

Report to: Shareholder Committee

Date of Meeting 29th January 2026

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Exemption applied: None

Review date for release N/A



Recruitment of Directors for East Devon Environmental Services Ltd

Report summary:

This report outlines proposed arrangements for constituting and operating the Board of Directors for East Devon Environmental Services Ltd.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendations:

1. The Shareholder Committee (SHC) approve that a Chair for the Board is selected and appointed as outlined within the body of this report.
2. The SHC agree that the Monitoring Officer arranges for the Managing Director to be appointed as a Director of the LATCo within 15 working days of them commencing their appointment.
3. The SHC agree that selection and appointment of a member of staff to the role of Executive Finance Director is paused for the reasons set out in the report and that the role remains unfilled on the Board until such time as the Shareholder Committee resolve to fill the vacancy.
4. That an additional Non-Executive Director post is created, with specific responsibilities for strategic financial governance and compliance.
5. The SHC delegate responsibility to the Director of Place to implement the proposals for recruitment of Non-Executive Directors, as set out in this report. Three members of the Shareholder Committee will form a panel to conduct the selection process and will make recommendations to the Committee for suitable appointments.

Reason for recommendation:

To ensure effective governance of the Company through robust operating arrangements for the board and by recruiting Directors with appropriate skills and experience.

Officer: David Robertson, Project Manager, Streetscene

Portfolio(s) (check which apply):

- Assets and Economy
- Communications and Democracy
- Council, Corporate and External Engagement
- Culture, Leisure, Sport and Tourism
- Environment - Nature and Climate
- Environment - Operational
- Finance
- Place, Infrastructure and Strategic Planning
- Sustainable Homes and Communities

Equalities impact Low Impact

There are no equalities impacts of this decision

Climate change Low Impact

Risk: Low Risk; .

Links to background information

Appendices

Appendix A: Role Profiles

Link to Council Plan

Priorities (check which apply)

- A supported and engaged community
 - Carbon neutrality and ecological recovery
 - Resilient economy that supports local business
 - Financially secure and improving quality of services
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Report in full

1. Background

- 1.1. The Company was formally created and registered at Companies House in November 2025 and has subsequently been renamed as East Devon Environmental Services Limited; its registration number is 16840236. Two senior officers from the Council have been appointed as Company Directors, enabling it to be registered and to operate. It is intended that these appointments are a short-term measure while long term arrangements for the Company Board are agreed and recruitment takes place.
- 1.2. Governance arrangements for the Company were outlined in Cabinet Reports in July and October 2025; these set out the structure of the Company Board and governance structures. This creates a company Board of Directors consisting of the Managing Director, a Finance Director and three Non-Executive Directors.
- 1.3. The Managing Director has been recruited and is anticipated to start work in mid-February, following a decision by SHC in November 2025. This role is as both a

staff member and a Director. Arrangements will be made to formally register the postholder within 15 days of commencing their role in relation to the latter.

- 1.4. There has been extensive discussions among stakeholders about roles within the board and how to ensure it operates effectively. Recommendations within this report address the roles of the Chair of the Board, the Finance Director and how the Company Secretary function will be delivered. APSE are supporting administrative arrangements for the Board and have been instructed to develop role profiles for the Chair and other Non-Executive Directors, these are in Appendix A of this report.
- 1.5. In addition to setting up the Board of Directors, the initial management structure of the company must also be agreed. This is currently under development and will be considered by the Company Board of Directors on 30th January 2026. A draft of the proposed structure will also be presented the Committee within the Project Update agenda item. The structure includes a Finance Business Partner, who will be an experienced management accountant and will lead on delivery of the financial functions of the company. This role will report directly into the Managing Director.

2. Role of the Chair of the Board

- 2.1. Section 4.4 of the Shareholder Agreement, which is subject to approval by the SHC on 29th January, proposes that the Chair of the Board is a Non-Executive Director and is appointed either by the Owner (through a decision of this Committee) or by the Company Directors where the owner has not exercised this right.
- 2.2. It is proposed that the Chair is recruited and appointed before the other Non-Executive Directors (NEDs), enabling them to contribute to the recruitment of the other NEDs. Arrangements for the recruitment of all NEDs are outlined in section 5 of this report.
- 2.3. The Chair is responsible for a wide range of strategic and administrative governance issues and is well placed to support the Managing Director and provide healthy challenge where necessary. Therefore it is recommended that the role profile in Appendix A of this report is adopted. This role will require significant commitment of time and skills, therefore it is recommended that an allowance will be paid of up to £500 per day for up to 40 days per year.

3. Delaying appointment of the Finance Director and alternative arrangements for financial scrutiny.

- 3.1. The proposed structure of the board agreed by Cabinet includes an executive Finance Director role which would operate part time and for a minimum of one day per week. Officers have spoken to senior management at Swisco and North Somerset Environment, two similar LATCos which operate services within the South West. In both cases, a Finance Director was not appointed in the first few years of operation as it was not felt necessary. Additionally, advice received verbally from APSE indicates that most small LATCos do not have an executive Finance Director position, relying on specialist skills from Non-Executive Directors instead.

- 3.2. Therefore it is proposed that the role of executive Finance Director is not appointed at this time, but is retained as a role on the Board which can be appointed at a future time by a recommendation of the Board of Directors to the Shareholder Committee.
- 3.3. It is recommended that one of the Non-Executive Director appointments selects a candidate with experience of strategic financial oversight and corporate legal and financial compliance.
- 3.4. This change will allow budget instead to be focused on recruiting a finance business partner or manager into the LATCo staff immediately. A role which other LATCos have highlighted as essential.

4. Role of the Company Secretary

- 4.1. There is no legal duty for a Company to have a designated Secretary, however the functions of this role are integral to effective governance and compliance for these duties to be taken on by one or more Directors. The Shareholder Committee considered this in November 2025 and agreed to source specialist skills from APSE to carry out this role during the set up and initial trading period. Andrew Uprichard from APSE is undertaking this role and is also delivering training for the Board of Directors and Shareholder Committee.
- 4.2. Andrew is acting in an advisory capacity to the Board and is also making arrangements for the initial Board meetings. It is intended that he will continue delivering this role throughout 2026 and will train and support a member of the Board or company's management team to take on the role.
- 4.3. It is recommended that decisions on the long-term arrangements for Company Secretary functions are delayed until later in 2026, allowing time for the company and its Board to operate for a period. This will help to ensure that the Shareholder Committee makes good decisions based on local circumstances.

5. Appointment of Non-Executive Directors

- 5.1. The current structure of the Board, as agreed by Cabinet, is a Managing Director, Finance Director and up to three Non-Executive Directors (NEDs). Pausing the recruitment of a Finance Director will leave four active positions on the Board, creating circumstances where voting on key decisions has potential to be tied on a 2/2 split, requiring the Chair's casting vote to be used.
- 5.2. It is therefore recommended that a role for a fourth Non-Executive Director is created, and that the Shareholder Committee appoints into this role. This will add additional capacity and experience to the Board and will also support effective decision making.
- 5.3. It is proposed that the NEDs are paid an allowance equivalent to up to £500/day. For the purposes of recruitment, it is assumed that each board meeting will require two days of input, 12 board meetings per year. This produces an annual allowance of up to £12,000. Directors are treated as employees for the purposes of taxes on income, therefore both national Insurance and income tax are applicable to these payments. However, they are not treated as employees for

employment rights legislation.

- 5.4. Contracts of employment will be drawn up by Fitzgerald HR, ensuring that the NEDs are treated appropriately for both employment law and taxation on income.

6. Ensuring specialist skills on the Board

- 6.1. Composition of the Board should ensure a full range of skills and experience which will support strategic oversight and effective governance. Therefore the mix of skills on the Board should be linked to the Company's Strategic Objectives, along with wider requirements linked to effective governance and strategic management. An initial set of strategic objectives were approved by Cabinet in July 2025 and it is within the remit of SHC to amend these objectives as necessary.

Strategic Objective	Board skills and experience
To deliver services for the Council, striving for efficiency and continuous improvement	<ul style="list-style-type: none">- Maintaining and improving business performance- Specialist experience of Human Resources, Corporate Communications, business strategy and other core corporate functions
To deliver value for money, achieving the shareholder's financial objectives	<ul style="list-style-type: none">- Strategic financial planning- Driving financial performance
To pursue commercial strategies which provide a return for shareholders and an environmental dividend	<ul style="list-style-type: none">- Delivery of commercial strategies in the context of local government
To provide high quality employment and skills development for local people, and provides local economic benefit	<ul style="list-style-type: none">- Supporting employment and skills strategies which target underrepresented groups
To support local economic development and contribute local value	<ul style="list-style-type: none">- Awareness and experience of managing not for profit and quasi-commercial organisations to deliver local value to communities and groups.
To reduce the direct environmental impact of operations and to improve indirect environmental impacts of households and businesses in the area	<ul style="list-style-type: none">- Operation of local government environmental services- Application of climate change and environmental improvement strategies in commercial context
To provide an efficient and effective business model which can be expanded to new services and adopted by near neighbours and future unitary authorities.	<ul style="list-style-type: none">- Strategic business planning and development
To operate in ways which support EDDCs wider missions and values	<ul style="list-style-type: none">- Awareness and experience of local government at a strategic and senior level
To plan and deliver services which are aligned with changing local needs and national waste policy	<ul style="list-style-type: none">- Awareness of national waste strategy and objectives

7. Section 4 – Role Profiles and Criteria for appointment

- 7.1. Role profiles for the Non-Executive Directors and Chair are within Appendix A. These have been developed by APSE as part of the support they are providing for setting up and operating the Company Board.
- 7.2. It is best practice for LATCo Company Directors to have full independence from the Council, reflecting their legal duties to always act in the best interests of the Company. Although the objectives and interests of the Company are usually aligned with the Council, this is achieved through other governance arrangements, in particular by the Shareholder Committee. Therefore, the appointment of Directors should ensure that they are able to act independently and apply good judgement in all circumstances.
- 7.3. Bevan Brittan have been consulted and have suggested circumstances which are likely to impair a director's independence. It is therefore proposed that these criteria are used in screening of candidates for appointment:
 - 7.3.1. Is or has been an employee of the company or group within the last five years.
 - 7.3.2. Has, or has had within the last three years, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company.
 - 7.3.3. Has received or receives additional remuneration from the company apart from a director's fee, participates in the company's share option or a performance-related pay scheme, or is a member of the company's pension scheme.
 - 7.3.4. Has close family ties with any of the company's advisers, directors or senior employees.
 - 7.3.5. Holds cross-directorships or has significant links with other directors through involvement in other companies or bodies.
 - 7.3.6. Represents a significant shareholder.
 - 7.3.7. Has served on the board for more than nine years from the date of their first appointment.

8. Section 5 – Recruitment Process

- 8.1. It is proposed to recruit NEDs through an active and open process using both local networks and promotion of the roles through the LinkedIn professional networking site. Appointments of Directors are controlled by the Shareholder Committee, so it is essential that members of the committee are involved throughout the selection process.
- 8.2. The roles will be advertised on the 'Volunteering and other Opportunities' and recruitment sections of the Council's website, where the full role profile and details will be available, along with the application process. Informal promotion through local professional and volunteering networks will help to raise awareness of the roles, along with posts through the Council's social media channels. Initial discussions among officers and members have identified several potential

candidates who can be approached and asked to consider applying.

- 8.3. LinkedIn provides an effective way to promote non-executive director roles and is used by many professionals with relevant experience. The Council has used LinkedIn for targeted recruitment in the past and has an active recruitment page on the site. LinkedIn do not offer fixed prices for advertising, costs are based on the amount of engagement by potential candidates. It is anticipated that this will be less than £1,500 and would only rise above this if there is a lot of interest in the roles.
- 8.4. A panel comprised of three members of the Committee and supported by officers will shortlist the candidates and conduct interviews. The panel will select the preferred candidates for approval by the Committee. The committee is invited to propose members of the recruitment panel.
- 8.5. The proposed timetable for recruitment is:

Activity	Date (estimated)	Who?
Agree roles and recruitment plan	29 th January 2026	Shareholder Committee
Develop promotional campaign	13 th February	Communications Team
Advertise Chair role on LinkedIn and Council Website	16 th Feb to 6 th March	Communications Team / HR
Shortlist Candidates	11 th March	Panel of SHC members and officers
Interview Candidates for Chair	20 th March	Panel of SHC members and officers
Decision to make offer	20 th March	Panel conducts selection exercise and makes recommendation to Committee for approval
Offer role and make arrangements for formal appointment and contract	27 th March	EDDC Human Resources and LATCo Managing Director
Update of register at Companies House	30 th March	Bevan Brittan under instruction on Monitoring Officer/ Managing Director
Advertise NEDs roles on LinkedIn and Council Website	30 th March to 17 th April	Communications Team / HR
Shortlist Candidates	22 nd April	Panel of Chair, SHC members and officers
Interview Candidates for NED roles	By 1 st May	Panel of Chair, SHC members and officers
Decision to make offer	1 st May	Panel conducts selection exercise and makes

		recommendation to Committee
Offer role and make arrangements for formal appointment and contract	8 th May	EDDC Human Resources and LATCo Managing Director
Update of register at Companies House	15 th May	Bevan Brittan under instruction on Monitoring Officer/ Managing Director

Financial implications:

The details contained in this report appear appropriate and as expected, the appointment of a Finance Business Partner is seen as essential and a matter of urgency to progress the setting up of the LATCo

Legal implications:

Bevan Brittan and the Company Secretary appointed by APSE have been heavily involved in the drafting of this report.

Appendix A: Role Profiles

Non-Executive Director - Role Description

Key Responsibilities

- Strategy: Contribute to developing and shaping the company's business strategy.
- Oversight: Monitor executive performance against agreed objectives and hold management accountable.
- Risk Management: Ensure strong risk controls and systems are in place.
- Financial Integrity: Verify the accuracy of financial information and transparency for stakeholders.
- Governance: Uphold high standards of corporate governance, compliance, and ethics. Perform all of the duties of a company director.
- Appointments: Participate in appointing and planning for executive directors.

Core Functions

- Independence: Offer an objective, external viewpoint, free from internal biases.
- Challenge & Support: Act as a "critical friend," asking probing questions to challenge assumptions and support sound decisions.
- Expertise: Bring valuable experience, knowledge, and networks from other settings to enrich board discussions. Each appointee having a particular background and skills set which aids the board in achieving a rounded perspective.

Essential Criteria

- A strong track record of making effective decisions on significant issues within the private, public or voluntary sectors;
- Excellent communication and stakeholder engagement skills with the ability to command the respect of, and to challenge, fellow Board members, staff and senior stakeholders in both the public and private sectors.
- Strong commercial and financial acumen.
- Strong analytical skills with an ability to get to grips with complex issues.

Desirable Criteria – The composition of the Board must ensure these criteria are covered. One NED position will lead on financial strategy and oversight

- Experience of strategic business planning and development
- Delivery of commercial strategies in the context of local government
- Maintaining and improving business performance
- Strategic financial planning
- Driving financial performance
- Operation of local government environmental services
- Application of climate change and environmental improvement strategies in commercial context
- Awareness and experience of local government at a strategic and senior level
- Awareness of national waste strategy and objectives
- Supporting employment and skills strategies which target underrepresented groups

Chair of the Board of Directors – Role Description

Key Responsibilities

- Board Leadership: Leading the board, setting agendas, ensuring effective meetings, developing board skills, and planning for succession.
- Strategic Guidance: Working with the Managing Director to set and implement strategy, ensuring the company stays focused on its vision and mission.
- Governance & Oversight: Ensuring compliance, managing conflicts of interest, and reviewing board and Managing Director performance.
- External Representation: Serving as a primary spokesperson and ambassador for the company, especially at high levels.
- Chair – Managing Director Relationship: Building a strong, trusting partnership with the Managing Director for effective organisational running.

Meeting Management

- Planning and running meetings efficiently.
- Ensuring everyone has a chance to speak and contributing to decision-making.
- Managing disagreements and facilitating constructive debate.

Core Focus

- Governance: Ensuring the board functions effectively and remains focused on core strategic tasks.
- Support: Providing support and guidance to the Managing Director.
- Ambassadorship: Representing the company to stakeholders and externally.

Company Secretary – Role Description

Key Responsibilities

- Corporate Governance: Advising the board on governance, procedures, and effective operation; promoting best practice.
- Board Administration: Organising meetings (AGMs, board/committees), preparing agendas, taking minutes, distributing papers, and tracking action points.
- Statutory Compliance: Filing documents with Companies House (annual returns, confirmation statements, officer changes) and ensuring adherence to the Companies Act and other laws.
- Legal & Regulatory Liaison: Acting as a point of contact with lawyers, auditors, and regulators; managing statutory registers.
- Reporting: Preparing annual reports, collating information, and communicating decisions to stakeholders.
- Strategic Support: Providing advice to the Chair and directors on legal, financial, and strategic matters.

Essential Skills

- Strong organisational and time management skills.
- Excellent written and verbal communication.
- Attention to detail and accuracy.
- Analytical and numerical skills.
- Ability to work under pressure and meet deadlines.
- Diplomacy and negotiation.