



East Suffolk House, Riduna Park, Station Road,  
Melton, Woodbridge, Suffolk, IP12 1RT

# Shareholder Reference Group

## Members:

Councillor Steve Gallant (Leader)

Councillor Craig Rivett (Deputy Leader and  
Economic Development)

Councillor Stephen Burroughes (Customer  
Experience, ICT and Commercial Partnerships)

Councillor Maurice Cook (Resources)

Councillor James Mallinder (The Environment)

Members are invited to a **Meeting of the Shareholder Reference Group**  
to be held in the Deben Conference Room, East Suffolk House, Melton  
on **Tuesday 3 January** 2023 at the conclusion of the preceding Cabinet meeting  
and no earlier than 8.00pm

This meeting will be broadcast to the public via the East Suffolk YouTube  
Channel at <https://youtu.be/a4tPrWLvJAc>

An Agenda is set out below.

## Part One – Open to the Public

## Pages

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- |          |   |
|----------|---|
| <b>1</b> | <b>Apologies for Absence</b><br>To receive apologies for absence, if any. |
|----------|---|

<b>2</b>	<b>Declarations of Interest</b>	
	Members and Officers are invited to make any declarations of interests, and the nature of that interest, that they may have in relation to items on the Agenda and are also reminded to make any declarations at any stage during the Meeting if it becomes apparent that this may be required when a particular item or issue is considered.	
<b>3</b>	<b>Minutes</b>	<b>1 - 2</b>
	To confirm as a correct record the Minutes of the Meeting held on 4 October 2022	
<b>4</b>	<b>Shareholder Reference Group – Terms of Reference ES/1402</b>	<b>3 - 11</b>
	Report of the Leader of the Council	
<b>5</b>	<b>Exempt/Confidential Items</b>	
	It is recommended that under Section 100A(4) of the Local Government Act 1972 (as amended) the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.	

## Part Two – Exempt/Confidential

<b>6</b>	<b>East Suffolk Services Loan Funding</b>	
	<ul style="list-style-type: none"><li>Information relating to the financial or business affairs of any particular person (including the authority holding that information).</li></ul>	

Close



Stephen Baker, Chief Executive

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The Council cannot guarantee public seating areas will not be filmed or recorded. By entering the Conference Room and sitting in the public seating area, those present will be deemed to have consented to the possible use of filmed images and sound recordings. If you do not wish to be recorded, please speak to a member of the Democratic Services team at the earliest opportunity.

If you require this document in large print, audio or Braille or in a different language, please contact the Democratic Services Team on 01502 523521 or email:

[democraticservices@eastsuffolk.gov.uk](mailto:democraticservices@eastsuffolk.gov.uk)



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**Unconfirmed**



Minutes of a Meeting of the **Shareholder Reference Group** held in the Conference Room, Riverside, Lowestoft, on **Tuesday, 4 October 2022 at 8.00pm.**

**Members of the Shareholder Reference Group present:**

Councillor Stephen Burroughes, Councillor Maurice Cook, Councillor Steve Gallant, Councillor Craig Rivett

**Other Members present:**

Councillor Peter Byatt, Councillor Linda Coulam

**Officers present:**

Stephen Baker (Chief Executive), Chris Bing (Head of Legal & Democratic Services and Monitoring Officer), Karen Cook (Democratic Services Manager), Andrew Jarvis (Strategic Director), Nick Khan (Strategic Director), Matt Makin (Democratic Services Officer (Regulatory)), Agnes Ogundiran (Conservative Political Group Support Officer), Melissa Tills (Commercial Lead Lawyer)

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**1 Election of a Chairman**

On the proposition of Councillor Rivett, seconded by Councillor Burroughes it was

**RESOLVED**

That Councillor Steve Gallant be elected Chairman of the Shareholder Reference Group.

**2 Election of a Vice-Chairman**

On the proposition of Councillor Gallant, seconded by Councillor Cook it was

**RESOLVED**

That Councillor Craig Rivett be elected Vice-Chairman of the Shareholder Reference Group.

**3 Apologies for Absence**

Apologies for absence were received from Councillor James Mallinder.

#### **4 Declarations of Interest**

Councillor Stephen Burroughes declared an Other Registerable Interest as a member of the Joint Venture Board for Waveney Norse and Suffolk Coastal Norse.

Stephen Baker declared a Non-Pecuniary Interest as a member of the Board of Directors of East Suffolk Services Limited.

Nick Khan declared a Non-Pecuniary Interest as a member of the Board of Directors of East Suffolk Services Limited.

Andrew Jarvis declared a Non-Pecuniary Interest as both a member of the Board of Directors of East Suffolk Services Limited and a member of the Joint Venture Board for Waveney Norse and Suffolk Coastal Norse.

#### **5 Appointment of a Board Member to the Board of Directors of East Suffolk Services Limited**

The Shareholder Reference Group received report **ES/1301** of the Leader of the Council, which sought approval of the appointment of Cassandra-Ann Clements, the Managing Director of East Suffolk Services Limited (ESSL), as a Director of ESSL.

Councillor Gallant introduced the report and outlined the background of the formation of the Shareholder Reference Group at the Cabinet's meeting of 6 September 2022, where it was approved to establish the Shareholder Reference Group as a committee of Cabinet to undertake functions of the Council as shareholder and/or the ultimate owner of the companies in the group that the Council has established/proposes to establish in the future.

There being no questions or comments on the report, it was on the proposition of Councillor Gallant, seconded by Councillor Rivett and by a unanimous vote

#### **RESOLVED**

That the Shareholder Reference Group approve the appointment of Cassandra-Ann Clements as a Director of ESSL under Article 21.1 of the East Suffolk Services Limited (ESSL) Articles of Association.

The meeting concluded at 8.08pm.

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Chairman



## SHAREHOLDER REFERENCE GROUP

Tuesday, 03 January 2023

<b>Subject</b>	Shareholder Reference Group – Terms of Reference
<b>Report by</b>	Councillor Steve Gallant Leader of the Council
<b>Supporting Officer</b>	Chris Bing Head of Legal and Democratic Services and Monitoring Officer

Is the report Open or Exempt?	OPEN
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Category of Exempt Information and reason why it is <b>NOT</b> in the public interest to disclose the exempt information.	Not applicable
<b>Wards Affected:</b>	All Wards

## Purpose and high-level overview

**Purpose of Report:**

To note the Terms of Reference for the Shareholder Reference Group, which will be incorporated into East Suffolk Council's Constitution

**Options:**

None.

**Recommendation/s:**

That the Terms of Reference for the Shareholder Reference Group be noted.

## Corporate Impact Assessment

**Governance:**

The Shareholder Reference Group needs Terms of Reference for good governance.

**ESC policies and strategies that directly apply to the proposal:**

East Suffolk Strategic Plan

East Suffolk Medium Term Financial Strategy

**Environmental:**

None

**Equalities and Diversity:**

None

**Financial:**

The Shareholder Reference Group will make decisions on "Reserved Matters"

**Human Resources:**

None

**ICT:**

None

**Legal:**

None

**Risk:**

None

<b>External Consultees:</b>	None
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## Strategic Plan Priorities

Select the priorities of the <a href="#">Strategic Plan</a> which are supported by this proposal: (Select only one primary and as many secondary as appropriate)		Primary priority	Secondary priorities
<b>T01</b>	<b>Growing our Economy</b>		
P01	Build the right environment for East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P02	Attract and stimulate inward investment	<input type="checkbox"/>	<input type="checkbox"/>
P03	Maximise and grow the unique selling points of East Suffolk	<input type="checkbox"/>	<input type="checkbox"/>
P04	Business partnerships	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P05	Support and deliver infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T02</b>	<b>Enabling our Communities</b>		
P06	Community Partnerships	<input type="checkbox"/>	<input type="checkbox"/>
P07	Taking positive action on what matters most	<input type="checkbox"/>	<input type="checkbox"/>
P08	Maximising health, well-being and safety in our District	<input type="checkbox"/>	<input type="checkbox"/>
P09	Community Pride	<input type="checkbox"/>	<input type="checkbox"/>
<b>T03</b>	<b>Maintaining Financial Sustainability</b>		
P10	Organisational design and streamlining services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P11	Making best use of and investing in our assets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P12	Being commercially astute	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P13	Optimising our financial investments and grant opportunities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
P14	Review service delivery with partners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>T04</b>	<b>Delivering Digital Transformation</b>		
P15	Digital by default	<input type="checkbox"/>	<input type="checkbox"/>
P16	Lean and efficient streamlined services	<input type="checkbox"/>	<input type="checkbox"/>
P17	Effective use of data	<input type="checkbox"/>	<input type="checkbox"/>
P18	Skills and training	<input type="checkbox"/>	<input type="checkbox"/>
P19	District-wide digital infrastructure	<input type="checkbox"/>	<input type="checkbox"/>
<b>T05</b>	<b>Caring for our Environment</b>		
P20	Lead by example	<input type="checkbox"/>	<input type="checkbox"/>
P21	Minimise waste, reuse materials, increase recycling	<input type="checkbox"/>	<input type="checkbox"/>
P22	Renewable energy	<input type="checkbox"/>	<input type="checkbox"/>
P23	Protection, education and influence	<input type="checkbox"/>	<input type="checkbox"/>
<b>XXX</b>	<b>Governance</b>		
XXX	How ESC governs itself as an authority	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>How does this proposal support the priorities selected?</b>  The Shareholder Reference Group will receive regular updates on the progress and plans of the Council's group companies. The SRG will therefore provide an oversight function for the Council. The SRG will also facilitate decision-making on Reserved Matters. These functions will also support the Council's priorities around service delivery, commercial activities and financial investments.			



## Background and Justification for Recommendation

1 Background facts	
1.1	At its meeting on 6 September 2022, Cabinet resolved to establish a committee of Cabinet, to be known as the Shareholder Reference Group (SRG), to undertake the functions of the Council as shareholder/ultimate owner of its group of companies and exercise the Council's rights under the Articles of each company and under the Shareholder Agreement, with the exception of any rights which the Cabinet or Leader reserves to itself/himself from time to time or which can only be exercised by Full Council.
1.2	At the September Cabinet meeting, Cabinet also resolved to delegate to the Head of Legal and Democratic Services, in consultation with the Leader of the Council, the drafting of Terms of Reference for the SRG for incorporation into East Suffolk Council's Constitution
2 Current position	
2.1	The SRG was created as a committee of Cabinet on 6 September 2022. The SRG had its first meeting on 4 October 2022. The second meeting of the SRG is scheduled to take place on 3 January 2023.
3 How to address current situation	
3.1	Terms of Reference for the SRG have been drafted for incorporation into East Suffolk Council's Constitution (Appendix A). The Terms of Reference set out the membership, role and purpose of the committee
4 Reason/s for recommendation	
4.1	East Suffolk Council's Constitution contains Terms of Reference for its Council and Cabinet committees which supports good governance.

## Appendices

Appendices:	
<b>Appendix A</b>	Terms of Reference for ESC's Shareholder Reference Group (SRG)
Background reference papers:	
None.	

## Terms of Reference – Shareholder Reference Group

### 1. Introduction and Overview

1.1 The purpose of the Shareholder Reference Group (“SRG”), as a committee of Cabinet, is to:

1.1.1 perform the Council’s role as shareholder/ultimate owner of its group of companies and exercise the Council’s rights under the Articles of each company and under the Shareholder Agreement, except for any rights which the Cabinet or Leader reserves to itself/himself from time to time or which can only be exercised by Full Council.

1.1.2 oversee the Council's strategic objectives across its group of companies (together the “Companies”, and each a “Company”) and support the development of these companies.

1.1.3 provide strategic oversight of the Council’s companies and provide assurance to the Cabinet that these companies are compliant with the Council’s Constitution, rules and procedures including achieving best value and that they are fit for purpose.

1.2 The SRG will not have operational control over the Council’s companies. The day-to-day operation of each company is the responsibility of the Directors of each company. The SRG will provide overarching oversight including business case sign off in line with the relevant company constitutional governance. Operational liaison with the Council’s companies will be between the client service of the Council and the managing Director of each company.

### 2. Composition

2.1. The SRG will comprise the Leader of the Council and 4 other Cabinet Members. The first such members are the Deputy Leader and Cabinet Member with responsibility for Economic Development, the Cabinet Member with responsibility for Customer Experience, ICT and Commercial Partnerships, the Cabinet Member for Resources and the Cabinet Member for the Environment.

2.2 The Leader of the Council shall be the Chairman of the SRG. If the Leader of the Council is present, they will preside. If the Leader of the Council is unavailable to do so, the Deputy Leader will preside. If neither the Leader of the Council nor the Deputy Leader are present, then a person appointed to do so by those present shall preside.

2.3 Each Member will be in post for a term of 4 years. Where an individual Member ceases to hold the relevant role during their allotted term, their replacement in that role, or such role as the Leader may identify as its replacement, will also take over the role of Member of the Shareholder Reference Group for the remainder of the term or such other term as the Leader may specify.

2.4 All Members of the Council may attend public meetings of the SRG and may ask questions with the permission of the person presiding. Members of the public may attend all public meetings of the SRG, subject to the exceptions contained in the Access to Information Procedure Rules. The Head of Paid Service, the Section 151 Officer and the

Monitoring Officer, and their nominees, are entitled to attend any meeting of the SRG where a decision is to be made.

### **Quorum**

2.5 The SRG quorum will be 3, which must include the Leader and/or Deputy Leader of the Council.

### **Substitute Members**

2.6 Members of the SRG may appoint substitute members from within the Cabinet.

## **3. Functions and rights of SRG**

3.1. The SRG has the right to access all books, records, accounts and documents relating to the business and the affairs of each Company (collectively Relevant Information) and is entitled to make any copies of that Relevant Information as they consider appropriate to keep the Council properly informed about the business and affairs of each Company or to protect the Council's interests as ultimate owner of each Company.

3.2 The SRG will consider and approve, approve with conditions or refuse applications by the Directors of any Company in relation to matters which are reserved to the Council Cabinet by virtue of the shareholder agreement between the Council and its group companies ("Reserved Matters"). These Reserved Matters may be varied from time to time by the Council Cabinet in accordance with the procedures set out in the shareholder agreement. The SRG's role will also be subject to any matters which the Cabinet may periodically reserve to itself. The Table below sets out the current list of Reserved Matters, identifying those which are reserved to the Council's Cabinet and are therefore within the remit of the SRG. It should be noted that on 6 September 2022, Cabinet reserved to itself the approval of the Consolidated Business Case which is to be produced by the Council's Holding Company on an annual basis (this will accordingly be a matter which is not within the delegated authority of the SRG).

		<b>Trading Companies (non-Teckal)</b>	<b>Teckal Companies</b>
		<b>Matter referred to -</b>	<b>Matter referred to -</b>
1.	Approve amendments or updates to these Reserved Matters without requiring a variation of this Agreement.	Council Cabinet	Council Cabinet
2.	Amend the Articles.	HoldCo Board (in relation to each SPV) Council Cabinet (in relation to HoldCo)	Council Cabinet
3.	Appoint or remove any Director (including terms of any settlement, compromise or severance).	HoldCo Board (other than in relation to a Council Director or where Council	Council Cabinet

		<b>Trading Companies (non-Teckal) Matter referred to -</b>	<b>Teckal Companies Matter referred to -</b>
		exercises its right to appoint or remove under the Articles)	
4.	Introduce for the benefit of any current or former director or employee any incentive scheme or arrangement.	HoldCo Board	HoldCo Board
5.	Adopt or amend its Business Plan for the forthcoming three Financial Years.	HoldCo Board	Council Cabinet
6.	Make a material change to the nature or scope of its business as set out in the relevant Business Plan.	HoldCo Board	Council Cabinet
7.	Alter its name or registered office.	HoldCo Board	Council Cabinet
8.	Become resident for tax purposes, or establish a permanent establishment, in a jurisdiction other than the United Kingdom.	Council Cabinet	Council Cabinet
9.	Directly or indirectly acquire shares or any other interest in any other company or business undertaking.	Council Cabinet	Council Cabinet
10.	Amalgamate or merge with any other company or business undertaking.	Council Cabinet	Council Cabinet
11.	Form or acquire any subsidiary.	Council Cabinet	Council Cabinet
12.	Incur any borrowings (other than from the Council), raise finance or issue any loan capital.	HoldCo Board If above £100,000 (any one transaction) or £250,000 (annual aggregate per Financial Year)	Council Cabinet If above £50,000 (any one transaction) or £100,000 (annual aggregate per Financial Year)
13.	Create any Encumbrance over the whole or any part of its business, undertaking or assets or over any of its shares (other than any such Encumbrance in favour of the Council).	HoldCo Board	Council Cabinet
14.	Allot, or agree to allot, or permit the registration (upon subscription or transfer) of any person as a shareholder/member of any Company.	Council Cabinet	Council Cabinet
15.	Issue or withdraw, or agree to issue or withdraw, any shares or other securities.	Council Cabinet	Council Cabinet

		<b>Trading Companies (non-Teckal) Matter referred to -</b>	<b>Teckal Companies Matter referred to -</b>
16.	Grant, or agree to grant, any rights to subscribe for, or to convert any security into, any shares or any other securities.	Council Cabinet	Council Cabinet
17.	Increase or reduce the amount of its issued share capital, grant any option or other interest over or in its share capital, redeem or purchase any of its own shares or otherwise alter, or effect any reorganisation of, its share capital.	Council Cabinet	Council Cabinet
18.	Alter any of the rights attaching to the shares in its issued share capital from time to time.	Council Cabinet	Council Cabinet
19.	Directly or indirectly participate in any partnership, consortium or joint venture.	HoldCo Board	Council Cabinet
20.	Dispose of any business or any shares.	HoldCo Board	Council Cabinet
21.	Enter into any arrangement, contract or transaction: <ul style="list-style-type: none"> <li>not provided for in the relevant Business Plan;</li> <li>which is outside the normal course of its business; or</li> <li>which is otherwise than on arm's length terms.</li> </ul>	HoldCo Board  If above £100,000 (any one transaction) or above £250,000 (annual aggregate per Financial Year)	Council Cabinet  If above £50,000 (any one transaction) or above £100,000 (annual aggregate per Financial Year)
22.	Make any loan (other than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading).	HoldCo Board  If above £20,000 (any one transaction) or above £250,000 (annual aggregate per Financial Year)	Council Cabinet  If above £10,000 (any one transaction) or above £100,000 (annual aggregate per Financial Year)
23.	Apply for the listing or trading of any shares or debt securities on any stock exchange or market.	Council Cabinet	Council Cabinet
24.	Pass any resolution for its winding up or present any petition for its administration (unless it has become insolvent).	HoldCo Board	Council Cabinet
25.	Appoint any agent or intermediary to conduct the whole or any part of its business.	HoldCo Board	HoldCo Board
26.	Declare any dividend.	HoldCo Board	Council Cabinet
27.	Conduct any litigation material to the Company (involving a contingent liability in excess of £50,000 save for:	HoldCo Board	Council Cabinet

		Trading Companies (non-Teckal) Matter referred to -	Teckal Companies Matter referred to -
	<ul style="list-style-type: none"> <li>the collection of debts arising in the ordinary course of business carried on by the Company; and</li> <li>any application for an interim injunction or other application or action (including interim defence) which is urgently required in the best interests of the Company in circumstances in which it is not reasonably practicable to obtain prior consent.</li> </ul>		

3.3 In respect of any Teckal Company which does work (or has a subsidiary which does work) for any external customers, the SRG will:

3.3.1 monitor Teckal compliance at least annually.

3.3.2 ensure the Business Plan of the Teckal Company is aligned to the corporate objectives of the Council.

#### **4. Shareholder Representative**

4.1 The Shareholder Representative (SR) shall be the Chairman of the SRG and will act with delegated authority on behalf of the SRG to:

- act as a two-way channel of communication between the Companies' Directors and the SRG.
- ensure that any decisions made by the Companies Directors that require approval by the SRG are expedited in an agile manner.