

Cabinet

26 July 2022

Establishment of a Shareholder Committee for Care Dorset

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s):

Executive Director: J Mair, Corporate Director, Legal & Democratic

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Report Status: Public

Brief Summary:

To establish an Executive Committee to carry out the Council's shareholder function for Care Dorset Holding Limited and to agree the terms of reference for the committee.

Recommendation:

1. That an Executive Committee be established, to be known as 'The Shareholder Committee for Care Dorset Holdings Limited'.
2. That 5 members of the Executive be appointed to the Shareholder Committee.
3. That the Terms of Reference for the Shareholder Committee be approved.
4. That delegated authority be given to the Shareholder Committee within the scope of its terms of reference, including strategic oversight and Reserved Matter decisions.

Reason for Recommendation:

To establish formal governance arrangements for the performance of the Council's shareholder function for Care Dorset Holdings Limited.

1. Report

- 1.1 At its meeting on 8 November 2021, Cabinet approved formation of a company, limited by shares and wholly owned by the Council.
- 1.2 A Care Dorset group structure has been established. Care Dorset Ltd was incorporated on 26 January 2022. This company is now the subsidiary of a parent company Care Dorset Holdings Limited (Company), which was incorporated on 1 July 2022. Dorset Council hold shares and is the sole shareholder of Care Dorset Holding Limited. Care Dorset Holding Limited hold shares in and is the sole shareholder of the subsidiary Care Dorset Ltd.
- 1.3 The purpose of the Company group is to provide social care across residential and non-residential settings for elderly and vulnerable adults in the area of Dorset.
- 1.4 The report to Cabinet on 8 November 2021 referred to the governance model for the company and the need for a shareholder group to be established for the Council's shareholder function; to oversee the strategic relationship between the Council and the Company and decision-making.
- 1.5 The Council is the shareholder of the Company. Shareholding is an Executive function of the Council and so it is recommended that Cabinet establish an executive committee (in accordance with Article 6.7 of the Constitution) of 5 elected Members of Cabinet, to perform its shareholder function; the committee to be known as 'The Shareholder Committee for Care Dorset Holdings Limited' (Committee).
- 1.6 The Committee will function in the same manner as the Cabinet, including following the Executive Procedure Rules. For example, the Forward Plan, meeting agendas and reports will be published in advance, with the usual provisions for both members of the public and Members to submit questions. The normal rules on overview and scrutiny will apply to the business of this Shareholder Committee and regular updates will be provided to those committees.

- 1.7 The Committee should have delegated authority from the Cabinet within the scope of its terms of reference including strategic oversight and Reserved Matter decisions.
- 1.8 Each Member of the Committee should also have delegated authority to perform the role of Designated Elected Member (in accordance with the Shareholder Agreement) to discuss with the Company, matters relating to the business or operations of the Company.
- 1.9 The draft Proposed terms of reference including the Reserved Matters are attached at Appendix 1.
- 1.10 Reserved Matters are decisions which would otherwise be for the Company Board of Directors, but which the Shareholder Agreement has reserved to the Council for prior consent.
- 1.11 The Committee will be advised by the Council's Chief Executive Officer, Executive Director People – Adult, Monitoring Officer and s151 Officer with additional officers invited to attend as required.
- 1.12 The Chair of the Board of Directors of the Company will report to the Committee at each meeting, unless specifically asked not to attend.
- 1.13 The Committee shall meet at least quarterly to consider and review the matters identified in the terms of reference and, where necessary, additional special meetings can be called.

2. **Financial Implications**

The financial implications of establishing the Company were considered in detail and addressed by the Cabinet at its meeting on 8 November 2021.

3. **Climate Implications**

N/a

4. **Well-being and Health Implications**

N/a

5. **Other Implications**

N/a

6. **Risk Assessment**

6.1 **HAVING CONSIDERED:** the risks associated with this decision; the level of risk has been identified as:

Current Risk: low

Residual Risk: low

7. **Equalities Impact Assessment**

N/a

8. **Appendices**

Appendix 1 Draft Committee terms of reference

9. **Background Papers**

8 November 2021 exempt Cabinet report

1 March 2022 exempt Cabinet report