

OPEN

Finance Sub-Committee

3 November 2025

The Liquidation of Cheshire Energy Networks Limited

**Report of: Ashley Hughes, Executive Director of Resources,
Section 151 Officer**

Report Reference No: FSC/34/25-26

Ward(s) Affected: All Wards

For Decision

Purpose of Report

- 1 This report seeks approval to undertake the necessary steps with Equans Services Limited to liquidate Cheshire Energy Networks Ltd.

Executive Summary

- 2 Cheshire Energy Networks Limited is a company that was incorporated on 27 February 2016 as part of a joint venture between Cheshire East Council and Equans Services Limited.
- 3 The company has remained dormant since incorporation. With no future business activity envisaged, the joint venture shareholders (Cheshire East Council and Equans Services Limited) have discussed the liquidation of the company as it is no longer required.
- 4 A Committee decision is required to enable the Directors and Officers to undertake the necessary steps to liquidate the company.

RECOMMENDATIONS

Finance Sub-Committee is recommended to

1. Approve that Cheshire Energy Networks Ltd can be liquidated and that Officers and Directors are authorised to take all necessary steps to do so.

Background

- 5 Cheshire Energy Networks Limited (“CENL”) is a company that was incorporated on 27 February 2016 as part of a joint venture between Cheshire East Council and Engie Services Limited (as was, now renamed Equans Services Limited) to develop renewable energy projects. No projects have been initiated, and the company has remained dormant since its inception. No future projects are envisaged.
- 6 The joint venture consists of a long-term contract (30 years) between Cheshire East Council, Equans Services Limited and CENL. CENL is 51% owned by Equans Services Limited and 49% owned by Cheshire East.
- 7 On setting up the joint venture the Council appointed two councillors as Directors of CENL (currently Cllrs David Brown and Brian Puddicombe). Equans Services Limited has fulfilled the company secretarial role.
- 8 Equans Services Limited have requested that the company be dissolved. Discussion between the Director Growth and Enterprise and the Director of Finance concluded that there is no need for CENL to remain in existence.
- 9 This report seeks approval for officers from Legal Services, Finance and Economic Development, in conjunction with CENL’s Directors (Cllr Brian Puddicombe & Cllr David Brown) as well as the representatives from Equans Services Limited to undertake the necessary tasks to liquidate CENL.

Consultation and Engagement

- 10 Equans Services Limited and CENL’s two Directors have been consulted on this matter.

Reasons for Recommendations

- 11 The recommendation recognises that no benefits or tangible activities have been brought forward under the terms of the joint venture. The liquidation of CENL allows the Council to disassociate itself from non-value-added business relationships and free up senior resources to concentrate on value-added activities whilst also reducing unnecessary risks.

Other Options Considered

- 12 CEC could request that their interest be transferred to the Council who could take over responsibility for the company secretarial function.

However, given that CENL has been dormant since incorporation there are no recognisable benefits attached to this. Dissolution of the joint venture does not preclude the Council from pursuing future renewable energy projects.

Implications and Comments

Monitoring Officer/Legal/Governance

- 13 The Council's joint venture with Equans Services Limited consists of a Shareholders' Agreement (between the Council, Equans Services Limited and CENL) and the jointly owned limited company CENL. Under the Shareholders' Agreement, shareholder consent is required to liquidate CENL. As set out in the Constitution, the Finance Sub-Committee fulfils the Council's shareholder function and, as such, can give consent to liquate CENL.

Section 151 Officer/Finance

- 14 There are no direct financial implications although there may be some very minor costs associated with the liquidation. As CENL is dormant and all filings are up to date, the steps required to dissolve and strike-off the company at Companies House are relatively simple. Once the necessary paperwork is filed and Companies House announce the intention to strike off the company it may take two to three months to complete assuming no objections are received.
- 15 The liquidation would reduce the unnecessary engagement with senior officers and members regarding the dormant company which would demonstrate better use of our resources.

Human Resources

- 16 There are no direct implications for human resources.

Risk Management

- 17 Liquidating a dormant company reduces unnecessary risks associated with fraud and other related activities.
- 18 Legal Services will be providing the necessary advice when undertaking the liquidation procedures therefore reducing any legal risks to the Council and the nominated Directors.

Impact on other Committees

- 19 There are no recommendations within the report which impact other committees.

Policy

- 20 This does not make any changes to Corporate Policy but does contribute to:

Commitment 3: An effective and enabling council

Equality, Diversity, and Inclusion

- 21 There are no direct implications for equality, diversity, or inclusion.

Other Implications

- 22 There are no direct implications for rural communities, climate change or public health.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Ashley Hughes	S151 Officer	20/10/25	21/10/25
Kevin O'Keefe	Interim Director of Law and Governance (Monitoring Officer)	20/10/25	22/10/25
<i>Legal and Finance</i>			
Aaron LeCroy	Principal Accountant	17/10/25	20/10/25
Paul Fox	Senior Solicitor	17/10/25	20/10/25

Access to Information	
Contact Officer:	Sal Khan Sal.Khan@cheshireeast.gov.uk
Appendices:	N/A
Background Papers:	N/A