

## **SELECTION & CONSTITUTIONAL REVIEW COMMITTEE**

**13<sup>th</sup> June 2013**

### **THE CREATION OF A TRADING AND ENTERPRISE COMMITTEE OF THE CABINET.**

The Cabinet on 6 December 2012 agreed in principle to the establishment of two trading companies to allow commercial trading activities to be carried out (a further report will be presented to Cabinet in due course). It was also agreed at the meeting to establish a Trading and Enterprise Committee of the Cabinet to support these activities, to oversee the governance arrangements of these companies and to approve the trading activities of the companies.

### **TRADING AND ENTERPRISE COMMITTEE OF THE CABINET.**

#### **Introduction**

The Council is in the process of establishing two wholly owned local authority companies to allow commercial trading activities –

- a Property Company and
- a Building Consultancy Company.

It is proposed that the Committee of the Cabinet will be known as The Trading & Enterprise Board (TEB) and it will be tasked to play a key role in promoting and properly monitoring these new activities on behalf of the Cabinet.

#### **Composition**

It is suggested that the TEB shall comprise of:-

- (a) 4 Members of the Cabinet to be members of the TEB, as appointed by the Leader and reported to Council.
- (b) 1 Member of the Council from outside the Cabinet, as appointed by the Leader and reported to the Council to act in the capacity of "Observer".

TEB will appoint its own Chair and Vice Chair. Other members of the Cabinet may attend and vote as substitutes in the event that an appointed member of the TEB is unable to attend. Notice of substitution shall be given at the commencement of the meeting.

#### **Restrictions on Membership**

As TEB discharges executive functions, only members of the Cabinet can be members of the TEB with voting rights, although other Cabinet members and non-Cabinet members can be invited to attend, without voting rights.

## **Meetings**

The TEB shall meet on a basis agreed by itself and all meetings shall be held open to the public with full access to information as set out in the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 as amended unless any exemptions are applicable.

## **Roles in connection with established Trading Companies**

The TEB shall have delegated authority to carry out on behalf of the Cabinet the following functions, namely:

- a) To monitor and report regularly on high level performance and report on areas of concern to the Cabinet;
- b) To receive and consider an Annual Business Plan from each Trading Company including any information on profit and loss accounts;
- c) To receive and consider any variations from the approved Annual Business Plans;
- d) To receive and consider reports on new business initiatives. It is proposed that the Council as shareholder should require each company to submit to the TEB a business plan for each new area of activity and to obtain the TEB's approval for every new contract outside the approved Business Plans, which the company proposes to enter with an annual value in excess of £25,000 (these values to be subject to review by the TEB);
- e) To receive and consider periodic reports on the performance of key areas of business and main areas of business of each company. Such reports will initially be required quarterly in respect of each business area or contract which has been approved or exceeds the values set in paragraph d) above, but these values are to be subject to review by the Committee;
- f) To review any significant identified risks of the Companies on behalf of the Cabinet for the purposes of managing those risks;
- g) To receive and consider annual budget and capital spending plans for each company;
- h) To recommend to Cabinet whether or not to approve any applications from the Trading Companies for:
  - (i) consents to acquire or dispose of land outside the approved Business Plan

- (ii) consents to enter into third party loan agreements
  - (iii) the transfer of Council assets including land
  - (iv) the granting of loans from the Council
  - (v) approval of the Business Plans and variations;
- i) To receive and consider quarterly budget monitoring reports from each company ;
- j) To assist each company in the exploration of other trading opportunities with a view to achieving greater efficiency;
- k) To be responsible for ensuring that the Council's investment and or assets that may be transferred to or used by the established Trading Companies are properly protected and used for the purposes approved of by the Cabinet;
- l) To ensure formal directions of the Council or Cabinet are brought forward to the Trading Companies and agree the basis of implementation by the company; including making changes to the governance arrangements for the Trading Companies;
- m) To appoint and remove the Directors of the Companies (subject to the approval of the Leader of the Council)
- n) To act as the Council's (in its capacity as shareholder) nominated body to give all consents and approvals, including those that may be given under the Shareholder Agreement, subject to the approval of the Cabinet in respect of those matters set out in (h) above.
- o) To nominate a member of the TEB (subject to the approval of the Leader) to act as the representative of the Council at Shareholder meetings of the Trading Companies.

## **Reporting Lines**

The TEB shall report and make formal recommendations to the Cabinet as appropriate, in accordance with its functions described above.

## **Public and Member Questions**

Public and Member questions can be asked at meetings of the TEB in accordance with the requirements set out in the Scheme of Public Participation. Only questions which relate to matters which are the responsibility of the Sub Committee, as set out in General Procedure Rule 9 can be asked.

Questions relating to the work of TEB can also be asked at meetings of the Cabinet and Full Council.

Overview and Scrutiny Committee have the ability to review and scrutinise the activities of the TEB and that of any established Trading Companies wholly owned by the Council.

### **Attendance and meetings of the Trading and Enterprise Board**

Attendance at meetings of the TEB shall be in accordance with the Council Procedure Rules as set out in Part 4 Rules of Procedure – General Procedure Rules – Appendix- F -Procedural Decisions Relating to Committees etc of the Constitution.

### **Quorum**

The quorum of a meeting of the TEB shall be three.

If there is no quorum at the published start time for the meeting, a period of no more than 10 minutes will be allowed, and if there remains no quorum at the expiry of this period, the meeting will be deferred to a future date to be agreed

### **Record of Decisions**

In accordance with Part 4 Rules of Procedure – Access to Information Procedure Rules Rule 18 of the Council's Constitution: after any meeting of the TEB, a record of every decision taken at that meeting will be produced, which will be circulated to all Members of the Council and made available for public inspection within three clear working days of the decision being made.

### **Recommended:**

- 1. Subject to the formation of the Trading Companies, that the Selection & Constitutional Review Committee create the Trading & Enterprise Board on the terms of reference set out in the report.**
- 2. Cabinet to note the creation of the Trading and Enterprise Board as outlined above.**

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