

WIRRAL

SHAREHOLDER BOARD

Thursday 28th October 2021

REPORT TITLE:	EDSENTIAL CIC DIRECTOR APPOINTMENTS
REPORT OF:	DIRECTOR OF LAW AND GOVERNANCE

REPORT SUMMARY

The Shareholder Board is responsible for reviewing, amongst other matters, the 'Reserved Matters' set out in the Shareholder Agreement entered into in respect of Edsential CIC, a company wholly owned equally by the Council and Cheshire West and Chester Council.

Joanne Helen Beer, who became a Non-Executive Director (NED) of Edsential CIC on 28 February 2019, has retired as Director of the company with effect from 12 October 2021 and the company has sought consent to appoint a replacement.

Edsential CIC has also sought consent to appoint a new and additional Director with specialist insight and knowledge of the special school sector, to add breadth of experience and expertise to the board.

This matter affects all Wards within the Borough.

This matter is not a Key Decision.

RECOMMENDATION/S

The Shareholder Board is recommended to approve the appointment of Alison Ashley and Sharon Senn as Directors of Edsential CIC.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To ensure that a Director with appropriate general skills and special skills relating to special schools is appointed to the Board of Edsential CIC.
- 1.2 To ensure that a Director with appropriate financial skills is appointed to the Board of Edsential CIC

2.0 OTHER OPTIONS CONSIDERED

- 2.1 As detailed in Appendix A to this report, Edsential CIC has conducted a reasoned selection process in respect of the Director appointments. No alternative candidates have been considered.
- 2.2 The Council could decide not to appoint any further Directors to the Board of Edsential CIC. This is not recommended as that would continue with a perceived deficit of Directors with the requisite skills.

3.0 BACKGROUND INFORMATION

- 3.1 Joanne Helen Beer has resigned from the office of Director of Edsential CIC.
- 3.2 The report attached at Appendix A to this report describes the recruitment process and selection rationale behind the proposals to appoint Alison Ashley and Sharon Senn to the Board of Edsential CIC and sets out the short biography submitted by each of them.
- 3.3 The Shareholder Agreement requires shareholder consent to the appointment of a new Directors. The Board currently comprises:
 - a) a single executive Director (Ian Philip McGrady, the Managing Director);
 - b) two Non- Executive Directors employed by the Shareholders (James Andrew Backhouse and Helen Elizabeth Brackenbury) as opposed to the two executive Directors mandated by paragraph 6.4.2;
 - c) Three Non-Executive Directors who are Headteachers (Elaine McGunigall, Nicola Wetton, and Adrian Francis Whiteley) in accordance with the mandated number in 6.4.3;
 - d) One Non-Executive Director who is a school governor (Jane Helen Owens);
 - e) A Non-Executive Chair, Mark Parkinson;
 - f) A Non-Executive Director with financial expertise, Joanne Helen Beer, who has resigned her position but is proposed to be replaced by Sharon Senn;
- 3.4 The composition of the Board of Edsential CIC is not in accordance with the provisions set out above in the Shareholder Agreement in that two Non- Executive

Directors are employed by the Shareholders (James Andrew Backhouse and Helen Elizabeth Brackenbury) as opposed to the two executive Directors permitted by the Shareholder Agreement. Furthermore should Sharon Senn be appointed to the Board, the number of Non-Executive Directors who are Headteachers or Deputy Headteachers will be four which will exceed the number (three) mandated in by the Shareholder Agreement.

3.5 The Articles of Association of Edsential CIC, state that one third of Non-Executive Directors appointed from time to time, or if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office at each annual general meeting. Such rotational retirements have not occurred.

3.6 There is a proposal to conduct a review of the composition of the board of Edsential CIC so as to ensure that it is better aligned with the Shareholder Agreement and its Articles of Association. A report on the outcome of this review will be brought to this Committee at a later date.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no direct financial implication arising from the proposals set out within this report.

5.0 LEGAL IMPLICATIONS

5.1 The Council, Cheshire West and Chester Council and Edsential CIC are parties to a Shareholder Agreement dated 1 December 2015. This provides that the Board of Edsential CIC shall consist of:

(a) at least two, but no more than 3 Executive Directors who shall not be employed by, or an elected member of any shareholder;

(b) two Executive Directors (in total), one such Executive Director being employed by Cheshire West and Chester Borough Council, and one being employed by Wirral Borough Council;

(c) three non-Executive Directors who shall be head or deputy head teachers employed as such in the administrative area of each of the Shareholders; and

(d) one non-Executive Director who shall be a governor of a school located in the area of each of the Shareholders and not be employed by or an elected member of a Shareholder or a head or deputy head teacher.

5.2 The Shareholder Agreement also provides that the Non-Executive Directors shall have suitable experience and skills to provide independent challenge and input into Board decisions and that the Chair of the Board shall be a Non-Executive Director resolved otherwise by a majority of the Shareholders.

5.3 As set out at paragraph 3.4 of this report, the proposals within this report are not in accordance with the relevant Shareholder Agreement. There are no direct legal implications in the composition of the Board of Edsential CIC not being in accordance with the provisions set out in the Shareholder Agreement or the Articles

of Association, but the divergence is not considered to be in the interests of good corporate governance and may expose the Council to reputational risk.

- 5.4 If the Shareholder Board is content to approve the recommendation set out within this report, the Director of Law and Governance will proceed to sign a written Shareholder's resolution confirming the appointments of Alison Ashley and Sharon Senn as Directors of Edsential CIC and request the company secretary of Edsential CIC to make the appropriate returns to Companies House.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no direct implications to staffing, ICT or Assets arising from the proposals within this report.

7.0 RELEVANT RISKS

- 7.1 The Company's ability to operate effectively may be compromised if a suitable Directors to the Board of Directors are not appointed.
- 7.2 The Council's reputation may be damaged in the event that it does not enforce the provisions of the Shareholder Agreement and the Articles of Association

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The report attached at Appendix A sets out the details of the recruitment processes followed by Edsential CIC.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.
- 9.2 There are no direct equality implications arising from the proposals set out within this report. However, the appointment of a director with experience of the special education needs and disabilities sector will enhance the company's ability to engage with all elements of the community.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 There are no direct environment and climate implications arising from the proposals set out within this report.

11.0 COMMUNITY WEALTH BUILDING

- 11.1 There are no direct implications for Community Wealth Building arising from the proposals within this report.

Appendix A –

Report of Ian McGrady

Executive Summary

The Edsential board has reviewed its membership and identified the need to appoint an additional headteacher NED from the special school sector. The board currently has representatives from the primary sector (1 Wirral, 1 CWAC) and the secondary sector (Wirral), however the specialist insight and knowledge of the special school sector has been identified as a gap.

The board undertook a targeted recruitment process where candidates with the necessary expertise and national standing were identified. A single outstanding candidate emerged and was interviewed by the chair and managing director, references were sought and checked. This candidate was then recommended to the board who conducted an interview panel at the September board meeting, the recommended candidate was unanimously approved by the board for submission to the shareholder board. The candidate's summary resume is contained in Appendix 1.

The board has previously identified the need for a director with financial expertise who also has an understanding of the school sector. This role was approved and filled in 2019. The existing director has resigned her position due to the need to focus on her growing business interests. The board undertook the same process as noted above and have recommended an outstanding candidate who is a chartered accountant and has worked in the secondary school sector for over 25 years. The candidate's summary resume is contained in Appendix 2.

Recommendation

The shareholder board note the report and approve the NED appointments

Appendix 1 - Summary resume – Alison Ashley

Alison Ashley - Head Teacher Hebden Green Special School

Worked in the SEND sector for 21 years.

Hebden Green School

- 2001–2006 Lead literacy teacher
- 2006-2009 Curriculum Lead
- 2009-2011 Assistant Head School Improvement
- 2011-2013 Deputy Head Teacher
- 2013 Head Teacher, school and residential

Local

- Member – CWASSH
- Member – CWEIB
- Member – WEP
- High Need Review Strategy– member, sub group

Regional

- Member – Cheshire Special School Consortium
- Cheshire Inclusive Teaching Alliance Co Director 2017-2021
- Chester University – programme support, ratification for SEND
- NLE – S2S support 2017 – current
- Best Practice Network tutor 2014 – current
- Cheshire Teaching School Alliance, member 2021 onwards

National

- Voted as Chair National Network of Special School Teaching Schools NNSTS 2018 - current
- Developed and established Strategic group for NNSTS 2019-current
- Ofsted Head Teacher Reference Group Sep 2018 – current
- Managing Medicines in Special Schools 2020- current
- Judicial Review – SEND panel *recruited, awaiting confirmation*
- Oak National Academy – 2020, established SEND workstream, lessons, editing and QA
- Best Practice Network – supporting the development of new and specialist NPQs

Appendix 2 – Sharon Senn

Academic

- Degree in Economics & Accounting (Upper Second) from the University of Hull
- Chartered Accountant (ACA) with KPMG

Work History

- KPMG (worked in Preston, Liverpool, New Zealand and Manchester) – for 8 years
- Mersey TV Company, Liverpool (3 years)
- Sir John Deane's College, Northwich (8 years) – started off as Finance Manager and became Assistant Principal
- Withington Girls' School, Manchester (19 years) – Bursar and Clerk to the Governors

Summary of experience

After University I wanted to undertake the training to become a Chartered Accountant. I felt that this professional qualification would be valuable and would provide me with the opportunity to learn about a range of industries. After qualification, I took the opportunity to go on secondment to Auckland, New Zealand. Having just married at that point, my husband and I both went (he is an Accountant too).

On return to the UK, I felt that a move to industry was the next step and I had three very interesting years at the Mersey TV Company where I learned how the TV industry operated. I also set up the nursery for the children of staff.

Following the birth of my son, James, I felt that a career move into Education could provide a stimulating environment and would be more compatible with having a young child. Sir John Deane's College, in 1994, had become responsible for its own finances and I was able to set up the Finance Function. Two key achievements there were: firstly setting up the Adult Education Provision (with the Head of IT and the Receptionist) and secondly leading a Lottery application which raised over £350k for the swimming pool.

I was approached by the Headmistress of Withington Girls' School to apply for the role of Bursar there (a new role). There were similarities in setting up the Finance Function but the role is so much broader in terms of being responsible for Catering, Cleaning, Site Services and Marketing (up until about 3 years ago). I am a member of the Senior Leadership Team and therefore play a key role in the management of the School. I have retired from this role as at 31st August 2021 but I am spending time this term helping my successor and overseeing a £2m building project.

My approach

As the only Chartered Accountant at the School, my role is to ensure that the financial aspects of the school are managed well. This effectively means ensuring that we use money wisely and that we obtain best value for money. However, it also means that we can take opportunities to generate income either by selling additional services to our parents or letting out our facilities. The funds for the School are, in effect, to provide the best educational experience for the pupils and what is in the pupils' best interests is always paramount.

Music has always been a passion of mine. I help the Head of Music (playing the piano and trombone) and believe that we should encourage every child to learn to play an instrument. Financial help is provided in relevant circumstances.

I also believe that sporting activities and keeping fit are essential. While I very much enjoy keeping fit myself, I work with the Head of PE to ensure that we offer as many clubs (before and after school) for pupils.

Working with pupils is such a joy and for many years I have taught Financial Management to the Sixth Form pupils as part of the Enrichment programme.