



EAST
CAMBRIDGESHIRE
DISTRICT COUNCIL

Minutes of the meeting of the LATC Shareholder Review Committee held in Committee Room 2, The Grange, Nutholt Lane, Ely on Wednesday, 31 August 2016 at 3:00pm

PRESENT

Councillor Mike Bradley (Chairman)
Councillor Peter Cresswell (Vice-Chairman)
Councillor Richard Hobbs
Councillor Chris Morris

IN ATTENDANCE

For Minute 22:
Paul Remington – Chairman of East Cambs Trading Company (ECTC)
John Hill – Managing Director ECTC
Emma Grima – ECTC Director
Andy Radford – ECTC Company Secretary

OFFICERS

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

16. **PUBLIC QUESTION TIME**

No questions were received from members of the public.

17. **APOLOGIES AND SUBSTITUTIONS**

Apologies for absence were received from Councillor Sue Austen.

18. **DECLARATIONS OF INTEREST**

Councillor Morris queried whether he had an interest that precluded him from taking part in the interview with the ECTC Company Secretary, Andy Radford, as he was one of the joint Member Service Delivery Champions for Financial Services. The Monitoring Officer stated that she did not consider that this was the case.

19. **MINUTES**

It was resolved:

That the Minutes of the meeting held on 27 April 2016 be confirmed as a correct record and signed by the Chairman.

20. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman stated that Councillor Hobbs had replaced Councillor David Ambrose-Smith as a Member of the Shareholder Review Committee,

since a conflict of interest which had arisen from Councillor Ambrose-Smith's trusteeship of another body meant that he had considered it appropriate to resign from this Committee.

The Chairman thanked Councillor David Ambrose-Smith for his contribution to the work of this Committee.

21. **FEEDBACK OF OBSERVERS FROM ATTENDANCE AT FIRST SHAREHOLDER COMMITTEE MEETING**

The Committee received oral feedback from the Chairman and Councillor Hobbs on their attendance at the first Shareholder Committee meeting held on 12 July 2016.

The Chairman referred to his perception that, as this had been the first meeting of the Shareholder Committee, the relationship between the LATC Board and the Shareholder Committee still was not fully defined at this stage. Councillor Hobbs concurred with this view, stating that it was still too early to form a judgement on the effectiveness of the Shareholder Committee and its relationship with the LATC Board and that Members of this Committee needed to observe further meetings of the Shareholder Committee to reach any conclusions.

In that connection, the Chairman stated that, since the next meeting of the Shareholder Committee was not scheduled until 10 October 2016, there would not be sufficient time for this Committee to come to any conclusions and make recommendations to the October meeting of Council regarding the future arrangements for the Shareholder Committee of the Council. Therefore, the timetable for the work of this Committee needed to be revised to enable it to observe further meetings of the Shareholder Committee to inform its deliberations.

The Director Operations, Jo Brooks, suggested that the timetable could be revised by this Committee to report to the February meeting of full Council, which would enable the Committee Members to attend the next two meetings of the Shareholder Committee scheduled for 10 October and 12 December 2016. This would mean that the Committee could meet in late October after the next Shareholder Committee to come to initial conclusions that could be used to draft a report containing a rationale and recommendations which could be finalised at a meeting of this Committee in December/January following the December Shareholder Committee. Members fully endorsed this approach and it was moved and seconded that the timetable for reporting to Council be amended accordingly.

Members then generally discussed the relationship of the Shareholder Committee and other Committees of the Council to the LATC Board. Councillor Hobbs queried whether this was part of the remit of this Committee or if its role was limited to consideration of the effectiveness of the current Shareholder Committee arrangements. The Director Operations confirmed that the remit of this Committee was to review the current Shareholder Committee arrangements and whether these were effective in discharging the Council's role of scrutiny of the LATC, or whether other potential

options/arrangements may be considered more appropriate. Councillor Hobbs thanked the Director Operations for this clarification and highlighted that the Shareholder Committee's role was oversight to ensure that Council Tax payers' money was utilised properly. In that connection, Councillor Cresswell commented that oversight and monitoring of the financial performance of the Council was the function of Corporate Governance and Finance Committee and queried whether that Committee should undertake the Shareholder Committee role.

It was resolved:

1. That the feedback from the Chairman and Councillor Hobbs on their attendance at the first Shareholder Committee meeting be noted.
2. That the timetable for the review by this Committee be amended to enable its outcomes and recommendations to be reported to the February Council meeting.

22. **INTERVIEWS WITH REPRESENTATIVES OF ECTC AND SHAREHOLDER COMMITTEE**

The Committee received a copy of the interview questions compiled by Members in advance of this meeting and circulated to the LATC Board representatives and Chairman of the Shareholder Committee who had been invited to attend the meeting to give evidence. In that connection, written responses to the questions had been tabled from the LATC Board and from the Chairman of the Shareholder Committee who was unable to attend this meeting as he was on holiday.

Councillor Hobbs commented that the written response to the questions from the LATC Board accorded with what he would have expected from his experience of bodies of this nature.

Paul Remington – Chairman of East Cambs Trading Company (ECTC), John Hill – Managing Director ECTC, Emma Grima – ECTC Director, and Andy Radford – ECTC Company Secretary were invited to attend at this point and entered the meeting at 3.40pm.

The Chairman welcomed the ECTC Board members and confirmed that the Committee had received their written response to the questions circulated in advance. In that connection, Members of the Committee asked supplementary questions to the Board members and made comments as follows:

Councillor Hobbs asked Paul Remington about his relationship as Chairman of the Board with the Chairman of the Shareholder Committee and the Chairman of this Committee. Mr Remington stated that there were no issues that he needed to raise and that there had been useful conversations with both Chairs, who were supportive of the work of the Trading Company. Mr Remington believed that complexity in the working relationships between the bodies needed to be avoided and that the oversight role exercised by the Shareholder Committee

needed to be simple, clear and transparent. Meetings between the Shareholder Committee and Board were useful but did not imply a requirement to constantly elicit the views of the Shareholder Committee, but was more to ensure that the Council was aware of the activities of the Board.

The Chairman queried the functions of the Shareholder Committee and the boundaries of the relationship between the Shareholder Committee and the Board, as these had not been clear from the first Shareholder Committee meeting. Mr Remington stated that there was a duty of care on the Board to be as transparent as possible and for there to be an effective information flow between the two bodies. Mr Remington suggested that there needed to be a senior Finance Officer to advise the Shareholder Committee, in the same way that Andy Radford advised the Board, but that the Board would always have regard to the financial costs and risks of any activity/project as part of its activities.

Councillor Cresswell stated that he had been supportive of the establishment of the LATC and referred to paragraph 4.1.5 of the Business Plan which stated that the role of the Shareholder Committee was to review the financial performance of the LATC. Therefore, he queried why the Corporate Governance and Finance Committee had not been assigned the role as the Shareholder Committee. John Hill reported that when the company had been established, its predominant function was to be property related and therefore it seemed appropriate for the Shareholder Committee role to sit with the Asset Development Committee. However, Mr Remington highlighted that now other functions such as the Markets and Grounds Maintenance also were an important focus for the LATC, so consideration was needed of the best practice arrangements in governance terms to avoid inherent bias. The Chairman and Councillor Hobbs acknowledged that this was part of the rationale for the establishment of this Committee, which had been charged with reviewing the Shareholder Committee arrangements in the light of the changed circumstances of the LATC.

The Chairman then asked Mr Radford to respond to question 8 which was specifically directed at him on: 'how will the audit and scrutiny function be performed?' Mr Radford stated that Corporate Governance and Finance Committee was responsible for the audit of all Council and company functions, but that oversight and scrutiny of the company was a separate role. In that connection, John Hill commented that the Board could give this Committee an insight into how the company was likely to develop, to assist this Committee in making its recommendations on the future powers and responsibilities of the Shareholder Committee.

The Chairman stated that the relationship between the Board and Shareholder Committee was still developing and therefore this Committee had agreed to extend the timeframe for the review to enable it to observe two more Shareholder Committee meetings before making recommendations to the February Council. This should include consideration of who could and could not serve on the Shareholder Committee to avoid conflicts of interest.

Emma Grima referred to the fact that a half-yearly performance report was to be submitted to the next Shareholder Committee meeting, which it would be useful for this Committee to see.

The Chairman thanked the LATC Board members for their attendance and very useful and informative responses.

The LATC Board representatives left the meeting at this point.

With regard to the written response from the Chairman of the Shareholder Review Committee, Members agreed that the Chairman and Vice-Chairman of the Shareholder Committee should be invited to attend the next meeting of the Shareholder Review Committee to speak on the written response and give evidence.

It was resolved:

1. That the written and oral responses from the ECTC Board be noted.
2. That the Chairman and Vice-Chairman of the Shareholder Committee be invited to attend the next meeting of the Shareholder Review Committee to speak on the written response and give evidence.

23. **EVALUATION OF EVIDENCE TO DATE AND FUTURE WORK PROGRAMME**

The Chairman commented that there was not sufficient evidence to evaluate at this stage.

It was resolved:

That the evidence received by the Shareholder Review Committee to date be noted.

24. **DATE OF NEXT MEETING**

It was resolved:

That, subject to confirmation by Councillor Sue Austen, the next meeting of the LATC Shareholder Review Committee be held on 25th October 2016 at 3pm (reserve date – 26 October 2016).

The meeting concluded at 4.25pm.

Chairman.....

Date: October 2016