

Norfolk County Council

Record of Individual Cabinet Member Decision

Responsible Cabinet Member: Councillor Andrew Proctor (Leader and Cabinet Member for Strategy and Governance)	
Background and Purpose: Proposal to create two new companies and appoint directors to enable the county council to intervene as a provider is about to go into insolvency.	
Decision: To agree the establishment of two companies limited by shares, one NCC Nurseries Limited to provide nursery provision; the other NCC HH Limited to provide alternative education provision. To appoint Harvey Bullen and Sarah Jones as directors of NCC Nurseries Limited and Harvey Bullen and Chris Snudden as directors of NCC HH Limited.	
Is it a key decision?	Yes
Is it subject to call in? If Yes – Deadline for Call in	No This decision was taken on an urgent basis. The call-in procedure does not apply because the urgency of the situation warrants a decision being made immediately and cannot reasonably wait until the full call-in process would otherwise have been completed
Impact of the Decision: To create two wholly owned county council limited companies and the appointment of directors to those companies.	
Evidence and reason for the decision: As set out in the attached report.	
Alternative options considered and rejected: As set out in the attached report.	
Financial, Resource or other implications considered: As set out in the attached report.	
Record of any conflict of interest: None	

Background Documents:

As set out in the attached report.

Date of Decision:**26 November 2019****Publication date of decision:****2 December 2019****Signed by Cabinet member:**

I confirm that I have made the decision set out above, for the reasons also set out

Signed:**Print name:** Cllr Andrew Proctor**Date:** 26 November 2019**Accompanying Documents:**

- **Report – CREATION OF TWO NEW LIMITED COMPANIES AND CONSENTS**

Urgent Decision by the Leader

Decision making report title:	Creation of 2 new limited companies and consents
Date of report:	26 November 2019
Responsible Cabinet Member:	Cllr Andrew Proctor (Leader and Cabinet Member for Strategy & Governance)
Responsible Director:	Simon George (Executive Director of Finance and Commercial Services)
Is this a key decision?	Yes

Executive Summary

Great Yarmouth Community Trust is to go into insolvency on 27 November 2019. The Trust provides a significant proportion of the nursery provision in Great Yarmouth and Gorleston, as well as running Horatio House, an alternative education provision for some 18 pupils.

To ensure sufficiency in the Great Yarmouth area of nursery provision for 2, 3 and 4-year olds, permission is sought to establish two companies to provide nursery provision and alternative education provision respectively.

Establishment of the companies would normally be a cabinet decision, and appointment of directors a council decision. However, in this instance an urgent decision by the Leader is required by virtue of the need to move rapidly to safeguard early years and education provision.

The decision requested concerns the establishment of two new limited companies and the appointment of directors. High level business plans for the two companies will follow.

Recommendations

- 1. To agree the establishment of two companies limited by shares, one NCC Nurseries Limited to provide nursery provision; the other NCC HH Limited to provide alternative education provision.**
- 2. To appoint Sarah Jones and Harvey Bullen as directors of NCC Nurseries Limited, and Chris Snudden and Harvey Bullen as directors of NCC HH Limited.**

1. Background and Purpose

- 1.1. Norfolk County Council has the duty to ensure sufficient nursery provision in the market place to enable children to access places in line with entitlements to 2, 3 and 4-year-old nursery provision. It also has a duty to ensure sufficient educational provision for school-age children.

- 1.2. Great Yarmouth Community Trust will dismiss its staff on 27 November and is expected to go into insolvency.

2. Proposals

- 2.1. To establish two companies that can re-provide some of the services that are ceasing as a result of the insolvency. The intention is that the companies would re-employ some of the staff affected.
- 2.2. It is anticipated that this will be a short-term requirement. Horatio House will be wound down at the end of the school year. It is intended that the nurseries, once stable, will be brokered to the market.

3. Impact of the Proposal

- 3.1. The proposal will put the essential infrastructure in place to allow services to be recovered.
- 3.2. Further work will be undertaken to create business plans for the new companies.

4. Evidence and Reasons for Decision

- 4.1. The insolvency of the trust will put in jeopardy childcare for 2-300 children, affecting the ability of their parents to work, as well as causing the education of some eighteen year 10 and 11 pupils to cease at a critical point.
- 4.2. It is considered that county council intervention is required given there has been clear market failure in a critical area of public service. The establishment of the companies is a minimum initial step to allow recovery of the services.

5. Alternative Options

- 5.1. The council could not set up the companies and take staff onto its own payroll. This would trigger LGPS membership, making subsequent brokering of the provision to other operators unattainable.

6. Financial Implications

- 6.1. The creation of the companies will incur minimal one-off costs. The subsequent intervention will result in much greater costs which will be estimated separately.

7. Resource Implications

7.1. Staff:

The setting up of the companies has no staffing implications. Once created, the companies may wish to offer jobs to the front-line Norfolk nursery staff and some of the other staff currently employed by the provider in order to sustain the Norfolk nursery and alternative education provision.

7.2. **Property:**

N/A

7.3. **IT:**

N/A

8. Other Implications

8.1. **Legal Implications**

Once created, as wholly owned companies of the County Council, NCC is responsible for appointing all directors. This paper seeks authorisation to appoint Harvey Bullen and Sarah Jones as directors of NCC Nurseries Limited; and Harvey Bullen and Chris Snudden as directors of NCC HH Limited.

8.2. **Human Rights implications**

N/A

8.3. **Equality Impact Assessment (EqIA)**

To ensure sufficiency in the Great Yarmouth area of nursery provision for 2, 3 and 4-year olds, permission is sought to establish two companies to provide nursery provision and alternative education provision respectively.

8.4. **Health and Safety implications (where appropriate)**

N/A

8.5. **Sustainability implications (where appropriate)**

N/A

8.6. **Any other implications**

N/A

9. Risk Implications/Assessment

9.1. A significant risk has been identified regarding the sufficiency of nursery provision for a significant number of Norfolk residents and alternative education provision due to the financial circumstances of a key provider. In order to mitigate the risk, the proposal is to set up two wholly owned NCC companies which will enable NCC to intervene.

10. Recommendations

- 10.1.
1. To agree the establishment of two companies limited by shares, one NCC Nurseries Limited to provide nursery provision; the other NCC HH Limited to provide alternative education provision.
 2. To appoint Sarah Jones and Harvey Bullen as directors of NCC Nurseries Limited, and Chris Snudden and Harvey Bullen as directors of NCC HH Limited.

Officer Contact

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

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