



Working for a brighter future together

Shareholder Working Group TERMS OF REFERENCE

1. Purpose of the Shareholder Working Group (“the Group”)

1.1. The Group will give advice and direction to the Finance Sub-Committee (“the Sub-Committee”) who hold the legal responsibility for making shareholder decisions.

1.2. The Group will:

1.2.1. Review the strategic business cases for each WOC and provide strategic advice to the Sub-Committee to support any decision making required by the Sub-Committee in dispensing their responsibilities as shareholder.

1.2.2. Otherwise support the Sub-Committee in dispensing its responsibilities as the Shareholder in respect of the Council.

2. Membership

2.1. The Group shall consist of the following members:

2.1.1. 5 drawn from the Elected Members of the Council, the Chair of the Group shall be appointed by the Sub-Committee from the membership of the Sub-Committee. Other Members need not be Members of the Sub-Committee;

2.1.2. 1 officer representing the Corporate Leadership Team of the Council;

2.1.3. 1 individual providing professional financial support;

2.1.4. 1 individual providing professional legal support.

2.2. The proportionality of the Group shall be determined by the Sub-Committee.

3. In Attendance

3.1. To support the work of the Group the Chair may invite additional individuals to attend each meeting as follows. The individuals may provide information and advice to the Working Group; and will not have voting rights.



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- 3.1.1. Officer(s) representing the commissioned Services of the WOC; depending on which WOC is being discussed
- 3.1.2. Member(s) of the Company Board of the WOC depending on which WOC is being discussed
- 3.1.3. External advice and expertise may also be provided to the Group to assist in their work.

4. Functions

4.1. The core function of the Group is to:

- 4.1.1. Provide assurance that the business plans for each WOC are fit for purpose, meet the needs of customers and commissioners or provide recommendations to ensure that they will;
- 4.1.2. Provide assurance that the business plans for each WOC comply with the Public Contract Regulations 2015;
- 4.1.3. Provide assurance that all WOCs are structured in a way that complies with the relevant statutory and regulatory framework as a company and in their respective areas of operation.

4.2. The Working Group shall provide advice to the Sub-Committee on any potential risks to the Cheshire East Group associated with the current arrangements.

4.3. The Shareholder Group is to make recommendations to the Sub-Committee about whether or not to approve the business plans of each of the WOCs as shareholder. Within this core function the Group will also:

- 4.3.1. Provide strategic advice to the Sub-Committee on the robustness and suitability of each of the WOC Business Plans;
- 4.3.2. Review any proposals to make a significant capital or revenue investment in any of the Council's WOCs;
- 4.3.3. Specifically reviewing any proposal by a WOC to submit a tender for services to a client other than Cheshire East Council;
- 4.3.4. Provide advice to the Sub-Committee before exercising any shareholder consents;
- 4.3.5. Determine the distribution of any surplus or the issue of any dividends from a WOC; and, in making this determination, provide assurance that



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any proposed investment or retention of accumulated surpluses is appropriate for the purposes of the Companies Business Plans.

5. Frequency of meetings

5.1. The Group will meet during the period November to December 2022 and make recommendations to the Sub-Committee on any future pattern of meetings.

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

End