



EAST  
CAMBRIDGESHIRE  
DISTRICT COUNCIL

## **AGENDA ITEM 4**

Minutes of the meeting of the LATC Shareholder Review Committee held in Committee Room 2, The Grange, Nutholt Lane, Ely on Monday, 14<sup>th</sup> March 2016 at 2:00pm

### **P R E S E N T**

Councillor David Ambrose Smith  
Councillor Mike Bradley  
Councillor Peter Cresswell  
Councillor Lorna Dupré

### **APOLOGIES**

Councillor Chris Morris

### **OFFICERS**

Jo Brooks – Director, Regulatory Services  
Maggie Camp – Legal Services Manager  
Janis Murfet - Democratic Services Officer

#### **1. ELECTION OF CHAIRMAN**

Councillor Mike Bradley was nominated and duly seconded. There being no other nominations:

It was resolved:

That Councillor Mike Bradley be elected as Chairman of the LATC Shareholder Review Committee for the remainder of the municipal year.

#### **2. PUBLIC QUESTION TIME**

No questions were received from members of the public.

#### **3. APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Chris Morris.

It was announced that Councillors Allen Alderson and Richard Hobbs would be the Substitute Members for the Conservative Group.

#### **4. DECLARATIONS OF INTEREST**

No declarations of interest were made.

5. **APPOINTMENT OF VICE-CHAIRMAN**

Councillor Peter Cresswell was nominated and duly seconded. There being no other nominations:

It was resolved:

That Councillor Peter Cresswell be appointed as Vice-Chairman of the LATC Shareholder Review Committee for the remainder of the municipal year.

6. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman did not make any announcements.

7. **TERMS OF REFERENCE**

The Chairman commenced by summarising the Terms of Reference.

During the course of discussion, a query was raised regarding the date of the first meeting of the Shareholder Committee. The Director, Regulatory Services, Jo Brooks, informed Members that the Council was now hosting the Government's nationwide National Practitioner Support Service. Part of the hosting duties included Jo Brooks presenting a speech at the yearly national conference. As it would be inappropriate for the Chief Executive, the Director, Commercial Services, or the Chief Financial Officer to stand in for her at the Shareholder Committee, it was likely that the date of the meeting would have to be rearranged. She would speak to the Democratic Services Manager about this.

The Chairman said that in order for this Review Committee to be able to report back to Council, he thought that Members would need a document pack and a reporting structure in place. There should be access to the minutes and agenda papers for the Shareholder Committee, monthly business reports, cashflow, and the Terms of Reference for the Shareholder Committee. Members needed reports on key issues, particularly Teckal compliance, as it would be important to understand the implications of what would happen should Teckal go wrong.

The Director interjected to say that, with the greatest of respect, it was her understanding that the sole purpose of this Review Committee was to review whether the Shareholder Committee was the correct Body to scrutinise the Trading Company. The conclusion of the Review Committee would be one of three answers:

- Yes, it was;
- No, it was not; or
- The scrutiny function should be carried out by a "stand alone" committee.

The Legal Services Manager said it was her understanding that the Shareholder Committee would look at the Trading Company.

Councillor Cresswell queried the timescale for reporting back on the initial findings, wondering if six months was appropriate. Councillor Dupré said she had an issue with all of this, questioning the need to set up a Body to scrutinise the scrutiny Body. She asked what was wrong with what had already been established. Councillor Ambrose Smith replied that the Chairman was trying to get information in order to have a clear picture. However, Members agreed that there needed to be a good scrutiny role and the separation of powers should be clearly defined.

In response to a question from the Legal Services Manager, the Chairman stated that it was aimed to take the initial findings of the Review Committee to the meeting of Council in October 2016.

Councillor Cresswell suggested that when the Asset Development Committee sat in its capacity as the Shareholder Committee, Members of the Review Committee should attend that meeting and sit in the public gallery.

In connection with this, Councillor Dupré stated that she would be sitting on the Shareholder Committee and this raised the question of whether there would be a conflict of interest, given her membership of this Review Committee. The other Members present indicated that they welcomed her contributions and input and wished to have her at the meetings. The Legal Services Manager said it was for Members to decide whether or not they should make a declaration of interest. She acknowledged that it was a difficult question but she was not prepared to make a snap decision and would need to give thought to this issue before providing an answer.

Returning to the chronology, the Chairman said that if the Trading Company was formally established on 1<sup>st</sup> April 2016, the Review Committee's report would go to Council in October. The Asset Development Committee was due to meet three times, with the third meeting being in its capacity as the Shareholder Committee. It would therefore be important to get copies of minutes, agendas and governance documents and also observe the Shareholder Committee. In doing so, Members would be able to review what it was doing and make an informed decision as to whether or not there should be a separate Scrutiny Committee.

Members agreed that they would follow the advice given by the Director regarding the options arising from the initial conclusions. Councillor Dupré suggested and Members agreed that the Review Committee should look outwards to see what other trading companies were doing.

Councillor Ambrose Smith thought it would be particularly useful to look at Teckal companies and the Director said she would carry out some research.

Councillor Ambrose Smith next queried the need for the Review Committee to see the Asset Development Committee minutes. He was informed that there would be two "normal" Asset Development meetings and then a third, when it would act in its capacity as the Shareholder Committee.

The latter would be discussing whether the Trading Company was acting in the best interests of the Council and it should therefore be ensured that the agreed process continued with things being carried out correctly.

Councillor Dupré reiterated the importance of monitoring the Risk Register and looking at the extent to which the Shareholder Committee sought to mitigate risks. With the failure of the Trading Company in Shropshire in mind, she thought it was very unfortunate that Members had been unable to see the document until it went straight to Full Council.

The Chairman asked if it would be possible to look at the separation of powers, although he felt it was likely to be a Catch-22 situation; he was asking for this information within this Body. The Director replied that she would obtain as much information as possible in time for the next meeting.

It was resolved:

That the Terms of Reference for the LATC Shareholder Review Committee be agreed.

8. **DATE OF NEXT MEETING**

It was resolved:

That, subject to confirmation, the next meeting of the LATC Shareholder Review Committee be held in approximately 6 weeks time, towards the end of April 2016.

The meeting concluded at 2.37pm.

Chairman.....

Date: 27 April 2016