

Lancashire County Council

Scrutiny Committee

Thursday, 14th November, 2013 at 2.00 pm in Cabinet Room 'B' - County Hall,
Preston

Agenda

Part 1 (Open to Press and Public)

No.	Item
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1.	Apologies
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2.	Disclosure of Pecuniary and Non-Interests
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Members are asked to consider any Pecuniary and Non-Pecuniary Interests they may have to disclose to the meeting in relation to matters under consideration on the Agenda.

3.	Membership of the Board of One Connect Limited	(Pages 1 - 8)
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4.	Urgent Business
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An item of urgent business may only be considered under this heading where, by reason of special circumstances to be recorded in the Minutes, the Chair of the meeting is of the opinion that the item should be considered at the meeting as a matter of urgency. Wherever possible, the Chief Executive should be given advance warning of any Member's intention to raise a matter under this heading.

5.	Date of Next Meeting
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The next meeting of the Scrutiny Committee will be held on Friday 6 December 2013 at 10:30am at the County Hall, Preston.

I M Fisher
County Secretary and Solicitor

County Hall
Preston

Agenda Item 3

Scrutiny Committee

Meeting to be held on 14 November 2013

Electoral Division affected: None

Membership of the Board of One Connect Limited

Appendix 'A' refers

Contact for further information:

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Josh.mynott@lancashire.gov.uk

Executive Summary

On 6 November 2013 the Leader of the Council received a report on the membership of the Board of One Connect Limited (attached as Appendix A). After considering the report the Leader decided:

"to authorise the County Secretary & Solicitor to take all actions necessary to give effect to the proposals set out in the report in relation to the County Council's nominations to the Board of One Connect Limited (OCL)."

Following requests from five County Councillors in accordance with the Overview and Scrutiny "Call In" procedures, the Chair has called a special meeting of the Committee to consider calling in the above decision.

Recommendation

In accordance with the Call In procedures contained in Procedural Standing Orders (Standing Order 23 and Appendix 3) the Committee is asked to consider:

1. Whether or not to request the Leader to reconsider the decision made on 6 November 2013 to authorise the County Secretary & Solicitor to take all actions necessary to give effect to the proposals set out in the report in relation to the County Council's nominations to the Board of One Connect Limited (OCL).
2. If the Committee decide to request that the decision should be called in then to determine the grounds on which the request is to be based.

Background and Advice

On 6 November 2013 the Leader of the Council received a report on the membership of the Board of One Connect Ltd. A copy of the report is attached as Appendix A.

After considering the report the Leader decided:

"to authorise the County Secretary & Solicitor to take all actions necessary to give effect to the proposals set out in the report in relation to the County Council's nominations to the Board of One Connect Limited (OCL)."

On 8 November 2013 the Chief Executive received a request, signed by five County Councillors, for the Scrutiny Committee to consider whether that decision should be the subject of a Call In. The request was received in accordance with Procedural Standing Orders from County Councillors David O'Toole, Alf Clempson, David Stansfield, Geoff Driver and Albert Atkinson and means that the decision taken on 6 November 2013 cannot now be implemented until the call-in procedure is completed.

The reason given for the request as submitted by the above Members was:

"Concern that the outcome of the decision will be to leave no elected representatives as members of the Board of One Connect Ltd"

To assist the Committee, the Call In procedures contained in Procedural Standing Orders (Standing Order 23 and Appendix 3) are summarised below:

- Any five County Councillors may, within three days of an executive decision being published, request that a special meeting of the relevant Overview and Scrutiny Committee be convened to consider that decision.
- The executive decision shall not be implemented until the Call In procedure is completed.
- An O&S Committee may request that an executive decision made but not yet implemented be reconsidered by the Decision Maker, or request that the Full Council decide whether to ask the Decision Maker to reconsider.
- The Committee must decide at the meeting whether or not to exercise its Call In powers.
- Any such request for reconsideration shall include the grounds upon which the request is based.
- Once the Committee has determined to make such a request, the request and the grounds upon which it is based must be registered with the Chief Executive in writing within three clear working days of the O&S Committee.
- If a request is made the Decision Maker must then reconsider the decision having regard to the grounds upon which it is based. The Decision Maker can affirm, amend or rescind their decision.

- The Decision Maker shall publish their response to a request for reconsideration and the reasons for their decision by writing as soon as is reasonably practicable to the Chair of the relevant Overview and Scrutiny Committee.
- The Decision Maker can only be required to reconsider the same decision once.
- An Overview and Scrutiny Committee shall not exercise its functions;
 - (1) where the decision has been designated by the Decision Maker as being urgent in that any delay in its implementation could adversely affect the efficient execution of the County Council's responsibilities; or
 - (2) in respect of day-to-day management and operational decisions taken by officers.

Of particular relevance in the above provisions are the requirements that the Committee must determine at the meeting whether or not to request that the decision be reconsidered, and if so to determine the grounds upon which the request is to be based.

The Committee is required to meet within seven working days of the request being received in order to consider the call and following consultations with the Chair and Deputy Chair a special meeting has been arranged for 14 November 2013 at 2pm in Cabinet Room B – The Diamond Jubilee Room at County Hall, Preston.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications arising from this item. However, the risk management and other implications associated with the decision are set out in Appendix A to this report.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
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N/A

Reason for inclusion in Part II, if appropriate:

N/A

Part I – Item 1

Electoral Division affected:
None

Membership of the Board of One Connect Limited

Contact for further information
Eddie Sutton, (01772) 535171, Office of the Chief Executive
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Executive Summary

At its meeting held on 7 October 2010 Cabinet agreed to the County Council entering into a strategic partnership with BT plc taking the form of a limited liability joint venture company 60% owned by BT and 40% owned by the County Council.

The Company, subsequently established as One connect Limited (OCL), has a Board of 10 directors comprising six BT nominees and four County Council nominees. The Cabinet agreed to the proposal that two of the four Directors nominated by the County Council should be the then Leader of the Council and the Chief Executive, the remaining two Directors to be appointed by the Leader in consultation with the Chief Executive, one of whom was likely to be a non-executive Director i.e. not a councillor or officer.

This report proposes amendments to the County Council's nominations to the Board of Directors.

Recommendation

The Leader of the County Council is recommended to agree to authorise the County Secretary & Solicitor to take all actions necessary to give effect to the proposals set out in the report in relation to the County Council's nominations to the Board of OCL.

Background and Advice

At its meeting held on 7 October 2010 the Cabinet agreed to the creation of a strategic partnership between the County Council and BT plc in the form of a jointly owned, limited liability joint venture company subsequently established as One Connect Limited (OCL).

Cabinet also agreed to appoint to the Board of OCL as Directors the then Leader of the Council and Chief Executive with full power to act in respect of the operation of

the Company, and to authorise the Leader, in consultation with the Chief Executive, to agree the nominations for the Council's two remaining Directors (who would also have full power to act).

In exercising that power the former Leader agreed to appoint the former Deputy Leader of the Council as one of the two remaining Directors. As originally envisaged the fourth nomination to the Board that was agreed was a non-executive Director.

In establishing OCL the County Council nominations as Directors and who currently remain as Directors are:

Cllr Geoff Driver
Cllr Albert Atkinson
Phil Halsall

Following the County Council elections in May 2013 there has been a change in Administration and therefore it is appropriate to remove the former Leader and Deputy Leader from the Board as they are no longer able to exercise any executive powers on behalf of the Council. Similarly, as the Chief Executive's contract of employment with the council has been terminated by mutual consent, it is appropriate that Mr Halsall also be removed as a Director of OCL.

The County Council is entitled to remove Directors from the Board of OCL by giving notice to OCL and, if it sees fit, to make fresh nominations to the Board. It is proposed that at this stage the County Secretary & Solicitor be authorised to take all actions necessary to effect the removal from the Board of the former Leader, Deputy Leader and Chief Executive.

It is recommended that at the present time no new nominations are made by the Council to the Board of OCL pending a review of the relationship between the Council and OCL.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

The removal of the current Council nominated Directors is necessary as the former Leader and Deputy Leader are no longer able to exercise executive powers on behalf of the Council and the former Chief Executive's contract of employment has been terminated by mutual consent.

List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report to Cabinet	7 October 2010	Dave Gorman, OCE, (01772 5) 34261

Reason for inclusion in Part II, if appropriate

N/A.

