

SHAREHOLDER BOARD

Wednesday, 1 September 2021

Present: Councillor J Williamson (Chair)

Councillors Y Nolan

Deputies Councillors H Cameron (In place of J Green)

1 WELCOME AND INTRODUCTION

The Chair welcomed everyone to the meeting of Shareholder Board.

2 APOLOGIES

Apologies had been received from Councillor Jeff Green. Councillor Helen Cameron deputised.

3 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare any disclosable pecuniary interests and any other relevant interest and to state the nature of the interest.

No such declarations were made.

4 PUBLIC AND MEMBER QUESTIONS

There were no questions, statements or petitions from the public or Members.

5 APPLICATION FOR TRANSITION FUNDING

Shaer Halewood, Director of Resources, Introduced a report on the Application for Transition Funding for Wirral Evolutions Limited. The report set out the request from Wirral Evolutions Limited to apply for transition funding of £230,707 across financial years 2021/22 and 2022/23. The funding was required to cover the costs relating to:

A. Transitional impact of the changes to locations already implemented, and the cost of transitional pay during 2022/23.

B. Change in rent costs due to locations remaining open, RPI increase on rent and service charge.

C. Forecasted loss of income due to covid-19 and other associated costs.

Members expressed their disappointment that the savings that were set out for Wirral Evolutions were not achieved, and that there was now an additional request of the Council to help them achieve those savings.

On a motion by Councillor Yvonne Nolan, seconded by the Chair, it was -

Resolved – That, the Shareholder Board

- (1) notes the total value of the request over the two financial years 2021/22 and 2022/23**
- (2) recognises that the decision in respect to the request for a variation to the current contract price and increase to the spend for the Adult Social Care and Public Health is a decision of the Adult Social Care and Public Health Committee**
- (3) notes that the approval of the funding will support the ability of Wirral Evolutions Limited to work within the current contract price.**

6 APPLICATION FOR DEFERRAL OR TRADED SERVICE AND PENSION STRAIN COSTS PAYMENTS

Shaer Halewood, Director of Resources, Introduced the report on the Application for Deferral of Traded Service and Pension Strain Costs Payments. The report set out the request from Wirral Evolutions Limited to apply for a deferral of the payment for pensions strain costs and the costs of support services bought from Wirral Council relating to 2021/22.

It was expected that Wirral Evolutions Limited would present a negative cash flow statement by November 2021 should the Local Authority request payment of the outstanding invoice for pension strain and buy back services. By November 2021 Wirral Evolutions would not meet its reserve position. Delays in payment, or further increased costs would compromise the company's ability to meet monthly payments to staff and this would affect the company's going concern status.

It was noted that some figures were not included in the report. The Director of Resources explained that the cost of the buyback for services from the Council for Wirral Evolutions Limited was just over £550,000 per annum, and the annual charge of the pension strain costs was just over £330,000.

Members asked the Director of Resources about the impact that these recommendations could have on the Council finances. It was stated that it was not a risk in the short-term but that there was some level of risk if the payments were not made in future. Wirral Evolutions was expected to be in a better financial position within the next 5 years and would be able to pay these costs in future.

On a motion by the Chair and seconded by Councillor Yvonne Nolan, it was –

Resolved – That, the Shareholder Board

- (1) notes the request to defer payment of the pension strain costs and the cost of support services bought from Wirral Council relating to 2020/21**
- (2) recognises the decision in respect to the deferred payment is a decision for the Adult Social Care and Public Health Committee**
- (3) notes that the request to defer payment will support the cashflow of Wirral Evolutions Limited.**

7 PRESENTATION OF DRAFT ANNUAL PLAN FOR 2021/22 FOR APPROVAL

Vicki Shaw, Head of Legal Services, introduced a report which provided a draft annual report for 2021/22 from Wirral Evolutions Limited, to be approved by Members of the Shareholder Board and sought approval to waive the requirement under the Shareholder Agreement for Wirral Evolutions to deliver a final Annual Business Plan for the year 2020/21.

Jean Stephens, Managing Director of Wirral Evolutions Limited, presented the draft Annual Business Plan for 2021/22.

On a motion by the Chair and seconded by Councillor Helen Cameron, it was –

Resolved – That,

- (1) the Shareholder Board agrees to waive the obligation of Wirral Evolutions under the Shareholders Agreement to submit a final Annual Business Plan for 2020/21; and**

- (2) **the Annual Business Plan 2021/22 presented by Wirral Evolutions complying with the requirements of the Shareholder Agreement be approved.**

8 **PRESENTATION OF ANNUAL REPORT**

Vicki Shaw, Head of Legal Services, introduced the report which presented the Annual Report for 2020/21 for Wirral Evolutions Limited, as required by the Shareholder Agreement. The report set out the performance of Wirral Evolutions assessed against its Annual Business Plan for the previous financial year. The report noted that as a consequence of the uncertainties and pressures of the Covid-19 pandemic no annual Business Plan for the Company for 2020/21 was formally produced for approval.

Jean Stephens, Managing Director of Wirral Evolutions Limited, presented the Annual Report of 2020/21 to Members. It was noted that Wirral Evolutions normally conducts a yearly satisfaction survey with its stakeholders but that for the previous financial year they had only managed to do a workforce survey due to the Covid-19 pandemic. During a normal year all stakeholders including parent-carers, volunteers and the people the company supports are surveyed. Results for these surveys are reported through a quarterly balanced score card to their Board.

Councillor Helen Cameron asked for a copy of these balanced score cards and Jean Stephens agreed to provide an example.

On a motion by the Chair and seconded by Councillor Yvonne Nolan, it was –

Resolved – That the Annual report for 2020/21 presented by Wirral Evolutions Limited in compliance with the requirements of the Shareholder Agreement be noted.

9 **WIRRAL EVOLUTIONS - NON-EXECUTIVE DIRECTORS' SALARY AND SERVICE COMMITMENT REVIEW**

Tony Williams, Assistant Director of Human Resources and Organisational Development, introduced the report which detailed Wirral Evolutions Limited's request for consent to increase the remuneration of a non-executive director and increase the remuneration and number of contracted remunerated days of the Non-Executive Chair of the board.

Mike Naden, Non-Executive Chair of Wirral Evolutions Limited, left the room for this item.

Members noted that the timing of this request was poor considering Wirral Evolutions was asking for additional funding to help them meet their savings targets.

On a motion by the Chair and seconded by Councillor Yvonne Nolan, it was –

Resolved – That Shareholder Board,

- (1) Declines the request for remuneration increases for the Non-Executive Director and the Non-Executive Chair of Wirral Evolutions Limited; and**
- (2) Declines the request for an increase in contracted remunerated days for the Non-Executive Chair of Wirral Evolutions Limited.**

10 **WIRRAL EVOLUTIONS GOVERNANCE WORKSHOP AND REVIEW**

Vicki Shaw, Head of Legal Services, introduced the report which sought approval to hold a governance workshop with Wirral Evolutions Limited, conduct a comprehensive review of the governance of the company by the Council and present an options paper to a future meeting of Shareholder Board.

On a motion by the Chair and seconded by Councillor Yvonne Nolan, it was –

Resolved – That Shareholder Board,

- (1) Authorised the Director of Law and Governance to convene as soon as is reasonably practicable a governance workshop to be attended by the members of Shareholder Board, the Directors of Wirral Evolutions Limited and appropriate senior officers of the council including but not limited to the Director of Law and Governance, the Director of Adult Social Care and Public Health, Director of Resources. The purpose of the workshop is to identify and address areas of concern to the Council and Wirral Evolutions Limited regarding existing governance arrangements; and**
- (2) Requested the Director of Law and Governance, following the completion of the governance workshop session or sessions, to bring a report to the next available meeting of Shareholder Board summarising the outcome of the workshop session/s and presenting a review of the options available for the future governance of Wirral Evolutions Limited.**

11 ESENTIALS DIRECTOR APPOINTMENT

Vicki Shaw, Head of Legal Services, introduced the report which sought consent to appoint a new Director of Edsential CIC. The appointment of David McNaught to the position of Director was approved by Shareholder Board on 1st July 2021, however he had not been formally appointed as a director and registered as such at Companies House because he was taking a sabbatical break expected to last one year.

On a motion by the Chair and seconded by Councillor Yvonne Nolan, it was –

Resolved – That,

- (1) the Shareholder Board notes that David McNaught has not been appointed as a director of Edsential CIC and withdraws consent given on the 1st July 2021 for him to be so appointed;**
- (2) the appointment of Helen Elizabeth Brackenbury as a Director of Edsential CIC be approved; and**
- (3) the Director of Law and Governance be authorised to sign a written company resolution confirming appointment of Helen Elizabeth Brackenbury as a Director of Edsential CIC and request the company secretary of Edsential CIC to make the appropriate return to Companies House.**