

BROMSGROVE DISTRICT COUNCIL

CABINET

2nd OCTOBER 2013

IMPROVEMENT AND EFFICIENCY SOCIAL ENTERPRISE (IESE)

Relevant Portfolio Holder	Councillor Roger Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Kevin Dicks (Chief Executive)
Wards Affected	All
Ward Councillor Consulted	

1. SUMMARY OF PROPOSALS

- 1.1 To consider and authorise the Council to become a member of Improvement & Efficiency Social Enterprise (iESE) and to approve the nomination of a representative of Bromsgrove District / Redditch Borough Council to act as a Director of the company and/or Voting Delegate at the Annual General Meeting of the company.

2. RECOMMENDATIONS

2.1 It is recommended that Cabinet / Executive Committee:

- 2.1.1 Agrees the principle of Bromsgrove District / Redditch Borough Council becoming a member of iESE Limited**
- 2.1.2 Delegates authority to the Chief Executive in consultation with the Leader of the Council to approve and execute any documentation necessary to give effect to Recommendation 2.1.1 above**
- 2.1.3 Endorses the proposal in relation to the nomination of a Bromsgrove District / Redditch Borough Councillor as Director and/or Voting Delegate**

3. KEY ISSUES

- 3.1 Improvement and Efficiency South East originally operated as one of the Regional Improvement and Efficiency Partnerships (RIEPs). These Partnerships were funded by central government with the objective of identifying, fostering and delivering improvements and efficiencies across the public sector. Indeed the Council has been and continue to be supported by Improvement and Efficiency West Midlands in a number of areas of work.
- 3.2 Improvement and Efficiency South East established a leading profile in this regard however with the funding for RIEPs being stopped as part of the austerity measures they decided to continue their work under the umbrella of an independent company with the same objectives and purposes. The new entity was incorporated as a non profit distributing company limited by guarantee and was retitled Improvement and Efficiency Social Enterprise. There is an opportunity to become a member of the company which it is felt will be of benefit to the Council. A copy of the IESE brochure is attached at Appendix 1 which details

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the “whole offer” that they provide – a number of areas may be of benefit to the Council including potential advice on different operating models.

- 3.3 In addition to the company, it is envisaged that additional subsidiary companies will be created over time. These subsidiary companies will deliver services to clients on a not for profit or profit making basis.
- 3.4 Being a member will involve each council/public sector body guaranteeing the company to a limit of £1. They will also have the right to appoint a Director of the company.
- 3.5 The company will be funded by a number of different means, including:
 - The transfer of existing Improvement and Efficiency South East assets
 - Grant funding where available
 - Payments from clients receiving services from a group company.
- 3.6 The Council will be required to enter into a Members Agreement governing the relationship between itself and the company. This Members Agreement covers the following aspects of the relationship:
 - Management of the company
 - Preparation, execution and monitoring of a Business Plan
 - Provision of Accounts
 - Admission of new members
 - Termination of the relationship
 - Disputes involving the relationship
- 3.7 The members Agreement will also seek to ensure that the local authority/public bodies retain control over the ownership, strategic direction and key decisions of the company.
- 3.8 It is proposed that the Leader of the Council be nominated to act as a Director and/or Voting Delegate of the company on behalf of the Council. This appointment will be noted at Annual Council.

Financial Implications

- 3.9 There are no financial implications for the Council arising from this proposal, other than entering into a guarantee for the sum of £1. This guarantee will only be operational should the company be wound up.
- 3.9 As the company is non profit distributing, any trading surpluses generated within the company or its subsidiaries will be retained for the development of future service provision by the company.

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Legal Implications

- 3.10 There are no legal implications arising from the report other than set out in the background.

Service / Operational Implications

- 3.11 None

Customer / Equalities and Diversity Implications

- 3.12 None

4. RISK MANAGEMENT

- 4.1 There are no major risks associated with this report.

5. APPENDICES

Appendix 1 – IESE Brochure

6. BACKGROUND PAPERS

None

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