



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of the meeting of the LATC Shareholder Review Committee held in the Council Chamber, The Grange, Nutholt Lane, Ely on Wednesday, 26 October 2016 at 3:00pm

P R E S E N T

Councillor Mike Bradley (Chairman)
Councillor Richard Hobbs
Councillor Chris Morris

I N A T T E N D A N C E

Councillor Bill Hunt – Chairman of LATC Shareholder Committee

One member of the public also was in attendance at the meeting

O F F I C E R S

Jo Brooks – Director Operations
Maggie Camp – Legal Services Manager and Monitoring Officer
Tracy Couper - Democratic Services Manager

25. **PUBLIC QUESTION TIME**

The following question was received from Mr Kim Griffin of 65A Arundell, Ely, Cambs:

1. Are the December budget forecasts running to schedule and do you consider the LATC will fulfil its method statement of:
'helping to deliver a financially sound Council and enhance its reputation by maximising the return from Council property assets and generating profit within the first 5 years.'
For example, has the £600,000 first year Q3 income from Property & CLT functions been achieved?
2. Why has no disclosure of expenditure for the LATC been provided (FOI request) citing disadvantage in competing for commercial activities when, under 3 year projected budget plans, income for Commercial Services (being the only party subject to external competitive tendering considerations) amounts to less than 5% of the LATC total forecast income. The majority of that relates to a Sanctuary Housing contract already in place and your own Press release revealed that if renewed should provide a profit of £47,000. ECDC expenditure for the LATC has been provided – what has the LATC got to hide – if a £5M loan has been borrowed from East Cambs ratepayers and loaned to LATC, then why is there not full transparency as to how these funds are being spent?
3. Is the £5M loan funding in place and being drawn down? If so, where are the cash spending projections and why have the LATC & ECDC entered into a loan arrangement without the

provision of suitable security, repayment schedule or term, indemnity or guarantee?

4. When and how will LATC reimburse ECDC for costs already incurred?
5. Has the Sanctuary Housing contract been renewed and have any other contracts tendered for, been successful?
6. Do you consider the promotion and extension of market services, now under the more commercially focused LATC, is at any way at odds with that of the bricks and mortar based rate paying retailers – ECDC & LATC now effectively in competition than in harmony?

The Chairman and the Legal Services Manager & Monitoring Officer explained that unfortunately these questions did not fall within the remit of this Committee but were the responsibility of the LATC Shareholder Committee. Therefore, Mr Griffin's questions would be submitted to the Shareholder Committee.

26. **APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Sue Austen and Councillor Peter Cresswell (Vice-Chairman).

27. **DECLARATIONS OF INTEREST**

No declarations of interests were made.

28. **MINUTES**

It was resolved:

That the Minutes of the meeting held on 31 August 2016 be confirmed as a correct record and signed by the Chairman.

29. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reminded Members that at the last meeting of the Committee it had been decided to amend the timetable for the review to report to the February Council meeting, as the date of the October Council meeting was too early to enable this Committee to finalise its outcomes and recommendations. However, the deferral of the date of the Council meeting to 16 November 2016 now meant that it could be possible for this Committee to produce its recommendations for that meeting and the Committee could discuss this further under Minute 32.

30. **INTERVIEWS WITH REPRESENTATIVES OF SHAREHOLDER COMMITTEE**

The Committee received a written response to questions from the Shareholder Review Committee by the Chairman of the Shareholder Committee, Councillor Bill Hunt, who also was in attendance at the meeting to give evidence.

The Chairman welcomed Councillor Hunt and asked him for his perception of the last meeting of the Shareholder Committee. Councillor Hunt commented that he considered that the Committee was working quite well but that this was a new process for everyone and that the Committee still was determining the most effective methods to do things.

Councillor Morris concurred with Councillor Hunt's response to question 4 that there was no need for Members of the Shareholder Committee to receive copies of all Board papers unless requested.

Councillor Hobbs asked Councillor Hunt about his relationship as Chairman of Asset Development and as Chairman of the Shareholder Committee and whether he considered compromised by these two roles, due to the fact that a major element of the Company was to take assets of the Council and maximise them. Councillor Hunt stated that conflicts of interest always could arise in the many roles undertaken by a Councillor and that it was important to declare them as and when they arose. Councillor Hunt believed that the two roles were complimentary rather than compromising and that the 'quality control' element in both roles was important. Councillor Hunt believed that he always acted with integrity and in the best interests of the Council, declaring interests when they arose and taking the most conservative option with a small 'c' when there were any issues.

The Chairman asked for Councillor Hunt's general views regarding the Company and the Shareholder Committee's role. Councillor Hunt stated that the Shareholder Committee was protecting the interests of the Council as a whole and as such should continue to report directly to full Council. Its main function was to act as a 'critical friend'. He referred to his written response to question 2 and expressed the view that in the event of any doubt or difficulties, the Shareholder Committee should have the ability to refer issues up to full Council.

Councillor Hobbs asked Councillor Hunt whether he considered that the Shareholder Committee should comprise of only Councillors or include some non-councillors. Councillor Hunt stated that it was his view that it should comprise of elected Members, but that an 'open floor' approach should be followed for Councillors who were not Members of the Shareholder Committee, representatives of other bodies, and the public.

The Chairman thanked Councillor Hunt for his useful and informative responses.

It was resolved:

That the responses from the Chairman of the Shareholder Committee, Councillor Bill Hunt, be noted.

31. **FEEDBACK OF OBSERVERS FROM ATTENDANCE AT SHAREHOLDER COMMITTEE MEETING**

The Committee received oral feedback from the Chairman and Councillor Hunt on their attendance at the Shareholder Committee meeting held on 10 October 2016.

The Chairman referred to his perception that a reasonable package of documents had been provided for the Shareholder Committee meeting, but he was concerned about the lack of detailed substantiating information/documentation regarding the statement that the Council would not be 'Tekel' compliant in the forthcoming year. Councillor Hunt stated that this was a new development which would require an alteration in arrangements to address the issue. It was often the case that issues 'cropped-up' in businesses and required a timely and effective response.

It was resolved:

That the feedback from the Chairman and Councillor Hunt on their attendance at the Shareholder Committee meeting be noted.

32. **EVALUATION OF EVIDENCE TO DATE AND CONCLUSIONS/RECOMMENDATIONS OF SHAREHOLDER REVIEW COMMITTEE**

Members considered the evidence received by the Shareholder Review Committee to date and whether it was in a position to make recommendations to the November meeting of full Council. Members considered that they had gathered sufficient information from the meetings held to come to definite conclusions and recommendations regarding future Shareholder Committee arrangements to ensure that it was able to effectively monitor and scrutinise the LATC.

Councillor Hobbs stated that it was his view that the Shareholder Committee was an important link between the Council and the Company and therefore needed to be a standalone Committee with no ties to any other Policy Committee of the Council. Also, since 36 of the current 39 Councillors were Conservative Members, consideration should be given by full Council to including some form of Lay membership on the Shareholder Committee. Councillor Morris concurred with these views.

The Chairman also supported the above views, but questioned whether consideration also should be given to excluding Planning Committee Members from being a Member of the Shareholder Committee, due to the likelihood of Planning Committee needing to deal with development applications relating to land in the ownership of the Company. Councillor Hunt acknowledged the concerns expressed relating to membership of Planning Committee, but stated that such applications were only likely to be received on a very small number of occasions and any potential conflicts of interest could be addressed by Members.

The Chairman also referred to the fact that, whilst the Shareholder Committee did not have to receive copies of all Company Board papers, it did need to receive sufficient and meaningful reports/information to conduct its scrutiny and monitoring role effectively. This included full disclosure at the earliest opportunity, not late in the day.

It was resolved TO RECOMMEND TO COUNCIL:

That a standalone Shareholder Committee be established, separate to the Council's Policy Committees and reporting directly to full Council.

33. DATE OF NEXT MEETING

It was decided that a further meeting of this Committee was not required as the Committee now had concluded its work.

The meeting concluded at 3.30pm.

Chairman.....

Date: