

East Herts Council Non-Key Decision Report

Date: 27 September 2022
Report by: Cllr Linda Haysey, Leader
Report title: Appointment of a Director to Millstream Property Investment Limited
Ward(s) affected: All

Summary

This report concerns the non-key decision by the Leader of the Council on the appointment of Chris Smith, Business Engagement Manager, as a Core Director of the council's wholly owned property company, Millstream Property Investments Ltd, following the resignation as a director of Jess Khanom-Metaman, Head of Operations. Chris Smith's appointment is being made based on his broad range of business and commercial experience.

RECOMMENDATIONS FOR DECISION:

- (a) **That Chris Smith, Business Engagement Manager, be appointed as a Core Director of Millstream Property Investments Ltd.**

1.0 Proposal(s)

- 1.1 Chris Smith be appointed as one of Millstream's three Core Directors based on his broad range of business and commercial experience.

2.0 Background

- 2.1 At its meeting of 5th September 2017, the Executive approved the establishment of a property investment company,

subsequently registered as Millstream Property Investments Limited.

- 2.2 At the same meeting, the Executive approved a structure for company's Board of Directors which consists of three Core Directors who shall be officers of East Herts Council. The authority to nominate officers to these roles was delegated by the Executive to the Leader of the Council acting in consultation with the Chief Executive. Three appointments were subsequently made.
- 2.3 On the 18th January 2022, Jess Khanom-Metaman tendered her resignation as a director of Millstream. This was accepted by Millstream's Board and the council's Shareholder Representative.
- 2.4 The remaining two directors, Jonathan Geall and Helen Standen, have confirmed to the Shareholder Representative that in order to manage the company's workload and maintain good governance of the company, a board of at least three directors, as originally approved by the Executive, is still required.
- 2.5 Thus, the council has identified Chris Smith, the council's Business Engagement Manager, as a replacement director. Chris Smith's skills and competencies relate to engagement with private businesses and the commercial market, as exemplified by his role in the establishment and promotion of the council's Launchpad facility.
- 2.6 There is no additional remuneration whatsoever on top of a council officer's existing salary attached to the role of director of Millstream Property Investments Ltd.

3.0 Reason(s)

- 3.1 A vacancy has arisen on Millstream's Board of Directors owing to the resignation as a director of Jess Khanom-Metaman.
- 3.2 The council has identified Chris Smith, Business Engagement Manager, as a suitable replacement director given his skills and competencies relating to engagement with private businesses and the commercial market.

4.0 Options

- 4.1 Not replace the third director – NOT RECOMMENDED. At its meeting of 5th September 2017, the Executive approved a governance structure for Millstream which recognised the benefits of three Core Directors who were all to be officers of East Herts Council. Both the company and the council agree that the benefit of, and need for, three directors remains.
- 4.2 Identify another officer for the role – NOT RECOMMENDED. It is considered that Chris Smith will provide the necessary skills and background to complement the two existing company directors, Jonathan Geall and Helen Standen.
- 4.3 Appoint Chris Smith as a director of Millstream – RECOMMENDED for the reasons outlined in this report.

5.0 Risks

- 5.1 Millstream is an established private company, wholly owned by the council, with an annual turnaround of around £2.5m. As such, it requires skilled oversight to ensure financial probity; there could be a risk to good governance associated with providing Millstream with

just two council officers to the Board of Directors. The proposal that Chris Smith is nominated as a director reduces this risk.

6.0 Implications/Consultations

6.1 As noted below.

Community Safety

None arising from this report.

Data Protection

None arising from this report.

Equalities

None arising from this report.

Environmental Sustainability

None arising from this report.

Financial

There are no financial implications as there is no additional remuneration whatsoever on top of a council officer's existing salary attached to the role of director of Millstream Property Investments Ltd.

Health and Safety

None arising from this report.

Human Resources

None arising from this report.

Human Rights

None arising from this report.

Legal

Millstream will record Chris Smith's appointment with Companies House.

Specific Wards

No.

7.0 Background papers, appendices and other relevant material

7.1 None

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