

## Report to Cabinet Member

<b>Report title:</b>	<b>Norse Governance Proposals</b>
<b>Date of meeting:</b>	
<b>Responsible Cabinet Member</b>	<b>Cllr Andrew Proctor Leader of the Council</b>
<b>Responsible Director:</b>	<b>Simon George Executive Director of Finance &amp; Commercial Services</b>
<b>Is this a key decision?</b>	<b>No</b>

### **Executive Summary/Introduction from Cabinet Member**

On 25.03.19 the Policy & Resources Committee agreed the appointment of two independent Non-Executive Directors, with one vote each, to strengthen the Norse Board. After a rigorous external recruitment exercise, with over ninety applicants, twelve candidates were interviewed. The quality of the field exceeded expectations and the interviewing panel agreed that it would be beneficial to appoint the final three candidates. Given the scale and complexity of the Norse group and its ambitions to grow further it was felt that the range of skills and experience they bring would greatly enhance the future development of Norse. This decision seeks authority to appoint three Non-Executive Directors instead of the two originally authorised by the Policy & Resources Committee.

This decision would mean that the Board would consist of:

- two Non-Executive Directors who are required to be members or officers of Norfolk County Council, currently with three votes each;
- two Executive Directors with one vote each;
- three Non-Executive Directors with one vote each.

It is also intended that the new Chief Financial Officer, once recruited, will be appointed to the Norse Board. There would then be three Executive Directors with one vote each, and three independent Non-Executive Directors with one vote each, a total of six votes, equal to the six votes of the two Non-Executive Directors who are members or officers of Norfolk County Council. As this would result in potential voting deadlock, it is recommended that the votes for each Non-Executive Director who is a member or officer of Norfolk County Council should be increased to four votes. This would also assist with Teckal compliance. If agreed this will be confirmed by special resolution of Norse Group Ltd.

### **Recommendations**

- i) **To appoint three (3) Non-Executive Directors to the Norse Board**
- ii) **To agree that once appointed, the new Chief Financial Officer of the Norse Group will be appointed as an Executive Director, with one vote**
- iii) **To amend the voting arrangements so that Non-Executive Directors appointed by Norfolk County Council who are also members or officers of Norfolk County Council shall have 4 votes each, and all other Directors shall have 1 vote each**

## 1. **Background and Purpose**

On 25.03.19 the Policy & Resources Committee agreed the appointment of two independent Non-Executive Directors, with one vote each, to strengthen the Norse Board. It is considered that this appointment would increase the range of skills and experience on the Board, particularly bringing in additional commercial expertise, to assist the Group with its future development.

The field of applicants was exceptionally strong, attracting more than ninety applicants, and a final twelve high calibre candidates being interviewed.

## 2. **Proposals**

The interviewing panel considered that the final three candidates would, between them, bring an exceptional range of skills and experience, that would be highly beneficial to the Norse Board.

## 3. **Impact of the Proposal**

The proposal will increase the number of independent Non-Executive Directors to three, and amend the voting rights of all of the Directors to maintain the majority vote with the Non-Executive Directors who are members or employees of Norfolk County Council.

## 4. **Evidence and Reasons for Decision**

The decision will bring valuable additional skills to the Norse Board.

## 5. **Alternative Options**

An alternative option is to appoint two independent Non-Executive Directors as originally envisaged. This was rejected because the final three have a wider range of skills and experience than would be available from any two of them.

## 6. **Financial Implications**

The financial implication will be an additional annual allowance of £20,000 plus expenses, in addition to the two allowances originally authorised. This will be payable by the Norse Group and will not have any direct financial implications for the Council.

## 7. **Resource Implications**

7.1 **Staff:** None

7.2 **Property:** None

7.3 **IT:** none

## 8. **Other Implications**

- 8.1 **Legal Implications:** None
- 8.2 **Human Rights implications:** None

8.3 **Equality Impact Assessment (EqIA) (this must be included)**

Not applicable

8.4 Any other implications

Officers have considered all the implications which members should be aware of. Apart from those listed in the report there are no other implications to take into account.

9. **Risk Implications/Assessment**

- 9.1 Not appropriate

10. **Select Committee Comments**

- 10.1 Not applicable

11. **Recommendation**

- 11.1 To appoint three (3) Non-Executive Directors to the Norse Board
- 11.2 To agree that once appointed, the new Chief Financial Officer of the Norse Group will be appointed as an Executive Director, with one vote
- 11.3 To amend the voting arrangements so that Non-Executive Directors appointed by Norfolk County Council who are also members or officers of Norfolk County Council shall have 4 votes each, and all other Directors shall have 1 vote each

**Background Papers**

None

**Officer Contact**

If you have any questions about matters contained in this paper, please get in touch with:

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