

ASDV Shareholder Committee

Agenda

Date: Monday 14th October 2019
Time: 3.00 pm
Venue: Committee Suite 2/3 - Westfields, Middlewich Road,
Sandbach, CW11 1HZ

Membership

Conservative Councillors: S Pochin and L Smetham
Labour Councillors: S Carter and S Handley
Independent Group Councillor: M Goldsmith

The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and in the report.

It should be noted that Part 1 items of Cheshire East Council decision-making meetings are audio recorded and the recordings are uploaded to the Council's website.

PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT

1. **Appointment of Chairman**
2. **Appointment of Vice-Chairman**
3. **Apologies for Absence**
4. **Welcome and Introductions**
5. **Declarations of Interest**

To provide an opportunity for Members and Officers to declare any disclosable pecuniary and non-pecuniary interests in any item on the agenda.

Please contact Paul Mountford, Executive Democratic Services Officer
Tel: 01270 686472
E-Mail: paul.mountford@cheshireeast.gov.uk

6. **Committee Induction Feedback**

To obtain members' feedback on the recent induction sessions and identify any further training needs.

7. **ASDV Review and Shareholder Committee Operations** (Pages 3 - 22)

To consider a report outlining the Committee's function and operations, including the draft terms of reference and the forward plan of meetings, the proposed recruitment process for two co-opted members, the appraisal of ASDV business plans, and the ASDV change programme.

8. **Exclusion of the Press and Public**

The reports relating to the remaining items on the agenda have been withheld from public circulation and deposit pursuant to Section 100(B)(2) of the Local Government Act 1972 on the grounds that the matters may be determined with the press and public excluded.

The Committee may decide that the press and public be excluded from the meeting during consideration of the following items pursuant to Section 100(A)4 of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 and the public interest would not be served in publishing the information.

PART 2 - MATTERS TO BE CONSIDERED WITHOUT THE PUBLIC AND PRESS PRESENT

9. **ASDV Change Programme Review** (Pages 23 - 24)

1. To receive an update on the Change Programme status and timeline.
2. To consider a draft Cabinet report on a stage of the ASDV Change Programme (Report to follow).

10. **ASDV Business Plan Review - Preparation Session**

To consider the application of the Business Plan Appraisal Tool in preparation for the ASDV business plan review sessions.

11. **ASDV Business Plan Reviews** (Pages 25 - 96)

To consider the Orbitas Bereavement Services Ltd. Business Plan.



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ASDV Shareholder Committee

Date of Meeting: 14 October 2019

Report Title: ASDV Review and Shareholder Committee Operations

Senior Officer: Frank Jordan, Executive Director - Place

1. Report Summary

- 1.1. In July 2017 the Council commissioned an external and independent review of its Alternative Service Delivery Vehicles ("ASDVs") from Edge Public Solutions Limited ("Edge") a company that specialises in improving public services and value for money.
- 1.2. The review was completed in November 2017 and Edge concluded that improvements could be made to how the Council commissioned services from its ASDVs and how the ASDVs were governed.
- 1.3. In summary, Edge concluded that a change programme should be implemented which could lead to the delivery of savings and benefits for the Council and its residents.
- 1.4. Cabinet considered a report in March 2018 to seek a decision to implement an ASDV Review and Change Programme.
- 1.5. At that meeting Cabinet resolved:

That subject to the consideration of the Appendices to the report in Part 2 (Edge Report) of the agenda, Cabinet

1. notes the contents of the report, the findings and recommendations of the Edge report set out in Appendices A and B, and endorses the need for an ASDV change programme

2. approves the creation of a Cabinet Committee named the Shareholder Committee which will give advice and direction to the Cabinet member(s) with legal responsibility for making ASDV shareholder decisions; and

3. instructs the Shareholder Committee to design and oversee the implementation of an ASDV change programme.

1.6. This report relates to the initiation of an ASDV change programme and seeks endorsement from the Shareholder Committee in relation to:-

1.6.1. The terms of reference for the Shareholder Committee (Appendix A);

1.6.2. The scope and sequencing of the Work Programme of the committee, in the form of the Forward Plan (Appendix B);

1.6.3. The recruitment process for 2 co-opted members to join the Shareholder Committee if required (Appendix C); and

1.6.4. The process for appraising ASDV Business Plans and business cases, a key function of the committee, via the Appraisal Tool (Appendix D).

2. Recommendations

2.1. That the Shareholder Committee considers:-

2.1.1. The Draft Terms of Reference for the committee, especially the meeting requirements in consideration of the Forward Plan of work (Appendix A and B).

2.1.2. The proposals regarding the recruitment of the 2 co-opted members be undertaken, including nominations to be on the Recruitment Panel, as outlined in Appendix C.

2.1.3. The ASDV Business Plan/Case Appraisal Tool (Appendix D).

2.2. That the Shareholder Committee provides recommendations to the Deputy Leader relating to the terms of reference, the recruitment process for the co-opted members, and the change programme.

Reasons for Recommendations

2.3. The Cabinet report of March 2018 approved the establishment of the Shareholder Committee and set out its key functions, as identified in the draft Terms of Reference (Appendix A).

- 2.4. The first key function was detailed in The Edge report as the need for strategic challenge of business plans, the leadership of each company, and growth initiatives (and their business cases) outside of the annual approval process.
- 2.5. The scrutinising of the ASDV annual business plans requires appropriate time allocation, and in addition to the potential for an ad hoc work programme in terms of new business cases and the ASDV change programme (discussed below), the minimum number of meetings identified in the Terms of Reference might need review.
- 2.6. The committee review of business plans and cases should satisfy the interests of shareholder, and check plans are serving the needs of their customers whilst obtaining value for money. This process will be best achieved with minimal input from council officers, who whilst are on the committee as impartial advisors, nevertheless represent only one customer.
- 2.7. The development and use of the Appraisal Tool (Appendix D) is designed to support committee members perform their role independently of council officers.
- 2.8. The Cabinet report of March 2018 also outlined the need for a full ASDV change programme and this was approved by Cabinet.
- 2.9. The report produced by Edge recommended the most effective operating model for each ASDV.
- 2.10. Edge's recommendations have included one or more of the following options for each ASDV:-
- To stay as an incorporated company in its current form and make improvements to governance and service delivery.
 - To dissolve the company with service delivery returning to Cheshire East Council.
 - To dissolve the company and transfer the responsibilities to another ASDV. To dissolve the company and explore an alternative model such as private partnership or sale.
- 2.11. However it is for the Shareholder Committee to consider the detail work of the next phase of the programme and to make recommendations to the Portfolio Holder.
- 2.12. A project team has now been setup and oversees a programme plan for this work. The change programme is envisaged to take place over 2 years and will

look at the recommendations that were provide by Edge and undertake further work, that will incorporate the most up to date information available.

2.13. Final recommendations will be presented for the committee to consider.

3. Other Options Considered

- 4.1. Do Nothing: The Council could continue to provide services in the same way, but this would not provide the required check and balance that is required as part of providing value for money for the residents of Cheshire East.

4. Background

- 4.1. Given the current fiscal climate within the Public Sector, the Council must do all it can to make the best use of its resource, one essential tool to achieving this is Strategic Commissioning.
- 4.2. Strategic Commissioning is about achieving even greater value for money, by doing things differently and using innovative new approaches to the way in which services are delivered, to achieve the outcomes desired by local people.

Edge's Review of ASDVs

- 4.3. With this in mind a review was commissioned from Edge to see if the current ASDVs were still meeting the objectives of the Council namely to:

- Deliver significant value to customers, residents and the Council
- Create a sustainable competitive advantage.
- Deliver Strong growth prospects.
- Work in an environment where the Council is not its only customer.
- Invest to generate a commercial return.
- Generate year on year efficiencies or income opportunities
- Work to become self-funding (no Council subsidy)

- 4.4. The key objectives of Edge's review were:

- 5.4.1 To ensure that the configuration of each ASDV (and its management) is meeting the needs of the Council and the Borough's residents. This included an evaluation of the scope of services provided by each, identification of any risks to CEC, commissioning arrangements, objective setting and performance management; and
- 5.4.2 To identify opportunities for possible financial savings and/or income opportunities that could form part of the Council's medium term financial plan.

- 4.5. Over the course of Edge's review each ASDV was evaluated through the information made available to them including financial accounts, statutory filings, operating, agency and shareholder agreements, and performance information and by meeting key stakeholders.
- 4.6. Operational managers and staff in each ASDV as well as all Council nominated commissioners, Trade Unions, ASDV Chairs and Managing Directors were consulted as part of the review. These key stakeholders will continue to be consulted as the change management arrangements are implemented.
- 4.7. A number of potential savings have been identified by Edge but these require further detailed analysis by the Shareholder Committee and the ASDVs to ensure that:
 - a) They do not cut across initiatives already included in the Council's Medium Term Financial Strategy ("MTFS"); and
 - b) That the level of savings is realistic and deliverable.

Key Recommendations Arising from the Review

- 4.8. The report prepared by Edge outlines a number of recommendations in relation to the Council's management of ASDVs as well as recommendations for each ASDV.
- 4.9. The first core recommendation from Edge is that the Cheshire East Residents First Limited's ("CERF") board, should be decommissioned and its strategic oversight function should be transferred to a newly formed Committee. This recommendation has been effected by the creation of a Shareholder Committee.
- 4.10. The role of the Shareholder Committee is to provide strategic oversight of the Council's commissioning arrangements for its ASDVs. The Shareholder Committee will also design, implement and oversee the change programme and to provide recommendations to decision makers regarding decisions required to implement the required changes. However the Shareholder Committee will not get involved in the detail of the day to day management of each ASDV.
- 4.11. The Shareholder Committee will be subject to the Council's Committee Procedure Rules (as detailed in the Constitution).
- 4.12. It is to be noted that Edge recommended the appointment of co-opted members to the Shareholder Committee and, under the Council's Committee Procedure Rules; the Committee will be able to co-opt any person to advise

and assist its function. Co-optees must not be elected Members of the Council and would not be entitled to vote at any meeting of the Shareholder Committee.

- 4.13. The Shareholder Committee will be advised by the Chief Executive, the Director of Governance and Compliance, the Director of Finance and Customer Services and the Executive Director of Place or their representatives.

5. Implications of the Recommendations

5.1. Legal Implications

5.1.1. Pursuant to the Constitution (and in particular the ASDV Framework), the exercise of any of the Council's rights as a shareholder in a company is an Executive function. This function will now be supported by the Shareholder Committee.

5.1.2. On going legal advice in relation to matters including contracts, shareholder agreements, articles of associations, company matters and decision making will be provided.

5.2. Finance Implications

5.2.1. As part of implementing the change programme, it will be necessary to review and determine the scope for any savings, over and above those contained in the existing MTFS.

5.3. Policy Implications

5.3.1. The programme and review is in line with the Council's three year plan.

5.4. Equality Implications

5.4.1. Depending on any recommendations from the programme of change for the group of companies, there could be equality implications. Equality implications will be considered as part of each review undertaken as part of the programme.

5.5. Human Resources Implications

5.5.1. Transferring the service delivery to an arm's Length Company or bringing back in-house will trigger a TUPE transfer of employees who are working in or for the service immediately before the transfer

5.5.2. The Council will have to undertake the necessary due diligence to identify which employees have the right to transfer back to the Council and must be able to provide the necessary employee liability information in accordance with the TUPE regulations.

5.5.3. The Council and any arm's length company will also have to comply with the Regulations consultation requirement which stipulates that consultation on changes to terms and conditions (measures) needs to be conducted in good time before the transfer. In "good time" is not defined in the regulations but a comparison is usually drawn with the timescale for redundancy consultation which is 45 days.

5.6. Risk Management Implications

5.6.1. There are number of risks associated with the programme. These will be captured in detail along with mitigating actions as a part of the programme governance.

5.6.2. There is a risk that if the outcome of the review is not communicated appropriately then the benefits will fail to be realised. To mitigate this, continued engagement with company Chairs, MDs, trade unions and the existing workforce at this early stage will be part of the arrangement to successfully delivering the outcomes of the review.

5.7. Rural Communities Implications

5.7.1. There are no direct implications for rural communities.

5.8. Implications for Children & Young People/Cared for Children

5.8.1. There are no direct implications for children and young people.

5.9. Public Health Implications

5.9.1. There are no direct implications for public health.

5.10. Climate Change Implications

5.10.1 Depending on any recommendations from the programme of change for the ASDVs, there could be climate change implications. These will be considered as part of each individual review undertaken.

5.10.2 Climate change implications are a consideration included in the ASDV Business Plan/Case Appraisal Tool (Appendix D), to assist committee scrutiny of the ASDVs operations.

6. Ward Members Affected

6.1. All wards.

7. Access to Information

7.1. Not applicable.

8. Contact Information

8.1. Any questions relating to this report should be directed to the following officer:

Name: Frank Jordan

Job Title: Executive Director of Place

Email: Frank.Jordan@cheshireeast.gov.uk

SHAREHOLDER COMMITTEE DRAFT TERMS OF REFERENCE

1. Purpose of the Shareholder Committee

- 1.1. The Shareholder Committee will give advice and direction to the Cabinet Member(s) who hold the legal responsibility for making ASDV shareholder decisions.
- 1.2. The Shareholder Committee will:
 - 1.2.1. Provide strategic oversight of the commissioning arrangements for ASDVs and to provide assurance to The Cabinet Member(s) that these arrangements are:
 - 1.2.1.1. compliant with the councils constitution, rules and procedures;
 - 1.2.1.2. achieving best value
 - 1.2.1.3. fit for purpose.
 - 1.2.2. Provide specific recommendations to The Cabinet Member (s) regarding any improvements to be made to these commissioning arrangements.
 - 1.2.3. Commission and then oversee an ASDV change programme as per the resolutions of Cabinet meeting of 13 March 2018.
 - 1.2.4. Review any proposals to expand or reduce the scope of any of the existing ASDVs and advise The Cabinet Member (s) regarding any decisions to be made in this regard.
 - 1.2.5. Review any proposals to create a new ASDV and advise The Cabinet Member(s) regarding any decisions to be made in this regard
 - 1.2.6. Review any proposals to close any of the existing ASDVs and advise The Cabinet Member(s) regarding any decisions to be made in this regard.
 - 1.2.7. Review the strategic business cases for each ASDVs and to provide strategic advice to The Cabinet Member(s) before these business plans are endorsed by the shareholder.
 - 1.2.8. Ensure that appropriate communication and engagements processes are put in place for all stakeholders.

- 1.2.9. Otherwise discharge the role of the Shareholder in respect of the Council's ASDVs.

2. Membership

- 2.1. The Shareholder Committee shall consist of 5 voting members drawn from the Elected Members of the Council. This will be appointed to in line with the rules set out within the constitution for the appointment of members to committees.
- 2.2. The proportionality of the voting members will reflect the political proportionally of the Full Council.
- 2.3. A further 2 co-opted members will also be appointed to the Committee to provide the committee with a wider range of commercial and governance expertise to the committee and the Cabinet Member(s).
- 2.4. Quorum: For the transaction of business there must be [3] Elected members present.
- 2.5. Appendix C includes a Role Description which identifies the required skills sets for each of the members of the committee.

3. In Attendance

- 3.1. The Shareholder Committee will be advised by the Chief Executive, the Director of Governance and Compliance, the Director of Finance and Customer Services and the Executive Director of Place or their representatives.

4. Functions

- 4.1. The core function of the Shareholder Committee is providing strategic oversight of the arrangements with the Councils ASDVs at the group level. In exercising this core function the Shareholder Committee may determine the areas it wishes to consider but as a minimum the committee must be able to:
- 4.1.1. Provide assurance that strategic commissioning arrangements for the ASDVs are fit for purpose or provide recommendations to ensure that they are.
 - 4.1.2. Provide assurance that the overarching performance arrangements for each ASDV are fit for purpose or provide recommendations to ensure that they are.
 - 4.1.3. Provide assurance that the arrangements for ASDVs comply with the Public Contract Regulations 2015;

- 4.1.4. Provide assurance that all ASDVs are complying with the relevant statutory and regulatory framework for their respective areas of operation;
 - 4.1.5. Prepare and maintain a strategic risk register in relation to the group of ASDVs
- 4.2. The shareholder committee shall provide advice to The Cabinet Member(s) on any decisions that need to be made in relation to the overall commissioning arrangements and also prepare and present a strategic report to the Cabinet at least once a year on the overall governance and performance arrangements for the Council's ASDVs.
- 4.3. The second core function of the Shareholder Committee is to fulfil the resolution of the Council's Cabinet at its meeting of 13 March 2018 in relation to the establishment of an ASDV change programme and any future change
- 4.4. Within this core function the Shareholder Committee will consider the initial review undertaken by the external advisors and will commission a detailed programme plan to enable a set final recommendations to be made to The Cabinet Member (s) regarding each of the companies. These recommendations may include:
 - 4.4.1. The expansion of an existing ASDV
 - 4.4.2. The creation of a new ASDV
 - 4.4.3. The transfer of services from one ASDV to another
 - 4.4.4. The returning of the services from an ASDV back to the Council
 - 4.4.5. Making changes to the council's overarching commissioning arrangements
 - 4.4.6. In support of this core function the Shareholder Committee will review and analyse the annual statement of accounts of each ASDV.
- 4.5. The third core function of the Shareholder Committee is to make recommendations to The Cabinet Member (s) about whether or not to approve the business plans of each of the ASDVs as shareholder. Within this core function the Shareholder Committee will also:
 - 4.5.1. Provide strategic advice to The Cabinet Member (s) on the robustness and suitability of each of the ASDV Business Plans
 - 4.5.2. Review any proposals to make a significant capital or revenue investment in any of the council's ASDVs
 - 4.5.3. Specifically reviewing any proposal by an ASDV to submit tender for services to a client other than Cheshire East Council
 - 4.5.4. Provide advice to The Cabinet Member(s) before exercising any shareholder consents
 - 4.5.5. Determine the distribution of any surplus or the issue of any dividends from an ASDV

4.6. It is to be noted that the Shareholder Committee will not have operational control over the ASDVs. Within the parameters legitimately falling for approval by the Shareholder, all decisions regarding the day to day operation of each Company are the responsibility of the Directors of each Company. In addition, the day to day liaison with the companies will be between the client service of the Council and the managing director of each company.

5. Frequency of meetings

5.1. The Shareholder Committee will:

- 5.1.1. Meet Quarterly as a minimum
- 5.1.2. Report to the Council's Cabinet on at least an annual basis
- 5.1.3. Report to the Corporate Overview and Scrutiny Committee annually.

6. Administration

6.1. Minutes and agendas will be distributed no later than 5 clear working days prior to the meeting.

7. Principal Information Management needs.

- Statutory accounts of each company
- Annual engagement and commercial activity report
- Update reports on major projects
- Business plans for each company including risk registers

APPENDIX B

ASDV Shareholder Committee Meeting Forward Plan, from 2020

Date	Standard agenda items (Regular Business)	Work Programme (Scheduled)
Initial meetings of new Committee	Induction training <ul style="list-style-type: none"> • Overview of ASDVs (internal) • Governance as Shareholder (external) • ASDV finances (internal) 	Appointment of Chair, Vice-Chair Agree: – <ul style="list-style-type: none"> • TOR, Forward Plan, and Process for Appointment of Co-opt members • Reviewing Business Plans – Appraisal template • Trading Reserve - Process
Ideal schedule date: January (to align sign off of BPs in MTFS)	<ul style="list-style-type: none"> • Update on ASDV change programme • Trading reserve – review of any proposals for investment/status update • ASDV Business Planning - note final reports x 4 • Sign-off of Shareholder Committee Report to Cabinet 	Presentation to Corporate Overview and Scrutiny Committee Report to Cabinet on Shareholder Committee on overall governance and performance arrangements for Council's ASDVs
Ideal Schedule date: April	<ul style="list-style-type: none"> • Update on ASDV change programme • Trading reserve – status update • Review of ASDVs strategic risk register • Engagement and commercial activity report (Yr prior) 	
Ideal Schedule date: August (to align with HLBC timetable)	<ul style="list-style-type: none"> • Update on ASDV change programme • Trading reserve – review of any proposals for investment/status update • ASDV Business Planning – review draft Business Plans x 4 	Report to Cabinet Member offering strategic advice on robustness and suitability of ASDV business plans
Ideal Schedule date: October	<ul style="list-style-type: none"> • Update on ASDV change programme • Trading reserve - status update • Review of ASDVs strategic risk register • Mid Year Review 	
		Work Programme (Ad hoc – based on need) <ul style="list-style-type: none"> • Report to Cabinet Member providing advise regarding any proposal to expand or reduce the scope of any of the ASDVs • Report to Cabinet Member providing advise regarding any proposal to create or close any of the ASDVs

Scheduled meetings (as at 1st Oct 2019)

- 22nd January 2020 2.00 pm
- 18th March 2020 2.00 pm

Future considerations

- Length of meetings
- ASDV business plan reviews – duration of each session, scheduling of review sessions (1 day, 2 x half day, 3 x 2 hour sessions, to allow BAU?)

APPENDIX C

Process for appointment of ASDV Shareholder Committee co-opt members

1. Process

It is proposed that the appointment of the ASDV co-opt members follows the normal recruitment process adopted by Cheshire East Council.

This involves:-

- Booking local advertising via Cheshire East Council's media buying contract with TMP worldwide.
- Inviting interested candidates to apply by submitting a comprehensive CV together with a supporting statement which outlines their motivation for applying for the role, and how they meet the person specification outlined in the Job Description (Below) – this will be kept to no more than 2 sides of A4 in length.
- As per normal recruitment practice, interested candidates will also be asked to nominate two referees (both should ideally be current/past employers) and complete an Equal Opportunities monitoring form .
- Shortlisting of potential applicants by a task and finish Recruitment Panel, proposed to comprise the Chairman, and 1 other nominated member, supported by the Executive Director of Place.
- Interviews of shortlisted candidates by the established Recruitment Panel, to select the new members.

2. Local Advertising of Appointments

The positions will be advertised in the Recruitment Sections of the media outlets, namely:-

- Crewe Chronicle
- Wilmslow Express
- Macclesfield Express

Additionally, the adverts will also be listed on the Cheshire East Council website.

3. Job Description and Person Specification

Role - Shareholder Committee Member

1. Context

Cheshire East Council is seeking to appoint 2 x co-opt members to its Alternative Service Delivery Vehicle (ASDV) Shareholder Committee. The purpose of the appointments is to supplement the commercial and governance expertise of the Committee, with co-opt members joining 5 Elected Members of the Council, who were appointed in line with the rules of the council's constitution.

The Shareholder Committee is established to give advice and direction to the Cabinet Member/s who hold legal responsibility for making ASDV shareholder decisions. It meets Quarterly as a minimum.

ASDV's are a range of organisations that the Council has created to deliver services to residents, businesses and service users. They include companies, charities and co-operatives. The Council currently has five ASDVS being: ANSA Environmental Services, Orbitas Bereavement services, Transport Services Solutions Ltd, Tatton Park Enterprises Limited and Everybody Sport & Recreation. ESAR is outside the remit of the Shareholder Committee as it reports directly to Council's Cabinet.

2. Role Description

The Key Accountabilities of the Members are:

1. To take corporate, team and personal responsibility as a Board member.
2. To offer constructive criticism and challenge and any other contributions to Board discussions and decisions to be made by the Cabinet Member (s).
3. To contribute positively to the development of the Business Plans and in relation to any other material and significant issues facing each Company.
4. To set challenging targets aimed at improving performance and delivering excellence, and against which the performance of the business can be measured and monitored.
5. To communicate effectively with Stakeholders and ensure that their objectives are met and provide a wider community perspective on the operating environment of the Companies through regular communication with other stakeholders
6. To ensure that the Companies are operated in a safe, legal, efficient and environmentally sustainable manner.
7. To participate in appropriate training on Board duties and accountabilities and to familiarise themselves with the Companies' operations.
8. Ensure that the obligations to members and other stakeholders are understood and met.
9. Promote equality of opportunity and embrace diversity in the way the organisation goes about its work.
10. To fulfil a time commitment of approximately 6 days per year as required and maintain a good attendance record at meetings.

3. Skills and Experience

Whilst Committee Members are expected to have the following skills and experience, some training and development will be made available:

1. Knowledge and understanding of the development and monitoring of organisational or business strategy.
2. Understanding of the processes of planning financial control, performance management and assurance that deliver Company objectives.
3. Credibility with internal and external stakeholders.
4. Ability to understand complex strategic issues, to analyse and to resolve difficult problems.
5. Able to work as an effective member of the Board, all of whose members are equally and jointly responsible for its decisions.
6. Cognisant of the need for accountability to the Shareholders and able to bring engagement with the Shareholders and the broader stakeholder community.
7. Some knowledge and understanding of delivering commercial ventures within the current Local Government system in the UK.

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APPENDIX D - ASDV BUSINESS PLAN/CASE APPRAISAL TOOL

This appraisal tool provides a framework by which Shareholder Committee members can review any ASDV Business Plan or business case.

How to use the Appraisal Tool: Work through each business plan/case independently. Consider the matters detailed under the 5 core appraisal criteria, writing down any questions to would like to ask the Company at its review session. Scoring each criterion is optional, and for personal use only, but it might help provide a steer as to where to focus scrutiny and challenge.

NAME OF ASDV:

CRITERIA	MATTERS TO CONSIDER	SCORE (OUT OF 10)	WRITE DOWN ANY SPECIFIC QUESTIONS YOU WANT TO ASK IN REVIEW SESSION
Strategic Fit	<ul style="list-style-type: none">Is there a clear link to delivery of priorities and vision?Are key stakeholder relationships being maintained?Is there evidence to demonstrate that business plans closely align to their client expectations for service?Is the core Value Proposition to clients clear?Is planned product development and market analyses aligned with market demand and vision/strategic objectives?		
Value for Money	<ul style="list-style-type: none">Is the budget transparent to you as shareholder?Are the forecast achievements from external commercial work transparent (e.g. turnover; profit/ profit margin realised)?Are future commercial development plans robust especially for new business/?Are plans cost effective to the company?Do services offered / client base served represent value for money – how is this demonstrated (eg benchmarking)?Does demand on resources and oversight provide value for money?Is there evidence that the company has reduced costs and/ or added value for clients and shareholder to date?Are plans for further added value (e.g. cost reduction; income generation; quality improvements) clear, including how it will be captured and demonstrated throughout the year?		
Impact & Risk	<ul style="list-style-type: none">Are strategic risks identified and managed?Have constraints to plans eg site occupation, services liabilities, comms/PR matters, been properly identified and addressed?Is there evidence that the impact of new commercial development plans on existing core clients/contracts has been identified, assessed robustly and managed effectively?Is there evidence that the impact of new commercial development plans on existing customers has been identified and will be managed?Is there a potential for loss of income, and has it been properly mitigated eg bad weather impact?		
Continued overleaf	<ul style="list-style-type: none">Are there sufficient safeguards in place for any partner contract liability?Are delivery plans sufficiently robust?		

Table continued from above.

CRITERIA	MATTERS TO CONSIDER	SCORE (OUT OF 10)	WRITE DOWN ANY SPECIFIC QUESTIONS YOU WANT TO ASK IN REVIEW SESSION
Continued Impact & Risk	<ul style="list-style-type: none">• What is the company’s risk assessment of the minimum level of retained reserves that should be held by the company?• Does the company plan to use any of its retained reserves?• Is there a focus by the company on reducing its carbon footprint, environmental sustainability by reducing energy consumption, and/or promoting healthy lifestyles?		
Control	<ul style="list-style-type: none">• Are client contracts governed appropriately?• Are strategic commissioning arrangements clear and robust?• Are KPIs aligned to vision and strategic objectives?• Are sufficient quality assurance mechanisms in place eg ISO?• Are other assurance mechanisms in place to ensure compliance to any necessary statutory and regulatory frameworks?• Is the company complying with teckal exemption?• Is there evidence that customer satisfaction will be monitored throughout the year and is there a process for addressing any issues that arise?• Is there any conflict in priorities, objectives, or standards between clients/contracts and are plans to manage these in place?		
Service Delivery	<ul style="list-style-type: none">• Are key service achievements evident?• Were there any service delivery failures in the last year, and were they dealt with appropriately?• Is future service delivery in line with market/customers demand and strategic objectives?• Have development plans been aligned to current contract delivery and resource plans to ensure sufficient capacity, capability and control to deliver success?• Are you anticipating any challenge to service standards throughout the year, and how are you preparing to minimise these?• Is there sufficient capacity and capability to respond to any changes in priorities?		

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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