

Agenda Item 4

SHAREHOLDER COMMITTEE 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. [The Cabinet Member(s)]

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.

3. In Attendance

- 3.1.** The Chief Executive, the Section 151 Officer, the Director of Legal Services and the Executive Director for Place (or their representatives) will be advisors to the Shareholder Committee. The committee and/or those Officers may invite additional advisors to attend the Shareholder Committee as required.

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 1

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)	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	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)	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	Update on ASDV change programme Trading reserve - status update Review of ASDVs strategic risk register Mid Year Review	

		<p>Work Programme (Ad hoc – based on need)</p> <p>Report to Cabinet Member providing advise regarding any proposal to expand or reduce the scope of any of the ASDVs</p> <p>Report to Cabinet Member providing advise regarding any proposal to create or close any of the ASDVs</p>
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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?)

End

Appendix 2

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, including the Chairman, the Executive Director of Place, and 1 other nominated member.
- 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.

Draft Recruitment Advert

ASDV Shareholder Committee Appointments x 2

Modern, fast-paced delivery never looked so good as it does right now at Cheshire East Council. The council is an aspiring, high performing organisation, with an ambitious corporate plan, a thriving economy, beautiful surroundings and strong links with our partners and neighbouring authorities. As part of its strategy to seek better value from delivery it has established Alternative Service Delivery Vehicles (ASDVs), with four of these operating as wholly owned companies of the Council. A Shareholder Committee provides advice and guidance to the Cabinet Member holding legal responsibility for making ASDV shareholder decisions.

The Shareholder Committee is seeking to appoint 2 x co-opt members to supplement the commercial and governance expertise of the Committee, which comprises 5 Elected Members of the Council, who were appointed in line with the rules of the council's constitution. By committing to circa 6 x 2.5 hr meetings a year, you could make a far reaching impact across services covering building control and planning admin, community and public transport, waste and environmental, and bereavement. **Expenses will be reimbursed**. Email xxxxxx for more information. Closing date xxxx.

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.

End