

EAST CAMBS STREET SCENE SHAREHOLDER AGREEMENT AND ARRANGEMENTS

Committee: Council

Date: 17 October 2019

Author: Director Commercial
Company Secretary ECSS

[U95]

1.0 **ISSUE**

1.1 To consider proposed changes to the membership of East Cambs Street Scene (ECSS) and the terms of reference for the Operational Services Committee in its capacity as Shareholder Committee.

2.0 **RECOMMENDATIONS**

2.1 Members are requested to:

- (i) approve the changes to the Board membership as detailed in paragraph 4.0;
- (ii) appoint Deputy Leader of Council and Chairman of Operational Services Committee to ECSS as Board Observers;
- (iii) authorise the Monitoring Officer to make consequential amendments to the Shareholder Agreement and Operational Services Committee Terms of Reference to implement the decisions of Council as detailed above.
- (iv) authorise the Company Secretary to make changes to the ECSS Articles of Association to implement the decision of Council as detailed above

3.0 **BACKGROUND**

3.1 Annual Council on 30 May 2019 (ref: Agenda Item 15) agreed revised shareholder arrangements for ECSS, specifically the designation of the shareholder function and member appointments to the Board.

3.2 Deputy Leader of Council and Chairman, Finance and Assets Committee were appointed to the ECSS Board. The arrangements for the appointment of the respective Chairman to ECTC and ECSS was designed to avoid conflict of interests in the disposal of the shareholder function.

3.3 The Shareholder Agreement provides that certain decisions are reserved for Council approval. Such decisions include, but are not limited to, Amendments to the Articles of Association, matters relating to company structure and approval of the annual business plan.

3.4 The Shareholder Agreement and Terms of Reference for the Operational Services Committee also requires ECSS to hold two all member shareholder meetings a year.

4.0 ARGUMENT/CONCLUSIONS

- 4.1 It is recommended to revisit these arrangements, specifically the re-designation of elected members from Board members with voting rights to observer non-voting status. In addition, this allows the Chairman of the respective 'Shareholder' Committee to attend and speak at the Board covered by that Committee, i.e., Chairman of Operational Services Committee whose Committee fulfils the shareholder function for ECSS on behalf of the Council can now participate, but not vote in ECSS. The role and rights of the observers is outlined in Appendix 1.
- 4.2 The arrangements agreed by Annual Council have also led to issues related to declaration of interests with the effect that elected members to the Board have not been able to participate fully in key strategic matters affecting the Council.
- 4.3 The revised composition of the Board (subject to Council approval of recommendations in paragraph 2.1) would be:

Chairman ECSS (Independent)
Managing Director
Director, Operations

The role of Managing Director and Director, Operations will continue to be fulfilled by the Chief Executive and the Director Operations for East Cambridgeshire District Council.

- 4.4 It is further recommended that Council delegates certain decisions to the Operational Services Committee. Specifically, the approval of the annual business plan. This create a more streamlined process for the approval of the annual business plan.
- 4.5 In addition, it is recommended to reduce the two all member shareholder meetings to one annual all member shareholder meeting, which will be held at the end of each financial year.

5.0 FINANCIAL IMPLICATIONS/EQUALITY IMPACT ASSESSMENT

- 5.1 There are no financial implications of these proposals.
- 5.2 There is no requirement for an Equality Impact Assessment (INRA) at this stage.

6.0 APPENDICES

- 6.1 Appendix 1- The role and rights of the Observer

Background Documents

Council - 30 May 2019
Agenda Item No. 15

Location

The Grange
Ely

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