

DELT WRITTEN RESOLUTIONS

Briefing Note (Part I) – Delegation of authority for approval of written special resolutions



Background

DELT Shared Services Ltd is a Teckal company and part of the authority's family of companies. It is held under joint shareholder control alongside Devon ICB and North Somerset Council.

The DELT Shared Services Ltd Shareholder Annual General Meeting took place on 3 November 2025. As a result of the decisions taken at the Shareholder Annual General Meeting, two written special resolutions are required for the approval of Reserved matters by Plymouth City Council.

Under the Council constitution, specifically Appendix 5 – Council Companies, decisions related to Reserved matters require an Executive Decision.

Resolutions

WRITTEN SPECIAL RESOLUTION 1: Adoption of revised Article of Association

“THAT the Articles of Association attached to this written resolution be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.”

These amendments were required to address to areas of change in the Articles of Association:

Addition of new class of shares

Amendments required to introduce a new 'F' share class in relation to the provision of contact centre services, with amendments throughout the document to expand relevant definitions to include alongside other share classes

Adjustment to Board composition and term limits

Following the recent unsuccessful process to appoint a new Chairman for DELT, the Board and shareholder Directors have considered how best to support this ongoing process and secure the optimal outcome for the company.

To maintain stability during this period, it has been agreed that the incumbent Chairman will remain in post beyond the usual term limits. In addition, the Board will be expanded to include further non-executive directors, enabling effective succession planning and ensuring a smooth transition to a new Chairman within the next 12 months.

These amendments to enable this are as detailed below:

21.3 The A Shareholders may from time to time appoint up to six (6) further such number of persons as they may determine (each such person being an “Additional Shareholder Appointed Director”) to act as Directors (which ~~should~~ shall include one (1) Staff Director and may include Executive, Independent Non-Executive Directors and Non-Independent Non-Executive Directors) provided that the total

number of Directors (including the Additional Shareholder Appointed Directors) shall not exceed such number as may be approved by ordinary resolution of the shareholders in accordance with Article 21.1.

Term Limits

- 22.1 Subject to Article 23.1 any Independent Non-Executive Director or Staff Director shall serve for a term of three (3) years.
- 22.2 Independent Non-Executive and Staff Directors shall be limited to total board membership of three (3) terms, unless the Board considers that their continued appointment is in the best interests of the company and such appointment has been approved by ordinary resolution of the shareholders at a general meeting.
- 22.3 Under exceptional circumstances, as defined by the Shareholders of the Company, an Independent ~~non-executive~~ Non-Executive Director may ~~be appointed for serve a single total of twelve (12) years, provided that:~~
~~(i) each additional term of up to one (1) year (resulting is approved by the Shareholders by ordinary resolution,~~
~~(ii) the board has reviewed and confirmed the director's independence annually and reported transparency in a maximum of ten years membership); the annual report to explain the rationale for extended tenure.~~

WRITTEN SPECIAL RESOLUTION 2: Shareholder Reserved Matters

- 1) A total of three resolution required in relation to the expansion into Contact Centre Services to support the contractual arrangements to be provided to North Somerset Council from April 2026:

“THAT in accordance with Reserved Matter C The issue of any new shares in the Company 100 new Class F Shares be issued;”

“THAT in accordance with Reserved Matter K Increasing, reducing, sub-dividing, consolidating, re-denominating, cancelling purchasing or redeeming any of the capital of, or allotting or issuing any shares or other securities in the capital of the Company that on the 1st Day of April 2026, subject to execution of a Support Services Agreement with the Company to provide Contact Centre Services, 100 Class F shares are allotted to the shareholders in proportion to their contractual annual expenditure with the Company for such Services, as at that date;”

“THAT in accordance with Reserved Matter H Before entering into any arrangement, contract or transaction with either a value of £2.5m for budgeted spend and £250k for unbudgeted spend the company is authorised to enter into a Support Services Agreement with North Somerset Council for Contact Centre Services;”

- 2) A resolution to correctly allocate the C share capital, in relation to HR Systems & Payroll Services, to reflect the onboarding of North Somerset Council for provision of these services. Note that DELT confirmed no reserves were outstanding in relation to the C class shares and therefore a reallocation of the existing class was preferred over creation of any new class of share.

“THAT in accordance with Reserved Matter K Increasing, reducing, sub-dividing, consolidating, re-denominating, cancelling purchasing or redeeming any of the capital of, or allotting or issuing any shares or other securities in the capital of the Company that following the execution of a contract between the Company and North Somerset Council on 1st October 2025 to provide HR System and Payroll services, Plymouth City Council be authorised to sell 29 Class C Shares to North Somerset Council, at nominal value;”

Due to their commercial sensitivity, relating to director remuneration, details of two Written Special Resolutions are set out in the 'Part 2' paper.

Proposal

It is proposed that the Deputy Leader of the Council, Acting as the Leader:

- 1) approves the Written Special Resolutions arising from decisions taken at the DELT Shared Services Ltd - Shareholder Annual General Meeting which took place on 3 November 2025; and
- 2) delegates authority to the Service Director for Finance, in their capacity as nominated shareholder representative, to sign the Written Resolutions on behalf of Plymouth City Council, and take all necessary actions to ensure their proper implementation.