

To formalise Essex County Council withdrawal from Vine HR Ltd.

**Forward Plan reference number:** (if applicable)

<b>Report title:</b> To formalise Essex County Council withdrawal from Vine HR Ltd.	
<b>Report to:</b> Councillor David Finch, Leader of the Council	
<b>Report author:</b> Pam Parks, Director of Organisational Development and People	
<b>Date:</b> 12 November 2019	<b>For:</b> Decision
<b>Enquiries to:</b> Maria Farres, 03330320700, maria.farres@essex.gov.uk	
<b>County Divisions affected:</b> All Essex	

## **1. Purpose of Report**

- 1.1 To present the formal request to withdrawn as shareholder from Vine HR Limited ("the Company").

## **2. Recommendations**

- 2.1 To agree to formally withdraw as Shareholder and Director of the Company
- 2.2 To serve a notice on the Company confirming ECC's intention to withdraw

## **3. Summary of issue**

- 3.1 The Company was incorporated on 25 January 2011 as a Private company limited by guarantee without share capital. Essex County Council (ECC) is a member of the Company. The company is currently trading.
- 3.2 The Company is up to date with its reporting requirements as required by Companies House and the Company's audit arrangements are that it is not subject to statutory audit.
- 3.3 The Company was established by 15 Essex authorities to provide a wide range of human resources solutions through networks of expertise and shared central team, on an advisory basis or by provision of a shared services solution.
- 3.4 From its incorporation Vine HR has had an ECC officer, Maxine Taylor (the ECC Director) appointed as Director of the Company. In June 2018, Maxine Taylor when left ECC and resigned as Director for Vine HR. The post of ECC Director has been vacant since this time.
- 3.5 At this moment Vine HR considers ECC as one of it's paying members and it is intended that ECC continue to pay an annual membership fee and in return will have access to the services provided by Vine HR at the member rate (the

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Services on offer are as set out in Appendix A). It is proposed that ECC withdraw from being a shareholder and appointing a Director to the Company,

- 3.6 Article 22 of the company states that any member of the company may withdraw from membership by giving 7 days' notice, in writing. The articles do not allow for termination simply by failure to appoint a replacement director.

#### **4. Options**

- 4.1 During the Shareholder meeting on February 5<sup>th</sup>, 2019 we presented two options for ECC:

4.1.1 Option A: to nominate an ECC officer as a Director of the Company to strengthen the involvement in the Company. Since its incorporation the Company has developed and become its own organisation (operating independently from the initial 15 Essex authorities). ECC do not believe there are any direct benefits from continuing to be involved in the management of the organisation at Director level – all the benefits ECC get are from being a paying member.

4.1.2 Option B: to formalise ECC's withdrawal as shareholder from the Company, following proper legal procedure to ensure all steps are clearly agreed and documented as per the Company Guidance. ECC recommend this option as it will formalise the way we are currently engaging with Vine HR and the way we believe will most benefit ECC for the foreseeable future. There are no risks associated with this option.

- 4.2 We recommended to go with the latter option, and it was approved.

#### **5. Issues for consideration**

There are none

##### **5.1 Financial implications**

There are none

##### **5.2 Legal implications**

- 5.2.1 ECC will need to follow the formal processes set out in the Company Constitution to withdraw from participation.

#### **6. Equality and Diversity implications**

There are none

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## **7. List of appendices**

Appendix A: Vine HR – Essex CC Savings Summary 2015 - 2018

## **8. List of Background papers**

There are none

<b>I approve the above recommendations set out above for the reasons set out in the report.</b>	<b>Date</b>
Councillor David Finch, Leader of the Council	<b>17/03/2020</b>

### **In consultation with:**

<b>Role</b>	<b>Date</b>
<b>Executive Director for Finance &amp; technology (S151 Officer)</b> <b>Stephanie Mitchener for Nicole Wood</b>	02/02/20
<b>Director, Legal and Assurance (Monitoring Officer)</b> <b>Approved on behalf of Paul Turner</b>	02/02/20