

## **CONSENT TO APPOINT CORNOVII DEVELOPMENTS LIMITED BOARD OF DIRECTORS REPORT**

**Responsible Officer** Jane Trethewey  
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### **1. Summary**

- 1.1 The following report recommends that the Housing Supervisory Board gives it consent to appoint the Cornovii Development Limited (CDL) Board of Directors.
- 1.2 The CDL Board has been structured in accordance with the CDL Articles of Association and the Shareholder Agreement.
- 1.3 It is a requirement of the Shareholder Agreement under the 'Shareholder Consent Matters' that approval is given by the Housing Supervisory Board for all board appointments and changes.
- 1.4 A review of the appointment of Directors has shown that the CDL Board is sufficiently populated with the level of skill, knowledge and capability needed.
- 1.5 This includes the delivery of the business plan; ability to analyse and mitigate risk; and to provide effective and strategic governance and direction to the company.

### **2. Recommendation**

- 2.1 That the Housing Supervisory Board approves the appointment of the Cornovii Board of Directors as listed below in section 7.

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 The appointments are compliant with the CDL Articles of Association and the Shareholder Agreement.
- 3.2 A fully formed and diversified board will reduce risk to the business by enabling rigorous and robust appraisal and challenge of key decisions and in the execution of the business plan and use of resources.
- 3.3 All CDL Board Members have been provided with appropriate training to ensure that they are familiar with their responsibilities on the Board, and aware of their obligations in this capacity.

### **4. Financial Implications**

- 4.1 Council Board Members and Nominated Members appointed by the Shareholder will not receive any additional emoluments other than those prescribed in their contract of service. The Independent Directors will receive an agreed annual fee.
- 4.2 All Directors have been indemnified, by way of Directors and Officers Liability Insurance. These costs have been factored into the 2020-25 Business Plan.

### **5. Legal Implications**

- 5.1 Governance arrangements are aligned to the Articles of Association and the Shareholder Agreement, advised and produced by international law firm Trowers and Hamlins.
- 5.2 While it is acknowledged that company law should not attempt to prescribe to any particular boardroom style, certain basic principles of good boardroom practice can be considered to be universally applicable.
- 5.3 The appointment of the Directors was carried out in accordance with this best practice. Evidence of awareness of legal duties also formed a substantive part of the interview process.
- 5.4 The Companies Act 2006 places legal duties upon company directors, set out in sections 171-177. All CDL Directors have received training in their legal duties and obligations.

## **6. Climate Change Appraisal**

6.1 N/A.

## **7. Background**

7.1 Cornovii Developments Limited, is Shropshire Council's wholly owned Local Housing Company. Established in July 2019, it is currently progressing the development of its first three sites at Overton Road, Ifton Heath; Frith Close, Monkmoor, Shrewsbury; and Ellesmere Wharf, Ellesmere. These will provide approximately 92 new units with around 40% of them as affordable housing.

7.2 The company is progressing a 5 Year Development Programme of 950 plus units, with the identification of land / sites to acquire.

7.3 In accordance with the 'Shareholder Agreement, Schedule 1, Shareholder Consent Matters, Part A – Corporate matters, Item 24' the consent of the Housing Supervisory Board is required to '*appoint .... or dismiss any Director....*'.

7.4 CDL requests consent for the appointment of the following Directors to support Harpreet Rayet as Managing Director and Chair:

### **7.5 Independent Board Members**

- Chris Poulton (nominated Vice Chair) – Former Executive Director Stafford and Rural Homes, experienced in Development, ALMO and Housing Management.
- Derek Humphreys – Director and owner of Quantity Surveying, Project Management and Clerk of Works Practice, former MD of a building contractor specialising in residential and social housing development.
- Richard Cambray – local developer and former partner at Monks Estate Agent, extensive local knowledge of the Shropshire contracting and land market.

### **7.6 Council Officer Board Members**

- Hayley Owens – Growth Programme & Strategy Manager. Knowledgeable and experienced in key economic growth opportunities within Shropshire.
- Leela Cottey – Senior Property Commissioning Officer. Knowledgeable and experienced in the Council asset base, construction and property.

## 7.7 Council Nomination

- Tim Prichard – Shrewsbury Programme Manager. An experienced professional in property, regeneration and asset management.

## 8. Conclusion

- 8.1 Appointment of directors to the CDL Board, together with the other governance arrangements provides assurance that CDL is being effectively and diligently managed.
- 8.2 Risk to the business is mitigated by creating an environment that is compliant with all legal, regulatory and financial obligations. The governance structure will provide strong leadership, ensuring that company values and objectives are met and aligned throughout its activities.

<b>Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
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None
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<b>Cabinet Member (Portfolio Holder)</b>
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Cllr. Robert Macey
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<b>Local Members</b>
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<b>Appendices</b>
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