

BROMSGROVE DISTRICT COUNCIL

Cabinet
2024

Wednesday 20 November

Shareholders Committee - Committee Arrangements and Appointment of Members

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| Relevant Portfolio Holder | Councillor Leader of the Council and Cabinet Member for Strategic Partnerships and Enabling |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Assistant Director Legal, Democratic and Property Services |
| Report Author: Claire Felton | Job Title: Assistant Director of Legal, Democratic and Property Services Contact email: c.felton@bromsgroveandredditch.gov.uk |
| Wards Affected | N/A |
| Ward Councillor(s) consulted | N/A |
| Relevant Council Priority | Sustainability |
| Non-Key Decision | |
| If you have any questions about this report, please contact the report author in advance of the meeting. | |

1. RECOMMENDATIONS

The Cabinet is asked to RESOLVE:-

- 1) That the proposed terms of reference for the Shareholders Committee be noted;**
- 2) To nominate and agree five Members of the Cabinet to appoint to sit on the Shareholders Committee for the remainder of the 2024/25 municipal year;**
- 3) To nominate and agree one of these five Members of the Cabinet to be the Chairman of the Shareholders Committee; and**
- 4) To note the matters reserved to the Shareholders Committee for determination under the terms of the Council's agreement with Spadesbourne Homes Limited.**

2. BACKGROUND

- 2.1 This report details arrangements for the operation of the Shareholders Committee for the Council company, Spadesbourne Homes Limited.

3. OPERATIONAL ISSUES

- 3.1 At a meeting of Cabinet held on 12th July 2023, Members agreed to establish a housing company limited by shares and wholly owned by the Council to manage retained housing stock initially at Burcot Lane in Bromsgrove. This company was named Spadesbourne Homes Limited.
- 3.2 A further report on this subject, detailing proposed arrangements for the governance structure for the company, specifically the introduction of a Shareholders Committee as a sub-committee of the Cabinet, was considered at a meeting of the Cabinet subsequently held on 13th September 2023.
- 3.3 In the report on the subject of the Shareholder Committee, Members agreed to delegate authority to the then Head of Legal, Democratic and Property Services (now Assistant Director) to make necessary amendments to the Council's constitution for the Cabinet Shareholder Committee, including the introduction of terms of reference for the Cabinet Shareholder Committee.
- 3.4 Since that time, in line with the delegation granted to officers, terms of reference have been drafted for the Shareholders Committee. Whilst power was delegated to officers in September 2023 to add these to the Council's constitution, to ensure transparency they have been attached at Appendix 1 to this report for Members' consideration.
- 3.5 Although this delegation was granted to officers in September 2023, it was not possible to bring forward this report until autumn 2024, to provide time for a number of contractual issues to be resolved.
- 3.6 The Shareholders Committee will have a number of key duties, including approval of the company's business plan, monitoring the performance of the company and consideration and agreement of all reserved matters as detailed in the Shareholder Agreement between the Council and Spadesbourne Homes Limited. A table detailing the reserved matters has been attached at Appendix 2 to this report for information.
- 3.7 As the Shareholders Committee is a sub-committee of Cabinet, only Cabinet Members may be appointed to serve on the Committee. Members are therefore invited to nominate Members of the Cabinet to be appointed to the Shareholders Committee.

- 3.8 Cabinet is also invited to consider and approve the appointment of a Chairman of the Shareholders Committee from amongst the members nominated to sit on the Committee.
- 3.9 It is recognised that, whilst only Cabinet Members can be appointed to the Shareholder Committee to serve on the Committee, other Members will be interested in the work of the Committee. It is therefore proposed that the group leaders from all of the opposition political groups should be invited to attend meetings of the Shareholders Committee and should be permitted to participate in the debate, although they will not have the authority to vote.

4. FINANCIAL IMPLICATIONS

- 4.1 There are no specific financial implications.
- 4.2 It is not proposed that there should be a specific Special Responsibility Allowance (SRA) for the position of Chairman of the Shareholders Committee. This is because all Cabinet Members are already eligible to receive an SRA for being a Cabinet Member (or for the position of Leader or Deputy Leader of the Council respectively) and the Council does not pay Members multiple SRAs.

5. LEGAL IMPLICATIONS

- 5.1 The Council is the only Shareholder in Spadesbourne Homes Limited.
- 5.2 The powers of the Council as Shareholder are vested in Cabinet assisted by the Shareholders Committee.
- 5.3 The Council has entered into a Shareholders Agreement with Spadesbourne Homes Limited. This Agreement documents the relationship between the Council as Shareholder and the Company and sets out the matters which are specifically reserved to the Shareholders Committee to determine. These are known as Reserved Matters.
- 5.4 A table detailing the full list of reserved matters can be viewed at Appendix 2 to this report.

6. OTHER - IMPLICATIONS

Relevant Council Priority

- 6.1 The content of this report details arrangements for the Shareholder Committee. By agreeing the arrangements detailed in the report, Members will support the Council's organisational priority to be

sustainable as there will be appropriate governance arrangements in place to ensure that Members can monitor the performance of Spadesbourne Homes Limited through the work of the Shareholder Committee.

Climate Change Implications

- 6.2 No specific climate change implications have been identified.

Equalities and Diversity Implications

- 6.3 No specific equalities and diversity implications have been identified.

7. RISK MANAGEMENT

- 7.1 The Shareholder Committee is an integral part of the governance arrangements for Spadesbourne Homes Limited, which is a company owned by the Council. There is a risk that if this Committee does not start to meet in accordance with the terms of reference detailed in this report, Members and the public will lack the assurance that the company is performing as required.

8. APPENDICES and BACKGROUND PAPERS

Appendices

Appendix 1 – Draft Terms of Reference for the Shareholders Committee

Appendix 2 – Table of Reserved Matters for the Shareholders Committee

Background Papers

‘Burcot Lane Housing Development Management Options – Private Rented Properties (exempt report) considered at a meeting of Cabinet held on 12th July 2023.

‘Setting up a Shareholders Committee’, report to Cabinet considered at a meeting held on 13th September 2023.

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9. REPORT SIGN OFF

| Department | Name and Job Title | Date |
|---------------------------------|--|-------------|
| Portfolio Holder | Councillor Karen May, Leader of the Council and Portfolio Holder for Strategic Partnerships and Governance | |
| Lead Director / Head of Service | Claire Felton, Assistant Director of Legal, Democratic and Property Services | |
| Financial Services | Pete Carpenter, Deputy Chief Executive and Section 151 Officer | |
| Legal Services | Claire Felton, Assistant Director of Legal, Democratic and Property Services | |