask Council to appoint new directors following the local government elections.

3. What are the Recommendations?

- 3.1. That Council appoint Cllr Gill German, Lead Member for Education, Children and Families, and Cllr Rhys Thomas, Lead Member for Housing and Communities to be Directors of DLL
- 3.2. That Council confirms the appointment of a non-Cabinet Member as a Director of DLL.

4. Report details

- 4.1. On 30th May 2019 Council approved the creation of a not for profit Local Authority Trading Company Limited by Guarantee as an alternative delivery model for the

Mae'r ddogfen hon ar gael yn Gymraeg. This document is available in Welsh.

provision of leisure services on behalf of the Council. This company is called Denbighshire Leisure Limited (DLL).

- 4.2. The Council is the sole owner and member of DLL. This relationship is set out in a Member Agreement made between the Council and DLL. It sets out the nature of the relationship between DLL and the Council, as owner of the company, and includes provisions relating to the matters in respect of which DLL requires the Council's consent before it can act.
- 4.3. The Board is responsible for the running of the company. The composition of the Board is currently as follows
 - Managing Director – Jamie Groves,
 - Lead Member for Well-Being and Independence (vacant),
 - Lead Member for Education, Children's Services and Public Engagement (vacant),
 - Independent Director x 2 (Paul McGrady and Sian Rodgers),
 - A Non-Cabinet elected member (Peter Prendergast),
 - Member of SLT, (Nicola Stubbins)
- 4.4. The two positions on the Board to be filled by Lead Members are vacant as their directorship ceased when they ceased to hold those roles following the election. The Lead Member roles set out above reflected the fact that the relevant Lead members held the Leisure portfolio and the Education portfolio.
- 4.5. The Articles of association of DLL provide that only Council can appoint or remove directors, however, Cabinet's views were sought as to the composition of the Board, in particular, the directorships to be filled by Cabinet members. Cabinet have indicated that they would prefer the lead members holding the education and leisure portfolios should fill these positions and be appointed to the Board, and this is reflected in the recommendations in section 3 of this report.
- 4.6. There is one other position to be filled on the Board by an elected member who is not a member of the Cabinet. This position is currently filled by Cllr Peter Prendergast. Council is asked to confirm the appointment of a non-Cabinet member to this position.

5. How does the decision contribute to the Corporate Priorities?

5.1. This report has no direct impact upon corporate priorities.

6. What will it cost and how will it affect other services?

6.1. There are no direct costs associated with this report.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. An assessment is not required for this report.

8. What consultations have been carried out with Scrutiny and others

8.1. There were extensive consultations with a variety of stakeholders prior to the creation of DLL. The Managing Director of DLL has been consulted as to the vacancies that currently exist on the Board.

9. Chief Finance Officer Statement

9.1. Although there are no direct financial implications of this report, it is important that strong governance arrangements are maintained to help reduce risks going forward. The report is fully supported.

10. What risks are there and is there anything we can do to reduce them?

10.1 There is a risk that carrying vacancies on the Board will not provide sufficient oversight and support to DLL

11. Power to make the decision

11.1 s111 Local Government Act 1972

11.2 Article 13 Articles of Association of Denbighshire Leisure Limited.