

Subject: **Local Authority Trading Company Shareholder Committee**

Report to: **Council – 19 July 2016**

Report by: **Monitoring Officer**

SUBJECT MATTER/RECOMMENDATIONS

Amendment to the Council's Constitution

1. INTRODUCTION / BACKGROUND

The Council will shortly be setting up a trading company to deliver new housing for sale at Beacon Park. This is in implementation of a decision made by Cabinet on the 4 April 2016. The Council will be the sole shareholder of the company.

The Council agreed to form a Stakeholders Committee which would oversee the operation of the company and a politically balanced appointment of 13 Members to the Committee was made at Full Council in May 2016. However this Committee was set up as an Outside Body rather than forming part of the Council's Constitution.

2. CONCLUSIONS

On reflection it would seem more sensible for the Committee to constitute a politically balanced committee of the Council. It will then be able to make decisions in relation to the control exercised over the company by virtue of the Council's shareholding

3. RECOMMENDATIONS

It is therefore proposed that a Trading Company Shareholding Committee be established, consisting of 13 Members. Its terms of reference will be to:

- (i) Determine the name of the company
- (ii) Determine the appointment of the first Directors to the company. (The Leader has already been appointed as one of the first Directors).
- (iii) Recommend to the company the appointment of two non-executive Directors who have experience in property development and finance.
- (iv) Recommend to the company the terms of appointment of the two non-executive Directors.
- (v) Exercise control over the company in relation to the Council's shareholding (save where this is reserved to the full Council).
- (vi) Monitor operation of the company.
- (vii) Act as liaison between the Council and the Directors of the company.

Areas of consideration: e.g. does this report raise any of the following issues and if so how have these been considered/mitigated against?

Area for consideration	Comment
Monitoring Officer Consultation :	Yes
Section 151 Officer Consultation :	No
Existing Council Policies :	No
Financial Implications	No
Legal Implications (including human rights) :	Yes
Risk Implications :	No
Equality Issues / EQIA assessment :	No
Crime & Disorder	No
Every Child Matters	No

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