

Notice of:	EXECUTIVE
Decision Number:	EX23/2023
Relevant Officer:	Mark Towers, Director of Governance and Partnerships
Relevant Cabinet Members:	Councillor Lynn Williams, Leader of the Council Councillor Ivan Taylor, Deputy Leader of the Council
Date of Meeting:	12 June 2023

ESTABLISHMENT OF A SHAREHOLDER COMMITTEE

1.0 Purpose of the report:

1.1 To consider the re-establishment of a Shareholder Committee as a committee of the Executive following the election and the annual meeting.

2.0 Recommendation(s):

2.1 To agree to re-constitute a committee of the Executive to be known as ‘The Shareholder Committee’.

2.2 To agree that the Shareholder Committee will comprise of 3 members (the Deputy Leader of the Council (to be appointed as Chair), the Leader of the Council and a member of the Principal Opposition Group as a Co-opted member (the Director of Governance and Partnerships to be notified of the appointment by the Deputy Leader of the Council after consultation with the Leader of the Principal Opposition Group).

2.3 To agree the updated powers and duties attached at Appendix 2a, to the Executive report, to be those delegated to the committee.

2.4 To note that the Shareholder Committee will continue to function in the same manner as the Executive, including following the Executive Procedure Rules.

2.5 To agree the dates of the Shareholder Committee for Municipal Year 2023/24, as outlined in the attached calendar at Appendix 2b, to the Executive report, as 29 June 2023, 13 July 2023, 21 September 2023, 12 October 2023, 9 November 2023, 14 December 2023, 18 January 2024, 22 February 2024, 21 March 2024 and 18 April 2024.

3.0 Reasons for recommendation(s):

3.1 Following the Annual Meeting on 24 May 2023 is recommended, that the Executive set up a Shareholder Committee given that body worked well in the previous term of the Council. Following changes to the operating structures of the wholly-owned companies some minor amendments have been proposed to the terms of reference to include some partner organisations.

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 To not appoint a Shareholder Committee. However, the proposed governance structure is in accordance with good practice and does play to the strengths and roles of Executive, scrutiny and audit governance and has worked well in the past.

5.0 Council priority:

5.1 This proposal covers all council priorities.

6.0 Background information

6.1 Executive at its meeting in June 2021 considered the recommendations of the North West Employers Scrutiny review and the Housing Quality Network independent review of Blackpool Coastal Housing Limited and the Council meeting. It was therefore agreed that a committee of the Executive be appointed to act as the Shareholder Executive function and this committee then comprised of the Deputy Leader of the Council, Councillor Taylor, the Leader of the Council, Councillor L Williams and the then Deputy Leader of the Principal Opposition Group, Councillor Clapham as a co-opted member of this committee. It is clear that this Committee has worked well and provided clarity on the decision-making process involving the Council's wholly owned companies. This reports seeks to re-establish the Shareholder Committee on broadly the same terms of reference as previously.

6.2 This would also mean that any decisions of the Shareholder Committee would continue to be Executive decisions and there be no need for a meeting of the Executive for any further approvals. In line with the recommendations of the North West Employers review it had also been agreed that the Scrutiny Leadership Board would continue to take responsibility for any scrutiny work to be undertaken in relation to the Council's Wholly Owned Companies, liaising with this Committee.

- 6.3 The Executive at its meeting on the 8 October 2021 agreed terms of reference for the Shareholder Committee and it is proposed that these terms of reference continue subject to some minor amendments outlined in paragraph 6.5. The committee would therefore be governed by the Executive Procedure Rules outlined in part 4d of the Council's Constitution and the Executive Decision Making criteria. This means that decisions of the Shareholder Committee are included on the Forward Plan if key decisions, Decision Notices are published and decisions subject to the call in process.
- 6.4 The operation of the Shareholder Committee would continue to be reviewed to ensure that it meets its objectives and good governance. This review would form part of the Council's Annual Governance Statement. If necessary the Director of Governance and Partnerships will request any required amendments to the Shareholder Committee's operation or terms of reference by way of a report to the Executive.
- 6.5 The attached terms of reference at Appendix 2a, to the Executive report, have been updated to include oversight of major significant Partnerships, these following consultation with the Deputy Leader of the Council have been identified for the time being as the arrangements in place for Blackpool Tower and other associated attractions run by Merlin and the Council/ Elaindi partnership managing Hounds Hill.
- 6.6 The details of the proposed meeting dates are included for approval at Appendix 2b, to the Executive report. The dates agreed at Annual Council for other Committees and meetings are included on this calendar so that members of the Executive can judge the suitability of the proposed dates in context.
- 6.7 Does the information submitted include any exempt information? No

7.0 List of Appendices:

- 7.1 Appendix 2a: Powers and duties of the Shareholder Committee
Appendix 2b: Meeting calendar including proposed Shareholder Committee dates

8.0 Financial considerations:

- 8.1 There are no financial considerations with regard to forming this committee, although one role of the committee will be to monitor the financial performance of the Council's wholly owned companies.

9.0 Legal considerations:

- 9.1 There is no legal requirement to have a Shareholder Committee, although it is regarded as good practice and recommended good governance and builds on the work of the previous Shareholder Committee.

10.0 Risk management considerations:

10.1 There are no risk considerations with regard to setting up this committee.

11.0 Equalities considerations:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 There are no considerations in this area in constituting this committee, although, one of the roles of the committee will be to monitor all the wholly owned companies commitment to the climate change declaration and meeting the set targets and dates.

13.0 Internal/external consultation undertaken:

13.1 Consultation with the Leader and Deputy Leader of the Council.

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? No

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:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: N/A

Date approved:

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Summary of Discussion:

19.1 Mr Mark Towers, Director of Governance and Partnerships, presented the report to the Executive. Mr Towers highlighted that the re-constitution of the Shareholder Committee represented good practice in dealing with wholly-owned companies. Mr Towers emphasised his view as Monitoring Officer that the Committee had worked well but further explained that as outlined at paragraph 6.5 of the report that the terms of reference of the Committee were proposed to be expanded to include major significant partnerships. Mr Towers provided two brief updates to the Executive. Firstly that following consultation with the Leader of the Council and the Leader of the Principal Opposition it now been recommended that Councillor M Scott be the co-opted member of the Committee. It was highlighted that this proposed appointment would be clearly suitable given Councillor M Scott's role as Deputy Leader of the Principal Opposition Group and lack of conflicts of interest. The proposed appointment would be in line with the previous one and reflected the important status of the role. Mr Towers further reported that due to changes to the Council appointed Non-Executive Directors and Chairs of Companies the meeting proposed for the 29 June 2023 would not receive any regular reporting and so would likely be cancelled if there was no urgent decision making business.

20.0 Executive decision:

20.1 The Executive resolved as follows:

1. To agree to re-constitute a committee of the Executive to be known as 'The Shareholder Committee'.
2. To agree that the Shareholder Committee will comprise of 3 members (the Deputy Leader of the Council (to be appointed as Chair), the Leader of the Council and Councillor M Scott (representative of the Principal Opposition Group as a Co-opted member.

3. To agree the updated powers and duties attached at Appendix 2a, to the Executive report, to be those delegated to the committee.
4. To note that the Shareholder Committee will continue to function in the same manner as the Executive, including following the Executive Procedure Rules.
5. To agree the dates of the Shareholder Committee for Municipal Year 2023/24, as outlined in the attached calendar at Appendix 2b, to the Executive report, as 29 June 2023, 13 July 2023, 21 September 2023, 12 October 2023, 9 November 2023, 14 December 2023, 18 January 2024, 22 February 2024, 21 March 2024 and 18 April 2024. To note that the meeting on the 29 June 2023 will likely be cancelled.

21.0 Date of Decision:

21.1 12 June 2023

22.0 Reason(s) for decision:

22.1 Following the Annual Meeting on 24 May 2023 it is necessary, that the Executive set up a Shareholder Committee given that body worked well in the previous term of the Council. Following changes to the operating structures of the wholly-owned companies some minor amendments have been proposed to the terms of reference to include some partner organisations.

23.0 Date Decision published:

23.1 13 June 2023

24.0 Alternative Options Considered and Rejected:

24.1 The Executive noted that it could choose not to appoint a Shareholder Committee. However it did not consider this as a suitable course of action as the proposed governance structure is in accordance with good practice and does play to the strengths and roles of Executive, scrutiny and audit governance and has worked well in the past.

25.0 Executive Members in attendance:

25.1 Councillor Williams, in the Chair

Councillor Benson, N Brookes, Burdess, Farrell, M Smith and Taylor

26.0 Call-in:

26.1

27.0 Notes:

27.1 The Following Non-Executive Members were in attendance: Councillors Galley, Hunter, Marshall, M Scott and Webb.