

Blackpool Council

30 September 2021

To: Councillors Clapham, Taylor and L Williams

The above members are requested to attend the:

SHAREHOLDER COMMITTEE

Friday, 8 October 2021 at 9.30 am
in Conference Room 3A and 3B Bickerstaffe House

A G E N D A

ADMISSION OF THE PUBLIC TO COMMITTEE MEETINGS

The Head of Democratic Governance has marked with an asterisk (*) those items where the Committee may need to consider whether the public should be excluded from the meeting as the items are likely to disclose exempt information.

The nature of the exempt information is shown in brackets after the item.

1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

2 SHAREHOLDER COMMITTEE TERMS OF REFERENCE

(Pages 1 - 6)

To review the powers and duties of the Committee as agreed by the Executive.

3 * WHOLLY-OWNED COMPANY FINANCIAL PERFORMANCE AS AT MONTH 4 2021/22 (Pages 7 - 14)

To report detailed information on the financial performance of each of the Council wholly-owned company to the Shareholder Committee in line with decision EX26/2021.

This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

4 * BLACKPOOL TRANSPORT SERVICES LIMITED FINANCE REPORT (Pages 15 - 20)

To advise the Shareholder Committee of the company's financial performance as reported in its Period Five management accounts. It reviews actual trading to 14 August 2021, a trading forecast to year-end March and the cash flow forecast to the end of March 2022.

This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

5 * BLACKPOOL TRANSPORT SERVICES PERFORMANCE MONITORING REPORT (Pages 21 - 26)

To update the Shareholder Committee on the most recent set of performance data.

This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

6 * BLACKPOOL TRANSPORT SERVICES LIMITED RECOVERY PLAN 2021/2024 (Pages 27 - 30)

To give the Shareholder Committee a progress report on Blackpool Transport Services Limited's Recovery Plan.

This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

7 * ZERO EMISSION BUS REGIONAL AREAS FUND (Pages 31 - 36)

To give the Shareholder Committee an update on Blackpool Council's application for £20m of grant funding to convert Blackpool Transport Service Limited's diesel fleet to electric buses.

This item contains commercially sensitive information which is exempt from

publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

8 * ENHANCED PARTNERSHIP PROGRESS REPORT (Pages 37 - 42)

To give the Shareholder Committee a progress report regarding the drafting of a Blackpool Bus Service Improvement Plan (BSIP).

This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

9 * ASSET MANAGEMENT (Pages 43 - 56)

To advise the Shareholder Committee of the steps being taken to ensure that robust risk management processes are being put in place for the maintenance of the Light Rail Tramway and Buildings.

This item contains commercially sensitive information which is exempt from publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

10 DATE AND TIME OF THE NEXT MEETING

To note the date and time of the next meeting as Friday 19 November 2021, commencing at 10am.

Venue information:

Third floor meeting room (lift available), accessible toilets (ground floor), no-smoking building. Face masks must be worn when moving around the building and please ensure social distancing.

Other information:

For queries regarding this agenda please contact Sharon Davis, Scrutiny Manager, Tel: (01253) 477213, e-mail Sharon.davis@blackpool.gov.uk

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

This page is intentionally left blank

Report to:	SHAREHOLDER COMMITTEE
Relevant Company representatives:	Mark Towers, Group Company Secretary Lorraine Hurst, Company Secretary for Blackpool Transport Services Ltd, Blackpool Operating Company Ltd and Blackpool Entertainment Company Ltd
Relevant Cabinet Member:	Councillor Ivan Taylor, Deputy Leader of the Council and Cabinet Member for Partnerships and Performance
Date of Meeting:	8 October 2021

SHAREHOLDER COMMITTEE POWERS AND DUTIES

1.0 Purpose of the report:

1.1 To review the powers and duties of the Committee as agreed by the Executive.

2.0 Recommendation(s):

2.1 To consider the powers and duties of the Committee and agree or amend as appropriate and recommend Executive accordingly.

3.0 Reasons for recommendation(s):

3.1 To ensure the powers and duties of the Committee are robust and fit for purpose.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 None.

5.0 Council priority:

5.1 The relevant Council priorities are:

- The economy: Maximising growth and opportunity across Blackpool
- Communities: Creating stronger communities and increasing resilience.

6.0 Background information

- 6.1 At the meeting of the Executive held on 14 June 2021, the establishment of the Shareholder Committee was agreed. As part of that decision it was agreed that the powers and duties attached at Appendix 2(a), to the Executive Report and this report, be those delegated to the committee and that the committee at its first meeting be asked to review these and if changes required to recommend back to the Executive, as appropriate.
- 6.2 During September new guidance has been produced to help councils carry out effective reviews of companies they own, and thereby “avoid the obvious traps” involved in running commercial endeavours. The guidance and toolkit, has been produced by Local Partnerships, comes following a recommendation the government’s lead council inspector in a rapid review of Nottingham City Council’s governance arrangements for companies Mr Max Caller, who recommended that guidance be commissioned to aid local authorities in this area.
- 6.3 Part of this guidance covers areas of responsibility for such a committee as this and therefore the current powers and duties at Appendix 2(a), has been updated.
- 6.4 Members of the committee are therefore asked to review the updated powers and duties of the Shareholder Committee contained within the appendix and identify any changes required to recommend back to the Executive as agreed in the original decision. The proposed changes are underlined in the appendix.
- 6.5 The Governance Framework for the companies is currently being reviewed with the Audit Committee chairs from the council’s companies and the Company Secretary and this guidance will now help inform that review. A draft model will be brought back to this committee at a future meeting before being recommended to the company boards.
- 6.6 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- 7.1 Appendix 2(a): Updated Powers and duties of the Shareholder Committee

8.0 Financial considerations:

- 8.1 None.

9.0 Legal considerations:

- 9.1 None.

10.0 Risk management considerations:

10.1 None.

11.0 Equalities considerations:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 None.

13.0 Internal/external consultation undertaken:

13.1 None.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number: N/A

15.3 If a key decision, is the decision required in less than five days? N/A

15.4 If **yes**, please describe the reason for urgency: N/A

16.0 Call-in information:

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason: N/A

This page is intentionally left blank

Appendix 2(a): Shareholder Committee

1.1.1 Purpose

To act as on behalf of the Executive as the shareholder in order to ensure that the duties and responsibilities of the Council as the sole shareholder of its wholly owned companies are exercised through each company and to manage overall relationships with the wholly owned companies.

1.1.2 Membership

Membership comprises of three elected members, two Executive Members and a co-opted member.

A senior/ Chief Officer/s of the Council would also be in attendance as the representative/s of the Chief Executive. If there are budget/ finance items on for discussion then the Council's Chief Finance Officer (or representative) may also be in attendance.

The Chairman of the Company and the Managing Director would attend the meetings along with the Company Secretary and where appropriate one or more other Non-Executive Directors may attend. Where a company has a Finance Director, this person may also be called upon to attend the meetings.

The quorum for this meeting is as per the Executive Procedure Rules, set out in the Council's constitution with two Executive members needing to be present.

1.1.3 Responsibilities

- To act as the Executive decision making body in line with the Executive Decision Making Criteria in relation to all shareholder matters relating to companies which are not otherwise delegated to the appropriate Cabinet Member (the Deputy Leader of the Council), Chief Officers or it be a matter for Council (where the matter is a Council decision then a recommendation should come from this committee)
- To provide an articulation of what success looks like in terms of achieving social outcomes and/or a return on investment in each of the companies
- To approve, following consideration by company Boards, the strategic business plan
- To evaluate the effectiveness of the company boards and the delivery of the company performance against strategic objectives and the business plan
- To provide financial oversight of companies
- To approve any borrowing or loans undertaken by companies in line with the Executive decision making criteria
- To provide the necessary oversight from a shareholder's perspective that the governance arrangements, policies and boundaries that the council has established are being adhered to
- To provide a holistic review of risk to the council offered by Council companies

- To approve the establishment or disestablishment of any companies or their subsidiaries
- To periodically review whether each entity provides the most effective vehicle to deliver the outcomes it requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities
- To review and monitor (as appropriate) Shareholder/ Management Agreements and Articles of Associations, in particular where there are areas of concern.

1.1.4 **Frequency of meetings**

A minimum of two meetings per year with each company, with any others dependent on urgency of business.