

Motion to: Council

20 June 2023

Subject: Worker representation on boards

Proposer: Councillor Schmierer

Seconded: Councillor Hoechner

An amendment has been received from **Councillor Stonard**.

Councillor Stonard is amending the motion as follows:-

Replacing the words “**restructure the NCSL Board of Directors to include direct worker representation on the board**” with the words “**as part of its review of the governance of its wholly owned companies, as recommended by the recent peer review, to consider whether there should be direct worker representation on the Board.**”

So the revised motion becomes:-

Worker representation on boards has a long tradition in many European countries. A number of studies have highlighted beneficial outcomes for both companies and workers associated with worker representation on boards. These benefits include increased firm market value and capital formation, more effective governance due to the valuable operational knowledge workers hold, higher engagement and motivation of workers and more career opportunities. It is rightfully argued that *‘Employees are key stakeholders whose contribution is necessary for the success of innovative enterprises’* and that *‘Workforce relationships are central to company success, and worker board representation would help boards to manage these key stakeholder relationships more effectively.’*

Council **NOTES** that:

- 1) as part of the recent LGA Corporate Peer Challenge peers have recommended a further review of the governance arrangements in line with best practice.
- 2) The council has committed to addressing peer recommendations in the coming months.

Council **RESOLVES** to ask cabinet to as part of its review of the governance of its wholly owned companies, as recommended by the recent peer review, to consider whether there should be direct worker representation on the Board.