

Notice of:	EXECUTIVE
Decision Number:	EX58/2021
Relevant Officer:	Mark Towers, Director of Governance and Partnerships
Relevant Cabinet Members:	Councillor Lynn Williams, Leader of the Council and Councillor Ivan Taylor, Deputy Leader of the Council
Date of Meeting:	8 November 2021

SHAREHOLDER COMMITTEE POWERS AND DUTIES

1.0 Purpose of the report:

1.1 To consider the recommendation from the Shareholder Committee from its meeting on 8 October 2021 to amend the current powers and duties.

2.0 Recommendation(s):

2.1 To agree the amended powers and duties of the Shareholder Committee as set out in Appendix 6(a) to the Executive report.

3.0 Reasons for recommendation(s):

3.1 To provide greater clarity on the powers and duties of the Shareholder Committee.

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 For the current powers and duties to remain as agreed by the Executive on 14 June 2021.

5.0 Council priority:

5.1 This proposal cover all Council priorities.

6.0 Background information

- 6.1 The Executive at its meeting on 14 June 2021 agreed to constitute a Shareholder Committee - a committee of the Executive with a specific remit to deal with matters relating to the Council's wholly owned companies.
- 6.2 Part of that decision included agreement for the Shareholder Committee to review its power and duties at the first meeting and report back to the Executive on any proposed changes. This review took place at the meeting on 8 October 2021.
- 6.3 During September new guidance was 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, produced by Local Partnerships, was published following a rapid review of Nottingham City Council's governance arrangements for companies and recommendations from the government's lead council inspector that guidance should be commissioned to aid local authorities in this area. The Shareholder Committee was mindful of this guidance when reviewing its functions.
- 6.4 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- 7.1 Appendix 6(a): Proposed 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 The revised powers and duties provide clarification on the remit of the Committee and in doing so seek to protect the Council's interest in its commercial entities. The revised powers for example outline a number of areas where Shareholder input or approval is necessary before a company can embark upon a course of action.

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 The Shareholder Committee considered the revised powers at its first meeting on 8 October 2021.

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:

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

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

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

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: N/a Date approved: N/A

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Summary of Discussion:

19.1 Mark Towers, Director of Governance and Partnerships presented the report to the Executive. Mr Towers highlighted that the amended terms of reference had been proposed to ensure best practice and more clearly reference the role of the Shareholder Committee following recent reviews at other Councils and the production of national guidance on wholly owned companies from Local Partnerships. Councillor Ivan Taylor, Deputy Leader of the Council and Chairman of the Shareholder Committee explained that the revised terms of reference provided greater clarity to the role of the Committee and ensured that the terms of reference reflected that body's role in practice.

20.0 Executive decision:

20.1 The Executive agreed the recommendation as outlined above namely:

To agree the amended powers and duties of the Shareholder Committee as set out in Appendix 6(a) to the Executive report.

21.0 Date of Decision:

21.1 8 November 2021

22.0 Reason(s) for decision:

22.1 To provide greater clarity on the powers and duties of the Shareholder Committee.

23.0 Date Decision published:

23.1 9 November 2021

24.0 Alternative Options Considered and Rejected:

24.1 The Executive considered the option of the powers and duties of the Shareholder Committee to remain as agreed by the Executive on 14 June 2021 but noted that this would not be in line with the decision of the Shareholder Committee on 8 October 2021.

25.0 Executive Members in attendance:

25.1 Councillor L Williams

Councillor Benson, Campbell, Farrell, Hobson, Hugo, Smith and Taylor

26.0 Call-in:

26.1

27.0 Notes:

27.1 The following non-Executive member was in attendance: Councillor Hunter.