

**Wiltshire Council**

**Shareholder Group**

**25 January 2022**

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**Subject: Adoption of the Terms of Reference of the Shareholder Group**

**Cabinet Member: Councillor Richard Clewer, Leader of the Council**

**Key Decision: Non Key**

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**Executive Summary**

The Shareholder Group is asked to adopt the Terms of Reference as set out in the Annex to this Report. A full set of responsibilities is set out in the proposed Terms of Reference and includes the power to approve and monitor Business Plans, periodically monitor financial performance of Council owned companies, determine distribution of surpluses and dividends and report to the Council on trading activity.

**Proposal(s)**

1. The Shareholder Group agrees to adopt the Terms of Reference as set out in the Annex of this Report.

**Reason for Proposal(s)**

To determine the role of the Shareholder Group and clarify the delegated authority of Cabinet to ensure the performance of any Wiltshire Council owned companies is satisfactory.

**Terence Herbert  
Chief Executive**

## **Wiltshire Council**

### **Shareholder Group**

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#### **Purpose of Report**

1. The Leader under delegated executive authority approved the establishment of a sub-committee of Cabinet to be known as the Shareholder Group having asked for Cabinet's view at a meeting on 27 September 2021.

#### **Relevance to the Council's Business Plan**

2. The proposals in this Report support the Business Plan 2017-2027 priority of Growing the Economy and the goal of more affordable homes to rent and buy. The report also reflects our commercialism as an innovative and effective Council.

#### **Background**

3. Cabinet commissioned a governance review into the Stone Circle companies which are 100% owned by Wiltshire Council.
4. One of the recommendations of that governance review was to establish a Shareholder Group; a sub-committee of Cabinet which is responsible for exercising Wiltshire Council's role as shareholder in any company which it is owns in whole or in part and is limited by shares.
5. Authority was delegated to the Director of Legal & Governance, in consultation with the Leader, to make the necessary arrangements to establish the Shareholder Group with the Leader of the Council as Chair and two other Cabinet Members as members with the option to co-opt external expertise to enable the Shareholder Group (after consideration of performance reporting by CLT and Scrutiny) to conduct its role on behalf of the shareholder.
6. At its first meeting, the Shareholder Group is asked to consider and approve the proposed Terms of Reference annexed to this Report. The Terms of Reference sets out the roles and responsibilities of the Shareholder Group.

#### **Main Considerations for the Council**

7. The Shareholder Group will act with delegated authority of Cabinet to ensure the performance of any Wiltshire Council owned companies is satisfactory.

8. The Directors of the Companies will remain responsible for the day-to-day operation of each Council owned Company. The Shareholder Group will not have operational control over Council owned Companies.
9. A full set of responsibilities is set out in the proposed Terms of Reference and includes the power to approve and monitor Business Plans, periodically monitor financial performance of Council owned companies, determine distribution of surpluses and dividends and report to the Council on trading activity.
10. The Terms of Reference draws in examples of best practice and the experience in other Councils with trading companies. It also takes into consideration the existing arrangements in place with the Stone Circle companies and the responsibilities of the Council as shareholder as set out in governance documents.

### **Overview and Scrutiny Engagement**

11. Select Committees will retain their scrutiny function in relation to the Shareholder Group. The Overview & Scrutiny Management Committee will be able to call the Shareholder Group to account for progress in relation to any Company for which the Council is a shareholder and any returns it is making.

### **Safeguarding Implications**

12. There are no direct safeguarding implications.

### **Public Health Implications**

13. There are no direct public health implications.

### **Procurement Implications**

14. There are no direct procurement implications.

### **Equalities Impact of the Proposal**

15. A low equalities risk score was calculated for the proposals in this report.

### **Environmental and Climate Change Considerations**

16. There are no direct environmental and climate change considerations associated with the proposals in this Report.

### **Risks that may arise if the proposed decision and related work is not taken**

17. The establishment of the Shareholder Group is required to ensure robust governance and appropriate oversight and monitoring of Council owned companies.

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

18. It may be necessary for the Shareholder Group to co-opt external expertise to enable the Shareholder Group to conduct its role on behalf of the Council as shareholder.

### **Financial Implications**

19. There are no direct financial implications to the proposal. The Shareholder Group, as part of their responsibilities, will be required to review and consider proposals which have financial implications for the Council.

### **Legal Implications**

20. There are no legal implications to the proposal.

### **Workforce Implications**

21. There are no workforce implications to the proposal.

### **Options Considered**

22. The Shareholder Group has the option to disregard the proposal and determine an alternative set of Terms of Reference.

### **Conclusions**

23. The Shareholder Group is advised to adopt the Terms of Reference.

### **Perry Holmes, Director of Legal & Governance**

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14 January 2022

### **Appendices**

Terms of Reference

### **Background Papers**

None