

Agenda

Shareholder Committee

Date: **Monday 17 June 2024**

Time: **2.00 pm**

Place: **Herefordshire Council Offices, Plough Lane, Hereford,
HR4 0LE**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

Samantha Walmsley, Democratic Services Officer

Tel:

Email: samantha.walmsley2@herefordshire.gov.uk

If you would like help to understand this document, or would like it in another format, please call Samantha Walmsley, Democratic Services Officer on or e-mail samantha.walmsley2@herefordshire.gov.uk in advance of the meeting.

Agenda for the meeting of Shareholder Committee

Membership

**Councillor Graham Biggs
Councillor Carole Gandy
Councillor Jonathan Lester
Councillor Pete Stoddart**

Agenda

| | Pages |
|--|--------------|
| 1. ELECTION OF A CHAIRPERSON To elect a chairperson for the committee | |
| 2. APOLOGIES FOR ABSENCE To receive apologies for absence. | |
| 3. DECLARATIONS OF INTEREST To receive declarations of interests in respect of Table A, Table B or Other Interests from members of the committee in respect of items on the agenda. | |
| 4. GUIDANCE ON PERFORMANCE & DECISION MAKING FOR CYBER QUARTER LTD AND HOOPLE LTD To adopt the guidance document as being the detailed framework that business planning and financial and performance information is reported by the companies to the Shareholder Committee. | 5 - 46 |
| 5. HOOPLE LTD UPDATE An update to the Shareholder Committee | 47 - 68 |
| 6. CYBER QUARTER LIMITED UPDATE An update to the Shareholder Committee. | 69 - 182 |



Title of report: Guidance on Performance & Decision Making for Cyber Quarter Ltd and Hoople Ltd

Meeting: Shareholder Committee

Meeting date: 17 June 2024

Report by: Leader of the Council (Section 9E);

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To adopt the guidance document as being the detailed framework that business planning and financial and performance information is reported by the companies to the Shareholder Committee.

Recommendation(s)

That:

- a) The Council's requirements for annual business planning for the companies shall follow the detailed Guidance;**
- b) Financial and performance information shall be reported to this Committee as set out in the guidance document; and**
- c) Notes the guidance in respect to decision making for and within the companies.**

Alternative options

1. None – Cabinet has specified in its [Terms of Reference](#) for the Shareholder Committee that there should be oversight by its committee to monitor financial and other information including risks.

Key considerations

2. Corporate governance in respect to the local authority's companies is multifaceted, involving a range of governance processes, techniques and documentation to ensure that the Council is satisfied that it has a good level of control, understanding and delivery from its companies.
3. In addition, the Council has awarded contracts to its owned companies (whether wholly or jointly owned) without a full tender but relying on the Regulation 12 exemption in the Public Contract Regulations 2015. This exemption requires that the Council must during the term of any contract, demonstrate that it continues to exercise decisive influence over the strategic objectives and significant decisions of the company. The Shareholder Committee plays an important part in this influence.
4. The Council exercises control and influence over its trading companies in a number of ways:
 - a. It appoints directors to the Board who (subject to their own duties to the company) can ensure that matters of relevance to the Council are achieved;
 - b. The Council is a shareholder in the companies and has powers and rights under Companies Act 2006 similar to any shareholder. Where the company is jointly owned, an agreement has been entered into with the other shareholders on matters such as sharing of information, strategic direction, business planning and reporting; and
 - c. The Council purchases services as a customer from the Company under contract and the terms of the contract set out precisely what and how services are delivered to the Council.

It is through the combination of these governance functions that the necessary influence is maintained and that the Council can satisfy itself that governance is sufficiently rigorous. The Guidance recommends processes to adopt in respect to activities considered to strengthen governance.

5. The Committee will receive reports at the next Shareholder Committee meeting from the Council's appointed company Directors and Council's Senior Responsible Officer in relation to matters such as company performance, budgets and delivery to the business plan.
6. Although the Shareholder Agreements provide a generalised framework for reporting, it is non-specific on exactly what is reported, to whom and when. Further, it has no reference to or linking with internal bodies or decisions making within the Council. The intention for the Guidance document is to fill this gap in relation to business planning, reporting and decision making.
7. The main elements within the Guidance are:

Business Plan

- a. This is the process and decision making required in relation to the formulation and approval of the annual Business Plan and the associated budget. This involves the Council (via the Shareholder Committee) issuing a remit to the company of what is

expected from it in advance of the next year. The company then prepares a plan that will deliver to that remit and specify the budget required.

Financial & Performance Reporting by Directors

- b. The Shareholder Agreement requires the Company to report relevant financial and performance information to the Council (in addition to reporting requirements in a contract for services). The Guidance requires this information to be reported to the Shareholder Committee. Part of the reporting will be provided by the Directors and the Council's Senior Responsible Officer will provide commentary from the relevant council officers. This information will inform whether the Company is meeting the business plan.

Decision Making

- c. The second part of the Guidance document provides instruction on which body or individual in the Council or company has the authority to make a particular decision. The document is designed so there is a single point of information to the Shareholder Committee of whom makes a specific decision.

Community impact

9. There is no direct community impact by the adoption of the Guidance document.

Environmental Impact

10. There is no direct environmental impact.

Equality duty

11. The public sector equality duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on the internal decision making within the Council, we do not believe that it will have an impact on the Council's equality duty.

Resource implications

8. The adoption of the Guidance will be performed as part of the existing obligations between the Council and the companies and there will not be any additional resource costs.

Legal implications

9. The Shareholder Committee forms part of the overall governance arrangements for the Council in relation to companies and other legal entities which are wholly or partly owned or controlled by the Council.
10. The Council must demonstrate influence over the companies for the Council to rely on the exemption in Regulation 12 of the Public Contracts Regulations 2015. The activities of monitoring the financial and performance information and determining the strategy of the Company is intrinsic to demonstrate the application of this influence.

11. If the necessary influence cannot be demonstrated, then any contract award to a local authority owned company (or the continuation of an existing contract) would need to follow a fully compliant tender process under the Regulations

Risk management

12. The risks have been identified as follows:

| <u>Risk / opportunity</u> | <u>Mitigation</u> |
|--|--|
| The Council does not demonstrate the necessary influence | Legal advice is that adoption of the guidance means that the Council is operating within a governance framework that is recognised as being as thorough as possible within the local authority context. |
| Cabinet does not monitor performance | The necessary influence is weakened but some control is maintained through Directors appointments to the Board and the contract. If active monitoring is not done then there could be a risk of uncontrolled overspend or missing performance target |
| Cabinet does not set a business plan | If the Council does not actively manage the business plan for the companies then there is a risk that the company does not deliver to the Council's strategic priorities or is in direct conflict with them. |

Consultees

None

Appendices

None

Background papers

None

Report Reviewers Used for appraising this report:

| Please note this section must be completed before the report can be published | | |
|---|----------------------------------|------------------------------------|
| Governance | John Coleman | Date 20/05/2024 |
| Finance | Click or tap here to enter text. | Date Click or tap to enter a date. |
| Legal | Click or tap here to enter text. | Date Click or tap to enter a date. |
| Communications | Luenne Featherstone | Date 13/05/2024 |
| Equality Duty | Click or tap here to enter text. | Date Click or tap to enter a date. |
| Procurement | Click or tap here to enter text. | Date Click or tap to enter a date. |
| Risk | Click or tap here to enter text. | Date Click or tap to enter a date. |

Approved by Andrew Lovegrove Date 06/06/2024



Herefordshire

Guidance on Performance & Decision Making - Cyber Quarter Ltd

Purpose

This document explains a governance framework between Herefordshire Council (Council), its directors and the company Cyber Quarter Ltd for reporting, management of performance & decision making

This guidance applies to:

- Shareholder Committee of Council
- Cyber Quarter Ltd
- Council appointed directors of Cyber Quarter

| Version | Date | Description |
|---------|----------|---------------|
| 1 | 01/11/23 | New Procedure |

| Document Approvals | |
|--------------------|--|
| Author: | Sean O'Connor – Head of Legal Services |
| Approval: | Shareholder Committee of the Council |

Contents

| | |
|---|---|
| 1. Definitions used in this Protocol..... | 3 |
| 2. Reporting & Performance | 3 |
| 3. Business Planning..... | 5 |
| 4. Decision Making..... | 6 |

Appendix 1 – Business Plan

Appendix 2 – Shareholder Committee & Board of Directors Decisions

1. Definitions

This document uses the following definitions:

Director(s)

Director(s) of Cyber Quarter appointed by the SHC.

Information

This includes:

- the final accounts (yearly only) in relation to the previous financial year in the June meeting;
- management accounts showing actual spend for each quarterly together with a committed spend and forecast against the budget for each budget line and/service provided;
- performance by service area against agreed Key Performance Indicators as set out in the Business Plan
- the Directors' narrative in respect to matters of significance, risk and/or overspend/underspend; and
- risks and mitigations as relate to services provided to the Council (17.1 SHA).

Cyber Quarter

Cyber Quarter Ltd - a company of which the Council is a joint shareholder.

Shareholder Committee (SHC)

The committee of the Council's Executive set up on 12 Jan 2023 with [Terms of Reference](#) whose purpose is to act as the shareholder representative in relation to Cyber Quarter and to exercise the shareholder rights as delegated by Executive.

Shareholder Agreement (SHA)

A document dated 01 April 2019 signed by the shareholders of Cyber Quarter that determines the relationship between the shareholders, the directors and Cyber Quarter.

SRO

The senior officer of the Council responsible for ensuring that the services are delivered to the Council or residents. Often described as the customer of Cyber Quarter

2. Shareholder

The Council is a minority shareholder in Cyber Quarter. The shareholder function within the Council is an executive function and was delegated to the SHC. The Council has loaned Cyber Quarter £3.5m secured by a first legal charge.

3. Cyber Quarter Ltd

Cyber Quarter is a wholly owned company owned by the Council and the University of Wolverhampton. The Council has a shareholding of 19 shares and the University 80 shares. Decision making is governed by the terms of the SHA. The University has loaned Cyber Quarter £1.518m.

Cyber Quarter does not deliver services to the Council but has been set up as a joint venture for-profit company with the purpose of promoting the site for use by business involved with cyber security. More information can be found at its [website](#).

4. The Board of Directors

The Council appoints (and remove) two Directors to the Board (8.5 SHA) and the University also appoints two Directors (8.6 SHA). A further 2 non-executive Directors are also appointed (total of 6 on Board).

The University appoints any Director as the Chair (9.18 SHA). The Chair has a casting vote (9.18 SHA).

The meetings of the Board are quarterly (9.1 SHA) or more frequent if required on 5 days notice (9.2 SHA).

Meetings can be physically present, virtual or by any other method of simultaneous communication (9.5 SHA)

The quorum is 1 director from the Council and 1 director from the University (total 2 directors) (9.8 SHA).

Financial and Performance Information is provided by Cyber Quarter to the Council by presenting the information to the Directors at the Director's board meeting (5.5.1 SHA).

5. Decisions by Directors

The Directors make decisions by a majority vote (9.13 SHA) on all operational decisions other than those reserved to the Shareholders in Schedule 1 or delegated to the operational staff of Cyber Quarter (through the Chief Executive).

Voting can be via email providing that all eligible Directors cast a vote (9.14 SHA).

6. Meetings of the SHC

The meetings of SHC shall be three times per year in **February, June and October**.

The meeting shall be attended by the members of SHC and the Directors.

Where required the meeting shall be attended by the following:

- the Council's finance representative;
- the SRO in respect to services; and
- any other officer of Cyber Quarter that the Directors and Chairperson consider as necessary.

7. Information (Finance & Performance) Reporting by Directors

Cyber Quarter will provide such information to the Directors as necessary (17.1 SHA) to keep the Council informed about the business of the company. This includes management accounts (17.2.1 SHA), statutory accounts (17.2.2 and 17.2.3 SHA) and any other account (17.2.4 SHA).

The Directors shall report the Information the meeting of the SHC but this must remain confidential (17.4 SHA) unless the information would be disclosed under the Freedom of Information Act 2000 (17.10 SHA).

The Directors will notify the SHC which information the Company considers is confidential or exempt under the Council's Access to Information rules. The Council will determine the extent of information that will be restricted from the public.

The SHC will escalate any unmitigated risks immediately to the Executive.

The Council's finance function shall provide views in respect to any matters in the Financial Information (whether by attendance or report).

The Council's SRO shall provide views in respect to any matters in the Performance Information (whether by attendance or report).

The SHC shall notify the Director of any changes in reporting of Financial Information or Performance Information (12.4.5 SHA).

8. Business Planning

Annual Remit

The Annual Remit document will be produced by SHC and issued to the Cyber Quarter in **October** of each year.

The Annual Remit shall outline what the SHC requires from Cyber Quarter in the following financial year (including requirements as required by Schedule 2 of the SHA). The SHC shall consult with SRO, Lead Members and other officers as necessary before issuing the Annual Remit.

The Annual Remit document shall set out what the Council requires from the Cyber Quarter in each year and includes:

- priorities and focus for Cyber Quarter together with any delivery requirements;
- Any additions, variations or reductions to services; and
- Changes to financial requirements

The SHC will share Annual Remit document with any other shareholder of Cyber Quarter and where possible agree a common Annual Remit.

Business Plan

Cyber Quarter shall formulate a Business Plan to deliver the requirements of the Annual Remit for approval by SHC by **January** in the financial year (12.2 SHA).

The Business Plan shall include those items in Schedule 2 and attached here as Appendix 1.

Cyber Quarter and representatives of the SHC shall discuss and negotiate any parts of the Business Plan that do not or cannot align with the Annual Remit and identify mitigations or corrective action required.

The final budget to the Business Plan (if any) shall be submitted to Executive for approval and onward recommendation to full Council as part of the Council's annual budget setting process.

The Business Plan is only approved when both the plan and the budget to the support the plan are approved by the Council.

Annual Report

The SHC shall produce an annual report to the Council's Audit and Governance Committee in respect to the Cyber Quarter's performance over the 12 month review period. This will be in **July** in each year.

9. Decision Making

Council & Executive

Council and Executive make the strategic decisions for Cyber Quarter including agreeing the budget and priorities. These decisions are made in accordance with the Council's existing governance framework and timetable. Where the Council is a joint shareholder, then the decision making is governed by the terms of company law and any SHA.

SHC

The SHC is a committee of Cabinet and the statutory governance framework (such as committee reports, open meetings and forward planning) apply to the SHC. The SHC has been delegated by Cabinet the ability to make the decisions set out in the SHC Terms of Reference and the SHA.

The most relevant being the appointment and removal of directors, monitoring performance and the approval of the business plan (including budget). Cabinet may also delegate further shareholder functions to the SHC.

The matters reserved for shareholder approval (by the SHC) are set out in Schedule 1 of the SHA marked 'Shareholders' and attached here as Appendix 2.

These decisions reserved to the shareholders must be agreed by both the Council (the SHC) and the University (11.1.1 SHA)

Directors

The Council has the right to appoint directors to Cyber Quarter and has made the decision to appoint senior officers to the boards. As statutory Directors of Cyber Quarter, they have authority under the Cyber Quarters' Articles of Association to make decisions.

The Directors have statutory duties to Cyber Quarter under the Companies Act 2006 under [general duties](#). These are duties to Cyber Quarter rather than to the Council as customer or as individual shareholder. However, the duties include 'to act...to promote the success of the company for the benefit of its members as a whole..'. In the circumstances where the shareholders are limited in number and are in agreement, then generally the interests of the Cyber Quarter and the Council will align.

Directors appointed by the Council shall not be remunerated other than by a decision of SHC. The Council shall provide the standard officer indemnity to each Director appointed by the Council.

Decisions that must be made by the Board of Directors are recorded in Schedule 1 of the SHA marked 'Board' and attached here as Appendix 2.

Operational Decisions

All operational decisions are vested in the Directors of Cyber Quarter and employees to facilitate delivery of services to the Council. These are governed by Companies Act 2006 and the terms of the SHA.

Version: 1.0

Approved by Shareholder Committee: Resolution dated []

Appendix 1 – Business Plan

2 SCHEDULE 2

Business Plan

Each Business Plan will, unless otherwise agreed by the Shareholders in respect of a Financial Year, include the following items:

- A budget
- The plan for the delivery and funding of the Objectives for the forthcoming year;
- Progress report against previous year's Business Plan and the Objectives;
- The activities and functions of the facilities operated from within the Centre and any other assets of JVCo;
- The placement strategy for users/occupiers;
- Products and service developments providing an income stream to JVCo through the commercialisation of intellectual property rights and knowledge transfer;
- Costs and income of JVCo capital expenditure (premises, equipment, website); target sales volumes; running costs (employees, raw materials, maintenance, utilities, insurance); proposed sales channels (including on-line); and tax/PAYE/VAT issues;
- Treatment of reserves/surpluses;
- Funding requirements of JVCo including further investment by the Shareholders or possible sources of external investment (e.g. grants, Government assisted borrowing).

Appendix 2 – Shareholder Committee & Board of Directors Decisions

1 SCHEDULE 1

Reserved Matters

| | Shareholders | Board | Reserved Matter |
|--|--------------|-------|-----------------|
|--|--------------|-------|-----------------|

Financial and Business

| | | | |
|-----|---|---|---|
| 1. | ✓ | | Adopt any Business Plan or make any material changes to any Business Plan after its approval. |
| 2. | ✓ | | Extend the activities of JVCo outside the scope of the Business or close down any business operation. |
| 3. | ✓ | | Give any guarantee, suretyship or indemnity outside the ordinary course of business to secure the liabilities of any person or assume the obligations of any person. |
| 4. | ✓ | | Appoint or remove the auditors of JVCo. |
| 5. | ✓ | | Alter JVCo's accounting reference date. |
| 6. | ✓ | | Make any significant change to any of JVCo's accounting or reporting practices. |
| 7. | ✓ | | Create any Encumbrance over the whole or part of the undertaking or assets of JVCo. |
| 8. | ✓ | | Approve the annual accounts of JVCo. |
| 9. | ✓ | | Establish or amend any pension scheme. |
| 10. | ✓ | | Change the names or the scope of the authority of the persons authorised to sign cheques or other financial instruments on behalf of JVCo. |
| 11. | ✓ | | Incur in any Financial Year any item or series of items of capital expenditure including finance leases (but excluding operating leases) of more than £50,000, unless such capital expenditure is expressly provided for in the Business Plan. |
| 12. | | ✓ | Incur in any Financial Year any item or series of items of capital expenditure including finance leases (but excluding operating leases) of more than £30,000, unless such capital expenditure is expressly provided for in the Business Plan. |
| 13. | ✓ | | Enter into or vary any operating lease either as lessor or lessee, of any plant, property or equipment of a duration exceeding three years or involving aggregate premium and annual rental payments in excess of £50,000, unless such operating lease is |

| | | | |
|-----|---|---|--|
| | | | expressly provided for in the Business Plan. |
| 14. | | ✓ | Enter into or vary any operating lease either as lessor or lessee, of any plant, property or equipment of a duration exceeding three years or involving aggregate premium and annual rental payments in excess of £30,000. |
| 15. | ✓ | | Factor or discount any book debts of JVCo. |
| 16. | ✓ | | Give or take any loans, borrowing or credit (other than normal trade credit in the ordinary course of business) in excess of £3,000 or cause the aggregate indebtedness of JVCo to exceed £50,000, unless expressly provided for in the Business Plan. |
| 17. | ✓ | | Make any agreement with any revenue authorities or any other taxing authority, or make any claim, disclaimer, election or consent of a material nature for tax purposes in relation to JVCo its business, assets or undertaking. |
| 18. | ✓ | | Change the bankers of JVCo or open or close any bank accounts. |
| 19. | | ✓ | Approve the remuneration of the auditors of JVCo. |

Shares, shareholder loans and constitutional

| | | | |
|-----|---|--|---|
| 20. | ✓ | | Unless required for the purposes of clause 36 alter any of the provisions of the Articles or any of the rights attaching to the Shares. |
| 21. | ✓ | | Save as provided in clause 3.1 , reduce or cancel any share capital of JVCo, purchase its own shares, hold any shares in treasury, allot or agree to allot, whether actually or contingently, any of the share capital of JVCo or any security of JVCo convertible into share capital, grant any options or other rights to subscribe for or to convert any security into shares of JVCo or alter the classification of any part of the share capital of JVCo. |
| 22. | ✓ | | Make any capitalisation, repayment or other distribution of any amount standing to the credit of any reserve of JVCo or pay or declare any dividend (other than under clause 5) or other distribution to the Shareholders or redeem or buy any Shares or otherwise reorganise the share capital of JVCo. |
| 23. | ✓ | | Admit any person whether by subscription or transfer as a member of JVCo save as provided for in this Agreement. |
| 24. | ✓ | | Save as anticipated by this Agreement, increase the amount of any Shareholder Loans or the variation of the terms of any Shareholder Loans. |
| 25. | ✓ | | Repurchase, repay, redeem or cancel any Shareholder Loan other than in accordance with the terms of any Loan Agreement or the terms of this Agreement. |
| 26. | ✓ | | Enter into any agreement with a Shareholder for the provision of additional funds or financial support from that Shareholder which differ from the terms on which the other Shareholder is providing equivalent finance or support. |
| 27. | ✓ | | Change the name or any trading name of JVCo. |

| | | | |
|-----|---|--|---|
| 28. | ✓ | | Apply for admission to listing or admission to trading on a stock exchange or on any other investment exchange. |
| 29. | ✓ | | Change the status of JVCo from a limited company to a public limited company or from a company limited by shares to any other form of legal entity. |

Control, management, directors and employees

| | | | |
|-----|---|--|---|
| 30. | ✓ | | Appoint or remove any Chief Executive and approve their terms of appointment (and including whether appointed as a Director with voting rights on the Board). |
| 31. | ✓ | | Appoint or remove any director non-executive directors or any directors which are not A Directors or B Directors (including as to the voting rights of any non-executive director). |
| 32. | ✓ | | Pay any fees, remuneration or other sums to or in respect of the services of any director or vary any such fees or remuneration. For the avoidance of doubt this will not apply to the payment or reimbursement of expenses properly incurred by any director in the course of carrying out his duties in relation to JVCo nor to any payment under any indemnity by JVCo to which the director is entitled under the Articles or under any relevant law. |
| 33. | ✓ | | Enter into or vary any agreement for the provision of consultancy, management or other services by any person which will, or is likely to result in, JVCo being managed otherwise than by its directors. |
| 34. | ✓ | | Amalgamate or merge with any company, association, partnership or legal entity or acquire any business undertaking of any other person. |
| 35. | ✓ | | Move the central management and control of JVCo or JVCo's tax residence outside of the UK. |
| 36. | ✓ | | Approve (or amend) JVCo's policies which affect the statutory liability of the directors (eg. anti-corruption, health and safety, non discrimination) |
| 37. | ✓ | | Change the registered office of JVCo. |
| 38. | ✓ | | Form any Subsidiary of JVCo, or acquire any shares in any other company, whether through subscription or transfer, such that the company concerned becomes a Subsidiary of JVCo. |

Contracts with related parties

| | | | |
|-----|---|--|--|
| 39. | ✓ | | Enter into or terminate in any Financial Year any contract of employment with or contract for the provision of services by any person or persons whose aggregate remuneration of fees exceeds £50,000 per annum (ignoring any contract terminated for gross misconduct) or change the terms of any such contracts, unless expressly provided for in the Business Plan. |
| 40. | ✓ | | Enter into or vary any contracts or arrangements with any of the Shareholders or Directors or any person with whom any Shareholder or Director is connected (whether as director, consultant, shareholder or otherwise) save the Related Agreements and otherwise as anticipated in this Agreement. |

Insolvency and related proceedings

| | | | |
|-----|---|--|---|
| 41. | ✓ | | Commence or take steps to commence any insolvency proceedings under any law relating to insolvency anywhere in the world unless JVCo is at the relevant time unable to pay its debts as the fall due or the value of its assets are less than its liabilities, including its contingent and prospective liabilities and the directors reasonably consider (taking into account their fiduciary duties) that it ought to be wound up or it ought to enter into administration. |
|-----|---|--|---|

Contracts and other arrangements

| | | | |
|-----|---|---|---|
| 42. | ✓ | | Enter into any partnership, joint venture or profit sharing arrangement with any person or create any share option, bonus or other incentive scheme. |
| 43. | ✓ | | Enter into or make any material variation to any agreement not in the ordinary course of the Business and/or which is not on an arm's length basis. |
| 44. | ✓ | | Sell, lease (as lessor), license (as licensor), transfer or otherwise dispose of any of its material assets. |
| 45. | ✓ | | Enter into or vary any licence or other similar agreement relating to intellectual property which is otherwise than in the ordinary course of business. |
| 46. | ✓ | | Enter into any agency, distribution or similar agreement which confers any element of exclusivity as regards any goods or services or as to the area of the agreement or vary such agreement to include any such exclusivity, save where expressly provided for in the Business Plan. |
| 47. | ✓ | | Buy, lease (as lessee), license (as licensee) or otherwise acquire any assets at a total cost to JVCo per transaction exceeding £50,000 otherwise than in the ordinary course of business. |
| 48. | ✓ | | Acquire or agree to acquire any freehold or leasehold interest in or licence over land |
| 49. | ✓ | | Enter into or make any contract with a cost to JVCo of more than £50,000 (other than a Related Agreement). |
| 50. | | ✓ | Amend its standard terms of business. |
| 51. | | ✓ | Give notice of termination of any agreements of a material nature in the context of the Business or make any material variation or amendment to any such agreements. |
| 52. | ✓ | | Engage professional advisers where (i) the advice is expected to cost £50,000 or more or (ii) change the terms of engagement of any such advisers or (iii) where the nature of the advice will or may involve material impact on the Business. |

Disputes and proceedings

| | | | |
|-----|---|--|--|
| 53. | ✓ | | Commence, settle or defend any claim, proceedings or other litigation brought by or against JVCo, except: (a) in relation to debt collection not exceeding £50,000 in |
|-----|---|--|--|

| | | | |
|--|--|--|--|
| | | | the ordinary course of the Business; or |
| | | | (b) In relation to proceedings by or against a Shareholder to which the provisions of clauses 9.16 or 9.17 (as applicable) will apply. |

General

| | | | |
|-----|---|--|--|
| 54. | ✓ | | Enter into or vary any agreement to do any of the things referred to in the above paragraphs of this Schedule 1 . |
|-----|---|--|--|



Herefordshire

Guidance on Performance & Decision Making - Hoople Ltd

Purpose

This document explains a governance framework between Herefordshire Council (Council), its directors and the company Hoople Ltd for reporting, management of performance & decision making

This guidance applies to:

- Shareholder Committee of Council
- Hoople Ltd
- Council appointed directors of Hoople

| Version | Date | Description |
|---------|----------|---------------|
| 1 | 01/11/23 | New Procedure |

| Document Approvals | |
|--------------------|--|
| Author: | Sean O'Connor – Head of Legal Services |
| Approval: | Shareholder Committee of the Council |

Contents

| | |
|---|---|
| 1. Definitions used in this Protocol..... | 3 |
| 2. Reporting & Performance | 3 |
| 3. Business Planning..... | 5 |
| 4. Decision Making..... | 5 |

Appendix 1 – Shareholder Committee Decision

Appendix 2 – Board of Directors Decisions

Appendix 3 – Directors Decisions

1. Definitions

This document uses the following definitions:

Director(s)

A director(s) of Hoople appointed by the SHC.

Information

This includes:

- the final accounts (yearly only) in relation to the previous financial year in the June meeting;
- management accounts showing actual spend for each quarterly together with a committed spend and forecast against the budget for each budget line and/service provided (12.4.3 SHA);
- performance by service area against agreed Key Performance Indicators as set out in the contract for services or Business Plan
- the Directors' narrative in respect to matters of significance, risk and/or overspend/underspend; and
- risks and mitigations as relate to services provided to the Council.

Hoople

Hoople Ltd - a company of which the Council is a joint shareholder.

Shareholder Committee (SHC)

The committee of the Council's Executive set up on 12 Jan 2023 with [Terms of Reference](#) whose purpose is to act as the shareholder representative in relation to Hoople and to exercise the shareholder rights as delegated by Executive.

Shareholder Agreement (SHA)

A document signed by the shareholders of Hoople that determines the relationship between the shareholders, the directors and Hoople.

SRO

The senior officer of the Council responsible for ensuring that the services are delivered to the Council or residents. Often described as the customer of Hoople

2. Shareholder

The Council is a majority shareholder in Hoople. The shareholder function within the Council is an executive function and was delegated to the SHC.

3. Hoople Ltd

Hoople is a wholly owned company owned by the Council, Wye Valley NHS Trust and Lincolnshire County Council. The Council is the majority shareholder but decision making is governed by the terms of the SHA.

Hoople delivers services to the Council under a contract of services that expires in March 2024. Contracts are awarded to Hoople under Regulation 12 of the Public Contract Regulations without the requirement of a tender and this requires that the Council (and the other shareholders) continues to demonstrate both control and influence over Hoople.

4. The Board of Directors

The Council appoints two Directors to the Board and the other shareholders appoint two Directors (total of 4 on Board). There is an elected Chair from any of the Directors but the Chair does not have a casting (or second) vote (4.12 SHA).

The meetings of the Board are quarterly or more frequent if required (4.13 SHA)

The quorum is 1 director from the Council and 1 director from Wye Valley NHS Trust. (4.15 SHA).

Financial and Performance Information is provided by Hoople to the Council by presenting the information to the Directors at the Director's board meeting (5.5.1 & 12.4 SHA).

5. Decisions by Directors

The Directors make decisions by a majority vote on all operational decisions other than those reserved to the Shareholders in Part A of Schedule 1 (4.17 SHA) or delegated to the operational staff of Hoople.

A Director is able to cast a vote for an absent Council Director (4.17 SHA). Meetings can occur remotely (4.26 SHA)

6. Meetings of the SHC

The meetings of SHC shall be three times per year in **February, June and October**.

The meeting shall be attended by the members of SHC and the Directors.

Where required the meeting shall be attended by the following:

- the Council's finance representative;
- the SRO in respect to services; and
- any other officer of Hoople that the Directors and Chairperson of SHC considers as necessary.

7. Information (Finance & Performance) Reporting by Directors

The Directors shall report the Information the meeting of the SHC.

The Directors will notify the SHC which information the Company considers is confidential or exempt under the Council's Access to Information rules. The Council will determine the extent of information that will be restricted from the public.

The SHC will escalate any significant risks that lack suitable mitigations immediately to the Executive.

The Council's finance function shall provide views in respect to any matters in the Financial Information (whether by attendance or report).

The Council's SRO shall provide views in respect to any matters in the Performance Information (whether by attendance or report).

The SHC shall notify the Director of any changes in reporting of Financial Information or Performance Information (12.4.5 SHA).

8. Business Planning

Annual Remit

The Annual Remit document will be produced by the SHC and issued to Hoople in **October** of each year.

The Annual Remit shall outline what the SHC requires from Hoople in the following financial year (including long term requirements over the next 3 years as required by clause 11.1 of the SHA). The SHC shall consult with the SRO, Lead Members and other officers as necessary before issuing the Annual Remit.

The Annual Remit document shall set out what the Council requires from Hoople in each year and includes:

- priorities and focus for Hoople together with any delivery requirements;
- Any additions, variations or reductions to services; and
- Changes to financial requirements

The SHC will share the Annual Remit document with any other shareholder of Hoople and where possible agree a common Annual Remit.

Business Plan

Hoople shall formulate a Business Plan to deliver the requirements of the Annual Remit for approval by SHC by **January** in the financial year. Hoople, the Senior Responsible Officer of the Council and the SHC shall discuss and negotiate any parts of the Business Plan that do not or cannot align with the Annual Remit and identify mitigations or corrective action required.

The final budget to the Business Plan shall be submitted to Executive for approval and onward recommendation to full Council as part of the Council's annual budget setting process.

The Business Plan is only approved when both the plan and the budget to the support the plan are approved.

Annual Report

The SHC shall produce an annual report to the Council's Audit and Governance Committee in respect to the Hoople's performance over the 12 month review period. This will be in **July** in each year.

9. Decision Making

Council & Executive

Council and Executive make the strategic decisions for Hoople including agreeing the budget and priorities. These decisions are made in accordance with the Council's existing

governance framework and timetable. Where the Council is a joint shareholder, then the decision making is governed by the terms of company law and any SHA.

SHC

The SHC is a committee of Cabinet and the statutory governance framework (such as committee reports, open meetings and forward planning) apply to the SHC. The SHC has been delegated by Cabinet the ability to make the decisions set out in the SHC Terms of Reference and the SHA.

The most relevant being the appointment and removal of directors, monitoring performance and the approval of the business plan (including budget). Cabinet may also delegate further shareholder functions to the SHC.

The matters reserved for shareholder approval (by the SHC) are set out in Part A of Schedule 1 of the SHA attached here as Appendix 1.

Any decision required of SHC needs to be made in accordance with the statutory governance framework and be taken in accordance with arrangements agreed with other shareholders (in respect to jointly owned companies).

Directors

The Council has the right to appoint directors to Hoople and has made the decision to appoint senior officers to the boards. As statutory Directors of Hoople, they have authority under the Hoople's Articles of Association to make decisions.

The Directors have statutory duties to Hoople under the Companies Act 2006 under [general duties](#). These are duties to Hoople rather than to the Council as customer or as individual shareholder. However, the duties include 'to act...to promote the success of the company for the benefit of its members as a whole..'. In the circumstances where the shareholders are limited in number and are in agreement, then generally the interests of the Hoople and the Council will align.

Directors appointed by the Council shall not be remunerated other than by a decision of SHC. The Council shall provide the standard officer indemnity to each Director appointed by the Council.

Decisions that must be made by the Board of Directors are recorded in Schedule 1 Part B and Appendix 2.

The main duties of the Directors are set out in Schedule 2 of the SHA and are repeated in Appendix 3.

Operational Decisions

All operational decisions are vested in the Directors of Hoople and employees to facilitate delivery of services to the Council. These are governed by Companies Act 2006, any contract for services between the Council and Hoople and the terms of the SHA.

Version: 1.0

Approved by Shareholder Committee: Resolution dated []

Appendix 1 – SHC Decisions

SCHEDULE 1

Part A. RESERVED MATTERS FOR SHAREHOLDER APPROVAL

| | Matter | Matter Reserved for Ordinary Shareholder Approval and Consent Threshold |
|-----|--|--|
| 1. | BUSINESS PLAN | |
| 1.1 | The approval, adoption annual renewal of the Business Plan. | QMV so long as the new/amended Business Plan could not reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 1.2 | Approval of any material in-year variations of the Business Plan | QMV so long as the new/amended Business Plan could not reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 2. | SHAREHOLDERS' AGREEMENT | |
| 2.1 | Adopting the first Shareholder Agreement. | Unanimous Consent. |
| 2.2 | Approving any material change to the Shareholder Agreement. | Unanimous Consent. |
| 3. | DELEGATION OF AUTHORITY | |
| 3.1 | Determining the authority delegated to the Directors | Unanimous Consent. |
| 4. | APPOINTMENT AND REMOVAL OF DIRECTORS | |
| 4.1 | Appointment of A, B and C Directors. | Class of shareholder appointing relevant class director. |
| 4.2 | Removal of A, B and C Directors. | Class of shareholder appointing relevant class director. |

| | | |
|-----|---|--------------------|
| 4.3 | Approving the list of possible Alternate Directors. | None. |
| 5. | VARIATIONS TO THE ARTICLES OF ASSOCIATION | |
| 5.1 | Any variations to the Company's Articles. | Unanimous Consent. |
| 6. | SENIOR OFFICER RECRUITMENT | |
| 6.1 | The approval of the recruitment of the Chief Operating Officer including the terms and conditions of employment and remuneration. | QMV. |
| 6.2 | The approval of the recruitment of the Chief Executive including the terms and conditions of employment and remuneration. | QMV. |
| 6.3 | The approval of the recruitment of the Chief Finance Officer including the terms and conditions of employment and remuneration. | QMV. |
| 6.4 | The approval of the recruitment of any other Executive Director including the terms and conditions of employment and remuneration. | QMV. |
| 6.5 | The increase of the overall remuneration (including benefits) of the Chief Operating Officer, the Chief Executive, the Chief Finance Officer or any other Executive Director beyond | QMV. |

| | | |
|------|--|--|
| | 3% in any year. | |
| 7. | SENIOR OFFICER DISMISSAL | |
| 7.1 | Approval of the dismissal of any of the Chief Operating Officer, Chief Executive, Chief Finance Officer or any other Executive Director. | QMV. |
| 8. | EMPLOYEE RECRUITMENT AND REMUNERATION | |
| 8.1 | Approval of Company pay framework and job evaluation scheme and recruitment of employees. | None. |
| 9. | NEW SHAREHOLDERS | |
| 9.1 | The admission to the Company of any new shareholders. | QMV, save where to do so could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 10. | SHARES | |
| 10.1 | The acquisition of any shares or any option over shares in the capital of any company. | QMV, save where to do so could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 10.2 | The creation, allotment, issuing or redemption of any shares or securities, or the granting of any right to require the creation, allotment, issuing or redemption of any such shares or securities. | QMV, save where to do so could: <ul style="list-style-type: none"> (i) reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent; or (ii) where any such change would directly or indirectly and adversely affect the rights of a particular class of Shareholder, in which case the approval of that Class of Shareholder would be required. |
| 10.3 | Increasing, reducing or cancelling the authorised or issued share capital. | QMV, save where to do so could: |

| | | |
|------|--|--|
| | | <ul style="list-style-type: none"> (i) reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent; or (ii) where any such change would directly or indirectly and adversely affect the rights of a particular class of Shareholder, in which case the approval of that Class of Shareholder would be required. |
| 10.4 | Approving the transfer of any shares. | QMV, save where to do so could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 11. | ISSUING OR ACCEPTING OF BORROWING / LOAN CAPITAL | |
| 11.1 | Entering into any borrowing, the issuing of any loan capital or entering into any commitments with any person regarding the issue of any loan capital outside of the approved Business Plan. | QMV |
| 11.2 | Agreeing, as part of the approved Business Plan, the extent of any permitted borrowing delegated for Board approval, and the terms on which that borrowing can be entered into. | QMV |
| 12. | NATURE OF COMPANY BUSINESS | |
| 12.1 | Any material changes to the nature of the Company's business, or commencing any new business not contemplated by the approved Business Plan. | QMV, save where the proposed variation could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 13. | ACQUISITIONS OR DISPOSALS | |
| 13.1 | The acquisition of any freehold or | QMV, save where the proposed variation could reasonably be considered to result in the |

| | | |
|------|---|--|
| | leasehold land or building or the entering into of any option in respect of any land or building either (a) where this is not contemplated by the approved Business Plan or (b) where aggregate value exceeds £1,000,000. | Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 13.2 | The acquisitions, assimilation or transfer of assets of the Company by or to the Company either (a) where this is not contemplated by the approved Business Plan or (b) where aggregate value exceeds £500,000. | QMV, save where the proposed variation could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 13.3 | Selling the whole or any part of the business | QMV, save where the proposed sale could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 14. | COMPANY / GROUP STRUCTURE | |
| 14.1 | Forming any subsidiary or acquiring an interest in any other company or participating in any partnership or corporate joint venture. | QMV. |
| 14.2 | Amalgamating or merging with any other company or undertaking | QMV, save where to do so could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 15. | STOCK EXCHANGE LISTING | |
| 15.1 | The listing or trading of any shares or debt securities on any stock exchange or market. | Unanimous Consent. |
| 16. | MATTERS OUTSIDE OF THE ORDINARY COURSE OF BUSINESS | |

| | | |
|-------|---|--|
| 16.1. | Approval of any matter, contract or arrangement which is outside of the ordinary course of business or otherwise not on arm's length terms (other than contracts with connected persons which are approved pursuant to the next reserved matter). | QMV, save where the proposed matter, contract or arrangement could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 17. | CONNECTED PERSONS | |
| 17.1 | Approval of the entry into and the variation of contracts with connected person, including contracts and arrangements with the Shareholders. | Unanimous (with relevant connected shareholder excluded). |
| 18. | CONTRACTS AND ARRANGEMENTS | |
| 18.1 | Giving notice of termination of a material contract or arrangement, where the termination is likely to have a material adverse impact on the Company. | QMV, save where the proposed termination could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 18.2 | Appointment of agents, contractors or subcontractors or arms' length transactions. | QMV, save where the proposed appointment could reasonably be considered to result in the Company ceasing to meet the requirements of Regulation 12, in which case each Class is required to consent. |
| 19. | BUSINESS NAME AND LOCATION | |
| 19.1 | Changing the Company name, trading name, or registered office, or changing the location of any offices outside of the Company's registered office to a location outside of the geographical area served by any of its Shareholders. | Unanimous Consent. |

| | | |
|------|---|--|
| 20. | INTELLECTUAL PROPERTY | |
| 20.1 | The disposal, sale, assignment or granting of any rights in the Company's intellectual property outside of the normal course of business. | QMV. |
| 21. | ENCUMBRANCES | |
| 21.1 | Creating or granting any encumbrance over the whole or any part of the Company or its business, undertaking or assets, or over any shares in the Company other than liens arising in the normal course of business. | QMV. |
| 22. | REDUNDANCY | |
| 22.1 | Dismissal / redundancy of employees. | QMV where dismissing any individual employee in circumstances in which the Company will incur or agrees to bear redundancy or other costs (including actuarial costs) in excess of £100,000. |
| 23. | PENSION | |
| 23.1 | Establishing any new pension scheme, or granting any pension rights to any director, former director, or any members of any such person's family. | QMV. |
| 24. | CEASING TO TRADE & COMPANY WINDING UP | |
| 24.1 | Ceasing to carry on all or any part of the Business. | Unanimous Consent. |
| 24.2 | Passing any resolution for the winding up of the Company or presenting any petition for its administration (save for in | Unanimous Consent. |

| | | |
|------|--|--------------------|
| | insolvency). | |
| 25. | Making an application for the voluntary dissolution of the Company. | Unanimous Consent. |
| 26. | ACCOUNTING | |
| 26.1 | Deciding whether to change the Company's accounting period. | Unanimous Consent. |
| 26.2 | Adopting and changing accounting policies. | Unanimous Consent. |
| 27. | AUDIT | |
| 27.1 | Appointing or changing the auditors. | Unanimous Consent. |
| 28. | FINANCE | |
| 28.1 | Factoring book debts. | QMV. |
| 28.2 | Agreeing to borrow any funds beyond any amount envisaged by the Business Plan. | QMV. |
| 28.3 | Agreeing to make or making any loan or granting any credit (other than trade credit in the ordinary course of business). | QMV. |
| 28.4 | Agreeing to give or giving any guarantee or indemnity (other than in the ordinary course of business). | QMV. |
| 28.5 | Undertaking the procurement of any assets or services in excess of the relevant statutory threshold. | QMV. |
| 29. | LEGAL PROCEEDINGS | |

| | | |
|------|--|--|
| 29.1 | Instigating or settling legal proceedings (other than debt recovery proceedings in the ordinary course of business). | QMV (on the basis that where the litigation is against a Shareholder, consent of that Shareholder is not required because that Shareholder is conflicted out). |
|------|--|--|

Appendix 2 – Board of Directors Decisions

Part B.MATTERS DELEGATED FOR BOARD AND INDIVIDUAL APPROVAL

| Matters | Matters Delegated for Board Approval | Matters Delegated by the Board for Approval by individual Directors or another named employee or officer of the Company |
|---|--|--|
| 1. BUSINESS PLAN | Varying the timing, scale or programme of works or projects that are included in the Business Plan where the change in the budgeted revenue above £250,000 any one financial year. Non-material departures from the Business Plan | The Board shall be entitled to delegate decisions as detailed in the Business Plan and/or decisions which relate to commitments up to a value of £250,000 in any one financial year. |
| 2. SHAREHOLDER AGREEMENT | None. | None. |
| 3. DELEGATION OF AUTHORITY | | |
| 4. APPOINTMENT AND REMOVAL OF DIRECTORS | Appointment and removal of all Board advisers (to include terms and conditions of relationship). Approving the list of possible Alternate Directors. | None. |
| 5. VARIATIONS TO THE ARTICLES OF ASSOCIATION | None. | None. |
| 6. CHIEF OPERATING OFFICER | None. | None. |

| | | |
|---|---|---|
| RECRUITMENT | | |
| 7. CHIEF OPERATING OFFICER DISMISSAL | | None. |
| 8. EXECUTIVE DIRECTOR RECRUITMENT | Alterations to terms and conditions Performance related pay awards (which do not fall within the Shareholder Approval) | None. |
| 9. EXECUTIVE DIRECTOR DISMISSAL | | None. |
| 10. EMPLOYEE RECRUITMENT AND REMUNERATION | Approval of a pay framework and job evaluation scheme for the Company. Recruitment of employees and/or agreeing the remuneration of employees where the total remuneration for that position is greater than £60,000 and is within the approved pay framework. | Recruitment of employees and/or agreeing the remuneration of employees where the total remuneration for that position is no more than £60,000 and is within the approved pay framework. |
| 11. NEW SHAREHOLDERS | The prescribing the application process. | None. |
| 12. SHARES | None. | None. |
| 13. ISSUING OR ACCEPTING OF BORROWING / LOAN CAPITAL | Entering into any borrowing or issuing any loan capital where this is approved in the current Business Plan, to the extent and on the terms set out in the approved Business Plan | None. |
| 14. NATURE OF COMPANY BUSINESS | Any changes to the nature of the Company's business, or commencing any new business, but only where this is contemplated by the | None. |

| | | |
|---|--|--|
| | approved Business Plan. | |
| 15. ACQUISITIONS OR DISPOSALS | <p>The acquisition of any land or building or the entering in of any option in respect of any land or building specifically contemplated by the approved Business Plan.</p> <p>The acquisitions, assimilation or transfer of assets of the Company by or to the Company where this is specifically contemplated by the approved Business Plan.</p> | <p>None.</p> <p>None.</p> |
| 16. COMPANY / GROUP STRUCTURE | None. | None. |
| 17. STOCK EXCHANGE LISTING | None. | None. |
| 18. APPOINTMENT OF AGENTS OR SUBCONTRACTORS OR ARMS' LENGTH TRANSACTIONS | Appointment of contractors or subcontractors where this is in pursuance of the approved Business Plan. | Appointment of contractors or subcontractors in pursuance of the approved Business Plan up to a value of £100,000. |
| 19. PART SALE OF THE BUSINESS | None. | None. |
| 20. BUSINESS NAME AND LOCATION | Changing the location of any offices outside of the Company's registered office to another location within the District only | None. |
| 21. INTELLECTUAL PROPERTY | The granting of any rights (by licence or otherwise) in or over any intellectual property owned or used by the Company in the normal course of business. | Where necessary to effect decisions delegated as above up to £100,000. |
| 22. ENCUMBRANCES | None. | None. |

| | | |
|-------------------------------|--|---|
| 23. REDUNDANCY | Approving the Company's redundancy policy. Dismissing any employee in circumstances in which the Company will incur or agrees to bear redundancy or other costs (including actuarial costs) in excess of £75,000. | Dismissing any employee in circumstances in which the Company will incur or agrees to bear redundancy or other costs (including actuarial costs) no greater than £75,000. |
| 24. PENSION | Establishing any new pension scheme, or amending any pension scheme, provided by the Company to employees. | None. |
| 25. COMPANY WINDING UP | None. | None. |
| 26. ACCOUNTING | None | None |

Appendix 3 – Director Decisions

SCHEDULE 2 BOARD AND OFFICER RESPONSIBILITIES

1. THE BOARD OF DIRECTORS

The Board of Directors has responsibility for:

- 1.1 Approving the appointment of the Chair and Vice-Chair of the Board (if required).
- 1.2 Requiring and receiving the declaration of Board Members' interests which may conflict with those of the shareholders' business and/or the company, ensuring that such interests are also declared at meetings of shareholders.
- 1.3 Approving the company's policy framework and monitoring implementation of those policies when necessary approving the strategic business plan and monitoring its delivery.
- 1.4 Approving the annual budget. The budget will identify the main categories of income and expenditure, and the expected level of profit before tax.
- 1.5 Approving the capital budget, if one is required.
- 1.6 Deciding whether the company should incur expenditure outside the annual business plan (above £250,000).
- 1.7 Approval of any variations to budget exceeding £50,000.
- 1.8 Monitoring the integrity of the financial statements of the company.
- 1.9 Approving any acquisition or disposal of an interest in property. A property interest is defined as any ownership or agreement in land and property (including freehold, leasehold, tenancy or licence to occupy).
- 1.10 Deciding whether the Company should take out any borrowings, except for normal trade credit in the ordinary course of business, except as contemplated in the annual business plan.
- 1.11 Deciding whether the Company should acquire or dispose of any patent, trademark, registered design or the know-how or any intellectual property rights whether absolutely or by way of licence except by way of arm's length commercial licences in accordance with the company's annual business plan.
- 1.12 Approving the external auditor appointment, terms of engagement, independence, and the annual fee.

- 1.13 Approving the Statement of Accounts, ensuring external auditor findings are addressed and agree any changes to accounting policies and standards.
- 1.14 Approving the appointment of the Company's Legal Advisors.
- 1.15 Approving the appointment and terms of appointment of the Executive Management Team.
- 1.16 Approving significant changes to the Company's banking arrangements, including changing the Company's bankers, changing and/or increasing the Company's borrowing facilities, the creation of new bank accounts and the introduction of any new payment processes.
- 1.17 Approving the submission of tenders for the supply of services to potential customers where the value of such a contract is expected to exceed £250,000 annually.
- 1.18 Approving the Company's grading structure and any subsequent changes to it.
- 1.19 Approving the creation of any committees and determining the composition and terms of reference for those committees.
- 1.20 Assigning responsibility for specific 'business areas' to individual Directors.
- 1.21 Determining the powers and responsibilities to delegate to the Chair or any other member of the Board, and/or the Executive Management Team.
- 1.22 Taking responsibility for the sustainability and carbon management agenda.
- 1.23 Ensuring a satisfactory strategic risk register and disaster recovery/business continuity plan are in place and monitored.
- 1.24 Taking decisions on any other matters presented to them if requested by Chair or Chief Operating Officer.
- 1.25 Approve the appointment of staff, both temporary and permanent, in excess of 12 months' duration that cannot be met from approved budgets.
- 1.26 The appointment of senior employees and/or agreeing the remuneration of employees where the total remuneration for that position is greater than £60,000 and is within the approved pay framework.
- 1.27 The dismissal of any senior employee from service or where the exit cost incurred by the Company is over £75,000 subject to the provisions of the law and their service contract.

- 1.28 Approve the appointment and termination of a Company Secretary, and amendments to their roles and responsibilities.
- 1.29 Authorise exemptions to the Company's Contract Procedure Rules over the Statutory Threshold. Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the shareholders with regard to any changes and appointments of any director to executive or other office.
- 1.30 Keep under review the leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- 1.31 Keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates.
- 1.32 Determine the framework or broad policy for the remuneration of the company's chair, Chief Operating Officer, the executive directors, the Company Secretary and such other members of the management as it is designated to consider. No director or manager shall be involved in any decisions as to their own remuneration.
- 1.33 When setting remuneration policy for Directors, review and have regard to the remuneration trends across the company.
- 1.34 Approve the design and targets for any performance related pay scheme operated by the Company and approve the total annual payments made under the scheme.
- 1.35 The Board should, at least annually, meet the external auditors, without management, to discuss matters relating to its remit and any issues arising from the audit.

Document is Restricted

Document is Restricted

Document is Restricted

Document is Restricted

Document is Restricted

Document is Restricted

