

Thurrock - An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future

General Services Committee

The meeting will be held at **6.00 pm** on **5 July 2021**

Council Chamber, Civic Offices, New Road, Grays, Essex RM17 6SL

There is very limited space for press and public to physically attend this meeting due to social distancing requirements. We advise anyone wishing to physically attend to book a seat in advance via direct-democracy@thurrock.gov.uk to ensure a place.

Arrangements have been made for the press and public to watch the meeting live via the Council's online webcast channel: www.thurrock.gov.uk/webcast

Membership:

Councillors Rob Gledhill (Chair), John Kent (Vice-Chair), Mark Coxshall, Shane Hebb, Victoria Holloway, Barry Johnson, and Fraser Massey

Substitutes:

Councillors Jack Duffin, Deborah Huelin, Andrew Jefferies, Luke Spillman and Lynn Worrall

Agenda

Open to Public and Press

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1. Apologies for Absence	
2. Minutes	5 - 8
To approve as a correct record the minutes of General Services Committee meeting held on 15 June 2021.	
3. Items of Urgent Business	
To receive additional items that the Chair is of the opinion should be considered as a matter of urgency, in accordance with Section 100B (4) (b) of the Local Government Act 1972.	

4. Declarations of Interests

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Queries regarding this Agenda or notification of apologies:

Please contact Matthew Boulter, Democratic & Governance Services Manager and Deputy Monitoring Officer by sending an email to Direct.Democracy@thurrock.gov.uk

Agenda published on: **25 June 2021**

Information for members of the public and councillors

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DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF

Breaching those parts identified as a pecuniary interest is potentially a criminal offence

Helpful Reminders for Members

- *Is your register of interests up to date?*
- *In particular have you declared to the Monitoring Officer all disclosable pecuniary interests?*
- *Have you checked the register to ensure that they have been recorded correctly?*

When should you declare an interest at a meeting?

- **What matters are being discussed at the meeting?** (including Council, Cabinet, Committees, Subs, Joint Committees and Joint Subs); or
- If you are a Cabinet Member making decisions other than in Cabinet **what matter is before you for single member decision?**



Does the business to be transacted at the meeting

- relate to; or
- likely to affect

any of your registered interests and in particular any of your Disclosable Pecuniary Interests?

Disclosable Pecuniary Interests shall include your interests or those of:

- your spouse or civil partner's
- a person you are living with as husband/ wife
- a person you are living with as if you were civil partners

where you are aware that this other person has the interest.

A detailed description of a disclosable pecuniary interest is included in the Members Code of Conduct at Chapter 7 of the Constitution. **Please seek advice from the Monitoring Officer about disclosable pecuniary interests.**

What is a Non-Pecuniary interest? – this is an interest which is not pecuniary (as defined) but is nonetheless so significant that a member of the public with knowledge of the relevant facts, would reasonably regard to be so significant that it would materially impact upon your judgement of the public interest.

Pecuniary

If the interest is not already in the register you must (unless the interest has been agreed by the Monitoring Officer to be sensitive) disclose the existence and nature of the interest to the meeting

If the Interest is not entered in the register and is not the subject of a pending notification you must within 28 days notify the Monitoring Officer of the interest for inclusion in the register

Unless you have received dispensation upon previous application from the Monitoring Officer, you must:

- **Not participate or participate further in any discussion of the matter at a meeting;**
- **Not participate in any vote or further vote taken at the meeting; and**
- **leave the room while the item is being considered/voted upon**

If you are a Cabinet Member you may make arrangements for the matter to be dealt with by a third person but take no further steps

Non- pecuniary

Declare the nature and extent of your interest including enough detail to allow a member of the public to understand its nature



You may participate and vote in the usual way but you should seek advice on Predetermination and Bias from the Monitoring Officer.

Our Vision and Priorities for Thurrock

An ambitious and collaborative community which is proud of its heritage and excited by its diverse opportunities and future.

1. **People** – a borough where people of all ages are proud to work and play, live and stay
 - High quality, consistent and accessible public services which are right first time
 - Build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
 - Communities are empowered to make choices and be safer and stronger together
2. **Place** – a heritage-rich borough which is ambitious for its future
 - Roads, houses and public spaces that connect people and places
 - Clean environments that everyone has reason to take pride in
 - Fewer public buildings with better services
3. **Prosperity** – a borough which enables everyone to achieve their aspirations
 - Attractive opportunities for businesses and investors to enhance the local economy
 - Vocational and academic education, skills and job opportunities for all
 - Commercial, entrepreneurial and connected public services

Minutes of the Meeting of the General Services Committee held on 15 June 2021 at 7.00 pm

Present: Councillors Robert Gledhill (Chair), John Kent (Vice-Chair), Mark Coxshall, Shane Hebb, Fraser Massey, Victoria Holloway and Barry Johnson

In attendance: Ian Hunt, Assistant Director Law and Governance and Monitoring Officer
Matthew Boulter, Democratic Services Manager

1. Minutes

The minutes of the General Services Committee held on 3 March 2021 were approved as a correct record.

2. Items of Urgent Business

There were no items of urgent business.

3. Declarations of Interests

There were no declarations of interest.

4. Response to Motion at Council 27 January 2021 - Request for Committee

Officers introduced the report and highlighted that although all topics included in the terms of reference were covered elsewhere across multiple committees they were not collected into one single committee. The report provided a terms of reference for the new committee should it be agreed.

Cllr Kent noted that 'counter extremism' was not expressly worded in the terms of reference and this was a key element to the Prevent agenda and there was a danger this proposed new committee would not focus on the exact priorities of Prevent. Cllr Coxshall recognised this absence and suggested that the term 'Prevent' was expanded in 1.1a) in the terms of reference.

Cllr Gledhill felt that serious criminal gangs were a key element to the issues contained in the terms of reference, such as unaccompanied asylum seekers. He therefore suggested the addition of 'tackling criminal gang associations' as a new 1.1d) and also in 2.3.

Cllr Kent felt this was deviating from the key request of the Council motion, which was to set up a committee to focus on the objectives and strategy of the Prevent agenda, which was based around counter terrorism. Cllr Kent felt that

by spreading the same topics over numerous committees there was a risk of the topic itself being lost and not properly covered at all. Cllr Johnson felt the more committees looked at an issue the better and Cllr Hebb agreed stating that the new committee would be more pointed in its look at criminal gangs.

Cllr Coxshall recognised Cllr Kent's point and stated that the term 'criminal gang' needed to be defined as those gangs involved in nationally significant crimes and not local gangs committing anti-social behaviour as this would divert the new committee's attention away from its role. He also felt that the Council report could indicate that this committee recommended no further additions to the terms of reference.

Cllr Holloway was concerned that adding unrelated issues to a Prevent committee would go beyond the request of the Council motion and also dilute the primary role of the committee. It was clarified by officers that whatever this committee decided the full council would get the final vote on whether the terms of reference were accepted or not. Cllr Massey expressed his support for allowing Council to decide whether to accept the recommendations of this committee.

Cllr Kent stated he was willing to support the additions as Council was able to form any committee it wished to and to look at any topics it wanted. However, he noted that by deviating from the priorities of the Prevent agenda, the committee's focus on that role would be eroded.

RESOLVED: That:

- 1. The General Services Committee recommends to Council it establishes a Hidden and Extreme Harms Prevention Committee with the following provisions:**
- 2. The Terms of Reference set out in the report be adopted with the following amendments:**
 - The addition of 'counter extremism' in 1.1a) alongside other key terms which are covered by the Prevent agenda.
 - The addition of 'tackling criminal gang associations at 1.1d) and 2.3.
- 3. In accordance with the requirements of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, the allocation of seats to political groups, on the committee, be approved as Conservative 4, Labour 2.**
- 4. The nominations be received at the meeting for the positions of chair and vice chair of the committee and approved.**
- 5. The Prevent and Violent Extremism Members Working Group as referred to in Chapter 12 of the constitution be formally disbanded.**
- 6. Amendments to chapter 1, 5 and 12 of the constitution, as set out in paragraphs 3.7, 3.17 and 3.24 be approved.**

7. The Assistant Director Law and Governance and Monitoring Officer be authorised to make the necessary consequential amendments to the constitution.

5. Constitutional Change - Thurrock Health and Wellbeing Board

Officers explained that amendments to the Health and Wellbeing Board's terms of reference over time had developed restrictions in appointing Members to the Board with out of date titles remaining. The report sought to reinforce the Leader's legal ability to appoint members to this Board rather than be led by portfolio holder titles.

RESOLVED: That:

1. Full Council are recommended to change the constitution of the council to:

- **Permit the Leader of the Council to appoint up to 5 elected Members to the Health and Wellbeing Board.**
- **Permit the Chair of the Board to be appointed by the Council.**

The meeting finished at 7.27 pm

Approved as a true and correct record

CHAIR

DATE

Any queries regarding these Minutes, please contact
Democratic Services at Direct.Democracy@thurrock.gov.uk

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5 July 2021		ITEM: 5
General Services Committee		
Paid Leave for Miscarriage		
Wards and communities affected: All		Key Decision: Non-key
Report of: Mykela Pratt, Strategic Lead HR, Resourcing and Improvement		
Accountable Assistant Director: n/a		
Accountable Director: Jackie Hinchliffe, Director of HR, OD and Transformation		
This report is public.		

Executive Summary

The purpose of the Council's 'Holiday, Time Off and Special Leave Policy' is to support staff with appropriate time off, to achieve an effective work-life balance and to provide support during periods of bereavement.

Currently in place to support staff is 'Special Leave' entitlement which is 1 week in any 12 month period at full pay (pro rata for part time employees) and up to 30 days unpaid leave for staff which can be granted by management on compassionate grounds. Also in place is 'Parental Bereavement Leave' which provides two weeks paid leave for staff who lose a child under the age of 18 including circumstances of stillbirth beyond 24 weeks of pregnancy.

There is currently no specific provision that provides employees with paid leave when they may sadly experience a miscarriage before 24 weeks of pregnancy.

This report sets out the recommended approach to apply a paid leave provision for employees who experience a miscarriage.

1. Recommendation

1.1 General Services Committee support the proposal to provide a paid leave provision for employees who suffer a miscarriage.

2. Introduction and Background

2.1 The purpose of the Council's 'Holiday, Time Off and Special Leave Policy' is to support staff with appropriate time off to achieve an effective work-life balance and to provide support during periods of bereavement.

3. Issues, Options and Analysis of Options

- 3.1 The current provision of paid special leave that is available to staff is 1 weeks paid leave (pro rata for part time employees) in any 12 month period. In addition staff can access up to 30 days off unpaid. This is detailed in section 28 of the policy at Appendix 1.
- 3.2 Within the policy there is a specific provision regarding Parental Bereavement Leave which provides 2 weeks paid leave (pro rata for part time employees) in the event of a death of a child under the age of 18 or for those that experience a stillbirth beyond 24 weeks of pregnancy. This is detailed in section 29 of the policy at Appendix 1.
- 3.3 There is not currently a provision in place for individuals, or the spouse or partner of individuals, who experience a miscarriage before 24 weeks of pregnancy. This means for staff who do experience a miscarriage that subsequently require time to recover or support their spouse / partner they are likely to take time off sick, use annual leave or special leave entitlement or return to work early without having recovered.
- 3.4 Recently the provision of paid leave for individuals who experience a miscarriage has received media attention with a number of organisations putting a supportive provision in place. Comparable examples including London Borough of Barking and Dagenham who have made the provision of up to 5 days paid leave (pro rata for part time employees) for their workforce following a miscarriage. This leave provision is available after each circumstance of a miscarriage.

4. Reasons for Recommendation

- 4.1 By implementing this provision, the Council will be supporting the wellbeing of our staff by allowing them to take appropriate time away from work. The Council will be recognised as a supportive employer and may also result in a reduction in sickness absence taken.
- 4.2 The recommended policy amendment is set out in section 29.7 of Appendix 1.

5. Consultation

- 5.1 The Trade Unions formally recognised by the Council – Unison, Unite and GMB – have been consulted on this proposed change and are supportive of the recommendation made.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The recommendation, if agreed, would require a change to the Holiday, Time Off and Special Leave Policy as shown in appendix 1. Amendments will also be made to other relevant policies where this change needs to be referenced.

7. Implications

7.1 Financial

Implications verified by: **Dammy Adewole**
Senior Management Accountant

Financial implications will be variable depending upon the number of employees who experience a miscarriage and choose to take the provision of paid leave entitlement.

7.2 Legal

Implications verified by: **Paul Field**
Senior Employment Lawyer

It is important to note that while there is no legal requirement to offer paid miscarriage leave per se, any sickness absence by an employee who is experiencing a miscarriage or recovering physically or emotionally from a miscarriage is arguably protected under section 18(2)(b) of Equality Act 2010. This provides that an employer discriminates against a woman if it treats her unfavourably because of a pregnancy or because of illness suffered by her as result of a pregnancy. Accordingly, miscarriage related sick leave should be paid, recorded as sickness absence in the 'pregnancy-related' category and should not count towards sickness absence trigger points or be used for appraisal or attendance management purposes.

7.3 Diversity and Equality

Implications verified by: **Becky Lee**
Team Manager - Community Development and Equalities

In supporting the recommendation the Council would be ensuring the Holiday, Time Off and Special Leave policy enhances the support on offer to employees who experience a miscarriage. In providing this, the Council will be displaying a commitment to best practice in terms of supporting their workforce.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

The proposed recommendation would be an enhanced benefit to staff employed at the Council.

8. Appendices to the report

- Appendix 1 – Holiday, Time Off and Special Leave Policy

Report Author:

Mykela Pratt

Strategic Lead HR, Resourcing and Improvement

HR, OD and Transformation

Holiday, Time Off and Special Leave Policy

Version Control

Version Control	
Author:	Strategic Lead HR & Resourcing
Owner:	Director of HR, OD & Transformation
Date Drafted:	20 February 2012
Approved By:	
Date Approved:	7 April 2015
Version:	1.9
Next Formal Review Date:	Subject to legislative changes

Amendment Record

Version No.	Date	Summary
1.2	14 March 2014	Paragraph 23.1 to include time off for all election activities – V- 1.2
1.3	7 April 2015	8.1 amended to include Shared Parental Leave
1.4	22 Feb 2018	Paragraph 23.2 to include reference and link to election duties and rest breaks Additional paragraph added (8.5) regarding pay during annual leave in line with Holiday Pay Adjustment Collective Agreement.
1.5	March 2019	Updated to reflect changes resulting from the implementation of Oracle Cloud. Subsumed Buying Annual Leave policy within this policy.
1.6	February 2020	Inclusion of Diabetes under section 14.1 for medical screening and clarification included in Section 34 regarding Oracle Cloud and bank holidays.
1.7	April 2020	Inclusion of Parental Bereavement Leave
1.8	January 2021	Inclusion of Jury Service Guidance
1.9	June 2021	Inclusion of Special Leave provision following a miscarriage

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1 Policy Statement

- 1.1 Holiday and time off provisions are in accordance with Thurrock Council's terms and conditions. These conditions may be amended and/or supplemented from time to time in accordance with the provisions set out in contracts of employment.
- 1.2 Any time off work must be applied for and granted by an employee's manager or their nominated deputy.
- 1.3 The Council expects all employees to be committed to the delivery of high quality services. Nothing in this policy should compromise this commitment, and service delivery will always take priority over time off, if a choice has to be made between the two.

2 Scope

- 2.1 All employees of Thurrock Council including schools based employees where the school has adopted these provisions, unless an individual's contract renders a particular type of leave inapplicable or unfeasible, for example, employees on term-time only contracts have fixed annual leave dates and are ineligible to take annual leave during term-time.

3 Aims & objectives

- 3.1 Thurrock Council aims to ensure:
 - employees are encouraged to achieve a work-life balance;
 - employees are aware of the types of leave they can take and the circumstances in which they can take them;
 - managers and employees are fully aware of the process for requesting and the considerations that managers may make, in deciding whether to grant those requests.

4 General rules for applying for and granting leave

- 4.1 Wherever possible the timing of leave shall be fixed by mutual agreement between employee and manager. All types and all periods of leave taken must be recorded using the Councils HR System. Where discretionary leave granted is without pay, the payroll service must be informed.
- 4.2 The Council reserves the right to refuse an application for leave if it is necessary to maintain appropriate levels of service. Such a decision should be reasonable in the circumstances. If a reasonable request, submitted with reasonable notice, conflicts with the essential requirements of the Council or is otherwise likely to be rejected, the manager should consult with Human Resources to ensure corporate consistency before a decision is made.
- 4.3 Managers will give priority consideration to requests for leave which relate to time off being sought in relation to religious activities.

- 4.4 All holiday and time off should be recorded in line with this policy using the Council's HR System. The leave balance will be made up of all leave elements including where applicable; annual leave allocation, carry forward leave and purchased leave.
- 4.5 Once approved an employee will not be asked to change or cancel leave unless there is an exceptional service need in which case the change must be mutually agreed.

5 Public holidays

- 5.1 Employees are entitled to paid time off for all bank holidays each year. Those working part-time will receive paid time off on a pro-rata basis.
- 5.2 Employees working in services which operate on public holidays are entitled to compensatory days off at other times.

6 Christmas leave

- 6.1 For employees working in services which are not required to be operational every day, workplaces will close over the Christmas period, as follows:

When Christmas day falls on:	The service will close on:
Sunday, Monday or Tuesday	Monday, Tuesday and Wednesday
Wednesday or Thursday	Wednesday, Thursday and Friday
Friday	Thursday, Friday and Monday
Saturday	Friday, Monday and Tuesday

- 6.2 Employees working in services which are required to be operational every day will be entitled to days off in lieu at other times if they work over the Christmas period.

7 Extra statutory day at Christmas

- 7.1 In addition to their basic holiday entitlement, employees are entitled to one paid extra statutory day of leave. This will be taken on a day determined by the Council over the Christmas break. For employees falling into category 6.1 above, the extra statutory day will be on one of the three days when the service will close.

8 Annual holiday

- 8.1 The holiday year runs from 1st April to 31st March. The annual holiday entitlement of employees of Thurrock Council is outlined in Appendix 1. Annual leave entitlement is calculated on a pro-rata basis.
- 8.2 There is no accrual of annual leave during periods of zero pay, for example absence without permission or sabbatical leave, with the exceptions of unpaid maternity, adoption, shared parental and sick leave.
- 8.3 Up to five days' holiday may normally be carried forward into the next leave year. This will be pro-rata for part time employees. In exceptional circumstances, the Assistant Director or nominated deputy may agree to more than five days being carried forward.

9 Additional holiday for length of service

- 9.1 When employees have completed 5 years continuous service, their holiday entitlement will increase to 30 days in the holiday year in which their anniversary falls (details of additional holiday for long service can be found in Appendix 1).
- 9.2 Service from other Local Government employers or Associated Employers under the **Redundancy Payments (Continuity of Employment in Local Government, etc) (Modification) Order 1999** where continuity of service has been identified will be recognised for the purposes of calculating leave entitlement including for additional holiday purposes per 9.1 above.
- 9.3 The list of employers who have eligibility within the order are available at: <http://www.legislation.gov.uk/ukSI/1999/2277/contents/made>

10 Buying Annual Leave

- 10.1 Employees are given the opportunity to “buy” additional annual leave in each leave year (pro rata for part-time staff)
- 10.2 The employee can choose to spread the salary deductions over the leave year in equal installments (maximum of 10) or make a one off payment in full. Payments must be made before the end of the leave year (31 March) in which the leave is purchased.
- 10.3 Approval of any request to buy additional annual leave will always be subject to the operational requirements of the service, which must remain a priority.
- 10.4 Requests to buy annual leave can be made between 31 January and 30 November i.e. at least two months in advance.
- 10.5 Employees can request to buy annual leave using the Oracle online process.
- 10.6 Managers will consider the request within 5 working days taking into account the effect of granting the request on service delivery.
- 10.7 If approved, the employees annual leave balance will be amended to include the purchased annual leave.
- 10.8 Human Resources will inform the employee in writing, how much these deductions will be and over what period it will be repaid. The employee will be required to confirm their acceptance. Once an application has been approved it is a binding agreement and cannot be altered.
- 10.9 If the application is refused, reasons will be given in writing and communicated to the employee by the manager.
- 10.10 Employees who are not satisfied with their manager’s response may appeal to their manager’s manager within 5 working days of receiving the response, giving written reasons for their appeal.

10.11 Employees will receive a written response to their appeal within 5 working days. The outcome of the appeal will be final.

10.12 The calculation for full-time employees working a standard working pattern, i.e. 37 hours over 5 days, will be arrived at by:

- dividing the employee's basic annual salary (excluding non-contractual overtime) by 52.1428 to determine their basic weekly pay;
- dividing this figure by 5 to reach their daily pay;
- multiplying this figure by the number of annual leave days the employee wishes to buy;
- dividing this figure by 10 to arrive at the amount that will be deducted from the employee's monthly salary;
- subtracting that figure from the employee's monthly salary.

10.13 The calculation for part-time employees will be arrived at by:

- dividing the employee's basic annual salary (excluding non-contractual overtime) by 52.1428 to determine their basic weekly pay;
- dividing this figure by part-time hours to reach their hourly pay
- multiplying this figure by the number of annual leave hours the employee wishes to buy
- dividing this figure by 10 to arrive at the amount that will be deducted from the employee's monthly salary
- subtracting that figure from the employee's monthly salary.

10.14 Pension contributions will be made prior to any deduction from salary and are therefore unaffected.

10.15 Employees who purchase leave and then go on maternity leave should be aware that at the commencement of their maternity leave, their average earnings will be calculated on their pay after the deduction for bought annual leave, and not their whole pay. If employees wish to withdraw for this reason, they should do so 3 months before their qualifying week (see Working Families Policy – Maternity), and contact the Payroll Team to assess their individual circumstances and options are available.

10.16 Employees who purchase leave but subsequently enter long term sickness should contact Human Resources to discuss options.

10.17 Employees who buy additional annual leave and subsequently leave the council, will be required to repay from their final salary the value of any additional leave taken if they leave prior to full repayment.

11 Falling ill when on annual leave

11.1 Contractual annual leave will continue to accrue during periods of sickness absence.

11.2 Employees who are prevented from taking at least 4 weeks' paid leave (20 days for FTE employees working a 5 day week inclusive of bank holidays) within a leave year,

due to sickness absence, have a statutory right to carry forward the difference into the next leave year.

- 11.3 If an employee reports sick prior to a period of annual leave, an application may be made to the manager to cancel the holiday request and the manager will grant the request. The employee will be required to provide the appropriate sickness certification in line with the Council's [Managing Sickness Absence Policy](#).
- 11.4 If an employee becomes sick during a period of booked annual leave (i.e. at a time when they would otherwise have been due to attend their workplace), this will be recorded as sickness absence (and annual leave re-credited) if the individual reports their sickness in the usual way and provides satisfactory evidence of their incapacity (e.g. a fit note or doctors statement or medical certificate from a UK or overseas doctor). The [Managing Sickness Absence Policy](#) contains more information on this process.
- 11.5 Any claims for reinstatement of leave owing to illness must be made as soon as practicable and not later than the return to work interview under the Managing Sickness Absence Policy. This will enable the manager and employee to discuss the alternative arrangements for the reimbursed annual leave to be taken within the same annual leave year, where it is possible to do so. Where sick leave is claimed during holidays, this will count towards the calculation of triggers under the Managing Sickness Absence Policy.
- 11.6 Time off in lieu will be treated the same as annual leave for this purpose.

12 Doctor, Dentist, Hospital and Therapy appointments

- 12.1 Whenever possible, health appointments should be arranged outside normal working hours. If this is not possible, flexi-leave (where applicable), or annual leave should be taken.
- 12.2 If the appointment is at management's request, or arises from an industrial injury or from a disability as defined by the Equality Act 2010, paid time off within working hours will normally be granted if it is not possible for alternative arrangements to be made.

13 Blood, platelet and bone marrow donors

- 13.1 Reasonable time off with pay will be granted for blood donors to attend local blood donation centres, and for platelet and bone marrow donors.

14 Medical Screening

- 14.1 Paid time off shall be granted, by agreement with the employee's manager, for the purpose of being screened for:
- Cancer;
 - Cholesterol;
 - Diabetes;
 - Hearing;

- Osteoporosis;
- Glaucoma;
- Eye sight.

15 Leave provisions for non-essential medical treatment

15.1 Non-essential, and/or elective medical treatment, including cosmetic surgery, should be taken as annual leave. In some circumstances, at the discretion of the Assistant Director, it may be taken as special or flexi leave if supported by a medical certificate.

16 Leave for parents and parents-to-be

16.1 Please refer to the [Working Families Policy and Procedure](#) for detailed guidance.

17 Time off for dependants

17.1 All employees are entitled to apply for a short amount of unpaid time off to make arrangements to deal with **unforeseen emergency situations** involving a dependant. A dependant is defined as a spouse, next of kin, child or parent, or a person living with the employee (but not as an employee, tenant, lodger or boarder). In some circumstances, a dependant could be someone else who relies on the employee for assistance.

17.2 Dependency leave may be granted if, for example:

- a dependent falls ill, is injured or assaulted, or gives birth;
- childcare or other care arrangements break down;
- a child is involved in a serious incident at school.

17.3 The amount of time off should be reasonable in the circumstances and sufficient for the employee to deal with the immediate problem and make alternative, longer-term arrangements, if necessary. There is no set limit on the amount of time which employees can take off, but in most cases, whatever the problem, a few hours or one or two days will be the most that is needed.

17.4 As soon as is reasonably practicable, the employee should notify their manager of the reason why they are required to be absent and, unless they are already back at work, its likely duration.

18 Examination and study leave

18.1 Paid leave will be granted for employees to sit examinations which are part of courses relevant to their work and/or sponsored by the Council.

18.2 In addition, discretionary leave may be granted by an employee's manager, if service demands allow, in order to revise for approved examinations.

18.3 If a course is not sponsored by the Council, leave with or without pay may be granted for exams and/or revision. This will be determined at the Assistant Director or Service Manager's discretion.

19 Holiday entitlement on termination of employment

- 19.1 Employees who resign and plan to leave local government service should make every effort to take the annual leave they have accrued. If this is not possible due to service commitments, they may be paid in lieu of it for outstanding annual leave on a pro-rata basis.
- 19.2 They will receive any outstanding holiday, earned but not taken in the form of accrued holiday pay. Such payments are subject to tax and national insurance deductions. Employees who leave local government service will have any money deducted from final pay monies owed in respect of holiday taken but not yet accrued (rounded up to the nearest ½ day).

20 Moving to another Council

- 20.1 Employees who leave Thurrock's employment to work for another council or associated employers, or vice versa, can take with them any additional holiday entitlement accrued through long service.

21 Compulsory transfer

- 21.1 Employees who are compulsorily transferred to another organisation under TUPE regulations and then voluntarily return to Thurrock Council shall, for the purposes of additional annual holiday, be entitled to have continuous service, accrued immediately before the transfer, recognised.

22 Transfer of holiday for Employees previously working in Local Government

- 22.1 The Council will not accept accrued holiday days from other authorities or associated employers.

23 Jury service

- 23.1 Employees receiving a summons to serve on a jury must report the fact to Human Resources and their manager, who shall grant leave of absence unless exemption is secured. Employees serving as jurors shall claim the allowance for loss of earnings to which they are entitled under the Jurors' Allowance Regulations. The Council will then deduct from the employee's net pay an amount equal to the allowance received. Further guidance on jury service can be found [here](#).

24 Election duties

- 24.1 Paid leave may be granted to employees taking part in duties/activities related to European, Parliamentary, or Council Elections within the Borough.
- 24.2 Guidance for rest break requirements is contained in Appendix 1 of Working Hours & Rest Breaks Policy [Working Hours & Rest Breaks Policy](#)

25 Parliamentary candidates

- 25.1 Employees who are adopted as candidates at a parliamentary election may be granted up to four weeks' special leave without pay to enable them to pursue their

candidature. No Council facilities will be accorded to any such employees during the special leave period.

- 25.2 An employee who is elected to parliament would have to resign from the Council. In this event, the resignation must be unconditional and the employee, if seeking re-employment on ceasing to be a member of parliament, would have no claim to reinstatement either in the vacated post or in any other post in the Council's service.

26 Public duties

- 26.1 The amount of time off which an employee may be permitted to take under this section are those that are reasonable in all the circumstances having regard, in particular to how much time off is required, how much time off the employee has already been permitted to take, and the circumstances of the employer's business.

- 26.2 Employees should provide written notification to their Manager and Human Resources of the public duties and any time off that may be requested. Any pay received during the course of carrying out public duties should be refunded to the Council.

- 26.3 Types of Public Duties, which may be authorised by the Council:

- Justices of the Peace
- Members of a Local Authority
- Territorial Army
- Governors of schools or other educational establishments
- Any other public duties authorised by the employee's director.

- 26.4 The Chief Executives, Directors and Heads of Service who receive pay for public duties will refund this to the Council.

- 26.5 Employees are advised to discuss any public appointment with their manager before accepting and to seek advice from Human Resources.

- 26.6 When a public duty is first undertaken it must be recorded on the Council's Register of Interests at the earliest opportunity.

27 Census enumerators

- 27.1 One day's special leave with pay will be granted to employees released for work as enumerators on the national census, at the discretion of the Chief Executive.

28 Special leave

- 28.1 Line Managers are authorised to grant, in any one leave year, up to five days paid leave (pro rata for part time employees) and 30 days unpaid leave of absence on compassionate or other grounds.

- 28.2 Requests for special leave will be considered according to individual circumstances and, where appropriate, take account of any outstanding annual leave.

29 Parental Bereavement Leave Entitlement

29.1 Employed parents and adults with parental responsibility who have suffered the loss of a child under the age of 18, Adults with 'parental responsibility' including adaptors, foster parents and guardians will be entitled to parental bereavement leave.

29.2 The new entitlement will also apply to parents who suffer a stillbirth after 24 weeks of pregnancy. In this instance, female employees will still be entitled to up to 52 weeks of maternity leave and/or pay, as will a mother who loses a child after it is born.

29.3 Under the legislation, parents and primary carers must have been employed for a continuous period of at least 26 weeks before the child's death to be eligible for paid parental bereavement leave. All employees have a 'day one' right to unpaid bereavement leave.

29.4 For Thurrock Council employees, parental bereavement leave will be paid at full pay from day 1 and therefore the 26 weeks eligibility requirement does not apply.

29.5 Parental bereavement leave is for two weeks and can be taken as:

- A single block of two weeks
- Two separate blocks of one week at different times
- It cannot be taken as individual days. It must be taken within 56 weeks of the date of the child's death.

29.6 Notice requirements:

- Notice requirements for taking the leave will be flexible, so it can be taken at short notice;
- Within the first 56 days of a child's death, a bereaved parent can take the leave straightaway and will only be required to give informal notification such as a telephone call to their line manager
- For any requests more than 56 days after the child's death, a minimum of one weeks' notice of their intention to take parental bereavement leave is required
- If an employee loses more than one child, they will be entitled to take a separate period of leave for each child.

29.7 Special leave following a miscarriage:

- If an employee suffers a miscarriage before 24 weeks of pregnancy, up to 5 days paid leave (pro-rata for part time employees) can be claimed as special leave (miscarriage).
- If an employee is the spouse or partner of someone who has suffered a miscarriage, up to 5 days paid leave (pro-rata for part-timers) can be claimed as special leave (miscarriage).
- In the case of a miscarriage, the leave can be taken straightaway and the employee will only be required to provide notification to their line manager who must record the absence on Oracle Cloud as 'special leave – paid'
- If an employee suffers more than one miscarriage, they will be entitled to take a separate period of leave for each.

- For Thurrock Council employees, entitlement to the above will be paid at full pay from day 1 and a proceeding period of service eligibility requirement does not apply.
- Supporting medical documentation should be provided at the appropriate stage.

30 Pre-retirement leave

- 30.1 Staff approaching retirement will be entitled in their final year to take an additional five days' paid leave en-block, and up to five further days set aside for attendance at a pre-retirement course organised or authorised by the Council.
- 30.2 The above entitlements are in addition to annual leave entitlement and cannot be paid in lieu of taking the time off.

31 Service in non-regular forces

- 31.1 Two weeks leave of absence with pay may be granted to an employee for attendance at summer camp, at the discretion of an employee's Director. An authorised leave of absence form should be sent to Human Resources.

32 Attendance at recruitment interviews

- 32.1 At the discretion of the Assistant Director or Service Manager, an employee may be entitled to time off with pay to attend interviews at Thurrock Council or its partners organisations. Annual leave, flexi-leave or unpaid leave must be taken for all other interviews.
- 32.2 Employees who are at risk of redundancy or who have received notice of redundancy will be entitled to reasonable paid time off to attend interviews with any employer.

33 Severe weather conditions

- 33.1 When there are severe weather conditions employees are expected to make every reasonable effort to get to work on time and managers will use their discretion when considering individual cases.
- 33.2 Employees unable to attend owing to severe weather conditions will, in agreement with their manager:
- take annual leave, or
 - take a 'Flexible Working Hours' day/half day off and make up the hours as soon as possible, or
 - take time off in lieu owed, or
 - make time up in the near future, or
 - bring forward annual leave if their current year entitlement has been exhausted.
- 33.3 Any decision to allow employees to leave early as a result of severe weather will be taken by the Chief Executive or their representative. This decision will be taken in the light of the current information on road conditions, rail or traffic conditions.
- 32.4 If you are available to work but the Council is unable to provide you with work, for example due to building closures, you will receive pay as normal.

34 Career breaks

34.1 These are unpaid breaks of between 12 weeks and 2 years with the employee returning to work after the break. See Career Break Scheme for further information.

35 Leave for part-time Employees

35.1 Part-time employees have the same leave entitlements as full-time employees, but on a pro-rata basis. This includes an allowance for public, bank holidays and the Christmas extra statutory holiday (based on an averaged 9 days per year).

35.2 Part-time employees are not expected regularly to undertake work tasks during their non-working time, although occasional flexibility on both sides is often appreciated.

35.3 Holiday entitlement for part-time employees must be calculated in hours, as follows:

- $\text{Hours worked per week} \div 37 \times (\text{annual leave entitlement} + \text{bank holidays/statutory entitlement}) \times 7.4$

35.4 As Oracle Cloud balance includes bank holiday/statutory entitlement, part time employees must deduct the number of hours that they were scheduled to work if a bank/statutory holiday falls on a day within their working pattern. This should be booked in the same manner as an annual leave request. If a bank/statutory holiday falls on a non-working day, no deduction is required.

35.5 Workers on casual contracts accrue leave according to the numbers of hours they work.

36 Flexi leave

36.1 Please refer to Section 11 of the Council's [Flexible Working Policy](#).

37 Overtaken holiday

37.1 For further information on overtaken holiday please refer to Section 9 of the Council's [Termination of Employment Policy](#).

38 Reasonable Adjustments in Accordance with the Equality Act

38.1 Employees who are disabled as defined in the Equality Act 2010 may be granted paid time off as a reasonable adjustment for unforeseen incidents i.e. a guide dog falls ill or adaptations break.

38.2 Paid time off will be granted to employees with disabilities to attend medical appointments, or to have treatment, relating to their disability.

39 Appendix 1 - Holiday Entitlements

	Less than 5 years' Thurrock Council service	5 years' or over Continuous Local Government Service
All Grades	25	30

- The Council will grant a further statutory day at a date to be determined by the Council over the Christmas and New Year period.
- The above does not include Bank Holidays.
- Continuous local government service will be used when calculating holiday entitlements.

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5 July 2021		ITEM: 6
General Services Committee		
Thurrock Regeneration Limited		
Wards and communities affected: All		Key Decision: Key
Report of: Mark Coxshall, Portfolio Holder for Regeneration, Strategic Planning and External Relationships		
Accountable Assistant Director: Colin Black, Assistant Director of Place Delivery		
Accountable Director: Sean Clark, Corporate Director Resources and Place Delivery		
This report is Public		

Executive Summary

Thurrock Regeneration Ltd (TRL) is a wholly owned company of Thurrock Borough Council (TBC). On the 29 March 2017, TRL set up a subsidiary company under the name of Thurrock Regeneration Homes Ltd (TRHL). Within the Council, the General Services Committee (GSC) acts as the shareholder of TRL.

TRL initially had a Board of Directors which was comprised of 3 Council officers and 1 external party (Homes England). All Directors have now resigned from their posts and there is a need to replace the Board to ensure the effective administrative management and to develop and grow the company, in order to contribute to the delivery of quality housing in the borough and to assist in urban regeneration.

A report was discussed at GSC on 19 January 2021, with the following recommendations agreed:

- That the Committee appoints the Director of Place to attend the Shareholders meeting of TRL as the Council's nominated proxy and vote on their behalf;
- Approve the change to the TRL Articles of Association;
- Appoint Roger Harris as a Director to TRL;
- In appointing a single director that such director shall refrain from taking any action other than action required to comply with the Companies Act 2006 for example, filing accounts, until a new company structure and Board is agreed by members and implemented;
- The Committee authorises the Director of Place to write to TRL on behalf of the Shareholder and request that it uses its shareholder powers to ensure that the subsequent bullet points are undertaken for TRHL; and

- The Committee notes a further report on the future governance structure of TRL will be brought back to this Committee at the earliest opportunity.

Roger Harris was duly appointed as a Director of TRL on 26 January 2021.

The Corporate structure of the Council changed on 1 April 2021 with housing delivery and regeneration being moved to the Resources and Place Delivery Directorate. Therefore it is proposed that the Director of Resources and Place Delivery will in future be the Council's nominated proxy and vote on their behalf.

This report discusses the future governance structure of TRL:

1. Recommendations

- 1.1 That the Committee appoints the Corporate Director of Resources and Place Delivery to attend the Shareholders meeting of TRL as the Council's nominated proxy;**
- 1.2 That the Committee directs the Corporate Director of Resources and Place Delivery to vote on behalf of the shareholder:**
 - 1.2.1 To agree the proposed future TRL governance and Board structure in consultation with the Director of TRL;**
 - 1.2.2 To agree that the Director of TRL can implement an agreed structure for the Board and TRL can commence the recruitment process of Directors to its Board;**
 - 1.2.3 To ensure Directors of TRL can undertake their statutory responsibilities to make decisions in the best interests of the company; and**
 - 1.2.4 To implement a revised Scheme of Delegation to provide certainty of governance and decision making for the company and the shareholders.**

2. Introduction and Background

- 2.1** TRL was incorporated as a Limited Company on 23 October 2013, and formally agreed by Cabinet on 13 November 2013. It is 100% owned by the Council.
- 2.2** The company had a Board of Directors which was comprised of 3 Council officers and 1 external party (from Homes England). All Directors have resigned from the Board, principally due a conflict of interests with their own Council roles. Officers have a duty to act in accordance with the Constitution and the employee Code of Conduct. As Directors, they also have a legal duty under the Companies Act 2006 to act in the best interests of the Company. There is a significant risk of a conflict between the two which often cannot be reconciled. This report discusses a business operating model for Company governance and taking the Company forward.

2.3 TRL Board, Other Housing Company Boards, Aligning Interests

- 2.3.1 The current articles of association for the company provide a structure of a maximum of five directors, a company secretary and various consultants (e.g. legal and finance). The deciding vote rests with the Chairperson of the Board.
- 2.3.2 A study of different local authority housing delivery vehicles and their governance has been researched. The study revealed that the delivery vehicles varied in form, structure and composition. However, what was noted was the need for these companies to be independent and agile in their ability to respond to market forces and make decisions. In addition, the study noted the need to ensure the respective Boards were resourced with the necessary skills and experience to scrutinise recommendations and make qualified decisions.
- 2.3.3 The Board should regularly undertake a skills audit to ensure that it has an appropriate balance of skills and experience appropriate for the type of company they are running. This is likely to include people that collectively have commercial, financial, business development, legal and HR experience. Those skills may either be demonstrated by people nominated by the local authority or by the company employing non-executive directors.
- 2.3.4 It is evident that the TRL Board would need to evolve as its development programme and profile grows e.g. the employment (full/part time) of a Managing Director.
- 2.3.5. At present, TRL is a wholly owned company with a subsidiary (TRHL) – TRL's optimal position would be to develop and sell the assets, however it is flexible in bringing new development and a diversity of tenure to the market as long as it is financially viable and supports the company's business plan.

3. Issues, Options and Analysis of Options

3.1 TRL Governance Principles

- 3.1.1 Corporate governance is one of the most important aspects of running a successful business. An effective corporate governance structure can lead to:
- Better access to favourable strategic transactions, such as finance;
 - Improved performance of the business;
 - Reduced risk of corporate crisis or scandal;
 - Better shareholder relationships and investor confidence; and
 - A favourable professional reputation in the industry, which often leads to a higher valuation of the business.
- 3.1.2 It is proposed that TRL base its governance principles on the UK Corporate Governance Code (July 2018 edition). A summary of principles and provisions is detailed in Appendix 1.

4. Board of Directors and its Structure

- 4.1 The responsibilities of the Board include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship.
- 4.2 The current articles of association for the company provide a structure of a maximum of five directors, a company secretary and various consultants (e.g. legal and finance).
- 4.3 If further changes are required e.g. increasing the number of directors or as discussed above, a scheme of delegation, this will require a further change to the articles of association. This would be undertaken at a shareholders meeting at which the Committee is asked to nominate the Corporate Director of Resources and Place Delivery to attend and vote on its behalf to change the Articles of Association.
- 4.4 The following options give an overview of types of Board compositions detailing key advantages, disadvantages and perceived areas of risk, along with ways of overcoming these risks. A more detailed table can be found in Appendix 2:
- 4.5 Option 1: Fully Independent Board
 - 4.5.1 Under this option, all directors would be recruited independently for the skills and expertise they would bring to the company, helping to bring a commercial culture to the organisation.
 - 4.5.2 This would provide 'distance' between key council decision-makers and the company's decision-makers to ensure there is no conflict of interest.
 - 4.5.3 Directors could be recruited from commercial businesses, local communities and from relevant national organisations such as Homes England.
 - 4.5.4 To ensure that the objectives of the company are aligned with the council's Corporate Plan, the council as shareholder would have a significant role to play.
 - 4.5.5 The shareholder function would also ensure that the company is held to account and challenged appropriately.
 - 4.5.6 This option is recommended.
- 4.6 Option 2 – Officer Led Board
 - 4.6.1 This option is the model that was previously in place with TRL Ltd.

4.6.2 Aligning TRL strategy with the council's corporate objectives would be easier as council officers will have a strong understanding of council priorities.

4.6.3 However, as set out above, this model caused conflict of interest as Council Officers were required to make decisions in the best interest of the company which may conflict with council decisions.

4.6.4 Liability could also arise through (among other things) the parent authority being treated as a "shadow director" of the company.

4.6.5 For the reasons set out at the start of this report, this option is not recommended.

4.7 Option 3 - Councillor Led Board

4.7.1 Aligning TRL strategy with the council's corporate objectives would be easier as councillors will have a strong understanding of council priorities.

4.7.2 Councillors are also the voice of the local community and will fully understand local need.

4.7.3 However, this model could cause conflict of interest as Councillors would be required to make decisions in the best interest of the company which may conflict with council decisions.

4.7.4 Councillors involved with the company as a director, may have to step aside from decision making regarding TRL within the council to avoid conflict of interest, meaning expertise may be lost in council debate.

4.7.5 Liability could also arise through (among other things) the parent authority being treated as a "shadow director" of the company.

4.7.6 For the reasons set out above, this option is not recommended.

4.8 Option 4 - Partnership Board

4.8.1 This option would have a mixture of independent directors and councillors on the board.

4.8.2 This would mean that there was an understanding of both company and Council objectives, issues and potential solutions.

- 4.8.3 However there would still be a possible conflict of interest as Councillors would be required to make decisions in the best interest of the company which may conflict with council decisions.
- 4.8.4 As for option 3, Councillors involved with the company as a director, may have to step aside from decision making regarding TRL within the council to avoid conflict of interest, meaning expertise may be lost in council debate.
- 4.8.5 To avoid possible conflict of interest, this option is not recommended.
- 4.9 It is recommended the shareholders agree to an Independent Board (Option 1) to ensure there is minimal conflict of interests. The recruitment of additional Directors can be undertaken by the current Director of TRL in consultation with the shareholders.
- 4.10 The company's profile would be enhanced by appointing external individuals with specific skills in housing, legal and finance fields, as Board directors. The Board should regularly undertake a skills audit to ensure that it has an appropriate balance of skills and experience appropriate for a housing development company.
- 4.11 The shareholder function would ensure that the company supported the wider corporate vision and priorities and would be able to hold the company to account via the General Services Committee. This is set out in more detail under section 6.

5. Recruitment Process

- 5.1 The recruitment of Directors to the TRL Board should be undertaken by the current TRL Director, in consultation with the shareholders.
- 5.2 Any director of TRL appointed will also be a director of TRHL (unless TRL decides otherwise)
- 5.3 It is recommended any external directors are remunerated. TRL is currently looking at its business plan to see if such costs can be absorbed.
- 5.4 The Board will continue to be assisted by advisors consisting of Council officers under Service Level Agreements to provide Finance, Housing development and Property advice/support. Additional legal support may be required at specific times.
- 5.5 The Company Development Manager, the only permanent full time appointed officer of the company also acts as the Company's Secretary for both TRL and TRHL.

6. Governance Relationship with Shareholder – Scheme of Delegation

- 6.1 It is important TRL is given the freedom, flexibility and responsibility to deliver against the agreed outcomes with appropriate and effective governance from the Council.
- 6.2 The Council will retain its position as the company's shareholder and through the General Services Committee, will agree TRL's strategic objectives.
- 6.3 It has been agreed by Council that individual decisions on project lending are taken by the S151 officer in line with all other investment decisions. Those decisions would be guided and informed by periodic updates to relevant council committees. This approach is in line with the principles within the Treasury and Investment paper agreed by Council on 25 October 2017.
- 6.4 The Board would be responsible to the shareholder, which in this case is solely the Council. The Board would therefore be reporting back to the shareholder through annual reporting statements to the Council's Cabinet.
- 6.5 It is recommended TRL provide a revised Scheme of Delegation to ensure certainty of governance and decision making for the company and the shareholders.
- 6.6 The Scheme of Delegation sets out the scope and powers of the Company. The Scheme of Delegation would list activities, typically split into corporate, financial and operational matters, together with the level of authority required for each activity (i.e. Council consent, Board consent, Individual Director Consent etc.). This Scheme of Delegation could be incorporated/enforced in a number of ways:
 - Reference in the Articles of Association and any management agreement between the Council, the Director and the Company;
 - The Articles of Association of the Company could be updated to reference the Scheme of Delegation;
 - The GSC (as sole shareholder), will need to approve the resolution to amend the Articles;
 - The Articles are effectively a contract between the Company and the Council (as the sole shareholder. The Director(s) will have duties to act in the best interests of the Company, and as sole shareholder, the Council will have power to remove a Director at any point; and
 - A scheme of delegation would also be referenced in any the Director's Employment Contract (if relevant).

7. Internal Governance Process

- 7.1 TRL has established a series of controls to govern the management, development and delivery of projects. This includes a set of parameters within which TRL would gain approvals from Thurrock Council in respect of scheme selection, property transfers and finance. As TRL takes on more sites

and increases activity it is critical that it can make decisions effectively and efficiently.

- 7.2 Given the company's scale, all decisions are made by the Board and in accordance with other adopted company policies (such as its procurement policy).

8. Reasons for Recommendation

- 8.1 There is a need for a Board of Directors to be appointed for the effective and proper decision making required to operate TRL effectively.

9. Consultation (including Overview and Scrutiny, if applicable)

- 9.1 A report relating to Housing Delivery options was considered at Housing Overview and Scrutiny Committee on 17 November 2020

10. Impact on corporate policies, priorities, performance and community impact

- 10.1 The proposed approach to the development of new housing aligns closely with the Council's Vision and Priorities adopted in 2018. In particular it resonates with the "Place" theme which focuses on houses, places and environments in which residents can take pride.

11. Implications

11.1 Financial

Implications verified by: **Jonathan Wilson**
Assistant Director, Finance

There are no specific financial implications arising from this report.

11.2 Legal

Implications verified by: **Ian Hunt**
Assistant Director of Law and Governance and Monitoring Officer

The report sets out the process to make an amendment to the Articles of Association e.g. if more than 5 directors are required, or incorporating a scheme of delegation. As, currently, there is only one Director of the company it is advisable that the future operating model of the company is looked at as soon as possible to increase the number of directors on the Board to provide more resilience and improved accountability in decision making.

11.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer, Community Development
and Equalities**

There are no Diversity and Equality implications arising from this report.

11.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

Not applicable

12. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Articles of Association filed at Companies House

13. Appendices to the Report

- Appendix 1 - UK Corporate Governance Code (July 2018 edition). A summary of principles and provision
- Appendix 2 - Options the TRL Board

Report Author:

Helen McCabe
TRL Development Manager and TRL Company Secretary.

UK Corporate Governance Code (July 2018 edition). A summary of principles and provision

Board leadership and Company Purpose: Provisions
<ul style="list-style-type: none"> • An effective and entrepreneurial Board, whose role is to promote the long-term sustainable success • Align purpose, values and strategy and culture. All directors must act with integrity • Necessary resources are in place for the company to meet its objectives through a controls and performance framework • Ensure effective engagement with, and encourage participation with shareholders and stakeholders. • Ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success.
Division of Board Responsibilities: Provisions
<ul style="list-style-type: none"> • The chair leads the Board and is responsible for its overall effectiveness in directing the company • The Board should include an appropriate combination of executive and independent (non-executive) directors. There should be a clear division of responsibilities between the leadership of the Board and the executive leadership of the company's business • Non-executive directors should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account • The Board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently
Composition, Succession and Evaluation: Provisions
<ul style="list-style-type: none"> • Appointments to the Board should be subject to a formal, rigorous and transparent procedure, with an effective succession plan • The Board should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed • Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives

Audit, Risk and Internal Control: Provisions
<ul style="list-style-type: none">• The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions• The Board should present a fair, balanced and understandable assessment of the company's position and prospects.• The Board should establish procedures to manage risk, in order to achieve its long-term strategic objectives.
Remuneration
<ul style="list-style-type: none">• Remuneration policies, procedures and practices should be designed to support strategy and promote long-term sustainable success.

Appendix 2

Options the TRL Board

Option 1: Independent Board		
Advantages	Disadvantages	Risk / Perceived Conflict
<p>'Distance' between key council decision-makers and the company decision-makers to ensure actions are in the best interests of the company</p> <p>Help to develop the all-important commercial culture needed to make such ventures a success</p> <p>Use their independent judgement</p> <p>Being business friendly – to promote local economic growth and prosperity</p>	<p>Lack of understanding of Council objectives and Council decision making processes</p>	<p>Objectives of the company are not aligned with those of the Council</p>
Option 2: Officer Lead Board		
Advantages	Disadvantages	Risk / Perceived Conflict
<p>Understanding of Council objectives, policies and processes</p>	<p>It is therefore very important that directors have a clear understanding of 'which hat they are wearing' at any time.</p> <p>Liability could arise through (among other things) the parent authority being treated as a "shadow director" of the company. In effect, such interference could cost the parent authority the protection it would otherwise have had through using a limited liability trading company</p> <p>Potential lack of leadership</p>	<p>Conflict of interests between Council and Company objectives</p> <p>Unable to make 'in the best interest' decisions for the company.</p> <p>Pressures in terms of public duties and employment requirements – particularly if there are issues or decisions e.g. funding and/or support</p> <p>Both the directors of the company, and the parent authority, could expose themselves to liability if they simply cause the company to do the parent authority's bidding</p>

Option 3: Cllr Led Board		
Advantages	Disadvantages	Risk / Perceived Conflict
Understanding of the community issues and expectations	<p>Liability could arise through (among other things) the parent authority being treated as a “shadow director” of the company. In effect, such interference could cost the parent authority the protection it would otherwise have had through using a limited liability trading company</p> <p>Potential lack of leadership</p> <p>Potential lack of required skill set</p>	Conflict of interests between Council and Company objectives
Option 4: Partnership Board		
Advantages	Disadvantages	Risk / Perceived Conflict
<p>Understanding of both company and Council objectives, issues and potential solutions.</p> <p>The ability to co-opt specific housing, especially private sector housing.</p> <p>Potential local community buy-in (if Board members are from the community), specific expertise grounded in Thurrock</p>	Lack of leadership and the resolution to make timely decisions	Conflict of interests between Council and Company objectives

Whatever form a Board takes, as a whole, the directors should provide for a complementary blend of strategic, practical and operational experience.

It is also recommended to adopt a formal conflicts policy (e.g. Management Agreement) to address conflicts between the local authority and the company and between the different roles of the local authority.

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