

**MINUTES OF THE SHAREHOLDER CABINET SUB-COMMITTEE MEETING
HELD AT 10:00AM, ON
MONDAY, 24 JUNE 2019
BOURGES/VIERSEN ROOM, TOWN HALL, PETERBOROUGH**

Members Present: Councillor Fitzgerald (Chair), Councillor Allen, Councillor Seaton, Councillor Walsh

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Cereste.

2. DECLARATIONS OF INTEREST

Agenda Item 3, 'Shareholder Cabinet Sub-Committee – Overview Report'

Councillor Allen declared that he sat as a Board Member on Blue Sky Peterborough and as a Trustee on Vivacity.

Councillor Seaton declared that he sat on the Opportunity Peterborough Audit Committee.

3. SHAREHOLDER CABINET SUB-COMMITTEE – OVERVIEW REPORT

The Shareholder Cabinet Sub-Committee received an overview report in relation to the Sub-Committee's remit.

The purpose of this report was to set out the remit and powers of the Sub-Committee, to set the initial baselines in terms of financial performance and purpose of the Council companies, partnerships and charities that the Sub-Committee has responsibility for, to highlight potential conflicts of interest that Member need to be aware of in order to manage interactions more proactively, and to propose areas to review in more depth at future meetings.

The Acting Corporate Director for Resources addressed the Shareholder Cabinet Sub-Committee and advised that that meetings of the Sub-Committee were held in public. As such, should the Sub-Committee wish to consider any commercially sensitive business plans in the future, they would need to agree to move into an exempt session. It was advised that all the decisions of the Sub-Committee would be subject to the relevant scrutiny committee and would be accountable to the Audit Committee. The Sub-Committee had a significant responsibility to ensure that the aims of the Council were delivered through the Council's companies, to understand any conflicts of interest, to review the client function, ensure there appropriate structures were in place, and to eliminate any duplication of work.

The Shareholder Cabinet Sub-Committee debated the report and in summary, key points raised and responses to questions included:

- Members felt that public debate should be the guiding principle for the Sub-Committee, but that exempt debate may be necessary at some point.
- In relation to responsibility and control, the Sub-Committee was advised that discuss was need to establish what could be done to allow the Council to exert more control.
- It was noted that Vivacity was included within the structure, though had been overlooked from the structure chart.
- Within the recommendations it was proposed to create a Smart Client Team, which would bring together those officers working individual. Members felt that this would be beneficial in terms of resilience and working practice. It was also considered that this proposal would assist in regularising the Council's approach to its companies, partnerships and charities.
- The Sub-Committee was advised that an awareness of the responsibilities of a company director was of key importance, and the Members who also sat as directors had a primary duty to that company, not the Council.
- Further detail on this was provided within the guidance note appended to the report, which would be circulated to Members, officers, companies, and outside bodies.
- Members requested that this item be brought back to the Sub-Committee on an annual basis for review and recirculation.
- In relation to Aragon Direct Services, Members noted that the company had been trading for three months. As such, there was insufficient data to measure performance. Officers advised that at the point of its next review sufficient information should be available to review against the business plan.
- Members requested that information on Aragon Direct Services be brought before the Sub-Committee prior to any consideration by the scrutiny committee.
- It was noted that within reports the Sub-Committee wished to receive information on trends, rather than just figures at a point in time.
- It was advised that Blue Sky Peterborough had been dormant since its inception. Officers would conduct research on whether it would be useful to retain the shell company for other means, or not.
- Members commented that the loan to Empower was providing the Council with monthly returns, however, it was noted that the more money it paid out, the less attractive it was as a company to purchase.
- In relation to Opportunity Peterborough, it was acknowledged that while the Council subsidised this company around £100,000 a year, without them the Council would have to be spending that on a comparative internal function. It was further noted that Opportunity Peterborough could apply for funding that the Council on its own could not.
- When a further detailed report comes to the Sub-Committee regarding Opportunity Peterborough, Members felt it would be appropriate to review what the Council's aims were in working with them.
- Members commented on the Peterborough Investment Partnership and its focus to date on the Fletton Quays development. Officers confirmed that the model would need to be reviewed.
- Further comment was made by Members in relation to the dividends received from the Peterborough Investment Partnership, which could be promoted more by the Council.
- Members were keen to see work with the Investment Partnership in other areas, such as North Westgate and Northminster.
- Queries were raised following discussion around Medesham Homes, a joint venture with Cross Keys Homes, as to whether this same model could be followed with other housing suppliers.

- It was further noted that the only local authority that had brought back its Housing Revenue Account (HRA) in order to regenerate areas of the town. This option would need to be carefully considered should Peterborough be interested in following this route. A future report to the Sub-Committee would present a range of future options for housing delivery models.
- NPS, the joint venture with Norse, has made a small profit in the last few years it was noted. This model was now expanding into housing. As such, Members were advised that a review of the scope of the venture would need to be undertaken to ensure the Council was achieving value for money.
- It was noted that in the last three to four months, NPS had taken on homes that were owned by private landlords, in relation to temporary accommodation provision.
- In relation to Vivacity and Peterborough Museum and Art Gallery, it was advised that a number of exhibits had appreciated in value.
- Members noted that while the Sports and Leisure aspect of Vivacity was doing well, the Council was required to subsidise the Cultural arm of the organisation. It was further commented, however, that should the Council take on this role internally, the cost for this would still exist.

The Shareholder Cabinet Sub-Committee considered the report and **RESOLVED** to:

1. Note the remit of the Committee and the base data contained in the report.
2. Approve the guidance note “Guidance for Member & Officers who serve on outside bodies” attached at Appendix K to the report and its circulation to all Members and officers.
3. Approve the work plan for future meetings as set out at paragraph 6.1 of the report.

REASONS FOR THE DECISION

This was a new Committee and this was the inaugural meeting. The report ensured that members:

- Understood the remit of this Committee.
- Had a baseline of data in order to understand how these companies performed.
- Had a plan for items to discuss at future meetings (a work plan).

ALTERNATIVE OPTIONS CONSIDERED

This report set out the baseline for this new committee. This was its first meeting. If this Committee did not meet, existing arrangements for the management of these organisations would continue. These arrangements were not joined up as they spanned multiple directorates and Scrutiny Committees.

Chairman
10:00am – 12:01am
24 June 2019

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