

**Coventry City Council**  
**Minutes of the Meeting of Scrutiny Co-ordination Committee held at 10.00 am on**  
**Thursday, 26 August 2021**

Present:

Members: Councillor N Akhtar (Chair)  
Councillor M Ali (Deputy Chair)  
Councillor J Clifford  
Councillor J Lepoidevin  
Councillor R Lakha (substitute for Councillor L Bigham)  
Councillor C Thomas (substitute for Councillor R Singh)

Other Member: Councillor G Duggins, Cabinet Member for Policy and Leadership

Employees:

Finance P Mudhar

Law and Governance S Bennett, G Holmes, G Sangha

Streetscene and Regulatory Services A Walster (Director)

Apologies: Councillors L Bigham, J Innes, C Miks, G Ridley and R Singh

## **Public Business**

### **13. Declarations of Interest**

There were no declarations of interest.

### **14. Minutes**

The Minutes of the meeting held on 21 July, 2021 were agreed and signed as a true record.

There were no matters arising.

### **15. Exclusion of Press and Public**

**RESOLVED** that the Committee agrees to exclude the press and public under Sections 100(A)(4) of the Local Government Act 1972 relating to the private report in Minute 20 below headed 'Restructuring Coventry City Council Subsidiaries' on the grounds that the report involves the likely disclosure of information as defined in Paragraph 3 of Schedule 12A of the Act, as it contains information relating to the financial affairs of a particular person (including the authority holding that information) and in all

**circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

## 16. **Restructuring Coventry City Council Subsidiaries**

The Scrutiny Co-ordination Committee considered a report of the Director of Law and Governance which was be considered by Cabinet at their meeting on 31 August, 2021 and Council on 7 September, 2021. A corresponding private report detailing confidential financial matters was also submitted for consideration (Minute 20 below refers). The Leader, Councillor G Duggins, introduced the report at the meeting.

The report indicated that the City Council's portfolio of wholly owned company investments and joint ventures companies had grown in both volume and complexity over a number of years. A full list of the City Council's company investments was detailed in the report.

Each of these investments had been considered separately by the City Council at the point of purchase and / or investment through detailed due diligence, along with reports to the Cabinet and Council to recommend the appropriate course of action. Equally each investment had its own governance structure which regulated how the company or joint venture operated and performed. However, there was currently no single internal process to allow the City Council to consider the performance of its investments, including the mix of commercial investments and suitable apportionment of risk across different sectors.

In response to the City Council's auditors (Grant Thornton) advocating improvements in the overarching arrangements for the Council's commercial investments, the report sought approval of a revised governance structure for the City Council's commercial investments through the establishment of new sub-committee of Cabinet , the Coventry City Council Shareholder Committee. Along with the grouping of all wholly owned investments under a single parent Company, HoldCo. The proposed governance structure for the City Council's commercial investments was set out in the report.

To facilitate the structure and following independent advice from Pinsent Mason LLP and Deloitte LLP, the report also sought:

- the transfer of shares in all wholly owned companies to HoldCo, and the assignment to the City Council of new shares in HoldCo.
- The adoption of all relevant terms of reference and policies for the Shareholder Committee and HoldCo.
- The financial restructuring of North Coventry Holdings (NCH), in order to release funds back to the City Council.

The Committee received a comprehensive presentation at the meeting and asked questions, received answers and sought clarification on a number of issues including:-

- Clarification on the Teckel status of the subsidiaries and conformation that all steps had been made to ensure that risk of challenge was minimised. The proposal had been ratified by QC and Counsel. This

will also be reported annually on compliance. The legal context will not change as a result of the withdrawal from the European Union.

- The financial years of all of the subsidiaries will be brought into line so there should be minimum impact on the audit timeline of the Council.
- Elected Members on the Shareholder Panel will be appointed by the Leader. Scrutiny Co-ordination Committee and Audit and Procurement Committee, which have cross party representation, will also receive regular reports.
- Profit and loss and balance sheet information will be published and available in the public domain for each Company.
- Members are not expected to be experts but will require some understanding of the structure and responsibilities in order to carry out their roles effectively. This should include Members who will be considering the reports as part of the Scrutiny and Audit function.
- The benefits of the new arrangements need to demonstrate the benefits to the Council of these investments, including the income which is then available to spend on public services.

The officers were commended for the clarify provided in the presentation and in the responses to questions at the meeting in relation to this matter.

**RESOLVED that Scrutiny Co-ordination Committee recommend to Cabinet at its meeting on 31 August, 2021 that:**

- 1) Cabinet agree the recommendations contained in the report.**
- 2) That training is offered to other relevant Elected Members as well as those specifically appointed to the Board of Directors on an annual basis**
- 3) That Annual reports to Scrutiny Co-ordination Committee include information about the income provided by HoldCo. that is spent on public services and that appropriate communications reflect this**

## **17. Scrutiny Management**

In accordance with the Constitution, the Committee noted that Councillor M Ali, Deputy Chair of the Scrutiny Co-ordination Committee and nominee of the Chair, Councillor N Akhtar, attended the meeting of Cabinet Member for City Services on 18 August, 2021 for an item of business relating to “ Objection to Experimental Traffic Regulation order – Whittle Arch”. Councillor Ali agreed that the decision was urgent and that call in should not apply.

The reason for urgency was that there was an urgent need for a formal decision on the Experimental Traffic Regulation order before it expired on 8 September, 2021, so that the legal requirements and any required signage changes could be in place, based on the decision made, by this date. Additional costs would be incurred if it was not completed and interim measures were required.

**18. Scrutiny Co-ordination Committee Work Programme 2021/2022 and Outstanding Issues**

The Committee noted their Work Programme for the current Municipal year.

**19. Any Other Items of Urgent Public Business**

There were no items of urgent public business.

**20. Restructuring Coventry City Council Subsidiaries**

Further to Minute 16 above, the Scrutiny Co-ordination Committee considered a private report of the Director of Law and Governance, setting out the commercially confidential matters relating to the restructuring of Coventry City Council subsidiaries.

**RESOLVED that Scrutiny Co-ordination Committee recommend to Cabinet at its meeting on 31 August, 2021 that:**

- 1) Cabinet agree the recommendations contained in the report.**
- 2) That training is offered to other relevant Elected Members as well as those specifically appointed to the Board of Directors on an annual basis**
- 3) That Annual reports to Scrutiny Co-ordination Committee include information about the income provided by HoldCo. that is spent on public services and that appropriate communications reflect this**

**21. Any other items of urgent private business**

There were no items of urgent private business.

(Meeting closed at 11.15 am)