

Forward Plan reference number: Not applicable

Report title: Essex Legal Services Limited – Appointment of Director	
Report to: Councillor Kevin Bentley – Leader of the Council	
Report author: Paul Turner – Director, Legal and Assurance	
Date: 28 October 2021	For: Decision
Enquiries to: Katie Bray, Head of Legal and a Director of Essex Legal Services Limited, katie.bray@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 This fits with the strategic aim in Everyone's Essex of having a high quality environment by enabling more people to have access to the high quality advice provided by Essex Legal Services. This is done via Essex Legal Services Limited ("the Company") is a company wholly owned by Essex County Council ("ECC"). This decision enables Essex Legal Services to continue to operate in a resilient way.

2. Recommendations

- 2.1 Agree to appoint Susan Moussa as a director of the Company with effect from 1 December 2021.
- 2.2 Note the resignation of Julie Roberts as director of the Company with effect from 1 November 2021.

3. Summary of issue

- 3.1 On 1 March 2016 the Company secured an alternative business structure ("ABS") licence from the Solicitors Regulation Authority ("SRA") to provide legal services to third parties. The Company is used to provide legal services when ECC cannot undertake the work directly.
- 3.2 The Company currently has three directors, Katie Bray, Joanna Gent and Julie Roberts. Julie Roberts is retiring from ECC on 15 December 2021 and is also resigning from her role as Company director. The Companies Act 2006 provides that a company must have at least one director. In order to comply with the Companies Act 2006, as well as ensure the ongoing resilience of the board, it is proposed that a further director, Susan Moussa, is appointed to replace Julie.

3.3 Susan is a Supervising Associate working within Legal Services. She was selected because

- she is a senior member of the legal team with a wide range of experience of legal work at ECC.
- she has significant experience in advising companies on legal matters including the creation of and running of a company
- whilst not currently a director of a company, she has significant experience of advising directors on their duties and responsibilities
- she understands the relationship between ECC and ELS Limited.

3.4 The Company's Articles of Association provide that any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director by ordinary resolution of the shareholder.

3.5 The appointment of a director to an ABS, as an authorised role, requires approval from the SRA, unless such person has been deemed to be approved for the role of director because they are a practising solicitor with no conditions on their practising certificate. Susan Moussa has been admitted to the roll of solicitors, so is deemed authorised as she is a practising solicitor with no conditions on her practising certificate.

3.6 It is not proposed that any of the directors will receive any remuneration package as part of their appointment.

4. Options

4.1 Option 1 (recommended option) – To approve the recommendations as set out in this report. This will ensure compliance with the Companies Act 2006 and will strengthen the board and the decision-making of the Company, to fulfil the function of the day-to-day control of the Company.

4.2 Option 2 – Do nothing. This option is not recommended as the board needs the resilience of more than two directors in order to be able to carry out its business effectively.

5. Issues for consideration

5.1 Financial implications

5.1.1 There are no financial implications for ECC arising from the proposals set out within this report.

5.2 Legal implications

5.2.1 Pursuant to section 154 of the Companies Act 2006, a private company must have at least one director. In accordance with Article 17(1) of the Company's

Articles of Association the decision to appoint Susan Moussa, as director can only be made by ECC, as the sole shareholder of the Company.

- 5.2.2 The SRA is required to approve the appointment of a director of an ABS, as an authorised role. A practicing solicitor with no conditions on their practicing certificate is deemed approved by the SRA for the role of director. The recommendation to appoint Susan Moussa as director of the Company is deemed approved by the SRA by virtue of her professional qualification.
- 5.2.3 The decision by the Leader on behalf of the shareholder will be received in this report and is as effective as an ordinary resolution taken at a shareholder meeting of the Company.
- 5.2.4 The Companies Act 2006 requires notice to be given to the Registrar of Companies within 14 days from a person becoming a director and within 14 days from a person resigning from their role as director. Subject to the approval of the recommendation as set out in this report, ELS will file the relevant applications at Companies House.

6. Equality and Diversity implications

- 6.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
 - (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

7. List of appendices

- 7.1 Equality Impact Assessment.

8. List of Background papers

8.1 None declared.

I approve the above recommendations set out above for the reasons set out in the report. Councillor Kevin Bentley – Leader of the Council	Date 1 December 2021
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In consultation with:

Role	Date
Executive Director, Corporate Services (S151 Officer) Stephanie Mitchener for Nicole Wood	29 November 2021
Director, Legal and Assurance (Monitoring Officer) Paul Turner	28 October 2021