

OPEN

Finance Sub-Committee

25 June 2024

Appointments to Working Groups and Wholly owned Company Boards

Report of: Director of Governance and Compliance (Monitoring Officer)]

Report Reference No: FSC/26/24-25

Ward(s) Affected: No specific Ward

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 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.

RECOMMENDATIONS

The Finance Sub-Committee is recommended to:

- 1 make appointments to the Shareholder Working Group.
- 2 appoint shareholder representatives to attend and observe the boards of the following wholly owned companies:
 - Ansa
 - Orbitas
 - Tatton Park Enterprises

- | | |
|---|---|
| 3 | nominate one Member to the Joint Extra Care Housing Management Board. |
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Background

Shareholder Working Group

- 3 At its meeting on 9th 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 and related performance reports. The terms of reference of the Shareholder Working Group are set out in the Appendix for information.
- 4 The Sub-Committee appointed a Shareholder Working Group comprising the same chair and members as the working group established by the Sub-Committee on 7th September 2022 to review the governance arrangements of wholly-owned companies, along with supporting officers as set out in the terms of reference.
- 5 In terms of political group representation, the Working Group comprises the following:

2 Conservative; 2 Labour; 1 Independent
- 6 This accords with the proportionalities agreed at the Annual Meeting of Council on 15 May 2024.
- 7 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.
- 8 It is recommended that the Shareholder Working Group be re-appointed for the current municipal year, based on the proportionalities set out above, with the following membership:

Councillors D Brown, D Jefferay, N Mannion, L Smetham and F Wilson.

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

- 9 As part of its review of ASDV governance arrangements on 7th 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.

- 10 It is now necessary to re-appoint shareholder representative to observe the boards following the election of a new Council.
- 11 The Sub-Committee is recommended to appoint a member of the Finance Sub-Committee as an observer of each of the company boards:
 - Ansa
 - Orbitas
 - Tatton Park Enterprises

Joint Extra Care Housing Management Board

- 12 The Joint Extra Care Housing Management Board is a joint board of Cheshire East Council and Cheshire West and Chester Council. It is responsible for providing strategic guidance, making strategic decisions and reviewing performance in relation to extra care housing provision, except where matters are reserved to the respective authorities. The terms of reference are set out in the Appendix for information.
- 13 The Joint Extra Care Housing Management Board comprises three elected members from each authority.
- 14 The Board previously comprised three Portfolio Holders each from Cheshire East and Cheshire West and Chester. The transitional provisions governing the transition from an executive system to a committee system in Cheshire East provided that the nominations for Cheshire East Council would be made by the chairs of the Corporate Policy Committee, Adults and Health Committee and Finance Sub-Committee. Therefore, the nomination for the Finance Sub-Committee has previously been made by the Chair of the Sub-Committee. It now falls to the Sub-Committee as a whole to nominate one elected member to the Board.
- 15 There are no specific criteria which apply to the appointments.

Consultation and Engagement

- 16 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

- 17 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

18

| Option | Impact | Risk |
|------------|---|---|
| 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

- 19 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.
- 20 The appointment of a representative as observer of any board is not a director appointment. It reflects an interim proposal agreed by the committee pending a wider review of company governance arrangements.

Section 151 Officer/Finance

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

Policy

- 22 There are no direct policy implications.

An open and enabling organisation

Ensure that there is transparency in all aspects of council decision-making

Equality, Diversity and Inclusion

23 There are no direct equality, diversity and inclusion implications.

Human Resources

24 There are no direct human resources implications.

Risk Management

25 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

26 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)

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

Public Health

28 There are no direct implications for public health.

Climate Change

29 There are no direct implications for climate change.

| Access to Information | |
|------------------------------|--|
| Contact Officer: | Rachel Graves rachel.graves@cheshireeast.gov.uk |
| Appendices: | The Appendices to this report set out the terms of reference of the Shareholder Working Group as approved by the Finance Sub-Committee, and the Joint Extra Care Housing Management Board. |
| 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. |

