

## **Finance Sub-Committee**

**7 June 2023**

### **Appointments to Working Groups and representatives to observe Wholly-owned Company Boards**

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**Report of: Director of Governance and Compliance**

**Report Reference No: FSC/8/23-24**

**Ward(s) Affected: No specific wards**

#### **Purpose of Report**

- 1 The purpose of this report is to invite the Finance Sub-Committee to agree its appointments to working groups and to appoint shareholder representatives/observers to the boards of the Council's wholly-owned companies.

#### **Executive Summary**

- 2 The Finance Sub-Committee has previously established a number of working groups to undertake detailed work on its behalf and report back. It has also appointed shareholder representatives/observers to the boards of the Council's wholly-owned companies as one of a series of measures designed to improve the governance arrangements of those companies.
- 3 Following the election of a new Council, it is now necessary for the Sub-Committee to re-appoint to those bodies.

#### **RECOMMENDATIONS**

The Finance Sub-Committee is recommended to

1. make appointments to the following working groups as detailed in the report:
  - Finance Sub-Committee (ASDV Governance Review) Working Group
  - Shareholder Working Group
  - Business Rates Working Group
2. appoint shareholder representatives to attend and observe the boards of the following wholly-owned companies:

- Ansa
- Orbitas
- Tatton Park Enterprises

## **Background**

### **4 Finance Sub-Committee (ASDV Governance Review) Working Group**

5 The Finance Sub-Committee, at its meeting on 7<sup>th</sup> September 2022, considered a report proposing immediate changes to governance and reporting arrangements of the Council's wholly-owned companies following a review of recently-published CIPFA good practice guidance on local authority-owned companies and the findings of Public Interest Reports on the governance arrangements of various local authority companies.

6 Arising from that report, the Sub-Committee appointed a working Group of 7, comprising 5 elected members and 2 officers (representing the Finance and Legal services respectively), to undertake a full review of the structure and governance of the Council's wholly-owned companies, and to report back to the Sub-Committee. The terms of reference of the Working Group are set out in the Appendix to this report for information.

7 The Working Group has met on a number of occasions and its work is nearing completion. However, it is necessary to re-appoint the Working Group following the election of a new Council.

8 The Working Group previously comprised members with experience of reviewing the Council's ASDVs. Membership of the Working Group was therefore not restricted to this Sub-Committee.

9 In terms of political group representation, the Working Group comprised the following:

2 Conservative

2 Labour

1 Independent

10 This accords with the proportionalities following the Borough Council elections.

11 *It is recommended that the Finance Sub-Committee (ASDV Governance Review) Working Group be re-appointed to complete the review of the Council's ASDV governance arrangements, based on the proportionalities set out above. If named individuals cannot be provided at the meeting, these should be notified to the Head of Democratic Services and Governance.*

12 **Appointment of Shareholder Representatives as observers of Wholly-owned Company Boards**

13 As part of its review of ASDV governance arrangements on 7<sup>th</sup> September, the Sub-Committee agreed to appoint a member of the Sub-Committee to observe the board of each Council-owned company as a shareholder representative. Committee must be clear these are **not** directors or replacement for any company director.

14 It is now necessary to re-appoint shareholder representative to observe the boards following the election of a new Council.

15 *The Sub-Committee is recommended to appoint a member of the Sub-Committee as an observer of each of the company boards:*

- *Ansa*
- *Orbitas*
- *Tatton Park Enterprises*

16 **Shareholder Working Group**

17 At its meeting on 9<sup>th</sup> November 2022, the Committee received a report which sought to re-establish a Shareholder Working Group to review the Business Plans of Ansa Environmental Services and Orbitas Bereavement Services, for the period 2023/24-2026/27, and related performance reports. The terms of reference of the Shareholder Working Group are set out in the Appendix for information.

18 The Sub-Committee appointed a Shareholder Working Group comprising the same chair and members as the working group established by the Sub-Committee on 7<sup>th</sup> September 2022 to review the governance arrangements of wholly-owned companies, along with supporting officers as set out in the terms of reference.

19 In terms of political group representation, the Working Group comprised the following:

2 Conservative

2 Labour

1 Independent

20 This accords with the proportionalities following the Borough Council elections.

21 The Shareholder Working Group is required to meet on a number of occasions throughout the year to review the business plans and performance of each wholly-owned company, and to report back to this Sub-Committee.

22 *It is recommended that the Shareholder Working Group be re-appointed for the current municipal year, based on the proportionalities set out above. If*

*named individuals cannot be provided at the meeting, these should be notified to the Head of Democratic Services and Governance.*

## 23 **Business Rates Working Group**

24 At its meeting on 8<sup>th</sup> March 2023, the Sub-Committee agreed to establish a Business Rates Working Group to review the extent of Discretionary Relief available to local businesses and how that relief impacted both business and the Council. The Working Group would report back to the Sub-Committee, making recommendations for change where appropriate. The terms of reference of the Working Group are set out in the Appendix for information.

25 The Working Group was to comprise three members of the Finance Sub-Committee with the following composition: 1 Conservative; 1 Labour; 1 Independent Group. Nominations were to be submitted to the Head of Democratic Services and Governance in due course, following the Borough elections.

26 *It is recommended that the Business Rates Working Group be appointed for the current municipal year, based on the proportionalities set out above. If named individuals cannot be provided at the meeting, these should be notified to the Head of Democratic Services and Governance.*

## **Consultation and Engagement**

There has been no consultation in relation to this report. The report relates to previous decisions of the Sub-Committee and the need to appoint to various bodies in accordance with the rules of political proportionality where these apply and in accordance with the agreed terms of reference of each body.

## **Reasons for Recommendations**

27 In accordance with the Constitution, the Finance Sub-Committee is responsible for the appointment of the bodies referred to in this report.

## **Other Options Considered**

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<b>Option</b>	<b>Impact</b>	<b>Risk</b>
Do nothing	Not appointing to these bodies would negatively affect the Council's ability to make effective decisions in an open and transparent manner.	Failure to appoint these bodies could adversely affect the operational efficiency and accountability of the Council's wholly-owned companies.

## Implications and Comments

### *Monitoring Officer/Legal*

- 28 The appointment to working groups allows members to engage, understand and consider complex issues outside of a formal committee but retaining the assurance that the working group will report back to the committee when necessary for decisions.
- 29 The appointment of a representative as observer of any board is not an appoint as director. It reflects an interim proposal agreed by the committee pending a wider review of company governance arrangements.

### *Section 151 Officer/Finance*

- 30 There are no financial implications that require an amendment to the Medium-Term Financial Strategy.

### *Policy*

- 25 There are no direct policy implications.

<b>An open and enabling organisation</b>
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Ensure that there is transparency in all aspects of council decision-making
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### *Equality, Diversity and Inclusion*

- 26 There are no direct equality, diversity and inclusion implications.

### *Human Resources*

- 27 There are no direct human resources implications.

### *Risk Management*

- 28 Failure to appoint the bodies referred to in this report could adversely affect the operational efficiency and accountability of the Council's wholly-owned companies.

### *Rural Communities*

- 29 There are no direct implications for rural communities.

### *Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)*

- 30 There are no direct implications for children and young people.

*Public Health*

31 There are no direct implications for public health.

*Climate Change*

32 There are no direct implications for climate change.

<b>Access to Information</b>	
Contact Officer:	Paul Mountford <a href="mailto:Paul.mountford@cheshireeast.gov.uk">Paul.mountford@cheshireeast.gov.uk</a>
Appendices:	The Appendices to this report set out the terms of reference of the following working groups as approved by the Finance Sub-Committee: <ul style="list-style-type: none"><li>▪ Finance Sub-Committee (ASDV Governance Review) Working Group</li><li>▪ Shareholder Working Group</li><li>▪ Business Rates Working Group</li></ul>
Background Papers:	The background papers used in preparing this report are committee reports and minutes, all of which are published and available for inspection on the Council's website.