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**Report to**  
Scrutiny Co-ordination Committee

1<sup>st</sup> March, 2006

**Report of**  
Councillor Sawdon

**Title**  
Report Back on the Work Of Outside Bodies – West Midlands Enterprise Limited

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### **1 Purpose of the Report**

1.1 At their meeting on 10<sup>th</sup> May, 2005, the Cabinet approved a process of reporting back to the Scrutiny Co-ordination Committee on the work of those outside bodies appointed to by the City Council. This reports sets out details of the work of the West Midlands Enterprise Ltd over the preceding twelve months and details of attendance by the City Council's representatives.

### **2 Recommendations**

2.1 That the City Council continues to make nominations to West Midlands Enterprise Ltd.

### **3 Information on Work of Outside Body**

3.1 West Midlands Enterprise Ltd is the organisation that inherited the assets of the West Midlands Enterprise Board, which was set up by the old West Midlands County Council in the late 1970's with an infusion of public money. It operates as a specialist economic development and regeneration consultancy operating throughout the UK and internationally.

3.2 The company has distinguished itself by recording losses on most occasions. The loss for the financial year to March 2005 was £982k compared with a small profit of £47k for 2004. Net assets are £4.7m. Against this background, the Company has incurred expenditure on both administrative expenses and salaries by well over 10% in the year ending March 2005.

3.3 Coventry's interests are represented by 100% holding in Coventry Venture Capital Ltd and an 11% holding in University of Warwick Science Park Ltd. The investment in the Science Park is probably one of the Company's few successes.

3.4 The Company currently has 15 Directors, some of whom have connections with the City. However, the company structure is such that the representatives nominated directly by the seven West Midlands District Councils cannot outvote the Directors. The City Council's ability to influence the running of the Company is limited.

### **4 Benefits to the City Council of the Appointment**

4.1 In assessing the value of continuing to appoint members to West Midlands Enterprise Ltd I would point to the fact that the company has hinted that some money may be returned to the Districts. Whilst my own view is that the company should be wound up before the assets are

used up, that is not a view shared by the Company. On the assumption that the Company will continue to exist, the Council's ability to appoint Councillors to the company does enable us to apply pressure to the Board and attempt to safeguard our interests.

## **5 Attendance Record and Remuneration for the Appointment**

5.1 Councillor Sawdon is the City Council's representative on West Midlands Enterprise Limited, Councillor Chater is also nominated to the Company by the West Midlands Joint Committee. Members are only required to attend one meeting per year, the AGM, both Councillor Sawdon and Chater attended the meeting in 2004, only Councillor Chater attended the 2005 AGM.

5.2 There is no remuneration associated with the appointment.

### List of background papers

Proper officer:

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Papers open to Public Inspection

<b>Description of paper</b>	<b>Location</b>
Schedule of City Council Appointments to Outside Bodies	CH61