

Bath & North East Somerset Council		
DECISION MAKER:	Cllr Dine Romero, Leader	
DECISION DATE:	On or after 20 July 2019 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3148
TITLE:	Aequus Developments Limited 2019-20 Business Plan and Remuneration Report	
WARD:	All	
<p style="color: red; text-align: center;"><i>An Open Report containing exempt appendices</i></p>		
<p><b>List of attachments to this report:</b></p> <p><b>Appendix 1 Report to Shareholder Group dated XXXXX 2019</b></p> <p><b>Appendix 2 Recommendations of the Shareholder Group</b></p> <p><b>Exempt Appendix 3 Business Plan</b>(Exempt by virtue of Para 3 SCHEDULE 12A Local Government Act 1972 - information relating to the financial or business affairs of any particular person)</p> <p><b>Exempt Appendix 4 Annex 2,3 &amp; 4 of the Remuneration Policy</b> (Exempt by virtue of Para 3 SCHEDULE 12A Local Government Act 1972 - information relating to the financial or business affairs of any particular person)</p>		

## 1 THE ISSUE

- 1.1 Report seeking shareholder approval to the Aequus Business Plan for 2019-22 and to the Aequus Remuneration policy.

## 2 RECOMMENDATION

The Leader as single member and sole shareholder of ADL is asked to;

- 2.1 Consider the recommendation of the Shareholder Group and as sole shareholder of ADL agree to :

2.1.1 Approve the Aequus Business Plan for 2019-20

2.1.2 Approve the Aequus Remuneration Policy proposed by the Aequus Board

### **3 THE REPORT**

- 3.1 The proposal to set up a local authority wholly owned company to develop, deliver, own and manage property as well as new development on a case by case basis, was approved by the Cabinet on the 2 December 2015.
- 3.2 ADL has had seconded to it members of Council staff pending its formation and initial development. As the company has evolved it is now at a stage where to continue its progress it needs to directly employ staff at remuneration rates and on terms and conditions which the Shareholder must approve.
- 3.3 The Shareholder Group have considered the confidential information supplied to it in respect of the Aequus Business Plan for 2019-22 and the proposed remuneration rates for staff. The Shareholder Group have recommended to the Leader that shareholder approval be provided to the board of ADL in respect of the Business Plan and Remuneration Policy.

### **4 STATUTORY CONSIDERATIONS**

- 4.1 ADL is subject to a Shareholder Agreement with the Council which requires Council approval, as shareholder, to enable the company to take various prescribed steps one of which is the direct employment of staff. On the 19 October 2018 the Shareholder approved the direct appointment of staff subject to a further decision on the remuneration and terms and conditions of such staff and officers. The Remuneration Policy if approved will permit direct employment of staff and officers at the rates and subject to the terms and conditions set out in the Remuneration Policy.
- 4.2 The Council's Protocol for the Governance of Council companies approved by Council in September 2017 appointed the leader as sole shareholder on behalf of the Council supported by advice from the Shareholder Group. The Shareholder group received a report on the 8 July 2019 detailing the Aequus Business Plan for 2019-22 and the Remuneration policy recommended by the Board of Aequus to the Shareholder. The report (Appendix 1) contains commercially confidential information of ADL, a separate legal entity. Parts of the report namely the Business Plan (Appendix 3) and annexes 2, 3 & 4 of the Remuneration Policy) have been extracted from Schedule 1 and from (Appendix 4) to this report because they have been supplied to the Council pursuant to a duty of confidentiality.
- 4.3 The Shareholder Group have made recommendations to the leader, as shareholder, which the leader is now requested to determine.
- 4.4 Shareholder decisions are not subject to call in by virtue of Rule 1 of Part 4 D of the Council's Constitution.

### **5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 5.1 There are no financial implications arising directly from this report. The report seeks shareholder approval of the Business Plan for 2019-22. The Council has set ADL financial return targets for 2019/20 and subsequent years and the Business Plan details how the company intend to achieve these.
- 5.2 The Remuneration Policy will apply in respect of officers and staff directly employed by ADL which has no direct financial impact on the Council.

## 6 RISK MANAGEMENT

- 6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

## 7 CLIMATE CHANGE

- 7.1 The decisions taken by the leader as shareholder do not directly affect the environment but the aims and objectives of ADL support the aims and objectives of the Council as shareholder and ADL seek to offer homes that are environmentally friendly and sustainable. ACL objectives support the Council's ambition to help create an ongoing supply of modern energy efficient and sustainable homes.

## 8 OTHER OPTIONS CONSIDERED

- 8.1 To refuse shareholder consent to the request which would limit the ability of ADL to operate and compete in the marketplace

## 9 CONSULTATION

- 9.1 Consultation has taken place with the Shareholder Group, the Chief Executive, S151 Officer and the Monitoring officer and with the group leaders.

<b>Contact person</b>	<i>Michael Hewitt</i> e-mail: <a href="mailto:Michael_Hewitt@bathnes.gov.uk">Michael_Hewitt@bathnes.gov.uk</a> tel extn: 5125
<b>Background papers</b>	<i>None</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	