

INDEPENDENT DIRECTORS OF SUBSIDIARIES

Executive Summary

At its meeting of the 30th July 2020, Council resolved that

- (i) the number of Independent Directors on Council subsidiaries be increased to two;
- (ii) the normal term of office of an Independent Director be three years with a maximum of two terms to be served;
- (iii) the normal maximum term of office of an Independent Director be eight years;
- (iv) the current Independent Directors be retired on a rolling basis, one each year from 2022, so that experience is retained alongside the appointment of new Directors and all current Directors retire by 2024;
- (v) a Panel of Members be appointed to oversee the recruitment process and recommend appointments to the Council; and
- (vi) the Member Panel should seek to recruit Board members who are connected to and representative of the Woking population, particularly in relation to gender and ethnic background.

This report sets out the process by which the Council will recruit and appoint new Independent Directors to its Subsidiary Companies, specifically the Thamesway Group of Companies and the Brookwood Cemetery Group of Companies.

Recommendations

The Executive is requested to:

RESOLVE That

- (i) the range of skills and experience sought for the six Independent Directors, as set out in section 2 of the report, be approved;
- (ii) the Recruitment Panel composition, as set out in section 3 of the report, be approved; and
- (iii) the timetable, as set out in section 4 of the report, be agreed.

Reasons for Decision

Reason: To establish the process for the recruitment of Independent Directors to Group Companies.

The Executive has the authority to determine the recommendation(s) set out above.

Independent Directors of Subsidiaries

Background Papers: None.

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Date Published: 6 January 2021

1.0 Introduction

1.1 Due to the increasing scale of business activity being delivered upon behalf of the Council through its subsidiaries, the Council considered that it should increase the level of independent oversight of the companies. The Council at its meeting on 30 July 2020 resolved that

- (i) the number of Independent Directors on Council subsidiaries be increased to two;
- (ii) the normal term of office of an Independent Director be three years with a maximum of two terms to be served;
- (iii) the normal maximum term of office of an Independent Director be eight years;
- (iv) the current Independent Directors be retired on a rolling basis, one each year from 2022, so that experience is retained alongside the appointment of new Directors and all current Directors retire by 2024;
- (v) a Panel of Members be appointed to oversee the recruitment process and recommend appointments to the Council; and
- (vi) the Member Panel should seek to recruit Board members who are connected to and representative of the Woking population, particularly in relation to gender and ethnic background.

1.2 This report sets out the proposed recruitment process for approval.

2.0 Requirements of Independent Directors

2.1 To support the various company activities it is considered that a range of skills is required; these will vary by each company as outlined below

Thameswey Group

2.2 For the Thameswey Group, over time, it is suggested to secure seven Independent Directors to provide a wide range of skills. Currently there are three Independent Directors. The proposal is therefore to seek up to four Independent Directors during this round of recruitment.

2.3 Having consulted Thameswey the range of skills that would help its governance arrangements are:

Director	Skills
1	Experience of working within, or ideally running, a Small/Medium Enterprise (SME) and evidence of managing the diversity of an organisation of similar scale, staff capacity and flexibility. Demonstration of the ability to multi-task and adapt to delivering across multitude areas of operation including promotion, sales and marketing.
2	Experience in corporate finance, economic modelling and the treasury aspects of a company. Demonstration of experience in long-term financing and economic models either from a banking or fund background, an education background (theoretical modelling) or corporate finance.

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- 3 Experience in the residential development field with a major house builder/developer Demonstration of experience in the commercial elements of residential development, particularly site assembly and appraisal from a land director of a major house builder or an RICS background.
- 4 Experience in the Utility Sector from a regulatory or compliance background. Demonstration of experience with sustainable and/or renewable energy operations.

2.4 Thamesway's existing Independent Directors will start to step down from 2022 and an annual recruitment process will be required over 2022 to 2025.

Brookwood Cemetery Group

- 2.5 For the Brookwood Cemetery Group it is considered that two Independent Directors would provide the necessary range of skills. There is currently one Independent Director. However given the demands on the Independent Director's time it is proposed to recruit two new Independent Directors at this stage rather than wait another year. There may be a period of overlap to ensure continuity.
- 2.6 Consideration has been given to whether or not the Group needed any skills related to burials but it was concluded that these skills existed within its management arrangements. The skills that were needed, given the significance of the Brookwood Cemetery site in terms of heritage and landscape, were more related to those areas. Therefore having consulted Brookwood Cemetery Directors the range of skills that would help its governance arrangements are:

Director

Skills

- 1 Experience of working within a heritage organisation. Demonstration of experience in delivering heritage projects or activities.
- 2 Experience landscape management. Demonstration of experience in significant landscape and bio-diversity activities in environmentally sensitive areas.

- 2.7 In addition to the specific skills outlined above there will be a requirement for demonstration of general skills of communication, team working, as well as educational standing so as to ensure that each Independent Director understand his or her statutory obligations.
- 2.8 Whilst the skills and experience of candidates will be the key determinant preference will be given to those that have a local connection, either through living or working in the Borough or its neighbouring areas. The appointment process will seek to secure candidates that reflect the diversity of the Borough with applications encouraged from women and ethnic minorities.
- 2.9 Applicants will not qualify for the role of Independent Directors if they are politically active, either Party Political or in an active Protest Group or are conflicted by the nature of their employment or other activity.

3.0 Recruitment Panel

- 3.1 It is proposed that a Panel comprising the Leaders Group and two of the existing Thamesway Independent Directors be established. This Panel will receive all the applications and be requested to short list those for interview.

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- 3.2 It is also proposed for short listed applicants to have two informal sessions, the first with Member Directors of the companies and the second with the Council's Corporate Management Group. The views from the informal sessions will be provided to the formal Interview Panel.
- 3.3 Formal Interviews will be undertaken by the Panel and recommendations made to Council. In the event that the Panel is unable to secure suitable candidates and/or an insufficient number, for recommendation as Independent Directors those that are suitable will be recommended, if any, and the process will be re-run in the summer of 2021 to secure people for the remaining vacancies.
- 3.4 The recruitment process will be supported by the Chief Executive and Officers from Human Resources and Member Services.

4.0 Timetable

- 4.1 Subject to approval by the Executive it is proposed to advertise the opportunities in week commencing 1 February 2021. Applications will close on 28 February 2021. Shortlisting will be scheduled in week commencing 1 March 2021 with informal interviews in week commencing 8 March 2021 and formal interviews in week commencing 15 March 2021.
- 4.2 Recommendations to Council will be shared in private with Members prior to publication for the Council meeting on 8 April 2021 at which the appointments will be made.

5.0 Implications

Financial

- 5.1 The cost of undertaking the recruitment can be managed within existing resources.
- 5.2 The respective company to which they are appointed will meet the cost of employing the Independent Directors.

Human Resource/Training and Development

- 5.3 There are no additional human resource issues for the Council.

Community Safety

- 5.4 There are no community safety issues raised by this report.

Risk Management

- 5.5 There is a risk that the recruitment process will not secure all six Independent Directors and that the process will need to be re-run in the summer.

Sustainability

- 5.6 There are no new sustainability issues raised by this report. The recruitment of new Independent Directors for Group Companies will support the sustainability of the activities undertaken by them.

Equalities

- 5.7 In recruiting the Independent Directors the process will seek to secure candidates representative of the Woking community.

Safeguarding

5.8 There are no safeguarding issues raised by this report.

6.0 Consultations

6.1 There have been no formal consultations, beyond the Group Companies, in the preparation of this report.

REPORT ENDS