

## Shareholder Executive Committee

### Terms of Reference

#### **Overview**

The purpose of the Shareholder Executive Committee (SEC) is to act as the Shareholder and take decisions in respect of companies in which the Council has an interest. The responsibility to represent the Council as Shareholder of the company falls to be an Executive Function under the Local Authority (Functions and Responsibilities) England Regulations 2000.

#### **Decision making**

The Committee will have functions relating to the Council's companies and joint ventures. It will act as the decision making body in relation to the functions delegated to it. Support and advice will be provided to the Shareholder Executive Committee by the Strategic Director of Corporate Resources with the Shareholder Liaison Service (SLS), the Service Director for Finance (s151 Officer) and the Service Director for Legal and Democratic Services (Monitoring Officer). Decisions made by the SEC will be subject to the same Call-in procedures as for the Executive.

#### **Membership and Arrangements**

The SEC will comprise of the Leader, all Members of the Executive and an Independent Co-opted Member. The Leader (or appointee) will chair the Committee meetings and a Vice Chair will be selected from the elected members of the Executive.

The Service Director for Finance (s151 Officer) and the Service Director for Legal and Democratic Services (Monitoring Officer), or their deputies, and the Strategic Director of Corporate Resources with the SLS will be advisors to the Committee to provide open and strong advice. Representatives of the subsidiary companies will be invited to attend the meetings as required.

#### **Restrictions on Membership**

As the SEC is to advise and discharge Executive functions in relation to company matters, only Executive members can be members of the Committee with voting rights, although non-Executive members may attend the public meetings without voting rights.

#### **Meetings**

The SEC shall normally meet up to nine times per annum, not normally more often than meetings of the Executive, and be bound by the existing rules at meetings of the Executive. Whilst many of the items discussed may be subject to Part Two requirements (where certain matters can be heard in private), the meetings shall be open to the public and the meetings' schedule will be published along with agendas and subsequent minutes on the Council's website, subject to Part Two requirements.

The quorum shall be one-third of the number of members of the Executive (with such rounding-up as may be necessary to achieve whole numbers) or two (whichever is the greater).

## Sub-Groups

To assist it in its functions the Shareholder Executive Committee:

1. may establish sub-groups for advisory purposes such as:
  - (a) Audit and Risk;
  - (b) Ethical practices; or
  - (c) Nominations and Remuneration
2. an ad-hoc or task and finish sub-groups in respect of any matter; and
3. stakeholder groups on any particular aspect or the generality of the objects of the trading companies.

A sub-group or stakeholder group may contain such co-opted members, advisors or observers and set the terms of reference as the SEC sees fit. The SEC cannot delegate any of its functions to the sub-groups.

## Functions

1. Hold the companies to account for delivery of the Business Plan and, in particular, the company's performance:
  - (a) in financial matters
  - (b) against the social goals of the company as set out in the company's Objects, Business Case or Business Plan; and
  - (c) against the values of the Council.
2. Evaluate and monitor:
  - (a) the financial and social returns on investment (be that shareholding, loans, or direct investment); and
  - (b) risks and opportunities including those arising from joint ventures or new opportunities.
3. Consider matters reserved to the Council for shareholder approval, such as:
  - (a) Varying Articles of Association
  - (b) Varying ownership and structure
  - (c) Variations to shares (number of, rights, etc.
  - (d) Entering contracts that: are outside of the business plan or do not relate to the business
  - (e) Material legal proceedings outside of ordinary business
  - (f) Adopting and amending business plans each year and strategic plans (3 years)
  - (g) Appointment, removal, and the remuneration of directors (members of the company board)
  - (h) Selection of the chair of the board
  - (i) Appointment of auditors
  - (j) Payment of dividends

as more particularly set out in a company's Articles of Association or Shareholder Agreement and the Companies' Governance Framework.

## **Relationship**

The Shareholder Executive Committee as it considers appropriate in accordance with its functions described above, may:

1. make reports and consult with Full Council, or
2. make reports to and consult Overview and Scrutiny or
3. make reports to and consult the Standards and Audit Committee, in relation to that Committee's particular functions.

## **Communication with the Shareholder Representative and Shareholder Executive Committee**

1. The Board of each Company attaches great importance to maintaining good relationships with all shareholders, who are kept informed of significant company developments.
2. The Companies shall work closely with the SLS and the SEC. The Companies shall report to the SEC when requested and in accordance with the agreed work programme and on matters set out in the Companies' Governance Framework.

Date approved by Executive: 21 March 2024 (to be confirmed)

(The Terms of Reference are to be included in the Companies Governance Framework as appendix 2.)